City Council Meeting
Notice & Agenda

Tuesday, July 07, 2015
City Council Chamber
8401 West Monroe Street
Peoria, AZ 85345

Special Meeting & Study Session

5:00 P.M. Convene

Roll Call

Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

1. **C - Authorization to Hold an Executive Session**

   Discussion and possible action to authorize the holding of an Executive Session for the purpose of discussion and consultation with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property located in the vicinity of Happy Valley Parkway and 91st Avenue pursuant to A.R.S. § 38-431.03.A.7.

Adjournment

Mayor	Willow District	Acacia District	Ironwood District	Mesquite District	Palo Verde District	Pine District
Cathy Carlat	Jon Edwards, Vice Mayor	Vicki Hunt	Bill Patena	Bridget Binsbacher	Michael Finn	Carlo Leone

Executive Session

Convene immediately following Special City Council Meeting
Executive Room, City Council Chamber

Under the provisions of A.R.S. § 38-431.02 there will be a **CLOSED EXECUTIVE SESSION**.

Executive Session Agenda

2. An Executive Session for the purpose of discussion or consultation with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property located in the vicinity of Happy Valley Parkway and 91st Avenue pursuant to A.R.S. § 38-431.03.A.7.

Adjournment

The above-named Public Body of the City of Peoria, Arizona will convene into Executive Session pursuant to A.R.S. § 38-431.03 for those items listed on the agenda. Only those persons who are:

- Members of the Public Body, or
- Officers of the City that are required to attend, or
- Those individuals whose presence is reasonably necessary for the Public Body to carry out its Executive Session responsibilities as determined by the City Attorney may be present during the Executive Session.

All persons who remain present during the Executive Session are reminded that the business conducted in Executive Session, including all discussion taking place herein, is confidential and may not be disclosed to any person, except as permitted by law.

Arizona Open Meeting Act:

Arizona law requires that persons who are present in an executive session receive instruction regarding the confidentiality requirements of the Arizona Open Meetings Act. Minutes and discussions made during executive sessions are confidential and may not be disclosed to any party, except:

- Members of the council,
- Appointees or employees who were subject of discussion under the personnel item subsection of the Open Meetings Act,
- County Attorney or Attorney General pursuant to an investigation of a violation of the Open Meetings Act, and
- Arizona Auditor General in connection with an audit authorized by law.

Any person who violates or who knowingly aids, agrees to aid, or attempts to aid another person in violating the Arizona Open Meetings Law may be punished by fine of up to $500.00 per violation and/or by removal from public office.

Study Session Agenda

Convene immediately following Executive Session Meeting

Subject(s) for Discussion Only

3. Emergency Management Center Overview

Regular Meeting

7:00 P.M. Convene

Pledge of Allegiance
Roll Call
Final Call To Submit Speaker Request Forms

Presentation

4. Recognition of Diamond Club Captains Serving for 20 Seasons

5. Proclamation Recognizing the Heroism of Alyce Hope Jenkins

Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Consent

6. **C - Minutes**

Discussion and possible action to approve the May 19, 2015 City Council Meeting minutes.

7. **C - Appointments and Reappointments, Boards and Commissions**

Discussion and possible action to approve the recommendations from the Council Boards and Commissions Subcommittee pertaining to the following appointments and reappointments, and adopt the Resolutions as presented:

- Adopt **RES. 2015-72** appointing Franklin Schiller as a regular member to a term to expire in June 2019, to the Industrial Development Authority,
- Adopt **RES. 2015-73** appointing Richard Cobb as a regular member to a term to expire June 2019, to the Judicial Selection Advisory Board,
- Adopt **RES. 2015-74** appointing Michael Kwederis, as a regular member, to a partial term to expire June 2016, to the Personnel Board,
- Adopt **RES. 2015-75** appointing Gregory Jones as a regular member, to a partial term to expire in June 2018, to the Public Defender Contract Review Committee,
- Adopt **RES. 2015-76** appointing Gabrielle Acosta and Sam Owen as regular members, to terms to expire in June 2017; and reappointing Holden Jacobs as a regular member to a term to expire in June 2017, to the Youth Advisory Board.

8. **C - Intergovernmental Agreement, Arizona Department of Transportation, Safety Data Mart Connectivity**

Discussion and possible action to authorize the City Manager to execute the Data Access/Exchange Agreement with the Arizona Department of Transportation to establish a new term for Safety Data Mart connectivity.

9. **C - Contract, MGC Contractors, Inc., Butler Reclaimed System Expansion – Phase II**

Discussion and possible action to approve a contract not to exceed $1,167,273 with MGC Contractors, Inc. to construct the second phase of the Butler Reclaimed System Expansion project, as approved in the Fiscal Year 2016 Budget.

10. **C - Contract, R K Sanders, Inc., Deer Valley Road; 109th Avenue to Lake Pleasant Parkway Construction Project**

Discussion and possible action to: (a) approve a contract not to exceed $1,170,422 with R K Sanders, Inc. for the construction of the Deer Valley Road; 109th Avenue to Lake Pleasant Parkway project; and (b) approve a 20 percent project contingency to cover possible contract amendments related to unforeseen conditions or owner requested changes, as approved in the Fiscal Year 2016 Budget.

11. **C - Contract, Zenon Environmental Corporation, Butler Drive WRF Membrane Replacement Project**

Discussion and possible action to approve a contract with Zenon Environmental Corporation, for a fixed price of $2,998,800 to provide wastewater treatment membrane modules for the Butler Drive Water Reclamation Facility, as approved in the Fiscal Year 2016 Budget.

12. **C - Contract Renewal, Greater Phoenix Economic Council**

Discussion and possible action to: (a) authorize the City Manager to renew the service contract with the Greater Phoenix Economic Council for economic development activities in Fiscal Year 2016; and (b) approve the use of funds in the amount of $72,041 from the Half-Cent Fund City Participation Outside Programs account.

13. **C - Contract Extension, Emergency Transportation Services, Professional Medical Transport Incorporated**

Discussion and possible action to approve a six-month contract extension for Emergency Transportation Services with Professional Medical Transport Incorporated expiring February 18, 2016.

14. **C - Lease Agreement Amendment, Theater Works**

Discussion and possible action to approve the Third Amendment to the Improved Property Lease Agreement with Theater Works

15. **C - Settlement Agreement and Release, Adrian v. City of Peoria**

Discussion and possible action to approve a settlement agreement and release in regards to a pending litigation case, Adrian v. City of Peoria.

16. **C - Budget Amendment, Real Property Land Acquisition Litigation Costs**

Discussion and possible action to: (a) approve the one-time use of Transportation Sales Tax Fund reserves; and (b) approve a budget amendment in the amount of $50,000 from the Transportation Sales Tax Contingency Fund account to the Transportation Sales Tax Fund Land Acquisition account to cover litigation costs in connection with a real property acquisition and litigation regarding a roadway easement at 94th Avenue and Thunderbird Road.

17. **C - Notice of Intention, Water Rates**

Discussion and possible action to: (a) adopt a Notice of Intention to establish City water rates as part of the City's potential acquisition of the stock of the New River Water Company; and (b) establish August 26, 2015 as the date for a public hearing on the proposed rates.

18. **C - Annexation, Church of Joy, 75th Avenue and Loop 101**

Discussion and possible action to adopt **ORD. 2015-13** approving the annexation of two parcels of land totaling approximately 2.19 acres, located west of the southwest corner of the New River and Rose Garden Lane alignment and west of the southwest corner of the New River and Ross Avenue alignment. (ANX14-0001).

19. **C - De-Annexation, Church of Joy, 75th Avenue and Loop 101**

Discussion and possible action to adopt **ORD. 2015-14** approving the de-annexation of three parcels of land totaling approximately 6.49 acres, located east of the southeast corner of the New River and Beaubien Drive alignment and east of the southeast corner of the New River and Clara Lane alignment (ANX14-002).

20. **C - Right-of-Way Acquisition, 79th Avenue and Thunderbird Road**

Discussion and possible action to adopt **RES. 2015-77** authorizing the acquisition of right of way located on the southeast corner of 79th Avenue and Thunderbird Road.

21. **C - Deeds and Easements, Various Locations**

Discussion and possible action to adopt **RES. 2015-78** accepting Deeds and Easements for various Real Property interests acquired by the City.

22. **C - Master Final Plat, Trilogy West Phase 2, Vistancia Boulevard and Lone Mountain Road**

Discussion and possible action to approve the Master Final Plat of Trilogy West Phase 2, located at Vistancia Boulevard and Lone Mountain Road, subject to stipulations.

23. **C - Final Plat, Sunset Ranch II - Parcel J, 99th Avenue and Pinnacle Peak Road**

Discussion and possible action to approve the Final Plat of Sunset Ranch II - Parcel J, located at 99th Avenue and Pinnacle Peak Road, subject to stipulations.

24. **C - Replat, Plaza Del Rio Phase 3 Amended, Plaza Del Rio Boulevard and Pershing Avenue**

Discussion and possible action to approve the Replat of Plaza Del Rio Phase 3 Amended, located at Plaza Del Rio Boulevard and Pershing Avenue, subject to stipulations.

25. **C - Replat, Lots 40, 41, 42, and Tract G of Tierra Del Rio Parcel 20A, 99th Avenue and Jomax Road**

Discussion and possible action to approve the Replat of Lots 40, 41, 42, and Tract G of Tierra Del Rio Parcel 20A, located northwest of 99th Avenue and Jomax Road, subject to stipulations.

Regular Agenda

New Business

26. **R - PUBLIC HEARING - Liquor Licenses, Various Locations**

PUBLIC HEARING: RE: (a) A New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 8268 West Deer Valley Road, Avtar S. Gahlla, Applicant, LL#20012598; and (b) a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 7473 West Thunderbird Road, Gulshan S. Bajwa, Applicant, LL#20012665.

Staff Report:
Open Public Hearing:
Public Comment:
Close Public Hearing:

COUNCIL ACTION: Discussion and possible action to recommend approval to the State Liquor Board for: (a) A New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 8268 West Deer Valley Road, Avtar S. Gahlla, Applicant, LL#20012598; and (b) a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 7473 West Thunderbird Road, Gulshan S. Bajwa, Applicant, LL#20012665.

27. **R - Fiscal Year 2016 Property Tax Levy**

Discussion and possible action to adopt **RES. 2015-79** and **ORD. 2015-15** approving the City of Peoria, Arizona Primary and Secondary Property Tax Levies for Fiscal Year 2016 and declaring an emergency.

28. **R - Fiscal Year 2016 Street Light and Maintenance Improvement District Levies**

Discussion and possible action to adopt **ORD. 2015-16** and **ORD. 2015-17** approving the Street Light and Maintenance Improvement District Levies for Fiscal Year 2016 and declaring an emergency.

29. **R - Economic Development Activities Agreement, Huntington University**

Discussion and possible action to: (a) authorize the City Manager to approve an Economic Development Activities Agreement with Huntington University for the development of a university branch campus in Peoria; (b) approve the use of General Fund Reserves and; (c) approve a budget adjustment in the amount of $900,000 from the Half-Cent Sales Tax Fund contingency to the Half-Cent Sales Tax Fund Economic Development Programs account.

30. **R - Agreement, New River Utility Company**

Discussion and possible action to purchase the New River Utility Company for an amount equal to $10,000,000.

31. **R - Budget Amendment, Two New Full-Time Building Inspector I Positions**

Discussion and possible action to: (a) approve two new full-time Building Inspector I positions to help address the increasing demand for services in the area of residential construction; and (b) approve a budget amendment in the amount of $226,084 to fund these positions and their associated equipment.

Call To The Public (Non-Agenda Items)

If you wish to address the City Council, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The City Council is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

Reports from City Manager

32. **Council Calendar**

33. **Reports**

A. Mid-Decade Census Update
B. Healthy Arizona Worksite Award
C. Honorable John R. Sticht Excellence in Disabilities Accessibility Award
D. Regional Arizona Tactical Officers Association Negotiations Competition

Reports from City Council
Reports from the Mayor

Adjournment

Vistancia Community Facilities District Board Meeting

Convene immediately following Regular City Council Meeting

Roll Call
Final Call To Submit Speaker Request Forms

VCFD Consent Agenda

CONSENT AGENDA: All items listed on the Consent Agenda are considered to be routine or have been previously reviewed by the District Board, and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

34. **C - Minutes**

Discussion and possible action to approve the May 19, 2015 Special Meeting minutes.

VCFD Regular Agenda

35. **R - PUBLIC HEARING - 2015 Amended Feasibility Report**

PUBLIC HEARING: RE: Report of Feasibility and Benefits of Projects as Required By Section 48-715, Arizona Revised Statutes.

Staff Report:
Open Public Hearing:
Public Comment:
Close Public Hearing:

BOARD ACTION: No action required.

36. **R - Sale of Vistancia Community Facilities District General Obligation Refinancing Bonds, Series 2015**

Discussion and possible action to adopt **RES. VCFD 2015-03** approving an Amended and Restated Feasibility Report with respect to Feasibility Reports originally considered on November 19, 2002, March 22, 2005, and December 12, 2006, and resolving the intent with respect thereto; authorizing the sale and issuance of not to exceed $45,000,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2015; approving the form and authorizing the execution and delivery of all documents related to the issuance of the bonds; awarding the bonds to the purchaser thereof; delegating the determination of certain terms of the bonds and matters related thereto to the District Chief Financial Officer; ratifying the form and distribution of a Preliminary Official Statement relating to the bonds; authorizing the preparation and distribution of a Final Official Statement relating to the bonds; authorizing the subsequent levying of an Ad Valorem property tax with respect to the bonds; adopting post-issuance tax compliance and continuing disclosure compliance procedures in connection with issuance of obligations; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by the Resolution.

Call To The Public (Non-Agenda Items)

If you wish to address the Board, please complete a Speaker Request Form and return it to the clerk before the call to order for this meeting. The Board is not authorized by state law to discuss or take action on any issue raised by public comment until a later meeting.

Adjournment

NOTE: Documentation (if any) for items listed on the Agenda is available for public inspection, a minimum of 24 hours prior to the Council Meeting, at any time during regular business hours in the Office of the City Clerk, 8401 W. Monroe Street, Room 150, Peoria, AZ 85345.

Accommodations for Individuals with Disabilities. *Alternative format materials, sign language interpretation and assistive listening devices are available upon 72 hours advance notice through the Office of the City Clerk, 8401 West Monroe Street, Peoria, Arizona 85345 – Phone: (623) 773-7340 or FAX (623) 773-7304. To the extent possible, additional reasonable accommodations will be made available within the time constraints of the request. The City has a TDD line where accommodations may be requested at: (623) 773-7221.*

Public Notice

In addition to the City Council members noted above, one or more members of the City of Peoria Boards and Commissions may be present to observe the City Council meeting as noticed on this agenda.

City Council Meetings can be viewed live on Channel 11 (Cox Cable) and are available for viewing on demand at http://www.peoriaaz.gov/content2.aspx?id=2151.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 3

Date Prepared: June 22, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Bobby Ruiz, Fire Chief

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Emergency Operations Center Overview

Purpose:

Staff will provide a history and overview of the current Emergency Operations Center (EOC) procedures and the role of City Management, Mayor and City Council in the event of an emergency.

Background/Summary:

By City Code and Charter, the City of Peoria maintains a level of responsibility for public safety in the event of a catastrophic event. While daily events are routinely handled by city agencies such as the Police, Fire, and the Public Works departments, less common large scale incidents can quickly overwhelm the available resources to manage such incidents. Recent examples in Peoria include severe weather events, a fire at a local APS substation on a hot July holiday, local and regional flooding due to higher than normal rainfall and a total shut down of a local private water company.

Prior to the mid 70's communities were left on their own to manage major incidents, usually with very limited success. In 1979, the federal government formed the Federal Emergency Management Agency (FEMA) which attempted to unify a highly fragmented approach to managing disasters at the federal level.

Today, Federal, State, County, and private organizations exist to assist communities in responding to these types of disasters. However, mobilization of these resources take time (72+ hours for FEMA Disaster Response Teams to begin to arrive), and disasters often effect multiple communities that must compete for available resources (such as a tornado event). Communities must have in place a solid, workable, and tested plan to manage disasters, coordinate resource deployment, track funding, and begin the recovery process – especially in the first few days of an incident.

In the late 90's FEMA also began to promote the concept of "community resilience", which can be defined as a community is able to withstand an extreme natural or unnatural event without suffering devastating losses, damage, diminished productivity, or quality of life, and without large amounts of assistance from outside the community. In short – it is identifying hazards and mitigating them before they happen.

In April of 2015 the City of Peoria adopted the current Emergency Operations Plan. A Hazard Mitigation plan is in the final stages of development. These plans, coupled with a pandemic plan, a continuity of government plan, a flood plan, a wildfire community protection plan, and a recovery plan provide an overall emergency planning and response strategy for the city in an emergency.

But in an emergency, the acquisition and deployment of resources, accountability of personnel and equipment, and planning for incident escalation and recovery must be carefully managed in a controlled and coordinated effort to be successful.

While most disasters are managed "in the field" by highly qualified and experienced incident management teams, local emergency operation centers are key to providing operating personnel with the tools, equipment, and manpower to get their jobs done.

The City of Peoria has an Emergency Operations Center in place to support catastrophic emergencies at any time they may occur. As is the case any large scale effort, teamwork is the key to success. Everyone must know their duties or the entire effort fails. Especially due to the interaction with county, state, and federal agencies, some specific procedures are required in a large scale emergency at all political levels of government.

It is the intent in this session to briefly review the history of emergency response, EOC operations, and the requirements and duties of our City Management, Mayor and City Council.

Previous Actions:

The current Emergency Operations Plan, which works in conjunction with EOC operations, was adopted by City Council on April 7, 2015.

Contact Name and Number:
Bobby Ruiz, Fire Chief – 623-773-7380

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 4

Date Prepared: May 26, 2015 **Council Meeting Date: July 7, 2015**

TO: **Peoria City Council**

FROM: **Mayor Cathy Carlat**

SUBJECT: **Recognition of Diamond Club Volunteers for 20 seasons of service**

Purpose:

To recognize volunteers Rex Bowen, Con Gallagher, and Sis Harris for serving as Diamond Club Captains for the past 20 seasons.

Background/Summary:

The Peoria Diamond Club is a non-profit organization whose volunteers participate in the daily operations of Peoria Sports Complex during the spring training season. Rex, Con, and Sis began their volunteer service 20 seasons ago, only one year after the Sports Complex opened its doors.

Previous Actions:

This is for presentation purposes only

Options:

This is for presentation purposes only

Staff's Recommendation:
This is for presentation purposes only

Fiscal Analysis:

This is for presentation purposes only

Contact Name and Number: Corina Russo, (623) 773-7572

Agenda Item: 5

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 30, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

FROM: Bo Larsen, Office of Communications

SUBJECT: **Proclamation Declaring Recognition of Alyce Hope Jenkins True Heroism Day**

Purpose:

Present a proclamation declaring July 7, 2015 as Recognition of Alyce Hope Jenkins True Heroism Day.

Background/Summary:

On October 16, 2013, around 9:20 p.m., Alyce Hope Jenkins heard an explosion and went out to her front yard to investigate. Seeing a home across the street engulfed in flames, her nursing experience kicked in and she told her husband to call 9-1-1, before running in bare feet to help.

Alyce arrived on scene to witness Beau Zimbro carrying Tiara del Rio out of the house, while she was still on fire. He laid Tiara down in the front yard, which effectively put out the flames, but they were still too close to the fire, so Alyce moved them further away, eventually getting the couple to the corner of the intersection, a house away. She kept them talking and as calm as possible.

As more people arrived to help, Alyce stayed with Tiara, while Beau was moved and prepared for life-flight. Due to her training, Alyce understood what was needed medically and mentally, consistently talking to Tiara to keep her calm, up until the time Tiara was also life-flighted to the hospital.

Though Alyce sustained injuries to both knees while she knelt on the ground to help, eventually requiring surgery on one to remove an impalement, her main focus and concern has always been the health and recovery of Beau Zimbro and Tiara del Rio.

Exhibits: Proclamation Declaring Recognition of Alyce Hope Jenkins True Heroism Day

Contact Name and Number: Bo Larsen, 623-773-7934

Proclamation

WHEREAS, *The Office of the Mayor recognizes the heroism of Alyce Hope Jenkins, and*

WHEREAS*, the City of Peoria, Arizona is recognizing Peoria resident Alyce Hope Jenkins for her unselfish heroism in assisting two severely injured citizens; and*

WHEREAS*, On October 16, 2013, Alyce heard an explosion and witnessed the home across the street engulfed in flames; immediately Alyce instructed her husband to call 911 as she selflessly ran to the scene to assist; and*

WHEREAS*, Alyce arrived on scene to see an individual carrying a victim who was on fire out of the burning house. Alyce moved the individuals away from the fire and kept them as calm as possible, using her extensive nursing skills and knowledge; and*

WHEREAS*, Alyce understood what was needed to assist the individuals both medically and emotionally, consistently talking to the victim to keep her calm, and stayed with her until the time the victim was life-flighted to the hospital; and*

WHEREAS*, even though Alyce sustained injuries to both knees while she knelt on the ground to help, eventually requiring surgery on one to remove an impalement, her main focus and concern was always the health and recovery of her two neighbors.*

NOW, THEREFORE*, I, Cathy Carlat, Mayor of the City of Peoria, Arizona, do hereby proclaim July 7, 2015 as*

"Recognition of Alyce Hope Jenkins True Heroism Day"

_____

Cathy Carlat, Mayor

Attest:

_____

Rhonda Geriminsky, City Clerk

MINUTES OF THE PEORIA CITY COUNCIL
CITY OF PEORIA, ARIZONA
CITY COUNCIL CHAMBER
May 19, 2015

A **Special Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 5:00 p.m.

Members Present: Mayor Cathy Carlat; Vice Mayor Jon Edwards; Councilmembers Bridget Binsbacher, Michael Finn, Vicki Hunt, Carlo Leone and Bill Patena.

Members Absent: Council Youth Liaisons Ian Mullane and Michael Helt.

Other Municipal Officials Present: Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Jeff Tyne, Deputy City Manager; Steve Kemp, City Attorney; Linda Blas, Deputy City Clerk; Andy Granger, Development and Engineering Director; Shawn Kreuzwiesner, Deputy Planning and Community Development Director; Bo Larsen, Public Information Director; Brent Mattingly, Finance and Budget Director; Mike Weber, Deputy Utilities Director; Scott Whyte, Economic Development Services Director; and Dawn Ganzer, Executive Assistant to the City Clerk.

Audience: There were no members of the public present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

CONSENT AGENDA

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Motion was made by Councilmember Patena, seconded by Councilmember Hunt, to approve the Consent Agenda. Upon vote, the motion carried unanimously 7 to 0.

1. **C - Authorization to Hold an Executive Session**

Authorized the holding of an Executive Session for: (a) discussion and consultation with designated representatives of the public body to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property located in the vicinity of Loop 101 and Peoria Avenue pursuant to A.R.S. § 38-431.03.A.7.; and (b) discussion and consultation with designated representatives of the public body pertaining to the potential acquisition of New River Water Utility pursuant to A.R.S.§ 38-431.03.A.3.

ADJOURNMENT:

Being no further business to come before the Council, the meeting was duly adjourned at 5:01 p.m.

A **Study Session Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 5:49 p.m.

Members Present: Mayor Cathy Carlat; Vice Mayor Jon Edwards; Councilmembers Bridget Binsbacher, Michael Finn, Vicki Hunt, Carlo Leone and Bill Patena.

Members Absent: Council Youth Liaisons Ian Mullane and Michael Helt.

Other Municipal Officials Present: Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Jeff Tyne, Deputy City Manager; Steve Kemp, City Attorney; Linda Blas, Deputy City Clerk; Andy Granger, Development and Engineering Director; Chris Jacques, Planning and Community Development Director; Bo Larsen, Public Information Director; John Sefton, Community Services Director; Mike Weber, Deputy Utilities Director; Corina Russo, Assistant to the City Manager; and Dawn Ganzer, Executive Assistant to the City Clerk.

Audience: Approximately two members of the public were present.

STUDY SESSION AGENDA

Subject(s) for Discussion Only

2. Sonoran Preservation Program (Open Space)

Chris Jacques, Planning and Community Development Director, led the discussion on the Sonoran Preservation Program regarding:

- Policy guidance
- Open space prioritization process

John Sefton, Community Services Director, discussed the Community Services Master Plan as it relates to the open space program.

Mr. Jacques continued the presentation and outlined the following key elements of the program:

- Identify and prioritize ecologically and historically significant land
- Provide abundant, high-quality recreational opportunities
- Create an extensive open space network for future generations
- Implement effective funding and conservation strategies

Shawn Kreuzwiesner, Deputy Planning and Community Development Director, presented an identification model focused on protection, connection and preservation of resources.

Mr. Kreuzwiesner outlined the following:

- Output models to guide the decision process
  - Heritage/Cultural Model
    - Areas with sensitive cultural/historic resources
    - Emphasis on conservation rather than development or public use
    - Respect for the people on the land before use
  - Natural/Sensitive Model
    - Areas of general wildlife importance and movement corridors
    - Illustrates where sensitive resources are located
    - Relationship of people and the natural environment
  - Passive/Managed Model
    - Emphasis on protecting important viewsheds
    - Identifies recreation areas
    - Connection of people to the land

Mr. Kreuzwiesner provided information regarding:

- Focus areas of interest
- Key program recommendations
  - Expand the City's planning area
  - Management opportunities with the Bureau of Land Management, Maricopa County and the State Land Department
  - Refine development standards to more effectively address cultural resources, scenic areas, edge treatments and wildlife corridors
  - Build support and expanding partnerships
  - Identify funding resources and opportunities
- Other local preservation efforts

Mr. Jacques concluded the presentation with a review of the progress to date and the next steps to implement the program.

ADJOURNMENT:

Being no further business to come before the Council, the meeting was duly adjourned at 6:33 p.m.

EXECUTIVE SESSION AGENDA

3. An Executive Session was convened immediately following the 5:00 p.m. Special meeting for: (a) discussion and consultation with designated representatives of the public body to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property located in the vicinity of Loop 101 and Peoria Avenue pursuant to A.R.S. § 38-431.03.A.7.; and (b) discussion and consultation with representatives of the public body pertaining to the potential acquisition of New River Water Utility pursuant to A.R.S.§ 38-431.03.A.3.

Clerk's Note: In accordance with A.R.S. § 38-431.03(B), minutes of executive sessions must be kept confidential except as outlined in statute.

A **Regular Meeting** of the City Council of the City of Peoria, Arizona was convened at 8401 West Monroe Street in open and public session at 7:00 p.m.

Following a moment of silent reflection, Councilmember Finn led the Pledge of Allegiance.

Members Present: Mayor Cathy Carlat; Vice Mayor Jon Edwards; Councilmembers Bridget Binsbacher, Michael Finn, Vicki Hunt, Carlo Leone and Bill Patena.

Members Absent: Council Youth Liaisons Ian Mullane and Michael Helt.

Other Municipal Officials Present: Carl Swenson, City Manager; Susan Daluddung, Deputy City Manager; Jeff Tyne, Deputy City Manager; Steve Kemp, City Attorney; Linda Blas, Deputy City Clerk; Robert Goodhue, Deputy Economic Development Services Director; Andy Granger, Development and Engineering Director; Stacy Irvine, Deputy Fire Chief; Chris Jacques, Planning and Community Development Director; Bo Larsen, Public Information Director; Brent Mattingly, Finance and Budget Director; Roy Minter, Police Chief; Mike Weber, Deputy Utilities Director; Corina Russo, Assistant to the City Manager; and Dawn Ganzer, Executive Assistant to the City Clerk.

Audience: Approximately five members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

Presentation:

4. Spring Training 2015

John Sefton, Community Services Director, and Chris Calcaterra, Sports Facilities Manager, presented regarding the 2015 Spring Training season.

Information included:

- Stadium renovations
- Five-year revenue comparison
- Attendance at two-team facilities
- Attendance comparison of Cactus League teams in the area
- Post-spring events

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the City Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember so requests; in which event the item will be removed from the General Order of Business, and considered in its normal sequence on the Agenda.

Mayor Carlat asked if any Councilmember wished to have an item removed from the Consent Agenda.

Councilmember Binsbacher requested that Agenda Item 6C be removed for separate discussion.

Councilmember Hunt requested that Agenda Item 7C be removed for separate discussion.

Motion was made by Councilmember Patena, seconded by Vice Mayor Edwards, to approve the Consent Agenda with the exception of Agenda Items 6C and 7C. Upon vote, the motion carried unanimously 7 to 0.

5. **C - Disposition of Absence**

Approved the absence of Councilmember Hunt from the Special Meeting held on May 5, 2015 at 5:00 p.m.

6. **C - Code Amendment, Chapter 2, Community Services Department Fees**

Clerk's Note: This item was heard separately at the end of the Consent Agenda.

At the request of Councilmember Binsbacher, Agenda Item 6C was pulled from the Consent Agenda for separate discussion.

John Sefton, Community Services Director, provided an overview of the proposed fees for Fiscal Year 2016 for programs and services offered by the Community Services Department.

Motion was made by Vice Mayor Edwards, seconded by Councilmember Binsbacher, to adopt **ORD. 2015-10** amending Chapter 2, Section 2-207 of the Peoria City Code (1992 Edition) pertaining to Community Services Department Fees for Fiscal Year 2016.

Upon vote, the motion carried unanimously 7 to 0.

7. **C - Grant, State Historic Preservation Office, Old Main National Register Nomination**

Clerk's Note: This item was heard separately at the end of the Consent Agenda.

At the request of Councilmember Hunt, Agenda Item 7C was pulled from the Consent Agenda for separate discussion.

Chris Jacques, Planning and Community Development Director, summarized the request to accept $10,000 in grant funds from the Arizona State Historic Preservation Office to assist in funding the preparation of a National Register of Historic Places nomination for the "Old Main" building at Peoria High School.

Motion was made by Councilmember Hunt, seconded by Councilmember Patena to:

(a) Accept a Certified Local Government Pass-Through Grant from the State Historic Preservation Office of the Arizona State Parks Department for the preparation of a National Register of Historic Places nomination for the Peoria High School "Old Main" building; and

(b) Approve a budget transfer of up to $10,000 from the Proposed Grant Contingency account to the Planning Division Other Professional Services account.

Upon vote, the motion carried unanimously 7 to 0.

8. **C - Budget Adjustment, Public Safety Pension Plans Study**

Approved a budget adjustment in the amount of $15,000 from the General Fund Contingency account to the Finance Administration Division Other Professional Services account to fund a study of the City's public safety pension plans.

9. **C - Budget Adjustment, Building Development Division, Bank Service Charges**

Approved a one-time budget adjustment in the amount of $40,000 to fund bank service charges in excess of the budgeted amount from the General Fund contingency account to the Building Development Bank Service Charge account.

10. **C - Budget Adjustment, Site Development, Customer Online Payment System**

Authorized the reallocation of existing budget funds, not to exceed $40,000, for the development and implementation of the customer online payment system, through existing one-time operational funds in the Site Development Division's Other Professional Services account.

11. **C - Investment Report, Quarter Ending March 31, 2015**

Reviewed and accepted the Investment Report as presented.

REGULAR AGENDA

New Business:

12. **R - PUBLIC HEARING - Proposed Fiscal Year 2016-2017 Water, Wastewater & Reclaimed Rates and Administrative Fees**

Staff Report:

Katie Gregory, Deputy Finance and Budget Director, provided an overview of the request to adjust utility rates and administrative fees effective July 1, 2015 and July 1, 2016.

Ms. Gregory outlined the factors influencing the proposed rates including:

- Rate objectives
  - Recover costs
  - Ensure financial stability
  - Equity among users
  - Promote water conservation
  - Minimize impact to customers
- Average residential utility bill
- Combined utility bills compared to other cities
- Recommended changes used in calculating rates
- Recommended rate adjustments
- Planning objectives
- Rate design evaluation
- Factors influencing rates

In response to questions from Council, Ms. Gregory clarified that Utility Enterprise Funds generate revenue to recover the cost of providing the utility service.

Public Hearing:

Mayor Carlat opened the Public Hearing and asked if anyone wished to comment on the proposed Fiscal Year 2016-2017 water, wastewater and reclaimed water rates and administrative fees.

Having no requests from those present to address this item, Mayor Carlat declared the Public Hearing closed.

Council Action:

Motion was made by Councilmember Hunt, seconded by Councilmember Finn, to adopt **RES. 2015-53** adjusting the water, wastewater, reclaimed water rates and various administrative fees, making the new rates and fees effective July 1, 2015 and July 1, 2016.

Upon vote, the motion carried 6 to 1, with Councilmember Leone voting “no”.

13. **R - Rate Adjustments, Fiscal Year 2016 Commercial Roll-Off Solid Waste Rates**

Katie Gregory, Deputy Finance and Budget Director, presented a brief overview of the proposed adjustments to commercial roll-off solid waste rates.

In response to questions from Council, Ms. Gregory confirmed that both the Commercial Solid Waste Fund and the Residential Solid Waste Fund operate as Enterprise Funds.

Motion was made by Councilmember Patena, seconded by Councilmember Binsbacher, to adopt **RES. 2015-54** adjusting the commercial roll-off solid waste rates, effective July 1, 2015.

Upon vote, the motion carried unanimously 7 to 0.

14. **R - Confirmation of Intergovernmental Affairs Director**

Carl Swenson, City Manager, introduced Thomas Adkins for selection of Intergovernmental Affairs Director and provided background on Mr. Adkins' professional experience and qualifications.

Motion was made by Vice Mayor Edwards, seconded by Councilmember Hunt, to confirm the City Manager's appointment of Thomas B. Adkins as Intergovernmental Affairs Director, effective June 16, 2015.

Upon vote, the motion carried unanimously 7 to 0.

Call To The Public (Non-Agenda Items)

None.

Reports from City Manager:

A. Peoria Community Gardens Program

John Sefton, Community Services Director, outlined the Community Gardens program developed to educate and demonstrate sustainability to City of Peoria residents.

B. Peoria Featured on Fox10 Zip Trip

Bo Larsen, Public Information Director, reported on the Fox 10 Zip Trip program broadcast on May 8, 2015 from Rio Vista Community Park highlighting City events and services.

Reports from City Council:

Councilmember Leone reported on the various City of Peoria activities he attended. Councilmember Leone reminded residents to participate in a Shred-a-Thon event to be held on Saturday, May 30, 2015 at Cheyenne Elementary School, located at 11806 North 87th Avenue, beginning at 10:00 a.m.

Councilmember Hunt reported on the various City of Peoria activities she attended. Councilmember Hunt welcomed the newly-confirmed Intergovernmental Affairs Director. Councilmember Hunt offered her condolences to the family of Peoria businessman, J. D. Campbell.

Councilmember Binsbacher congratulated Thomas Adkins on his appointment as the Intergovernmental Affairs Director. Councilmember Binsbacher invited residents to attend the Peoria Firefighters Charities annual car show to be held at the Peoria Sports Complex on May 23, 2015.

Vice Mayor Edwards reported on the various City of Peoria activities he attended. Vice Mayor Edwards welcomed Thomas Adkins to the City of Peoria leadership team.

Reports from the Mayor:

None.

ADJOURNMENT:

Being no further business to come before the Council, the meeting was duly adjourned at 8:04 p.m.

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the City Council Meetings of the City Council of Peoria, Arizona held on the 19th day of May, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of July, 2015.

(Seal)

_____
Rhonda Geriminsky, City Clerk

Agenda Item: 7C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: July 6, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Rhonda Geriminsky, CMC, City Clerk

THROUGH: Susan Daluddung, Deputy City Manager

SUBJECT: Board and Commission Appointments/Reappointments

Purpose:

This is a request for City Council to appoint/reappoint board and commission members as recommended by the Council Boards and Commissions Subcommittee as follows:

Appointments

Board/Commission	Name	Term Expiration
Industrial Development Authority	Franklin Schiller	June 2019
Judicial Selection Advisory Board	Richard Cobb	June 2019
Personnel Board	Michael Kwederis	June 2018 (partial term)
Public Defender Contract Review Committee	Gregory Jones	June 2016 (partial term)
Youth Advisory Board	Gabrielle Acosta	June 2017
	Sam Owen	June 2017

Reappointments

Board/Commission	Name	Term Expiration
Youth Advisory Board	Holden Jacobs	June 2017

Background/Summary:

The Council Boards and Commissions Subcommittee makes recommendations for board and commission membership based on term expirations and vacancies from resignations or changes to member eligibility status.

Previous Actions:

On June 9, 2015, the Council Boards and Commissions Subcommittee recommended appointments/reappointments to various boards and commissions.

On June 22, 2015, a memorandum was submitted to Mayor and Council, outlining the appointment recommendations from the June 9, 2015 Subcommittee meeting, asking for concerns to be submitted in writing to the Mayor. No comments were received.

Options:

A. Appoint/reappoint recommended board and commission members.

B: Continue recruitment efforts to fill board and commission vacancies.

Staff's Recommendation:

This is a request for City Council to discuss and approve the recommendations from the Council Boards and Commissions Subcommittee pertaining to the following appointments/reappointments and adopt the Resolutions as presented:

Adopt RES. 2015-72 appointing Franklin Schiller as a regular member to a term to expire in June 2019, to the Industrial Development Authority, and

Adopt RES. 2015-73 appointing Richard Cobb as a regular member to a term to expire June 2019, to the Judicial Selection Advisory Board, and

Adopt RES. 2015-74 appointing Michael Kwederis, as a regular member, to a partial term to expire June 2018, to the Personnel Board, and

Adopt RES. 2015-75 appointing Gregory Jones as a regular member, to a partial term to expire in June 2016, to the Public Defender Contract Review Committee, and

Adopt RES. 2015-76 appointing Gabrielle Acosta and Sam Owen as regular members, to terms to expire in June 2017; and reappointing Holden Jacobs as a regular member to a term to expire in June 2017, to the Youth Advisory Board.

Fiscal Analysis:

There is no fiscal impact regarding this item.

Narrative:

If appointed, the newly appointed board and commission members will be invited to attend the August 26, 2015 City Council meeting to accept Certificates of Appointment.

Exhibit(s):

Exhibit 1: Resolution No. 2015-72
Exhibit 2: Resolution No. 2015-73
Exhibit 3: Resolution No. 2015-74
Exhibit 4: Resolution No. 2015-75
Exhibit 5: Resolution No. 2015-76

Contact Name and Number: Rhonda Geriminsky, CMC, City Clerk, 623-773-7340

RESOLUTION 2015-72

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, APPOINTING FRANKLIN SCHILLER TO THE INDUSTRIAL DEVELOPMENT AUTHORITY AND ESTABLISHING THE TERMS OF OFFICE.

WHEREAS, there exists one vacant regular position on the Industrial Development Authority; and

WHEREAS Franklin Schiller desires to be a member of and appointed to the Industrial Development Authority; and

WHEREAS, the Mayor and City Council of the City of Peoria desire to confirm said appointment of Franklin Schiller as a regular member to the City of Peoria Industrial Development Authority.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Peoria that Franklin Schiller is appointed as a regular member to the City of Peoria Industrial Development Authority.

BE IT FURTHER RESOLVED that said appointment shall expire as follows:

Franklin Schiller June 2019

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Arizona this 7th day of July, 2015.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk
Approved as to Form:

_____
Stephen M. Kemp, City Attorney

RESOLUTION 2015-73

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, APPOINTING RICHARD COBB TO THE JUDICIAL SELECTION ADVISORY BOARD AND ESTABLISHING THE TERMS OF OFFICE.

WHEREAS, there exists one vacant regular position on the Judicial Selection Advisory Board; and

WHEREAS Ronald Friedman desires to be a member of and appointed to the Judicial Selection Advisory Board; and

WHEREAS, the Mayor and City Council of the City of Peoria desire to confirm said appointment of Richard Cobb, as a regular member, to the City of Peoria Judicial Selection Advisory Board.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Peoria that Richard Cobb is appointed as a regular member to the City of Peoria Judicial Selection Advisory Board.

BE IT FURTHER RESOLVED that said appointment shall expire as follows:

Richard Cobb June 2019

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Arizona this 7th day of July, 2015.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

Approved as to Form:

_____
Stephen M. Kemp, City Attorney

RESOLUTION 2015-74

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, APPOINTING MICHAEL KWEDERIS TO THE PERSONNEL BOARD AND ESTABLISHING THE TERMS OF OFFICE.

WHEREAS, there exists one vacant regular position on the Personnel Board; and

WHEREAS Michael Kwederis desires to be a member of and appointed to the Personnel Board; and

WHEREAS, the Mayor and City Council of the City of Peoria desire to confirm said appointment of Michael Kwederis as a regular member to the City of Peoria Personnel Board.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Peoria that Michael Kwederis is appointed as a regular member to the City of Peoria Personnel Board.

BE IT FURTHER RESOLVED that said appointment shall expire as follows:

Michael Kwederis	June 2016 (partial term)

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Arizona this 7th day of July, 2015.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

Approved as to Form:

_____
Stephen M. Kemp, City Attorney

RESOLUTION 2015-75

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, APPOINTING GREGORY JONES TO THE PUBLIC DEFENDER CONTRACT REVIEW COMMITTEE AND ESTABLISHING THE TERMS OF OFFICE.

WHEREAS, there exists one vacant regular position on the Public Defender Contract Review Committee; and

WHEREAS Gregory Jones desires to be a member of and appointed to the Public Defender Contract Review Committee; and

WHEREAS, the Mayor and City Council of the City of Peoria desire to confirm said appointment of Gregory Jones as a regular member to the City of Peoria Public Defender Contract Review Committee.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Peoria that Gregory Jones is appointed as a regular member to the City of Peoria Public Defender Contract Review Committee.

BE IT FURTHER RESOLVED that said appointment shall expire as follows:

Gregory Jones	June 2018 (partial term)

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Arizona this 7th day of July, 2015.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

Approved as to Form:

_____
Stephen M. Kemp, City Attorney

RESOLUTION 2015-76

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, APPOINTING GABRIELLE ACOSTA AND SAM OWENS, AND REAPPOINTING HOLDEN JACOBS, TO THE YOUTH ADVISORY BOARD AND ESTABLISHING THE TERMS OF OFFICE.

WHEREAS, there exist three vacant regular positions on the Youth Advisory Board; and

WHEREAS Gabrielle Acosta and Sam Owen desire to be members of and appointed to the Youth Advisory Board; and Holden Jacobs desires to be a member of and reappointed to the Youth Advisory Board; and

WHEREAS, the Mayor and City Council of the City of Peoria desire to confirm said appointments of Gabrielle Acosta and Sam Owen and reappointment of Holden Jacobs, as regular members, to the City of Peoria Youth Advisory Board.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Peoria that Gabrielle Acosta and Sam Owen are appointed and Holden Jacobs is reappointed as regular members to the City of Peoria Youth Advisory Board.

BE IT FURTHER RESOLVED that said appointments shall expire as follows:

Gabrielle Acosta	June 2017
Sam Owen	June 2017
Holden Jacobs	June 2017

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Arizona this 7th day of July, 2015.

CITY OF PEORIA, an Arizona municipal corporation

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

Approved as to Form:

_____
Stephen M. Kemp, City Attorney

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 8C

Date Prepared: June 22, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

THROUGH: Jeff Tyne, Deputy City Manager

FROM: Roy W. Minter, Jr., Chief of Police

SUBJECT: Data Access/Exchange Agreement with the Arizona Department of Transportation

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Purpose:

This is a request for City Council to authorize the City Manager to execute the Data Access/Exchange Agreement between the City of Peoria and the Arizona Department of Transportation (ADOT) Intermodal Transportation Division to establish a new term of the agreement for connectivity to the Arizona Department of Transportation's Safety Data Mart.

Background/Summary:

This Agreement allows the City of Peoria to connect to the Safety Data Mart to query, analyze and retrieve crash data in order to create statistical data used in roadway engineering studies and traffic safety analysis. This information can be accessed by both the Police Department and Traffic Engineering Division and is a valuable tool for the City.

The agreement conveys the purpose of the exchange, usage and non-disclosure of personal information, the classification and degree of sensitivity of the data, the application system, data-set name, frequency, media data elements, security schemes and final repository, as well as contact information. The five-year agreement allows for extension of the agreement upon both agencies signing a Joint Letter of Renewal.

If approved, the Agreement will be in effect for a term of five (5) years and upon expiration of the five (5) year period, in the year 2020, the parties may extend the term of the Agreement, up to, five additional (5) years.

Previous Actions:

The first agreement was approved at the Council Meeting on April 21, 2009.

Options:

A: Authorize the City Manager to execute the Data Access/Exchange Agreement between the ADOT Intermodal Transportation Division and the City of Peoria via Safety Data Mart.

B: Choose not to execute this Data Access/Exchange Agreement between the ADOT Intermodal Transportation Division and the City of Peoria via Safety Data Mart

Staff's Recommendation:

Discussion and possible action to authorize the City Manager to execute the Data Access/Exchange Agreement between the City of Peoria and the Arizona Department of Transportation.

Fiscal Analysis:

This Agreement creates no fiscal impact on the City of Peoria.

Narrative:

Once approved by City Council, the agreement will be executed as needed.

Exhibit(s):

Exhibit 1: Agreement

Contact Name and Number: Theresa Brenholt, (623) 773-7062

Douglas A. Ducey, Governor
John S. Halikowski, Director
Dallas Hammit, State Engineer
Steve Boschen, Division Director

DATA ACCESS / EXCHANGE AGREEMENT

ADOT File No: **15-0005342-I**

Date:

Name of Department: **City of Peoria**

Doing Business As: Same as above

Business Address: **8401 W. Monroe Street**
Peoria, Arizona 85345

Mailing Address: **Same as above**

Telephone Number: **623-773-7000**

The City of Peoria (AGENCY) hereby requests authorization for connectivity to the Arizona Department of Transportation's (ADOT) (check all that apply):

☒ ALISS Database to submit electronic crash records.

☐ ALISS Database to access and retrieve crash data.

☒ Safety Data Mart to query, analyze and retrieve crash data.

The City of Peoria (AGENCY) is authorized to enter into this Agreement pursuant to **§ 48-572.**

The AGENCY (as defined below) hereby requests authorization for connectivity to the ALISS Database and/or AIDW Safety Data Mart of the Arizona Department of Transportation, Intermodal Transportation Division (ITD). The AGENCY's specific access capabilities are set forth and further described in the attached Addendum, which shall be considered a part of this Agreement between the AGENCY and ADOT.

The AGENCY understands and agrees that it shall only access the ALISS Database and/or the AIDW Safety Data Mart in accordance with the terms and conditions set forth herein. If at any time ADOT believes the AGENCY is using such access in an unauthorized or unlawful manner, ADOT reserves the right, in its sole discretion, to immediately terminate this Agreement.

This Database Access Agreement complies with GITA Statewide Standard P740-S741, Standard 4.7.3.

Definitions

"ADOT" means the Arizona Department of Transportation.

"AGENCY" means **The City of Peoria.**

“ALISS” means the Accident Location, Identification and Surveillance System.

“Authorized individuals” means those persons who are employed or contracted by AGENCY to perform the activities authorized hereunder.

“Connectivity” means to make and/or maintain a computer connection with ADOT for the purpose of performing the activities authorized under this agreement.

“Encrypt” means to scramble computerized information to secure data by using special algorithms for transmission or other purposes.

“Personal Information” means information that identifies an individual, including without limitation an individual's name, photograph, social security number, driver license number, physical description, race, ethnic origin, sexual orientation, income, blood type, DNA code, fingerprints, marital status, religion, home address, home telephone number, education, financial matters, and medical or employment history readily identifiable to a specific individual but does not include information on vehicular accidents, driving violations, and driver's status.

“RACF” means Resource Access Control Facility, which is a software security product that protects information by controlling access to it.

“Secure location” means an area designated specifically for authorized individuals to access ADOT’s database(s) and to which all unauthorized individuals shall be prohibited from entering.

“Sensitive Information” means any state information either in detail or aggregate that may be prejudicial or harmful to the state and its citizens.

Location of Activities

AGENCY may conduct authorized activities only at those locations which have been pre-approved by ADOT such as their place of business that adheres to the other guidelines outlined in this Agreement. ADOT reserves the right, in its sole discretion, to disapprove of location.

Equipment

AGENCY shall obtain computer equipment and software that is compatible with the information systems and connectivity requirements of ADOT, and which will allow access only to the specific database(s) listed in the Addendum to this Agreement.

Data Security

AGENCY shall provide a secure location for all computer equipment used to access ADOT’s database(s).

AGENCY shall provide access to ADOT’s ALISS Database and/or Safety Data Mart only to AGENCY personnel or contractors who are authorized individuals, and to no one else. If at any time ADOT believes that an authorized individual is using such access inappropriately, ADOT reserves the right to immediately terminate that individual’s database access and/or to terminate AGENCY authorization under this Agreement.

AGENCY shall comply with all ADOT policies, procedures and directives regarding security and database access, including any future amendments thereto. All subcontractors utilized to perform the activities authorized by this Agreement must abide by the same security and access requirements as AGENCY.

AGENCY must disclose and obtain ADOT approval of any existing and/or contemplated strategic alliances, partnerships, Intergovernmental Agreements or subcontracting arrangements that AGENCY has or will enter into which involve the processing and/or use of ADOT data acquired pursuant to this Agreement.

AGENCY, its officers, agents, employees, contractors and representatives shall not, without the prior written approval of ADOT, disclose, distribute, or utilize in any manner not expressly authorized under this Agreement, any personal or sensitive information which is connected or otherwise associated with or accessed pursuant to this Agreement, either during the term of this Agreement or subsequent to any termination of this Agreement.

AGENCY shall maintain all hard copy information and electronic data related to this Agreement in a secure location at all times.

Data Privacy

AGENCY shall not utilize its computer connections with ADOT for any purpose other than the purpose(s) specified in the Addendum to this Agreement.

Network Security

AGENCY understands and agrees that any and all personal or sensitive information that it stores or transmits over external or public computer networks, such as the Internet, must be encrypted.

AGENCY computers that are permanently or intermittently connected to internal computer networks must have an ADOT approved, password-based, access control system in order to access ADOT's database(s). This requirement applies to computers with direct connections to data centers, as well as AGENCY "wide area network." Regardless of the network connections, all AGENCY computers which are used to access ADOT information must employ approved, password-based, access control systems.

All in-bound connections to AGENCY computers from external networks must also be protected. All access control systems must utilize user-identifications (i.e. RACF ID's) and passwords unique to each user, as well as user-privilege restriction mechanisms. Password sharing is prohibited.

Non-exclusivity

This Agreement shall not preclude ADOT from entering into the same or similar Agreement with other public or private entities, including those performing identical or similar functions as AGENCY.

Notification

AGENCY shall assign a contact person for problem resolution and notification of procedural changes. AGENCY shall advise ADOT within two business days of any change in its designated contact person. All notices or demands upon either party shall be in writing and an original shall be delivered in person, or sent by mail addressed as follows:

To ADOT at:

Intermodal Transportation Division
Traffic Records Section
Attn: Rick Turner
206 S. 17th Ave, Mail Drop 064R
Phoenix, AZ 85007-3233

To AGENCY at:

The City of Peoria
Attn: Sergeant James Willis
8401 W. Monroe Street
Peoria, AZ 85345
623-773-5019

Records

The AGENCY shall maintain a log or register of all ADOT records it requests and all ADOT records it obtains by virtue of the access provided herein. The AGENCY shall retain this log or register either manually or electronically for a period of five years after the date of request and receipt of the records. All other books, papers, records, data, and accounting records relating to this Agreement ("Records") shall be maintained by AGENCY for a period of five (5) years, or such greater or lesser time as may be required by federal or state law, rule, or the ADOT Records Retention Schedule. The Records shall be subject to inspection and audit by ADOT for five years after termination or completion of this Agreement. The Records shall be produced at the offices designated by ADOT.

It is further agreed that ownership of all records relating to this Agreement resides exclusively with ADOT, except for data retrieved pursuant to this Agreement.

Compliance

AGENCY shall comply with all of the terms set forth in this Agreement, together with all applicable state statutes, rules, and regulations. AGENCY shall also comply with all relevant ADOT policies, procedures and directives that ADOT provides to AGENCY throughout the course of this Agreement. All AGENCY subcontractors are held to the same compliance standards, and any failure to comply on the part of the subcontractor will be deemed a failure on the part of AGENCY.

Non-compliance

If AGENCY fails to comply with the terms of this Agreement, or with any applicable law, rule or regulation, ADOT reserves the right to take any remedial action that it deems necessary and appropriate, including without limitation the suspension, cancellation, revocation, or termination of this Agreement. In case of a violation of law, the Agreement shall immediately terminate.

Amendment and Modification of Agreement

AGENCY shall review and approve in writing any modification of the Agreement. Upon the amendment of any applicable law, rule or regulation, the Agreement shall automatically be modified to reflect such amendment. Any modification of the Agreement shall be incorporated herein and shall be subject to all other provisions of this Agreement. AGENCY may submit a written request to ADOT if there are any changes it desires be made to the Agreement, and such a request shall be approved or denied at ADOT's sole discretion.

Termination

Either party may terminate this Agreement for convenience or cause upon thirty (30) days prior written notice to the other party. Upon any termination of this Agreement, AGENCY shall, at ADOT's request, remove and deliver to ITD all electronic data stored on any electronic storage devices and shall immediately return all other data and information received in connection herewith to ADOT.

This Agreement is subject to cancellation by the Governor pursuant to A.R.S. §38-511. The state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract of any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation under this section by any department or agency of the state or its political subdivisions shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

Waiver/Severability

AGENCY agrees that a waiver of any provision of this Agreement shall not act as a waiver of any other provision of this Agreement. If a provision of this Agreement is for any reason declared invalid, illegal, or unenforceable, that declaration shall not affect the remainder of the provisions of the Agreement.

Duration

This Agreement shall commence upon approval by the Assistant Division Director, Executive Services Group and execution by both parties, and shall thereafter continue in effect for a term of five (5) years, unless previously terminated or canceled as provided herein. Upon expiration of this five (5) year period, the parties may mutually agree to extend the term of the Agreement for another five (5) (or fewer) years by entering into an Amendment to this Agreement.

Liability

ADOT assumes no financial obligation or liability under this Agreement. The AGENCY assumes full responsibility for any liability which arises out of this Agreement. Any damages arising from carrying out or resulting from, in any respect, the terms of this Agreement or any modification thereof shall be the liability of the AGENCY and that to the extent permitted by law, the AGENCY hereby agrees to indemnify, defend and otherwise save and hold harmless the State of Arizona and ADOT, and any of their departments, agencies, officers or employees from any and all losses and associated costs and/or damage incurred by any of the above and from any other damage to any person or property whatsoever, which is caused by any activity, condition, misrepresentation, directives, instruction or event arising out of the performance or non performance of any provisions of this Agreement by the State of Arizona or ADOT, or any of their departments, agencies, officers and employees, or their independent contractors, the AGENCY, any of its agents, officers and employees, or its independent contractors. Costs incurred by the State of Arizona or ADOT, any of their departments, agencies, officers or employees shall include in the event of any action, court costs, and expenses of litigation and attorneys' fees.

Certification

On behalf of AGENCY identified below, I hereby request approval of this Agreement. I certify that all of the information set forth herein by AGENCY is true and accurate, and that any records or information obtained from ADOT's database(s) and system(s) pursuant to this Agreement will be used solely for the purpose(s) specified in the Addendum to this Agreement, and for no other purposes. I further certify that I have the authority to execute this Agreement on behalf of AGENCY. I understand that AGENCY must abide by the provisions of this Agreement if approved by the Assistant Division Director, Executive Services Group and executed by both parties.

Mandatory Provisions for Arizona State Agencies

None of the provisions of the Agreement may be waived, changed of altered except in writing signed by both parties.

Notwithstanding any provision of the Agreement to the contrary, ADOT is not authorized to indemnify the AGENCY.

Every payment obligation of the ADOT under this Agreement is conditioned upon the availability of funds allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by ADOT or any other agency of the State of Arizona at the end of the period for which funds are available. No liability shall accrue to ADOT or any other agency of the State of Arizona in the event this provision is exercised, and neither ADOT nor any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

AGENCY shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the American with Disabilities Act. AGENCY shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

Compliance requirement for A.R.S. 41-4401 – immigration laws and E-Verify requirement.

- The AGENCY warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)

- A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breech of the contract and the AGENCY may be subject to penalties up to and including termination of the Agreement.

- ADOT retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that the AGENCY or subcontractor is complying with the above-mentioned warranty.

Joint Venturer – Except as otherwise provided by law, in the performance of duties and activities under this Agreement, the parties hereto will be acting in their individual governmental capacities and not as agents, employees, partners, joint ventures, or associates of each other. The officers, employees, agents, or subcontractors of one party shall not be deemed or construed to be the employees or agents of the other party. Each party shall remain responsible for the supervision of their respective staff and students and shall maintain adequate insurance coverage as required by law.

AGENCY assigns to ADOT any claim for overcharges resulting form antitrust violations to the extent that such violations concern materials or services supplied by third parties to AGENCY toward fulfillment of this Agreement.

This Agreement shall be construed in accordance to the laws of the State of Arizona.

The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. 12-1518 except as may be required by other applicable statutes.

The parties may execute this Agreement in two or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same document.

CITY OF PEORIA

_____
Signature

CARL SWENSON
_____
Name Printed

City Manager
_____
Title

_____
Date

For ADOT USE ONLY

Received this date _____. Signed _____

AUTHORIZATION

On behalf of the Arizona Department of Transportation, the authorization requested by **The City of Peoria** pursuant to this Agreement (including the attached Addendum) is hereby approved.

DATED THIS _____ DAY OF _____, 2015.

Intermodal Transportation Division / Traffic Engineering

_____

STEVE BOSCHEN, P.E.
ITD Director
Arizona Department of Transportation

AGREEMENT ADDENDUM

THIS ADDENDUM is made and entered into pursuant to A.R.S. §§28-401 et seq. and with GITA Statewide Standard P740-S741, Standard 4.7.3, as part of the foregoing Data Access / Exchange Agreement between the Arizona Department of Transportation (ADOT) and the **City of Peoria** (AGENCY).

Subject to ADOT's right to terminate as set forth in this Agreement:

I. ADOT <grants/~~does not grant~~> AGENCY authorization to access its ALISS Database via approved direct program-to-program interactions over an approved persistent connection and to thereby submit electronic crash records information contained in such databases according to the terms and conditions stated in this Agreement. Electronic crash records shall be submitted no more than once per day.

II. ADOT <~~grants~~/does not grant> AGENCY authorization to access its ALISS Database via an approved secure gateway and with two-factor authentication to retrieve pertinent crash records data including vehicle information according to the terms and conditions stated in this agreement.

III. ADOT <grants/~~does not grant~~> AGENCY authorization to access its Safety Data Mart via an approved secure gateway and with user identifications and passwords unique to each user to run queries and retrieve crash data strictly for the purposes of safety analysis and in accordance with the terms and conditions stated in this agreement. Data query and retrieval may be done on an as-needed basis.

The foregoing Agreement and Addendum are mutually agreed to:

Intermodal Transportation Division/Traffic Engineering

_____
Signature

STEVE BOSCHEN, P.E.
_____
Name Printed
ITD Director

_____
Title

_____
Date

City of Peoria

_____
Signature

CARL SWENSON
_____
Name Printed

City Manager
Title

_____
Date

_____
City Clerk

_____
City Attorney

_____
Date

Agenda Item: 9C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 17, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Andrew Granger, P. E., Development and Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Contract, MGC Contractors, Inc., Butler Reclaimed System Expansion – Phase II

Purpose:

This is a request to approve a contract with MGC Contractors, Inc. for a guaranteed maximum price of $1,167,273 to construct the second phase of the Butler Reclaimed System Expansion project.

Background/Summary:

The City's FY2016-FY2025 Capital Improvement Program includes the Butler Reclaimed System Expansion – Phase II that provides funding for the construction of a new reclaimed water booster pump station and associated equipment.

In early 2015, City staff completed the first phase of the project including construction of a 250,000 gallon reclaimed water reservoir that will serve the Butler Reclaimed Water System (BRWS). The BRWS currently provides reclaimed water to several customers in southern Peoria including Pioneer Park, Centennial Plaza, and the Stoneview Homeowner's Association. This reservoir and booster pump station is key to expanding the City's reclaimed water system in the area and ultimately preserving valuable drinking water resources.

A summary of the improvements include the addition of:

- 1.5 MGD Booster Pump Station
- Associated Electrical and Instrumentation
- Associated Piping and Valves
- Disinfection System

The project will be completed by the end of FY16.

Previous Actions:

The City Attorney's Office, Materials Management Division, and the Engineering Department administratively approved all previous contractual items.

Options:

A: Approve the Phase II construction contract with MGC Contractors, Inc.

B: Deny approval of the Phase II contract. This will result in cancellation of the project.

Staff's Recommendation:

Staff recommends approval of the Contract with MGC Contractors, Inc.

Fiscal Analysis:

There is funding available in the FY2016 CIP for construction of the Phase II improvements. Payments will be made from the Water Expansion Fund, Water System Account 2050-2140-543002-CIPWR-UT00313 in the amount of $328,499 and the Wastewater Fund, Wastewater System Account 2400-2550-543003-CIPWW-UT00313 in the amount of $838,774.

Narrative:

Approval of the Phase II contract will allow construction of these improvements to begin in August 2015. The project will be completed by the end of FY2016.

Exhibits:

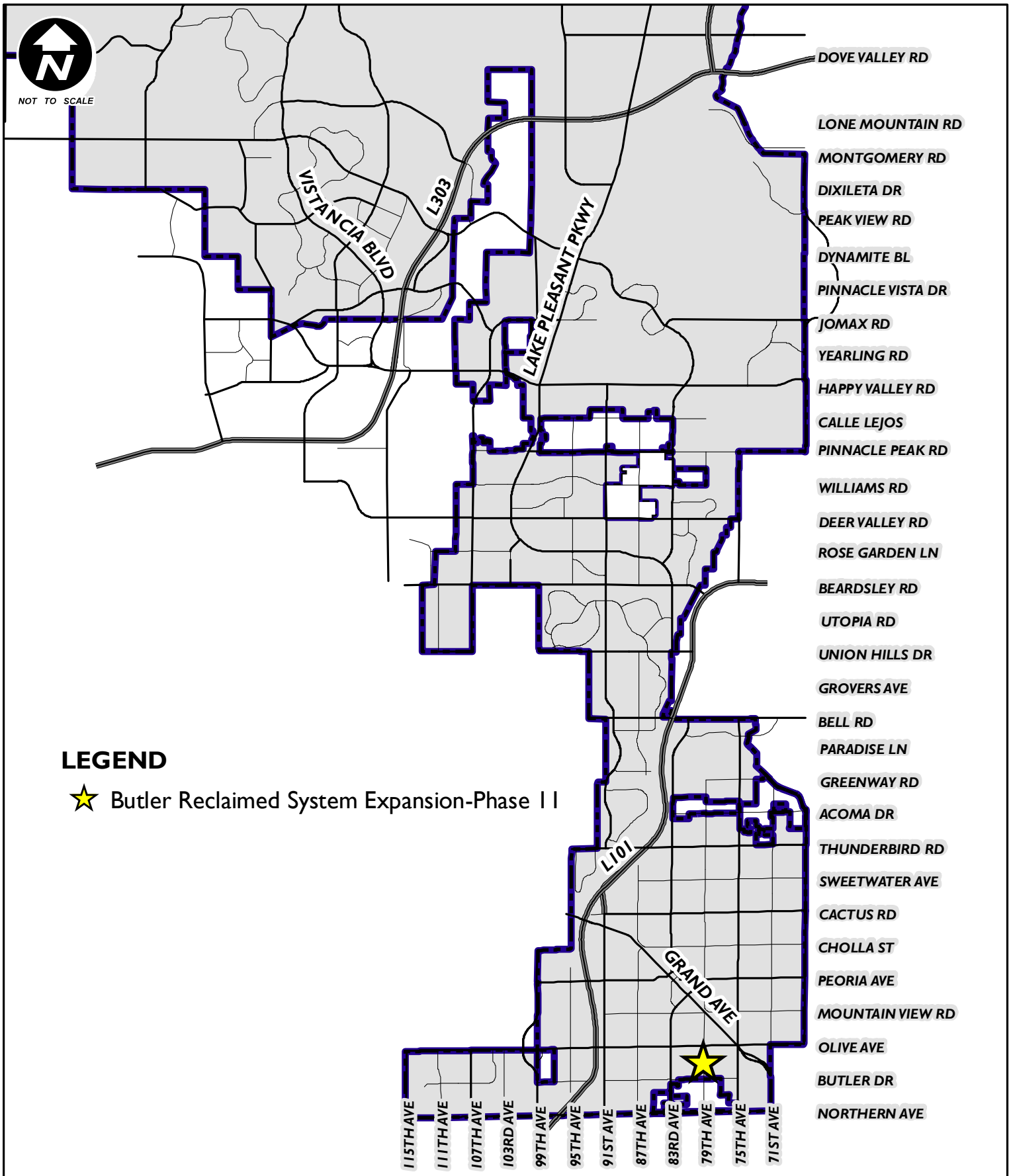
Exhibit 1: Vicinity Map
Exhibit 2: Location Map

Contact Name and Number: Daniel Kiel, P.E., Civil Engineer, x7982

City of Peoria
ENGINEERING

UT00313 - Butler Reclaimed System Expansion-Phase II

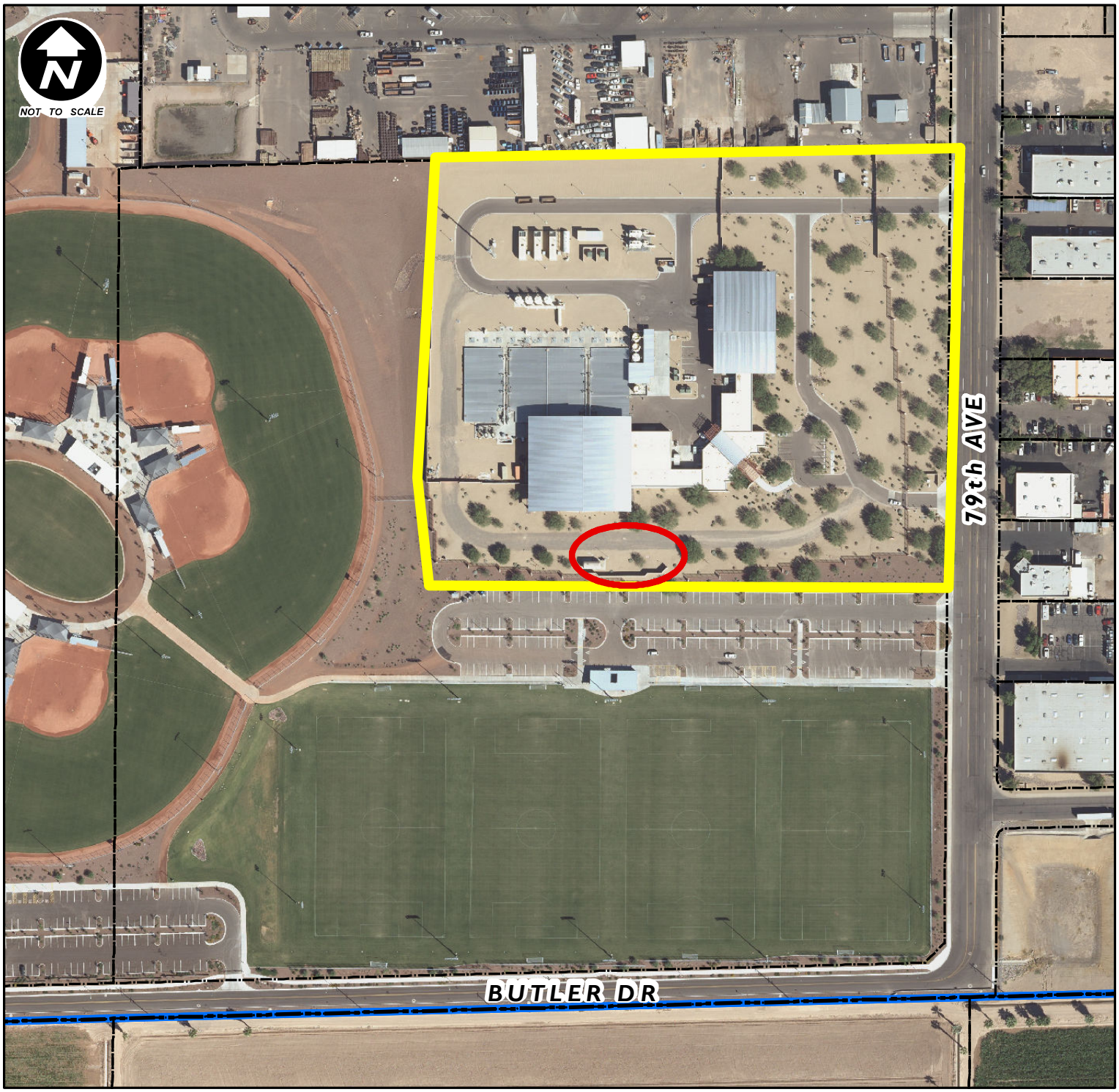
Vicinity Map



City of Peoria
ENGINEERING

UT00313 -Butler Reclaimed System Expansion - Phase II

Location Map



LEGEND

Reclaimed System Expansion

GIS
GEOGRAPHIC INFORMATION SYSTEMS
City of Peoria Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

Agenda Item: 10C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 15, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Andrew Granger, P. E., Development and Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Contract, R K Sanders, Inc., Deer Valley Road; 109th Avenue to Lake Pleasant Parkway

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Purpose:

This is a request for City Council to a) approve a contract with R K Sanders, Inc. in the not to exceed amount of $1,170,422 for the Deer Valley Road; 109th Avenue to Lake Pleasant Parkway construction project, and b) approve a 20% contingency to cover possible contract amendments related to unforeseen conditions or owner requested changes.

Background/Summary:

Maricopa County Department of Transportation (County) is currently designing and acquiring right-of-way for a new east-west crossing of the Agua Fria River from 117th Avenue and Williams Road to 109th Avenue and Deer Valley Road. In consideration of the future County project, which will increase traffic volumes on Deer Valley Road within the city, staff identified a number of improvements to Deer Valley Road between 109th Avenue and Lake Pleasant Parkway which include safety improvements, ADA handicapped accessibility upgrades, drainage system upgrades, landscape improvements and the installation of a new traffic signal at the Deer Valley Road and 107th Avenue intersection.

A summary of the Phase I improvements to be constructed with this contract include:

- New raised medians from 109th Avenue to Lake Pleasant Parkway (Scheduled for landscaping upon completion of this work under separate contract)
- Reconstruction of the 107th Avenue and Deer Valley Road intersection
- New traffic signal at the intersection of Deer Valley Road and 107th Avenue
- Storm drain improvements
- Storm drain retention basin upgrades
- Utility adjustments
- Re-painting of selected subdivision privacy walls (public facing side only) along Deer Valley Road, between 109th Avenue and 105th Avenue, and along 107th Avenue between

Lone Cactus Drive and Williams Road, including the existing wall along the south boundary of Alta Vista Park

Phase 2 improvements will be planned to coincide with the County's roadway project. The schedule for this work is yet to be clearly defined. Phase 2 improvements will include the study for a roundabout at 109th Avenue and Deer Valley Road, and the design and construction of higher property walls along Deer Valley Road from 109th Avenue to Lake Pleasant Parkway.

On June 1, 2015, the solicitation for construction services was posted. Bids were opened June 10, 2015, and there were six bids received. R K Sanders, Inc. is the lowest responsive and responsible bidder at $1,170,422. The engineer's estimate for this work was $1,600,000. Staff is also recommending approval of a 20 percent contingency in the amount of $234,084 to cover contract amendments related to unforeseen conditions or owner requested changes.

Following construction of the Phase I roadway improvements, the Community Services Department will be administering a separate landscape project to landscape the raised median, upgrade the landscape within the right-of-way and within the 107th Avenue and Deer Valley Road retention basin.

Previous Actions:

The City Attorney's Office, Materials Management Division, and the Engineering Department administratively approved all previous contractual items with exception to the following, which required Council action:

- March 2013 – City Council approved an IGA with Maricopa County for the design, utility relocation, construction, construction management, operation and maintenance of the proposed Deer Valley Road project from El Mirage Road to 109th Avenue.

Options:

A: Approve the construction contract in the amount not to exceed $1,170,422 for the construction of the new roadway with a 20% contingency for possible contract amendments. Approval of the contract will allow staff to construct the entire roadway improvements included with this Capital Improvement Project.

B: Deny approval of the construction contract in the not to exceed amount of $1,170,422 for the construction of the new roadway.

Staff's Recommendation:

Staff recommends approval of the construction contract in the amount of $1,170,422 to R K Sanders, Inc. and contingency for the construction of the Deer Valley Road; 109th Avenue to Lake Pleasant Parkway project.

Fiscal Analysis:

Funding for this project is available in the FY2016 Capital Improvement Plan from the Transportation Sales Tax fund, Street System account - 7010-7075-543001-CIPST-EN00395.

Narrative:

Approval of the construction contract with R K Sanders, Inc. will allow for construction of these improvements to begin in summer 2015, and be completed by spring 2016.

Exhibits:

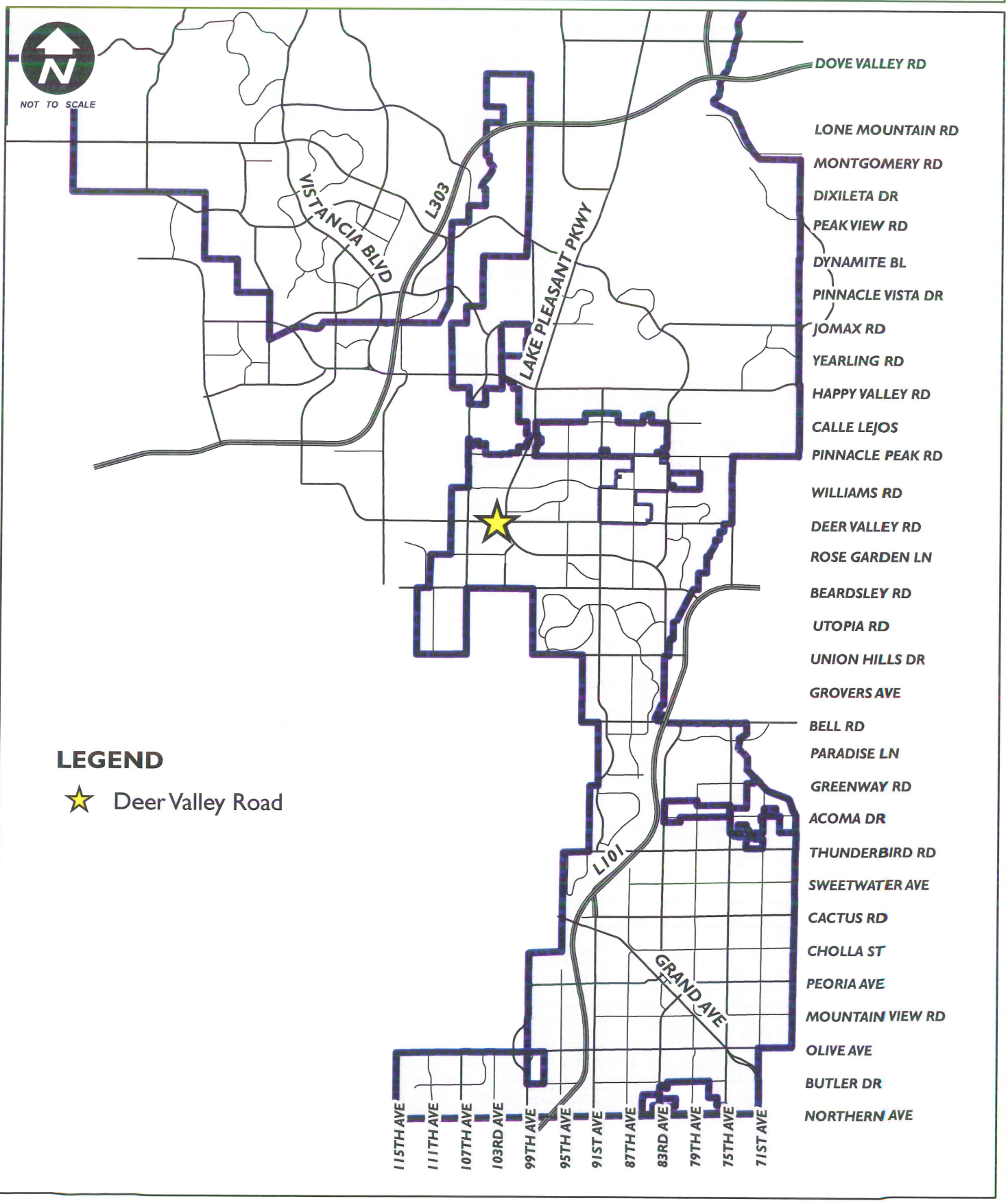
Exhibit 1: Vicinity Map
Exhibit 2: Location Map

Contact Name and Number: Richard Costa, CIP Project Manager, X7951

City of Peoria
ENGINEERING

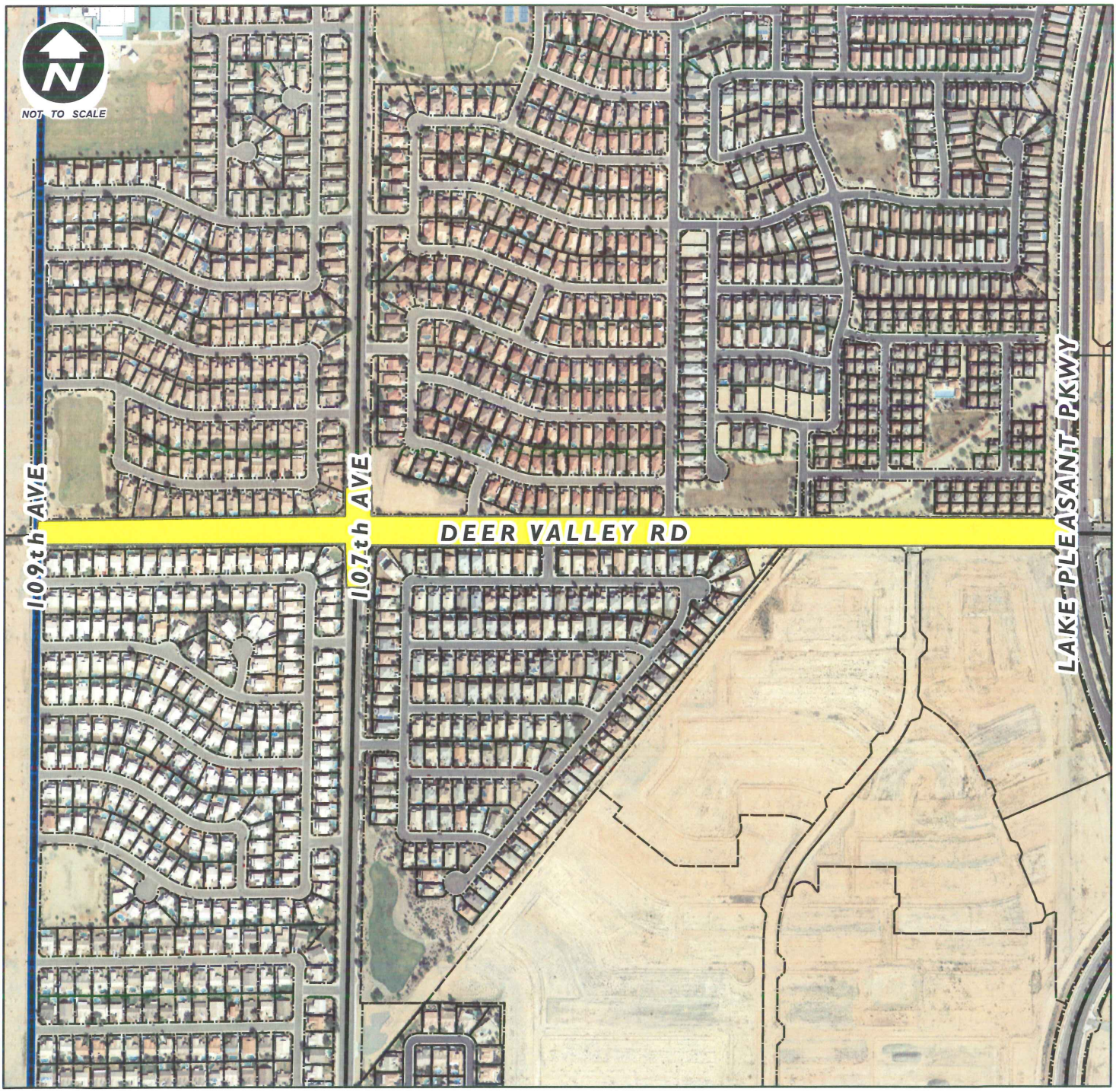
Deer Valley Road

Vicinity Map



City of Peoria
ENGINEERING

Deer Valley Rd
Location Map



LEGEND

Road Maintenance

GIS
City of Peoria
Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 11C

Date Prepared: June 17, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Andrew Granger, P. E., Development and Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Contract, Zenon Environmental Corporation, Butler Drive WRF Membrane Replacement

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Purpose:

This is a request to approve a contract with Zenon Environmental Corporation for a fixed price of $2,998,800 to provide wastewater treatment membrane modules for the Butler Drive Water Reclamation Facility (WRF).

Background/Summary:

The City's FY2016-FY2025 Capital Improvement Program (CIP) includes the Butler Drive WRF Membrane Replacement project for the replacement of membrane technology used to treat wastewater at the Butler Drive WRF. This project was recently presented to Council as a part of the CIP approval process and was adopted on June 2nd, 2015.

In 2008, the City constructed the Butler Drive WRF to treat wastewater in the southern portion of the City. A key component of the treatment process is the Membrane Bioreactor System, a series of membrane filters that enhance wastewater treatment efficiency over traditional treatment methods. These filters are solely provided by Zenon Environmental Corporation, which is owned by GE Water & Process Technologies.

When the plant was constructed, it was expected that the lifespan of a typical membrane module would be approximately eight to ten years. As a result, Zenon provided the City with an eight year warranty and fixed membrane replacement price. This fixed price expires in June 2016 and staff has determined that replacement of the modules is required in FY2016 to maintain treatment performance. Should the City desire not to purchase the membranes until after the fixed price expires, the price would increase to today's market value which is an estimated 60% increase.

In addition, membrane filtration technology has improved in the last decade. The proposed replacement modules are more efficient than the previous versions and will result in energy savings for the City as well as additional expansion capability.

A summary of the project scope includes:

- Replacement of 1,920 membrane modules
- Analysis and Design for improvements to the membrane air supply system

The project will be completed by the end of FY16.

Previous Actions:

None.

Options:

A: Approve the Contract with Zenon Environmental Corporation.

B: Deny approval of the Contract. This will result in cancellation of the project.

Staff's Recommendation:

Staff recommends approval of the Contract with Zenon Environmental Corporation.

Fiscal Analysis:

There is funding available in the FY2016 CIP for this project. Payments will be made from the Wastewater Fund, Wastewater System Account 2400-2550-543003-CIPWW-UT00306.

Narrative:

Approval of the Contract will allow for purchase and installation of these improvements to begin in August 2015. The project will be completed by the end of FY2016.

Exhibits:

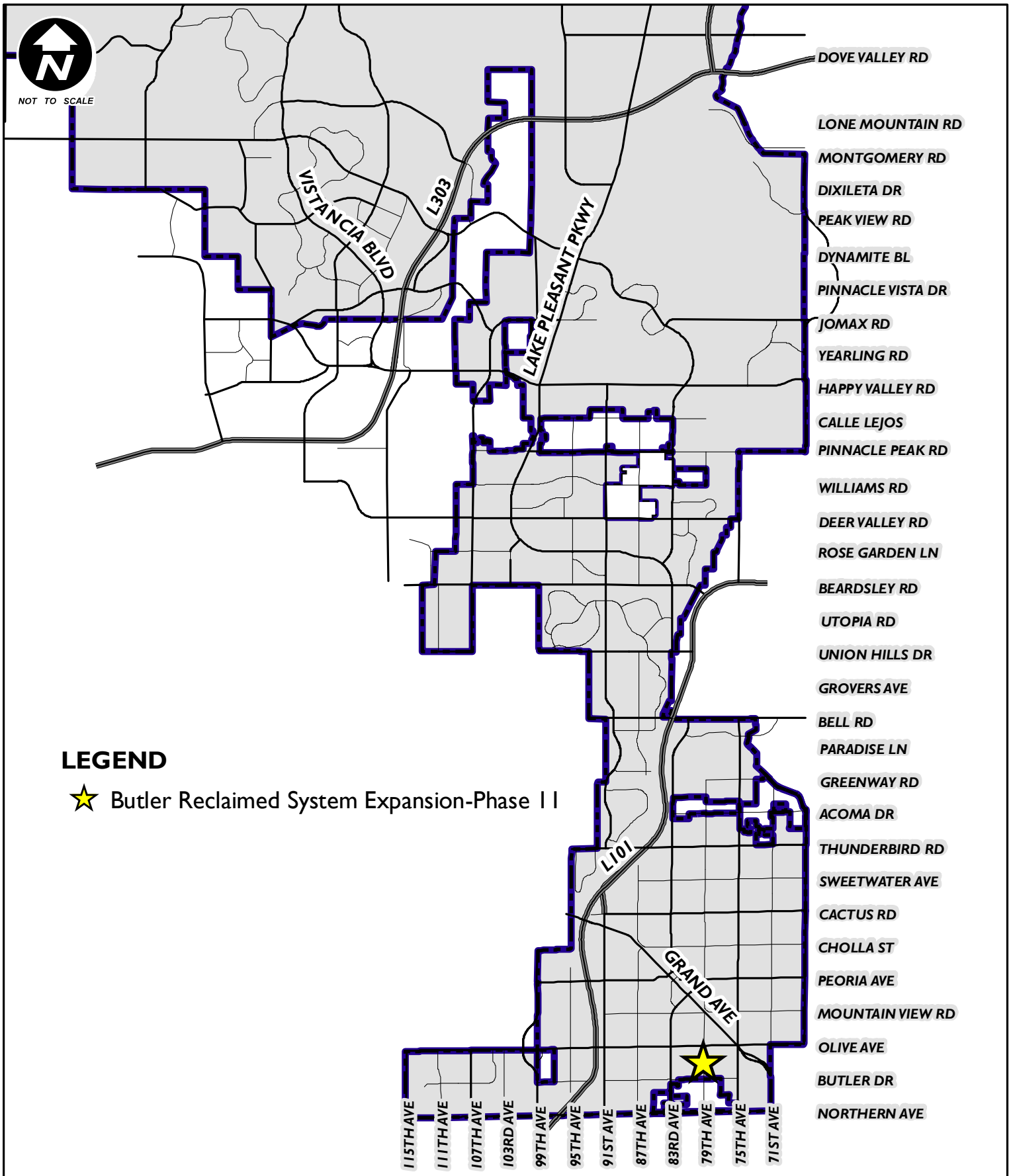
Exhibit 1: Vicinity Map
Exhibit 2: Location Map

Contact Name and Number: Daniel Kiel, P.E., Civil Engineer, x7982

City of Peoria
ENGINEERING

UT00313 - Butler Reclaimed System Expansion-Phase II

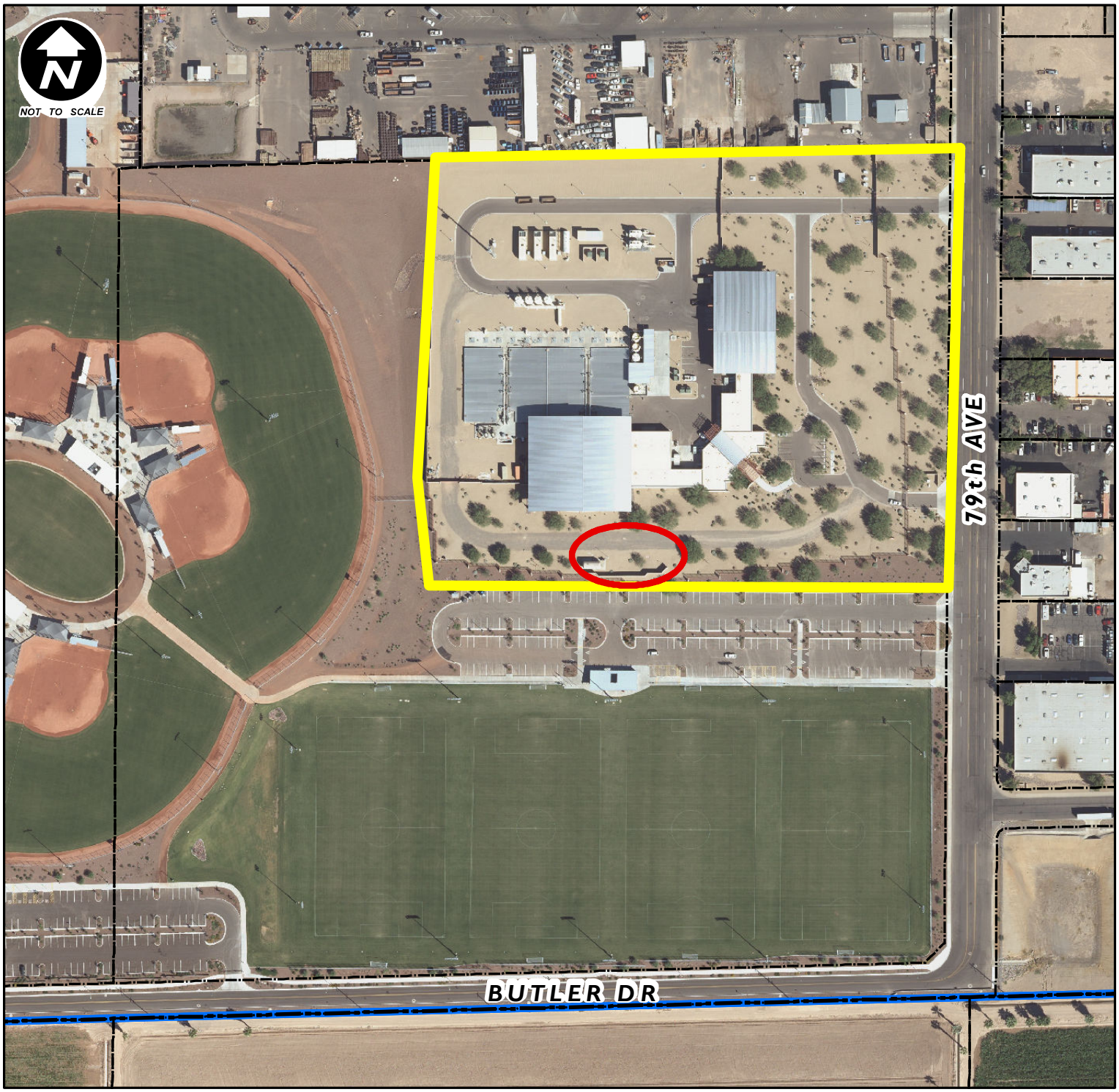
Vicinity Map



City of Peoria
ENGINEERING

UT00313 -Butler Reclaimed System Expansion - Phase II

Location Map



LEGEND

Reclaimed System Expansion

GIS
GEOGRAPHIC INFORMATION SYSTEMS
City of Peoria Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 12C

Date Prepared: June 1, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

SUBJECT: **Contract for Services with the Greater Phoenix Economic Council (GPEC)**

Purpose:
Authorize the City Manager to renew the GPEC contract for the 2016 fiscal year.

Background/Summary:
As part of its economic development effort, staff is seeking to renew its contract with the Greater Phoenix Economic Council (GPEC). The Greater Phoenix Economic Council is a private/public partnership representing the majority of communities in Maricopa County, and several other public and private entities.

GPEC's mission is geared toward attracting quality businesses to the region from around the world, as well as advocating and championing foundational effects to improve the region's competitiveness. GPEC's primary role is image building and marketing for the greater Phoenix region, and adds value to retention and expansion of existing businesses through regional support and research on key projects.

Since 1991, Peoria has been a member of GPEC which currently has 23 community members and is the leader in regional economic development. Membership with GPEC provides the city with development leads and prospects, as well as exposes the city to a national and international corporate site selection audience, as well as within metropolitan Phoenix. In addition, membership in GPEC allows Peoria to have a voice on decisions made regarding regional economic development strategies.

GPEC has proved to be an instrumental partner in business attraction efforts for the city's investment zones, specifically the Vistancia Commercial Core and the future Rovey Industrial Park.

Previous Actions:
City Council has approved the GPEC contract every year since 1991.

Options:
A: Approve the GPEC contract for another year. This means we will continue to partner with them on our economic development activities and use them as a resource for leads, prospects, marketing, public relations, research, and analysis. Authorize the use of funds in the amount of $72,041 from the Half-Cent Fund City Participation-Outside Programs account (1210-0350-522006).

B: Reject the GPEC contract. This means we will no longer receive indirect exposure nationally and internationally in the metropolitan Phoenix region, and we will undertake all economic development image, marketing and business prospecting activities on our own.

Staff's Recommendation:
Authorize the City Manager to renew the service contract with the Greater Phoenix Economic Council for FY 2016. Authorize the use of funds in the amount of $72,041 from the Half-Cent Fund City Participation-Outside Programs account (1210-0350-522006).

Fiscal Analysis:
The cost for the City of Peoria to participate in GPEC for FY 2016 is $72,041. Currently this is funded in the FY16 Half-Cent Fund City Participation-Outside Programs account (1210-0350-522006). The amount reflects a $1445 increase over last year's contract amount since GPEC has restored its schedule of per capita rates and Peoria experienced an increase to its population estimates. In prior years, the rate had been discounted (5% in FY2010 and by 15% in both FY2011 and FY2012) to member communities.

The level of marketing and exposure achieved through GPEC would cost significantly more if handled by city staff. Utilizing GPEC for this effort is a cost effective means to achieve a high level marketing and public relations program.

Exhibit 1: GPEC Contract
Exhibit 2: GPEC Action Plan
Exhibit 3: GPEC Performance Measures
Exhibit 4: GPEC Targeted Industries
Exhibit 5: GPEC Reporting Mechanisms for Contract Fulfillment
Exhibit 6: GPEC Insurance Requirements
Exhibit 7: GPEC Regional Cooperation Protocol

AGREEMENT BETWEEN
THE GREATER PHOENIX ECONOMIC COUNCIL
AND THE CITY OF PEORIA
City Contract No. _____

The City Council of the CITY OF PEORIA, a municipal corporation (the "City"), has approved participation in and support of the regional economic development program of the GREATER PHOENIX ECONOMIC COUNCIL ("GPEC"), an Arizona non-profit corporation. The purpose of this agreement ("Agreement") is to set forth the regional economic development program that GPEC agrees to undertake, the support that the City agrees to provide, the respective roles of GPEC and the City and the payments of the City to GPEC for the fiscal year July 1, 2015 - June 30, 2016.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the CITY and GPEC agree as follows:

I. RESPONSIBILITIES OF GPEC

A. **MISSION:** GPEC works to attract quality businesses to the Greater Phoenix Region from around the world, and advocate and champion foundational effects to improve the region's competitiveness.

B. **GOALS**: GPEC is guided by and strategically focused on two specific long-range goals:

1. Marketing the region to generate qualified business/industry prospects in targeted economic clusters.

2. Leveraging public and private allies and resources to locate qualified prospects, improve overall competitiveness, and sustain organizational vitality.

C. **RETENTION AND EXPANSION POLICY:**

1. GPEC's primary role is developing the Greater Phoenix region's market intelligence strategy for high wage, base industry clusters in coordination with representatives of GPEC member communities.

2. Retention and expansion of existing businesses within GPEC member communities is primarily a local issue.

3. GPEC will support its member communities' efforts to retain and expand existing businesses through coordinating regional support and providing research on key retention and expansion projects.

4. GPEC will advise its member communities when an existing company contacts GPEC regarding a retention or expansion issue, subject to any legal or contractual non-disclosure obligations.

D. **ACTION PLAN AND BUDGET:** In accordance with the Mission, Goals and Retention Policy set forth above and subject to the availability of adequate funding, GPEC shall implement the Action Plan and Budget adopted by GPEC's Board of Directors, a copy of which has been delivered to the City, receipt of which is hereby acknowledged. A summary of the Action Plan is attached hereto as **Exhibit A** ("GPEC Action Plan"). The City shall be informed of any changes in the adopted Action Plan which will materially affect or alter the priorities established

therein. Such notification will be in writing and will be made prior to implementation of such changes. Notwithstanding the foregoing, the City acknowledges and agrees that GPEC may, in its reasonable judgment in accordance with its own practices and procedures, substitute, change, reschedule, cancel or defer certain events or activities described in the Action Plan as required by a result of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control. GPEC shall solicit the input of the City on the formulation of future marketing strategies and advertisements. The Action Plan will be revised to reflect any agreed upon changes to the Action Plan.

E. **PERFORMANCE TARGETS:** Specific performance targets, established by GPEC's Executive Committee and Board of Directors, are attached hereto as **Exhibit B** ("GPEC Performance Measures") and shall be used to evaluate and report progress on GPEC's implementation of the Action Plan. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPEC's reasonable control, these performance targets may be revised with the City's prior written approval, or with the prior written approval of a majority of the designated members of GPEC's Economic Development Directors Team ("EDDT"). GPEC will provide monthly reports to the City discussing in detail its progress in implementing the Action Plan as well as reporting the numerical results for each performance measurement set forth in Exhibit B. GPEC shall provide a copy of its annual external audit for the preceding fiscal year to the City no later December 31, 2015.

In the case of any benchmark which is not met, GPEC will meet with the EDDT to provide an explanation of the relevant factors and circumstances and discuss the approach to be taken in order to achieve the target(s). Failure to meet a performance target will not, by itself, constitute an event of default hereunder unless GPEC (i) fails to inform the City of such event or (ii) fails to meet with EDDT to present a plan for improving its performance during the balance of the term of the Agreement will constitute an event of default for which the City may terminate this Agreement pursuant to paragraph IV.J. below.

II. RESPONSIBILITIES OF THE CITY

A. **STAFF SUPPORT OF GPEC EFFORTS:** The City shall provide staff support to GPEC's economic development efforts as follows:

1. The City shall respond to leads or prospects referred by GPEC in a professional manner within the time frame specified by the lead or prospect if the City desires to compete and if the lead is appropriate for the City. When available, the City agrees to provide its response in the format developed jointly by EDDT and GPEC;

2. The City shall provide appropriate local hospitality, tours and briefings for prospects visiting sites in the City;

3. The City shall provide an official economic development representative to represent the City on the EDDT, which advises GPEC's President and CEO;

4. The City shall cooperate in the implementation of GPEC/EDDT process improvement recommendations including the use of common presentation formats, exchange of information on prospects with GPEC's staff, the use of shared data systems, land and building data bases and private sector real estate industry interfaces;

5. The City shall use its best efforts to respond to special requests by GPEC for particularized information about the City within three business days after the receipt of such request;

6. In order to enable GPEC to be more sensitive to the City's requirements, the City shall, at its sole option, deliver to GPEC copies of any City approved economic development strategies, work plan, programs and evaluation criteria. GPEC shall not disclose the same to the other participants in GPEC or their representatives;

7. The City shall utilize its best good faith efforts to cause an economic development professional representing the City to attend all marketing events and other functions to which the City has committed itself; and

8. The City agrees to work with GPEC to improve the City's competitiveness and market readiness to support the growth and expansion of the targeted industries as identified for the City in **Exhibit C** ("Targeted Industries").

B. **RECOGNITION OF GPEC:** The City agrees to recognize GPEC as the City's officially designated regional economic development organization for marketing the Greater Phoenix region.

III. ADDITIONAL AGREEMENTS OF THE PARTIES:

A. **PARTICIPATION IN MARKETING EVENTS AND PROVISION OF TECHNICAL ASSISTANCE:** Representative(s) of the City shall be entitled to participate in GPEC's marketing events provided that such participation shall not be at GPEC's expense. When requested and appropriate, GPEC will use its best efforts to provide technical assistance and support to City economic development staff for business location prospects identified and qualified by the City and assist the City with presentations to the prospect in the City or their corporate location.

B. **COMPENSATION**:

1. The City agrees to pay **$72,041.00** for services to be provided by GPEC pursuant to the Agreement during the fiscal year ending on June 30, 2016, as set forth in this Agreement. This amount is based on approximately $0.4397 per capita applied to that portion of the City's population within Maricopa County, plus $0.5752 per capita applied to that portion of the City's population outside of Maricopa County, based upon the 2014 Office of Employment and Population Statistics, Arizona Department of Administration population estimate, which listed the City as having a population of **163,832** in Maricopa County and **7** in Yavapai County. The payment by the City may, upon the mutual and discretionary approval of the board of directors of GPEC and the City Council, be increased or decreased from time to time during the term hereof in accordance with the increases or decreases of general application in the per capita payments to GPEC by other municipalities which support GPEC;

2. Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the City Council pursuant to the required budget process of the City;

3. Nothing herein shall preclude the City from contracting separately with GPEC for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by the City and GPEC; and

4. GPEC shall submit invoices for payment on a quarterly basis. The foregoing notwithstanding, if GPEC has not provided the City with the audit required pursuant to paragraph I.E. above no later than December 31, 2015, no payments shall be made hereunder until the City receives the audit report. Invoices and monthly activity reports, substantially in the form of **Exhibit D** ("Reporting Mechanism for Contract

Fulfillment") attached hereto, are to be submitted to the address listed under paragraph IV.P.

C. COOPERATION:

1. The parties acknowledge that GPEC is a cooperative organization effort among GPEC and its member communities. Accordingly, the City and GPEC covenant and agree to work together in a productive and harmonious manner, to cooperate in furthering GPEC's goals for the 2015-2016 fiscal year. The City and GPEC further covenant and agree to comply with the Regional Cooperation Protocol, attached hereto as **Exhibit F**, in all material respects.

2. The City agrees to work with GPEC, as necessary or appropriate, to revise the performance measures, and/or benchmarks, and/or goals for the FY 2016-2017 contract.

3. The City agrees to work with GPEC during the FY2015-2016 program year to develop a revised public sector funding plan, including a regional allocation formula for FY2016-2017, if determined to be necessary or appropriate.

IV. GENERAL PROVISIONS:

A. COVENANT AGAINST CONTINGENT FEES: GPEC warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For a breach or violation of this warranty, the City shall have the right to terminate this Agreement without liability or, in its discretion, to deduct the commission, brokerage or contingent fee from its payment to GPEC.

B. PAYMENT DEDUCTION OFFSET PROVISION: GPEC recognizes the provisions of the City Code of the City of Peoria which require and demand that no payment be made to any contractor as long as there is any outstanding obligation due to the City, and directs that any such obligation be offset against payment due to GPEC.

C. ASSIGNMENT PROHIBITED: No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

D. INDEPENDENT CONTRACTOR; NO AGENCY: Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between the City and GPEC. At all times during the term of this Agreement, GPEC shall be an independent contractor and shall not be an employee of City. City shall have the right to control GPEC only insofar as to the results of GPEC's services rendered pursuant to this Agreement. GPEC shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. GPEC shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

E. INDEMNIFICATION AND HOLD HARMLESS: During the term of this Agreement, GPEC shall indemnify, defend, hold, protect and save harmless the City and any and all of its Council members, officers and employees from and against any and all actions, suits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by City, brought, made, filed against, imposed upon or sustained by the City, its officers, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful

acts, omissions or from operations conducted by GPEC, its directors, officers, agents or employees acting on behalf of GPEC and with GPEC's knowledge and consent.

Any party entitled to indemnity shall notify GPEC in writing of the existence of any claim, demand or other matter to which GPEC's indemnification obligations would apply, and shall give to GPEC a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the indemnified party.

Nothing in this Subsection E shall be deemed to provide indemnification to any indemnified party with respect to any liabilities arising from the fraud, negligence, omissions or willful misconduct of such indemnified party.

F. **INSURANCE:** GPEC shall procure and maintain for the duration of this Agreement, at GPEC's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement by GPEC, its agents, representatives, employees or contractors, in accordance with the Insurance Requirements set forth in **Exhibit E** ("Insurance Requirements"), attached hereto. The City acknowledges that it has received and reviewed evidence of GPEC's insurance coverage in effect as of the execution of this Agreement.

G. **GRATUITIES**. The City may, by written notice to GPEC, terminate the right of GPEC to proceed under this Agreement upon one (1) calendar day notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by GPEC, or any agent or representative of GPEC, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of such contract; provided that the existence of the facts upon which the City makes such findings shall be an issue and may be reviewed in any competent court. In the event of such termination, the City shall be entitled to pursue all legal and equitable remedies against GPEC available to the City.

H. **EQUAL EMPLOYMENT OPPORTUNITY.** During the performance of this Agreement, GPEC agrees as follows:

1. GPEC will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age or disability. GPEC shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, gender, sexual orientation, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. GPEC agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. GPEC will, in all solicitations or advertisements for employees placed by or on behalf of GPEC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.

3. GPEC will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to Agreements or subcontracts for standard commercial supplies or new materials.

4. Upon request by the City, GPEC shall provide City with information and data concerning action taken and results obtained in regard to GPEC's Equal Employment Opportunity efforts performed during the term of this Agreement. Such reports shall be accomplished upon forms furnished by the City or in such other format as the City shall prescribe.

I. **COMPLIANCE WITH APPLICABLE FEDERAL AND STATE LAWS REQUIRED**. GPEC understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986, the Drug Free Workplace Act of 1989 and the American with Disabilities Act , and agrees to comply therewith in performing under any resultant agreement and to permit City inspection of its records to verify such compliance.

1. GPEC warrants to the City that, to the extent applicable under A.R.S. §41-4401, GPEC is in compliance with all Federal Immigration laws and regulations that relate to its employees and with the E-Verify Program under A.R.S. §23-214(A). GPEC acknowledges that a breach of this warranty by GPEC or any subconsultants providing services under this Agreement is a material breach of this Agreement subject to penalties up to and including termination of this Agreement or any applicable subcontract.

2. The City retains the legal right to inspect the papers of any employee of GPEC or any subconsultant who works on this Agreement to ensure compliance with the warranty stated in the paragraph above. The City may conduct random verification of the employment records of GPEC and any of its subconsultants who work on this Agreement to ensure compliance with such warranty. Any information and documents obtained by the City during the course of an audit conducted in accordance with this paragraph for the purpose of determining compliance with such warranty shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the City is ordered or otherwise directed to do so by a court of competent jurisdiction.

3. The City will not consider GPEC or any of its subconsultants who work on this Agreement in material breach of the foregoing warranty if GPEC and such subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

4. The provisions of this Section I must be included in any contract GPEC enters into with any and all of its subconsultants who provide services under this Agreement or any subcontract to provide services under this Agreement. As used in this Section I "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

J. **TERMINATION.** City shall have the right to terminate this Agreement if GPEC shall fail to duly perform, observe or comply with any covenant, condition or agreement on its part under this Agreement and such failure continues for a period of 30 days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to GPEC by the City; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within 30 days, no event of default shall be deemed to have occurred or to exist if, and so long as, GPEC

shall commence such action within that period and diligently and continuously prosecute the same to completion within 90 days or such longer period as the City may approve in writing.

The foregoing notwithstanding, in the event of circumstances which render GPEC incapable of providing the services required to be performed hereunder, including, but not limited to, insolvency or an award of monetary damages against GPEC in excess of its available insurance coverage and assets, the City may immediately and without further notice terminate this Agreement.

K. **RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS**. GPEC's performance hereunder shall be in material compliance with all applicable federal, state and local health, environmental, and safety laws, regulations, standards, and ordinances in effect during the performance of this Agreement.

L. **INSTITUTION OF LEGAL ACTIONS**. Any legal actions instituted pursuant to this Agreement must be filed in the county of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona. In any legal action, the prevailing party in such action will be entitled to reimbursement by the other party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court.

M. **APPLICABLE LAW.** Any and all disputes arising under any Agreement to be awarded hereunder or out of the proposals herein called for, which cannot be administratively resolved, shall be tried according to the laws of the State of Arizona, and GPEC shall agree that the venue for any such action shall be in the State of Arizona.

N. **CONTINUATION DURING DISPUTES.** GPEC agrees that, notwithstanding the existence of any dispute between the parties, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by an Arizona court of competent jurisdiction.

O. **CITY REVIEW OF GPEC RECORDS.** GPEC must keep all Agreement records separate and make them available for audit by City personnel upon request.

P. **NOTICES.** Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Susan Daluddung
Deputy City Manager
City of Peoria
8401 W. Monroe St.
Peoria, AZ 85345
Phone: 623-412-7300
FAX: 623-412-7309

With a copy to: City Attorney
City of Peoria
8401 W. Monroe St.
Peoria, AZ 85345
Phone: 623-773-5180
FAX: 623-773-7043

If to GPEC: Chris Camacho
President and Chief Executive Officer
Greater Phoenix Economic Council
Two North Central Avenue, Suite 2500
Phoenix, Arizona 85004-4469
(602) 256-7700
FAX: (602) 256-7744

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

Q. **TRANSACTIONAL CONFLICT OF INTEREST.** All parties hereto acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

R. **NONLIABILITY OF OFFICIALS AND EMPLOYEES.** No member, official or employee of the City will be personally liable to GPEC, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to GPEC or its successor, or on any obligation under the terms of this Agreement. No member, official or employee of GPEC will be personally liable to the City, or any successor in interest, in the event of any default or breach by the GPEC or for any amount which may become due to the City or successor, or on any obligation under the terms of this Agreement.

S. **NO WAIVER.** Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

T. **SEVERABILITY.** If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.

U. **CAPTIONS.** The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.

V. **NO THIRD PARTY BENEFICIARIES.** No creditor of either party or other individual or entity shall have any rights, whether as a third-party beneficiary or otherwise, by reason of any provision of this Agreement.

W. **ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.** This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement,

including nine (9) pages of text and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A – GPEC Action Plan
Exhibit B – GPEC Performance Measures
Exhibit C – Targeted Industries
Exhibit D – Reporting Mechanism for Contract Fulfillment
Exhibit E – Insurance Requirements
Exhibit F – Regional Cooperation Protocol

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or GPEC, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this _____ day of _____, 2015.

CITY OF PEORIA, an Arizona municipal corporation

By: _____
Carl Swenson
Its: City Manager

ATTEST:

By:_____
Rhonda Geriminsky
Its: City Clerk

APPROVED AS TO FORM:

By:_____
Stephen M. Kemp
Its: City Attorney

GREATER PHOENIX ECONOMIC COUNCIL,
an Arizona nonprofit corporation

By:_____
Chris Camacho
Its: President & Chief Executive Officer

ARCHITECTING THE FUTURE

FY 2016 ACTION PLAN

Greater Phoenix
ECONOMIC COUNCIL

FY 16 ACTION PLAN

GPEC MISSION

Attract quality businesses to the Greater Phoenix region from around the world, and advocate and champion foundational efforts to improve the region's competitiveness.

EXECUTIVE SUMMARY

Through a true public-private partnership, the Greater Phoenix Economic Council (GPEC) continues to lead the nation as a best-in-class economic development organization. The collaborative results of regionalism combined with cutting-edge analytics positions GPEC to engineer the future of the Greater Phoenix economy in unprecedented ways. The launch of the Competitiveness Council will bring new voices to the table to join the conversation in shaping the future economy. In-depth market analysis and digital marketing tactics will shed light on the value and desirability of the market. And sophisticated market intelligence will continue to highlight the region's strengths and promote our communities. Going into fiscal year 2016, GPEC's pipeline is stronger than ever, its marketing and communications efforts are elevating the regional brand, and new leadership has invigorated the organization and the community with new direction and aspirational goals. We are excited for the next era of GPEC, and invite you to join us as we architect the future of Greater Phoenix.

WHAT TO EXPECT IN THE FOLLOWING PAGES

FY15 MILESTONES
Momentum gained in the last year — select achievements and key benchmarks

FY16 ACTION ITEMS
Sample of activities that adhere to a five-year vision and result in progress

DRIVES THESE FY16 METRICS
Shows relationship between action items and annual performance goals

STRATEGIC PILLARS

As approved by GPEC's Board of Directors in FY11, these strategic pillars will guide the organization's fiscal year activities, and by 2016, lead to the following vision statements:

STRATEGIC PILLAR	BY 2016
Market Intelligence	GPEC's market intelligence model will be best-in-class.
Next Generation	GPEC will elevate Greater Phoenix as a leading center of emerging technologies.
Attraction	GPEC will maintain its reputation as a credible, respectable and "go to" organization.
International	GPEC's foreign direct investment approach will be a national best practice.
Regional Brand	GPEC will successfully define Greater Phoenix as a region that is forward-thinking, innovative and business-friendly.
GPEC Brand	GPEC will be the nation's premier agency and leader in the economic development realm. In Arizona, GPEC will be the principal leadership organization.
Capital Markets / Venture Formation	GPEC will develop a science and technology-based fund that will drive regional innovation activity.

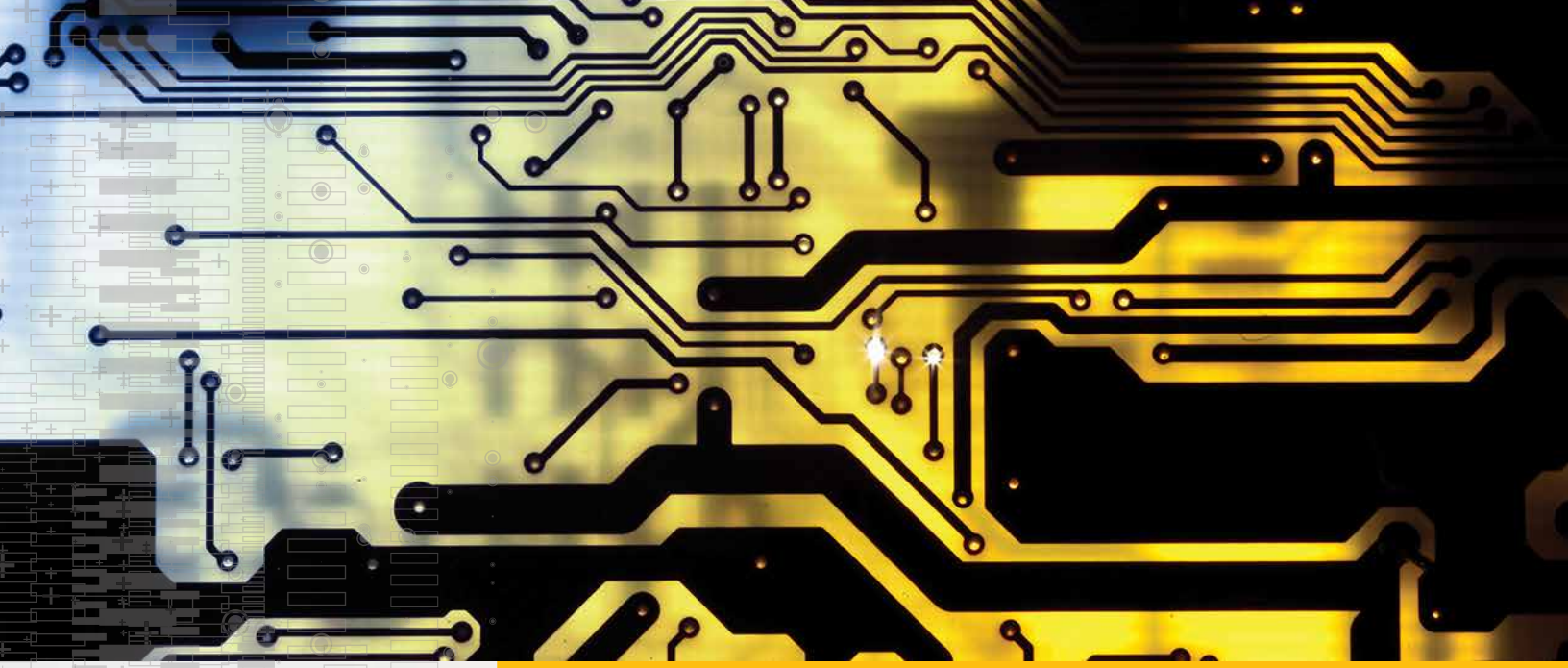
METRICS

METRIC	THRESHOLD	TARGET	STRETCH
PAYROLL GENERATED	$205.48 M	$226.03 M	$248.63 M
NUMBER OF JOBS	4,794	5,273	5,801
HIGH-WAGE JOBS	2,493	2,742	3,016
AVERAGE HIGH-WAGE SALARY	$51,574	$57,304	$63,034
QUALIFIED PROSPECTS	210	231	254
QUALIFIED INTERNATIONAL PROSPECTS	37	41	45
EMERGING TECH ASSISTS	10	12	14
REACH OF EDITORIAL PLACEMENTS	275 M	302 M	332 M

BUDGET

JULY 1, 2015 - JUNE 30, 2016

REVENUES	FY 2015 FORECAST	% OF TOTAL	FY 2016 BUDGET	% OF TOTAL	FY 2015 BUDGET	$ CHANGE	CHANGE
Public Funds	$2,244,000	40.9%	$2,271,100	40.6%	$2,246,500	$24,600	1.1%
Private Funds	2,400,000	43.7%	2,600,000	46.5%	2,550,000	50,000	2.0%
New Pledge Revenue	225,000	4.1%	250,000	4.5%	250,000	-	0.0%
In-Kind Pledges	59,000	1.1%	77,000	1.4%	59,400	17,600	29.6%
Events & Programs	221,000	4.0%	150,000	2.7%	165,000	(15,000)	(9.1%)
Sponsorships	86,000	1.6%	25,000	0.4%	100,000	(75,000)	(75.0%)
Grant Income	250,000	4.6%	212,900	3.8%	-	212,900	100.0%
Other	7,000	0.1%	2,500	0.0%	3,300	(800)	(24.2%)
Total Revenues	**$5,492,000**	**100.0%**	**$5,588,500**	**100.0%**	**$5,374,200**	**$214,300**	**4.0%**
OPERATING EXPENDITURES							
Business Development	419,000	8.2%	416,400	7.7%	434,200	(17,800)	(4.1%)
Marketing	209,000	4.1%	304,100	5.6%	258,500	45,600	17.6%
Research & Strategy	265,000	5.2%	283,000	5.2%	265,100	17,900	6.8%
External Relations	84,000	1.6%	95,200	1.8%	94,400	800	0.8%
Resource Management	200,000	3.9%	240,900	4.5%	199,700	41,200	20.6%
Personnel	2,976,000	58.3%	3,230,400	59.9%	3,295,100	(64,700)	(2.0%)
Facilities	441,000	8.6%	454,900	8.4%	447,400	7,500	1.7%
In-Kind	59,000	1.2%	77,000	1.4%	59,400	17,600	29.6%
Events & Programs	251,000	3.6%	140,000	2.6%	205,000	(65,000)	(31.7%)
Total Operarting Expenditures	4,904,000	96.1%	5,241,900	97.2%	5,258,800	(16,900)	-0.3%
NON-OPERATING EXPENDITURES							
Grant Expenses	200,000	3.9%	152,500	2.8%	-	152,500	100.0%
Total Expenses	**$5,104,000**	**100.0%**	**$5,394,400**	**100.0%**	**$5,258,800**	**$135,600**	**2.6%**
Net Gain (Loss)	**$388,000**		**$194,100**		**$115,400**	**$78,700**	
Less: Capital Expenditures	(14,000)		(95,000)		(10,000)	(85,000)	
Amortization of Deferred Rent	(58,000)		(63,600)		(57,700)	(5,900)	
Amortization of Capital Leases	(15,000)		(10,500)		-	(10,500)	
Add: Depreciation	37,000		50,300		31,000	19,300	
Changes from Operating Activities	(358,000)		12,400		(6,600)	19,000	
Net Cash Flows	(20,000)		87,700		72,100	15,600	
Beginning Cash	1,785,000		1,765,000		1,685,000	80,000	
Ending Cash	**$1,765,000**		**$1,852,700**		**$1,757,100**	**$95,600**	



BUSINESS DEVELOPMENT

CREATE AND MAINTAIN HIGH-QUALITY JOBS AND INVESTMENT
through targeted, direct selling

PROACTIVELY PURSUE THE BEST PROJECTS
that meet community and regional objectives

FY 15 MILESTONES

☑ SEEK INVESTMENT TO ACCELERATE DEVELOPMENT AND COMMUNITY PLANNING

Working together, GPEC's Economic Development Directors Team and the Community Building Consortium identified key assets in the region for investment promotion through a REIT/developer task force. GPEC's business development team targeted and attended conferences with leaders in national real estate and development. Building a network of development influencers, GPEC integrated development executives and capital managers into the standard sales mission process which includes site selection consultants, tenant representative brokers and corporate real estate executives promoting the assets of the region.

☑ HOST NATIONAL AND INTERNATIONAL ROAD SHOWS

GPEC successfully hosted road shows in San Francisco, San Jose and Washington, DC. Led by mayors and county supervisors, GPEC convened key executives to demonstrate the investment and supply chain opportunities available in Greater Phoenix.

☑ PLACE A RAZOR-SHARP FOCUS ON CALIFORNIA

The business development team led more than twenty missions into California, targeting high growth technology companies, advanced manufacturing operations and logistics users. The sales missions were part of an aggressive strategy to bolster direct lead-generation through engagement with key multipliers and industry executives. California expansions remain a top source of prospects for GPEC.

FY 16 ACTION ITEMS

ACTION ITEM	IMPLEMENTATION PLAN
Accelerate California Technology, Corporate Headquarters and Manufacturing Opportunities	California continues to generate the majority of prospects. As such, GPEC will target advanced manufacturing, distribution and technology companies, as well as key multipliers, REITs, venture capitalists and corporate real estate executives in California, through strategic marketing efforts and direct engagement with companies with California corporate headquarters.
Host National and International Road Shows	Following the success of road shows in Silicon Valley, Vancouver, and San Francisco, GPEC will execute three missions with major events, to be led by the region's mayors and Maricopa County Supervisors. Supported by GPEC investors, the organization will convene key executives and multipliers and demonstrate the regional value proposition to targeted industry leaders.
Expand FDI Activities in Canada and Enhance Efforts in the United Kingdom and Western Europe and Support Efforts in Mexico	Following successful missions into Toronto, GPEC will expand its efforts in the Ontario Province while evaluating additional opportunities in Eastern Canada. In addition, the UK is predicted to be the fastest growing economy of the G7, and its economic growth, along with its strong financial services and technology sectors, make it an ideal target for FY16 efforts. Both the UK and Western Europe will be approached through conferences and sales missions, leveraging U.S.-based relationships that have been built over the last two fiscal years. GPEC will continue to support state and city's efforts to strengthen relationships and commerce between Arizona and Mexico.
Progress Corporate 100 Program	Last year, GPEC identified and began to profile the top 100 employers in the Greater Phoenix region, not headquartered in Arizona. This year, GPEC will accelerate efforts to profile these companies and continue establishing relationships between local community leadership and companies' national leadership in order to mitigate potential contraction, as well as identify areas of opportunity for new growth and expansion.
Solidify Reputation as Best-in-Class Economic Development Organization	By expanding its visitation program with site selection consultants and multipliers (e.g., law firms, financial institutions), GPEC will continue to solidify its reputation as a best-in-class economic development organization. In addition, top site selection consultants will evaluate the services provided by GPEC's business development team, including the use of advanced labor analytics and cost analysis tools, relative to other market leaders nationally.

DRIVES THESE FY16 METRICS

Pipeline of qualified prospects

Pipeline of qualified international prospects
Total number of jobs created

Payroll generated

Average high-wage salary

Number of high-wage jobs created

Stakeholder satisfaction with business attraction

SUPPORTS THESE STRATEGIC PILLARS

Attraction

International

Regional Brand

GPEC Brand

COMPETITIVENESS

GUIDE NEW, STRATEGIC BUSINESS OPPORTUNITIES
through geographic and industry trend analyses

EVALUATE TARGETED, SOUND ECONOMIC DEVELOPMENT PROGRAMS
that enhance regional and state competitiveness

FY 15 MILESTONES

☑ LAUNCH VELOCITY

Velocity has launched with an Interim Board of Directors led by regional business and civic leaders. With guidance from the advisory committee, the Velocity Board began the process of forming an independent 501(c)3 and developing a communication strategy.

☑ EXECUTE GLOBAL CITIES INITIATIVE

Through participation in the Brookings' Global Cities Initiative, the region's export plan was created. The plan will be operationalized with the assistance from the Arizona Small Business Association. Among the first steps in the implementation will be grant development and fundraising, marketing and communication, and creation of Metro Phoenix Export Alliance.

☑ CONVENE EXECUTIVE MISSION TO WASHINGTON D.C.

In May, GPEC led a mission of more than 50 executives, mayors and county supervisors from around the state to Washington, DC for the organization's biennial mission to the nation's capitol. Focusing on workforce development, entrepreneurship and innovation, international investment and trade and aerospace and defense, GPEC met with the state's congressional delegation and influential leaders to discuss the region's competitiveness.

FY 16 ACTION ITEMS

ACTION ITEM	IMPLEMENTATION PLAN
Operationalize a Council on Competitiveness	Executives of key regional industries will convene and use data analysis and best practices to make policy recommendations that will lead to an improvement in the region's competitive position.
Elevate Community Partnership Program	GPEC will continue to evolve the Community Partnership Program, broadening the scope to holistic economic development approaches. In FY16, GPEC will work closely with the economic development directors and civic leadership, engaging and reinforcing regionalism as an effective framework for achieving economic prosperity for all communities.
Launch High-Impact Districts Strategy	GPEC will look to the density of economic activity in the region, with the aim of analyzing current concentrations and existing assets to profile "High-Impact Districts" and their surrounding areas. GPEC will collaborate with MAG and communities on data analytics, which will support marketing, strategic planning and policy development around growing these districts.
Perfect Market Intelligence Platform	GPEC will build on the proven market intelligence model, which focuses on expanding industry analysis and the Corporate 100 program. Update the aerospace and defense analysis and assess the continuing impact of sequestration on the industry. GPEC will formalize its market intelligence strategy as a regional business retention and expansion model in collaboration with the chambers and other organizations.
Support Velocity Implementation	GPEC will continue to engage and support successful implementation of Velocity, which includes operations and governance, the launch of early-stage projects, and communications and outreach.

DRIVES THESE FY16 METRICS

Pipeline of qualified prospects

Average high-wage salary

Emerging technology assists

Competitive position progress

SUPPORTS THESE STRATEGIC PILLARS

Market Intelligence

Next Generation

Attraction

International

Regional Brand

GPEC Brand

Capital Markets / Venture Formation

MARKETING & COMMUNICATIONS

MARKET AND PROMOTE THE REGION'S STRENGTHS AND ASSETS
in new markets using non-traditional tools

CONTINUE TO POSITION GPEC AS A RELIABLE RESOURCE
for stakeholders, policy-makers, citizens and media on key economic development issues

FY 15 MILESTONES

☑ TARGETED LEAD-GENERATION FOR BUSINESS DEVELOPMENT

A beta-test of a digital lead-gen campaign was executed, allowing GPEC to analyze the behavior of leads to determine what they are trying to identify, how they search, and their preferred method of interaction. The results led to new leads, prospects and locates. A California microsite plan was developed and will be launched in FY16.

☑ PROMOTE COUNTY COMPETES

Partnering with Maricopa County, GPEC developed a content-specific marketing presence to raise awareness among clients on the County's proactive and rapid willingness to meet business needs. The website is being marketed to site selections consultants, key industry executives and serves as a resource for active GPEC clients.

☑ SUPPORT SUPER BOWL XLIX

Targeting the C-Suite of global companies, GPEC supported the Super Bowl Host Committee and Arizona Commerce Authority to host 60 top executives to the region during Super Bowl XLIX. The four-day program showcased business, innovation and lifestyle opportunities that exist in Greater Phoenix and facilitated dialogue among the region's CEOs and community leaders with key executives from major brand enterprises.

FY 16 ACTION ITEMS

ACTION ITEM	IMPLEMENTATION PLAN
Create a Microsite for California	GPEC will use strategically-created content and messaging to elevate the regional brand in California markets. Content will influence prospects at key points in their expansion plans, ultimately fueling leads into GPEC's pipeline and directing them to our California microsite with highly-targeted content.
Host In-bound National Media Tour	GPEC will host leading print and broadcast media, inviting them to tour the Greater Phoenix region. The purpose of these tours will be to showcase the pro-business climate that exists in Arizona, as well as to promote the community vibrancy, diversity and economic character of GPEC's member communities.
Scale Digital Media Strategy	GPEC will develop regular content on economic development and related industry topics through various social media platforms. The content will be further disseminated through digital ambassadors to promote GPEC as a thought leader in economic development. The strategy is designed to dramatically extend GPEC's media reach.
Construct a Digital Warehouse	GPEC will create a digital warehouse of GPEC collateral and data to better facilitate business development efforts. The repository will serve as an evolving library to ensure that marketing materials and other key information are current, and easily accessible from any device.
Enhance GPEC's Website with Smart Integration	The design and content of GPEC's website will be updated to better showcase the organization's advanced analytics capabilities and the region's overall value proposition. The site will be more responsive, take advantage of user-experience best practices and interface with an enhanced customer relationship management software, allowing the organization to better identify and track leads for business attraction.

DRIVES THESE FY16 METRICS

Pipeline of qualified prospects

Pipeline of international prospects

Total reach of editorial placements

SUPPORTS THESE STRATEGIC PILLARS

Attraction

Regional Brand

GPEC Brand

STAKEHOLDER ENGAGEMENT

LEADERSHIP COUNCILS AND ADVISORY GROUPS

The collective professional expertise of GPEC's councils and advisory groups helps shape the organization's key initiatives, leverages connections to further business development and competitiveness efforts, and supports implementation of programs.

COMPETITIVENESS COUNCIL*

Executives of key regional industries will convene and use data analysis and best practices to make policy recommendations that will lead to an improvement in the region's competitive position.

COMMUNITY BUILDING CONSORTIUM*

Applies collective commercial real estate experience to help capture business development opportunities and increase the region's transactional capabilities.

ECONOMIC DEVELOPMENT DIRECTORS TEAM

Advises CEO and staff on local economic development trends, offers insight on pulse of city/town council and partners with GPEC to finalize location decisions.

GPEC NEXT LEADERSHIP COUNCIL*

Ensures the organization operates in a model that is innovative, integrated and proactive.

HEALTHCARE LEADERSHIP COUNCIL*

Works to advance a healthcare initiative for the region and establish Greater Phoenix as a center of excellence anchored by innovative assets and world-class leadership.

INTERNATIONAL LEADERSHIP COUNCIL*

Advises on the direction and implementation of GPEC's foreign direct investment efforts, and provides guidance to increase program impacts.

MAYORS AND SUPERVISORS COUNCIL

Convenes mayors of GPEC's municipalities and County supervisors for regular updates on strategic initiatives.

RESOURCE DEVELOPMENT COMMITTEE

Guides resource development efforts and executes fundraising strategies to ensure sustainability of GPEC's programs and services.

* Eligibility determined by investment level or strategic appointment

GOVERNANCE

BOARD OF DIRECTORS
Provides effective oversight of the organization and helps shape GPEC's influence as a regional thought leader.

EXECUTIVE COMMITTEE
Acts on behalf of the Board of Directors, advising on strategic direction and overall performance of annual goals.

BOARD-LEVEL COMMITTEES

PERFORMANCE COMMITTEE
Evaluates the performance of the organization and the President & CEO.

AUDIT COMMITTEE
Assesses internal controls and oversees auditors and the annual audit.

NOMINATING COMMITTEE
Serves to nominate the At-large Directors and Board officers, and recommends candidates to the board for approval, based on nominations received from mayors of member communities.

FINANCE COMMITTEE
Sets financial objectives for the organization and recommends the annual budgets as part of the Action Plan.

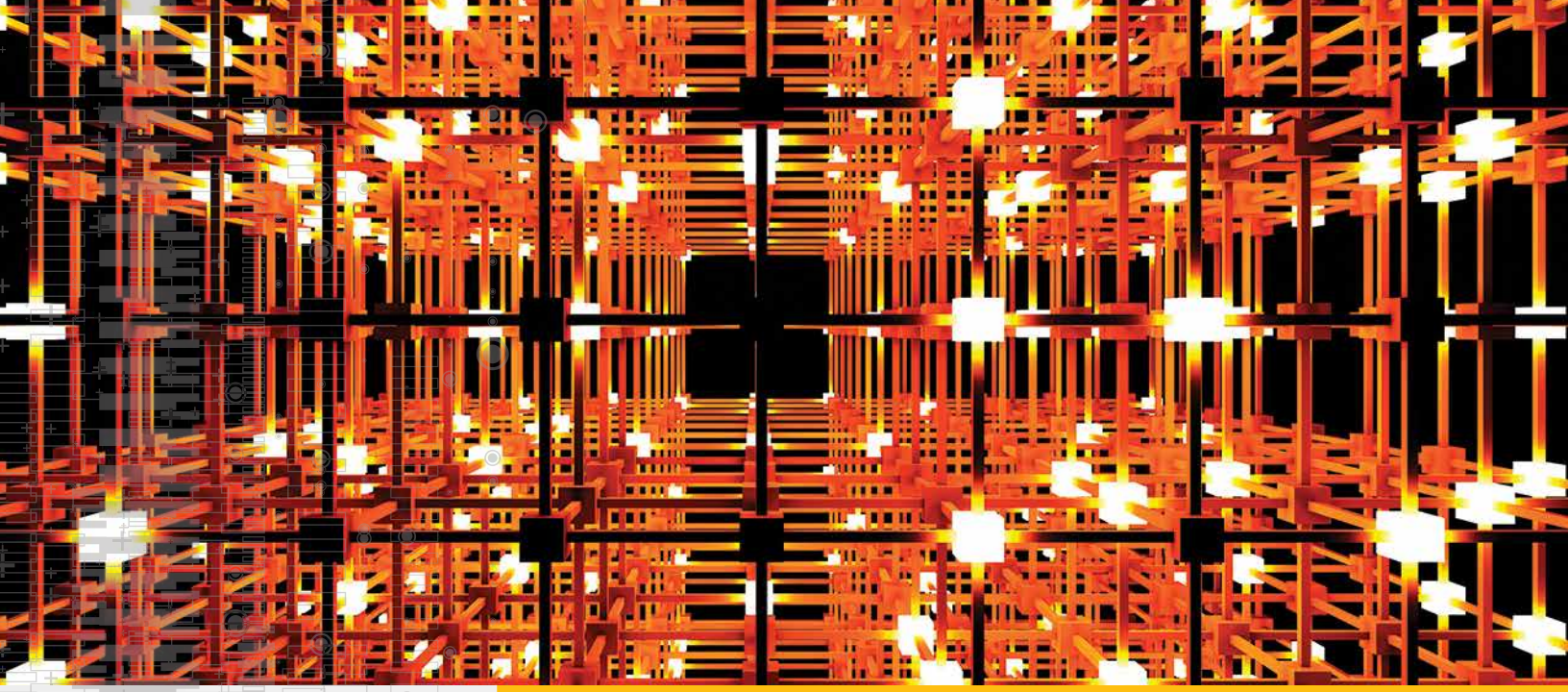
AMBASSADORS

At the foundation of GPEC's engagement activity are Ambassadors, whose broad range of professional backgrounds lend critical assistance to regional business-climate improvement and business development efforts.

AMBASSADORS
Help communicate, educate and inform stakeholders, policy-makers, citizens and media about key regional economic development issues.

CERTIFIED AMBASSADORS
Ambassadors who have satisfied program criteria, qualifying them to serve as an extension of the GPEC team. Certified Ambassadors are given unique opportunities to interface more closely with GPEC's staff and board on program initiatives and mission-critical efforts.

AMBASSADOR STEERING COMMITTEE
Advises on strategic direction of Ambassadors Program; designs activities relevant to and in support of GPEC's mission; serves as a sounding board for emerging initiatives and supports implementation of programs.



GPEC STAKEHOLDERS

AS OF APRIL 15, 2015

MEMBER COMMUNITIES

Maricopa County
Apache Junction
Avondale
Buckeye
Casa Grande
Chandler
El Mirage
Fountain Hills
Gila Bend
Gilbert
Glendale
Goodyear
Maricopa
Mesa
Peoria
Phoenix
Queen Creek
Scottsdale
Surprise
Tempe
Tolleson
Wickenburg
Youngtown

PLATINUM

Alliance Bank of Arizona
American Airlines
Apollo Education Group
APS
Arizona Cardinals
Arizona Diamondbacks
Arizona State University
Bank of America
Banner Health
BBVA Compass
Cancer Treatment Centers of America
Chase
CopperPoint Mutual
Cox Communications
D.L. Withers Construction
Dignity Health
DMB Associates
Ernst & Young
Freeport-McMoRan Copper & Gold
Goodwill of Central Arizona
Grand Canyon University
Intel Corporation
Kitchell
Maracay Homes
Maricopa Community Colleges
Mayo Clinic
MidFirst Bank
National Bank of Arizona
Parkway Properties
Phoenix Suns
Polsinelli PC
Quarles & Brady
RED Development
Republic Media
Squire Sanders
SRP
Valley Metro
Wells Fargo

GOLD

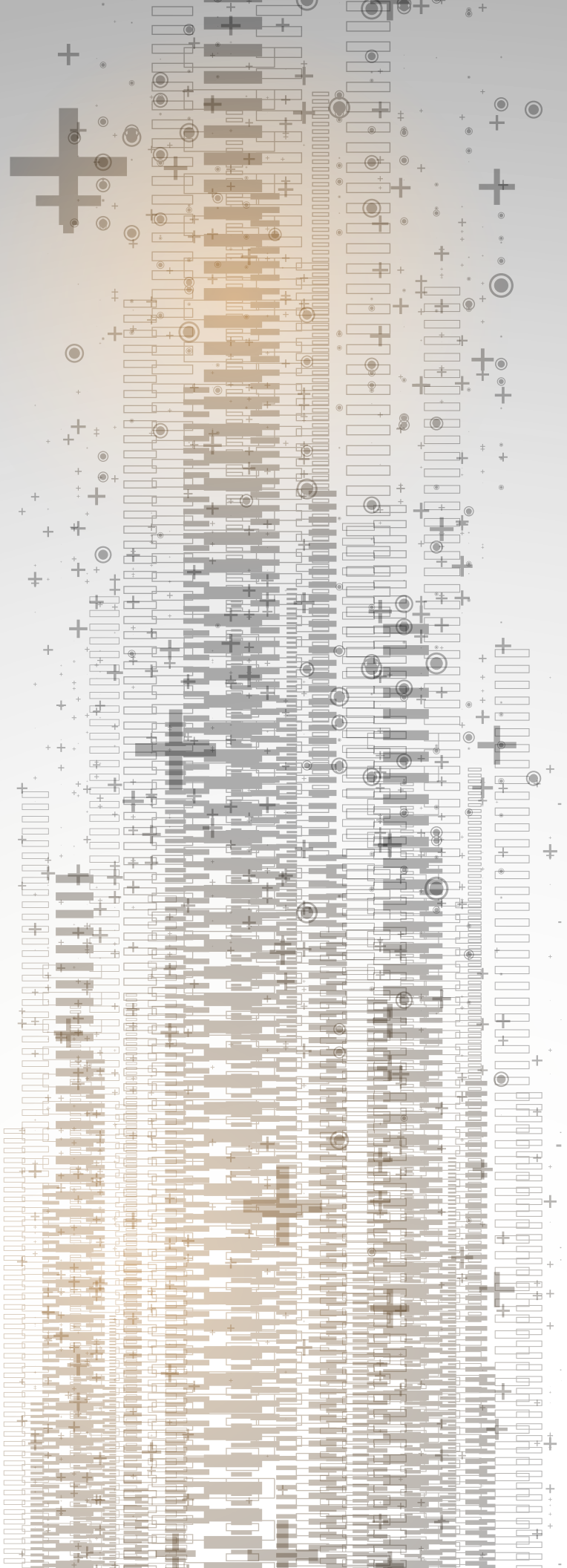
Aetna
BDO
BlueCross BlueShield of Arizona
BMO Harris Bank
Bryan Cave
Brycon Construction
Bury
Canyon State Credit Union
CBRE
Celgene Corporation
CenturyLink
Chanen Development Co.
Colliers International
Crescent Crown Distributing
Cushman & Wakefield
Daedalus Real Estate Advisors
Deloitte
DTZ
El Dorado Holdings
Empire Southwest
Gammage & Burnham
Gilbane Building Co.
Goodmans Interior Structures
Google
Green Loop Solutions
Hensley
Hines
Infusionsoft
JE Dunn Construction
Jones Lang LaSalle
Layton Construction
Lee and Associates
Lewis Roca Rothgerber
Liberty Property Trust
M+W Group
Macerich
The McShane Companies
Meritage Homes
Mortenson Construction
Nationwide Realty Investors
Northern Trust
Okland Construction
Opus Development Company
Phoenix Children's Hospital
Renaissance Companies
Ryan Companies
Saint Holdings
Siemens
Skanska USA Building
SmithGroup
Snell & Wilmer
Southwest Airlines
Southwest Gas Corporation
Sun Health
Sunbelt Holdings
Target Commercial Interiors
Thunderbird School of Global Management
Transwestern Commercial Services
Tratt Properties
TriWest Healthcare Alliance
TruPath
U.S. Bank
University of Arizona
USAA
ViaWest Group
Ware Malcomb
Waste Management
Weitz Company
Wespac Construction
Willmeng Construction
Wist Office Products
Wood, Patel & Associates

SILVER

A.T. Still University
AAA Arizona
Ak-Chin Industrial Park Board
Air Products and Chemicals
Arizona Business Bank
Arizona Community Foundation
Arizona Office Technologies
Avnet
Balfour Beatty Construction
Bank of Arizona
BNSF
Bristol Global Mobility
Brownstein Hyatt Farber Schreck
CBIZ MHM
Clark Hill PLC
Coe & Van Loo Consultants
CORE Construction
CoStar Group
Deutsch Architecture Group
Dibble Engineering
Dircks Moving & Logistics
DIRTT
Fervor Creative
Globe Corporation
Hunt Construction Group
Jennings, Strouss & Salmon
KTAR
Kutak Rock
Merit Partners
Midwestern University
MSS Technologies
NRG Thermal
On Q Financial
Osborn Maledon
PHX Architecture
The Plaza Companies
Queen Creek/Landmark Co.
Radstad
Resolution Copper Mining
St. Clair Technologies
Sun State Builders
Sunstate Equipment Company
Tallwave
Ultimate Staffing Services
Volo Holdings
Voit Real Estate Services

BRONZE

The Alter Group
Applied Economics
Butler Design Group
Gallagher & Kennedy
Guided Therapy Systems
Green Card Fund
Hillwood
HonorHealth
KPMG
Land Advisors Organization
McCarthy Building Companies
Newmark Grubb Knight Frank
Plant Solutions
Sundt Construction
Vermaland



Greater Phoenix
ECONOMIC COUNCIL

2 N. Central Ave., Suite 2500, Phoenix, AZ 85004
Phone: 602.256.7700 | Fax: 602.256.7744
www.gpec.org

greater phoenix economic council
@gpec
facebook.com/gpec4jobs
gpecgreaterphoenix

EXHIBIT B

GPEC PERFORMANCE MEASURES
FY 2015-2016

Specific performance targets as established by the GPEC Executive Committee and Board of Directors:

1.	**Payroll Generated**	**$205.5M**
2.	**Total Number of Jobs Created**	**4,794**
3.	**Total Number of High-Wage Jobs**	**2,493**
4.	**Average High-Wage Salary**	**$51,574**
5.	**Emerging Tech Assists**	**10**
6.	**Number of Qualified Prospects**	**210**
7.	**Number of Qualified International Prospects**	**37**
8.	**Total Reach of Editorial Placements/Exposures**	**275M**

GPEC continues to target high-wage industries Advanced Business Services; Advanced Manufacturing; Aerospace & Aviation; Logistics & E-Commerce; Mission Critical; Emerging Technologies (including CyberSecurity & Educational IT); Healthcare & Biomedical; Renewable Energies.

EXHIBIT C

TARGETED INDUSTRIES
FY2015-2016

GPEC and our member communities have identified targeted industries on a local and regional level, incorporating these industries into a regional economic development plan. For fiscal year 2015-2016, GPEC will continue its emphasis on the following: Advanced Business Services; Advanced Manufacturing; Aerospace & Aviation; Logistics & E-Commerce; Mission Critical; Emerging Technologies (including CyberSecurity & Educational IT); Healthcare & Biomedical; Renewable Energies.

Member communities will target the following:

Apache Junction
Business services; environmental technologies research and manufacturing; standard and advanced manufacturing; regional and corporate centers; medical institutions and/or associated satellite operations; mining support facilities; resort/tourist-oriented development; filmmaking (location shooting); expanded retail opportunities

Avondale
Advanced business services/information technology; renewable energies; Bio/medical/life sciences; manufacturing; higher education/lifelong learning, amateur sports and tourism

Buckeye
Advanced business services; renewable energy; high tech (data center and services); environmental technology / sustainability; standard manufacturing; medical and educational institutions; transportation/distribution; small business/incubator; aerospace/aviation

Casa Grande
Aviation/aerospace; biosciences and sustainability; corporate/regional headquarters; healthcare and medical services; standard manufacturing and transportation and distribution

Chandler
Advanced business services; corporate/regional headquarters, high-tech electronics and software development; aerospace/aviation and advanced materials; biosciences and sustainability

El Mirage
Business Services; standard and advanced manufacturing; transportation; warehousing/distribution; heavy industrial; food, fiber, and natural products; aerospace aviation

Fountain Hills
Advanced business services (professional, technical, and scientific services including finance and insurance); healthcare, medical, bio-life sciences and wellness; medical and educational institutions; arts, entertainment and recreation; retail

Gila Bend
Clean technology (manufacturing/central station generation/R&D); warehousing/transportation/distribution; military supply chain; tourism/hospitality; standard manufacturing; agriculture/agri-biotechnology; food, fiber and natural products; aerospace/aviation; heavy industrial

Gilbert
Advanced business services; information communication technology; aerospace/aviation and defense; life sciences; clean and renewable technology; and related corporate/regional headquarters

Glendale
Advanced business services; aerospace and defense; education; healthcare/medical; hospitality/entertainment; manufacturing; renewable energy; technology

Goodyear
Advance financial/business services; high-tech electronics and software development; aerospace/aviation; advanced materials; biosciences (treatment, medical diagnostics, research) and senior industries; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

Maricopa (City)
High-wage employers (salaries averaging at least 125% of the median wage in Maricopa County) that generate at least 80% of income from exporting goods and services outside the region

Mesa
Primary Target Industries: Healthcare, education, aerospace/aviation/defense and tourism/technology
Secondary target industries: Advanced business services; standard and advance manufacturing; regional and corporate centers; research & development; bioscience; medical devices

Peoria
Advanced business services; high technology (data centers, R&D); life sciences and healthcare technologies; advanced medical services; educational institutions; advanced and standard manufacturing; clean technologies research and manufacturing; entertainment and tourism

Phoenix
Bio-life sciences; advanced business services; manufacturing; sustainable industries and enterprises; higher education; world business, trade and FDI; and established/emerging enterprises; healthcare

Queen Creek
Aerospace and aviation; health and wellness; arts, culture and experience; education; clean and renewable energy and water; family/youth & children activity destinations

Scottsdale
Bio-life sciences; advanced business services; technology and innovation (including ICT and entrepreneurship/emerging enterprises); higher education; hospitality/visitor trade and commerce

Surprise
Energy (emphasis on renewable and firming); sustainability-centric industries; biomedical/medicine; advanced business services; manufacturing and distribution (emphasis on advanced manufacturing); education (K-12, and emphasis on higher education); semiconductor/microelectronics; aerospace and aviation; entrepreneurial/emerging technology

Tempe
Advanced business services (financial services); high tech/software (R&D, data center and services); high-tech/next generation electronics; aerospace R&D/aviation; bioscience (research, drug development, treatment, medical diagnostics); corporate/regional headquarters; sustainability (environmental); advanced materials/plastics; senior industries; clean tech, renewable energy and manufacturing

Tolleson
Aerospace and advanced materials; food, fiber and natural products; transportation/distribution; standard manufacturing; environmental technology; sustainability

Wickenburg
Standard manufacturing; transportation & distribution; rail services; mining support facilities; renewable energy; healthcare and medical; educational institutions; tourism and filmmaking; expanded retail operations

Youngtown
Youngtown is in the throes of developing a commerce park. The park will target second-stage small manufacturers with some related retail and offices.

EXHIBIT D

FY 2015-2016

REPORTING MECHANISM FOR CONTRACT FULFILLMENT

Monthly Activity Report - Month, Year

BUSINESS ATTRACTION PERFORMANCE METRICS:

GPEC Progress Toward Goals

Targeted Opportunities	Annual Contract Goal	Actual YTD	Goal YTD	% of Goal YTD
PAYROLL GENERATED (MILLIONS)				
AVERAGE HIGH WAGE SALARY				
NUMBER OF JOBS				
NUMBER OF HIGH-WAGE JOBS				
EMERGING TECHNOLOGY ASSISTS				
QUALIFIED PROSPECTS				
INTERNATIONAL PROSPECTS				
TOTAL REACH OF EDITORIAL PLACEMENTS				

GPEC continues to target high-wage industries (Advanced Business Services; Advanced Manufacturing; Aerospace & Aviation; Logistics & E-Commerce; Mission Critical; Emerging Technologies (including CyberSecurity & Educational IT); Healthcare & Biomedical; Renewable Energies

KEY BUSINESS ATTRACTION ACTIVITIES AND OTHER GPEC ACTIVITIES

EXHIBIT E

INSURANCE REQUIREMENTS

The City's insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits required of GPEC are sufficient to protect GPEC from liabilities that might arise out of this Agreement for GPEC, its agents, representatives, employees or Contractors and GPEC is free to purchase such additional insurance as may be determined necessary.

A. Minimum Scope and Limits of Insurance. GPEC shall provide coverage at least as broad as the categories set forth below with limits of liability in amounts acceptable to the City.

1. Commercial General Liability - Occurrence Form
(Form CG 0001, ed. 10/93 or any replacements thereof)

General Aggregate/ per Project
Products-Completed Operations Aggregate
Personal & Advertising Injury
Each Occurrence
Fire Damage (Any one fire)
Directors and Officers
Medical Expense (Any one person) Optional

2. Automobile Liability - Any Auto or Owned, Hired and Non-Owned Vehicles (Form CA 0001, ed. 12/93 or any replacement thereof) Combined Single Limit Per Accident for Bodily Injury and Property Damage

3. Workers' Compensation and Employers' Liability
Workers' Compensation Statutory
Employers' Liability

B. Self-insured Retentions. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may request that the insurer reduce or eliminate such self-insured retentions with respect to City, its officers, officials, agents, employees and volunteers.

C. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability

a. The City, its officers, officials, agents, employees and volunteers are to be named as additional insureds with respect to liability arising out of: activities performed by or on behalf of GPEC, including the City's general supervision of GPEC; products and completed operations of GPEC; and automobiles owned, leased, hired or borrowed by GPEC.

b. GPEC's insurance shall include broad form contractual liability coverage.

c. The City, its officers, officials, agents, employees and volunteers shall be additional insureds to the full limits of liability purchased by GPEC, even if those limits of liability are in excess of those required by this Agreement.

d. GPEC's insurance coverage shall be primary insurance with respect to City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be in excess of GPEC's insurance and shall not contribute to it.

e. GPEC's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

f. Coverage provided by GPEC shall not be limited to the liability assumed under the indemnification provisions of this Agreement.

g. The policies shall contain a waiver of subrogation against City, its officers, officials, agents, employees and volunteers for losses arising from work performed by GPEC for the City.

2. Workers' Compensation and Employers' Liability Coverage. The insurer shall agree to waive all rights of subrogation against City, its officers, officials, agents, employees and volunteers for any and all losses arising from work performed by the Contractor for the City.

D. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) calendar days' prior written notice has been sent to City at the address provided herein for the giving of notice. Such notice shall be by certified mail, return receipt requested.

E. **Acceptability of Insurers.** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-:VII. City in no way warrants that the above required minimum insurer rating is sufficient to protect GPEC from potential insurer insolvency.

F. **Verification of Coverage**. GPEC shall furnish City with Certificates of Insurance (ACORD form or equivalent approved by City) and with original endorsements effecting coverage as required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the Certificate of Insurance.

All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project.

All certificates of insurance required by this Agreement shall be sent directly to City at the address and in the manner provided in this Agreement for the giving of notice. City's Agreement/Agreement number, GPEC's name and description of the Agreement shall be provided on the Certificates of Insurance. City reserves the right to require complete certified copies of all insurance policies required by this Agreement, at any time.

G. **Approval**. During the term of this Agreement, no modification may be made to any of GPEC's insurance policies which will reduce the nature, scope or limits of coverage which were in effect and approved by the City prior to execution of this Agreement.

EXHIBIT F
Regional Cooperation Protocol Policy
Greater Phoenix Economic Council and Economic Development Directors Team

The foundation of this policy is built on trust and the spirit of regional cooperation among the entities involved. GPEC and the Economic Development Directors of its member communities agree and acknowledge that it is important that they work together as partners on projects involving the communities which GPEC represents, regardless of the source of the lead, as follows:

1. Demonstrate a commitment to the positive promotion of the Greater Phoenix, specifically, GPEC member communities, as a globally competitive region.

2. Maintain the highest standards of economic development prospect handling, including confidentiality, without jeopardizing a prospect's trust to secure the probability of a regional locate. Partners agree to respect the prospect's request for confidentiality but also agree to notify each other as to the existence of a project with a confidentiality requirement when able and shall make a good-faith effort to involve the appropriate state, regional or local partners at the earliest possible time.

3. Unless otherwise restricted, agree to coordinate through GPEC for any prospect considering a project in Maricopa County or in any of the communities that GPEC represents, understanding that GPEC is in a unique position to represent and speak on regional economic development issues and on characteristics of the region's economy. Likewise, GPEC acknowledges that communities are in the best position to speak about local incentives and efforts surrounding the local economy.

4. For projects that originate with a GPEC member community, GPEC will be available for confidential research access, topical expertise or as a service provider, to add value to the community in securing the project. Additionally, GPEC will not e-track the project unless the community lead makes such a request to do so.

5. Provide accurate and timely information in response to specific requests by all prospects. When a client has narrowed sites to specific GPEC member communities, GPEC will make a good- faith effort to inform those affected EDDT members first. EDDT members agree to provide information solely on their own community when the information requested is site-specific (i.e., cost of land, taxes, development fees, utility availability and cost, zoning process timing, permit timing and local incentives). When site-specific information related to other GPEC communities is requested, EDDT members agree to (i) direct GPEC prospects back to GPEC or (ii) direct non-GPEC generated prospects to contact the affected communities directly, and as a courtesy, contact the affected communities.

6. Agree that regardless of the lead source, public locate announcements shall be coordinated among the company, GPEC member community, and GPEC to reflect inclusiveness and cooperation of all partners (subject to any confidentiality requirements).

7. GPEC and EDDTs will advocate for a robust operating budget for the state economic development agency, and champion sound statewide economic development programs and policies.

8. Discourage the proactive offering of local, municipal financial incentives for existing jobs to companies with current operations in another GPEC community.

9. Inform GPEC member community when a company visits or physical site visit within that community will occur. Economic Development Directors will be the primary point of contact for the company when community information is needed.

10. Agree that the consideration of a future community to GPEC's membership will be brought before EDDT for discussion in advance of any board consideration. EDDT will make a recommendation on the addition of a new community to GPEC's President and CEO.

11. Formalize a process to convene GPEC and Economic Development Directors of GPEC member communities biannually, and cooperate in the exchange of information and ideas reflecting practices, procedures and policies relating to prospect handling and regional economic development.

12. Work collectively to maintain a high level of trust and integrity by and between GPEC and the Economic Development Directors of GPEC member communities, utilizing differing views as an opportunity to learn.

13. When conducting market intelligence initiative objective, GPEC staff will coordinate with EDDT to ensure coordination and communication.

14. When a PIF is issued by the state economic development agency GPEC will coordinate the region's response. All PIF submissions will be directed to GPEC's attention and GPEC will assemble the response and return to the state economic development agency.

15. It is understood GPEC will or may host annual executour(s) and/or other marketing familiarization tour(s) to promote the regional communities. GPEC will make every attempt to provide as much interaction time between the executour guests and EDDTs. It is understood EDDTS will inform GPEC of any upcoming executour(s) and/or other marketing familiarization tours scheduled by their office.

16. Partners agree to enter into a mediation process if there is evidence that this Protocol has not been observed in a material respect or a professional conflict arises that cannot be settled. This mediation process will be convened by the EDDT Chair, who may, at his/her discretion, consult or involve GPEC's President and CEO in addition to others with topical expertise central to the conflict.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 13C

Date Prepared: June 22, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Bobby Ruiz, Fire Chief**

THROUGH: **Jeff Tyne, Deputy City Manager**

SUBJECT: **Emergency Transportation Services Contract Extension**

Purpose:
To accept a six (6) month contract extension, for Emergency Transportation Services with Professional Medical Transport (PMT).

Background/Summary:
The Emergency Transportation Services (Ambulance) contract with PMT will expire on August 17, 2015. The RFP process will take approximately 6 months to complete which includes final review and approval by the Arizona Department of Health Services. The RFP has been delayed pending research into the possibility of an MOU, pending legislative changes and primarily the completion of the financial analysis by an independent contractor regarding the economic feasibility of the City pursuing and implementing its own Certificate of Necessity (CON) to provide ambulance services. Since the RFP will overlap the possibility of the City receiving its own CON, the RFP was delayed until all analysis was complete and the RFP could reflect the best interests of the City and be a fair representation of future expectations for any proposer to the RFP. The proposed contract extension will allow for current Emergency Transportation Services to continue under contract until the RFP has been awarded, approved by Council and approved by the Department of Health Services. There are no amendments or changes to the Contract with this temporary extension.

Previous Actions:
The Council Previously approved the initial contract in August 2010. The initial contract was for three years with the option for 2, twelve month extensions. In August 2013 the Council approved a 12 month extension expiring on August 17, 2014. In August of 2014 the Council approved an extension of 12 months expiring on August 17, 2015.

Options:

A: Accept the six (6) months contract extension.

B: Decline the contract extension resulting in no contracted ambulances services.

Staff's Recommendation:
Accept the proposed extension.

Fiscal Analysis:
The Emergency Transportation Services Contract resulted in the following reimbursements for FY 14. Without a contract, PMT is not obligated to reimburse.
Advanced Life Support (ALS) Ride-in fees = $538,471
Pharmaceutical offset = $6070
Rent (Station 199, Lake Pleasant) = $12,840
Staffing Costs offset (Rescue 199, Lake Pleasant) = $69,175

Narrative:
The Fire- Medical Department feels that accepting the six (6) month extension is in the best interest of the City and provides time to manage the RFP process with the most recent data and analysis.

Exhibit(s):
Contract Amendment for Extension P10-0041 Amendment Four (4)

Contact Name and Number:

Bobby Ruiz, Fire Chief (623-773-7380)

CONTRACT AMENDMENT

Solicitation No. P10-0041 Page 1 of 1

Description: Emergency Transportation Services

Amendment No. Four (4) Date: June 10, 2015

Materials Management Procurement
9875 N. 85th Ave., 2nd Fl.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118

Buyer: Dan Zenko, CPPB

In accordance with the Contract Special Terms and Conditions, **Contract Extension**, the above referenced contract shall expire on **August 17, 2015**.

The Emergency Transportation Services Contract, P10-0041 is hereby amended as follows:

The contract is hereby extended an additional six (6) months.
New contract term is: **August 18, 2015 to February 18, 2016. All terms, conditions and scope of work to remain in full force and effect.**

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

[redacted]	6/12/2015	Greg James, Division President	Professional Medical Transport, Inc.
Signature	Date	Typed Name and Title	Company Name

222 E. Main Street	Mesa	AZ	85201
Address	City	State	Zip Code

Attested By:

Rhonda Geriminsky, City Clerk

CC Number

LCON04510D
Contract Number

City Seal
Copyright 2003
City of Peoria, Arizona

Bobby Ruiz,
Fire Chief

Jim Bratcher,
EMS Chief

Approved as to Form:

Stephen M. Kemp, City Attorney

The above referenced Contract Amendment is hereby Executed:

_____, _____, at Peoria, Arizona

Carl Swenson, City Manager

Agenda Item: 14C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 30, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: John R. Sefton Jr., Community Services Director

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Theater Works Lease Agreement – Third Amendment

Purpose:

Review and possible action to approve an amended lease with Theater Works regarding the use, programming, and maintenance of the Peoria Center for the Performing Arts.

Background/Summary:

Over the past few years, City staff has been in discussions with representatives of Theater Works, a 501(c)(3) corporation, regarding the use, programming, and maintenance operations of the Peoria Center for the Performing Arts.

In 2006, the City constructed a 20,000 square foot Center for the Performing Arts. The Center includes a 270-seat main stage, as well as an 80-seat black box theater for alternative programming. In its inaugural year, the City contracted with Theater Works to operate and maintain the facility through a 20-year Improved Property Lease.

The current lease agreement provides for Theater Works to be the master tenant of the facility, which includes managing the operations and programming at the site. The agreement also includes terms and conditions regarding the maintenance and upkeep of the facility, and provides for City access to the facility as well.

In March of 2012, the City Council instructed staff to work closely with Theater Works representatives to explore options for continuing the arrangement going forward. The emphasis was placed on providing quality, diverse and sustainable programming in the community, while ensuring the upkeep and management of the Center.

On June 23, 2014, City Council approved the SECOND AMENDMENT TO IMPROVED PROPERTY LEASE. City staff has continued to work with Theater Works to provide operational support, program collaboration, and financial and facilities maintenance accountabilities. Based on the

City's requested performance data measures, the terms and objectives of the SECOND AMENDMENT have been satisfactorily accomplished.

As result of ongoing discussions, evaluation of operational data, and programming outcomes, city staff anticipates that the city's Center for Performing Arts will require continued financial support to deliver the expected level of service. An annual funding allocation of $350,000 distributed over the next fiscal year is projected to address the facility-related operations issues. As with the Second Amendment, a number of terms are again included in this updated lease amendment to help forward the City's interests for the theater. These terms include:

- The theater facility is made available for city purposes for 20 days. Access on these days will be mutually agreed upon early on in the programming calendar schedule.
- Theater Works will offer interactive participation in a number of City-affiliated special events, including the FY2016 ParkFest! Events at neighborhood parks.
- Theater Works will organize a minimum number of performance series and will engage in area events which showcase cultural diversity.
- The City and Theater Works will continue working collaboratively on youth- related programs, senior-related activities, and support for programs supporting the developmentally disabled.
- Theater Works executive staff will meet at least bi-monthly with City leadership to discuss updates on the agency's work plan, financial activity, facility maintenance issues, and programming deliverables.

Options:

As described above, the city currently has a lease agreement with Theater Works for their management of the Center for the Performing Arts facility. In context with the stated policy objectives, staff has identified the following options for Council consideration:

A. Deny approval of the THIRD AMENDMENT.
B. Approve the THIRD AMENDMENT AGREEMENT with Theater Works to include $350,000 in one-time funding, with specific terms on facility maintenance, programming, event participation, and City-related access.

Staff Recommendation:

In recognition of the collaborative effort of both parties, and with the interest of continuing to enhance the access to performing arts opportunities to citizens, staff recommends that the City Council approve the THIRD AMENDMENT TO IMPROVED PROPERTY LEASE with Theater Works as outlined above and provided as attached.

Fiscal Analysis:

The adopted FY2016 Budget includes $350,000 to support the structural financial requirements for the operation of Peoria's Center for Performing Arts. If this amended lease agreement is approved, payment to Theater Works will be made from the General Fund, City Participation in Outside Programs Account 1000-0300-522006.

Exhibit: THIRD AMENDMENT TO IMPROVED PROPERTY LEASE

Contact Name and Number: John Sefton, 623-773-7135

THIRD AMENDMENT TO IMPROVED PROPERTY LEASE

THIS Third Amendment to Improved Property Lease dated November 28, 2005, (LCON11805) is made this ____ day of July, 2015, by and between the City of Peoria, Arizona ("Peoria" or "City") a municipal corporation, ("Lessor"), and The Theater Works, Inc. ("Theater Works") an Arizona Non-Profit Corporation, ("Lessee").

RECITALS

A. Lessor and Lessee entered into that certain Improved Property Lease ("Lease") on November 28, 2005, for certain real property legally described within the Lease, and more commonly known as The Peoria Center for the Performing Arts.

B. Lessor believes that Lessee's business activities significantly improve the welfare and quality of life in Peoria and Lessee wishes to provide additional activities to improve welfare and quality of life in Peoria.

C. Lessor and Lessee entered into the "First Amendment to Improved Property Lease" on June 24, 2013.

D. Lessor and Lessee entered into the "Second Amendment to Improved Property Lease" on June 23, 2014 ("Second Amendment").

E. Lessor and Lessee desire to amend the Lease in this Third Amendment to Improved Property Lease ("Third Amendment") for the purposes hereinafter set forth.

NOW, THEREFORE, the parties agree to amend the Lease as follows:

AGREEMENT

1. 2.1 "Allowed Uses" is amended as follows:

The Allowed Uses are theatrical performances, rehearsals, dramatic classes, fundraisers, special events related to the foregoing, and subletting of the Theater Property in accordance with the terms of the Lease for the Allowed Uses. Theater Works may generate revenue from such Allowed Uses, including silent auctions. The City of Peoria owns the Liquor License for the Peoria Center for Performing Arts and a contracted vendor will supply the alcohol. Theater Works has the right to request suspension of the City's Liquor License in order to obtain a Special Events Liquor License for scheduled non-profit events. Requests to suspend the City's Liquor License will be for five events or less annually. Revenue received from the contracted vendor for sales of liquor will go to the City of Peoria revenue account for the Peoria Center for Performing Arts building.

In recognition of the Allowed Uses, the City of Peoria will pay Theater Works $350,000 to assist with paying for utilities, box office functions and building maintenance. Payment

installments will be $150,000 in July 2015, $70,000 in October 2015 and $65,000 in the months of January 2016, and April 2016.

2. Section 2.3.2 "Theater Works Financial and Use Reporting" is amended as follows:

   Theater Works shall meet with Peoria on a bi-monthly basis for the purpose of updating city staff on its financial status and facility maintenance (i.e., capital projects and routine maintenance). As a part of this bi-monthly meeting, Theater Works shall provide Peoria with current financial statements as well as copies of minutes from monthly board meetings after they have been approved by the Theater Works board. The bi-monthly financial statement will be accompanied by a work plan status that clearly outlines the currently booked Allowed Uses as well as all performance data related to these uses, including but not limited to attendance targets, programming targets and specific capacity utilization. Moreover, Theater Works shall brief the City on all planned and/or booked Allowed Uses for a rolling time frame that extends six months out from each bi-monthly meeting. Moreover, if requested, Theater Works shall provide the City with other information related to its financial and programmatic metrics.

   The Executive Director will continue to meet on a quarterly basis or as needed with the City team to plan for the facility transition. The Executive Director will supply information as requested that will assist the City team in developing the comprehensive and cohesive plan. Once the plan has been approved by City Council, the Executive Director will assist in the implementation.

The remainder of Section 2.3.2 remains unchanged, except that the following paragraph is added after the last sentence in the section.

Theater Works understands and acknowledges that Peoria may from time to time choose to provide funding to Theater Works at Peoria's sole discretion. If funding is provided, then Theater Works agrees that a breach of this Lease, which breach is not timely cured pursuant to the cure provisions of the Lease, shall result in Theater Works' obligation to repay Peoria the remaining daily pro rata share of any such funding as calculated from the date of breach through the last day of Peoria's fiscal year in which the breach occurs.

3. Section 2.5 "Peoria Use of the Theater Property" is amended in its entirety as follows:

   Peoria may have full use of the Demised Facilities for up to twenty (20) days per calendar year at no charge. In order to coordinate with Theater Works' production calendar, annually on or before November 1st, Peoria shall give Theater Works notice of the days it will have full use of the Demised Facilities. If Peoria does not specify the use of all twenty (20) days by November 1st, then those days that are not designated shall be subject to use by Peoria as follows. Peoria may request to use its remaining undesignated days with at least fourteen (14) calendar days' notice to Theater Works. Use of the remaining undesignated days is subject to agreement by Theater Works, which agreement shall not unreasonably be withheld. The City will not request use for days during which Theater Works performances have already been scheduled.

   Theater Works shall work with the City to actively participate in no less than seven (7) City-affiliated special events. The parties expect that this involvement in special events requires Theater Works' full interactive participation at the planning and implementation

stages of the events. The FY2016 programs will include participation in the city's ParkFest events at neighborhood parks.

In addition to the City's actual use of the Demised Facilities, Theater Works agrees to work with the City and more specifically with productions and performances specifically requested by the City, so long as such requests are reasonably made. In no way is this provision meant to affect Theater Works' management of its operations or its rights and/or obligations as a Lessee pursuant to the Lease.

Throughout the remainder of the Lease term Theater Works shall, as part of its ongoing programming, offer at least three different performance series each calendar year which showcase divergent performance/programming (i.e. jazz, classical, Broadway tunes, lecture series, comedies, and dramas). Each performance series shall include a minimum of three separate events. Moreover, Theater Works shall engage in three significant events which will showcase and positively advance the cultural diversity existing within the State of Arizona for the benefit of the local and regional communities which the Peoria Center for the Performing Arts serves.

Theater Works' staff shall also support youth-related activities, senior related activities and activities for the developmentally disabled at the Peoria Center for the Performing Arts and Theater Works agrees to adopt programming responsive to the needs of youth, seniors and the developmentally disabled.

4. Section 4.2 "Ticket Surcharge" reverts to original Lease verbiage. As of the signing of this Third Amendment, all surcharge amounts are paid in full.

5. This Third Amendment shall replace the Second Amendment in its entirety, so that the terms of the Second Amendment are no longer in effect. Except as modified by this Third Amendment, the Lease and all terms, covenants, conditions and agreements therein remain the same, in full force and effect.

6. This Third Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective successors in interest and assigns and shall run with the land, both as respects benefits and burdens created herein.

7. This Third Amendment may be executed in separate counterparts with signature to one being deemed signature to each such counterpart, each of which shall be deemed to be an original and all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties have executed this Third Amendment on the date first listed above.

CITY/LESSOR SIGNATURE PAGE

LESSOR

CITY OF PEORIA, ARIZONA, an Arizona
Municipal Corporation

By: _____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

SUBSCRIBED AND SWORN to before me this _____ day of July 2015, by Cathy Carlat, Mayor of the City of Peoria, Arizona, an Arizona municipal corporation, on behalf of the corporation.

_____
Notary Public

My Commission Expires:

LESSEE SIGNATURE PAGE

LESSEE

The Theater Works, Inc., an Arizona non-profit corporation

By: _____

Name:_____

Its: _____

STATE OF ARIZONA)
) ss:
COUNTY OF MARICOPA)

SUBSCRIBED AND SWORN to before me this _____ day of July 2015, by _____, the _____ of The Theater Works, Inc., an Arizona non-profit corporation.

_____
Notary Public

My Commission Expires:

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 15C

Date Prepared: June 23, 2015 **Council Meeting Date: July 7, 2015**

TO: **Honorable Mayor and Council**

FROM: **Stephen M. Kemp, City Attorney**

THROUGH: **Melinda A. Bird, Assistant City Attorney**

SUBJECT: **Adrian v. City of Peoria**

Purpose:

This is a request for the City Council to approve the Settlement Agreement and Release ("Settlement Agreement") in the United States District Court, District of Arizona case identified as *Anthony Adrian v. City of Peoria,* Case No. CV-14-02497-PHX-BSB. This action will resolve this case and any outstanding dispute between the City and Anthony Adrian.

Background/Summary:

The City and Anthony Adrian have been involved in litigation regarding an employment law dispute (the "Lawsuit").

This matter was previously discussed with the City Council during the May 5, 2015 Executive Session to provide legal advice on this pending litigation and to consult with the Council regarding settlement pursuant to A.R.S. § 38-431.03.A.3.

Following settlement discussions, the parties have reached a settlement within the range of settlement authority previously authorized by Council, and that Settlement Agreement is now being presented to the City Council for approval. The Settlement Agreement resolves all outstanding disputes between the City and Anthony Adrian pertaining to the Lawsuit in exchange for the City's payment of Seventy Thousand and No/100 Dollars ($70,000.00) to Mr. Adrian.

It is my recommendation that the Mayor and Council approve the Settlement Agreement and Release in this matter.

Previous Actions:

Settlement authority for this matter was previously discussed in the Council's May 5, 2015 Executive Session.

Options:

A: Approve the Settlement Agreement and Release and the Lawsuit against the City will be resolved and dismissed.

B: Disapprove the Settlement Agreement and Release and the Lawsuit against the City will continue.

Staff's Recommendation:

Approve the Settlement Agreement and Release in this matter.

Fiscal Analysis:

All costs associated with the Settlement Agreement and Release shall be from the Risk fund.

Narrative:

The Settlement Agreement is the result of extensive successful settlement negotiations that limits the exposure of the City to damages and further costly litigation.

Exhibit:

None

Contact Name and Number:

Stephen M. Kemp, City Attorney (623) 773-7331

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 16C

Date Prepared: June 10, 2015

Council Meeting Date: July 7, 2015

TO: Honorable Mayor and City Council

FROM: Stephen M. Kemp, City Attorney

SUBJECT: Real Property Acquisition and Litigation, 94th Avenue and Thunderbird Road

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Purpose:

Staff requests the Mayor and Council approve the one-time use of Transportation Sales Tax Fund reserves and approve a $50,000 budget amendment to cover the costs of acquiring right of way at 94th Avenue and Thunderbird Road.

Background/Summary:

In connection with a real property acquisition and litigation regarding a roadway easement at 94th Avenue and Thunderbird Road, staff requests the Mayor and Council to approve the one-time use of Transportation Sales Tax Fund reserves and approve a budget amendment of $50,000 to cover settlement costs in the Transportation Sales Tax Fund Land Acquisition Account for Litigation Expenses.

Options:

A: Approve the one-time use of Transportation Sales Tax Fund reserves and a budget amendment in the amount of $50,000.

B: Do not approve a budget amendment. This would mean the Transportation Sales Tax Fund Land Acquisition Account would not have adequate funds to settle these related legal matters.

Staff's Recommendation:

Staff recommends that the Mayor and City Council authorize the one-time use of Transportation Sales Tax reserves and approve a budget amendment of $50,000 from the Transportation Sales Tax Fund Contingency Account (7010-7075-570000) to the Transportation Sales Tax Fund Land Acquisition Account (7010-7075-540000).

Fiscal Analysis:

The Transportation Sales Tax Fund has sufficient fund balance reserves to cover the cost of this right of way acquisition.

Exhibit(s): None

Contact Name and Number: Stephen M. Kemp, City Attorney, 623-773-7330

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 17C

Date Prepared: June 19, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Katie Gregory, Deputy Director, Finance and Budget

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: **Adoption of Notice of Intention to Consider Establishing Water Rates and Setting the Public Hearing Date.**

Purpose:

This is a request for the City Council to consider possible action to adopt a Notice of Intention to establish City water rates as part of the City's potential acquisition of the New River Water Company and establish August 26, 2015 as the date for a public hearing on the proposed rates. The City must comply with Arizona statute, which establishes a notification process when a municipality is considering the adjustment of water and wastewater rates.

Background/Summary:

Staff have been in negotiations with ownership of the New River Water Company to finalize a potential acquisition consistent with the Council's direction. Staff anticipate providing further information on the proposed acquisition to the Council at the July 7, 2015 Council Meeting. In addition to both parties' mutual agreement to the final sale agreement, a number of procedural steps will need to occur before the acquisition can be finalized.

Staff will recommend separate water rates that will be applicable to New River Water Company customers upon acquisition for formal consideration and adoption at the August 26, 2015 Public Hearing. If adopted, these rates would become effective on October 1, 2015. As part of the rate adoption process, the City must properly notice the public on the City's intent to consider rate adjustments and the date on which they will be considered. Adoption of this Notice of Intent will maintain the City's compliance with these requirements.

Water rate adjustments must be formally adopted in a public hearing 30 days prior to their effective date. Staff is recommending that the Public Hearing be held at the August 26, 2015 Council Meeting. At least 30 days prior to the public hearing date, the City must adopt a Notice of Intention to adjust rates and notice the public on the date of the public hearing.

Adopting the Notice of Intention will satisfy the initial requirements of ARS §9-511.10 for notifying the public of the City's intention to consider water rate adjustments at a future public hearing. Following the adoption of the Notice of Intention, the City is required to publish the Notice in local newspapers at least 20 days in advance of the public hearing. City staff plan to publish this notice on both July 24th and July 31st to comply with this requirement.

Previous Actions:

A public outreach meeting was conducted on May 28, 2014 with residents served by the New River Water Company to determine the level of interest in a potential City acquisition.

A study session was conducted on October 21, 2014 to present findings of the public outreach/civic engagement process and customer survey regarding the potential acquisition of NRUC.

An Executive session was held on April 7, 2015 to update Council on progress and status of efforts regarding the potential acquisition of the NRUC.

An Executive session was held on April 21, 2105 to update Council on progress and status of efforts regarding the potential acquisition of the NRUC.

An Executive session was held May 19, 2015 to update Council on progress and status of efforts regarding the potential acquisition of the NRUC.

Options:

A: The Council can approve the Notice of Intention item, which will continue the process of considering the adoption of separate water rates as part of the New River Water Company acquisition. The public hearing planned for August 26, 2015 will continue, at which time the Council will formally vote to adopt (or not adopt) the recommended rates and make them effective October 1, 2015. The separate rates are applicable only to potential New River Water Company customers upon the successful completion of the acquisition between the New River Water Company and the City and are not applicable to the City's existing water customers.

B: The Council may elect to not approve the Notice of Intention item, which will delay and/or stop the adoption of separate water rates planned to be effective on October 1, 2015. If the New River Water Company is still acquired, the City's existing water rates would apply to the acquired water customers. If the Council desires to adopt separate water rates for the potential New River water customers, a public hearing would need to be rescheduled to a later date, delaying the effective date.

Staff's Recommendation:

Staff recommends that the Council adopt the Notice of Intention at the July 7, 2015 Council Meeting and establish August 26, 2015 as the date for the public hearing to consider adoption of the recommended rates.

Fiscal Analysis:

There is no fiscal impact to the adoption of this item.

Contact Name and Number: Katie Gregory, Deputy Director, Finance and Budget
773-7364

Agenda Item: 18C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 23, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Chris Jacques, AICP, Planning & Community Development Director

THROUGH: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: ANX 14-0001 – New River / Church of Joy Annexation

Purpose:

This is a request for City Council to adopt an ordinance consenting to the annexation of two (2) parcels comprising approximately 2.19 acres; one located west of the southwest corner of the New River and Rose Garden Lane alignment and the other located west of the southwest corner of the New River and Ross Avenue alignment, respectively. This action is part of a series of cooperative annexations and de-annexations in this area between the City of Peoria and the City of Glendale to promote a rational service boundary, support the local trails system and provide for the redevelopment of the Church of Joy campus as part of the Aspera development.

Background/Summary:

The City of Peoria is initiating a request on behalf of the property owners, Church of Joy and Legacy Foundation for Christ, for the annexation and deannexation of certain property located north and west of 75th Avenue and Loop 101. In this area, the boundary between Glendale and Peoria crosses the New River corridor multiple times which hinders the ability of either city to effectively service those properties. To that end, the cities of Glendale and Peoria have worked cooperatively over the years to adjust this boundary based on the centerline of the river corridor. This is consistent with the City's annexation policy which promotes efficient delivery of services and effective management of urban development.

The proposal is for (1) Peoria to annex portions of 2 parcels totaling approximately 2.19 acres (APNs 200-20-007 and 200-20-006U) west of the New River that will be de-annexed by Glendale (this action item); and (2) Peoria to de-Annex portions of three other parcels totaling approximately 6.49 acres (APNs 200-20-003 and 200-18-675) on the east side of the New River that will be annexed by Glendale under a separate case, ANX14-0002.

APN	*Ownership*	*Acreage*	*General Plan*	*Zoning*
Annexed by Peoria (ANX14-0001)		***2.19***		
200-20-007	School Campus, LLC	0.83	Park/Open Space (P/OS)	Agricultural (A-1)
200-20-006U	CGD Joy, LLC	1.36	Park/Open Space (P/OS)	Single-Family Residential (R1-6)
De-Annexed to Glendale (ANX14-0002)		***6.49***		
200-20-003	CGD Joy, LLC	2.62 acres	Water (river)	General Agricultural (AG)
200-18-669 and 200-18-675	CGD Joy, LLC	3.87 acres	Water (river)	PAD (Park / Open Space)

The annexation/de-annexation exchange will allow the *Aspera* project to be developed wholly within the City of Glendale, which can provide services to the site; and in concert with a land exchange between the city and Church, enable the City to complete a key segment of the New River Trail.

In 2014, the Glendale City Council approved the 76-acre Aspera master-planned development. The Cardon development Group acquired the lower 76-acres of the overall 127 acre Church of Joy site. The Aspera PAD provides for a mix of uses including multi-family residential, supervisory care and senior living, professional and medical office and commercial uses. The PAD expressly prohibits a number of incompatible uses, *including digital billboards*.

Excerpts from the adopted PAD indicate the uses along the eastern side of the river corridor to be multi-family residential (P.B. Bell) and supervisory care/senior residential. To date, the development has initiated construction of bank armoring, backbone infrastructure and a new health club along the Loop 101. The Site Plan for the P.B. Bell multi-family project is currently in for staff review.

Access Constraints

The site is accessible from the Loop 101 frontage road on the southern boundary of the proposed Aspera development project and from 75th Avenue along the project's eastern boundary. Both access points are located under the City of Glendale's jurisdiction. The portions of the site considered for de-annexation do not have direct access or visibility from any roadway and gain access only by crossing through the remainder of the site, which is located under Glendale's jurisdiction. For this reason, it is logical that the parcels in question develop as part of the Aspera project. In addition to access considerations, proximity to the New River corridor further limits the development potential of these specific parcels. The Aspera project envisions these parcels serving as retention, open space, and other uses appropriate within and near the floodplain.

Utility Constraints

The extension of water and wastewater services to private development is the responsibility of the developer. The city regulates how this is done, inspects the work and then accepts maintenance. Neither Peoria nor Glendale will allow municipal utilities to extend and provide services beyond that city's municipal boundaries. The proposed annexation/ de-annexation area falls within the certificated water service area of the New River Water company and the City of Glendale water service area. Accordingly, the City of Peoria would not be able to provide water services to the parcels. The developers will have to enter into a service area agreement with the New River Water Company to allow Glendale to serve their development. Peoria does provide wastewater services to the existing properties on the western side of the New River.

However, Peoria is unable to effectively provide wastewater services to the proposed de-annexation area based on the physical limitations created by the New River. As a result, the site could more easily receive wastewater services from the City of Glendale. The portions of the site currently within Peoria's jurisdiction would not be able to receive Glendale's utility services given current jurisdictional boundaries. These areas would need to be de-annexed from Peoria and annexed into Glendale's jurisdiction in order to receive wastewater services.

Benefits of the Proposed Boundary Adjustment

In addition to the parcels proposed for de-annexation, there are small areas that would be annexed into Peoria concurrently. The areas proposed for annexation have limited development potential in and of themselves; however, annexation of these parcels in concert with a property exchange underway between the Church of Joy and City of Peoria will provide the opportunity for formal completion of a key segment of the New River trail along the ultimate trail alignment, proximate to many existing residents. The City has previously undertaken efforts to secure other portions of the trail in this area through property acquisition and agreements with the Bureau of Land Management (BLM). This Annexation/De-annexation would complete the transactions needed to realize this segment of the New River Trail.

CONCLUSION

As a result of the limitations/constraints described above, it is staff's assessment that the annexation/de-annexation proposed for portions of the Church of Joy property/Aspera project will promote the efficient delivery of services and allow for more effective development in this vicinity. Development of the portions of the site within City of Peoria jurisdiction is highly restricted due to access and utility constraints making it infeasible for development in Peoria. In addition, Peoria will gain access to the final property necessary in order to complete trail improvements in this vicinity along the ultimate alignment adjacent to the New River.

The Glendale City Council adopted ordinances approving the annexation/de-annexation request at their regular voting session on October 28, 2014.

State Law provides procedures for annexation/deannexation of property from one municipality to another. Following adoption of Peoria's ordinances approving the annexation/deannexation requests, the ordinances of both municipalities are then forwarded to the Maricopa County

Board of Supervisors for ratification. The annexation/deannexation process is not complete until the action by the Board of Supervisors is effective.

Following the action, the annexed parcels will be processed for an initial zoning designation. The initial zoning action will align the property to a district most similar to what it was zoned in Glendale. One of the parcels is currently zoned Glendale's A-1 (agricultural) which is equivalent to Peoria's General Agricultural district (AG). The other parcel is zoned Glendale R1-6 which is equivalent to Peoria's R1-6 zoning district.

Previous Actions:

No previous actions have been taken on this item.

Options:

A: Adopt an Ordinance consenting to the annexation of two (2) parcels comprising approximately 2.19 acres from the City of Glendale pursuant to A.R.S. §9-471.02.

B: Reject the Ordinance consenting to the annexation of two (2) parcels comprising approximately 2.19 acres from the City of Glendale; the larger annexation/deannexation proceeding would be abandoned at this time.

Staff's Recommendation:

Adopt an Ordinance consenting to the annexation of two (2) parcels comprising approximately 2.19 acres from the City of Glendale pursuant to A.R.S. §9-471.02.

Fiscal Analysis:

This request will not generate any direct budgetary impacts. However, should the Council elect to annex the property, the City would assume operational costs associated with the provision and maintenance of services for public safety, wastewater, transportation, recreation and general governance and would be the beneficiary of new property tax revenues. The property to be annexed is located in the New River Utility Company service area. Operational costs for public services in the de-annexed area would be borne by the City of Glendale upon their annexation of the property.

Exhibit(s):

Exhibit 1: Proposed Annexation Ordinance
Exhibit 2: Vicinity Map
Exhibit 3: Context Map

Contact Name and Number: Melissa Sigmund, Principal Planner, x 7603

ORDINANCE NO. 2015-13

AN ORDINANCE OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF PEORIA, MARICOPA COUNTY, STATE OF ARIZONA PURSUANT TO THE PROVISIONS OF A.R.S. §9-471.02, BY ANNEXING THERETO CERTAIN TERRITORY CONSISTING OF APPROXIMATELY 2.19 ACRES OF LAND, GENERALLY LOCATED WEST OF THE NEW RIVER AND NORTH OF THE BEARDLSEY ROAD CONNECTOR, CONTINGENT UPON DEANNEXATION OF SAID PROPERTY BY THE CITY OF GLENDALE, ARIZONA, PURSUANT TO THE PROVISIONS OF A.R.S. §9-471.02.

WHEREAS, A.R.S. §9-471.02 provides a method for deannexation of land from one municipality and the annexation of such land to another municipality; and

WHEREAS, it is the desire of the City of Peoria to annex certain territory now within the corporate limits of the City of Glendale (see Exhibit A) ; and

WHEREAS, the territory proposed to be annexed to the City of Peoria is contiguous to the corporate limits of the City of Peoria; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona are desirous of extending and increasing the corporate limits of the City of Peoria to include said territory.

NOW, THEREFORE BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona that:

SECTION 1. That the following described territory be, and the same hereby is, annexed to the City of Peoria, and the present corporate limits be extended and increased to include the following described territory contiguous to the present City limits of Peoria, to wit:

See Exhibit “A” to this Ordinance, Legal Descriptions & Map

SECTION 2. That said annexation is contingent upon the fulfillment of the conditions set forth in A.R.S. §9-471.02.

SECTION 3. That the City Clerk is hereby directed to certify a copy of this Ordinance and file the same with the Maricopa County Board of Supervisors requesting a hearing date as set forth in A.R.S. §9-471.02(D).

PASSED AND ADOPTED by the Mayor and Council for the City of Peoria, Arizona this 7th day of July , 2015.

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Published in Peoria Times
Publication Dates: July 17, 2015
Effective Date:

Exhibit A

Legal Descriptions

LEGAL DESCRIPTION
PARCEL 1
PEORIA ANNEX 1

A portion of the southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

COMMENCING at a brass cap in a handhole found at the the east quarter corner of said Section 23, from which an iron rod found at the center corner of said Section 23 bears South 89°49'57" West, 2652.94 feet;

thence along the north line of the southeast quarter of said Section 23, South 89°49'57" West, 1814.34 feet to the POINT OF BEGINNING;

thence South 23°04'54" West, 425.86 feet to a point of curvature having a radius of 5,000.00 feet;

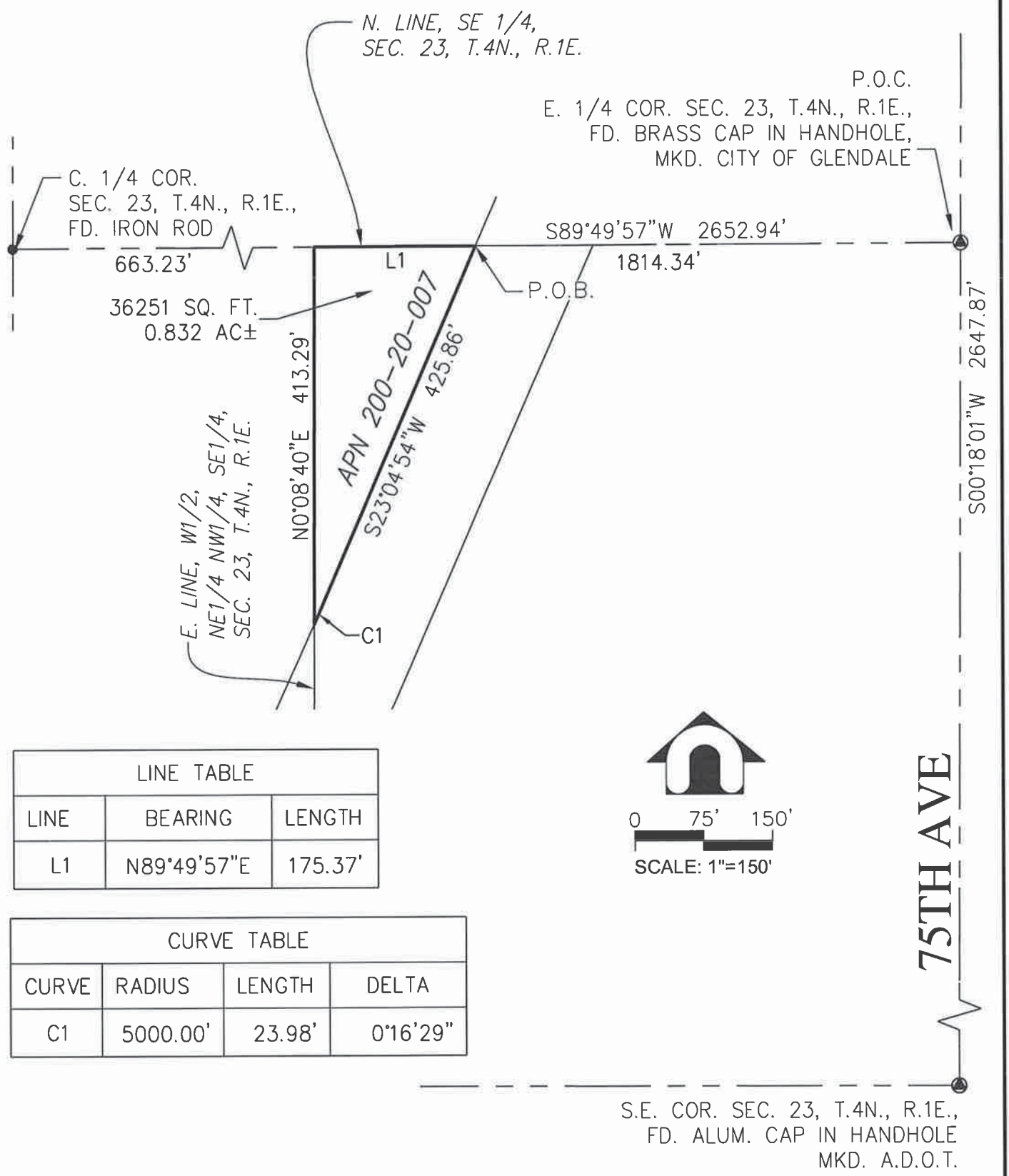
thence 23.98 feet along the arc of said curve, concave northwest, through a central angle of 00°16'29" to a point on the east line of the west half of the northeast quarter of the northwest quarter of the southeast quarter of said section 23;

thence, along said east line, North 00°08'40" East, 413.29 feet to the north line of the southeast quarter of said Section 23;

thence, along said north line, North 89°49'57" East, 175.37 feet to the POINT OF BEGINNING.

Said parcel containing 36,251 square feet or 0.832 acres, more or less.

[redacted]



LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°49'57"E	175.37'

CURVE TABLE			
CURVE	RADIUS	LENGTH	DELTA
C1	5000.00'	23.98'	0°16'29"

DATE: 4/2014

SCALE: 1"=150'	**PEORIA ANNEX 1**	**DAVID EVANS AND ASSOCIATES INC.**
SHEET 1 OF 1		4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

LEGAL DESCRIPTION
PARCEL 2
PEORIA ANNEX 2

A portion of the southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

COMMENCING at a brass cap found at the south quarter corner of said Section 23 from which an iron rod found at the center corner of said Section 23 bears North 00°05'31" East, 2635.43 feet;

thence, along the west line of the southeast quarter of said Section 23, North 00°05'31" East, 817.64 feet to the POINT OF BEGINNING;

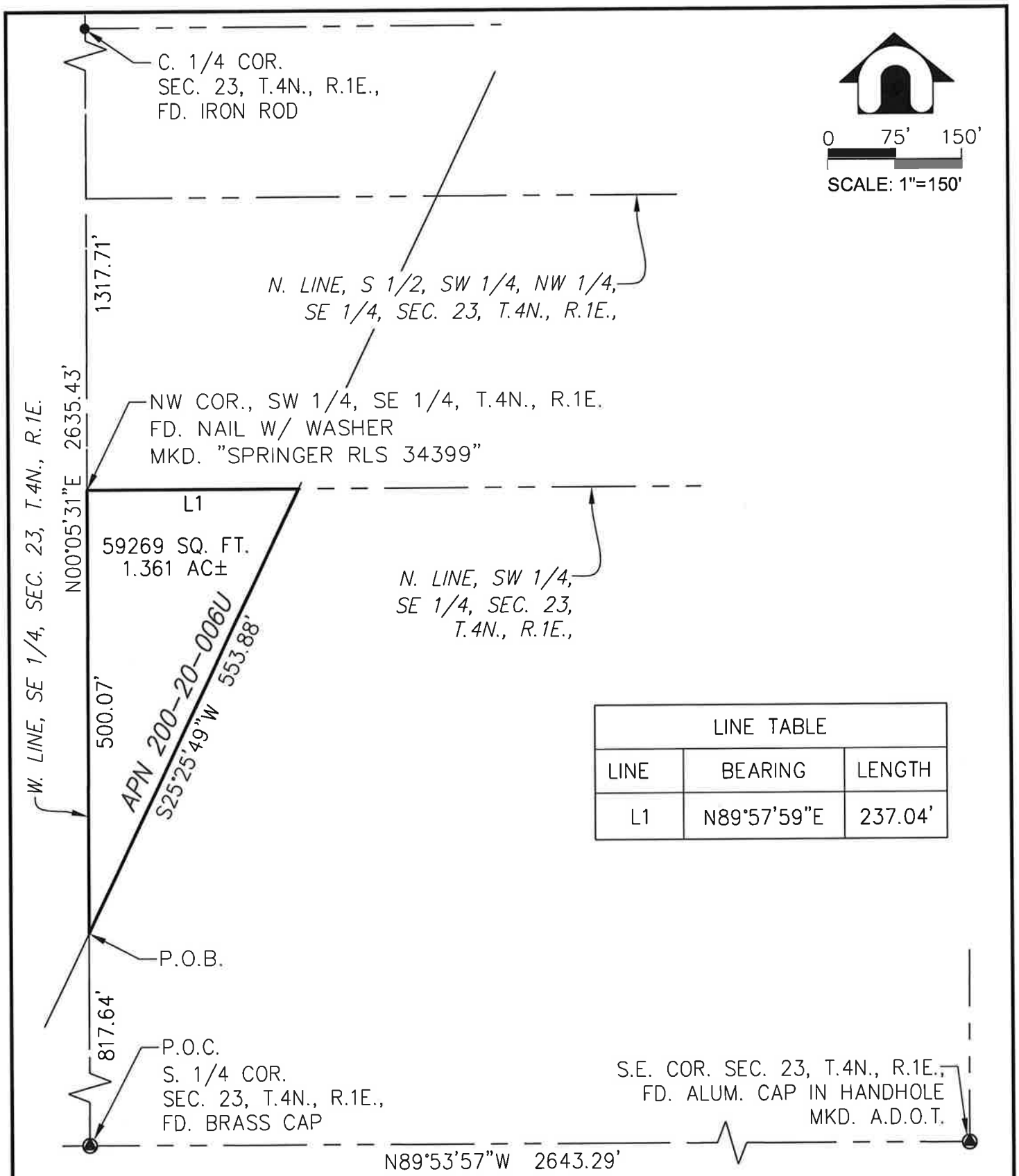
thence, continuing along said west line, North 00°05'31" East, 500.07 feet to a nail with washer marked, "Springer RLS 34399" found at the northwest corner of the southwest quarter of the southeast quarter of said Section 23;

thence, along the north line of the southwest quarter of the southeast quarter of said Section 23, North 89°57'59" East, 237.04 feet;

thence South 25°25'49" West, 553.88 feet to the POINT OF BEGINNING.

Said parcel containing 59,269 square feet or 1.361 acres, more or less.

[redacted]



LINE TABLE		
LINE	BEARING	LENGTH
L1	N89°57'59"E	237.04'

DATE: 4/2014

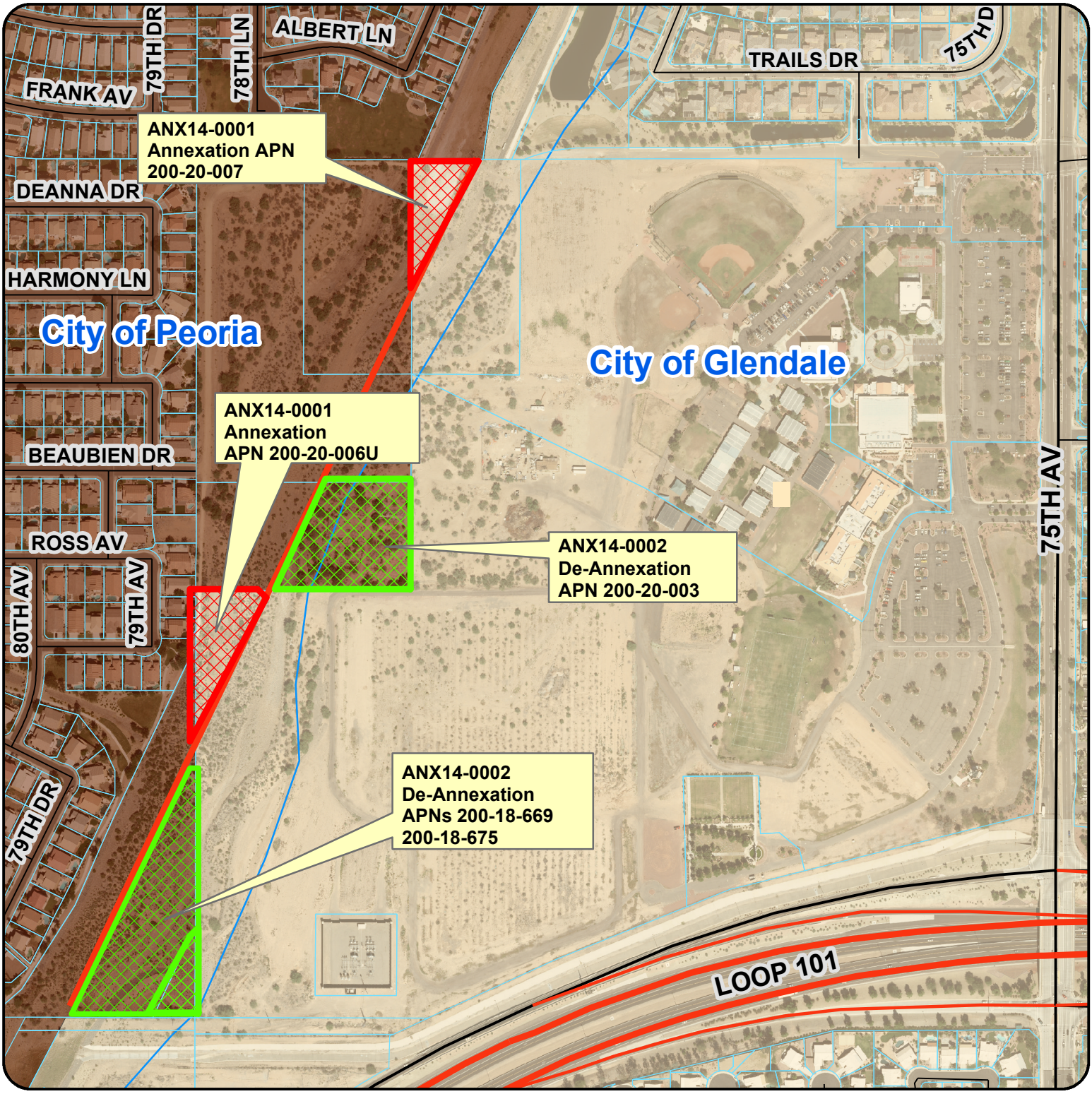
SCALE: 1"=150'

SHEET 1 OF 1

PEORIA ANNEX 2

DAVID EVANS AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

Vicinity Map



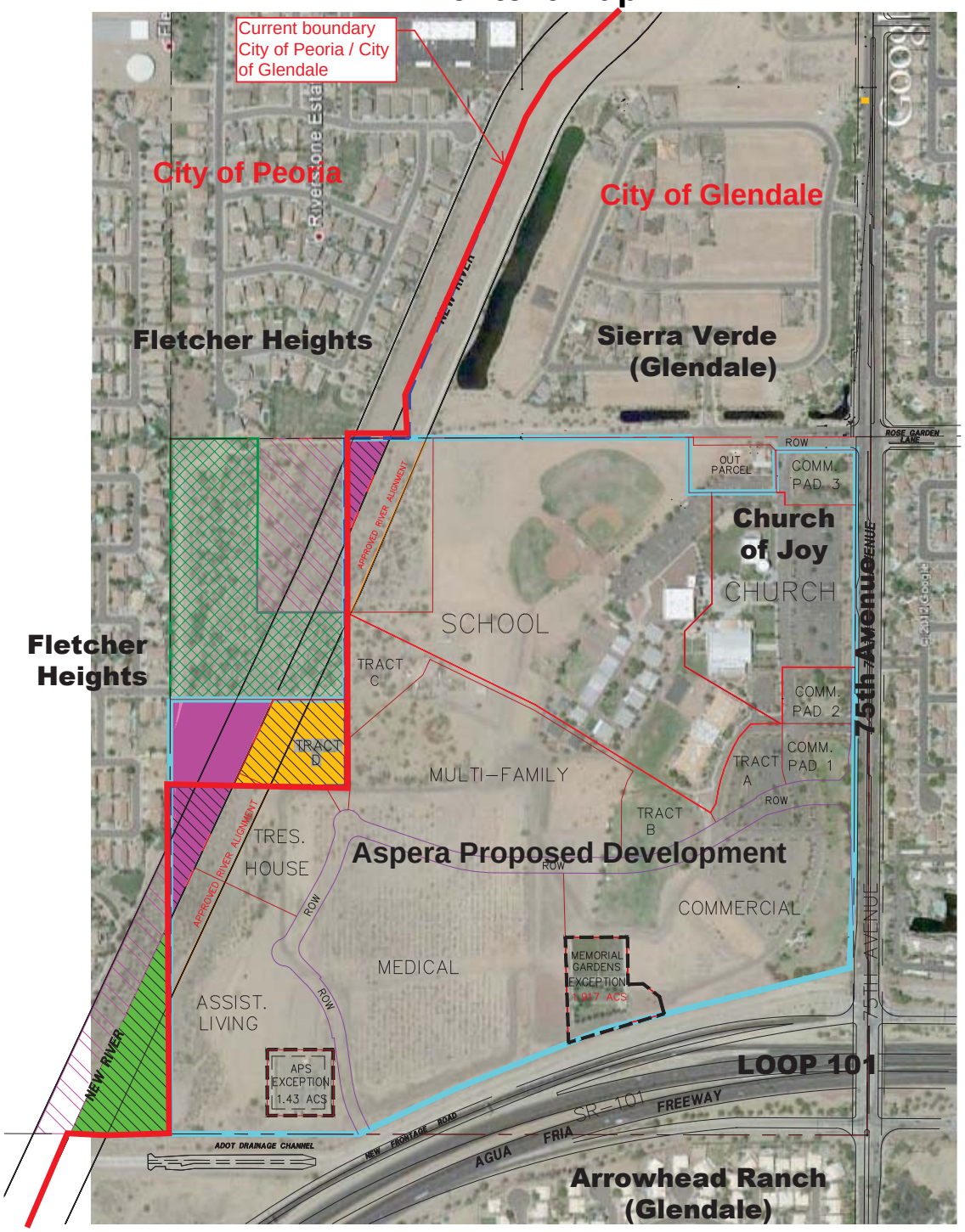
ANX14-0001
Church of Joy Annexation/Deannexation

N

Not to Scale

Exhibit 2

Context Map



EXISTING PROPERTY LINE
EXISTING CITY LIMITS
C/L OF RIVER (ULTIMATE CITY LIMITS)
DEVELOPMENT EXCEPTION
PEORIA OWNED (NOT A PART)
BLM OWNED (NOT A PART)
JOY TRANSFER TO PEORIA
PEORIA TRANSFER TO JOY
ANNEX/DEANNEX AREAS
GLENDALE DEANNEX / PEORIA ANNEX
PEORIA DEANNEX / GLENDALE ANNEX

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 19C

Date Prepared: June 23, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Chris Jacques, AICP, Planning & Community Development Director

THROUGH: Susan J. Daluddung, AICP, Deputy City Manager

SUBJECT: ANX 14-0002 – New River / Church of Joy De-Annexation

---

Purpose:

This is a request for City Council to adopt an ordinance consenting to the de-annexation of three (3) parcels comprising approximately 6.49 acres; one located east of the southeast corner of the New River and Beaubien Drive alignment and the other located east of the southeast corner of the New River and Clara Lane alignment, respectively. This action is part of a series of cooperative annexations and de-annexations in this area between the City of Peoria and the City of Glendale to promote a rational service boundary, support the local trails system and provide for the redevelopment of the Church of Joy campus as part of the Aspera development.

Background/Summary:

The City of Peoria is initiating a request on behalf of the property owners, Church of Joy and Legacy Foundation for Christ, for the annexation and deannexation of certain property located north and west of 75th Avenue and Loop 101. In this area, the boundary between Glendale and Peoria crosses the New River corridor multiple times which hinders the ability of either city to effectively service those properties. To that end, the cities of Glendale and Peoria have worked cooperatively over the years to adjust this boundary based on the centerline of the river corridor. This is consistent with the City's annexation policy which promotes efficient delivery of services and effective management of urban development.

The overall proposal is for (1) Peoria to annex portions of 2 parcels totaling approximately 2.19 acres (APNs 200-20-007 and 200-20-006U) west of the New River that will be de-annexed by Glendale (case ANX14-0001); and (2) Peoria to de-annex portions of three other parcels (this case, ANX14-0002) totaling approximately 6.49 acres (APNs 200-20-003 and 200-18-675) on the east side of the New River that will be annexed by Glendale.

APN	***Ownership***	***Acreage***	***General Plan***	***Zoning***
Annexed by Peoria ANX14-0001		***2.19***		
200-20-007	School Campus, LLC	0.83	Park/Open Space (P/OS)	Agricultural (A-1)
200-20-006U	CGD Joy, LLC	1.36	Park/Open Space (P/OS)	Single-Family Residential (R1-6)
De-Annexed to Glendale ANX14-0002		***6.49***		
200-20-003	CGD Joy, LLC	2.62 acres	Water (river)	General Agricultural (AG)
200-18-669 and 200-18-675	CGD Joy, LLC	3.87 acres	Water (river)	PAD (Park / Open Space)

The annexation/de-annexation exchange will allow the *Aspera* project to be developed wholly within the City of Glendale, which can provide services to the site; and in concert with a land exchange between the city and Church, enable the City to complete a key segment of the New River Trail.

In 2014, the Glendale City Council approved the 76-acre Aspera master-planned development. The Cardon development Group acquired the lower 76-acres of the overall 127 acre Church of Joy site. The Aspera PAD provides for a mix of uses including multi-family residential, supervisory care and senior living, professional and medical office and commercial uses. The PAD expressly prohibits a number of incompatible uses, *including digital billboards*. Moreover, given the sensitivity to billboards, the Cardon Development Group has drawn up and agreed to record deed restrictions against billboards for the land to be de-annexed as an additional precaution.

Excerpts from the adopted PAD indicate the uses along the eastern side of the river corridor to be multi-family residential (P.B. Bell) and supervisory care/senior residential. To date, the development has initiated construction of bank armoring, backbone infrastructure and a new health club along the Loop 101. The Site Plan for the P.B. Bell multi-family project is currently in for staff review.

Access Constraints

The site is accessible from the Loop 101 frontage road on the southern boundary of the proposed Aspera development project and from 75th Avenue along the project's eastern boundary. Both access points are located under the City of Glendale's jurisdiction. The portions of the site considered for de-annexation do not have direct access or visibility from any roadway and gain access only by crossing through the remainder of the site, which is located under Glendale's jurisdiction. For this reason, it is logical that the parcels in question develop as part of the Aspera project. In addition to access considerations, proximity to the New River corridor further limits the development potential of these specific parcels. The Aspera project

envisions these parcels serving as retention, open space, and other uses appropriate within and near the floodplain.

Utility Constraints

The extension of water and wastewater services to private development is the responsibility of the developer. The city regulates how this is done, inspects the work and then accepts maintenance. Neither Peoria nor Glendale will allow municipal utilities to extend and provide services beyond that city's municipal boundaries. The proposed annexation/ de-annexation area falls within the certificated water service area of the New River Water company and the City of Glendale water service area. Accordingly, the City of Peoria would not be able to provide water services to the parcels. The developers will have to enter into a service area agreement with the New River Water Company to allow Glendale to serve their development. Peoria does provide wastewater services to the existing properties on the western side of the New River.

However, Peoria is unable to effectively provide wastewater services to the proposed de-annexation area based on the physical limitations created by the New River. As a result, the site could more easily receive wastewater services from the City of Glendale. The portions of the site currently within Peoria's jurisdiction would not be able to receive Glendale's utility services given current jurisdictional boundaries. These areas would need to be de-annexed from Peoria and annexed into Glendale's jurisdiction in order to receive wastewater services.

Benefits of the Proposed Boundary Adjustment

In addition to the parcels proposed for de-annexation, there are small areas that would be annexed into Peoria concurrently. The areas proposed for annexation have limited development potential in and of themselves; however, annexation of these parcels in concert with a property exchange underway between the Church of Joy and City of Peoria will provide the opportunity for formal completion of a key segment of the New River trail along the ultimate trail alignment, proximate to many existing residents. The City has previously undertaken efforts to secure other portions of the trail in this area through property acquisition and agreements with the Bureau of Land Management (BLM). This Annexation/De-annexation would complete the transactions needed to realize this segment of the New River Trail.

CONCLUSION

As a result of the limitations/constraints described above, it is staff's assessment that the annexation/de-annexation proposed for portions of the Church of Joy property/Aspera project will promote the efficient delivery of services and allow for more effective development in this vicinity. Development of the portions of the site within City of Peoria jurisdiction is highly restricted due to access and utility constraints making it infeasible for development in Peoria. In addition, Peoria will gain access to the final property necessary in order to complete trail improvements in this vicinity along the ultimate alignment adjacent to the New River.

The Glendale City Council adopted ordinances approving the annexation/de-annexation request at their regular voting session on October 28, 2014.

State Law provides procedures for annexation/deannexation of property from one municipality to another. Following adoption of Peoria's ordinances approving the annexation/deannexation requests, the ordinances of both municipalities are then forwarded to the Maricopa County Board of Supervisors for ratification. The annexation/deannexation process is not complete until the action by the Board of Supervisors is effective.

Following the action, the de-annexed parcels will be provided with City of Glendale PAD and A-1 (agricultural) initial zoning. These districts are most analogous to what is currently provided in the City of Peoria, PAD and AG respectively.

Previous Actions:

No previous actions have been taken on this item.

Options:

A: Adopt an Ordinance consenting to the de-annexation of three (3) parcels comprising approximately 6.49 acres to the City of Glendale pursuant to A.R.S. §9-471.02.

B: Reject the Ordinance consenting to the de-annexation of three (3) parcels comprising approximately 6.49 acres to the City of Glendale; the larger annexation/deannexation proceeding would be abandoned at this time.

Staff's Recommendation:

Adopt an Ordinance consenting to the de-annexation of three (3) parcels comprising approximately 6.49 acres to the City of Glendale pursuant to A.R.S. §9-471.02.

Fiscal Analysis:

This request will not generate any direct budgetary impacts. Should the Council elect to de-annex the property, operational costs for public services in the deannexed area would be borne by the City of Glendale upon their annexation of the property.

Exhibit(s):

Exhibit 1: Proposed De-Annexation Ordinance
Exhibit 2: Vicinity Map
Exhibit 3: Context Map

Contact Name and Number: Melissa Sigmund, Principal Planner, x 7603

ORDINANCE NO. 2015-14

AN ORDINANCE OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, DEANNEXING CERTAIN REAL PROPERTY, CONSISTING OF APPROXIMATELY 6.49 ACRES OF LAND, GENERALLY LOCATED EAST OF THE NEW RIVER AND NORTH OF THE BEARDSLEY ROAD CONNECTOR, FROM THE CITY OF PEORIA, MARICOPA COUNTY, STATE OF ARIZONA, CONTINGENT UPON ANNEXATION OF SAID PROPERTY BY THE CITY OF GLENDALE, MARICOPA COUNTY, STATE OF ARIZONA, PURSUANT TO THE PROVISIONS OF A.R.S. §9-471.02.

WHEREAS, A.R.S. §9-471.02 provides a method for deannexation of land from one municipality and the annexation of such land to another municipality; and

WHEREAS, the Mayor and Council of the City of Peoria, Arizona are desirous of deannexing certain territory from the City of Peoria so that the territory may be annexed by the City of Glendale (see Exhibit A).

NOW, THEREFORE BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona that:

SECTION 1. That the following described territory be, and the same hereby is, deannexed from the City of Peoria, contingent upon annexation of said property by the City of Glendale, and that the present corporate limits be retracted and decreased to exclude the following described territory, to wit:

See Exhibit “A” to this Ordinance, Legal Descriptions & Map

SECTION 2. That said deannexation is contingent upon fulfillment of the conditions set forth in A.R.S. §9-471.02.

SECTION 3. That the City Clerk is hereby directed to certify a copy of this Ordinance and file the same with the Maricopa County Board of Supervisors requesting a hearing date as set forth in A.R.S. §9-471.02(D).

PASSED AND ADOPTED by the Mayor and Council for the City of Peoria, Arizona this 7th day of July , 2015.

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Published in Peoria Times
Publication Dates: July 17, 2015
Effective Date:

Exhibit A

Legal Descriptions

LEGAL DESCRIPTION
PEORIA DEANNEX 1

A portion of the southeast quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

COMMENCING at a brass cap found at the south quarter corner of said Section 23 from which an iron rod found at the center corner of said Section 23 bears North 00°05'31" East, 2635.43 feet;

thence, along the west line of the southeast quarter of said Section 23, North 00°05'31" East, 1317.71 feet to a nail with washer marked, "Springer RLS 34399" found at the northwest corner of the southwest quarter of the southeast quarter of said Section 23;

thence, along the north line of the southwest quarter of the southeast quarter of said Section 23, North 89°57'59" East, 237.04 feet to the POINT OF BEGINNING;

thence North 25°25'49" East, 365.13 feet to the north line of the south half of the southwest quarter of the northwest quarter of the southeast quarter of said Section 23;

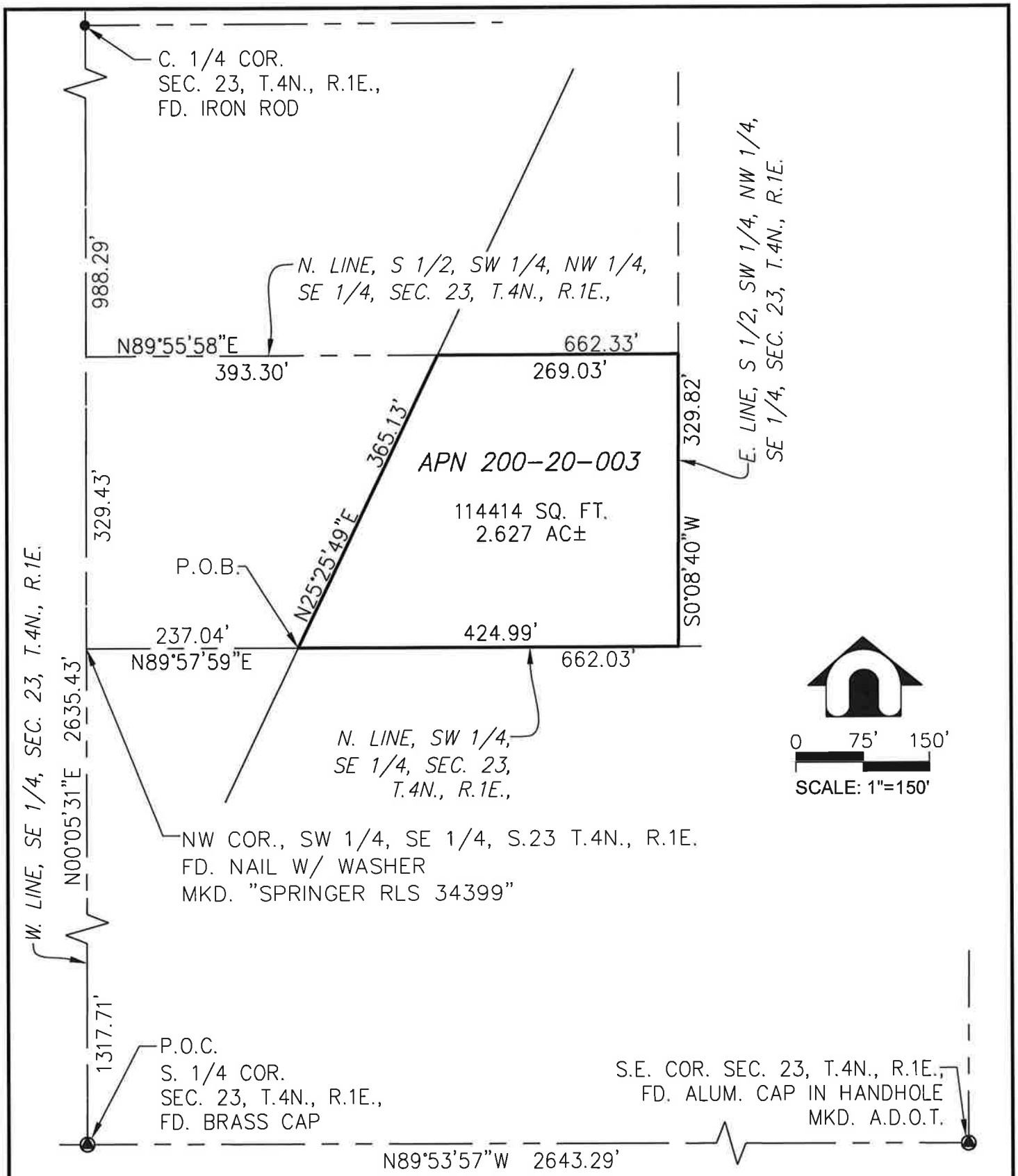
thence, along said north line, North 89°55'58" East, 269.03 feet to the east line of the south half of the southwest quarter of the northwest quarter of the southeast quarter of said Section 23;

thence, along said east line, South 00°08'40" West, 329.82 feet to the north line of the southwest quarter of the southeast quarter of said Section 23;

thence, along said north line, South 89°57'59" West, 424.99 feet to the POINT OF BEGINNING.

Said parcel containing 114,414 square feet or 2.627 acres, more or less.

[redacted]



DATE: 4/2014

SCALE: 1"=150'	**PEORIA DEANNEX 1**	**DAVID EVANS AND ASSOCIATES INC.**
SHEET 1 OF 1		4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

LEGAL DESCRIPTION
PEORIA DEANNEX 2

A portion of the southwest quarter of Section 23, Township 1 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

BEGINNING at a brass cap found at the south quarter corner of said Section 23 from which a brass cap in handhole found at the southwest corner of said Section 23 bears North 89°54'22" West, 2643.47 feet;

thence, along the south line of the southwest quarter of said Section 23, North 89°54'22" West, 417.59 feet;

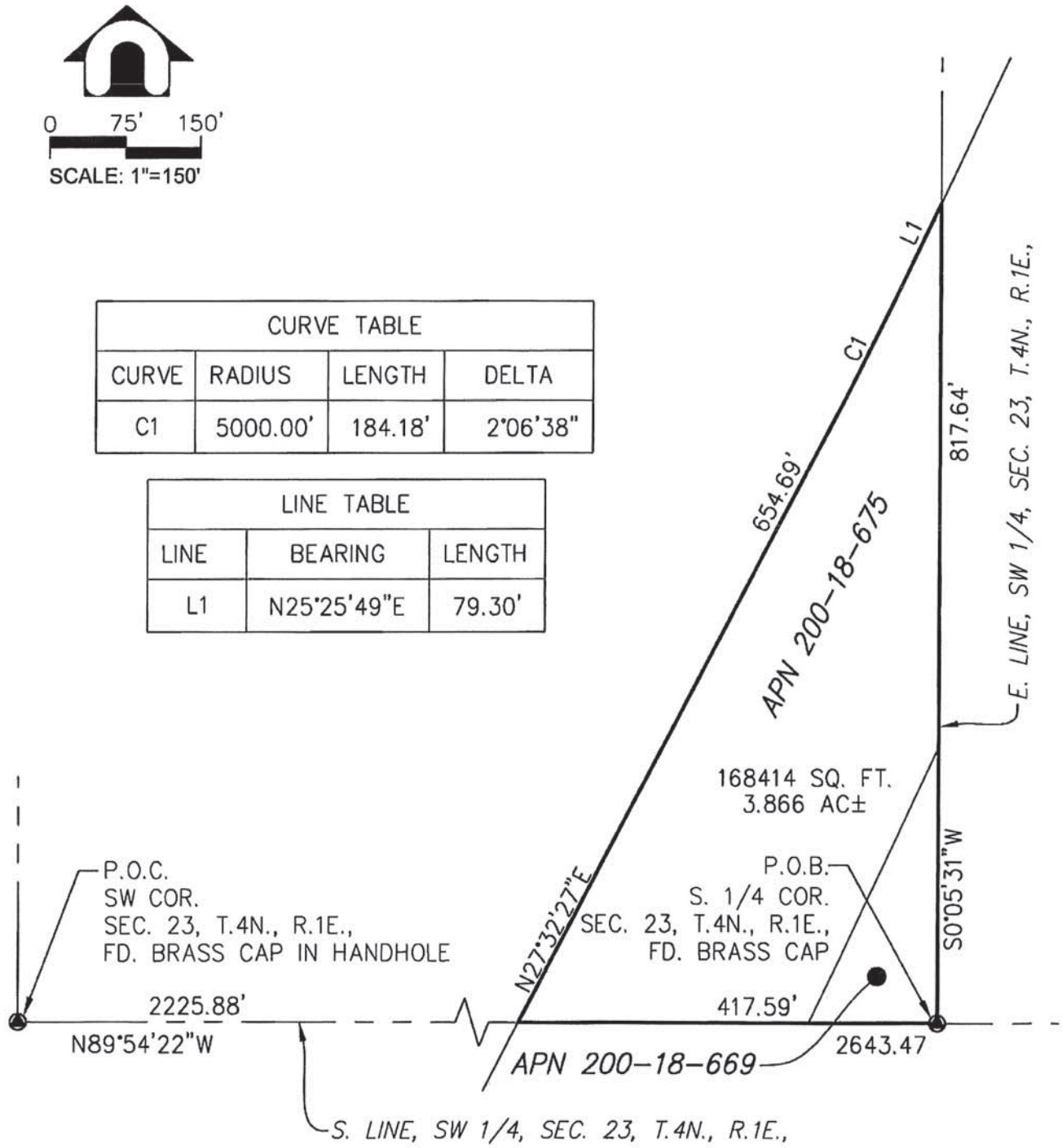
thence North 27°32'27" East, 654.69 feet to a point of curvature having a radius of 5,000.00 feet;

thence 184.18 feet along the arc of said curve concave northwest, through a central angle of 02°06'38";

thence North 25°25'49" East, 79.30 feet to the east line of the southwest quarter of said Section 23;

thence, along said east line, South 00°05'31" West, 817.64 feet to the POINT OF BEGINNING.

Said parcel containing 168,414 square feet or 3.866 acres, more or less.



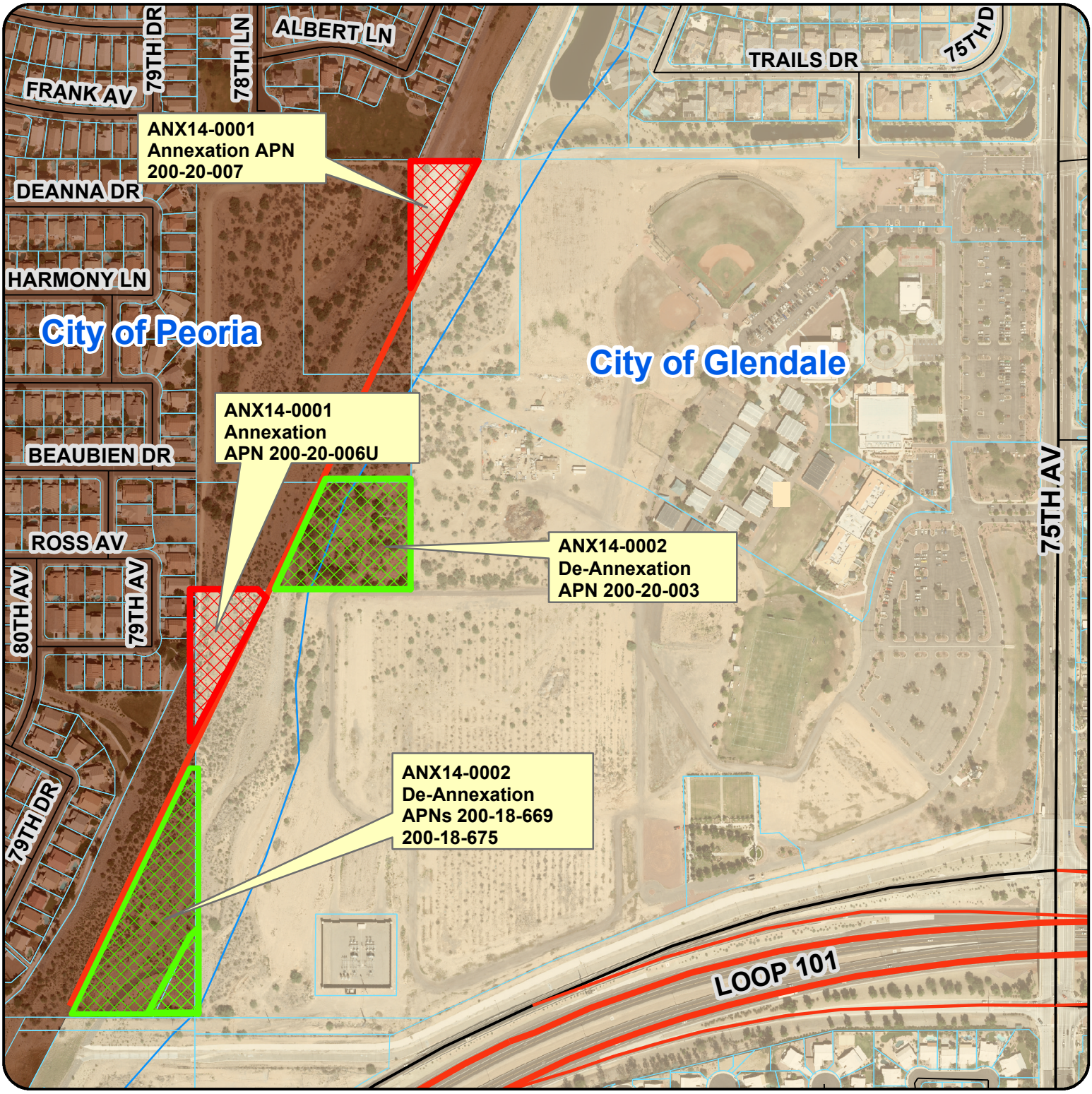
CURVE TABLE			
CURVE	RADIUS	LENGTH	DELTA
C1	5000.00'	184.18'	2°06'38"

LINE TABLE		
LINE	BEARING	LENGTH
L1	N25°25'49"E	79.30'

DATE: 4/2014

SCALE: 1"=150'	Peoria Deannex 2	DAVID EVANS AND ASSOCIATES INC.
SHEET 1 OF 1		4600 East Washington Street, Suite 430 Phoenix Arizona 85034 Phone: 602.678.5151

Vicinity Map



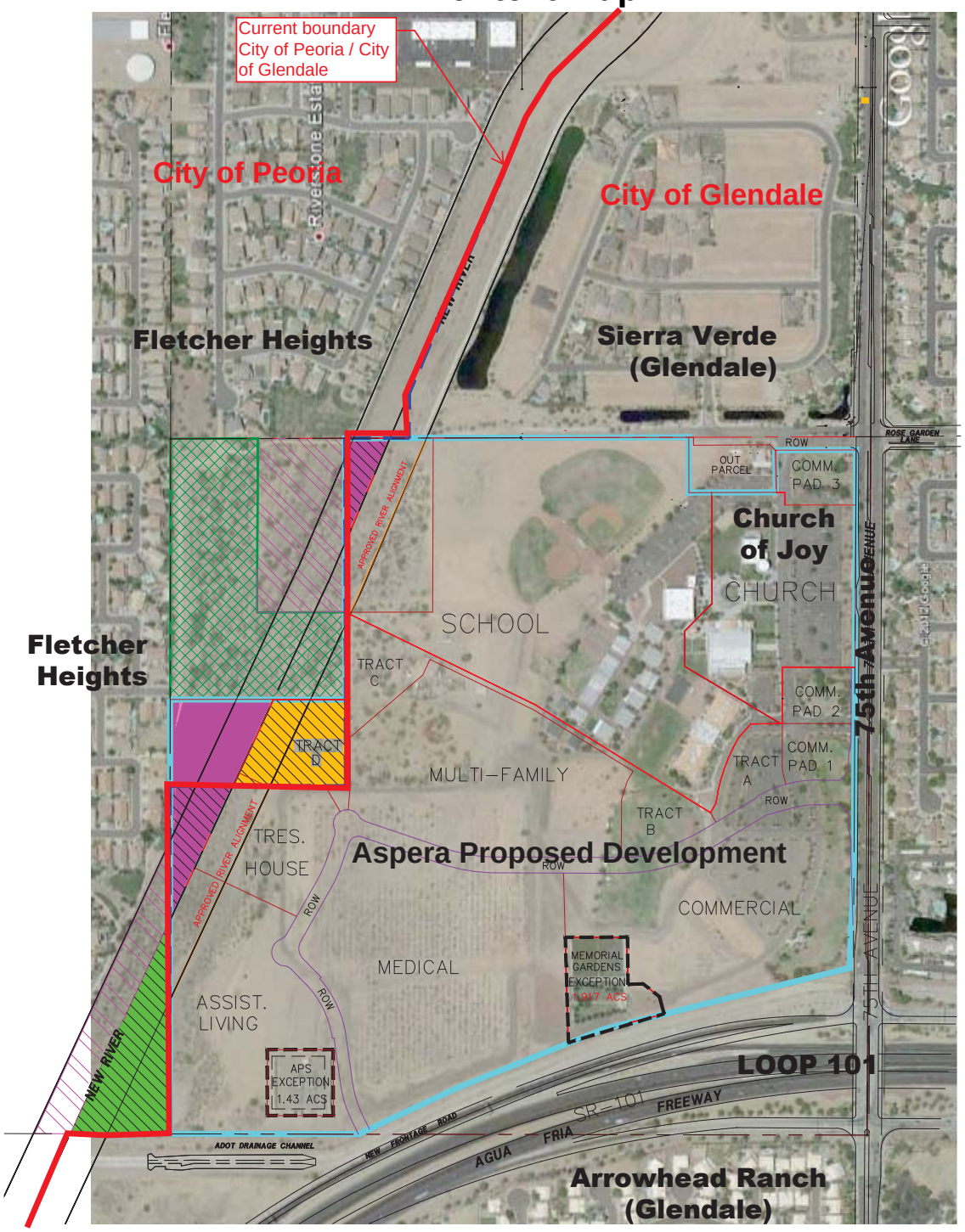
ANX14-0001
Church of Joy Annexation/Deannexation

N

Not to Scale

Exhibit 2

Context Map



EXISTING PROPERTY LINE
EXISTING CITY LIMITS
C/L OF RIVER (ULTIMATE CITY LIMITS)
DEVELOPMENT EXCEPTION
PEORIA OWNED (NOT A PART)
BLM OWNED (NOT A PART)
JOY TRANSFER TO PEORIA
PEORIA TRANSFER TO JOY
ANNEX/DEANNEX AREAS
GLENDALE DEANNEX / PEORIA ANNEX
PEORIA DEANNEX / GLENDALE ANNEX

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 20C

Date Prepared: June 17, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

FROM: Andrew Granger, P. E., Development and Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Right of Way Acquisition, Southeast Corner 79th Avenue and Thunderbird Road

---

Purpose:

This is a request for City Council to discuss the adoption of a Resolution authorizing the acquisition of right of way located on the southeast corner of 79th Avenue and Thunderbird Road.

Background/Summary:

In order to improve the safety of the 79th Avenue and Thunderbird Road intersection it will be necessary to realign the northbound lane of 79th Avenue south of Thunderbird Road. This will accommodate a northbound through lane and a separate northbound to eastbound right turn lane.

The final legal descriptions for the acquisition of the land necessary to construct the improvements are included in the attached resolution. The affected property owners have been notified of this Council meeting.

Previous Actions:

- There has been no previous formal Council action on this item.

Options:

A: Approve the adoption of the Resolution authorizing the acquisition of land rights to allow for the construction of the 79th Avenue and Thunderbird Road intersection improvements.

B: Deny adoption of the Resolution authorizing the acquisition of the land rights which will result in the acquisition portion of the project being postponed.

Staff's Recommendation:

Staff recommends that the Mayor and Council adopt the attached Resolution authorizing the acquisition of the property described in the Resolution by outright purchase or the exercise of the power of eminent domain.

Fiscal Analysis:

Funding for this project is available in the FY2016 Capital Improvement Program and will be drawn from the Transportation Sales Tax Fund, Land Account 7010-7075-540000-CIPST-EN00116LA.

Narrative:

The City will offer the property owners the opportunity to donate the property, offer appraised value in a negotiated settlement or, as a last resort, request the City Attorney to file for condemnation.

Exhibit(s):

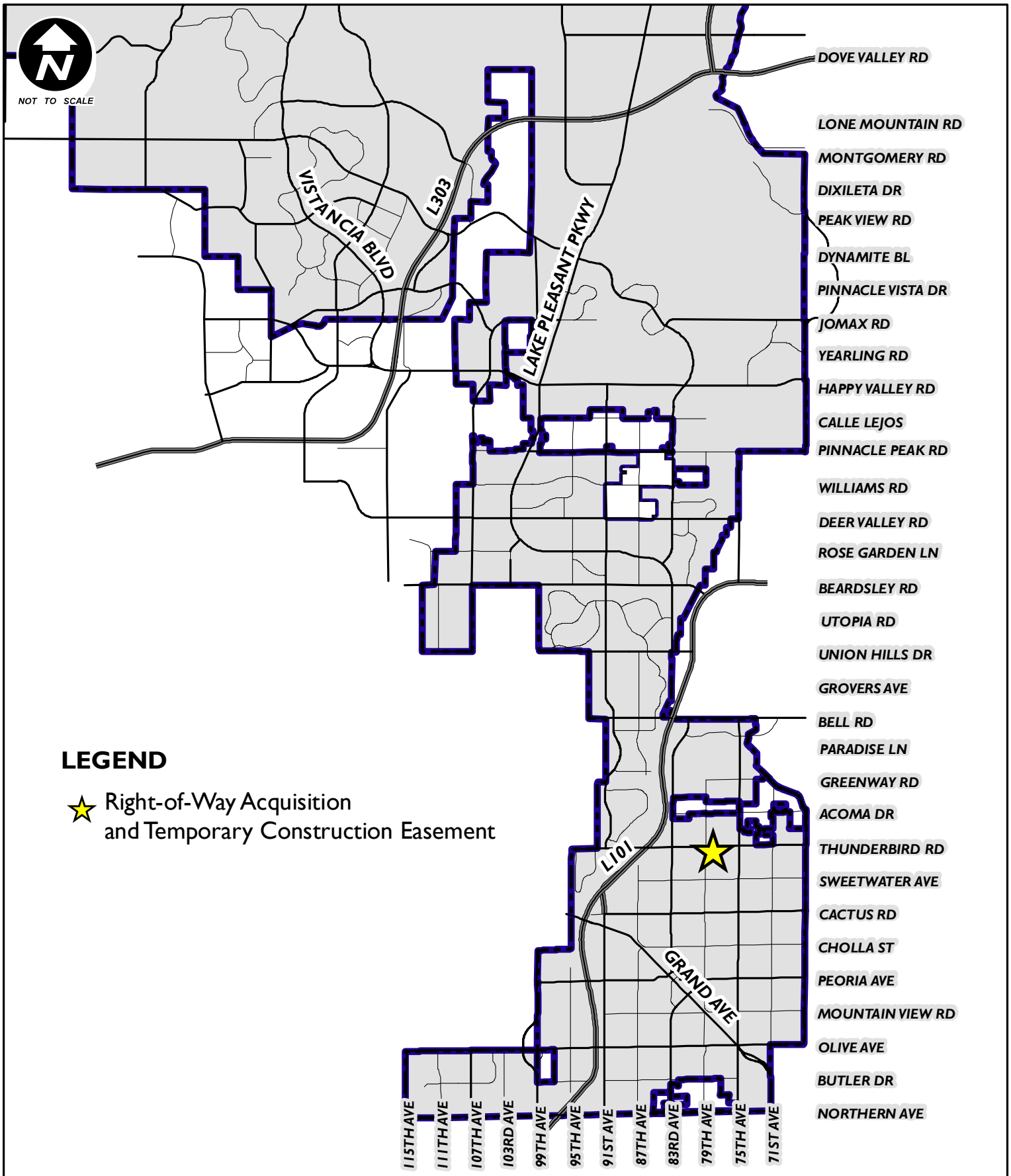
Exhibit 1: Vicinity Map
Exhibit 2: Location Map
Exhibit 3: Resolution

Contact Name and Number: Angela Manuel, Real Property Coordinator, 623-773-7728

City of Peoria
ENGINEERING

Right of Way Acquisition
79th Avenue and Thunderbird Rd

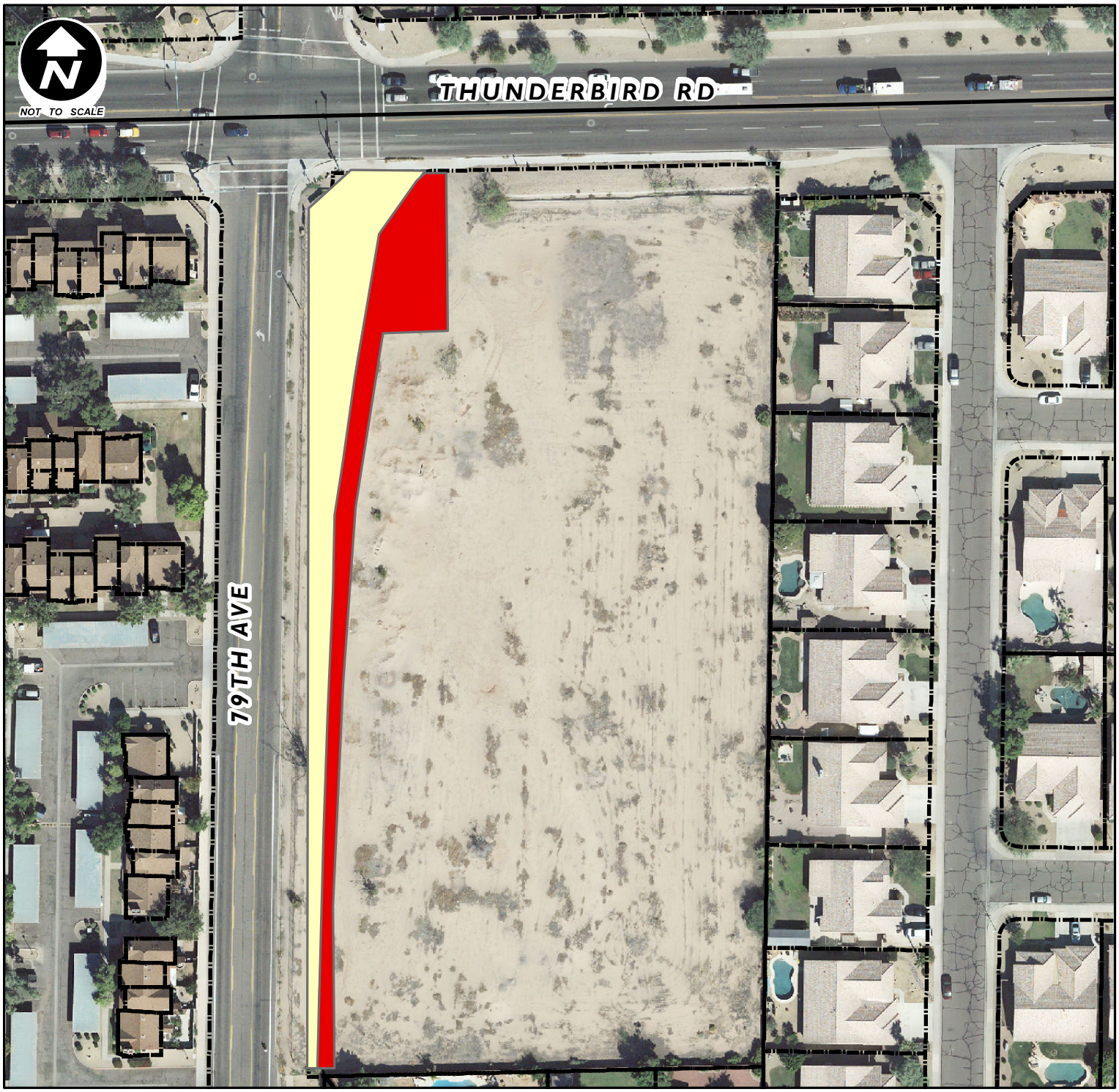
Vicinity Map



City of Peoria
ENGINEERING

Right of Way Acquisition
79th Avenue and Thunderbird Rd

Location Map



LEGEND

Right-of-Way Acquisition

Temporary Construction Easement

GIS
GEOGRAPHIC INFORMATION SYSTEMS
City of Peoria
Arizona

NOTE
Map based on imprecise source Information, subject to change and FOR GENERAL REFERENCE ONLY.

RESOLUTION NO. 2015-77

A RESOLUTION OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA DECLARING A PUBLIC NEED AND NECESSITY AND A PUBLIC USE; AUTHORIZING AND DIRECTING THE CITY ATTORNEY TO ACQUIRE ON BEHALF OF THE CITY OF PEORIA THROUGH DONATION, OUTRIGHT PURCHASE OR UNDER THE POWER OF EMINENT DOMAIN FOR PUBLIC PURPOSES OF ALL INTEREST IN CERTAIN DESCRIBED REAL PROPERTY IN THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA, IN ORDER FOR THE CITY TO PROPERLY AND ADEQUATELY IMPROVE AND DEVELOP THE 79TH AVENUE AND THUNDERBIRD ROAD INTERSECTION AS A MATTER OF PUBLIC NEED AND NECESSITY; REFERENCING TITLE 12 OF STATE LAW CONCERNING THE EXERCISE OF EMINENT DOMAIN FOR PUBLIC ROADS, STREETS, AND PUBLIC SAFETY PURPOSES; STATING THE CONCLUSION OF THE PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT THAT THE ACQUISITION IS IN CONFORMITY WITH THE ADOPTED GENERAL PLAN; AS A MATTER OF PUBLIC NEED AND NECESSITY AND DECLARING AN EMERGENCY.

THEREFORE IT IS RESOLVED by the Mayor and Council of the City of Peoria, Arizona as follows:

SECTION 1. AUTHORIZATION TO ACQUIRE

That the City Attorney on behalf of the City of Peoria, Arizona is authorized and directed to acquire and/or condemn all the real property described in the attached Exhibit "A" pursuant to Title 12, Chapter 8, Article 2, Arizona Revised Statutes and to file on behalf of the City such litigation as necessary to consummate the acquisition of such property under the power of eminent domain and to do all things necessary to accomplish this purpose, including but not limited to obtaining title reports and appraisals and other expert assistance for such purposes. The Assessor Parcel Number associated with the legal descriptions in the attached Exhibit “A” is:

Partial Take & Temporary Construction Easement – APN 200-78-003M

SECTION 2. EMINENT DOMAIN AUTHORITY PURSUANT TO TITLE 12 OF STATE LAW: AUTHORIZATION TO OBTAIN IMMEDIATE POSSESSION

That the City Attorney on behalf of the City of Peoria, Arizona is authorized to petition the Superior Court to enter an order that the City of Peoria be allowed immediate possession and full use of all of the real property described in Exhibit "A" pursuant to Title 12, Chapter 8, Article 2, Section 12-1116 and to immediately determine the probable damages resulting from City of Peoria being allowed to have immediate possession of the real property described in Exhibit "A" and to set the amount of a bond in a form to be approved by the Court or to deposit the equivalent amount of City funds budgeted and appropriated and to do all things necessary to accomplish this purpose.

SECTION 3. DETERMINATION OF CONFORMITY WITH GENERAL PLAN

That the Planning and Community Development Department, which is the designated “planning agency” for the City of Peoria for purposes of Arizona Revised Statutes Title 9, Chapter 4, Article 6 (“Municipal Planning”), has reviewed the acquisition of the Property for conformity with the adopted Peoria General Plan pursuant to A.R.S. § 9-461.07(C) and reported that the location, purpose, and extent of the acquisition of the Property conforms with the Peoria General Plan.

SECTION 4. EFFECTIVE DATE

WHEREAS, the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, an Emergency is declared to exist and this Resolution shall be in full force and effect from and after its passage by the Council as required by the City Charter and is exempted from the referendum clause of the Charter.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 7th day of July, 2015.

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

ATTACHMENTS:

Exhibit A - Legal Descriptions

EXHIBIT A

LEGAL DESCRIPTION

A portion of the Northeast quarter of Section 14, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the North Quarter Corner of said Section 14 (a brass cap in hand hole) from which the Northeast Corner of said Section 14 (a brass cap in hand hole) bears North 88°45'00" East (basis of bearing), a distance of 2665.35 feet;

THENCE North 88°45'00" East along the North Line of said Section 14, a distance of 80.21 feet;

THENCE departing said North Line of Section 14, South 01°15'00" East, a distance of 40.00 feet to a point on the South Right of Way line of Thunderbird Road and the **TRUE POINT OF BEGINNING**;

THENCE departing the said South Right of Way line, South 45°52'00" West, a distance of 56.05 feet;

THENCE South 0°52'00" West, a distance of 87.83 feet;

THENCE South 07°42'34" West, a distance of 100.72 feet;

THENCE South 04°27'06" West, a distance of 351.82 feet;

THENCE South 0°52'00" West, a distance of 48.89 feet to a point on the North line of the plat for Steeple Hill as recorded in Book 390, Page 18, Maricopa County Records;

THENCE South 88°42'57" West, along said North Line of Steeple Hill Plat, a distance of 8.01 feet to a point on the North/South Midsection line of said Section 14, from which the Center of Section 14 (a brass cap in hand hole) bears South 0°52'00" West, a distance of 1971.04 feet;

THENCE North 0°52'00" East along the North/South Midsection line of said Section 14, a distance of 594.77 feet to a point on the said South Right of Way line of Thunderbird Road;

THENCE departing said North/South Midsection line, North 44°48'30" East along the said South Right of Way line of Thunderbird Road, a distance of 43.20 feet;

THENCE continuing along said South Right of Way line of Thunderbird Road, 40.00 feet south of and parallel to the said North line of Section 14, North 88°45'00" East, a distance of 51.69 feet to the **TRUE POINT OF BEGINNING**.

Containing 16,230.24 square feet or 0.3726 acres, more or less.

[redacted]

EXPIRES 12-31-16

Title: 79th Avenue and Thunderbird Road - APN 200-78-003M

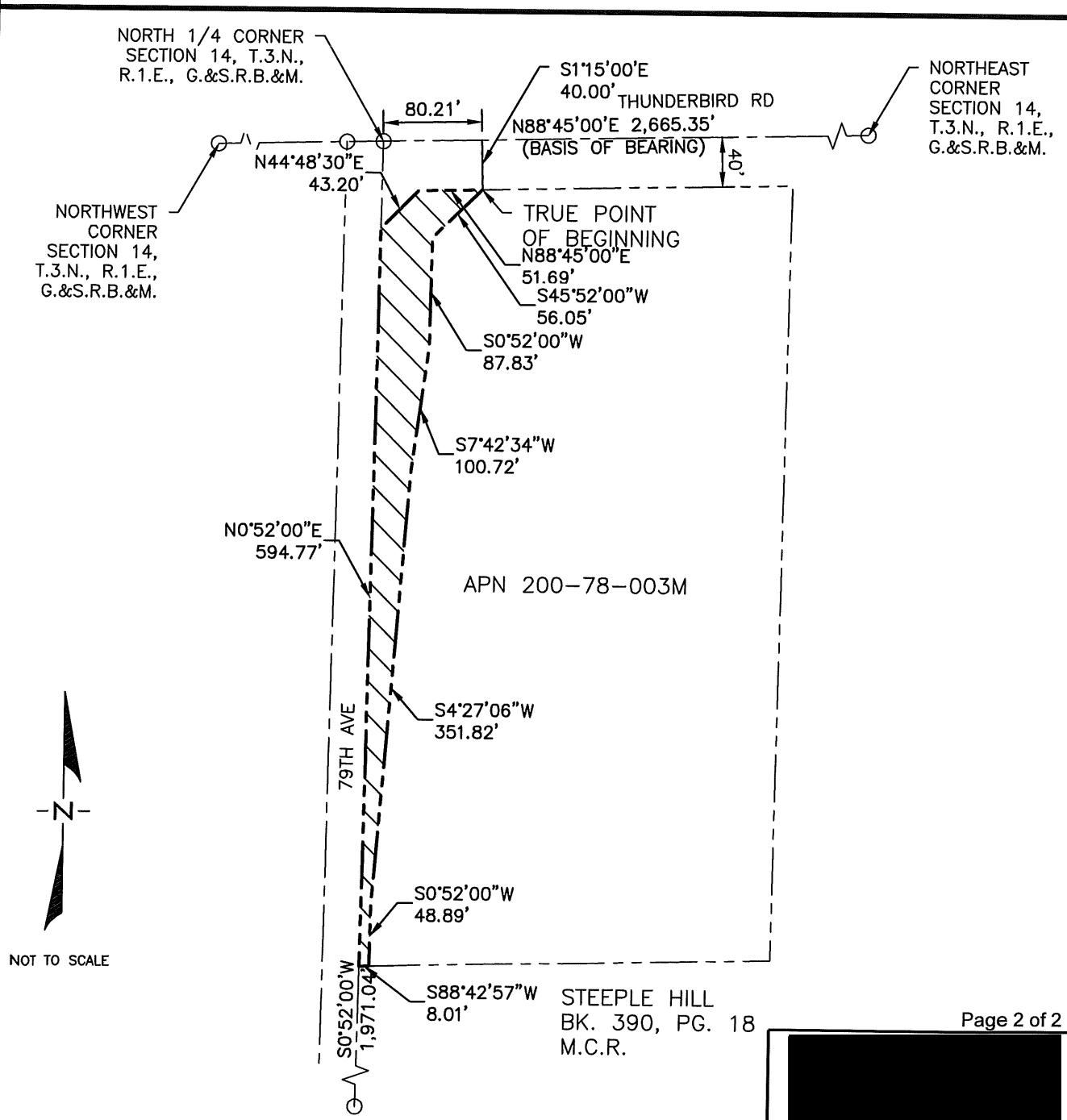
Preparing Firm: TRACE Consulting, LLC

Address: 1201 E. Jefferson St., Ste 3, Phoenix, AZ 85034

Phone: (602) 680-8264 Fax:

EXHIBIT A

SKETCH



[redacted]

EXPIRES 12-31-16

Title: 79th Avenue and Thunderbird Road - APN 200-78-003M

Preparing Firm: TRACE Consulting, LLC

Address: 1201 E. Jefferson St., Ste 3, Phoenix, AZ 85034

Phone: (602) 680-8264 **Fax:**

EXHIBIT A

LEGAL DESCRIPTION

A portion of the Northeast quarter of Section 14, Township 3 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the North Quarter Corner of said Section 14 (a brass cap in hand hole) from which the Northeast Corner of said Section 14 (a brass cap in hand hole) bears North 88°45'00" East (basis of bearing), a distance of 2665.35 feet;

THENCE North 88°45'00" East along the North Line of said Section 14, a distance of 80.21 feet;

THENCE departing said North Line of Section 14, South 01°15'00" East, a distance of 40.00 feet to a point on the South Right of Way line of Thunderbird Road and the **TRUE POINT OF BEGINNING**;

THENCE along said South Right of Way line of Thunderbird Road, 40.00 feet south of and parallel to the said North line of Section 14, North 88°45'00" East, a distance of 13.37 feet;

THENCE departing the said South Right of Way line, South 0°52'00" West, a distance of 108.00 feet;

THENCE North 89°08'00" West, a distance of 43.00 feet;

THENCE South 0°52'00" West, a distance of 20.56 feet;

THENCE South 7°42'34" West, a distance of 101.03 feet;

THENCE South 4°27'06" West, a distance of 351.22 feet;

THENCE South 0°52'00" West, a distance of 48.20 feet to a point on the North line of the plat for Steeple Hill as recorded in Book 390, Page 18, Maricopa County Records;

THENCE South 88°42'57" West, along said North line of Steeple Hill Plat, a distance of 10.01 feet;

THENCE departing said North line of Steeple Hill Plat, North 0°52'00" East, a distance of 48.89 feet;

THENCE North 4°27'06" East, a distance of 351.82 feet;

THENCE North 7°42'34" East, a distance of 100.72 feet;

THENCE North 0°52'00" East, a distance of 87.83 feet;

THENCE North 45°52'00" East, a distance of 56.05 feet to the **TRUE POINT OF BEGINNING**.

Containing 10,127.71 square feet or 0.2325 acres, more or less.

[redacted]

EXPIRES 12-31-16

Title: 79th Avenue and Thunderbird Road - APN 200-78-003M TCE

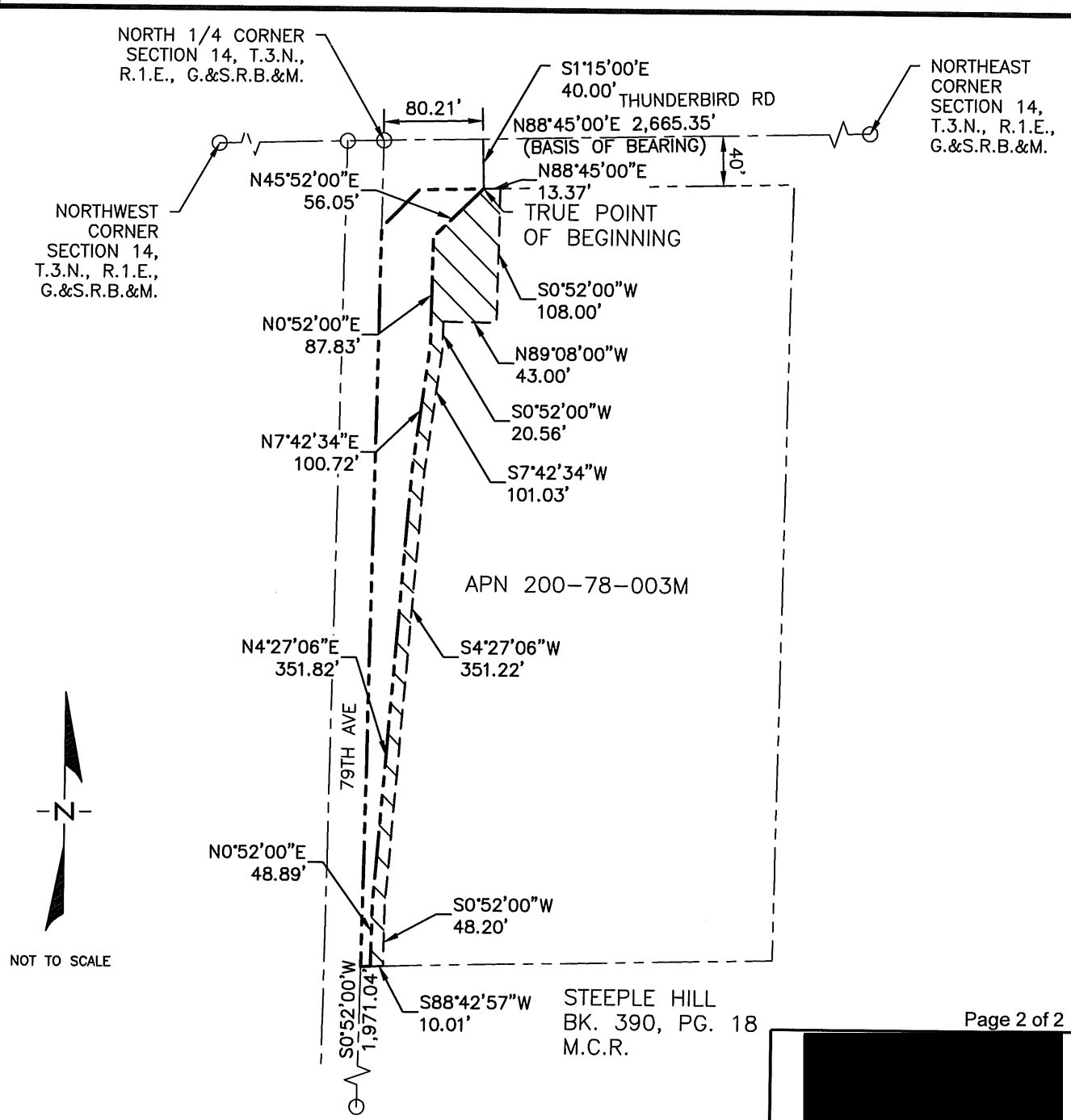
Preparing Firm: TRACE Consulting, LLC

Address: 1201 E. Jefferson St., Ste 3, Phoenix, AZ 85034

Phone: (602) 680-8264 Fax:

EXHIBIT A

SKETCH



Title: 79th Avenue and Thunderbird Road - APN 200-78-003M TCE

Preparing Firm: TRACE Consulting, LLC

Address: 1201 E. Jefferson St., Ste 3, Phoenix, AZ 85034

Phone: (602) 680-8264 **Fax:**

[redacted]

EXPIRES 12-31-16

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 21C

Date Prepared: June 22, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Andrew Granger, Development and Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Deeds and Easements, Various Locations

Purpose:

This is a request for City Council to adopt a Resolution accepting Deeds and Easements for various Real Property interests acquired by the City. The deeds and easements have been recorded by the Maricopa County Recorder's Office and this process will formally accept them into the system.

Background/Summary:

The City of Peoria periodically acquires a number of property interests including deeds, roadway dedications and various types of easements. All documents are reviewed for accuracy and recorded. A Resolution to accept these documents has been prepared, which lists each document by recording number and provides information related to each so the property interest to be accepted can be identified.

Previous Actions:

This is an ongoing process which occurs when we have acquired a number of real property interests.

Options:

A: Approve the adoption of the Resolution accepting Deeds and Easements into our system.

B: Deny adoption of the Resolution that formally accepts the Deeds and Easements into our system, resulting in the City not having an official record of what has been transferred to the City through recordation in the Maricopa County Recorder's office.

Staff's Recommendation:

Staff recommends the adoption of a Resolution accepting Deeds and Easements for various Real Property interests acquired by the City and previously recorded by the Maricopa County Recorder's Office to ensure completeness of the process.

Fiscal Analysis:

There is no fiscal impact to the City.

Narrative:

This Resolution includes Real Property interests acquired since the adoption of the previous acceptance resolution. The acceptance of the Resolution by City Council would bring the deeds and easements into our system and is the final step in the process.

Exhibit(s):

Exhibit 1: Resolution

Contact Name and Number: Gary Lopez, Plans Review Supervisor, Development and Engineering, (623) 773-7236

RESOLUTION NO. 2015-78

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, MARICOPA COUNTY, ARIZONA ADOPTING A RESOLUTION FORMALLY ACCEPTING DEEDS AND EASEMENTS FOR PROPERTY RIGHTS CONVEYED TO THE CITY OF PEORIA.

WHEREAS**,** the real estate interests hereinafter referenced have been conveyed to the City of Peoria;

WHEREAS**,** it is to the advantage of the City of Peoria to accept said real property interests; and

WHEREAS, the City has determined that acquisition of these property interests is in the interest of the public health, safety and welfare.

NOW THEREFORE, be it resolved by the Mayor and Council of the City of Peoria, Maricopa County, Arizona as follows:

SECTION 1. That the following real property interests are hereby accepted by the City of Peoria and referenced by the recording number issued by the Maricopa County Recorder's Office.

Metzger Residence 7423 W. Rowel Rd.
EASEMENT FOR STORMWATER/SURFACE CROSS DRAINAGE
Maricopa County Recording No. 20150442003
(Project No. R1501119/Deed # 15-011)

SECTION 2. Public Easement and Land Rights

That the Mayor and Council accept the deeds and public easements transferred to the City of Peoria as described herein.

SECTION 3. Recording Authorized

That the City Clerk shall record the original of this Resolution with the Maricopa County Recorder's Office.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 7th day of July, 2015

_____
Cathy Carlat, Mayor

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Agenda Item: 22C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 8, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Andrew Granger, P.E., Development and Engineering Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Master Final Plat, Trilogy West Phase 2, Vistancia Blvd and Lone Mountain Rd (Project No. R150012)**

Purpose:

This is a request for City Council to approve a Master Final Plat of Trilogy West Phase 2, located on Vistancia Blvd and Lone Mountain Road, and authorize the Mayor and City Clerk to sign and record the Master Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Master Final Plat.

2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Master Final Plat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Master Final Plat.

4. In the event that the Master Final Plat is not recorded within 60 days of Council approval, the Master Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Master Final Plat is to dedicate the necessary private roadways and establish the overall parcel boundaries for a residential development. As each parcel is ready to

be developed, it will need to be replatted to establish the individual lots and local roadways. This development is within the City's water\sewer service area.

Previous Actions:

There have been no previous actions.

Options:

A: The Master Final Plat has been approved through the Development and Engineering Department. An option would be to not accept the proposed Master Final Plat; although it should be noted that not approving the Master Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Master Final Plat and allow this parcel to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Master Final Plat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Master Final Plat.

Narrative:

The acceptance of this Master Final Plat by City Council will allow the developer to move forward in developing this property.

Exhibit(s):

Exhibit 1: Master Final Plat

Exhibit 2: Vicinity Map

Contact Name and Number:

Jodi Breyfogle, PE: 623-773-7577

MASTER FINAL PLAT FOR

"TRILOGY WEST PHASE 2"

A REPLAT OF TRACT 'O' OF A MASTER PLAT FOR "TRILOGY WEST PHASE 1" RECORDED IN BOOK 1206 OF MAPS, PAGE 32, RECORDS OF MARICOPA COUNTY, ARIZONA, AND THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

DEDICATION

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

KNOW ALL PERSONS BY THESE PRESENTS:

THAT VISTANCIA WEST CONSTRUCTION LP, A DELAWARE LIMITED PARTNERSHIP, AS OWNER, DOES HEREBY PUBLISH THIS MASTER FINAL PLAT FOR "TRILOGY WEST PHASE 2", A REPLAT OF TRACT 'O' OF A MASTER PLAT FOR "TRILOGY WEST PHASE 1" RECORDED IN BOOK 1206 OF MAPS, PAGE 32, RECORDS OF MARICOPA COUNTY, ARIZONA, AND THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF SAID "TRILOGY WEST PHASE 2" DESCRIBED HEREON, AND HEREBY DECLARES THAT SAID MASTER FINAL PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE TRACTS, STREET AND EASEMENTS CONSTITUTING SAME AND THAT EACH TRACT, STREET AND EASEMENT SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT.

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, HEREBY DEDICATES TO THE CITY OF PEORIA FOR USE AS SUCH THE PUBLIC UTILITY EASEMENT (PUE) AND SIDEWALK EASEMENT (SE) AS SHOWN HEREON AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. THE MAINTENANCE OF THE LANDSCAPING WITHIN THE RIGHT-OF-WAY SHALL BE THE RESPONSIBILITY OF THE FRONTING PROPERTY OWNER.

AS USED HEREIN, THE TERM "MAINTENANCE CORPORATION DECLARATION" SHALL MEAN AND REFER TO THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VISTANCIA DATED JULY 9, 2003 AND RECORDED JULY 9, 2003 IN INSTRUMENT NO. 2003-0898772, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AS FROM TIME TO TIME THEREAFTER SUPPLEMENTED AND/OR AMENDED; AND THE TERM "MAINTENANCE CORPORATION" SHALL MEAN AND REFER TO VISTANCIA MAINTENANCE CORPORATION, AN ARIZONA NON-PROFIT CORPORATION.

AS USED HEREIN, THE TERM "TRILOGY DECLARATION" SHALL MEAN AND REFER TO THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TRILOGY AT VISTANCIA DATED JANUARY 26, 2004 AND RECORDED JANUARY 28, 2004 IN INSTRUMENT NO. 2004-0082577, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AS FROM TIME TO TIME THEREAFTER SUPPLEMENTED AND/OR AMENDED; AND THE TERM "TRILOGY ASSOCIATION" SHALL MEAN AND REFER TO TRILOGY AT VISTANCIA COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION.

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, HEREBY DEDICATE TO THE CITY, THE DIXILETA PARKWAY RIGHTS-OF-WAY AS SHOWN HEREON, FOR THE USE AS (A) PUBLIC STREETS, AND (B) ANY AND ALL PUBLIC SEWER, WATER, GAS, ELECTRIC AND ANY OTHER UTILITY SERVICES. VISTANCIA WEST CONSTRUCTION LP, HEREBY WARRANTS TO THE CITY THE TITLE TO SAID RIGHT OF WAY AS SHOWN HEREON, AGAINST THE CLAIMS OF ALL PERSONS WHOMSOEVER.

SUBJECT TO THE TERMS OF THE TRILOGY DECLARATION, TRACT "T" IS HEREBY DECLARED AS A PRIVATE STREET FOR THE EXCLUSIVE USE AND BENEFIT OF (1) THE OWNERS, RESIDENTS AND OCCUPANTS OF ALL OR ANY PART (WHETHER LOTS, TRACTS OR THE ENTIRE PARCEL) OF THE "PROJECT" (AS DEFINED IN THE TRILOGY DECLARATION) AND THEIR RESPECTIVE FAMILY MEMBERS, AGENTS, GUESTS, TENANTS, LESSEES AND INVITEES, AND (2) SUCH OTHER PERSONS OR ENTITIES AS MAY BE GRANTED THE RIGHT TO USE SUCH PRIVATE STREET IN ANY EASEMENT OR SUPPLEMENTAL DECLARATION RECORDED WITH RESPECT TO SAID TRACT "T" BY THE OWNER THEREOF. SUBJECT TO THE TERMS OF THE TRILOGY DECLARATION, MAINTENANCE OF SAID TRACT "T" AND THE IMPROVEMENTS THEREON SHALL BE THE RESPONSIBILITY OF THE TRILOGY ASSOCIATION PURSUANT TO THE TERMS OF THE TRILOGY DECLARATION. ANY SUPPLEMENTAL DECLARATION HEREINAFTER RECORDED PURSUANT TO THE TRILOGY DECLARATION WITH RESPECT TO SAID TRACT "T" MAY SET FORTH ADDITIONAL COVENANTS, CONDITIONS AND/OR RESTRICTIONS WITH RESPECT TO SAID TRACT "T" AND/OR THE USE THEREOF.

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, HEREBY GRANTS TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION IN MARICOPA COUNTY, ARIZONA (HEREINAFTER REFERRED TO AS THE "CITY"), ITS SUCCESSORS AND ASSIGNS, A PERMANENT, PERPETUAL AND NON-EXCLUSIVE EASEMENT OVER TRACT "T" FOR THE FOLLOWING PURPOSES, NAMELY: (A) A PUBLIC UTILITIES EASEMENT, (B) PUBLIC WATER EASEMENT, (C) PUBLIC SEWER EASEMENT, AND (D) INGRESS AND EGRESS EASEMENT FOR REFUSE COLLECTION, EMERGENCY AND SERVICE TYPE ACCESS. VISTANCIA WEST CONSTRUCTION LP HEREBY COVENANTS TO AND WITH THE CITY AND ITS SUCCESSORS AND ASSIGNS THAT AS OF THE DATE OF THE RECORDATION OF THIS PLAT, VISTANCIA WEST CONSTRUCTION LP IS LAWFULLY SEIZED AND POSSESSED OF TRACT "T"; THAT VISTANCIA WEST CONSTRUCTION LP HAS GOOD AND LAWFUL RIGHT TO GRANT THE TRACT "T" EASEMENT; AND THAT VISTANCIA WEST CONSTRUCTION LP WILL WARRANT TO THE CITY AND ITS SUCCESSORS AND ASSIGNS THE TITLE AND QUIET POSSESSION OF THE TRACT "T" EASEMENT AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, HEREBY DECLARES THAT EFFECTIVE AS OF THE DATE OF THE RECORDATION OF THIS PLAT, THE PROPERTY WITHIN "TRILOGY WEST PHASE 2" SHALL BE HELD, SOLD, CONVEYED, ENCUMBERED, HYPOTHECATED, LEASED, USED, OCCUPIED AND IMPROVED SUBJECT TO THE FOLLOWING RESTRICTION: THE PRIVATE STREETS DEPICTED ON THIS PLAT SHALL BE PRIVATE AND SHALL NOT BE DEDICATED TO PUBLIC USE UNTIL SUCH TIME AS ALL OWNERS (I.E., 100%) OF THE LOTS WITHIN THE TRILOGY ASSOCIATION "TRILOGY WEST PHASE 2" AS PLATTED HEREON VOTE TO APPROVE SUCH STREETS BEING DEDICATED TO PUBLIC USE AND SUCH DEDICATION IS ACCEPTED BY THE CITY. IF THE DEDICATION OF SUCH STREETS TO PUBLIC USE IS APPROVED BY 100% OF SUCH OWNERS AND ACCEPTED BY THE CITY, THE CITY WILL REQUIRE (AS A CONDITION TO ITS ACCEPTANCE OF SUCH DEDICATION), THAT SUCH STREETS SHALL BE UPGRADED TO THE THEN-CURRENT CITY STANDARDS, AT NO EXPENSE TO THE CITY (I.E., SUCH UPGRADING SHALL BE AT THE EXPENSE OF SUCH OWNERS AND/OR A HOMEOWNERS ASSOCIATION THAT INCLUDE SUCH OWNERS). THIS RESTRICTION MAY BE AMENDED ONLY UPON THE WRITTEN CONSENT OF THE CITY AND ALL OWNERS (I.E., 100%) OF THE LOTS WITHIN THIS PLAT.

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, DOES HEREBY GRANT TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS AND ASSIGNS, A PERMANENT AND PERPETUAL EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ENTER UPON FOR CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF WATER LINE AND/OR SEWER LINE FACILITIES OVER, UNDER AND ACROSS THE EASEMENT AREAS DESIGNATED AS SUCH ON FINAL PLAT. TO HAVE AND TO HOLD THE SAID EASEMENT UNTO THE CITY OF PEORIA, AND UNTO ITS SUCCESSORS AND ASSIGNS FOREVER, TOGETHER WITH THE RIGHT (AT THE CITY OF PEORIA'S DISCRETION) TO ALLOW OTHER UTILITIES TO UTILIZE SUCH EASEMENT, INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF UTILITIES SUBJECT TO NOTES 1, 2, 3 AND 4. AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THIS AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THAT THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS. (1) THE SAID EASEMENT ALSO INCLUDES THE RIGHT FOR THE CITY TO CUT BACK AND TRIM SUCH PORTION OF BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE DESIGNATED EASEMENT AREA, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER AND SEWER LINE FACILITIES; (2) THE CITY SHALL NOT BE RESPONSIBLE FOR REPLACING ANY

DEDICATION

LANDSCAPING OR ANY IMPROVEMENT PLACED WITHIN THE EASEMENT BY OWNER OR ITS SUCCESSORS OR ASSIGNS; (3) THE CITY WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALTIC CONCRETE PAVEMENT SURFACES; AND (4) THE OWNER, ITS SUCCESSORS OR ASSIGNS, AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY ASPHALT, LANDSCAPING OR ANY IMPROVEMENT PLACED WITHIN THE EASEMENT BY OWNER OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED, ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE OWNER, ITS HEIRS OR ASSIGNS.

SUBJECT TO THE TERMS OF THE TRILOGY DECLARATION, TRACTS "I", "J", "K-2"– "T" ARE DECLARED TO BE VILLAGE COMMON AREAS (AS DEFINED IN THE MAINTENANCE CORPORATION DECLARATION) AND COMMON AREA (AS DEFINED IN THE TRILOGY DECLARATION), WHICH (1) ARE RESERVED EXCLUSIVELY FOR THE USE OF OWNERS, RESIDENTS AND LESSEES OF THE "PROJECT" (AS DEFINED IN THE TRILOGY DECLARATION) AND THEIR RESPECTIVE GUESTS AND INVITEES, AS SET FORTH IN THE MAINTENANCE CORPORATION DECLARATION AND THE TRILOGY DECLARATION, AND (2) SHALL BE CONVEYED TO AND MAINTAINED BY THE TRILOGY ASSOCIATION, PURSUANT TO THE TERMS OF THE TRILOGY DECLARATION AND THE MAINTENANCE CORPORATION DECLARATION.

TRACTS "F", "G", "H" AND "K-1" ARE DECLARED TO BE COMMUNITY COMMON AREAS (AS DEFINED IN THE MAINTENANCE CORPORATION DECLARATION), WHICH SHALL BE CONVEYED TO AND MAINTAINED BY THE MAINTENANCE CORPORATION PURSUANT TO THE TERMS OF THE MAINTENANCE CORPORATION DECLARATION.

TRACT "T" SHALL BE USED FOR THE PURPOSE OF PRIVATE STREETS/ACCESS AND THE OTHER USES AS SET FORTH HEREIN. THE FOREGOING TRACT "T" SHALL BE USED FOR DRAINAGE AND/OR OTHER PURPOSES AS MORE FULLY SET FORTH IN THE "TRACT TABLE" SHOWN HEREON. ANY SUPPLEMENTAL DECLARATION HEREAFTER RECORDED WITH RESPECT TO ANY OR ALL OF THE FOREGOING TRACTS MAY SET FORTH ADDITIONAL COVENANTS, CONDITIONS AND/OR RESTRICTIONS WITH RESPECT TO ANY OR ALL OF THE FOREGOING TRACTS AND/OR THE USE THEREOF (INCLUDING, BUT NOT LIMITED TO, RESTRICTIONS WHICH FURTHER LIMIT THE PERSONS ENTITLED TO USE ANY OR ALL OF SUCH TRACTS).

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, HEREBY GRANTS TO THE CITY THE EASEMENTS SHOWN HEREON AS RETENTION AND/OR DRAINAGE EASEMENTS FOR THE PURPOSE OF DRAINAGE SERVICES AND RELATED FACILITIES AND ACCESS AND MAINTENANCE ASSOCIATED WITH SUCH EASEMENT RIGHTS.

VISTANCIA WEST CONSTRUCTION LP, AS OWNER, HEREBY GRANTS TO THE CITY AN EASEMENT FOR MAINTENANCE OF LANDSCAPING, RETENTION DRAINAGE FACILITIES AND PIPE STORAGE SYSTEMS, ON TRACTS "A", "F", "K-1", "L"– "S", AS APPLICABLE IN THE APPROVED GRADING AND DRAINAGE PLAN. THIS EASEMENT MAY BE EXERCISED BY THE CITY AT SUCH TIME AS THE TRILOGY ASSOCIATION FAILS TO EXIST AND PROVIDE THE REQUIRED MAINTENANCE AND OPERATION OF THE LANDSCAPING, RETENTION AND DRAINAGE FACILITIES IN SUCH TRACTS. AS LONG AS THE TRILOGY ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL MAINTENANCE OF LANDSCAPING, RETENTION AND DRAINAGE FACILITIES IN TRACTS "A", "F", "K-1", "L"– "S" REGARDLESS OF THE DEDICATION OF THIS EASEMENT.

TRACTS "A" – "E" ARE NOT DEDICATED TO THE PUBLIC, NOR DECLARED AS COMMON AREAS, BUT ARE HEREBY RESERVED FOR FUTURE DEVELOPMENT.

LANDSCAPING AND OTHER IMPROVEMENTS (OTHER THAN UTILITY IMPROVEMENTS, MAINTENANCE OF WHICH SHALL BE THE RESPONSIBILITY OF THE UTILITY PROVIDER) WITHIN EACH PUE SHALL BE MAINTAINED BY THE OWNER OF THE TRACT ON WHICH SUCH PUE IS LOCATED.

THE UNDERSIGNED VISTANCIA WEST CONSTRUCTION LP, A DELAWARE LIMITED PARTNERSHIP, HAS CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF THE UNDERSIGNED SIGNER THEREUNTO DULY AUTHORIZED THIS ____ DAY OF ________, 2015.

VISTANCIA WEST CONSTRUCTION LP, A DELAWARE LIMITED PARTNERSHIP

BY: VISTANCIA WEST CONSTRUCTION HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ITS GENERAL PARTNER

BY: ____________________

ITS: ____________________

DEDICATION ACKNOWLEDGEMENT

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

ON THIS ____ DAY OF __________, 2015, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED

____________________, PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY, AND THAT BY HIS/HER SIGNATURE ON THE INSTRUMENT THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

____
NOTARY PUBLIC

TRILOGY ASSOCIATION RATIFICATION AND CONSENT

THE UNDERSIGNED HEREBY RATIFIES AND CONSENTS TO THIS PLAT, INCLUDING ITS MAINTENANCE OBLIGATIONS AS SET FORTH HEREIN.

TRILOGY AT VISTANCIA COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION

BY:____________________

ITS:____________________

TRILOGY ASSOCIATION RATIFICATION AND CONSENT ACKNOWLEDGEMENT

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

ON THIS ____ DAY OF __________, 2015, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED

____________________, PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY, AND THAT BY HIS/HER SIGNATURE ON THE INSTRUMENT THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

____
NOTARY PUBLIC

APPROVAL OF VISTANCIA DECLARANT

THE UNDERSIGNED, DECLARANT UNDER THE MAINTENANCE CORPORATION DECLARATION, HEREBY APPROVES THIS PLAT PURSUANT TO SECTION 14.2 OF THE MAINTENANCE CORPORATION DECLARATION.

VISTANCIA LAND HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: SLF III - VISTANCIA, LLC, A TEXAS LIMITED LIABILITY COMPANY, ITS SOLE AND MANAGING MEMBER

BY: STRATFORD LAND FUND III, L.P., A DELAWARE LIMITED PARTNERSHIP, ITS SOLE AND MANAGING MEMBER

BY: STRATFORD FUND III GP, LLC, A TEXAS LIMITED LIABILITY COMPANY, ITS GENERAL PARTNER

BY: ____________________

ITS: ____________________

VISTANCIA DECLARANT ACKNOWLEDGEMENT

STATE OF TEXAS)
)SS
COUNTY OF DALLAS)

ON THIS ____ DAY OF __________, 2015, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED

____________________, PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY, AND THAT BY HIS/HER SIGNATURE ON THE INSTRUMENT THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

____
NOTARY PUBLIC

MAINTENANCE CORPORATION RATIFICATION AND CONSENT

THE UNDERSIGNED HEREBY RATIFIES AND CONSENTS TO THIS PLAT, INCLUDING ITS MAINTENANCE OBLIGATIONS AS SET FORTH HEREIN.

VISTANCIA MAINTENANCE CORPORATION, AN ARIZONA NON-PROFIT CORPORATION

BY:____________________

ITS:____________________

MAINTENANCE CORPORATION RATIFICATION AND CONSENT ACKNOWLEDGEMENT

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

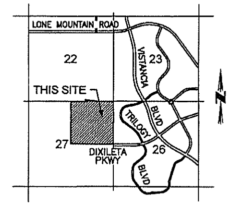
ON THIS ____ DAY OF __________, 2015, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED

____________________, PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY, AND THAT BY HIS/HER SIGNATURE ON THE INSTRUMENT THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

____
NOTARY PUBLIC

COUNTY RECORDER



VICINITY MAP

(NOT-TO-SCALE)

OWNER / DEVELOPER

VISTANCIA WEST CONSTRUCTION LP
8800 NORTH GAINEY CENTER DRIVE,
SUITE 350
SCOTTSDALE, ARIZONA 85258
PHONE: (480) 348-6063
FAX: (480) 948-0138
CONTACT: JOAN SCARBROUGH

ENGINEER

COE & VAN LOO CONSULTANTS INC.
4550 NORTH 12TH STREET
PHOENIX, ARIZONA 85014
PHONE: (602) 264-6831
FAX: (602) 264-6831
CONTACT: JOE PAPPAS

SITE AREA

7,014,291 SQUARE FEET OR 161.026 ACRES

BASIS OF BEARING

THE BASIS OF BEARING IS NORTH 89°45'09" WEST ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER MERIDIAN, ACCORDING TO BOOK 1032 OF MAPS, PAGE 6, MARICOPA COUNTY, ARIZONA.

SUBDIVIDER'S CETRIFICATION

BY ITS EXECUTION OF THIS PLAT, VISTANCIA WEST CONSTRUCTION LP, A DELAWARE LIMITED PARTNERSHIP, AS SUBDIVIDER, HEREBY CERTIFIES (1) RULES AS MAY BE ESTABLISHED BY THE STATE DEPARTMENT OF TRANSPORTATION RELATING TO PROVISIONS FOR THE SAFETY OF ENTRANCE UPON AND DEPARTURE FROM ABUTTING STATE PRIMARY HIGHWAYS HAVE BEEN FOLLOWED AS APPLICABLE, (2) RULES AS MAY BE ESTABLISHED BY THE FLOOD CONTROL DISTRICT OF MARICOPA COUNTY RELATING TO THE CONSTRUCTION OR PREVENTION OF CONSTRUCTION OF STREETS IN LAND ESTABLISHED AS BEING SUBJECT TO PERIODIC INUNDATION HAVE BEEN FOLLOWED AS APPLICABLE, (3) RULES AS MAY BE ESTABLISHED BY THE MARICOPA COUNTY DEPARTMENT OF ENVIRONMENTAL SERVICES RELATING TO THE PROVISION OF DOMESTIC WATER SUPPLY AND SANITARY SEWER DISPOSAL HAVE BEEN FOLLOWED AS APPLICABLE, AND (4) THE REQUIREMENTS OF THE CITY OF PEORIA ZONING ORDINANCE AND THE CITY OF PEORIA INFRASTRUCTURE DEVELOPMENT GUIDELINES HAVE BEEN ADDRESSED AND FOLLOWED AS APPLICABLE.

VISTANCIA WEST CONSTRUCTION LP, A DELAWARE LIMITED PARTNERSHIP

BY: VISTANCIA WEST CONSTRUCTION HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, ITS GENERAL PARTNER

BY: ____________________

ITS: ____________________

APPROVAL

APPROVED BY THE MAYOR AND CITY COUNCIL OF PEORIA, ARIZONA ON THIS ________ DAY OF ______________, 2015.

BY: ____________________ __________
MAYOR DATE

ATTEST: ____________________ __________
CITY CLERK DATE

____________________ __________
FOR CITY ENGINEER DATE

CERTIFICATION

I, LARRY E. SULLIVAN, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, THAT THIS MAP, CONSISTING OF NINE (9) SHEETS, CORRECTLY REPRESENTS A BOUNDARY SURVEY MADE UNDER MY SUPERVISION DURING THE MONTH OF NOVEMBER, 2013, THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN, THAT ALL MONUMENTS SHOWN ACTUALLY EXIST OR WILL BE SET AS SHOWN, THAT THEIR POSITIONS ARE CORRECTLY SHOWN AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

BY: [redacted]
LARRY E. SULLIVAN
REGISTRATION NUMBER 22782
4550 N. 12TH STREET
PHOENIX, ARIZONA 85014
(602)-264-6831
CVLSURVEY@CVLCI.COM

PROJECT NO. R150012

NET AREA = 159.613 ACRES
GROSS AREA = 161.026 ACRES

SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
www.cvlci.com

Coe & Van Loo Consultants, Inc.

NO.	REVISION	DATE

MASTER FINAL PLAT
TRILOGY WEST PHASE 2
PEORIA, ARIZONA

[redacted]

SHEET 1 OF 9

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #: 3 09P15

Printed By: Parker Print Date: June 2, 2015 Filename: N:\0702181011CADD\Phase 2\DS.MPLAT.01.dwg

LIENHOLDER RATIFICATION AND CONSENT

KNOW ALL MEN BY THESE PRESENTS:

THE UNDERSIGNED, AS BENEFICIARY UNDER THAT CERTAIN DEED OF TRUST RECORDED MARCH 27TH, 2014, AS INSTRUMENT NO. 2014-0198263 OF THE OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, HEREBY CONSENT TO AND JOIN IN THAT CERTAIN MASTER FINAL PLAT FOR "TRILOGY WEST PHASE 2", AND AGREE THAT SUCH PLAT AND THE EASEMENTS SHOWN THERON AND DEDICATED AS SUCH SHALL BE SUPERIOR TO, AND HAVE PRIORITY OVER, THE ABOVE-DESCRIBED DEED OF TRUST.

TRICON USA LOAN SERVICES, LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: _____

ITS: _____

LIENHOLDER RATIFICATION AND CONSENT ACKNOWLEDGEMENT

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

ON THIS ____ DAY OF _____, 2015, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED

_____, PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY, AND THAT BY HIS/HER SIGNATURE ON THE INSTRUMENT THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

_____
NOTARY PUBLIC

LIENHOLDER RATIFICATION AND CONSENT

KNOW ALL MEN BY THESE PRESENTS:

THE UNDERSIGNED, AS BENEFICIARY UNDER THAT CERTAIN DEED OF TRUST RECORDED SEPTEMBER 29TH, 2014, AS INSTRUMENT NO. 2014-0643592 OF THE OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, HEREBY CONSENT TO AND JOIN IN THAT CERTAIN MASTER FINAL PLAT FOR "TRILOGY WEST PHASE 2", AND AGREE THAT SUCH PLAT AND THE EASEMENTS SHOWN THERON AND DEDICATED AS SUCH SHALL BE SUPERIOR TO, AND HAVE PRIORITY OVER, THE ABOVE-DESCRIBED DEED OF TRUST.

WESTERN ALLIANCE BANK, AN ARIZONA CORPORATION

BY: _____

ITS: _____

LIENHOLDER RATIFICATION AND CONSENT ACKNOWLEDGEMENT

STATE OF ARIZONA)
)SS
COUNTY OF MARICOPA)

ON THIS ____ DAY OF _____, 2015, BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED

_____, PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY, AND THAT BY HIS/HER SIGNATURE ON THE INSTRUMENT THE PERSON, OR THE ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL

_____
NOTARY PUBLIC

FLOOD ZONE INFORMATION

SHADED ZONE "X":
AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

ZONE "A":
THE 1% ANNUAL CHANCE FLOOD (100-YEAR FLOOD), ALSO KNOWN AS THE BASE FLOOD, IS THE FLOOD THAT HAS A 1% CHANCE OF BEING EQUALED OR EXCEEDED IN ANY GIVEN YEAR. THE SPECIAL FLOOD HAZARD AREA IS THE AREA SUBJECT TO THE FLOODING BY THE 1% ANNUAL CHANCE FLOOD.
NO BASE FLOOD ELEVATIONS DETERMINED.

PER FLOOD INSURANCE RATE MAP NUMBER 04013C-0815 L AND 04013C-1230 L, MARICOPA COUNTY, DATED OCTOBER 16, 2013.

FLOOD ZONE DESIGNATION PROVIDED BY FEDERAL EMERGENCY MANAGEMENT AGENCY.

NOTES

1. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.
2. ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS FIBER OPTICS, CELLULAR, GAS, ETC. SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.
3. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN TRACTS I THROUGH T, INCLUSIVE, SHALL BE THE RESPONSIBILITY OF THE TRILOGY ASSOCIATION. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN TRACTS F THROUGH H, INCLUSIVE, SHALL BE THE RESPONSIBILITY OF THE MAINTENANCE CORPORATION.
4. ALL TRACT CORNERS SHALL BE MONUMENTED WITH 1/2" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.
5. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR THE SIGHT VISIBILITY TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.
6. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100-YEAR ASSURED WATER SUPPLY.
7. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.
8. THIS SUBDIVISION IS LOCATED IN THE VICINITY OF A DESIGNATED TRUCK ROUTE. (VISTANCIA BOULEVARD, WESTLAND ROAD, AND LONE MOUNTAIN PARKWAY).
9. NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED, NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.
10. AN ASSOCIATION, INCLUDING ALL PROPERTY OWNERS IN THE DEVELOPMENT, HAS BEEN FORMED AND HAS THE RESPONSIBILITY FOR MAINTAINING ALL COMMON AREAS TO BE NOTED AS "TRACTS" OR EASEMENTS (INCLUDING LANDSCAPED AREAS AND DRAINAGE FACILITIES) IN ACCORDANCE WITH APPROVED PLANS.
11. DEVELOPMENT AND USE OF THIS SITE WILL CONFORM TO ALL APPLICABLE CODES AND ORDINANCES.

BENCHMARK

USGLO BRASS CAP AT THE EAST QUARTER CORNER OF SECTION 22, TOWNSHIP 5 NORTH, RANGE 1 WEST.

ELEVATION = 1500.60 (CITY OF PEORIA / NAVD 88)

TRACT TABLE

TRACT AREAS	DESCRIPTION
TRACT 'A' = 17.309 ACRES	FUTURE DEVELOPMENT (PARCEL C43), DRAINAGE EASEMENT
TRACT 'B' = 13.800 ACRES	FUTURE DEVELOPMENT (PARCEL C44), TEMPORARY DRAINAGE EASEMENT
TRACT 'C' = 35.650 ACRES	FUTURE DEVELOPMENT (PARCEL C45)
TRACT 'D' = 4.550 ACRES	FUTURE DEVELOPMENT (PARCEL C45), TEMPORARY DRAINAGE EASEMENT
TRACT 'E' = 64.182 ACRES	FUTURE DEVELOPMENT, TEMPORARY DRAINAGE EASEMENT
TRACT 'F' = 3.852 ACRES	LANDSCAPE, DRAINAGE, NATURAL AREA OPEN SPACE, MULTI-USE TRAIL
TRACT 'G' = 5.110 ACRES	LANDSCAPE, DRAINAGE, NATURAL AREA OPEN SPACE, MULTI-USE TRAIL
TRACT 'H' = 2.278 ACRES	LANDSCAPE, DRAINAGE, NATURAL AREA OPEN SPACE, MULTI-USE TRAIL
TRACT 'I' = 0.098 ACRES	LANDSCAPE, P.U.E., S.E.
TRACT 'J' = 0.354 ACRES	LANDSCAPE, P.U.E., S.E., WATER AND SEWER EASEMENTS
TRACT 'K-1' = 0.288 ACRES	LANDSCAPE, P.U.E., S.E.
TRACT 'K-2' = 0.185 ACRES	LANDSCAPE, P.U.E., S.E., WATER AND SEWER EASEMENTS, EMERGENCY FIRE ACCESS EASEMENT
TRACT 'L' = 1.568 ACRES	LANDSCAPE, DRAINAGE, RETENTION
TRACT 'M' = 2.325 ACRES	LANDSCAPE, DRAINAGE, RETENTION, P.U.E, S.E., U.V.E.
TRACT 'N' = 0.137 ACRES	LANDSCAPE, DRAINAGE, MULTI-USE TRAIL
TRACT 'O' = 2.350 ACRES	LANDSCAPE, DRAINAGE, MULTI-USE TRAIL, P.U.E., S.E., U.V.E.
TRACT 'P' = 0.198 ACRES	LANDSCAPE, DRAINAGE, MULTI-USE TRAIL
TRACT 'Q' = 0.240 ACRES	LANDSCAPE, P.U.E., S.E., WATER AND SEWER EASEMENTS, EMERGENCY FIRE ACCESS EASEMENT
TRACT 'R' = 0.220 ACRES	LANDSCAPE, P.U.E., S.E.
TRACT 'S' = 0.178 ACRES	LANDSCAPE, P.U.E., S.E., WATER AND SEWER EASEMENTS, EMERGENCY FIRE ACCESS EASEMENT
TRACT 'T' = 4.745 ACRES	PRIVATE STREETS, PUBLIC UTILITIES, WATER, SEWER, DRAINAGE, INGRESS & EGRESS FOR EMERGENCY ACCESS AND REFUSE COLLENTION AND SERVICE TYPE ACCESS
TOTAL = 159.613 ACRES	

LAND USE TABLE

LAND USE AREAS	SQUARE FEET	ACRES
TOTAL AREA OF FUTURE DEVELOPMENT	5,901,995	135.491
TOTAL AREA OF TRACTS	1,050,781	19.377
TOTAL AREA OF STREETS	61,535	1.413
TOTAL GROSS AREA	7,014,291	161.026

LEGEND

	INDICATES SECTION CORNER - FOUND BRASS CAP (UNLESS OTHERWISE NOTED)
	INDICATES CENTER LINE MONUMENTATION - SET BRASS CAP FLUSH UPON COMPLETION OF JOB PER M.A.G. STD. DET.120,TYPE "B" (UNLESS OTHERWISE NOTED)
	INDICATES FOUND 1/2" REBAR WITH CAP LS#22782
1	INDICATES SHEET NUMBER
1	INDICATES UNOBSTRUCTED VIEW EASEMENT (30' X 30')
	INDICATES FEMA FLOOD ZONE BOUNDARY
	INDICATES SECTION LINE
	INDICATES MID-SECTION LINE
	INDICATES BOUNDARY LINE
	INDICATES LOT LINE
	INDICATES CENTERLINE
	INDICATES TIE LINE
	INDICATES EASEMENT
U.V.E.	INDICATES UNOBSTRUCTED VIEW EASEMENT
P.U.E.	INDICATES PUBLIC UTILITY EASEMENT
S.E.	INDICATES SIDEWALK EASEMENT
A	30' WATER & SEWER EASEMENT DEDICATED HEREON
B	30' WATER, SEWER & EMERGENCY FIRE ACCESS EASEMENT DEDICATED HEREON
M.C.R.	INDICATES MARICOPA COUNTY RECORDER
G.L.O.	INDICATES GENERAL LAND OFFICE
DOC.#	INDICATES DOCUMENT NUMBER
AC.	INDICATES ACRES
L1	INDICATES LINE NUMBER
C1	INDICATES CURVE NUMBER

COUNTY RECORDER

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
www.cvlci.com

NO.	REVISION	DATE

Coe & Van Loo Consultants, Inc.

MASTER FINAL PLAT
TRILOGY WEST PHASE 2
PEORIA, ARIZONA

PROJECT NO. R150012

SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:

Plotted By: MarkA Plot Date: June 9, 2015 Filename: K:\07\0218101\CADD\Phase 2\05.MFLAT 01.dwg

LEGAL DESCRIPTION

TRACT "O" AS SHOWN ON MASTER FINAL PLAT FOR "TRILOGY WEST PHASE 1" RECORDED IN BOOK 1206 OF MAPS, PAGE 32, MARICOPA COUNTY RECORDS AND THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 5 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MARICOPA COUNTY ALUMINUM CAP MARKING THE EAST QUARTER CORNER OF SAID SECTION 27, FROM WHICH THE BRASS CAP FLUSH STAMPED RLS#22782 MARKING THE NORTHEAST CORNER OF SAID SECTION 27 BEARS NORTH 00°13'07" EAST, A DISTANCE OF 2,639.82 FEET;

THENCE NORTH 89°43'03" WEST, ALONG THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 2,634.31 FEET ;

THENCE NORTH 00°13'52" EAST, ALONG THE WESTERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 2,636.20 FEET TO A G.L.O. BRASS CAP MARKING THE NORTH QUARTER CORNER THEREOF;

THENCE SOUTH 89°45'09" EAST, ALONG THE NORTHERLY LINE OF SAID NORTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 966.88 FEET TO A POINT ON THE WESTERLY LINE OF SAID TRACT "O";

THENCE NORTH 44°34'38" WEST, ALONG THE WESTERLY LINE OF SAID TRACT "O", A DISTANCE OF 129.64 FEET TO A POINT ON THE NORTHWEST CORNER THEREOF;

THENCE ALONG THE NORTHERLY LINES OF SAID TRACT "O", THE FOLLOWING DESCRIBED COURSES:

THENCE SOUTH 85°32'46" EAST, A DISTANCE OF 534.97 FEET;
THENCE SOUTH 79°09'25" EAST, A DISTANCE OF 187.11 FEET;
THENCE NORTH 88°54'49" EAST, A DISTANCE OF 137.47 FEET;

THENCE SOUTH 89°45'09" EAST, A DISTANCE OF 903.35 FEET TO THE NORTHEAST CORNER THEREOF;

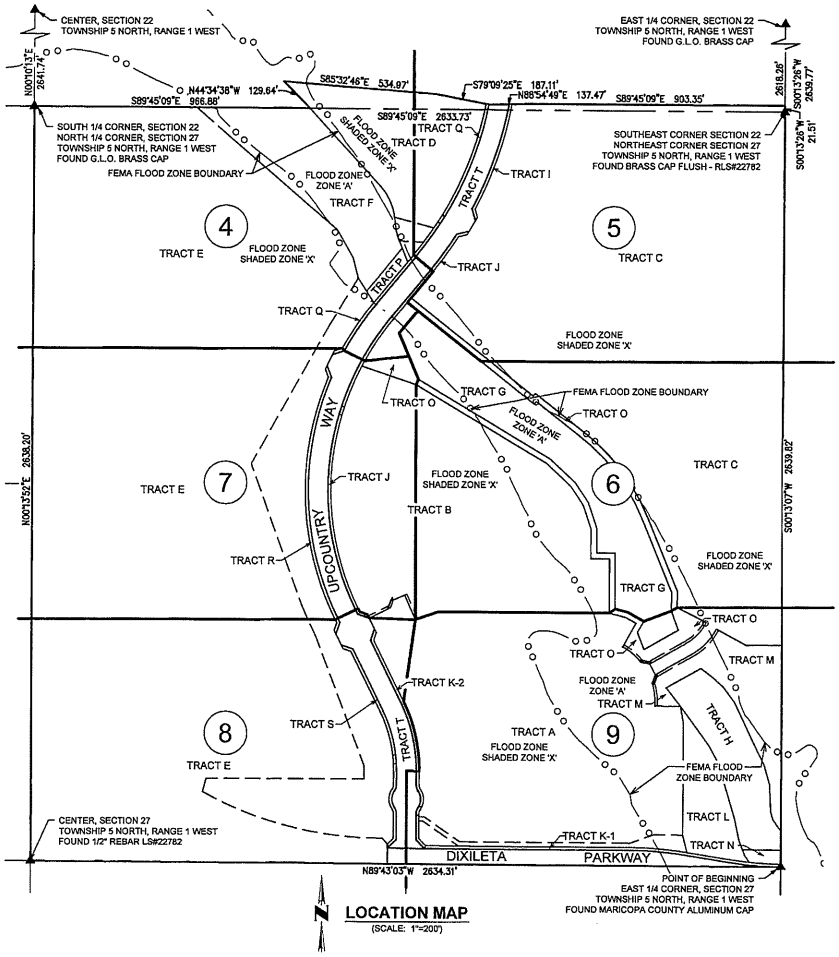
THENCE SOUTH 00°13'26" WEST, ALONG THE EASTERLY LINE OF SAID TRACT "O", A DISTANCE OF 21.51 FEET TO THE BRASS CAP FLUSH STAMPED RLS#22782 MARKING THE NORTHEAST CORNER OF SAID SECTION 27;

THENCE SOUTH 00°13'07" WEST, ALONG THE EASTERLY LINE OF SAID SECTION 27, A DISTANCE OF 2,639.82 FEET TO THE POINT OF BEGINNING.

CONTAINING 161.026 ACRES, MORE OR LESS.

CURVE TABLE

NO.	RADIUS	ARC	DELTA	TANGENT	CHORD	CHORD-BEARING
1	500.00	229.56	026°18'20"	116.84	227.55	N12°52'13.0"W
2	985.04	1129.78	065°42'53"	636.21	1068.87	N06°50'03.5"E
3	1241.23	621.40	028°41'02"	317.35	614.92	N25°20'59.0"E
4	1145.00	183.35	009°10'29"	91.87	183.15	N85°07'33.5"W
5	1255.00	201.05	009°10'44"	100.74	200.84	N85°07'41.0"W
6	34.50	21.52	035°43'53"	11.12	21.17	N18°08'53.5"E
7	50.50	62.99	071°27'45"	36.33	58.98	N00°16'57.5"E
8	34.50	21.52	035°43'52"	11.12	21.17	N17°34'59.0"W
9	534.50	245.40	026°18'20"	124.90	243.25	N12°52'13.0"W
10	950.54	1090.21	065°42'53"	613.93	1031.43	N06°50'03.5"E
11	1275.73	153.48	006°53'36"	76.83	153.39	N36°14'42.0"E
12	1275.73	389.59	017°29'50"	196.32	388.08	N19°25'28.0"E
13	1206.73	596.72	028°19'57"	304.59	590.66	S25°31'31.5"W
14	1019.54	195.73	010°59'59"	98.17	195.43	S34°11'30.5"W
15	1019.54	870.65	048°55'43"	463.86	844.44	S01°33'31.5"E
16	465.50	213.72	026°18'20"	108.78	211.85	S12°52'13.0"E
17	34.50	21.52	035°43'53"	11.12	21.17	S18°08'53.5"W
18	50.50	62.99	071°27'45"	36.33	58.98	S00°16'57.5"W
19	34.50	21.52	035°43'52"	11.12	21.17	S17°34'59.0"E
20	1135.00	181.74	009°10'27"	91.06	181.54	N85°07'32.5"W
21	1285.00	202.65	009°10'44"	101.54	202.44	N85°07'41.0"W
22	24.50	15.28	035°43'53"	7.90	15.03	N18°08'53.5"E
23	60.50	75.46	071°27'45"	43.52	70.66	N00°16'57.5"E
24	24.50	15.28	035°43'52"	7.90	15.03	N17°34'59.0"W
25	544.50	249.99	026°18'20"	127.24	247.80	N12°52'13.0"W
26	940.54	1078.74	065°42'53"	607.47	1020.58	N06°50'03.5"E
27	1285.73	150.65	006°42'49"	75.41	150.57	N36°20'05.5"E
28	1285.73	390.70	017°24'38"	196.87	389.19	N19°17'19.0"E
29	1196.73	591.69	028°19'42"	302.02	585.68	S25°31'39.0"W
30	1029.54	193.65	010°46'37"	97.11	193.36	S34°18'11.5"W
31	1029.54	875.19	048°42'21"	466.00	849.07	S01°40'12.5"E
32	455.50	209.13	026°18'20"	106.44	207.30	S12°52'13.0"E
33	24.50	15.28	035°43'53"	7.90	15.03	S18°08'53.5"W
34	60.50	75.46	071°27'45"	43.52	70.66	S00°16'57.5"W
35	24.50	15.28	035°43'52"	7.90	15.03	S17°34'59.0"E
36	200.00	122.35	035°03'04"	63.16	120.45	S24°54'05.0"E
37	200.00	50.11	014°21'12"	25.18	49.97	S14°33'09.0"E
38	221.50	69.09	017°52'11"	34.82	68.80	N08°39'08.5"W
39	221.50	84.02	021°44'05"	42.52	83.52	S48°52'14.5"E
40	221.50	124.49	032°12'05"	63.94	122.85	S44°28'47.5"W
41	178.50	103.82	033°19'23"	53.42	102.36	N43°55'08.5"E
42	1287.00	657.45	029°16'08"	336.06	650.32	N75°41'46.0"W



LOCATION MAP
(SCALE: 1"=200')

COUNTY RECORDER

PROJECT NO. R150012

SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE

CVL CONSULTANTS
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Phoenix, Arizona 85014
602-264-6831
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NO.	REVISION	DATE

Coe & Van Loo Consultants, Inc.

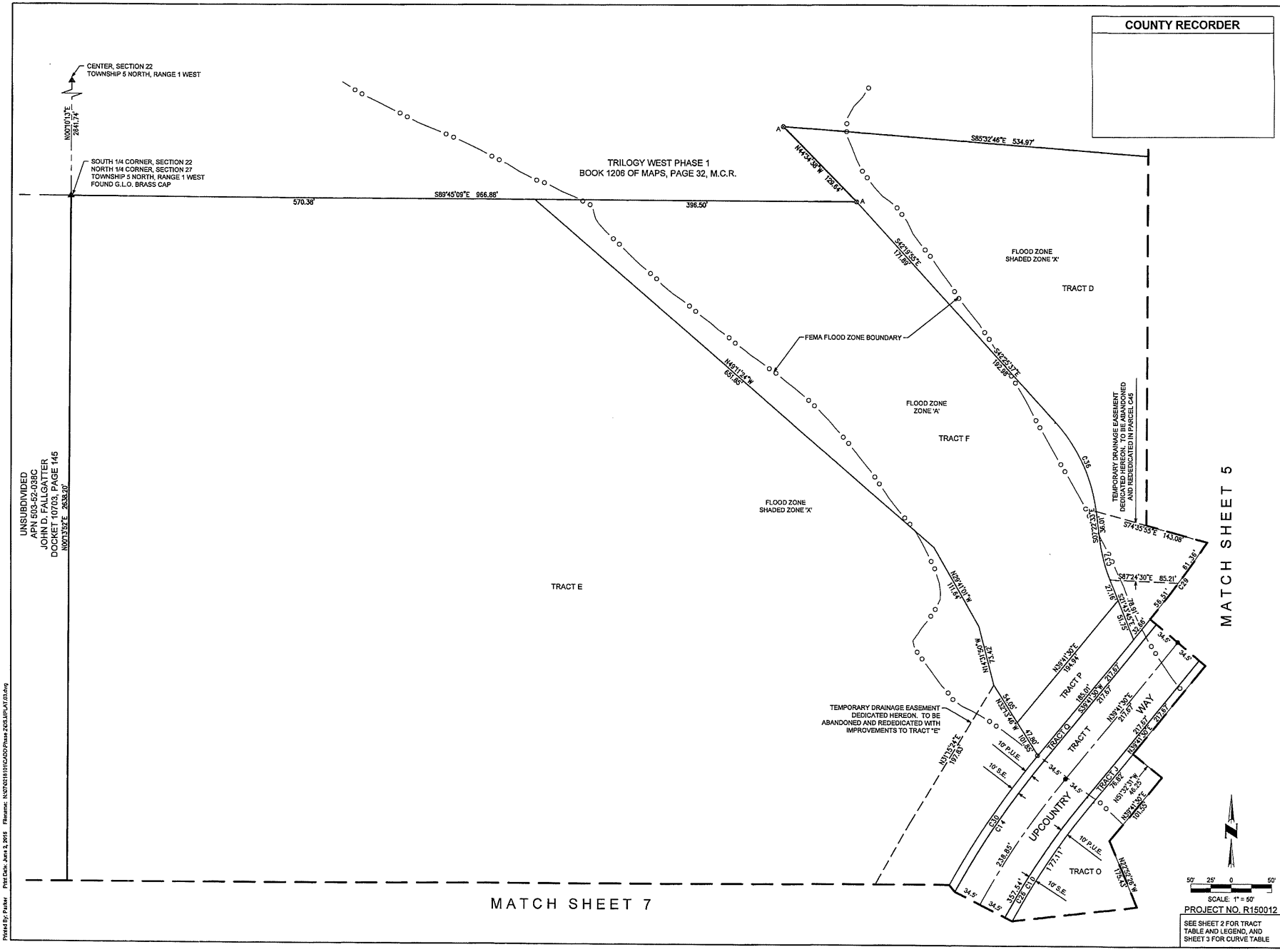
MASTER FINAL PLAT

TRILOGY WEST PHASE 2
PEORIA, ARIZONA

SHEET 3 OF 9

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:

Printed By: Parker Print Date: June 2, 2015 Filename: N:\07\0218101\CADD\Phase 2\05.MFA.ATB.dwg



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NO.	REVISION	DATE

Coe & Van Loo Consultants, Inc.

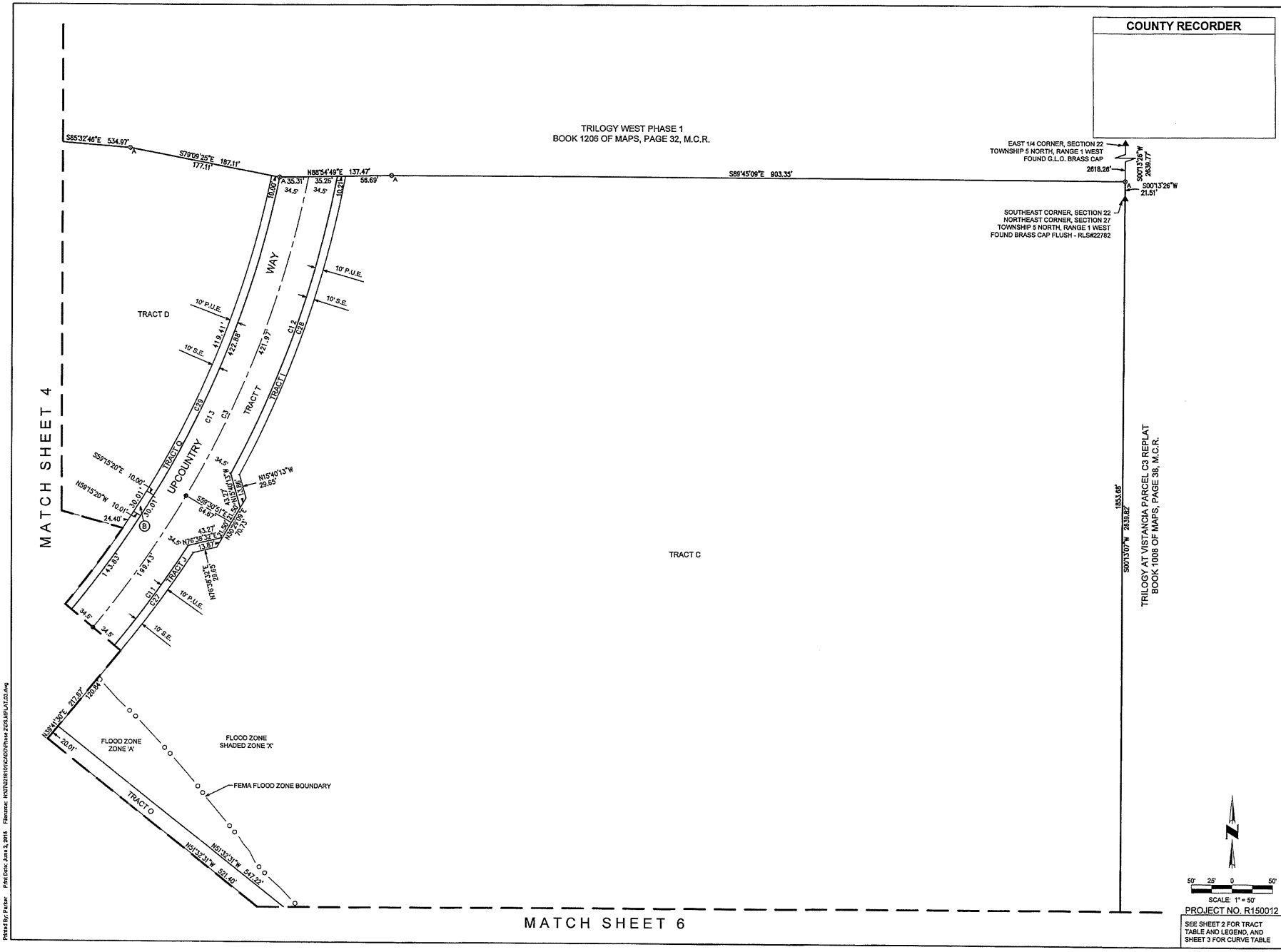
MASTER FINAL PLAT

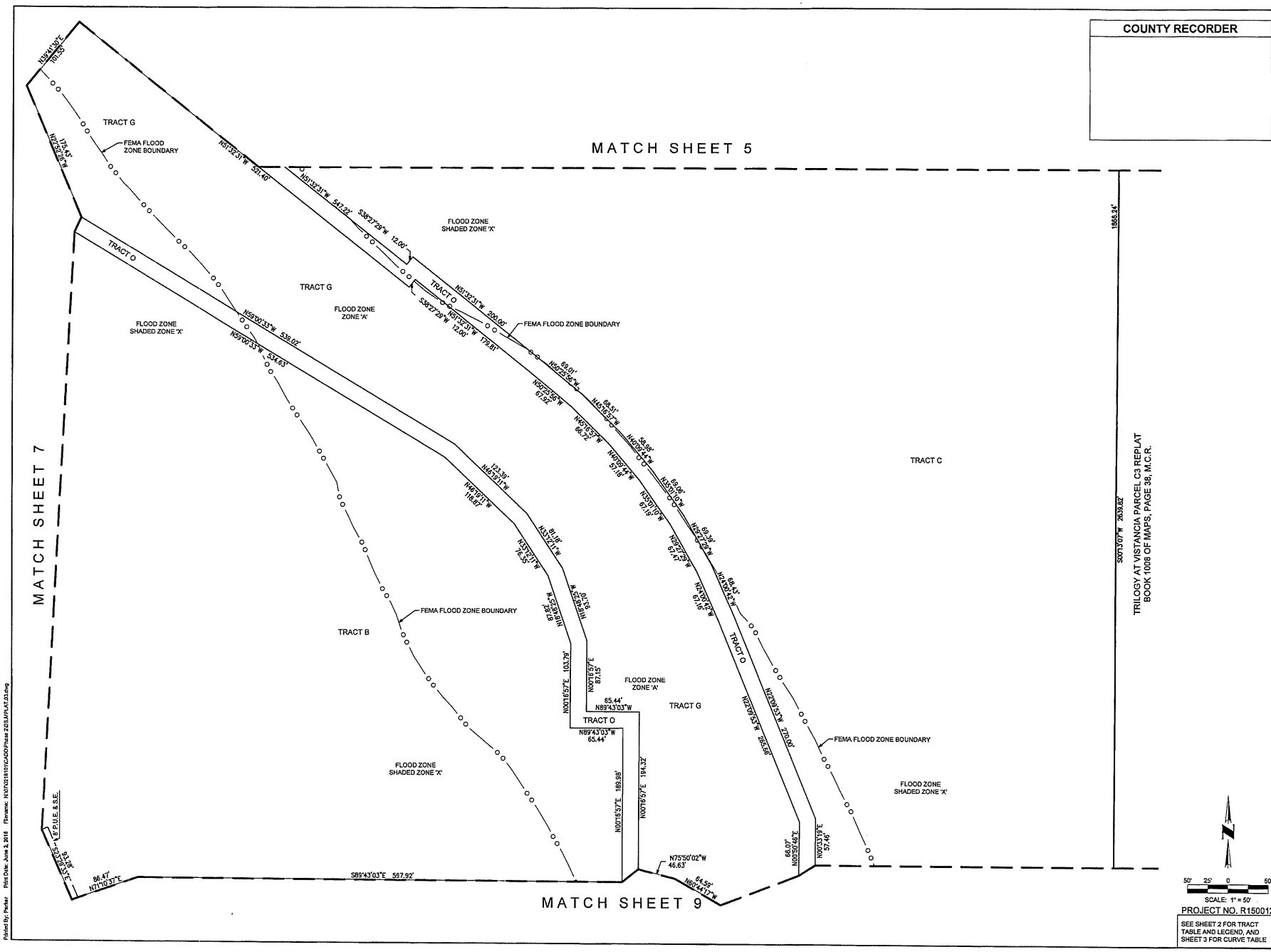
TRILOGY WEST PHASE 2
PEORIA, ARIZONA

SHEET 4 OF 9

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:

Plotted By: Parker Plot Date: June 2, 2015 Filename: N:\07\0218101\CADD\Phase 2\05JUP\JAT03.dwg


COUNTY RECORDER
TRILOGY WEST PHASE 1
BOOK 1206 OF MAPS, PAGE 32, M.C.R.
EAST 1/4 CORNER, SECTION 22
TOWNSHIP 5 NORTH, RANGE 1 WEST
FOUND G.L.O. BRASS CAP
SOUTHEAST CORNER, SECTION 22
NORTHEAST CORNER, SECTION 27
TOWNSHIP 5 NORTH, RANGE 1 WEST
FOUND BRASS CAP FLUSH - RLS#22782
S85°32'46"E 534.97'
S79°05'25"E 187.11'
N88°54'49"E 137.47'
S89°45'09"E 903.35'
S00°13'26"W 21.51'
TRACT D
TRACT C
TRACT T
TRACT I
TRACT O
TRACT J
UPCOUNTRY WAY
10' P.U.E.
10' S.E.
TRILOGY AT VISTANCIA PARCEL C3 REPLAT
BOOK 1008 OF MAPS, PAGE 38, M.C.R.
MATCH SHEET 4
MATCH SHEET 6
FLOOD ZONE ZONE 'A'
FLOOD ZONE SHADED ZONE 'X'
FEMA FLOOD ZONE BOUNDARY
SCALE: 1" = 50'
PROJECT NO. R150012
SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE
CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
www.cvlci.com
NO.
REVISION
DATE
Coe & Van Loo Consultants, Inc.
MASTER FINAL PLAT
TRILOGY WEST PHASE 2
PEORIA, ARIZONA
SHEET 5 OF 9
CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:
Printed By: Palker Plot Date: June 2, 2015 Filename: K:\07\0218101\CADD\Phase 2\DS.MPLAT.03.dwg



COUNTY RECORDER

PROJECT NO. R150012

SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
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NO.	REVISION	DATE

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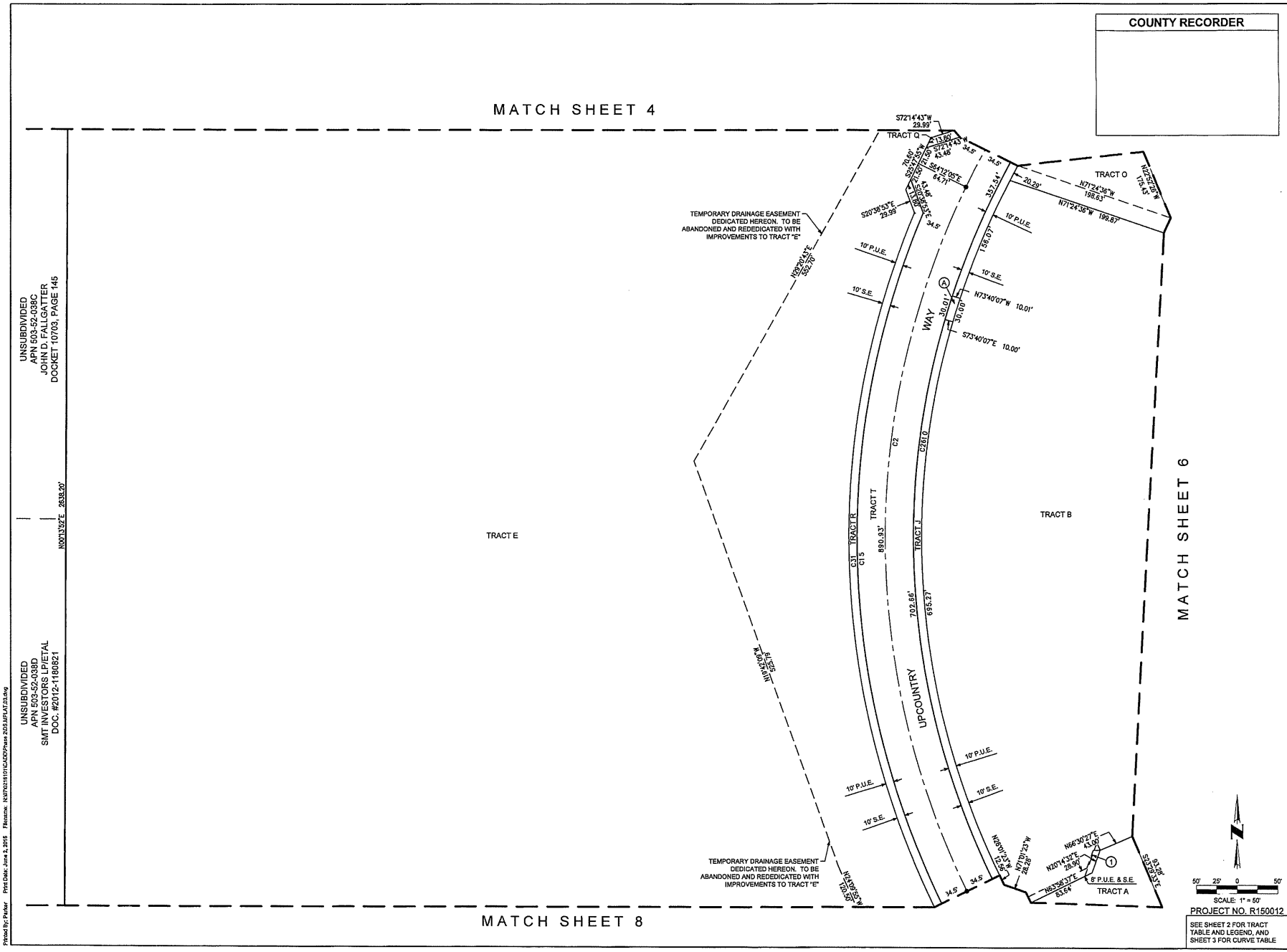
MASTER FINAL PLAT

TRILOGY WEST PHASE 2
PEORIA, ARIZONA

SHEET 6 OF 9

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:

Plotted By: Parker Plot Date: June 2, 2016 Filename: N:\07\0218101\CADD\Phase 2\05\PLAT.03.dwg



COUNTY RECORDER

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
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NO.	REVISION	DATE

Coe & Van Loo Consultants, Inc.

MASTER FINAL PLAT

TRILOGY WEST PHASE 2
PEORIA, ARIZONA

SHEET 7 OF 9

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:

Plotted By: Parker Print Date: June 2, 2015 Filename: N:\07\0218101\CADD\Phase 2\05\JFPLAT 03.dwg

COUNTY RECORDER

MATCH SHEET 7

MATCH SHEET 9

TRACT J

TRACT R

TRACT A

TRACT E

UPCOUNTRY WAY

TRACT T

TRACT K2

TRACT S

TRACT S

DIXILETA PARKWAY

TEMPORARY DRAINAGE EASEMENT DEDICATED HEREON. TO BE ABANDONED AND REDEDICATED WITH IMPROVEMENTS TO TRACT "E"

TEMPORARY DRAINAGE EASEMENT DEDICATED HEREON. TO BE ABANDONED AND REDEDICATED WITH IMPROVEMENTS TO TRACT "E"

UNSUBDIVIDED
APN 503-52-038D
SMT INVESTORS LP/ETAL
DOC. #2012-1180921

UNSUBDIVIDED
APN 503-52-036
SMT INVESTORS LP.ETAL
DOC. #2012-1180925

CENTER, SECTION 27
TOWNSHIP 5 NORTH, RANGE 1 WEST
FOUND 1/2" REBAR LS#22782

N89°43'03"W 2634.31'

1252.65'

S89°55'57"E 553.62'

N00°04'03"E 45.71'

N42°33'50"W 28.55'

64.50'

55.00'

SCALE: 1" = 50'

PROJECT NO. R150012

SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
www.cvlci.com

NO.	REVISION	DATE

Coe & Van Loo Consultants, Inc.

MASTER FINAL PLAT

TRILOGY WEST PHASE 2
PEORIA, ARIZONA

SHEET 8 OF 9

CVL Contact: J. PAPPAS
CVL Project #: 07-0218101
CVL File #:

Plotted By: Parker Print Date: June 2, 2016 Filename: N:\07\0218101\CADD\Phase 2\03-MFP-LAT-03.dwg

COUNTY RECORDER

MATCH SHEET 6

MATCH SHEET 8

FLOOD ZONE SHADED ZONE 'X'
FLOOD ZONE ZONE 'A'
FEMA FLOOD ZONE BOUNDARY
TRACT A
TRACT C
TRACT G
TRACT H
TRACT L
TRACT M
TRACT N
TRACT O
TRACT K-1
UPCOUNTRY WAY
DIXILETA
PARKWAY
DRAINAGE EASEMENT DEDICATED HEREON
SEE DETAIL 'A' THIS SHEET
DETAIL 'A'
(SCALE: 1" = 10')
TRILOGY AT VISTANCIA PARCEL C3 REPLAT
BOOK 1008 OF MAPS, PAGE 38, M.C.R.
UNSUBDIVIDED
APN 503-52-034
LLOYD LAWRENCE SLOAN & ELEANOR TRUST
DOC. #2005-0173571
PROPOSED CENTERLINE FOR DIXILETA PARKWAY ALIGNMENT
POINT OF BEGINNING
EAST 1/4 CORNER, SECTION 27
TOWNSHIP 5 NORTH, RANGE 1 WEST
FOUND MARICOPA COUNTY ALUMINUM CAP

SCALE: 1" = 50'

PROJECT NO. R150012

SEE SHEET 2 FOR TRACT TABLE AND LEGEND, AND SHEET 3 FOR CURVE TABLE

CVL CONSULTANTS
4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
www.cvlci.com

NO.	REVISION	DATE

Coe & Van Loo Consultants, Inc.

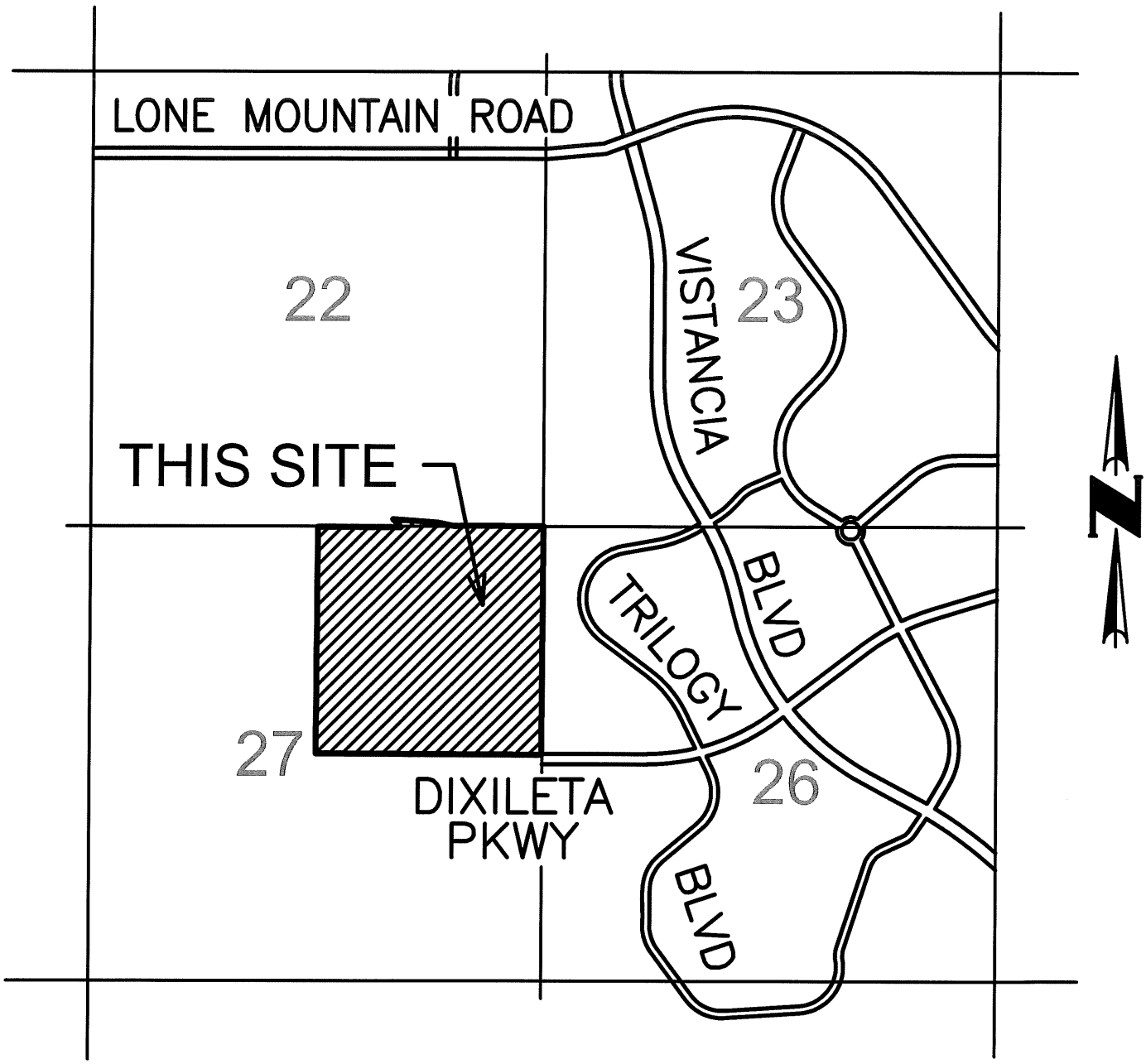
MASTER FINAL PLAT

TRILOGY WEST PHASE 2
PEORIA, ARIZONA

SHEET 9 OF 9

CVL Contact: J. PAPPAS
CVL Project # 07-0218101
CVL File #:

Plotted By: Pulber Plot Date: June 2, 2016 Filename: N:\07021810101\CADD\Phase 2\C3_MPLAT_03.dwg



VICINITY MAP

(NOT-TO-SCALE)

Agenda Item: 23C

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 22, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Andrew Granger, PE, Development and Engineering Department Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Final Plat, Sunset Ranch II – Parcel J, 99th Avenue & Pinnacle Peak Road (Project No. R150028)**

Purpose:

This is a request for City Council to approve a Final Plat of Sunset Ranch II – Parcel J, located on 99th Avenue & Pinnacle Peak Road, and authorize the Mayor and City Clerk to sign and record the Final Plat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Final Plat.

2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Final Plat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Final Plat.

4. In the event that the Final Plat is not recorded within 60 days of Council approval, the Final Plat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Final Plat is to plat a subdivision for residential use. This development is within the City's water\sewer service area. This final plat creates a total of 28 new lots. All internal roadways are public and will be maintained by the City.

Previous Actions:

The preliminary plat was reviewed by the City and completed in May 2015 and no changes were made to the proposed Final Plat.

Options:

A: The Final Plat has been approved through the Development and Engineering Department. An option would be to not accept the proposed Final Plat; although it should be noted that not approving the Final Plat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Final Plat and allow this parcel to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Final Plat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Final Plat.

Narrative:

The acceptance of this Final Plat by City Council will allow the developer to move forward in developing this property.

Exhibit(s):

Exhibit 1: Final Plat

Exhibit 2: Vicinity Map

Contact Name and Number:

Jodi Breyfogle, PE: 623-773-7577

A FINAL PLAT OF
"SUNSET RANCH II - PARCEL J"
A PORTION OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

DEDICATION

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

KNOW ALL MEN BY THESE PRESENTS: THAT WOODSIDE ENCORE AT SUNSET RANCH, LLC, AS OWNER, HAS SUBDIVIDED UNDER THE NAME OF "SUNSET RANCH II - PARCEL J" LOCATED IN THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA. AS SHOWN AND PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS, AND FOR, THE PLAT OF SAID "SUNSET RANCH II - PARCEL J", AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATIONS AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, STREETS, AND EASEMENTS CONSTITUTING SAME, AND THAT EACH LOT, TRACT, STREET AND EASEMENT SHALL BE KNOWN BY THE NUMBER, LETTER AND NAME THAT IS GIVEN TO EACH RESPECTIVELY ON SAID PLAT.

WOODSIDE ENCORE AT SUNSET RANCH, LLC, AS OWNER, HEREBY DEDICATES TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS AND ASSIGNS (THE CITY), FOR USE, AS SUCH, THE STREETS AS SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES. EASEMENTS ARE DEDICATED FOR THE PURPOSES SHOWN. PUBLIC UTILITY EASEMENTS (PUE) ARE DEDICATED TO THE CITY OF PEORIA FOR USE AS SUCH. THE MAINTENANCE OF LANDSCAPING WITHIN THE RIGHT OF WAY SHALL BE THE RESPONSIBILITY OF THE FRONTING PROPERTY OWNER.

WOODSIDE ENCORE AT SUNSET RANCH, LLC, AS OWNER HEREBY GRANTS TO THE CITY OF PEORIA, AN ARIZONA MUNICIPAL CORPORATION, IN MARICOPA COUNTY, ARIZONA, ITS SUCCESSORS, AND ASSIGNS, A PERMANENT AND PERPETUAL EASEMENT FOR THE FOLLOWING PURPOSES, NAMELY: THE RIGHT TO ENTER UPON FOR CONSTRUCTION, MAINTENANCE, OPERATION AND REPLACEMENT OF A SEWER LINE OVER, UNDER, AND ACROSS TRACT "A" SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA.

TO HAVE AND TO HOLD THE SAID EASEMENT UNTO CITY OF PEORIA, A MUNICIPAL CORPORATION OF MARICOPA COUNTY, ARIZONA AND UNTO ITS SUCCESSORS AND ASSIGNS, FOREVER, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO PERMIT THE CONSTRUCTION, OPERATION, MAINTENANCE, AND REPLACEMENT OF PUBLIC SEWER LINE. SUBJECT TO NOTES 1, 2, 3 AND 4.

AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THE AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THAT THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

NOTES:
1. THE SAID EASEMENT TO INCLUDE THE RIGHT TO CUT BACK AND TRIM SUCH PORTIONS OF THE BRANCHES AND TOPS OF THE TREES NOW GROWING OR THAT MAY HEREAFTER GROW UPON THE ABOVE DESCRIBED PREMISES, AS MAY EXTEND OVER SAID EASEMENT, SO AS TO PREVENT THE SAME FROM INTERFERING WITH THE EFFICIENT MAINTENANCE AND OPERATION OF SAID WATER LINES.
2. THE CITY OF PEORIA SHALL NOT BE RESPONSIBLE FOR REPLACING AND LANDSCAPING OR ANY IMPROVEMENT PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS, EXCEPT AS NOTED HEREIN.
3. THE CITY OF PEORIA WILL MAKE REASONABLE EFFORTS TO PROMPTLY RESTORE ASPHALT CONCRETE PAVEMENT SURFACES.
4. GRANTOR, ITS SUCCESSORS OR ASSIGNS AT ITS SOLE COST, SHALL BE RESPONSIBLE FOR PROMPTLY REPLACING ANY LANDSCAPING OR IMPROVEMENT(S) PLACED IN THE EASEMENT BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS.

IN THE EVENT THE RIGHT, PRIVILEGE AND EASEMENT HEREIN GRANTED SHALL BE ABANDONED AND PERMANENTLY CEASE TO BE USED FOR THE PURPOSES HEREIN GRANTED ALL RIGHTS HEREIN GRANTED SHALL CEASE AND REVERT TO THE GRANTORS, THEIR HEIRS OR ASSIGNS.

TRACT "A" IS HEREBY DECLARED AS COMMON AREA FOR THE USE AND ENJOYMENT OF THE PROPERTY OWNERS AND FOR DRAINAGE, STORM WATER RETENTION, RECREATION, LANDSCAPING, OPEN SPACE, MULTI-USE TRAIL EASEMENT AND SEWER EASEMENT PURPOSES MORE FULLY SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS TO BE HEREINAFTER RECORDED.

A MULTI-USE TRAIL EASEMENT SHALL BE DEDICATED OVER A PORTION OF TRACT "A" TO THE CITY OF PEORIA FOR PUBLIC ACCESS AND CONSTRUCTION OF TRAIL FACILITIES AND WILL BE MAINTAINED BY THE "ENCORE AT SUNSET RANCH COMMUNITY ASSOCIATION"

TRACTS "B", "C" AND "D" ARE HEREBY DECLARED AS COMMON AREA FOR THE USE AND ENJOYMENT OF THE PROPERTY OWNERS AND FOR LANDSCAPING AND OPEN SPACE PURPOSES MORE FULLY SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS TO BE HEREINAFTER RECORDED.

THE "ENCORE AT SUNSET RANCH COMMUNITY ASSOCIATION" WILL MAINTAIN ALL TRACTS. DWELLING UNITS SHALL NOT BE CONSTRUCTED ON SAID TRACTS. THE CITY OF PEORIA IS HEREBY GIVEN AN EASEMENT FOR MAINTENANCE OF LANDSCAPING, RETENTION AND DRAINAGE FACILITIES ON TRACT "A". THIS EASEMENT MAY BE EXERCISED BY THE CITY OF PEORIA AT SUCH TIME THAT THE HOMEOWNER'S ASSOCIATION FAILS TO EXIST OR PROVIDE THE REQUIRED MAINTENANCE AND OPERATION OF THE LANDSCAPING, RETENTION AND DRAINAGE FACILITIES. AS LONG AS THE HOMEOWNERS ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL MAINTENANCE OF LANDSCAPING, RETENTION AND DRAINAGE FACILITIES, REGARDLESS OF THE DEDICATION OF THE EASEMENT.

OWNER'S AGREEMENT
IT IS AGREED THAT BY THE COMPLETION OF CONSTRUCTION ALL LOTS WILL BE ACCURATELY STAKED AND MARKED WITH PERMANENT MARKERS, AS DESIGNATED ON THIS PLAT AND A CERTIFICATION FILED WITH MARICOPA COUNTY BY AN ARIZONA REGISTERED LAND SURVEYOR CERTIFYING SUCH LOTS ARE ACCURATELY STAKED AND MARKED WITH THE LAND SURVEYORS REGISTRATION NUMBER, AND DESCRIBING THE TYPE OF MARKERS USED.

IN WITNESS WHEREOF;
THE UNDERSIGNED, WOODSIDE ENCORE AT SUNSET RANCH, LLC AS OWNER, HAS HEREUNTO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF THE UNDERSIGNED SIGNER THEREUNTO DULY AUTHORIZED THIS _____ DAY OF _____, 20____.

WOODSIDE ENCORE AT SUNSET RANCH, LLC

BY: _____ DATE:

ITS: _____

ACKNOWLEDGMENTS

STATE OF ARIZONA }
COUNTY OF MARICOPA } S.S.

ON THIS _____ DAY OF _____, 20_____, BEFORE ME THE UNDERSIGNED, PERSONALLY APPEARED _____, WHO ACKNOWLEDGED SELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

_____
NOTARY PUBLIC DATE

MY COMMISSION EXPIRES: _____

NOTES:

1. THE SUBDIVISION IS SUBJECT TO MAINTENANCE IMPROVEMENT DISTRICT (MID 1184) AND STREET LIGHT IMPROVEMENT DISTRICT (SLID 1109) AS REQUIRED.
2. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES. WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO, REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.
3. ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS FIBER OPTICS, CELLULAR, GAS, ETC SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.
4. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS-OF-WAY SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.
5. ALL LOT CORNERS SHALL BE MONUMENTED WITH 1/2" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.
6. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR THE SIGHT DISTANCE TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.
7. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100-YEAR ASSURED WATER SUPPLY.
8. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.
9. THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A MILITARY AIRPORT.
10. THIS SUBDIVISION IS LOCATED IN THE VICINITY OF A DESIGNATED TRUCK ROUTE. LAKE PLEASANT PARKWAY IS DESIGNATED AS A TRUCK ROUTE BY THE CITY OF PEORIA.
11. NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.
12. AN ASSOCIATION, "ENCORE AT SUNSET RANCH COMMUNITY ASSOCIATION", EXISTS AND WILL ANNEX THE ADDITIONAL PARCEL TRACT AREAS AS OUTLINED IN THE DEDICATION STATEMENT.
13. LOTS 192 AND 193 WILL REQUIRE DRIVEWAY SET IN LINE WITH ONCOMING TRAFFIC.

BASIS OF BEARING

BASIS OF BEARING IS THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA. SAID BEARING BEING:

SOUTH 00 DEGREES 08 MINUTES 38 SECONDS EAST PER FINAL PLAT OF "SUNSET RANCH II - PARCEL C" BOOK 1111, PAGE 11, M.C.R.

FLOOD ZONE INFORMATION

THE SUBJECT PROPERTY IS NOT LOCATED WITHIN A SPECIAL FLOOD HAZARD AREA. AS DEPICTED WITHIN THE FEMA FLOOD INSURANCE RATE MAP (FIRM) FOR MARICOPA COUNTY, ARIZONA, ON COMMUNITY PANEL NO. 04013C1235L, DATED OCTOBER 16, 2013, THE SUBJECT PROPERTY IS WITHIN ZONE SHADED X, DEFINED AS "AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD."

LEGAL DESCRIPTION

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4 NE1/4) OF SECTION 17, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17, BEING A MARICOPA COUNTY HIGHWAY DEPARTMENT BRASS CAP IN HAND HOLE, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 17, BEING A CITY OF PEORIA BRASS CAP FLUSH, BEARS SOUTH 00°08'38" EAST, A DISTANCE OF 2633.22 FEET;

THENCE SOUTH 00°08'38" EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 17, A DISTANCE OF 12.00 FEET TO A POINT ON A LINE PARALLEL WITH AND 12.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 17, SAID POINT BEING THE **POINT OF BEGINNING;**

THENCE CONTINUING SOUTH 00°08'38" EAST, ALONG SAID EAST LINE, A DISTANCE OF 646.29 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4 NE1/4 NE1/4) OF SAID SECTION 17;

THENCE NORTH 89°11'19" WEST, ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4 NE1/4 NE1/4) OF SAID SECTION 17, A DISTANCE OF 648.85 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4 NE1/4 NE1/4) OF SAID SECTION 17;

THENCE NORTH 00°01'51" EAST, ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4 NE1/4 NE1/4) OF SAID SECTION 17, A DISTANCE OF 626.76 FEET TO A POINT ON THE CENTERLINE OF PINNACLE PEAK ROAD, AS SHOWN IN DOCUMENT NO. 2003-0873800, OFFICIAL RECORDS OF MARICOPA COUNTY, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, CONCAVE NORTHERLY AND HAVING A RADIUS POINT WHICH BEARS NORTH 06°49'17" EAST, A RADIAL DISTANCE OF 600.00 FEET;

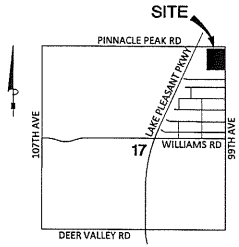
THENCE EASTERLY ALONG SAID CENTERLINE AND THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 17°18'03", AN ARC DISTANCE OF 181.17 FEET TO THE BEGINNING OF A TANGENT REVERSE CURVE TO THE RIGHT, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 600.00 FEET;

THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 11°21'38", AN ARC DISTANCE OF 118.97 FEET TO A POINT OF TANGENCY ON A LINE PARALLEL WITH AND 12.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES, THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 17;

THENCE SOUTH 89°07'08" EAST, ALONG SAID PARALLEL LINE, A DISTANCE OF 348.12 FEET TO THE **POINT OF BEGINNING.**

BOUNDARY CORNER NOTIFICATION

PER THE ARIZONA BOUNDARY SURVEY MINIMUM STANDARDS (ADOPTED FEB. 6, 2010). EXTERIOR BOUNDARY CORNERS WILL BE SET BY THE SURVEYOR WHO CERTIFIED THIS PLAT. IT IS THE RESPONSIBILITY OF THE SUBDIVIDER TO ENSURE THAT INTERIOR CORNERS OF THE SUBDIVISION ARE SET (I) WITHIN NINETY (90) DAYS AFTER COMPLETION OF THE CONSTRUCTION IMPROVEMENTS, OR (II) WITHIN TWO (2) YEARS AFTER RECORDATION OF THE SUBDIVISION PLAT, WHICHEVER DATE IS FIRST TO OCCUR. THE INTERIOR CORNERS OF THE SUBDIVISION MAY BE STAKED BY SURVEYORS OTHER THAN WHO CERTIFIED THIS SURVEY. IT WILL BE THE RESPONSIBILITY OF THE OTHER SURVEYOR WHO STAKES THE INTERIOR CORNERS OF THE SUBDIVISION TO RECORD A "RECORD OF SURVEY" WITH THE COUNTY RECORDER CONSISTENT WITH CURRENT ARIZONA BOUNDARY SURVEY MINIMUM STANDARDS.



VICINITY MAP
N.T.S.

OWNER/DEVELOPER

WOODSIDE ENCORE AT SUNSET RANCH, LLC
1811 SOUTH ALMA SCHOOL ROAD
SUITE 190
MESA, ARIZONA 85210
PHONE: (480) 755-0801
CONTACT: HEATHER DAVENPORT

ENGINEER

BOWMAN CONSULTING GROUP, LTD.
14100 NORTH 83RD AVENUE
SUITE 250
PEORIA, ARIZONA 85381
PHONE: (602) 679-4433
CONTACT: SHELBY DUPLESSIS

SHEET INDEX

1 COVER, NOTES, DEDICATION, SITE DATA, BASIS OF BEARING & CERTIFICATIONS
2 FINAL PLAT PLAN & DETAIL

SITE DATA

ZONING:	PAD Z14-0009
NUMBER OF LOTS	28
GROSS AREA	9.5209 ACRES

RATIFICATION AND APPROVAL

THE UNDERSIGNED, DULY APPOINTED PRESIDENT, ON BEHALF OF THE BOARD OF DIRECTORS OF THE "ENCORE AT SUNSET RANCH COMMUNITY ASSOCIATION", AS REQUIRED BY THE CHARTER, RATIFIES AND APPROVES THIS PLAT AND APPROVES ALL DESIGNATIONS OF AREAS OF COMMON RESPONSIBILITY SET FORTH HEREIN.

BY: _____ _____
DIRECTOR DATE

ACKNOWLEDGEMENT FOR RATIFICATION AND APPROVAL

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____, 20_____, BY _____, DIRECTOR OF "ENCORE AT SUNSET RANCH COMMUNITY ASSOCIATION", ON BEHALF OF THE ASSOCIATION.

SURVEYOR'S CERTIFICATION:

THIS IS TO CERTIFY THAT THIS PLAT IS CORRECT AND ACCURATE AND THE MONUMENTS DESCRIBED HEREIN HAVE EITHER BEEN SET OR LOCATED AS DESCRIBED TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[redacted] 06/19/15
DOUGLAS TONEY
REGISTERED LAND SURVEYOR NO. 55030
BOWMAN CONSULTING
1295 W. WASHINGTON STREET, SUITE 108
TEMPE, ARIZONA 85281

APPROVALS:

APPROVED BY THE COUNCIL OF THE CITY OF PEORIA, ARIZONA THIS _____ DAY OF _____, 20_____.

ATTEST:

_____ _____
MAYOR DATE

_____ _____
CITY CLERK DATE

_____ _____
CITY ENGINEER DATE

R150028

Bowman CONSULTING
Bowman Consulting Group, Ltd.
1295 W Washington Street, 108
Tempe, AZ 85281
Phone (480) 629-8830
Fax: (480) 629-8841
www.bowmanconsulting.com

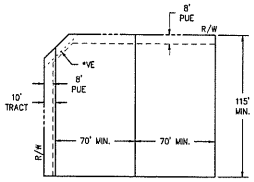
[redacted]

A FINAL PLAT OF
"SUNSET RANCH II - PARCEL J"
PEORIA, ARIZONA

DATE	REVISION

© Bowman Consulting Group, Ltd.

DATE: 06-19-15
PROJ NO: 9620-01
TASK NUM: 009
DRAWN BY: AG
CHECKED: DT
QUALITY: DT
CLIENT NO:
SCALE N.T.S.

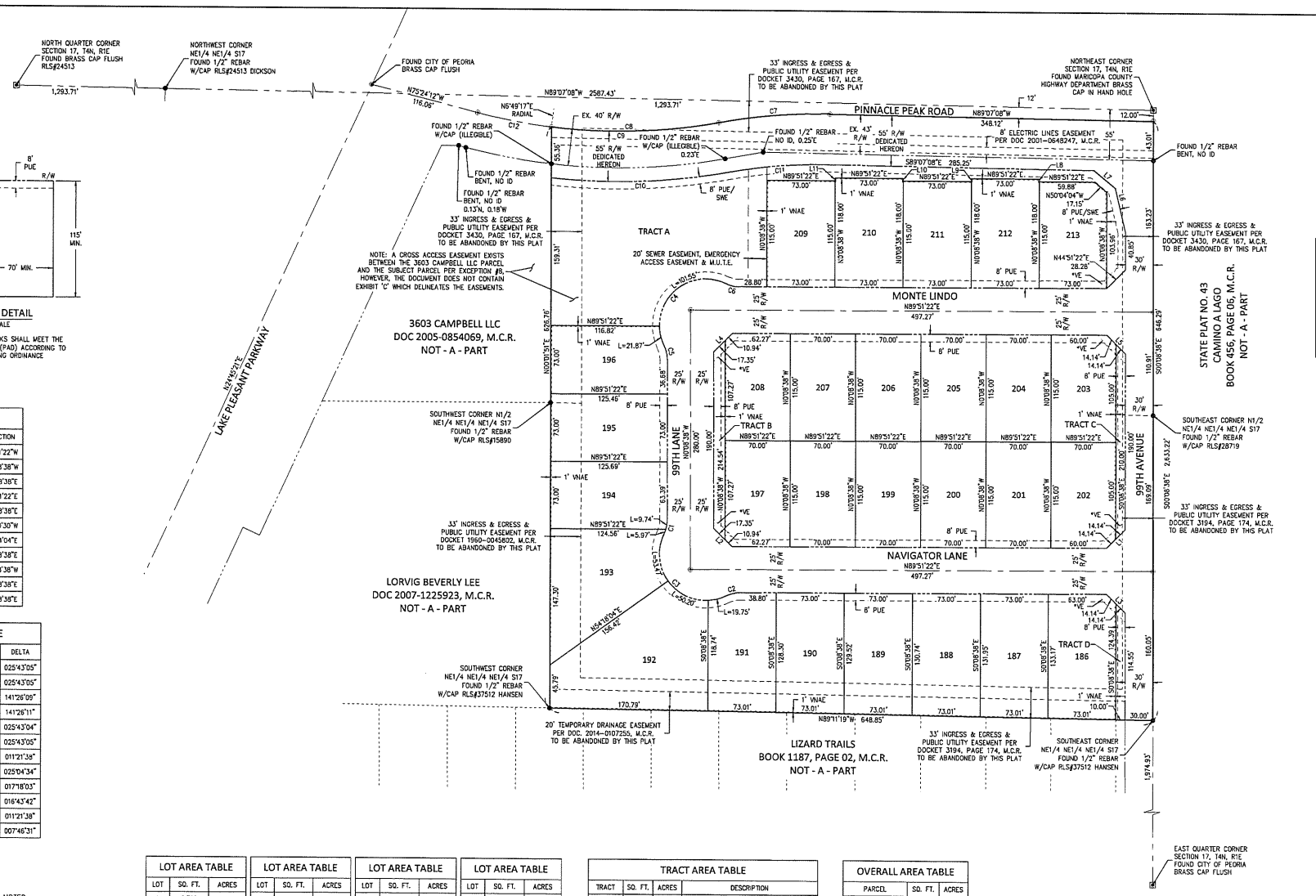


TYPICAL LOT DETAIL
NOT TO SCALE

*ALL FRONT YARD SETBACKS SHALL MEET THE REQUIREMENTS FOR R1-8 (PAD) ACCORDING TO THE CITY OF PEORIA ZONING ORDINANCE

LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	28.28'	S44°51'22"W
L2	28.28'	N45°08'38"W
L3	28.28'	S45°08'38"E
L4	28.28'	N44°51'22"E
L5	28.28'	S45°08'38"E
L6	48.30'	N13°00'30"W
L7	30.17'	S50°04'04"E
L8	3.00'	S00°08'38"E
L9	3.00'	N00°08'38"W
L10	3.00'	S00°08'38"E
L11	3.00'	S00°08'38"E

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	15.71'	35.00'	025°43'05"
C2	15.71'	35.00'	025°43'05"
C3	123.43'	50.00'	141°26'09"
C4	123.43'	50.00'	141°26'11"
C5	15.71'	35.00'	025°43'04"
C6	15.71'	35.00'	025°43'05"
C7	118.97'	600.00'	011°21'38"
C8	262.60'	600.00'	025°04'34"
C9	181.17'	600.00'	017°18'03"
C10	191.24'	655.00'	016°43'42"
C11	108.06'	545.00'	011°21'38"
C12	81.42'	600.00'	007°46'31"



LOT AREA TABLE		
LOT	SQ. FT.	ACRES
186	9,716	0.2230
187	9,677	0.2222
188	9,588	0.2201
189	9,499	0.2181
190	9,410	0.2160
191	9,179	0.2107
192	17,138	0.3934
193	12,555	0.2882

LOT AREA TABLE		
LOT	SQ. FT.	ACRES
194	9,179	0.2107
195	9,167	0.2104
196	8,991	0.2064
197	8,020	0.1841
198	8,050	0.1848
199	8,050	0.1848
200	8,050	0.1848
201	8,050	0.1848

LOT AREA TABLE		
LOT	SQ. FT.	ACRES
202	8,000	0.1837
203	8,000	0.1837
204	8,050	0.1848
205	8,050	0.1848
206	8,050	0.1848
207	8,050	0.1848
208	8,020	0.1841
209	8,395	0.1927

LOT AREA TABLE		
LOT	SQ. FT.	ACRES
210	8,614	0.1978
211	8,395	0.1927
212	8,614	0.1978
213	8,323	0.1911

TOTAL 252,980 S.F.
LOT AREA 5.8053 ACRES

TRACT AREA TABLE			
TRACT	SQ. FT.	ACRES	DESCRIPTION
TRACT A	39,047	0.8964	LANDSCAPE, OPEN SPACE, PEORIA PUE, RETENTION, MULTI-USE TRAIL EASEMENT, PEORIA SEWER EASEMENT & EMERGENCY ACCESS EASEMENT
TRACT B	2,481	0.0570	LANDSCAPE, OPEN SPACE & PEORIA PUE
TRACT C	2,000	0.0459	LANDSCAPE, OPEN SPACE & PEORIA PUE
TRACT D	1,195	0.0274	LANDSCAPE, OPEN SPACE & PEORIA PUE

TOTAL 44,723 S.F.
TRACT AREA 1.0267 ACRES

OVERALL AREA TABLE		
PARCEL	SQ. FT.	ACRES
GROSS BOUNDARY	414,732	9.5209
ROW DEDICATED	117,128	2.6889
NET BOUNDARY	297,604	6.8321

LEGEND

- BRASS CAP AS NOTED
- SURVEY MONUMENT TO BE SET PER MAG STD. DETAIL 120, TYPE 'B'
- SUBDIVISION CORNER AS NOTED
- M.C.R. MARICOPA COUNTY RECORDER
- M.U.T.E. MULTI-USE TRAIL EASEMENT
- PUE PUBLIC UTILITY EASEMENT
- R/W RIGHT-OF-WAY
- SWE SIDEWALK EASEMENT
- VNAE VEHICLE NO-ACCESS EASEMENT
- *VE 30' X 30' VISIBILITY EASEMENT
- EASEMENT LINE (AS NOTED)
- VEHICLE NO-ACCESS EASEMENT
- SECTION LINE
- RIGHT-OF-WAY
- PROPERTY LINE
- SUBDIVISION BOUNDARY

Bowman CONSULTING
Bowman Consulting Group, Ltd.
4250 N. Drinkwater Blvd., 4th Floor
Tempe, AZ 85281
Phone (480) 629-8830
Fax (480) 629-8851
www.bowmanconsulting.com

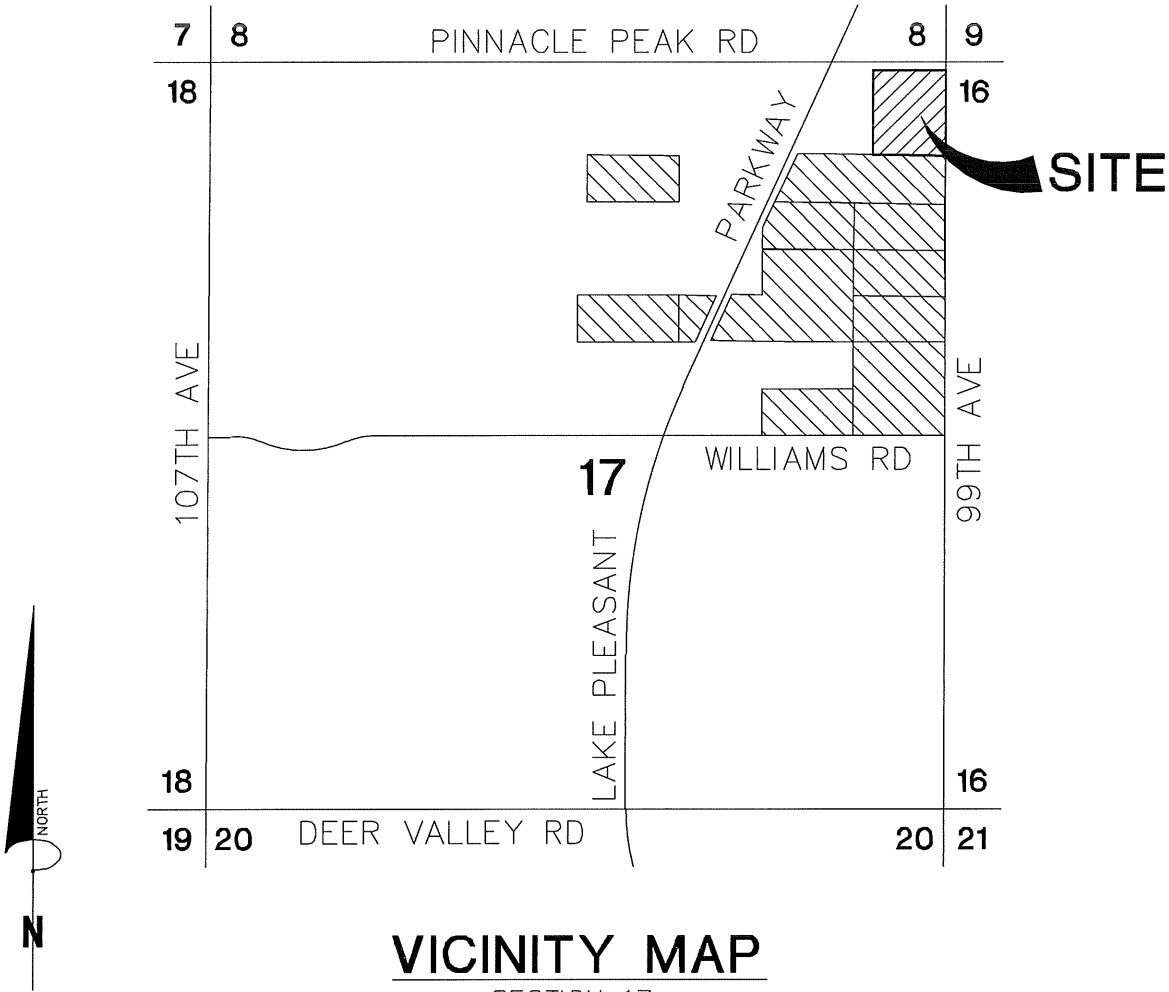
A FINAL PLAT OF "SUNSET RANCH II - PARCEL J" PEORIA, ARIZONA

REVISION	DATE

© Bowman Consulting Group, Ltd.

DATE: 06-19-15
PROJ NO: 9620-01
TASK NUM: 009
DRAWN BY: AG
CHECKED: DT
QUALITY: DT
CLIENT NO:
SCALE 1" = 50'

R150028



VICINITY MAP

SECTION 17,
TOWNSHIP 4 NORTH, RANGE 1 EAST,
GILA AND SALT RIVER BASE AND MERIDIAN,
MARICOPA COUNTY ARIZONA
NOT TO SCALE

SUNSET RANCH II PARCEL J
NEW DEVELOPMENT

EXISTING SUNSET RANCH II
DEVELOPMENT (Z05-25 & Z05-25A.3)

Bowman CONSULTING
14100 North 83rd Avenue Ste 250
Peoria, Arizona 85381
Phone: (480) 629-8830
www.bowmanconsulting.com

SUNSET RANCH - PARCEL J
PEORIA, ARIZONA
VICINITY MAP

JOB #	9620
DATE	AUG 2014
SCALE	N.T.S.
DRAWN	CRS
SHT	1 OF 1

CAD FILE NAME: P:\9620 - Sunset Ranch II\9620-01-009 (ENG) - Parcel J\Engineering\Exhibits\9620-Parcel J - Vicinity Map.dwg 08/21/2014

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 24C

Date Prepared: June 16, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Andrew Granger, P.E., Development and Engineering Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **A Replat, Plaza Del Rio Phase 3 Amended, Plaza Del Rio Blvd and Pershing Ave. (Project No. R060061D)**

Purpose:

This is a request for City Council to approve a Replat of Plaza Del Rio Phase 3 Amended, located on Plaza Del Rio Blvd and Pershing Ave., and authorize the Mayor and City Clerk to sign and record the Replat with the Maricopa County Recorder's Office subject to the following stipulations:

1. All civil plans must be approved by the City of Peoria (City) prior to recordation of the Replat.

2. An approval of design from the City Engineering Department for the necessary improvements in accordance with the City Subdivision Regulations, as determined by the City Engineer, must be obtained prior to recording the Replat.

3. The developer must provide a financial assurance in the amount agreed upon by the City Engineer and an Agreement to Install for construction of the infrastructure improvements in accordance with the City Subdivision Regulations, prior to recordation of the Replat.

4. In the event that the Replat is not recorded within 60 days of Council approval, the Replat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Replat is to alter lot size and configuration to permit desired product to fit on the two lots involved. This development is within the City's water\sewer service area.

Previous Actions:

Plaza Del Rio Phase 3 was originally platted in 2007.

Options:

A: The Replat has been approved through the Development and Engineering Department. An option would be to not accept the proposed Replat; although it should be noted that not approving the Replat will prevent the Developer from developing this land.

B: The other option would be to formally approve the Replat and allow these two lots to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Replat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Replat.

Narrative:

The acceptance of this Replat by City Council will allow the developer to move forward in developing this property.

Exhibit(s):

Exhibit 1: Replat

Exhibit 2: Vicinity Map

Contact Name and Number:

Jesse Gonzales: 623-773-7548

REPLAT
OF
"PLAZA DEL RIO PHASE 3 AMENDED"

BEING A RESUBDIVISION OF LOTS 81 AND 82 OF "PLAZA DEL RIO PHASE 3"
AS RECORDED IN BOOK 904, PAGE 19, M.C.R.

AND LYING WITHIN A PORTION OF THE NORTHEAST QUARTER OF SECTION 16,
TOWNSHIP 3 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN,
MARICOPA COUNTY, ARIZONA

DEDICATION

STATE OF ARIZONA
COUNTY OF MARICOPA

THAT MARACAY THUNDERBIRD, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY, AS OWNER, DOES HEREBY PUBLISH THIS "PLAZA DEL RIO PHASE 3 AMENDED" A RESUBDIVISION OF LOTS 81 AND 82 OF "PLAZA DEL RIO PHASE 3" AS RECORDED IN BOOK 904, PAGE 19, M.C.R. OVER A PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP -3-NORTH, RANGE -1-EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND HEREBY PUBLISH THIS PLAT AS, AND FOR THE PLAT OF SAID "PLAZA DEL RIO PHASE 3 AMENDED" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS, EASEMENTS AND STREETS CONSTITUTING SAME, AND THAT EACH LOT, TRACT AND STREET SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT.

ALL NOTATIONS AND DEDICATIONS STATED ON OR WITHIN THE RECORDED PLAT OF "PLAZA DEL RIO PHASE 3" (M.C.R. BOOK 904, PAGE 19) SHALL REMAIN IN FULL FORCE AND EFFECT WITH THE RECORDATION OF THIS RESUBDIVISION.

AND THE GRANTOR HEREBY COVENANTS THAT IT IS LAWFULLY SEIZED AND POSSESSED ON THIS AFOREMENTIONED TRACT OR PARCEL OF LAND; THAT IT HAS A GOOD AND LAWFUL RIGHT TO SELL AND CONVEY IT; AND THEY WILL WARRANT THE TITLE AND QUIET POSSESSION THERETO AGAINST THE LAWFUL CLAIM OF ALL PERSONS.

IN WITNESS WHEREOF.
MARACAY THUNDERBIRD, L.L.C., AN ARIZONA LIMITED LIABILITY COMPANY:

BY: MARACAY HOMES ARIZONA I, L.L.C. AN
ARIZONA LIMITED LIABILITY COMPANY

ITS: MANAGER

BY [redacted] 6.15.15
DATE

ITS [redacted]

ACKNOWLEDGEMENT

STATE OF ARIZONA)
)ss
COUNTY OF MARICOPA)

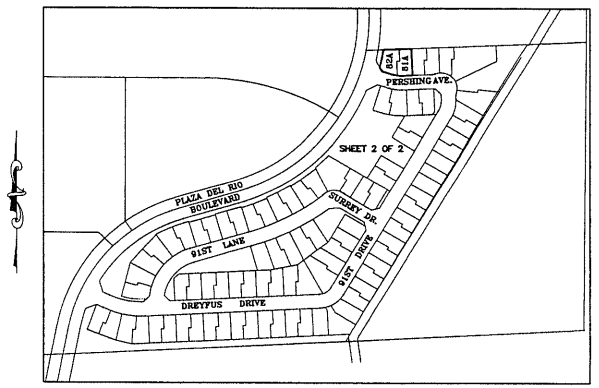
BEFORE ME THIS 15th DAY OF JUNE 2015, BEFORE ME, THE UNDERSIGNED, PERSONALLY APPEARED THOMAS LEMON, WHO ACKNOWLEDGED HIMSELF TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE INSTRUMENT WITHIN, AND WHO EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF: I HEREUNTO SET MY HAND AND OFFICIAL SEAL

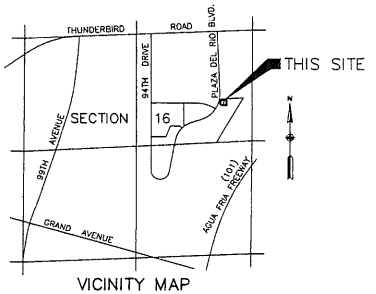
BY: [redacted]
NOTARY PUBLIC

MARCH 24, 2016
MY COMMISSION EXPIRES

NICHOLE SCHULTZ
Notary Public, State of Arizona
Maricopa County
My Commission Expires
March 24, 2016



LOCATION MAP
N.T.S.



VICINITY MAP
N.T.S.

DESCRIPTION

LOTS 81 & 82 OF "PLAZA DEL RIO PHASE 3" AS RECORDED IN BOOK 904, PAGE 19, M.C.R., LOCATED IN A PORTION OF THE NORTHEAST QUARTER OF SECTION 16, TOWNSHIP 3 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA.

OWNER

MARACAY HOMES ARIZONA I
15160 HAYDEN ROAD, SUITE 200
SCOTTSDALE, ARIZONA 85260
TUSTIN, CALIFORNIA, 92780

ENGINEER

RICK ENGINEERING COMPANY
6150 NORTH 16TH STREET
PHOENIX, ARIZONA, 85016-1705
(602) 957-3350

NOTES

(1) NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO, REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.

(2) ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS FIBER OPTICS, CELLULAR, GAS, ETC. SHALL BE INSTALLED UNDER GROUND AS PART OF THE STREET IMPROVEMENTS.

(3) MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS-OF-WAY SHALL BE THE RESPONSIBILITY OF THE PROPERTY OWNER.

(4) THIS SUBDIVISION IS LOCATED IN THE VICINITY OF A DESIGNATED TRUCK ROUTE. THUNDERBIRD ROAD AND LOOP 101 ARE DESIGNATED AS A TRUCK ROUTE BY THE CITY OF PEORIA.

(5) NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.

(6) THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100-YEAR ASSURED WATER SUPPLY.

(7) THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.

(8) THE SUBDIVISION IS SUBJECT TO A MAINTENANCE IMPROVEMENT DISTRICT (MID #1058) AND STREET LIGHT IMPROVEMENT DISTRICT (SLID #1024).

(9) ALL LOT CORNERS SHALL BE MONUMENTED WITH 1/2" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.

(10) SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS, BUT EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR THE SIGHT DISTANCE TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.

(11) THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A MILITARY AIRPORT.

RESUBDIVISION NARRATIVE

THESE LOT LINES ARE BEING ADJUSTED IN ORDER TO FIT THE NEW OWNER'S BUILDING PRODUCTS.

SUBDIVISION BOUNDARY AREA:

LOT 81A: 0.1012 ACRES OR 4410± SQ. FT.
LOT 82A: 0.1145 ACRES OR 4987± SQ. FT.
TOTAL: 0.2157 ACRES OR 9397± SQ. FT.

BASIS OF BEARING

THE BASIS OF BEARING USED FOR THIS SURVEY IS N87°41'30"E ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 16, T-3-N, R-1-E.

FLOOD ZONE

THIS SITE IS LOCATED IN ZONE "X" (DOTTED) PER "F.E.M.A." FLOOD INSURANCE RATE MAP NO. 04013C1685L, DATED: OCTOBER 16, 2013. ZONE "X" (DOTTED) IS DEFINED AS AREAS OF 0.2% ANNUAL CHANCE FLOOD; AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

LEGEND

V.N.A.E.	-INDICATES VEHICULAR NON-ACCESS EASEMENT
P.U.E.	-INDICATES PUBLIC UTILITY EASEMENT
R/W	-INDICATES RIGHT-OF-WAY.
———	-INDICATES SUBDIVISION BOUNDARY LINE
———	-INDICATES RIGHT OF WAY LINE
- - - - - -	-INDICATES EASEMENT LINE
⊕	-1/2" IRON BAR INDICATING SUBDIVISION BOUNDARY CORNER.

ZONING & CASE NO.

PAD (Z 04-22)

CERTIFICATION

THIS IS TO CERTIFY THAT THE SURVEY AND PLAT OF THE PREMISES DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION DURING THE MONTH OF JUNE, 2015, THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN; THAT THE MONUMENTS SHOWN ACTUALLY EXIST OR WILL BE SET SHOWN; AND THAT THEIR POSITIONS ARE CORRECTLY SHOWN; AND SAID MONUMENTS ARE SUFFICIENT TO BE REFERENCED.

YSMAEL A. VEGA, R.L.S.
ARIZONA NO. 28236

[redacted]

APPROVALS

APPROVED BY THE CITY COUNCIL OF THE CITY OF PEORIA, ARIZONA,
THIS_____ DAY OF _____, 2015.

MAYOR DATE

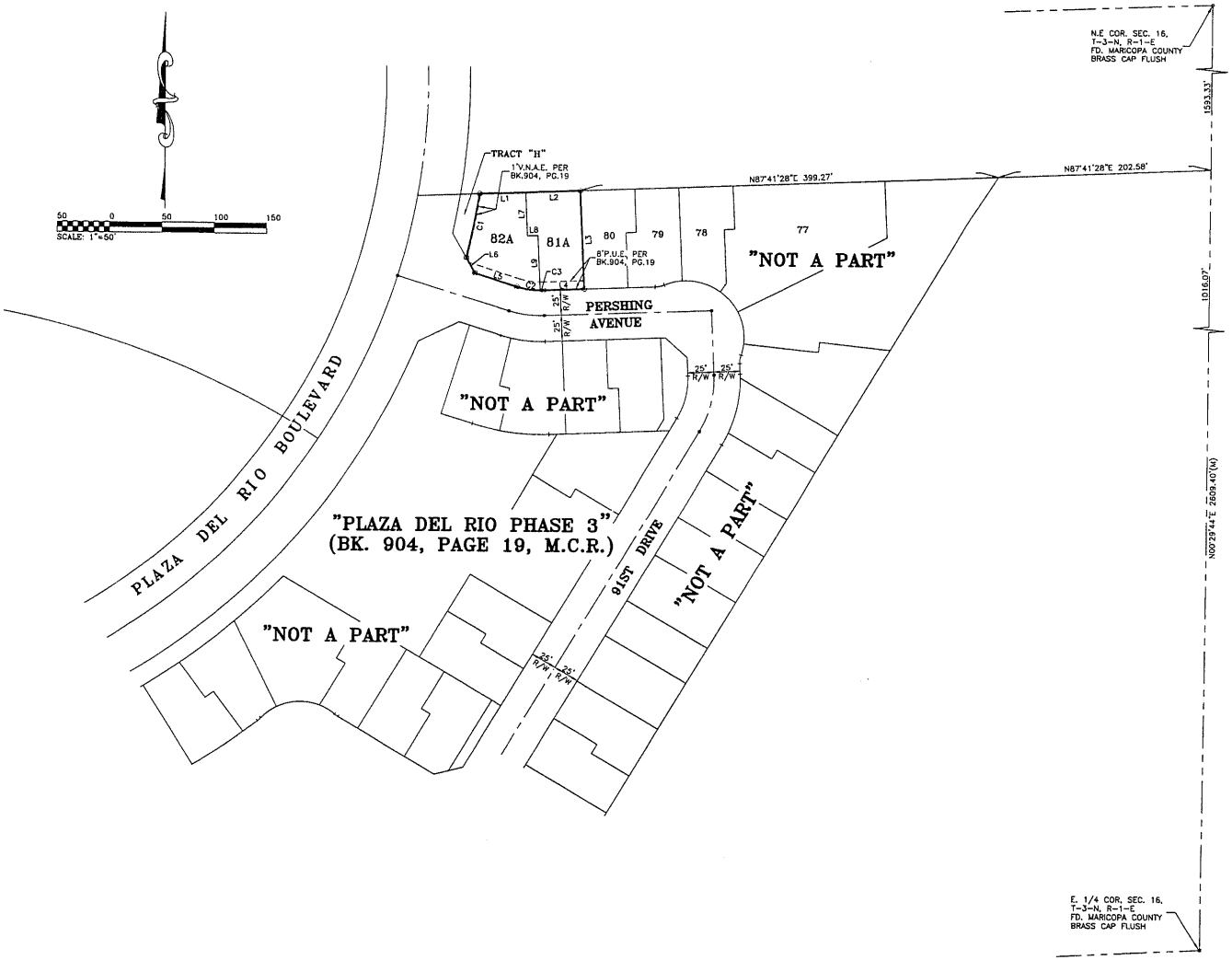
ATTEST, CITY CLERK DATE

FOR CITY ENGINEER DATE

R060061D

"PLAZA DEL RIO PHASE 3 AMENDED"	RICK ENGINEERING COMPANY — 6150 NORTH 16TH STREET, PHOENIX, AZ 85016, 602.957.3350, FAX 602.285.2396, rickengineering.com — Phoenix, Tucson, San Diego, Riverside, Orange, Las Vegas		
SHEET 1 OF 2	3596A	D.S.R.	JUNE, 2015

S:\D_3596_AMENDED LOTS 81 & 82\dwg June 15, 2015 11:47 am, Sally 1= 50 PJN, Kirk



Course	Bearing	Distance
L1	N87°41'28"E	44.11'
L2	N87°41'28"E	52.00'
L3	S02°18'32"E	95.00'
L4	S87°41'28"W	38.89'
L5	N72°35'21"W	41.92'
L6	N29°14'42"W	17.23'
L7	S02°18'32"E	42.00'
L8	N87°41'28"E	10.00'
L9	S02°18'32"E	52.94'

Curve	Radius	Length	Delta
C1	698.60'	63.02'	5°10'06"
C2	75.00'	22.71'	17°20'45"
C3	75.00'	3.11'	2°22'25"

[redacted]

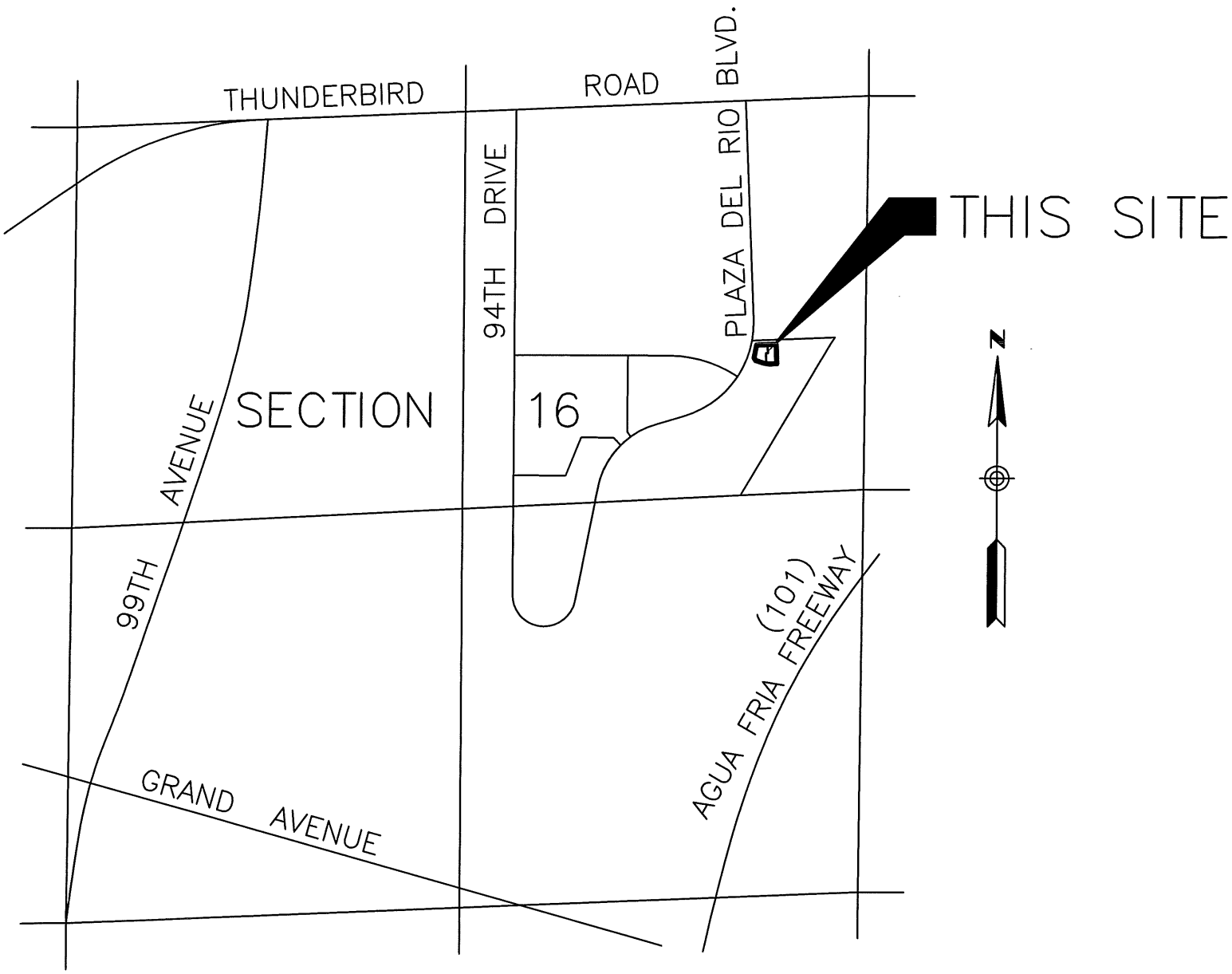
R060061D

"PLAZA DEL RIO PHASE 3 AMENDED"

SHEET 2 OF 2

RICK ENGINEERING COMPANY
6150 NORTH 16TH STREET
PHOENIX, AZ 85016
602.957.3350
FAX602.285.2396
rickengineering.com
Phoenix Tucson San Diego Riverside Orange Sacramento

3596A	D.S.R.	JUNE, 2015



VICINITY MAP

N.T.S.

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 25C

Date Prepared: June 8, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Andrew Granger, P.E., Development and Engineering Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **Replat, Lots 40, 41, 42, and Tract G of Tierra Del Rio Parcel 20A, 99th Avenue and Jomax Road (Project No. R130062C)**

Purpose:

This is a request for City Council to approve a Replat of Lots 40, 41, 42, and Tract G of Tierra Del Rio Parcel 20A, located northwest of 99th Avenue and Jomax Road, and authorize the Mayor and City Clerk to sign and record the Replat with the Maricopa County Recorder's Office subject to the following stipulation:

In the event that the Replat is not recorded within 60 days of Council approval, the Replat will become void. The developer may request re-approval from the City, with the understanding that the City has the option of imposing additional requirements or stipulations.

Background/Summary:

The purpose of the Replat is to adjust the lot lines for three lots and one tract within a residential subdivision. This Replat does not create any additional lots. This development is within the City's sewer service area and Epcor's water service area.

In 2007, the City Council approved the Master Replat for Tierra Del Rio (Book 906, Page 18), creating all of the individual parcels and the rights-of-way for the master subdivision. Replats have then been necessary to further subdivide each parcel into individual lots, tracts, and internal roadways for development.

Previous Actions:

Tierra Del Rio Parcels 20 and 21 were replatted in October 2013 (Book 1163 Page 18), to adjust parcels 20 and 21 into four parcels, 20A, 20B, 21A, and 21B. Each of these four residential was then replatted into individual lots, tracts, and internal roadways. The Replat of Tierra Del Rio Parcels 20A & 21A was completed in April 2014 (Book 1185 Page 31).

Options:

A: The Replat has been approved through the Development and Engineering Department. An option would be to not accept the proposed Replat; although it should be noted that not approving the Replat will prevent the homebuilder from constructing the desired product on these lots.

B: The other option would be to formally approve the Replat and allow this parcel to be developed.

Staff's Recommendation:

Staff recommends the approval and subsequent recordation of the attached Replat.

Fiscal Analysis:

There is no direct budgetary impact to the City to approve the Replat.

Narrative:

The acceptance of this Replat by City Council will allow the homebuilder to move forward in developing this property.

Exhibit(s):

Exhibit 1: Replat

Exhibit 2: Vicinity Map

Exhibit 3: Land Use Map

Contact Name and Number:

Jodi Breyfogle, PE: 623-773-7577

A REPLAT OF
"LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A"
PEORIA, ARIZONA

BEING A REPLAT OF LOTS 40, 41, 42, AND TRACT G AS SHOWN ON THE REPLAT OF TIERRA DEL RIO PARCELS 20A & 21A RECORDED IN BOOK 1185, PAGE 31, MCR ALSO BEING A PORTION OF SOUTHWEST QUARTER OF SECTION 32 TOWNSHIP 5 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

DEDICATION

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

KNOW ALL MEN BY THESE PRESENTS:

THAT TAYLOR MORRISON/ARIZONA, INC., AN ARIZONA CORPORATION AND TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, AS OWNERS, HAVE SUBDIVIDED UNDER THE NAME REPLAT OF "LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A". A REPLAT OF LOTS 40, 41, 42, & TRACT G AS SHOWN ON THE REPLAT OF TIERRA DEL RIO PARCELS 20A & 21A RECORDED IN BOOK 1185, PAGE 31, MCR ALSO BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 5 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN AND PLATTED HEREON AND HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF SAID REPLAT OF "LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A" AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE LOTS, TRACTS AND EASEMENTS CONSTITUTING SAME AND THAT EACH LOT, TRACT AND EASEMENT SHALL BE KNOWN BY THE NAME, NUMBER OR LETTER GIVEN TO EACH RESPECTIVELY ON SAID PLAT. TAYLOR MORRISON/ARIZONA, INC., AN ARIZONA CORPORATION AND TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, AS OWNERS, HEREBY DEDICATES TO THE CITY OF PEORIA, FOR USE AS SUCH, THE EASEMENTS AS SHOWN ON THIS PLAT.

ALL NOTATIONS AND DEDICATIONS STATED ON OR WITHIN THE RECORDED PLAT OF TIERRA DEL RIO AS RECORDED IN BOOK 949, PAGE 13, MCR, BOOK 1163, PAGE 18, MCR, AND BOOK 1185, PAGE 31, MCR SHALL REMAIN IN FULL FORCE AND EFFECT WITH THE RECORDATION OF THIS REPLAT.

TRACT "G" IS OWNED BY THE TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION FOR THE PURPOSE OF BANK PROTECTION AREA, DETENTION, DRAINAGE, LANDSCAPE, OPEN SPACE, PUBLIC UTILITY EASEMENT, AND PUBLIC REGIONAL TRAIL EASEMENT.

THE CITY OF PEORIA IS HEREBY GIVEN AN EASEMENT FOR MAINTENANCE OF BANK PROTECTION AREA, LANDSCAPING, RETENTION AND DRAINAGE FACILITIES ON TRACT "G". THIS EASEMENT MAY BE EXERCISED BY THE CITY OF PEORIA AT SUCH TIME THAT THE HOMEOWNERS ASSOCIATION FAILS TO EXIST AND PROVIDE THE REQUIRED MAINTENANCE AND OPERATION OF THE BANK PROTECTION AREA (AREA BETWEEN THE STRUCTURAL TOP OF SLOPE TO THE STRUCTURAL TOE OF SLOPE), LANDSCAPING, RETENTION AND DRAINAGE FACILITIES. AS LONG AS THE HOMEOWNERS ASSOCIATION IS IN EXISTENCE, IT WILL BE RESPONSIBLE FOR PROVIDING ALL MAINTENANCE OF LANDSCAPING, RETENTION AND DRAINAGE FACILITIES, REGARDLESS OF THE DEDICATION OF THE EASEMENT.

OWNERS AGREEMENT:
IT IS AGREED THAT BY THE COMPLETION OF CONSTRUCTION ALL LOTS WILL BE ACCURATELY STAKED AND MARKED WITH PERMANENT MARKERS, AS DESIGNATED ON THIS PLAT AND A CERTIFICATION FILED WITH MARICOPA COUNTY BY AN ARIZONA REGISTERED LAND SURVEYOR CERTIFYING SUCH LOTS ARE ACCURATELY STAKED AND MARKED WITH THE LAND SURVEYORS REGISTRATION NUMBER, AND DESCRIBING THE TYPE OF MARKERS USED.

IN WITNESS WHEREOF:
TAYLOR MORRISON/ARIZONA, INC., AS OWNER, HAS HEREUNTO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED TO BY THE SIGNATURES OF THE UNDERSIGNED MEMBER REPRESENTATIVES DULY AUTHORIZED THIS _____DAY OF_____, 2015.

TAYLOR MORRISON/ARIZONA, INC., AN ARIZONA CORPORATION

BY: _____
GREG ABRAMS

ITS: VICE PRESIDENT

IN WITNESS WHEREOF:
TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION, AS OWNER, HAS HEREUNTO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED TO BY THE SIGNATURES OF THE UNDERSIGNED MEMBER REPRESENTATIVES DULY AUTHORIZED THIS _____DAY OF_____, 2015.

TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION

BY: _____
GREG ABRAMS

ITS: PRESIDENT

ACKNOWLEDGMENT

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

BEFORE ME THIS_____DAY OF_____, 2015,
GREG ABRAMS PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED HIMSELF TO BE THE VICE PRESIDENT OF TAYLOR MORRISON/ARIZONA, AN ARIZONA CORPORATION, AS OWNER, AND ACKNOWLEDGED THAT HE IS DULY AUTHORIZED, AS AN OFFICER FOR TAYLOR MORRISON/ARIZONA, AN ARIZONA CORPORATION, EXECUTED THIS INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC_____

MY COMMISSION EXPIRES:_____

ACKNOWLEDGMENT

STATE OF ARIZONA)
) SS
COUNTY OF MARICOPA)

BEFORE ME THIS_____DAY OF_____, 2015,
GREG ABRAMS PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED HIMSELF TO BE THE PRESIDENT OF TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, AS OWNER, AND ACKNOWLEDGED THAT HE IS DULY AUTHORIZED, AS AN OFFICER FOR TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, EXECUTED THIS INSTRUMENT FOR THE PURPOSES HEREIN CONTAINED.

IN WITNESS WHEREOF, I HEREUNTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC_____

MY COMMISSION EXPIRES:_____

LEGAL DESCRIPTION

All that certain lot, tract, or parcel of land, situated in a portion of the Southwest Quarter of Section 32, Township 5 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona., being all of Lots 40, 41, 42, and Tract G as shown on the Re-Plat of Tierra Del Rio Parcels 20A & 21A recorded in Book 1185, Page 31, MCR, and being more completely described as follows, to-wit:

COMMENCING at a found Department of Interior BLM Cadastral Survey cap for the Southwest corner of said Section 32, from which a found Maricopa County brass cap stamped "RLS #29891, 2001" for the West Quarter corner of said Section 32 bears North 00 deg. 41 min. 36 sec. East (Basis of Bearings) - 2700.89 feet;

THENCE North 00 deg. 41 min. 36 sec. East along the West line of the Southwest Quarter of said Section 32, a distance of 2056.87 feet;

THENCE South 89 deg. 18 min. 24 sec. East departing said West line, a distance of 1595.66 feet to the Southwest corner of said Re-Plat, same being the Southwest corner of said Tract G, said point being the TRUE POINT OF BEGINNING;

THENCE North 18 deg. 52 min. 08 sec. East along the West lines of said Re-Plat and Tract G, a distance of 224.07 feet;

THENCE North 16 deg. 46 min. 29 sec. East along said West lines, a distance of 204.74 feet;

THENCE North 18 deg. 56 min. 19 sec. East along said West lines, a distance of 45.22 feet to the Northwest corner of said Tract G;

THENCE South 67 deg. 23 min. 35 sec. East along the North line of said Tract G, Lot 42, Lot 41, and Lot 40, a distance of 203.12 feet to the Northeast corner of said Lot 40;

THENCE South 22 deg. 36 min. 23 sec. West along the East line of said Lot 40, a distance of 120.00 feet to the Southeast corner of same, and being in the North right-of-way line of Rosewood Lane (50' right-of-way width);

THENCE North 67 deg. 23 min. 37 sec. West along the South line of said Lot 40 and said North right-of-way line, a distance of 26.97 feet to a Point of Curvature of a circular curve to the right, having a radius of 55.00 feet, a central angle of 17 deg. 20 min. 29 sec., and being subtended by a chord which bears North 58 deg. 43 min. 23 sec. West - 16.58 feet;

THENCE in a northwesterly direction along said curve to the right, said South line, and said North right-of-way line, a distance of 16.65 feet to a Point of Curvature of a reverse circular curve to the left, having a radius of 55.00 feet, a central angle of 124 deg. 40 min. 58 sec., and being subtended by a chord which bears South 67 deg. 36 min. 23 sec. West - 97.43 feet;

THENCE in a southwesterly direction along said curve to the left, said North right-of-way line, the South line of said Lot 40, the South line of said Lot 41, the South line of said Lot 42, the East line of said Tract G, and the West right-of-way line of 104th Gen (50' right-of-way width), a distance of 119.69 feet to a Point of Curvature of a reverse circular curve to the right, having a radius of 55.00 feet, a central angle of 17 deg. 20 min. 29 sec., and being subtended by a chord which bears South 13 deg. 56 min. 08 sec. West - 16.58 feet;

THENCE in a southwesterly direction along said curve to the right, the East line of said Tract G, and said West right-of-way line, a distance of 16.65 feet;

THENCE South 22 deg. 36 min. 23 sec. West tangent to said curve, and continue along said East line and West right-of-way line, a distance of 222.21 feet to a Point of Curvature of a circular curve to the left, having a radius of 2025.00 feet, a central angle of 1 deg. 18 min. 20 sec., and being subtended by a chord which bears South 21 deg. 57 min. 13 sec. West - 46.14 feet;

THENCE in a southwesterly direction along said curve to the left, and continue along said East line and West right-of-way line, a distance of 46.14 feet to the Southeast corner of said Tract G;

THENCE North 68 deg. 41 min. 57 sec. West radial to said curve, departing said West right-of-way line and continue along the South line of said Tract G, a distance of 55.80 feet to the POINT OF BEGINNING, containing 47,503 square feet or 1.091 acres of land, more or less.

SURVEYOR'S STATEMENT

I, JOHN N. ROGERS, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, THAT THIS MAP, CORRECTLY REPRESENTS A SURVEY MADE UNDER MY SUPERVISION AND THE SURVEY IS TRUE AND COMPLETE AS SHOWN, MEETS THE MINIMUM STANDARDS FOR ARIZONA LAND BOUNDARY SURVEYS, ALL MONUMENTS SHOWN ACTUALLY EXIST AS SHOWN, THEIR POSITIONS ARE CORRECTLY SHOWN AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

BY:
JOHN N. ROGERS, R.L.S. #54332
GOODWIN AND MARSHALL, INC.
4809 E. THISTLE LANDING DR., SUITE 100
PHOENIX, ARIZONA 85044
(602) 216-7285

EXPIRES 3/31/2016

NOTE:
A.R.S. 32-151 STATES THAT THE USE OF THE WORD "CERTIFY" OR "CERTIFICATE" IS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THE FACTS OF THE SURVEY AND DOES NOT CONSTITUTE A GUARANTEE, EXPRESS OR IMPLIED.

APPROVALS

APPROVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF PEORIA.

THIS DAY_____OF_____, 2015

APPROVED BY:_____ DATE:_____
MAYOR

ATTESTED BY:_____ DATE:_____
CLERK

APPROVED BY:_____ DATE:_____
CITY ENGINEER

NOTES

1. THE SUBDIVISION IS SUBJECT TO MAINTENANCE IMPROVEMENT DISTRICT (MID) #1156, STREET LIGHT IMPROVEMENT DISTRICT (SLID) #1089.

2. NO CONSTRUCTION OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN THE UTILITY EASEMENTS, EXCEPT UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE FENCING, AND/OR PAVING, NOR ANY PLANTING EXCEPT GRASS. IT SHALL BE FURTHER UNDERSTOOD THAT THE CITY OF PEORIA SHALL NOT BE REQUIRED TO, REPLACE ANY OBSTRUCTION OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION.

3. ALL NEW AND EXISTING UTILITY, ELECTRICAL FACILITIES LESS THAN 69 KVA, CABLE T.V., TELECOMMUNICATIONS FIBER OPTICS, CELLULAR, GAS, ETC. SHALL BE INSTALLED UNDERGROUND AS PART OF THE STREET IMPROVEMENTS.

4. MAINTENANCE OF SURFACE AND UNDERGROUND DRAINAGE FACILITIES WITHIN ALL TRACTS, EASEMENTS AND RIGHTS-OF-WAY AND BANK PROTECTION AREA WITHIN TRACT "G" SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.

5. ALL LOT CORNERS SHALL BE MONUMENTED WITH 1/2" REBAR AND CAPPED OR TAGGED BEARING THE REGISTRATION NUMBER OF THE SURVEYOR RESPONSIBLE FOR THEIR PLACEMENT.

6. SIGNS, FENCES, WALLS, UTILITY BOXES, STRUCTURES, SHRUBS, HEDGES OR OTHER PLANTS EXCLUDING TREES OVER 30 INCHES IN HEIGHT SHALL NOT BE PERMITTED WITHIN VIEW EASEMENTS OR THE SIGHT DISTANCE TRIANGLES. NO LIMBS, LEAVES, NEEDLES OR OTHER FOLIAGE ABOVE 30 INCHES IN HEIGHT OR BELOW 84 INCHES ARE PERMITTED. TREES ARE TO BE PLANTED SO AS NOT TO OBSTRUCT 20% OF THE VISIBILITY WHEN COMBINED WITH OTHER OBSTRUCTIONS.

7. THIS SUBDIVISION IS LOCATED WITHIN THE EPCOR WATER ARIZONA, INC. WATER SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100-YEAR ASSURED WATER SUPPLY.

8. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF PEORIA SEWER SERVICE AREA.

9. THIS SUBDIVISION IS LOCATED WITHIN THE VICINITY OF A MILITARY AIRPORT.

10. THIS SUBDIVISION IS LOCATED IN THE VICINITY OF A DESIGNATED TRUCK ROUTE. JOMAX ROAD IS DESIGNATED AS A TRUCK ROUTE BY THE CITY OF PEORIA.

11. THIS SUBDIVISION IS LOCATED IN THE VICINITY OF A ROCK QUARRY (GRAVEL OPERATION).

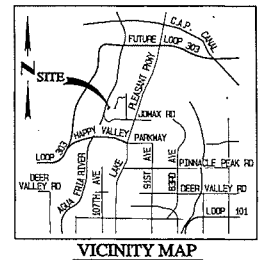
12. NO STRUCTURE OF ANY KIND BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN THE DRAINAGE EASEMENT OR TRACT WHICH WOULD IMPEDE THE FLOW OF WATER OVER, UNDER, OR THROUGH THE EASEMENT OR TRACT.

13. TIERRA DEL RIO NORTH COMMUNITY ASSOCIATION HAS BEEN FORMED AND HAS THE RESPONSIBILITY FOR MAINTAINING ALL COMMON AREAS TO BE NOTED AS "TRACTS" OR EASEMENTS (INCLUDING LANDSCAPED AREAS AND DRAINAGE FACILITIES AND BANK PROTECTION AREA) IN ACCORDANCE WITH APPROVED PLANS.

CERTIFICATE OF ASSURED WATER SUPPLY

REPLAT OF "LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A" IS WITHIN THE SERVICE AREA OF EPCOR WATER ARIZONA, INC. AND HAS BEEN GRANTED A CERTIFICATE OF ASSURED WATER SUPPLY FROM THE ARIZONA DEPARTMENT OF WATER RESOURCES.

_____ _____
EPCOR WATER ARIZONA, INC. DATE



VICINITY MAP
N.T.S.

BASIS OF BEARINGS

NORTH 00°41'36" EAST ALONG THE WEST LINE OF SOUTHWEST QUARTER OF SECTION 32, T5N, R1E, G&SRB&M AS MEASURED BETWEEN THE MONUMENTS SHOWN HEREON AND ALSO SHOWN ON THE RE-PLAT FOR TIERRA DEL RIO PARCELS 20 & 21 BK. 1163, PG. 18, MCR.

FLOOD PLAIN

ACCORDING TO FLOOD INSURANCE RATE MAP (FIRM) PANEL 04013C1235 L. DATED OCTOBER 16, 2013 MODIFIED BY LOMR CASE NO. 13-09-3119P EFFECTIVE JANUARY 21, 2014. THIS SUBDIVISION IS LOCATED IN FLOOD INSURANCE ZONE "X" (SHADED) BEING DEFINED AS AREAS OF 0.2% ANNUAL CHANCE FLOOD, AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE, AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

STATEMENT OF REPLAT

THE PURPOSE OF THIS REPLAT IS TO REVISE LOT 40 TO BE 50.00 FEET WIDE.

SHEET INDEX

SHEET 1	COVER SHEET
SHEET 2	REPLAT

UTILITY COMPANIES

WATER	EPCOR WATER ARIZONA, INC.
SEWER	CITY OF PEORIA
ELEC.	ARIZONA PUBLIC SERVICE
GAS	SOUTHWEST GAS
TELEPHONE	CENTURYLINK
CABLE TV.	COX COMMUNICATIONS
POLICE	CITY OF PEORIA
FIRE	CITY OF PEORIA
SCHOOL DISTRICT	PEORIA UNIFIED SCHOOL DISTRICT
WASTE DISPOSAL	PARADISE WASTE

ASSURED WATER SUPPLY

THE SUBDIVISION IS LOCATED WITHN THE EPCOR WATER ARIZONA, INC. SERVICE AREA AND HAS BEEN DESIGNATED AS HAVING A 100 - YEAR ASSURED WATER SUPPLY.

ZONING

R1-6 PAD - ZONING CASE NO. Z04-34A.8

TRACT SUMMARY TABLE

TRACT	LAND USE	AREA (SQ. FT.)
G	BANK PROTECTION AREA/DETENTION/DRAINAGE/LANDSCAPE/OPEN SPACE PUBLIC UTILITY EASEMENT/PUBLIC REGIONAL TRAIL EASEMENT	28,555

AREA SUMMARY

TRACT AREA =	28,555 SQ. FT.
LOT AREA =	18,948 SQ. FT.
GROSS AREA =	47,503 SQ. FT.

OWNER / DEVELOPER:
taylor morrison®
Homes Inspired By You
9000 EAST PIMA CENTER, STE. 300, SCOTTSDALE, ARIZONA (480) 346-1723

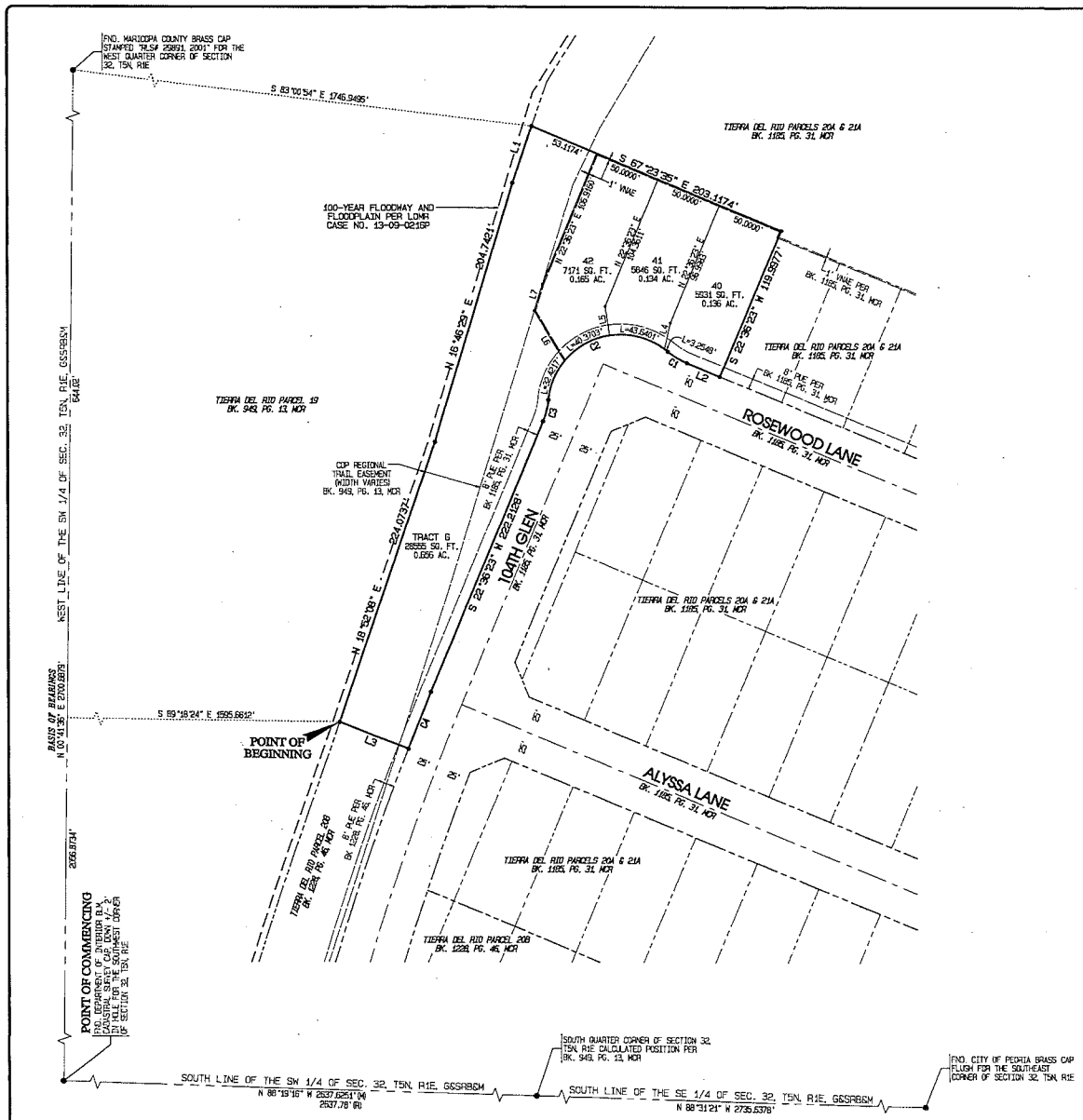
SHEET 1 OF 2 NO. R130062C

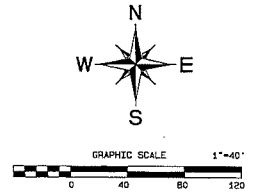
PREPARED BY:
GOODWIN & MARSHALL
CIVIL ENGINEERS ~ PLANNERS ~ SURVEYORS
4809 E. Thistle Landing Dr., Suite 100
Phoenix, Arizona 85044
(602) 216-7285

SURVEYED BY:
ASAM Arizona Surveying & Mapping
2411 W. Northern, Suite 110
Phoenix, Arizona 85021
(602) 246-9919

A REPLAT OF "LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A"

W:\V0504A - TDR_TM\COGO\PARCEL 20A & 21A LOTS 40-42 REPLAT\TDR P20A & P21A LOTS 40-42 REPLAT.pro Polled: Thu Jan 04 09:10:51 2015





LINE TABLE

LINE	BEARING	DISTANCE
L1	N18°56'15"E	45.2156'
L2	N67°23'37"W	26.5726'
L3	N68°41'57"W	55.5964'
L4	N12°29'34"E	19.5320'
L5	N08°54'07"W	21.9908'
L6	N30°34'01"W	44.3309'
L7	N17°08'50"E	21.0473'

CURVE TABLE

CURVE	RADIUS	ARC	DELTA	CHORD BEARING	CHORD
C1	55.0000'	16.6466'	17°20'29"	N58°43'23"W	16.5831'
C2	55.0000'	119.5870'	124°40'56"	S67°36'23"W	97.4303'
C3	55.0000'	16.6466'	17°20'29"	S13°55'06"W	16.5831'
C4	2025.0000'	46.1400'	1°18'20"	S21°57'13"W	46.1390'

LOT SUMMARY TABLE

LOT	(SQ. FT.)
40	5931
41	5846
42	7171
TOTAL	18,949

LEGEND

●	FOUND MONUMENT AS NOTED
•	SET CORNER OF THIS PLAT PER MAG. STD. DTL. 120 TYPE "C" SET BRASS CAP FLUSH PER MAG
VNAE	VEHICULAR NON-ACCESS EASEMENT
PUE	PUBLIC UTILITY EASEMENT
MCR	MARICOPA COUNTY RECORDS
FND	FOUND
BK	BOOK
PG	PAGE
———	PLAT BOUNDARY
— · —	ADJOINER LINE
— — —	EASEMENT LINE
———	SECTION LINE
— · —	CENTER LINE

SHEET 2 OF 2

NO. R130062C

[redacted]

EXPIRES 3/31/2016

PREPARED BY:

GOODWIN & MARSHALL

CIVIL ENGINEERS – PLANNERS – SURVEYORS

4809 E. Thistle Landing Dr., Suite 100
Phoenix, Arizona 85044
(602) 218-7285

SURVEYED BY:

ASM Arizona Surveying & Mapping

2411 W. Northern, Suite 110
Phoenix, Arizona 85021
(602) 246-9919

A REPLAT OF LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A

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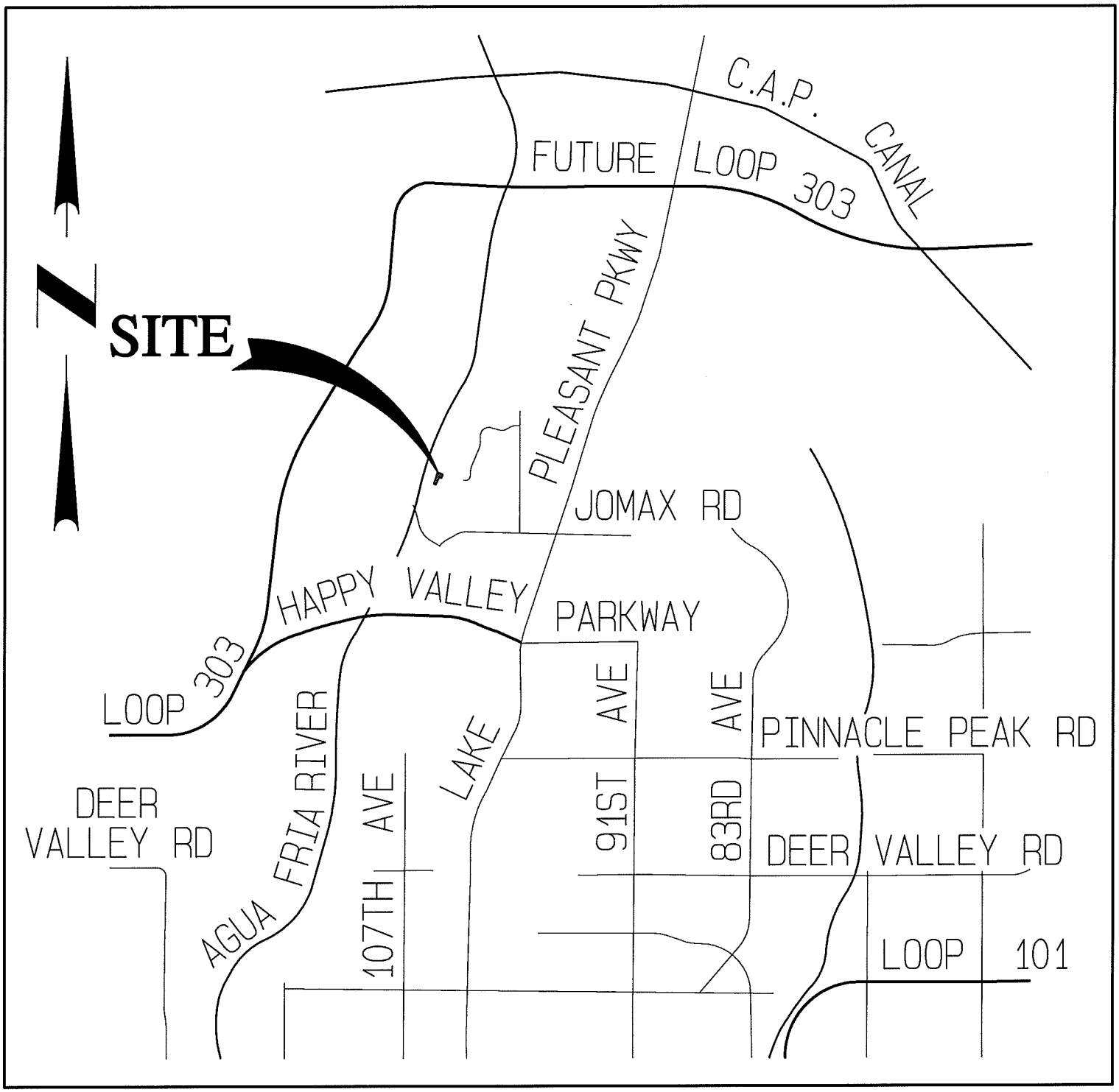


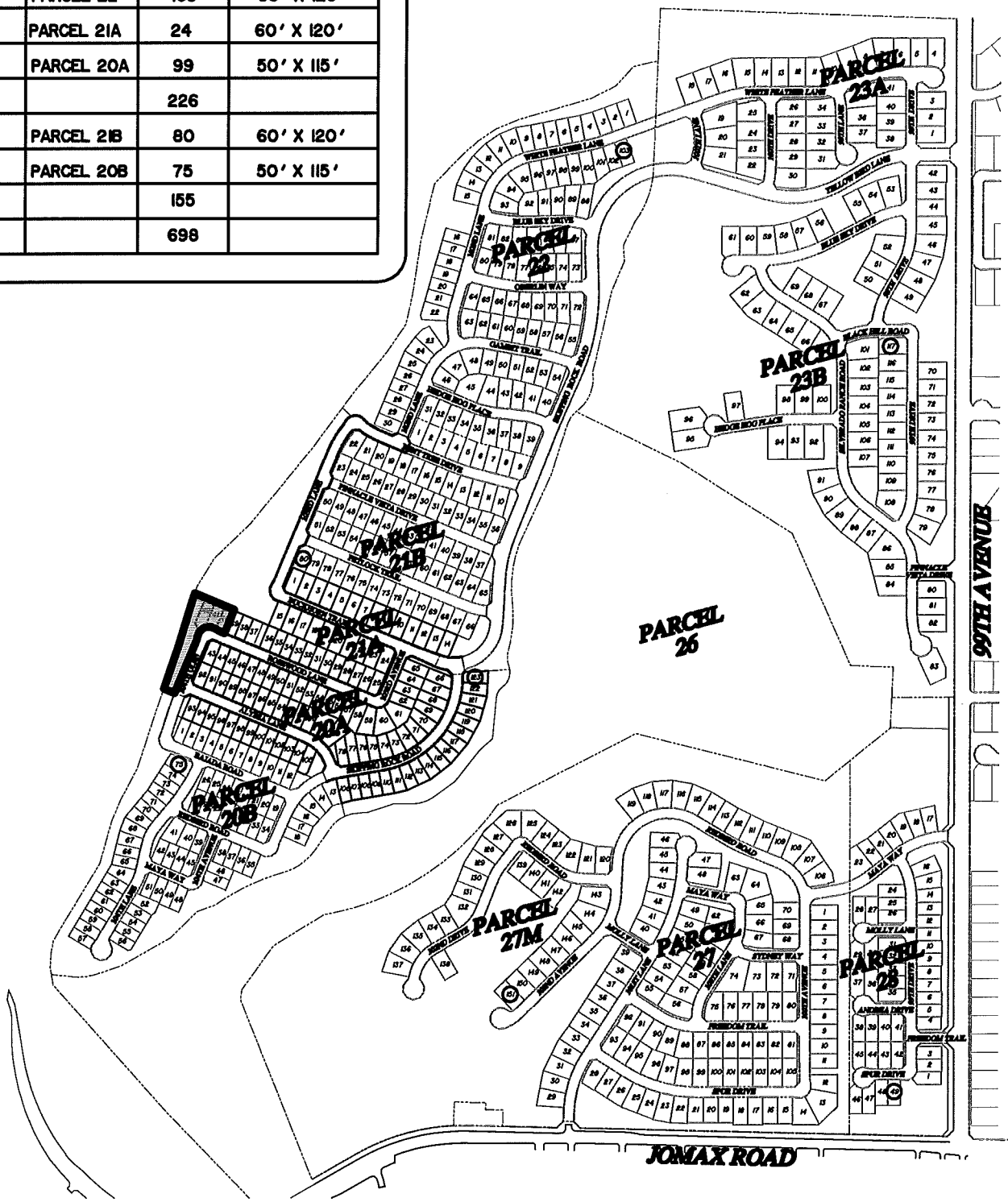
VICINITY MAP

N.T.S.

LEGEND

PHASE		PARCEL	NUMBER OF LOTS	LOT SIZE
PHASE 1		PARCEL 27	90	70' X 125'
		PARCEL 27	61	70' X 125'
		PARCEL 28	49	60' X 120'
		PARCEL 23A	41	80' X 135'
		PARCEL 23B	76	80' X 135'
SUBTOTAL			317	
PHASE 2		PARCEL 22	103	60' X 120'
		PARCEL 21A	24	60' X 120'
		PARCEL 20A	99	50' X 115'
SUBTOTAL			226	
PHASE 3		PARCEL 21B	80	60' X 120'
		PARCEL 20B	75	50' X 115'
SUBTOTAL			155	
TOTAL			698	

LANDUSE MAP
FOR
REPLAT OF LOTS 40, 41, 42, & TRACT G OF TIERRA DEL RIO PARCEL 20A
PEORIA, ARIZONA
JUNE, 2015



W:\10504A - TDR_TM\Plans\TDR BASE UTILITY.pro Thu Jun 04 09:53:52 2015

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 26R

Date Prepared: June 23, 2015 **Council Meeting Date: July 07, 2015**

TO: Carl Swenson, City Manager

FROM: Brent Mattingly, Finance Director

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Public Hearing: Proposed Recommendations by the City to the Arizona State Liquor Board for Various Liquor Licenses.

Purpose:

Pursuant to Arizona Law the City must make a recommendation to the State Liquor Board regarding the approval of applications to sell alcoholic beverages in the City. The Standard for the City's recommendation is whether the best interest of the community will be served by the issuance of these licenses and whether the public convenience is served.

Background/Summary:

Corner Mart

Corner Mart, is an existing gas station and convenience store, located at 8268 W. Deer Valley Road. The new owner has applied for a New Wine and Beer (Series 10) Liquor License. The application agent is Avtar S. Gahlla.

Series 10—permits the retail sale of beer and wine for consumption off premises.

Some of the businesses around Corner Mart are Albertsons, Jack in the Box and Top Shelf Mexican Food. There are no staff concerns with Corner Mart. The public hearing notice was posted for at least 20 days, and no comments were received during the posting period. The license application was reviewed according to State law and all Departments gave approvals.

Corner Mart

Corner Mart, is an existing gas station and convenience store, located at 7473 W. Thunderbird Road. The new owner has applied for a New Wine and Beer (Series 10) Liquor License. The application agent is Gulshan S. Bajwa.

Series 10—permits the retail sale of beer and wine for consumption off premises.

Some of the businesses around Corner Mart are Wal-Mart Neighborhood Market, Walgreens and Bashas. There are no staff concerns with Corner Mart. The public hearing notice was posted for at least 20 days, and no comments were received during the posting period. The license application was reviewed according to State law and all Departments gave approvals.

Previous Actions:

In July 2008, the Mayor and Council recommended approval to the Arizona State Liquor Board for Valero Corner Store #1709 for New Wine and Beer (Series 10) Liquor License located at 8268 W. Deer Valley Road.

In April 1996, the Mayor and Council recommended approval to the Arizona State Liquor Board for Diamond Shamrock for New Wine and Beer (Series 10) Liquor License located at 7473 W. Thunderbird Road.

Options:

A: Recommend approval to the Arizona State Liquor Board for a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 8268 W. Deer Valley Road, Avtar S. Gahlla, Applicant, LL#20012598.

Recommend approval to the Arizona State Liquor Board for a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 7473 W. Thunderbird Road, Gulshan S. Bajwa, Applicant, LL#20012665.

B: Recommend denial to the Arizona State Liquor Board for a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 8268 W. Deer Valley Road, Avtar S. Gahlla, Applicant, LL#20012598.

Recommend denial to the Arizona State Liquor Board for a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 7473 W. Thunderbird Road, Gulshan S. Bajwa, Applicant, LL#20012665.

Staff's Recommendation:

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 8268 W. Deer Valley Road, Avtar S. Gahlla, Applicant, LL#20012598.

That the Mayor and Council recommend approval to the Arizona State Liquor Board for a New Wine and Beer (Series 10) Liquor License for Corner Mart, located at 7473 W. Thunderbird Road, Gulshan S. Bajwa, Applicant, LL#20012665.

Fiscal Analysis:

The item has no financial implications.

Narrative:

The appropriate fees have been paid and the applicants have been advised that a representative needs to be present at the meeting to answer any questions that the Council or public may have.

Exhibit 1: New Liquor License Applications

'15 APR 16 liq. lic. PM 3:12

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☐ MORE THAN ONE LICENSE
- ☒ INTERIM PERMIT *Complete Section 5*
- ☒ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
- ☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. *Complete Section 6*
- ☐ INDIVIDUAL *Complete Section 6*
- ☐ PARTNERSHIP *Complete Section 6*
- ☐ CORPORATION *Complete Section 7*
- ☒ LIMITED LIABILITY CO. *Complete Section 7*
- ☐ CLUB *Complete Section 8*
- ☐ GOVERNMENT *Complete Section 10*
- ☐ TRUST *Complete Section 6*
- ☐ OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s): 10076662

1. Type of License(s): beer and wine store

2. Total fees attached: $ 270. (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: ☐ Mr. ☐ Ms. GAHLLA (Last) AVTAR (First) SINGH (Middle)
(Insert one name ONLY to appear on license)
2. Corp./Partnership/L.L.C.: PREET CO LLC
(Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name: CORNER MART
(Exactly as it appears on the exterior of premises)
4. Principal Street Location 8268 W DEER VALLEY RD (Do not use PO Box Number) PEORIA (City) MARICOPA (County) 85382 (Zip)
5. Business Phone: 6235660357 Daytime Phone: [redacted] Email: [redacted]
6. Is the business located within the incorporated limits of the above city or town? ☒YES ☐NO
7. Mailing Address: 8268 W DEER VALLEY RD (City) PEORIA (State) ARIZONA (Zip) 85382
8. Price paid for license only bar, beer and wine, or liquor store: Type _____ $_____ Type _____ $_____

DEPARTMENT USE ONLY

Fees: 100 Application; 100 Interim Permit; _____ Site Inspection; 44 126 Finger Prints; $ 270 TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: [redacted] Date: 04-16-2015 Lic. # 10076662

1/7/2013 *Disabled individuals requiring special accommodation, please call (602) 542-9027.

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.

2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 10075627
4. Is the license currently in use? ☒ YES ☐ NO If no, how long has it been out of use? _____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, Michael Douglas M. Miller (Print full name), declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

Vice President

X [redacted]

State of Texas County of Bexar

The foregoing instrument was acknowledged before me this 9th day of March, 2015

[redacted]

JEAN WILLIAMSON
Notary Public
STATE OF TEXAS
My Comm. Exp. 06/30/2018

My commission expires on: 30 June 2018

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $24 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

(ATTACH ADDITIONAL SHEET IF NECESSARY)

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

ALCOHOLIC BEVERAGE LICENSE

License 10075627

Issue Date: 9/3/2008

Expiration Date: 12/31/2015

Beer & Wine Store

Issued To:
GEORGE LEONARD ENGLE, Agent
CST ARIZONA STATIONS INC, Owner

Location:
CORNER STORE #1709
8268 W DEER VALLEY RD
PEORIA, AZ 85382

Mailing Address:
GEORGE LEONARD ENGLE
CST ARIZONA STATIONS INC
CORNER STORE #1709
P O BOX 690007
SAN ANTONIO, TX 78269-0007

EXP 12/31/2015

POST THIS LICENSE IN A CONSPICUOUS PLACE

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*

☒ L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: PREET CO LLC
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 03-26-2015 State where Incorporated/Organized: ARIZONA
3. AZ Corporation Commission File No.: _____ Date authorized to do business in AZ: _____
4. AZ L.L.C. File No: L19945720 Date authorized to do business in AZ: 03-31-2015
5. Is Corp./L.L.C. Non-profit? ☐ YES ☒NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last First Middle	Title	Mailing Address City State Zip
SINGH PAVITTAR	MEMBER	8268 W DEER VALLEY RD PEORIA ARIZONA 85382
GAHLLA AVTAR SINGH	MEMBER	8268 W DEER VALLEY RD PEORIA ARIZONA 85382

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last First Middle	% Owned	Mailing Address City State Zip
SINGH PAVITTAR	50%	8268 W DEER VALLEY RD PEORIA ARIZONA 85382
GAHLLA AVTAR SINGH	50%	8268 W DEER VALLEY RD PEORIA ARIZONA 85382

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
   (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? ☐ YES ☐ NO
3. List officer and directors:

Last First Middle	Title	Mailing Address City State Zip

SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: _____
(Exactly as it appears on license) Last First Middle

2. Assignee's Name: _____
Last First Middle

3. License Type: #10 _____ License Number: _____ Date of Last Renewal: _____

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 Government: (for cities, towns, or counties only)

1. Governmental Entity: _____

2. Person/designee: _____ _____
Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: _____ Entity: _____
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)

2. Corporation/L.L.C. Name: _____
(Exactly as it appears on license)

3. Current Business Name: _____
(Exactly as it appears on license)

4. Physical Street Location of Business: Street _____
City, State, Zip _____

5. License Type: _____ License Number: _____

6. If more than one license to be transfered: License Type: _____ License Number: _____

7. Current Mailing Address: Street _____
(Other than business)
City, State, Zip _____

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, _____, hereby authorize the department to process this application to transfer the
(print full name)
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, _____, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
(print full name)
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

_____ State of _____ County of _____
(Signature of CURRENT LICENSEE) The foregoing instrument was acknowledged before me this

_____ _____
Day Month Year

My commission expires on: _____

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 528 ft. Name of school STUDENT CHOICE HIGH SCHOOL
   Address 8194 W DEER VALLEY RD PEORIA AZ 85382
   City, State, Zip
2. Distance to nearest church: 1056 ft. Name of church CIRLE OF PEACE
   Address 8430 W DEER VALLEY RD PEORIA ARIZONA 85382
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name AZ UHAL CO
   Address 23041 N VIA Ventosa Scottsdale
   City, State, Zip

4a. Monthly rental/lease rate $ 7500 What is the remaining length of the lease 15 yrs. 0 mos.

4b. What is the penalty if the lease is not fulfilled? $ 0 or other _____
(give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? GAS Beer and wine Store

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
   ☐ YES ☒ NO If yes, attach explanation.
8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO
9. Is the premises currently licensed with a liquor license? ☒ YES ☒ NO If yes, give license number and licensee's name:

License # 10075627 (exactly as it appears on license) Name GEORGE LEONARD ENGLE

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
   If yes, give the name of licensee, Agent or a company name:

   _____ and license #: _____
   Last First Middle
2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

   _____
   applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

_____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check ALL boxes that apply to your business:

   ☒ Entrances/Exits ☒ Liquor storage areas Patio: ☐ Contiguous
   ☒ Service windows ☐ Drive-in windows ☐ Non Contiguous
2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
   If yes, what is your estimated opening date? _____
   month/day/year
3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

SECTION 15 Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

Diagram Attached

SECTION 16 Signature Block

I, AUTAR SINGH GAHLLA, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)
application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X [redacted]

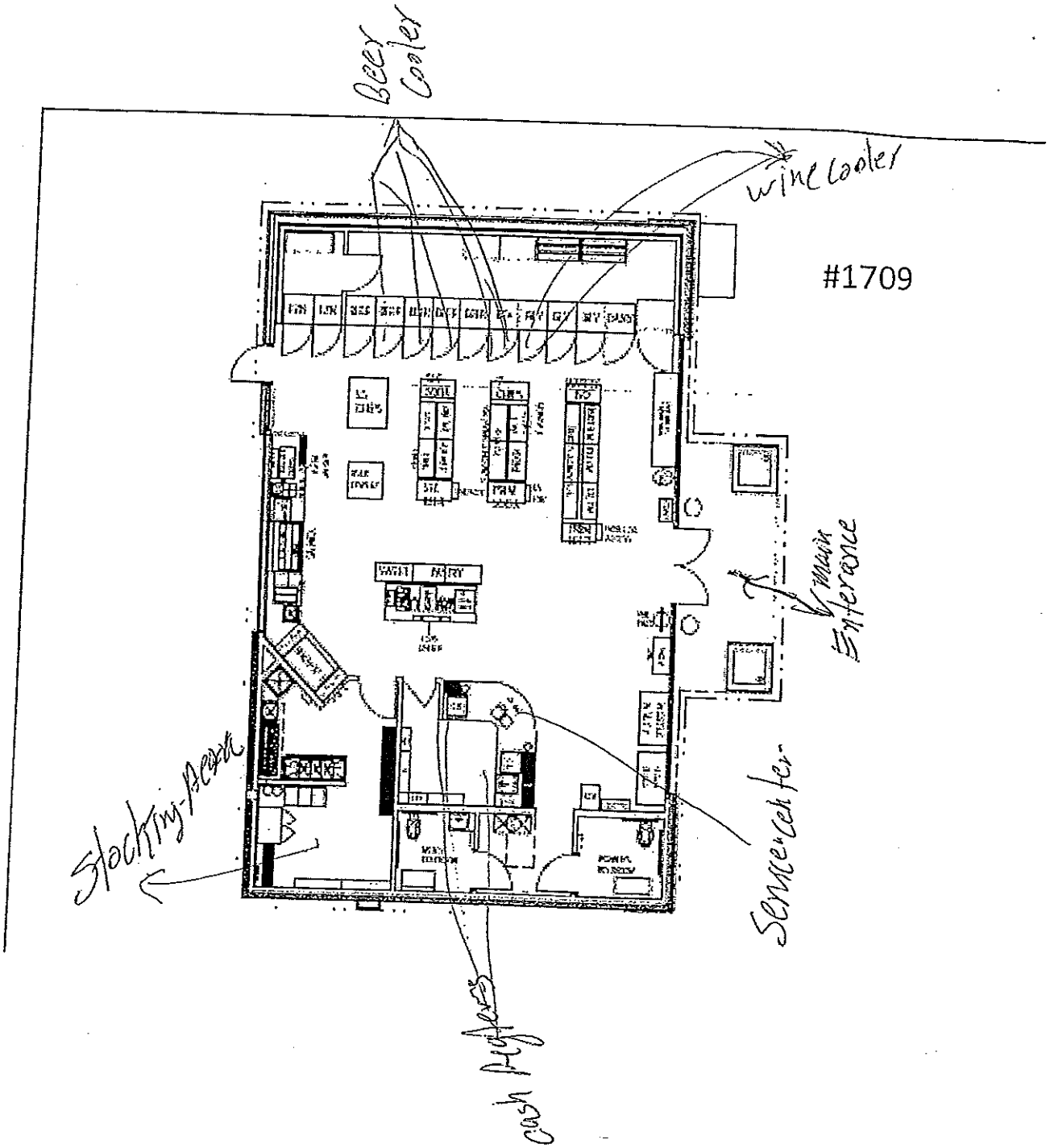
State of ARIZONA County of MARICOPA

The foregoing instrument was acknowledged before me this 16 of APRIL 2015

[redacted]

My commission expires on Day Month Year

OFFICIAL SEAL
JENNIFER BENSON
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires February 16, 2016


Beer Cooler
wine cooler
#1709
Main Entrance
Stocking Desk
Service Center
cash Registers

*15 APR 30 Liq. Lic. PM 3:46

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☐ MORE THAN ONE LICENSE
- ☒ INTERIM PERMIT *Complete Section 5*
- ☒ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
- ☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. *Complete Section 6*
- ☐ INDIVIDUAL *Complete Section 6*
- ☐ PARTNERSHIP *Complete Section 6*
- ☐ CORPORATION *Complete Section 7*
- ☒ LIMITED LIABILITY CO. *Complete Section 7*
- ☐ CLUB *Complete Section 8*
- ☐ GOVERNMENT *Complete Section 10*
- ☐ TRUST *Complete Section 6*
- ☐ OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s): 100766666

1. Type of License(s): Beer Wine Store #10

2. Total fees attached: $ 270.00 (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: ☐ Mr. ☐ Ms. BAJWA (Last) GULSHAN (First) SINGH (Middle) — P1067629
(Insert one name ONLY to appear on license)

2. Corp./Partnership/L.L.C.: A & k BAJWA LLC — B1048593
(Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: CORNER MART Peoria — B1015587
(Exactly as it appears on the exterior of premises)

4. Principal Street Location: 7473 W THUNDERBIRD RD (Do not use PO Box Number) PEORIA (City) MARICOPA (County) 85381 (Zip)

5. Business Phone: 623 487 8094 Daytime Phone [redacted] Email: [redacted]

6. Is the business located within the incorporated limits of the above city or town? ☒ YES ☐ NO

7. Mailing Address: 7473 W THUNDERBIRD RD (City) PEORIA (State) ARIZONA (Zip) 85381

8. Price paid for license only bar, beer and wine, or liquor store: Type _____ $_____ Type _____ $_____

DEPARTMENT USE ONLY

Fees:				
100.00	100.00		26.00 + 44.00	$ 270.00
Application	Interim Permit	Site Inspection	Finger Prints	TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: [redacted] Date: 4/30/15 Lic. # 100766666

1/7/2013

***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

BWSTR

ALCOHOLIC BEVERAGE LICENSE

License 10073032

Issue Date: 9/18/1995

Expiration Date: 12/31/2015

Beer & Wine Store

Issued To:
GEORGE LEONARD ENGLE, Agent
CST ARIZONA STATIONS INC, Owner

Location:
CORNER STORE #1605
7473 W THUNDERBIRD RD
PEORIA, AZ 85381

Mailing Address:
GEORGE LEONARD ENGLE
CST ARIZONA STATIONS INC
CORNER STORE #1605
P O BOX 690007
SAN ANTONIO, TX 78269-0007

EXP 12/31/2015

LIQUOR LICENSES AND CONTROL ARIZONA

POST THIS LICENSE IN A CONSPICUOUS PLACE

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.

2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 10073032
4. Is the license currently in use? ☒ YES ☐ NO If no, how long has it been out of use? _____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, Michael Douglas M. Miller, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, Vice President
(Print full name)
MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X [redacted]
(Signature)

State of Texas County of Bexar

The foregoing instrument was acknowledged before me this 16 day of March, 2015
Year

My commission expires on: 30 June 2018

JEAN WILLIAMSON
Notary Public
STATE OF TEXAS
My Comm. Exp. 06/30/2[redacted]

(Signature of NOTARY PUBLIC)

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $24 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

(ATTACH ADDITIONAL SHEET IF NECESSARY)

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

☐ CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*

☒ L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: A & K BAJWA LLC
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 7/02/2012 State where Incorporated/Organized: ARIZONA
3. AZ Corporation Commission File No.: _____ Date authorized to do business in AZ: _____
4. AZ L.L.C. File No: L-1772479-6 Date authorized to do business in AZ: 7/12/2012
5. Is Corp./L.L.C. Non-profit? ☐ YES ☒NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address City State Zip
BAJWA	GULSHAN	SINGH	MEMBER	7473 W THUNDERBIRD RD PEORIA,ARIZONA 85381
BAJWA	KAMALJEET	KAUR	MEMBER	7473 W THUNDERBIRD RD PEORIA,ARIZONA 85381

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address City State Zip
BAJWA	KAMALJEET	KAUR	~~50%~~ 55%	7473 W THUNDERBIRD RD PEORIA,ARIZONA 85381
BAJWA	GULSHAN	SINGH	~~50%~~ 45%	7473 W THUNDERBIRD RD PEORIA ,ARIZONA 85381

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
   (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? ☐ YES ☐ NO
3. List officer and directors:

Last	First	Middle	Title	Mailing Address City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: _____
(Exactly as it appears on license) Last First Middle

2. Assignee's Name: _____
Last First Middle

3. License Type: _____ License Number: _____ Date of Last Renewal: _____

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 Government: (for cities, towns, or counties only)

1. Governmental Entity: _____

2. Person/designee: _____ _____
Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: _____ Entity: _____
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)

2. Corporation/L.L.C. Name: _____
(Exactly as it appears on license)

3. Current Business Name: _____
(Exactly as it appears on license)

4. Physical Street Location of Business: Street _____
City, State, Zip _____

5. License Type: _____ License Number: _____

6. If more than one license to be transfered: License Type: _____ License Number: _____

7. Current Mailing Address: Street _____
(Other than business)
City, State, Zip _____

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, _____, hereby authorize the department to process this application to transfer the
(print full name)
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, _____, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
(print full name)
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

_____ State of _____ County of _____
(Signature of CURRENT LICENSEE) The foregoing instrument was acknowledged before me this

_____ _____
Day Month Year

My commission expires on: _____

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 1056 ft. Name of school PRIMROSE SCHOOL OF ARROWHEAD
   Address 7619 W THUNDERBIRD RD PEORIA ARIZONA 85381
   City, State, Zip
2. Distance to nearest church: 1584 ft. Name of church PEORIA CHURCH OF THE NAZARENE
   Address 7717 W THUNDERBIRD RD PEORIA ARIZONA 85381
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name Az Hauling llc
   Address 8924 E Pinnacle Peak Rd Scottsdale Az 85255
   City, State, Zip
4a. Monthly rental/lease rate $ 4000 What is the remaining length of the lease 15 yrs. 00 mos.
4b. What is the penalty if the lease is not fulfilled? $ 0 or other _____
   (give details - attach additional sheet if necessary)
5. What is the total business indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? BEER AND WINE STORE #10

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 10073032 (exactly as it appears on license) Name GEORGE LEONARD ENGLE

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
If yes, give the name of licensee, Agent or a company name:

_____ and license #: _____
Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate whileyour application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☐ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

_____
applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

_____
applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

☒ Entrances/Exits ☒ Liquor storage areas Patio: ☐ Contiguous
☒ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
If yes, what is your estimated opening date? 04-30-15
month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing. [redacted]

SECTION 15 Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

See Attach

SECTION 16 Signature Block

I, Gulshan Singh Bajwa, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)

application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, [redacted]

X [redacted]
(signature of applicant listed in Section 4, Question 1)

V. REINHARD
Notary Public - Arizona
Maricopa County
My Comm. Expires Apr 25, 2018

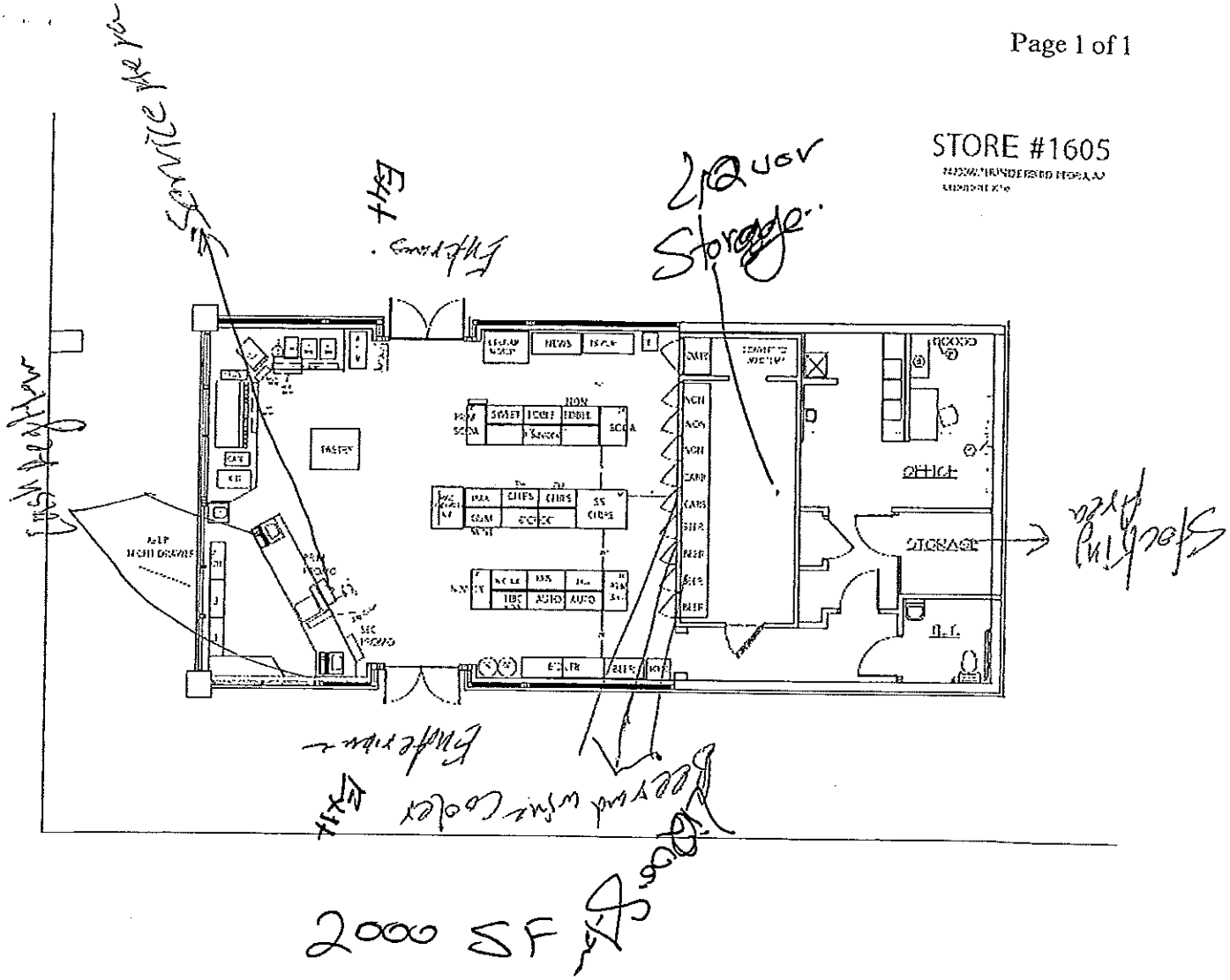
State of Arizona County of Maricopa

The foregoing instrument was acknowledged before me this 17 of April, 2015

[redacted]

My commission expires on : 25 Apr 2018
Day Month Year

STORE #1605


Service Area
Exit
Liquor Storage
Finish Hallway
Storing Area
Exit
Beer and Wine Cooler
2000 SF

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 27R

Date Prepared: June 15, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

FROM: Katie Gregory, Deputy Director of Finance and Budget

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Fiscal Year 2016 Property Tax Levy

Purpose:

This is a request for the Mayor and City Council to approve the resolution and ordinance adopting the City of Peoria, Arizona Primary and Secondary Property Tax Levies for FY2016.

Background/Summary:

During the FY2016 budget deliberations, it was recommended the City's overall property tax rate remain at $1.44 per $100 of assessed valuation. The primary property tax rate is recommended to remain at $0.19 per $100 of assessed valuation and the secondary tax rate at $1.25 per $100 of assessed valuation.

Given the proposed rate, the primary property tax levy is expected to generate $2,238,500 in the next fiscal year. New development within the City limits will generate an additional $45,425 and increased valuations on existing properties will generate an additional $77,590.

The City's secondary property tax rate is used to retire outstanding debt on City-issued general obligation bonds. This will generate a secondary tax levy of $14,726,977.

Overall the FY2016 property tax levy is $16,965,477, which represents an increase of 2.4 percent from the FY2015 levy.

In compliance with Section 42-17104 and 42-17107, Arizona Revised Statutes, the City of Peoria notified property taxpayers through advertisements placed in the Peoria Times on June 5, 2015 and June 12, 2015 of our intention to set the City's primary property tax levy. A public hearing was held on June 16, 2015 for purposes of Truth in Taxation requirements of the Arizona Revised Statutes, thereafter, a public hearing was held on June 16, 2015 for citizen input into the fiscal year 2016 budget which was adopted based upon these proposed levies. Additionally, a public hearing was held on June 16, 2015 for citizen input into the proposed tax levies.

Previous Actions:

A public hearing was held on June 16, 2015, for citizen input into the proposed tax levies.

At the Council Budget Workshop held April 13 and April 15, Council reviewed and discussed a budget that did not include any changes in the property tax rate for FY2016.

Options:

A: That the Mayor and Council approve the resolution and ordinance adopting the City of Peoria, Arizona Primary and Secondary Property Tax Levies for FY2016.

B: That the Mayor and Council not approve the property tax levies and provide staff direction to change the property tax levies.

Staff's Recommendation:

Staff recommends that the Mayor and Council approve the resolution and ordinance adopting the City of Peoria, Arizona Primary and Secondary Property Tax Levies for FY2016.

Fiscal Analysis:

Given the proposed rate, the primary property tax levy is expected to generate $2,238,500 and the secondary property tax levy is expected to generate $14,726,977 in the next fiscal year.

Narrative:

This is the final step of the formal budget and tax levy adoption for fiscal year 2016.

Exhibit(s):

Exhibit 1: Resolution for FY2016 Property Tax Levy

Exhibit 2: Ordinance for FY2016 Property Tax Levy

Contact Name and Number: Katie Gregory, (623) 773-7364

RESOLUTION NO. 2015-79

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, APPROVING ORDINANCE 2015-15.

WHEREAS, in accordance with the provisions of Title 42, Section 17253, A.R.S. the City Council shall by resolution levy the tax for the city, and

WHEREAS, in accordance with said sections of said Code, compute the tax rate per one hundred dollars of valuation to be levied for each separate fund for which taxes are to be levied and collected; and

WHEREAS, in accordance with said sections of said Code, deliver a certified duplicate of its tax levy to the county board of supervisors on or before the day on which the board of supervisors levies the county tax; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Peoria, as follows:

That said tax levies shown on the accompanying Ordinance 2015-15, are hereby adopted for Fiscal Year 2016.

PASSED AND ADOPTED by the Mayor and City Council of the City of Peoria, Arizona this 7th day of July, 2015.

_____
Cathy Carlat, Mayor

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

ATTEST:

_____
Rhonda Geriminsky, City Clerk

ORDINANCE NO. 2015-15

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF PEORIA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2016, AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona, as follows:

SECTION 1. There is hereby levied a primary property tax of $2,238,232.29 for the fiscal year ending on the 30th day of June, 2016. The levy is based on a rate for each One Hundred Dollars ($100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Peoria, located in Maricopa County, Arizona, except such property as may be by law exempt from taxation. If such sum exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Maricopa is hereby authorized to reduce the levy to the maximum amount allowed by law after providing notice to the City.

SECTION 2. There is hereby levied a primary property tax of $268.19 for the fiscal year ending on the 30th day of June, 2016. The levy is based on a rate for each One Hundred Dollars ($100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Peoria, located in Yavapai County, Arizona, except such property as may be by law exempt from taxation. If such sum exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Yavapai is hereby authorized to reduce the levy to the maximum amount allowed by law after providing notice to the City.

SECTION 3. In addition to the rate set in Section 1 hereof, there is hereby levied a secondary property tax of $14,725,212.44, to support the general obligation bond debt service due during the year for the purpose of providing a bond interest and redemption fund for the City of Peoria for the fiscal year ending June 30, 2016. The levy is based on a rate for each One Hundred Dollars ($100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Peoria, located in Maricopa County, except such property as may be by law exempt from taxation.

SECTION 4. In addition to the rate set in Section 2 hereof, there is hereby levied a secondary property tax of $1,764.44, to support the general obligation bond debt service due during the year for the purpose of providing a bond interest and redemption fund for the City of Peoria for the fiscal year ending June 30, 2016. The levy is based on a rate for each One Hundred Dollars ($100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Peoria, located in Yavapai County, except such property as may be by law exempt from taxation.

SECTION 5. Failure by the County Officials of Maricopa County, Arizona to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to perform or to timely perform any of the duties assigned to him or them shall not invalidate any proceeding or any deed deficiency or sale pursuant thereto; the validity of the assessment or levy of taxes, or of the judgment of sale by which the collection of the same may be enforced, shall not affect the lien of the City of Peoria upon such property for delinquent taxes paid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes, or the foreclosure of lien therefore, or a sale of property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 6. Failure by the County Officials of Yavapai County, Arizona to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to perform or to timely perform any of the duties assigned to him or them shall not invalidate any proceeding or any deed deficiency or sale pursuant thereto; the validity of the assessment or levy of taxes, or of the judgment of sale by which the collection of the same may be enforced, shall not affect the lien of the City of Peoria upon such property for delinquent taxes paid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes, or the foreclosure of lien therefore, or a sale of property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 7. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 8. This ordinance shall be in full force and effect from and after its passage by the Mayor and City Council.

SECTION 9. In conformance with A.R.S. § 42-17107, the City Council held a public hearing on June 16, 2015 to allow discussion on the City's intent to increase the primary tax levy.

SECTION 10. In order to preserve the peace, health and safety of the City of Peoria, an EMERGENCY is declared to exist and this ordinance shall be effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 7th day of July, 2015.

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Published in: Peoria Times
Publication Dates: July 17, 2015 and July 24, 2015
Effective Date: July 1, 2015

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 28R

Date Prepared: June 15, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

FROM: Katie Gregory, Deputy Director of Finance and Budget

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Fiscal Year 2016 SLID/MID Levies

Purpose:

This is a request for the Mayor and City Council to approve the ordinances adopting the Street Light and Maintenance Improvement District Levies for FY 2016.

Background/Summary:

The Council will consider a motion to adopt an ordinance for 228 Street Light Improvement Districts located in the City. The ordinance approves the levies for each street light district in the City. A second action is requested to consider adoption of the City's 11 Maintenance Improvement Districts.

A schedule of proposed tax revenues for the Maintenance and Street Light Improvement Districts within the City is attached. Staff has used calculations based on the percent of build out completed for the various subdivisions in calculating the proposed tax levies.

Previous Actions:

A schedule of SLIDS and MIDS was published in the Peoria Times on June 5, 2015, and June 12, 2015.

Options:

A: That the Mayor and Council approve the ordinances adopting the Street Light and Maintenance Improvement District Levies for FY 2016.

B: That the Mayor and Council not approve the improvement district tax levies and provide staff direction to change the improvement district tax levies.

Staff's Recommendation:

Staff recommends that the Mayor and Council approve the ordinances adopting the Street Light and Maintenance Improvement District Levies for FY 2016.

Fiscal Analysis:

The Street Light Improvement District levy is expected to generate $685,522 and the Maintenance Improvement District levy is expected to generate $129,624 in the next fiscal year.

Exhibit(s):

Exhibit 1: Street Light Improvement Districts Ordinance

Exhibit 2: Schedule of Street Light Improvement Districts

Exhibit 3: Maintenance Improvement Districts Ordinance

Exhibit 4: Schedule of Maintenance Improvement Districts

Contact Name and Number: Katie Gregory, (623) 773-7364

ORDINANCE NO. 2015-16

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF PEORIA AND WITHIN THE FOLLOWING STREET LIGHT IMPROVEMENT DISTRICTS EACH DESIGNATED AS CITY OF PEORIA STREET LIGHT IMPROVEMENT DISTRICT NOS. 1 - 34 INCLUSIVE, NOS. 36 – 37, INCLUSIVE, NOS. 39 - 51 INCLUSIVE, NOS. 54 - 64 INCLUSIVE, NO. 66, NOS. 70 - 73 INCLUSIVE, NOS. 76 - 80 INCLUSIVE, NOS. 82 - 84 INCLUSIVE, NOS. 93 - 99 INCLUSIVE, NOS. 101 - 102 INCLUSIVE, NO. 104, NOS. 107 - 108 INCLUSIVE, NO. 110, NO. 114, NOS. 116 - 117 INCLUSIVE, NO. 119, NOS. 121 - 123 INCLUSIVE, NOS. 125 - 129 INCLUSIVE, NO. 131, NOS. 135 -157 INCLUSIVE, NOS. 159 – 164 INCLUSIVE, NOS. 166 - 167 INCLUSIVE, NOS. 171 - 172 INCLUSIVE, NO. 174, NOS. 176 - 177 INCLUSIVE, NO. 179, NOS. 183 - 185 INCLUSIVE, NOS. 187 - 191 INCLUSIVE, NO. 195, NOS. 197 - 199 INCLUSIVE, NOS. 201 - 202 INCLUSIVE, NOS. 204 - 216 INCLUSIVE, NO. 218, NO. 221-236 INCLUSIVE, NOS. 238 - 240 INCLUSIVE, NOS. 1000-1002 INCLUSIVE, NOS. 1004-1014 INCLUSIVE, NO. 1016-1018 INCLUSIVE, NOS. 1020 – 1023 INCLUSIVE, NO. 1025, NO. 1031, NOS. 1033 – 1034 INCLUSIVE, NOS. 1038 - 1039 INCLUSIVE, NO. 1046, NOS. 1048-1050 INCLUSIVE, NO. 1055, NO. 1063, NO. 1065, NOS. 1067 – 1071, NO. 1074, NOS. 1076-1077 INCLUSIVE, NO. 1079, AND NOS. 1081-1082 INCLUSIVE SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR THE PURPOSE OF GENERAL DISTRICT EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2016, AND DECLARING AN EMERGENCY

BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona as follows:

SECTION 1. There is hereby levied on each One Hundred Dollars ($100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Peoria Street Light Improvement Districts, except such property as may be by law exempt from taxation, a primary property tax rate sufficient to raise a sum necessary to pay annual expenses of said District for the fiscal year ending on the 30th day of June, 2016. If such sum exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Maricopa is hereby authorized to reduce the levy to the maximum amount allowed by law after providing notice to the City.

SECTION 2. Failure by the County officials of Maricopa County, Arizona to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to perform or to timely perform any of the duties assigned to him or to them shall not invalidate any proceeding or any deed deficiency or sale pursuant thereto, the validity of the assessment or levy of taxes, or of the judgment of sale by which the collection of the same may be enforced, shall not affect the lien of the City of Peoria upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes, or the foreclosure of the lien therefore, or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. This Ordinance shall be in full force and effect from and after its passage by the Mayor and Council.

SECTION 5. In order to preserve the peace, health and safety of the City of Peoria, an EMERGENCY is declared to exist and this Ordinance shall be effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 7th day of July, 2015.

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Published in: Peoria Times
Publication Dates: July 17, 2015 and July 24, 2015
Effective Date: July 1, 2015

CITY OF PEORIA
2015/2016 BUDGET

City #	Subdivision Name	Assessment
SLID 1	Westfield Gardens	1,320
SLID 2	Autumn Point	1,459
SLID 3	Vistas Avenida II	1,073
SLID 4	Cypress Point Estates II @ WBV	1,732
SLID 5	Shavano	1,621
SLID 6	Bell Park Central	2,557
SLID 7	Bell Park & Parcels 2B-8	7,236
SLID 8	Foxwood Unit Four	1,621
SLID 9	Vista Crossing	1,192
SLID 10	Vista Pinnacle	2,675
SLID 11	North Shores @ Ventana Lakes	826
SLID 12	Vistas @ Desert Harbor Phase I	1,485
SLID 13	Village Terrace	1,981
SLID 14	The Coves/Ventana Lakes	3,688
SLID 15	Windwood	891
SLID 16	Lakeside Unit 2 @ Ventana Lakes	2,377
SLID 17	Arrowhead Shores I	2,969
SLID 18	Arrowhead Shores II	2,722
SLID 19	Westfield Gardens 2	773
SLID 20	Cactus Point Crossing	1,757
SLID 21	Country Meadows Estates	1,897
SLID 22	The Gardens @ V.L. includes North Park	4,040
SLID 23	Brookside Village I & II	1,732
SLID 24	Country Meadows Unit 11	249
SLID 25	Vista Point, Village Terrace II & III @ WBV	2,866
SLID 26	Calbrisa	2,039
SLID 27	Torrey Pines I & II	3,051
SLID 28	The Landings @ V.L. includes South Bay	3,051
SLID 29	Sweetwater Place	2,269
SLID 30	Vistas @ Desert Harbor Unit II	1,650
SLID 31	Westfield Gardens III	1,367
SLID 32	83rd Ave & Thunderbird	3,969
SLID 33	Crystal Cove	2,226
SLID 34	Villas @ Desert Harbor	661
SLID 36	Arrowhead Cove	1,897
SLID 37	Vistas Fairways @ WBV	2,646
SLID 39	Bridlewood	6,019
SLID 40	The Shores @ V.L.	743
SLID 41	Fairway Views @ WBV	1,814
SLID 42	Sweetwater Place II	730
SLID 43	Steeple Hill	2,339
SLID 44	Paradise Shores	1,402
SLID 45	Calle Lejos Estates	1,155
SLID 46	Eagle Ridge @ WBV	2,474
SLID 47	Olive Park	1,053
SLID 48	Paseo Verde Estates	2,748
SLID 49	The Boardwalk	2,639
SLID 50	Parkridge I & II	12,036
SLID 51	Scottland Hills @ WBV	1,485
SLID 54	Wildflower Point I	1,979
SLID 55	Crystal Bay @ Desert Harbor	414
SLID 56	Diamond Cove @ Desert Harbor	2,189
SLID 57	Alta Vista Estates	8,881
SLID 58	Sweetwater Ridge	5,363
SLID 59	Hunter Ridge	2,309
SLID 60	Arrowhead Horizons	1,732
SLID 61	Cactus Place	661
SLID 62	Legacy Place	1,702
SLID 63	Granite Run	3,134

CITY OF PEORIA
2015/2016 BUDGET

City #	Subdivision Name	Assessment
SLID 64	Willow Ridge @ WBV	3,628
SLID 66	New River Shores	3,216
SLID 70	Sweetwater Ridge Unit 3	480
SLID 71	Teresita	1,937
SLID 72	Country Club Estates @ WBV	990
SLID 73	Fletcher Heights Phase 1A	16,630
SLID 76	Silverton	6,019
SLID 77	Deer Village Unit 3	1,320
SLID 78	Deer Village Unit 1	1,979
SLID 79	Deer Village Unit 2	2,144
SLID 80	Deer Village Unit 4	1,567
SLID 82	Pivotal Peoria Center Tracts C & D	1,782
SLID 83	Fairmont Unit 1	4,783
SLID 84	Fairmont Unit 2	2,969
SLID 93	Terramar Parcel 1	4,924
SLID 94	Terramar Parcel 2A	563
SLID 95	Terramar Parcel 3	2,751
SLID 96	Terramar Parcel 4A	1,709
SLID 97	Terramar Parcel 5	1,567
SLID 98	Terramar Parcel 6	3,597
SLID 99	Terramar Parcel 7B	1,986
SLID 101	Terramar Parcel 9A	1,155
SLID 102	Terramar Parcel 10A	661
SLID 104	Dove Valley Ranch Parcel 2A3	2,697
SLID 107	Fletcher Heights Phase 1B	9,005
SLID 108	Fletcher Heights Phase 1C	4,158
SLID 110	South Bay @ Ventana Lakes	1,911
SLID 114	Fletcher Heights Phase 2A	11,059
SLID 116	Tierra Norte V	2,851
SLID 117	Summersett Village	8,976
SLID 119	Dove Valley Ranch Parcel 3A	2,023
SLID 121	Dove Valley Ranch Parcels 3D & 3E	5,281
SLID 122	Clearview Estates	4,045
SLID 123	Terramar Parcel 2B	3,448
SLID 125	Terramar Parcel 12	3,643
SLID 126	Terramar Parcel 13	2,429
SLID 127	Terramar Parcel 14	1,567
SLID 128	Peoria Mountain Vistas	3,933
SLID 129	Fletcher Heights Phase 2B	10,225
SLID 131	Bay Pointe @ V.L.	5,177
SLID 135	Sun Cliff IV	4,271
SLID 136	Ironwood Phase 1A	2,136
SLID 137	Ironwood Phase 1B	1,462
SLID 138	Ironwood Phase 2A	1,124
SLID 139	Ironwood Phase 2B	900
SLID 140	Ironwood Phase 3A	563
SLID 141	Ironwood Phase 3B	563
SLID 142	Ironwood Phase 4A	563
SLID 143	Ironwood Phase 4B	675
SLID 144	Crosswinds	2,014
SLID 145	Sun Cliff III	787
SLID 146	Ryland @ Silvercreek	3,596
SLID 147	Harbor Shores @ Desert Harbor	743
SLID 148	Sun Aire Estates, UNIT 6	1,216
SLID 149	Silverton 2	5,619
SLID 150	Dove Valley Ranch Parcel 6	6,180
SLID 151	Dove Valley Ranch Parcel 3B	3,821
SLID 152	Dove Valley Ranch Parcel 3C	3,484
SLID 153	Dove Valley Ranch Parcel 3F	1,574

CITY OF PEORIA
2015/2016 BUDGET

City #	Subdivision Name	Assessment
SLID 154	Dove Valley Ranch Parcel 2B & 2C	1,349
SLID 155	Dove Valley Ranch Parcel 2D	3,903
SLID 156	Dove Valley Ranch Parcel 2E	2,360
SLID 157	Dove Valley Ranch Parcel 2F	1,911
SLID 159	Terramar Parcel 7A	1,650
SLID 160	Terramar Parcel 11	1,552
SLID 161	Skyview Place	2,497
SLID 162	Arrowhead Shadows	2,786
SLID 163	Greystone Heritage @ V.L.	1,320
SLID 164	Erin Groves	2,977
SLID 166	Bay Pointe Unit Two @ V.L.	3,074
SLID 167	Springer Ranch 2	1,296
SLID 171	Greystone II Heritage @ V.L.	2,421
SLID 172	Erin Groves 2	1,378
SLID 174	Hunter Field Estates	1,684
SLID 176	Twin Palms	1,633
SLID 177	Desert Star Subdivision	7,688
SLID 179	Westwing Mountain Parcel 1A	1,799
SLID 183	Westwing Mountain Parcel 4	337
SLID 184	Westwing Mountain Parcel 5	226
SLID 185	Westwing Mountain Parcel 6	451
SLID 187	Westwing Mountain Parcel 8	1,349
SLID 188	Westwing Mountain Parcel 9	1,574
SLID 189	Westwing Mountain Parcel 10	1,236
SLID 190	Westwing Mountain Parcel 11	1,573
SLID 191	Westwing Mountain Parcel 12	1,462
SLID 195	South Bay Unit 2 @ Ventana Lakes	2,248
SLID 197	Sun Cliff V	3,253
SLID 198	Fletcher Heights 3A	11,718
SLID 199	Fletcher Heights 3B	3,467
SLID 201	Central Park Subdivision	3,484
SLID 202	Starlight Canyon	900
SLID 204	North Ranch	3,361
SLID 205	Tuscany Shores - Desert Harbor Parcel 12	1,320
SLID 206	West Valley Ranch	1,216
SLID 207	Sunset Ranch	3,387
SLID 208	Sonoran Mountain Ranch Parcel 1	2,557
SLID 209	Sonoran Mountain Ranch Parcel 2	2,639
SLID 210	Vistancia Village A Par A37	908
SLID 211	Vistancia Village A Par A36	1,238
SLID 212	Vistancia Village A Par A33	1,155
SLID 213	Vistancia Village Par A 32	990
SLID 214	Vistancia Village A Par A14	826
SLID 215	Vistancia Village A Par A13	661
SLID 216	Vistancia Village Par A12	1,073
SLID 218	Vistancia Village A Par A10B	990
SLID 221	Cibola Vista 1B	1,289
SLID 222	Cibola Vista 2	2,391
SLID 223	Cibola Vista 3	5,688
SLID 224	Cibola Vista 4	1,897
SLID 225	Cibola Vista 5	3,299
SLID 226	Sonoran Mountain Ranch Parcel 4.1	2,309
SLID 227	Sonoran Mountain Ranch Parcel 4.2	1,732
SLID 228	Sonoran Mountain Ranch Parcel 5	1,650
SLID 229	Sonoran Mountain Ranch Parcel 6	2,639
SLID 230	Sonoran Mountain Ranch Parcel 7	2,804
SLID 231	Sonoran Mountain Ranch Parcel 9A Ph 1	1,732
SLID 232	Sonoran Mountain Ranch Parcel 9A Ph 2	1,155
SLID 233	Westwing Ph 2 Par 18	2,012

CITY OF PEORIA
2015/2016 BUDGET

City #	Subdivision Name	Assessment
SLID 234	Westwing Ph 2 Par 19	900
SLID 235	Westwing Ph 2 Par 29	2,923
SLID 236	Westwing Ph 2 Par 15	2,136
SLID 238	Casa Del Rey	8,986
SLID 239	Westwing Ph 2 Par 21	1,007
SLID 240	Westwing Ph 2 Par 22	1,342
SLID 1000	Sonoran Mountain Ranch Parcel 10	3,875
SLID 1001	Vistancia Village A Parcel A9	1,155
SLID 1002	Fletcher Farms	2,062
SLID 1004	Vistancia Village A Parcel G10	661
SLID 1005	Vistancia Phase 2 Parcel A-8	743
SLID 1006	Vistancia Phase 2 Parcel A-15	1,073
SLID 1007	Vistancia North Parcel G-11	496
SLID 1008	Riverstone Estates	1,732
SLID 1009	Vistancia Village A Parcel G3	1,402
SLID 1010	Vistancia Parcel A-7	496
SLID 1011	Varney Village	249
SLID 1012	Vistancia North Parcel G-4	661
SLID 1013	Vistancia A28	1,814
SLID 1014	Vistancia A29	2,977
SLID 1016	Sonoran Mountain Ranch Parcel 14	1,897
SLID 1017	Vistancia Parcel G2	6,959
SLID 1018	Park Rose	9,977
SLID 1020	Plaza Del Rio Phase I	2,386
SLID 1021	Plaza Del Rio Phase 2	5,704
SLID 1022	Tierra del Rio Parcel 6	11,593
SLID 1023	Tierra del Rio Parcel 28	7,874
SLID 1025	Rio Estates	649
SLID 1031	Tierra del Rio Parcel 9	4,933
SLID 1033	Camino a Lago South, Unit 8	10,603
SLID 1034	Camino a Lago South, Unit 7	7,831
SLID 1038	Camino a Lago South, Unit 5	11,560
SLID 1039	Camino a Lago South, Unit 6	13,863
SLID 1046	Terramar 9B	2,160
SLID 1048	Tierra del Rio Parcel 12	15,294
SLID 1049	Tierra del Rio Parcel 11	14,703
SLID 1050	Sunset Ranch IIA	2,738
SLID 1055	Sunset Ranch IIB	1,961
SLID 1063	Vistancia Parcel F5	4,173
SLID 1065	Vistancia Parcel F1	3,689
SLID 1067	The Meadows Parcel 4A	9,856
SLID 1068	Sunset Ranch IIC	1,498
SLID 1069	Sunset Ranch IID	392
SLID 1070	Sunset Ranch IIE	3,237
SLID 1071	Umbria Estates	1,388
SLID 1074	Sunset Ranch IIF	1,847
SLID 1076	Tierra del Rio Parcel 27	13,063
SLID 1077	Terramar Parcel 10B	5,387
SLID 1079	Tierra Buena	3,809
SLID 1081	Sunset Ranch IIG	1,845
SLID 1082	Sunset Ranch IIH	1,845
	TOTAL	**685,522**

ORDINANCE NO. 2015-17

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PEORIA, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF PEORIA AND WITHIN THE FOLLOWING MAINTENANCE INPROVEMENT DISTRICTS EACH DESIGNATED AS CITY OF PEORIA MAINTENANCE IMPROVEMENT DISTRICT NOS. 1 - 7 INCLUSIVE, NO. 10, NO. 69, NO. 1025, AND NO. 1044 SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR THE PURPOSE OF GENERAL DISTRICT EXPENSES; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2016, AND DECLARING AN EMERGENCY

BE IT ORDAINED by the Mayor and Council of the City of Peoria, Arizona as follows:

SECTION 1. There is hereby levied on each One Hundred Dollars ($100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Peoria Maintenance Improvement Districts, except such property as may be by law exempt from taxation, a primary property tax rate sufficient to raise a sum necessary to pay annual expenses of said District for the fiscal year ending on the 30th day of June, 2016. If such sum exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Maricopa is hereby authorized to reduce the levy to the maximum amount allowed by law after providing notice to the City.

SECTION 2. Failure by the County officials of Maricopa County, Arizona to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to perform or to timely perform any of the duties assigned to him or to them shall not invalidate any proceeding or any deed deficiency or sale pursuant thereto, the validity of the assessment or levy of taxes, or of the judgment of sale by which the collection of the same may be enforced, shall not affect the lien of the City of Peoria upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes, or the foreclosure of the lien therefore, or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 3. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 4. This Ordinance shall be in full force and effect from and after its passage by the Mayor and Council.

SECTION 5. In order to preserve the peace, health and safety of the City of Peoria, an EMERGENCY is declared to exist and this Ordinance shall be effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Peoria, Arizona, this 7th day of July, 2015.

_____
Cathy Carlat, Mayor

_____
Date Signed

ATTEST:

_____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Kemp, City Attorney

Published in: Peoria Times
Publication Dates: July 17, 2015 and July 24, 2015
Effective Date: July 1, 2015

CITY OF PEORIA
2015/2016 BUDGET

City #	Subdivision Name	Assessment
MID 1	Cactus Point Crossing	10,071
MID 2	Westfield Gardens II	9,905
MID 3	Bell Park (Parcel 5)	9,120
MID 4	Country Meadows	9,374
MID 5	Crystal Cove	19,588
MID 6	Westfield Gardens III	10,849
MID 7	Sweetwater Place	13,204
MID 10	Tierra Norte III	18,087
MID 69	Stonebridge	12,499
MID 1025	Bedford Village 1 - 82nd Ave and Shangri La	8,645
MID 1044	Bedford Village 2 – 83rd Ave and Shangri La	8,282
	TOTAL	**129,624**

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: 29R

Date Prepared: June 24, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

FROM: **Scott Whyte, Economic Development Services Director**

THROUGH: **Susan J. Daluddung, Deputy City Manager**

SUBJECT: **City Council authorization to enter into an Economic Development Activities Agreement (EDA) with Huntington University**

Purpose:
This is a request for the City Council to authorize the City Manager to execute an Economic Development Activities Agreement (EDA) with Huntington University (HU) for the development of an accredited additional university campus location in Peoria.

Background/Summary:
The Economic Development Implementation Strategy (EDIS) identifies the attraction of targeted industries as a key objective in diversifying the city's economic base and work force. As part of implementing the EDIS, the Economic Development Services Department (EDS) actively pursues targeted industries as part of an overall sales and marketing effort to attract higher education users, as well as other targeted industries, to Peoria. In 2010, EDS engaged the services of a private firm to locate institutions of higher education to Peoria, and Huntington University was one of those interested in expanding their campus operations.

The city of Peoria has been in dialogue with Huntington University since 2012. An Exclusive Negotiating Agreement (ENA) was signed with Huntington University on October 9, 2012, which expired in April 2013. At that time Huntington was looking to create a branch campus as a member of our university consortium. They had planned to bring nursing, exercise science and digital media arts (DMA) to Peoria; however, their plans were put on hold as they re-evaluated which programs would be most successful in the city. As of March 2015, we received an updated proposal from Huntington to enter into an agreement to bring a DMA program to Peoria, which is STEM related and in alignment with our EDIS.

Huntington University offers more than 28 undergraduate degree programs, 13 graduate/professional studies degree programs, as well as online and seated courses throughout Indiana. Huntington is a fully accredited, nationally recognized private, four-year liberal arts university. HU is accredited by the Higher Learning Commission of the North Central Association. Huntington is consistently ranked by *U.S. News & World Report* in the top tier of Midwestern comprehensive colleges and in the top 10% in the Midwest for over 10 years.

FORBES listed Huntington University among the Top 10% of colleges and universities in the United States. *Princeton Review* ranked Huntington among the "Best Midwestern Colleges."

This Project will be of great value to the city of Peoria and the region, not only in the area of higher education, but also supporting economic development and job growth through technology commercialization efforts, assisting business, and entrepreneurs. Huntington's partnership with the city will be visible in many ways, including partnerships with BioInspire companies to advance technology commercialization through video design, editing, animation and graphic design.

The first step in the partnership is the creation of an additional campus location in Peoria (the "Peoria campus"). Initially, 15,000 SF of space for administrative and instructional uses will be housed at the Arrowhead Innovation Campus (AIC) located at 8700 W. Kelton Lane. As the DMA program expands and the need for more physical space emerges, a build-to-suit opportunity is available on adjacent property that is also owned by the AIC landlord. If necessary, the parties may agree to amend this agreement in writing at the time of expansion.

Community support for this Project to bring DMA-related programs to Peoria has been strong. Supporters include Peoria Unified School District, Arizona Commerce Authority, BioAccel, Trine University, Maricopa Community Colleges, as well as to Quincea's, and the Social Enterprise Inititative, among others.

Agreement Summary

The Economic Development Activities Agreement includes the following deal points (see Exhibit 1):

a) Year 1 (2015-2016) Performance Threshold 1:
    1) HU appoints campus leadership in Peoria, Arizona.
    2) The Higher Learning Commission and the Arizona State Board for Private-Post Secondary Education approve HU to offer degree programs in Peoria, Arizona including Broadcast Fusion Media, Film Production, Graphic Design, Digital Animations, and Web Development (STEM Programs).
    3) The U.S. Department of Education and U.S. Veterans Administration approve HU students in Arizona to received federal grants and loans.
    4) HU submits to the city a university-approved marketing plan with final tuition and enrollment projections for the first five years of the Project.
    5) HU submits to the city a final listing of undergraduate programs to be offered at the Peoria campus location, including STEM programs.
    6) HU signs a long-term facility lease with 8700 Kelton Campus, LLC for 15,000 SF of space at the Arrowhead Innovation Campus (minimum 7-year term).
    7) HU submits to the city a university-approved and funded faculty and staff plan with post-high school seated enrollment estimates along with post-high school

online enrollment and high school dual enrollment estimates for the first five years of the Project.

8) HU submits to the city executed articulation agreements between HU and Maricopa County Community College District for all applicable majors offered at the Peoria campus location.
9) HU achieves the 8 points above and is prepared to accept students for the year 2 schedule of classes in identified programs (Digital Media Arts/Broadcast Fusion Media/Film Production/Graphic Design/Web Development).
10) HU To have completed deal points 1-9 above and provide to the city a detailed accounting of Huntington University's expenses on Program related tenant improvements, fixtures, furniture, equipment and technology for classrooms, lab and studio development, marketing and student recruitment costs, software licensing costs, and any other tangible thing for which HU seeks reimbursement from Peoria.
11) City reimbursement to HU for year 1 expenses is not to exceed $900,000.

b) Year 2 (2016-2017) Performance Threshold 2:
    1) HU offers coursework in the first year Programs as proposed and meets an enrollment target of 100 total post-high school students who are seated for Year 2 Programs. Each student will complete all or part of the semester's coursework for which the student is registered in order to fulfill this performance measurement. Dual enrollment, online or any other type of distance learning will not be counted in the 100 student performance requirement set forth in the year 2 thresholds.
    2) HU to provide a detailed accounting of HU's expenses on Program related tenant improvements, fixtures, furniture, equipment and technology for classrooms, lab and studio development, marketing and student recruitment costs, software licensing costs, and any other tangible thing for which HU seeks reimbursement from Peoria.
    3) City reimbursement to HU for year 2 expenses is not to exceed $550,000.

c) Year 3 (2017-2018) Performance Threshold 3:
    1) HU meets enrollment target of 150 total post-high school students who are seated and enrolled for Year 3 Programs. Each student will complete all or part of the semester's coursework for which the student is registered in order to fulfill this performance measurement. Dual enrollment, online or any other type of distance learning will not be counted in the 150 student performance requirement set forth in the year 3 thresholds.
    2) HU to provide a detailed accounting of HU's expenses on Program related tenant improvements, fixtures, furniture, equipment and technology for classrooms, lab and studio development, marketing and student recruitment costs, software licensing costs, and any other tangible thing for which HU seeks reimbursement from Peoria.
    3) City reimbursement to HU for year 3 expenses is not to exceed $425,000.

d) Total city investment made to the HU Peoria Campus location will not exceed $1,875,000 over three years.

Additional Deal Points

- If the actual post-high school students who are seated and enrolled falls below 150 post-high school students/year for each of years 4-7 of the agreement, HU shall repay the city the pro rata amount of city funding paid to HU under the terms of the Economic Development Activities Agreement.
- Term of the agreement is 7 years.

Elliott Pollack Economic Impact Analysis

Elliott D. Pollack and Company, an economic and real estate consulting firm, prepared an economic and fiscal impact analysis for the Project showing, that in the startup year (year 1), the University will generate 12 jobs with $694,900 in wages and $1.7 million in economic output. By year four, these figures grow to an impact of 121 jobs, over $2.0 million in wages and $4.5 million in economic activity throughout the region.

Previous Actions:

- City Council approved an Exclusive Negotiating Agreement with Huntington University on October 9, 2012.
- City Council considered the Huntington University branch campus proposal in Study Session on February 17, 2015.
- City Council discussed potential deal points on Huntington University in executive session on May 5, 2015.

Options:

A: **Approve an EDA with Huntington University**. This action will enable the university to open an accredited additional university campus location in Peoria with programs starting in 2016.

B: **Reject an EDA with Huntington University**. This action will terminate the Project.

Staff's Recommendation:

Authorize the City Manager to (a) approve an Economic Development Activities Agreement with Huntington University for the development of an accredited additional university campus location in Peoria; (b) approve the use of General Fund Reserves and; (c) approve a budget adjustment in the amount of $900,000 from the Half-cent Sales Tax Fund contingency to the Half-cent Sales Tax Fund Economic Development Programs account.

Fiscal Analysis:

To support the Huntington University Activities Agreement, staff requests a $900,000 budget adjustment in FY16 from the Half-cent Sales Tax Fund contingency (1210-0350-570000) to the

Half-cent Sales Tax Fund Economic Development Programs account (1210-0350-522070-CIPOF-ED00018). Staff will request the remaining funding in the FY17 Capital Improvement Plan.

Exhibits:

Exhibit 1: Economic Development Activities Agreement

Contact Name and Number: Scott Whyte, X7738

ECONOMIC DEVELOPMENT ACTIVITIES AGREEMENT
BETWEEN
THE CITY OF PEORIA, ARIZONA
AND
HUNTINGTON UNIVERSITY

This Economic Development Activities Agreement ("Agreement") is entered into on _____, 2015 ("Effective Date") between the City of Peoria, Arizona, an Arizona municipal corporation ("City") and Huntington University, an Indiana non-profit corporation ("HU"); each entity is separately referred to as a "Party" and collectively they are referred to as "the Parties."

RECITALS

A. On October 19, 2010, the City adopted an Economic Development Implementation Strategy ("EDIS") which provides an implementation-based plan for achieving the economic development goals of the City;

B. One of the strategies to implement the EDIS is through the City-adopted Economic Development Incentive and Investment Policy ("EDIIP") and accompanying Economic Development Incentive and Investment Policy Guidelines ("EDIIP Guidelines"), which provide a framework for evaluating City financial incentives and investment towards the retention and expansion of existing local businesses and attraction and expansion of targeted industries within the City in a manner that is consistent with applicable laws;

C. The City is authorized pursuant to Arizona Revised Statutes, §§ 9-500.5 and 9-500.11 to negotiate and enter into development agreements that include expenditures for economic development;

D. HU has submitted a proposal to the City with a request for public incentives and investment to develop an accredited additional university campus location (the "Peoria campus") offering undergraduate degrees in digital media arts programs (the "Project"), a recognized STEM discipline, which is a key component in the City's EDIIP;

E. The City has contracted with Elliott D. Pollack and Company to conduct an economic impact analysis for the Project, and this study shows the Project results in a positive economic impact for the City;

F. The City has reviewed HU's request and determined that the Project qualifies and should be approved under the EDIIP;

G. The City has concluded that the Project will benefit the public interest and promote the public welfare of the citizens in the City and that the City and its residents will receive an equitable or proportional economic return in exchange for the incentives that will be provided by the City under this Agreement; and

H. The Parties acknowledge that the activities described in this Agreement and related to the Project are economic development activities within the meaning of the State of Arizona's laws concerning such matters, and that all expenditures by the City pursuant to this Agreement constitute the appropriation and expenditure of public monies for and in connection with economic development activities. To this end, the City and HU are entering into this Agreement pursuant to A.R.S. § 9-500.11 to facilitate development consistent with the City's General Plan, its zoning ordinances, the EDIS, EDIIP and EDIIP Guidelines.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Description of the Project.

HU is a fully accredited, nationally recognized liberal arts university. *U.S. News and World Report* consistently ranks HU in the top tier of Midwestern comprehensive colleges and in the top 10% in the Midwest for over 10 years. FORBES lists HU among the Top 10% of colleges and universities in the United States while the Princeton Review ranks Huntington among the Best Midwestern Colleges. HU is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools, and its digital media arts undergraduate degree programs are fully accredited and nationally recognized.

HU and the City believe this Project will be of great value to the City of Peoria and the region, not only in the area of higher education and community education, but also supporting economic development and job growth through technology commercialization efforts, assisting business, as well as entrepreneurs. To do this, HU will be developing an additional campus location (the "Peoria campus") to launch digital media arts degree programs in the City of Peoria, Arizona, including at least the following degree programs: Broadcast Fusion Media, Film Production, Graphic Design, Digital Animation and Web Development. Support for HU's Peoria campus ranges from school districts including the Peoria Unified School District, to non-profit entrepreneurial entities such as BioAccel, as well as to Quincea's, and the Social Enterprise Initiative.

HU will be housed in buildings located within the Arrowhead Innovation Campus (AIC) located at 8700 W. Kelton (the "Peoria campus location"). This location will provide HU students with easy access to the facility and SR 101 and will allow room for growth. As a part of the AIC campus, students and businesses will share space and provide expertise while students are still enrolled at HU in order to ensure an expedited economic impact.

2. City Financial Incentives and Investment.

The City will provide a post-performance financial incentive package to HU over a period of three (3) years which financial incentive package is directly tied to performance thresholds that must be achieved by HU in order for HU to receive

financial assistance from the City. The performance thresholds and incentive amounts are as follows:

(a) Performance Threshold 1 (also known as Year 1 which will include academic year 2015-2016)[1] includes the following specific performance requirements:

i. HU will appoint campus leadership in Peoria, Arizona.

ii. The Higher Learning Commission and the Arizona State Board for Private Post Secondary Education approve HU's application to offer degree programs in Arizona, and more specifically degree programs at the Peoria campus. The undergraduate degree programs to be approved for the Peoria campus by these entities will include at least the following: Broadcast Fusion Media, Film Production, Graphic Design, Digital Animation and Web Development (referred to collectively herein as the "Program").

iii. HU will obtain approval from the U.S. Department of Education and the U.S. Veterans Administration in order to permit HU students in Arizona to be eligible for receipt of federal grants and loans.

iv. HU will submit to Peoria a University-approved marketing plan that will include final tuition and enrollment projections for the first five years of the Peoria campus Project. These projections will not limit the actual student enrollments required by this Agreement.

v. HU will submit to Peoria a final list of undergraduate programs that will be offered to students at the Peoria campus, which list will include AT LEAST the STEM Program degrees referenced in subsection 2(a)(ii).

vi. HU will sign a long-term facility lease with a minimum seven (7) year leasehold term with 8700 Kelton Campus, LLC for the Arrowhead Innovation Campus buildings identified in HU's proposal dated March 2015. The initial leased space will be for an estimated 15,000 square feet. A copy of the executed lease, together with any amendments, shall be provided to the City.

vii. HU will submit to the City a University-approved and funded faculty and staff plan along with post-high school seated enrollment estimates for the first five (5) years of the Project. In addition, HU will submit a University-approved and funded faculty and staff plan along with post-high school online enrollment and high school dual enrollment estimates for the first five (5) years of the Project.

[1] Academic Year as defined herein for each Performance Threshold refers to the usual academic school year calendar adopted by HU University for use on its main campus located in Huntington Indiana; and is a period running roughly from August through May of any given year.

viii. HU will submit to Peoria executed articulation agreements between HU and the Maricopa County Community College district for all majors offered at the Peoria campus.

ix. HU will complete subsections 2(a)(i-viii) above and will accept students for academic year 2016 – 2017, to commence actual coursework on or in the Fall semester for at least the following scheduled Digital Media Arts majors: (1) Broadcast Fusion Media; (2) Film Production; and (3) Graphic Design.

x. HU will complete all matters specified in subsections 2(a)(i-ix), and will provide Peoria with a detailed accounting of its expenses for Program related: (1) Tenant improvements; (2) Fixtures, furniture, equipment and technology for classrooms, lab and studio development; (3) Marketing and student recruitment costs; (4) Software licensing costs; and (5) For any other tangible thing for which HU seeks reimbursement from Peoria (the "Other Costs"), so long as HU seeks preapproval and receives authorization from the City for the Other Costs. Further, subject to the City's preapproval and authorization, HU may, at the City's discretion, be eligible for reimbursement for reasonable business related travel costs and consultant expenses as set forth in 2(d), *infra*. Each expense, including preapproved business related travel costs, consultant expenses, and Other Costs, will be itemized and supported by an invoice that includes the date, the payee and the amount of the expenditure.

In addition, HU will provide the City with a summary report of its expenditures and should the City request additional detail on any expenditures set forth in the summary report, HU will promptly (within 30 days) submit all necessary back-up documentation evidencing payment by HU of those certain expenses and expenditures.

Once all subparts of 2(a)(i-x) are met, then the later of 30 days after receiving said accounting, or 30 days after further documentation reasonably requested by the City is received from HU, the City will, pursuant to Section 3(e) pay HU an amount not to exceed $900,000.

(b) Performance Threshold Two (also known as Year 2 which includes academic year 2016 - 2017) includes the following specific performance requirements:

i. HU will offer coursework at the Peoria campus to at least one hundred (100) students enrolled in its first year of actual operations offering digital media arts programs commencing the second semester of its 2016-2017 academic year. The students included in this performance measure will be post-high school graduates who are seated at the HU Peoria campus and enrolled in coursework in pursuit of a digital media arts undergraduate major to

be applied towards a Bachelor of Arts or Bachelor of Science degree. Further, each such student will complete all or part of the semester's coursework for which the student is registered in order to fulfill this performance measurement. Additional students i.e., dual enrollment, online or any other type of distance learning, will not be counted in the one hundred (100) student performance requirement set forth in this subsection.

ii. HU will, prior to July 1, 2017, complete all matters specified in this subsections 2(b)(i-ii), and will provide Peoria a detailed accounting of its expenses for Program related: (1)Tenant improvements; (2) Fixtures, furniture, equipment and technology for classrooms, lab and studio development; (3) Marketing and student recruitment costs; (4) Software licensing costs; and (5) For any other tangible thing for which HU seeks reimbursement from Peoria (the "Other Costs"), so long as HU seeks preapproval and receives authorization from the City for the Other Costs. Further, subject to the City's preapproval and authorization, HU may, at the City's discretion, be eligible for reimbursement for reasonable business related travel costs and consultant expenses as set forth in 2(d), *infra*. Each expense, including preapproved business related travel costs, consultant expenses and Other Costs, will be itemized and supported by an invoice that includes the date, the payee and the amount of the expenditure.

In addition, HU will provide the City with a summary report of its expenditures and should the City request additional detail on any expenditures set forth in the summary report, HU will promptly (within 30 days) submit all necessary back-up documentation evidencing payment by HU of those certain expenses and expenditures.

Once all requirements in subsections 2(b)(i-ii) are met, then the later of 30 days after receiving said accounting, or 30 days after further documentation reasonably requested by the City is received from HU, the City will, pursuant to Section 3(e) pay HU an amount not to exceed $550,000. If 100 students of the type required herein are not seated and do not complete Year 2, then HU may request a pro rata share of $550,000, based upon the number of eligible students completing the academic year. For example, if fifty (50) post high school seated students complete the academic year during Year 2, then the City would pay HU fifty percent (50%) of $550,000 or $275,000 for Year 2.

(c) Performance Threshold 3 (also known as Year 3 which will include academic year 2017-2018) includes the following specific performance requirements:

i. In its second year of actual operations (academic year 2017 – 2018) HU, Peoria campus, will offer coursework to at least one

hundred fifty (150) students in digital media arts programs. The students included in this performance measure will be post-high school graduates who are seated at the HU Peoria campus and enrolled in coursework in pursuit of a digital media art major to be applied towards a Bachelor of Arts or Bachelor of Science degree. Further, each such student will complete all or part of the semester's coursework for which the student is registered in order to fulfill this performance measurement. Additional students i.e., dual enrollment, online or any other type of distance learning, will not be counted in the one hundred fifty (150) student performance requirement set forth in this sub-paragraph.

ii. HU will, prior to July 1, 2018, complete all matters specified in subsections 2(c)(i-ii), and will provide Peoria a detailed accounting of its expenses for Program related: (1)Tenant improvements;(2) Fixtures, furniture, equipment and technology for classrooms, lab and studio development;(3) Marketing and student recruitment costs; (4) Software licensing costs; and (5) For any other tangible thing for which HU seeks reimbursement from Peoria (the "Other Costs"), so long as HU seeks preapproval and receives authorization from the City for the Other Costs. Further, subject to the City's preapproval and authorization, HU may, at the City's discretion, be eligible for reimbursement for reasonable business related travel costs and consultant expenses as set forth in 2(d), *infra*. Each expense, including preapproved business related travel costs, consultant expenses and Other Costs will be itemized and supported by an invoice that includes the date, the payee and the amount of the expenditure

In addition, HU will provide the City with a summary report of its expenditures and should the City request additional detail on any expenditures set forth in the summary report, HU will promptly (within 30 days) submit all necessary back-up documentation evidencing payment by HU of those certain expenses and expenditures.

If the performance requirements set forth in subsections 2(c)(i-ii) are met, then the later of 30 days after receiving said accounting, or 30 days after further documentation reasonably requested by the City is received from HU, then pursuant to Section 3(e) the City will pay HU an amount not to exceed the sum of $425,000. If 150 students of the type required herein are not seated and do not complete Year 3, then HU may request a pro rata share of $425,000, based upon the number of students completing the academic year. (See example of calculation at paragraph 2(b), *supra.*

(d) The total City incentives made to HU Peoria campus pursuant to this Agreement will not exceed the sum of $1,875,000. Moreover, all incentives paid by the

City pursuant to this Agreement will be for tenant improvements related to the Project's Program specific lab and studio development furniture, fixture or equipment costs, marketing and student recruitment expense, software licensing costs and those preapproved and preauthorized business related travel costs, consultant expenses and Other Costs. Further, subject to the following requirements, business related travel costs, consultant expenses and Other Costs related specifically to the business of developing and growing the Peoria campus may be reimbursable only with the City's prior written approval. It is specifically understood by HU that any travel cost, consultant expense, or Other Cost is subject to pre-approval and authorization by the City before incurring the expense and that the City's determination regarding any such potentially reimbursable request is final, same being within the City's sole and exclusive discretion. Moreover, HU agrees that any and all reimbursement requests of any kind or nature will relate to costs accrued by HU solely for expenses directly related to the Peoria campus for use as a four-year liberal arts college, including such uses as teaching, college courses, and when classes are not in session for any related college administrative uses, college recruiting, student lounge, special events, or similar collegiate uses This provision is intended to meet the requirements of Article IX, Section 10 of the Arizona Constitution. If the improved space is used by any outside entity unrelated to campus life or student activities, then the user shall pay a commercially reasonable rent for use of the improved space.

3. <u>HU and City Obligations and Verification</u>.

(a) HU will participate in economic development activities with the City for the attraction of City Targeted Industries for high-wage and technically-skilled jobs, including the development of customized work force development plans and programs for targeted industries sought by the City as part of its business attraction efforts. Such activities will include participation in meetings with business prospects, the creation of custom training programs to meet workforce development needs, and marketing activities.

(b) If prior to the end of 84 months (7 years) from the Effective Date of this Agreement, HU engages in any similar project with another Arizona municipality, such action will be presumed to be competition with the City's Project. In the event of such competition, HU will repay the City all of the financial assistance/incentives it has received from the City to the date of such competition with interest at the statutory judgment rate.

(c) Upon HU's request, the City will review tenant improvement plans for the Peoria campus (the "Premises") on a priority basis at no cost to HU, and subject to all applicable laws, including laws involving posting and the conduct of public meetings. Upon the City's determination that HU has submitted final and complete plans for tenant improvements for the Premises that comply with all applicable laws, ordinances and requirements, and that are otherwise to the satisfaction of the City, the City will issue tenant improvement permits for the improvements to be built in or on the Premises. Consistent with the issuance of such permits, the City will provide a single point of contact with the City to coordinate timely permitting and will hold pre-submittal meetings

to reduce the number of reviews required, to ensure timely completion of this and any future phases of the tenant improvements for the Premises.

(d) HU will submit to the City documentation relating to each performance threshold contained in Section 2, which documentation will be in a form and manner established by the City. The City may request additional documentation from HU, as necessary, to verify that a performance threshold has been achieved.

(e) Within 30 days following the City verifying that all components of a performance threshold have been met, the City will submit payment to HU in the amount corresponding to those specific performance thresholds required for any of the three scheduled periodic payments. Nothing herein grants HU a right nor does it create a duty in Peoria to accelerate the payment related to any performance threshold(s).

(f) If during the Term of this Agreement HU does not achieve an academic year in which 150 post high school seated students are enrolled and taking classes in an accredited digital media arts program then HU agrees to repay the City for all financial assistance/incentives HU received from the City pursuant to this Agreement . Moreover, should HU fail to meet an average required Performance Measure Threshold of 150 seated post-high school graduates during any year following Year 3, i.e., in Years 4 – 7, then HU will repay the City a pro rata amount of the City funding paid to HU under the terms of this Agreement, but in no event will the total principal amount of repayment set forth in this Paragraph exceed the total amount/incentives paid by the City to HU. For example, if in Year 4 the enrollment is 147 students, then assuming the full amount of possible incentives (i.e., $1,875,000) was, in fact, paid by the City to HU, then HU would owe the City $6,616 ($1,875,000 divided by 850 (the total of required enrolled students for the Term of the Agreement, Years 2-7)), = $2,206/student) for Year 4.

4. <u>Additional HU Obligations and Duties</u>.

(a) The City and HU will work together to achieve the Enrollment Requirements in order to maximize the economic impact to the City from the financial support required by this Agreement. This Agreement to work together does not, however, impact the Enrollment Requirements set forth herein and HU remains solely responsible for meeting said requirements. Furthermore, should the City pursue and recruit other universities to Peoria, through the end of year three (3), the City agrees to first review those candidates with HU and to engage and/or financially support only those universities willing to collaborate and not compete with HU. Moreover, HU acknowledges the presence of Trine's campus in Peoria and agrees that said presence will not impact its Enrollment Requirements.

(b) HU will devote and invest 2.5 million dollars ($2,500,000) for the development of the HU Peoria campus during years 1-3. This investment by HU will be program specific to the digital media arts undergraduate degree programs offered at the HU Peoria campus. Moreover, HU will annually, in each of the first 3 years, provide the City with a detailed summary report of these expenditures, and if requested by the City,

HU will provide specific back-up documentation related to its investment which will include but is not limited to payroll information, invoices, payment records and any other evidence of payment as reasonably required by the City, documenting at least a total $2,500,000 investment in the HU Peoria campus for Years 1-3.

(c) HU will obtain the equivalent of approximately $700,000 from 8700 Kelton Campus, LLC, as rent assistance for the 15,000 square foot AIC campus space housing HU. This rent assistance will be calculated at reasonable commercial rates for similarly situated property in the area of the HU Peoria campus location. HU will provide the City with an executedcopy of the Lease Agreement.

5. Term. This Agreement shall commence upon the date when both Parties have executed this Agreement (the "Effective Date"). Unless terminated earlier as provided herein, the term of this Agreement shall be 7 years starting from the Effective Date.

6. Breach, Cure, Remedies, and Termination.

(a) In the event that a Party fails to perform any obligation imposed by this Agreement, the non-breaching Party shall provide written notice of such breach to the other Party. The Party receiving the written notice will have ten (10) business days after receipt of such written notice within which to remedy such breach unless additional time is reasonably required to remedy the breach, in which event the Party shall cure the breach within thirty (30) business days.

(b) If the Party in breach fails to remedy the breach in a timely and reasonable manner as provided in Subsection (a), the Parties agree that any Party who provided written notice of such breach may cancel and terminate this Agreement by providing written notice of termination to the other Party. In the event of termination, the Parties shall be fully and completely released from all of their respective rights, duties, obligations, and liabilities under this Agreement, except as otherwise set forth herein.

(c) In addition to the termination rights under 6 (a) and (b) above, (i) each Party shall also have the right, in its sole and unfettered discretion, to terminate this Agreement in the event that any or all of the Parties reach an impasse in negotiations under this Agreement for any reason whatsoever; (ii) the City shall have the right to terminate this Agreement for conflict of interest pursuant to A.R.S. § 38-511; (iii) the Parties each shall have the right to terminate this Agreement if at any time any such Party reasonably determines that the Project is not feasible financially or for other business reasons with the express understanding that HU's financial investment in the Peoria campus will be greater than or equal to the incentives received from the City should it terminate this Agreement within the first 3 years of the Agreement and absent such investment, HU will have no right to terminate pursuant to the voluntary provisions of this Section 6; and (iv) this Agreement may be terminated at any time upon the mutual written agreement of the Parties. In the event of any termination under the preceding sentence, the Party exercising the termination right shall provide written notice of termination and the applicable basis above to the other Party, whereupon the Parties shall, except as otherwise provided herein, be fully and completely released

from all of their respective rights, duties, obligations, and liabilities under this Agreement. Nothing herein shall prevent an action for Breach which Breach occurred prior to a notice terminating the Agreement. Nor will any Termination provision(s), herein, affect HU's enrollment requirements or its duty to reimburse the City for City assistance or incentives as set forth in Paragraph 3(f) of this Agreement.

7. Assignment. No Party may assign this Agreement without first obtaining the advance written approval of the other Party, which approval may be granted or withheld in the sole and unfettered discretion of such other Party. The City agrees that, notwithstanding the foregoing, HU may assign without the prior written approval of the City, but with thirty (30) days prior written notice to the City, its respective rights, duties, obligations, and liabilities under this Agreement to a limited liability company, corporation, trust, or partnership of which HU owns the majority beneficial interest and has operational control, but any such assignment will not affect HU's requirements, duties and potential liabilities pursuant to this Agreement; HU remaining solely responsible for compliance with the terms of this Agreement.

8. Representations and Warranties / Limitations.

(a) HU represents and warrants that it is an Indiana not-for-profit corporation duly formed and validly existing, in good standing, and authorized to operate under the laws of the State of Arizona.

(b) HU represents and warrants that the person(s) executing this Agreement on behalf of HU has/have full right, power, and authority to execute this Agreement and bind HU hereunder.

(c) HU shall comply with all applicable federal, state and local regulations, codes and laws regarding its operations. Nothing in this Agreement constitutes an exemption or grant of a variance from applicable codes and laws.

(d) City represents and warrants that the person(s) executing this Agreement on behalf of City has full right, power, and authority to execute this Agreement and bind the City hereunder.

9. General Provisions.

(a) Applicable Law and Venue. The laws of the State of Arizona will govern the interpretation and enforcement of this Agreement, without regard to conflicts of laws principles. Any mediation, arbitration, or legal proceedings initiated to enforce the terms and conditions of this Agreement will be conducted in Peoria, Arizona, or in the Maricopa County Superior Court or the United States District Court for the District of Arizona, as appropriate.

(b) Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the

exercise by either Party of one or more of its rights or remedies will not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

(c) Specific Performance as Exclusive Remedy. Subject to HU's right to terminate this Agreement in accordance with Section 6, HU's exclusive remedy for an uncured City breach of this Agreement is to institute an action for specific performance of the terms of this Agreement, and in no event shall HU have the right, and HU expressly waives the right to seek monetary damages of any kind (including but not limited to actual damages, economic damages, consequential damages, or lost profits) from the City in the event of a default by the City under this Agreement or any action related to this Agreement.

(d) Indemnity. HU shall indemnify, protect, defend, and hold harmless the City, and its officials, officers, employees, representatives, and agents (collectively, "Indemnified Parties") from and against any and all losses, liabilities, damages, claims, actions, causes of action or costs (including reasonable attorneys' fees and costs) (collectively, the "Liabilities") directly or indirectly arising from the negligent acts, errors, omissions or willful misconduct of HU, its officers, employees, representatives, members, contractors, invitees and agents hereunder or from the Project, excluding any such Liabilities arising from the negligent acts, errors, omissions or willful misconduct of the City. This indemnity obligation will survive any assignment or termination of this Agreement.

(e) Notices, Demands, and Communications Between the Parties. All notices, demands, and communications between the Parties under this Agreement shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (iii) facsimile or email with a hard copy sent by United States mail; or (iv) by mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

To City:	City Manager City of Peoria P.O. Box 4038 Peoria, Arizona 85380-4038
With a copy to:	Economic Development Services Director City of Peoria P.O. Box 4038 Peoria, Arizona 85380-4038
With a copy to:	City Attorney City of Peoria P.O. Box 4038 Peoria, Arizona 85380-4038

To Huntington:	Huntington University Attn: President Emberton 2303 College Avenue Huntington, Indiana 46750
With copy to:	Huntington University Attn: Jeff Berggren 8765 W. Kelton Ln B3, Ste. 140 Peoria, Arizona 85382
With copy to:	DeLaney Hartburg Roth & Garrott LLP General Counsel 533 Warren Street Huntington, IN 46750

Notices personally delivered, sent by fax or email with a confirmation by United States mail or delivered by document delivery service shall be deemed effective on delivery (personally or by a reputable commercial overnight courier service) or on the second business day following deposit of the confirmation (for a fax or email) in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as any Party may from time to time designate by giving notice in accordance with this subsection.

(f) Nonliability of City Officials and Employees. No elected official, officer, employee, agent, or contractor of the City will be personally liable to HU in the event of any default or breach by the City or for any amount which may become due to HU on any City obligations arising by the terms of this Agreement.

(g) Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The part and paragraph headings used in this Agreement are for purposes of convenience only, and shall not be construed to limit or extend the meaning of this Agreement.

(h) Acknowledgment. HU acknowledges that this Agreement is subject to the provisions of the Arizona Constitution, Article IX, Section 10 pertaining to aid of religious institutions. HU has made an independent evaluation of compliance with these provisions and City makes no warranties of such compliance.

(i) Entire Agreement, Waivers, and Amendments. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of both the City and HU.

(j) Counterparts; Signatures. This Agreement may be executed in counterparts, each of which, after all the Parties hereto have signed this Agreement, shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. Facsimile or electronically scanned signatures shall have the same force and effect as original signatures.

(k) Successors. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors of each of the Parties hereto.

(l) Severability. In the event any section or portion of this Agreement shall be held, found, or determined to be unenforceable or invalid for any reason whatsoever, the remaining provisions shall remain in effect, and the Parties hereto shall take further actions as may be reasonably necessary and available to them to effectuate the intent of the Parties as to all provisions set forth in this Agreement.

(m) Time is of the Essence. Time is of the essence for each of the Parties' obligations under this Agreement.

(n) Recitals. The recitals set forth above are incorporated herein by this reference.

(o) Attorneys' Fees. The prevailing Party or Parties in any action to enforce this Agreement shall be entitled to recover reasonable attorneys' fees and costs from the other Party or Parties (including fees and costs in any subsequent action or proceeding to enforce any judgment entered pursuant to an action on this Agreement).

(p) No Third Party Beneficiaries. This Agreement is made and entered into solely for the benefit of the City and HU. No other person shall have any right of action or claim under or by reason of this Agreement.

(q) No Partnership or Joint Venture. Nothing in this Agreement is intended to or does establish the Parties as partners, joint venturers, or principal and agent with each other.

[Signature page follows]

IN WITNESS WHEREOF, the City and HU have executed this Agreement through their representatives duly authorized to execute this document and bind their respective entities to the terms and obligations contained in this Agreement on the Effective Date.

HUNTINGTON UNIVERSITY:

_____

Its:

THE CITY OF PEORIA:

_____

Carl Swenson, City Manager

ATTEST:

_____

Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

_____

Stephen M. Kemp, City Attorney

Agenda Item: 30R

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 18, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

FROM: William Mattingly, Public Works – Utilities Director

THROUGH: Jeff Tyne, Deputy City Manager

SUBJECT: Agreement to Purchase the New River Utility Company

Purpose:

Discussion and possible action to Purchase the New River Utility Company for an amount equal to $10,000,000.

Background/Summary:

Staff has been working with the owners of the New River Utility Company (NRUC) to negotiate the purchase of the water company. The attached Purchase Agreement for consideration and approval.

NRUC is a private water provider regulated by the Arizona Corporation Commission and serves approximately 2,900 customers within its approximate 1.75 square mile service area located in the city of Peoria. NRUC possesses a Certificate of Convenience & Necessity (CC&N) allowing it to be the sole provider of potable water.

Over the past year, the City of Peoria and the owners of the NRUC have been exploring the possible sale of the water company.

The City conducted an extensive public outreach and civic engagement program with the customers of NRUC to understand their interest and support of the potential City acquisition of the private water company. The program entailed a public meeting, direct communication from the citizens, and a direct-mailed survey of the NRUC customers. This public outreach and civic engagement program demonstrated strong support of the potential acquisition.

The City inspected and performed a due diligence review of the facilities and performed a valuation study to determine the fair market value of the company.

The Public Works – Utilities Department, Finance Department, and the City Attorney's office have worked closely and collaboratively with NRUC representatives and have reached a

tentative agreement for the purchase of NRUC for an amount equal to $10,000,000 the terms of the agreement are presented in the Purchase Agreement.

The acquisition is contingent upon approval of funding through a loan from the Water Infrastructure Finance Authority (WIFA) and approval by the Peoria City Council.

Previous Actions:

A study session was conducted on October 21, 2014 to present findings of the public outreach/civic engagement process and customer survey regarding the potential acquisition of NRUC.

On November 25, 2014, Council approved a professional services contract with Raftelis Financial Consultants, Inc. to determine the value of the New River Utility Company, Inc.

Options:

A. Council could act to approve the agreement to acquire the NRUC.'s water system.

B. Council could decline to approve the agreement to acquire the NRUC. The company would continue to be owned and operated as a private utility company within the municipal boundaries of the city.

Staff Recommendation:

Approval and authorization of the acquisition of the stock of the New River Utility Company, at the agreed upon purchase price, contingent upon:

(i) drafting of acceptable terms and execution of the required and necessary documents including, but not limited to stock purchase agreement, special warranty deeds, bills of sale, assignment of wells and property, assignment of easements and other agreements, submittal, authorization and approval by the Arizona Corporation Commission of Company's Sale of Assets and/or for Cancellation of the Certificate of Convenience and Necessity, etc.

(ii) acceptable disclosure of NRUC's information, including, but not limited to financial statements, liabilities, environmental matters, taxes, contracts, personal property leases, access to property and records, etc.

(iii) approval by the Water Infrastructure Finance Authority of the acquisition funds.

(iv) execute an asset purchase agreement for the assets of the NRUC to be conveyed to the City of Peoria; and authorizing the delegation of execution of the required and necessary documents by the Finance Director, Utilities Director, City Attorney, and/or City Manager.

Fiscal Analysis:

A valuation study was completed by Raftelis Financial Consultants, Inc. on April 20, 2015. The analysis confirmed the viability of the acquisition of NRUC at the purchase price of $10,000,000 and determined that the purchase will not impact rates of existing City of Peoria customers. NRUC customers will be transitioned (increased) to the current City of Peoria rates.

Funding of the acquisition will be through a loan from the Water Infrastructure Finance Authority subject to approval by Council.

Exhibit(s): Draft Stock Purchase Agreement

Contact Name and Number:
William Mattingly, Public Works – Utilities Director, 623-773-5151

***This is a DRAFT City staff in the process of negotiating acceptable terms**

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is executed and delivered on _____, 2015, between the City of Peoria, Arizona, an Arizona municipal corporation ("Buyer"), and Robert L. Fletcher and Mary Karen Fletcher, as Trustees of the Robert L. Fletcher and Mary Karen Fletcher Family Trust, created under trust instrument dated July 19, 2002 ("Seller").

WHEREAS, Seller owns all of the issued and outstanding shares of capital stock of New River Utility Company, an Arizona corporation (the "Company");

WHEREAS, the Company is engaged in the business of providing water service to the public within portions of the City of Peoria, Arizona, pursuant to authority granted by the Arizona Corporation Commission in Decision Nos. 33131 (May 24, 1961) and 33354 (August 15, 1961) (the "Business"); and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all of the issued and outstanding shares of capital stock of the Company (the "Shares"), all in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, received to the full satisfaction of each of them, the parties agree as follows:

ARTICLE 1

SALE AND TRANSFER; PURCHASE PRICE; CLOSING

1.1 Delivery of Shares. On the terms and subject to the conditions set forth in this Agreement, Seller shall, on the Closing Date (as defined below), transfer, assign and deliver to Buyer certificates representing the Shares, free and clear of any liens, security interests, encumbrances, adverse claims, and pledges whatsoever (collectively, "Encumbrances").

1.2 Excluded Assets. The parties agree that certain assets of the Company shall remain the property of Seller or its affiliates and, notwithstanding the structuring of this transaction as a stock purchase, shall not be sold to Buyer as part of the Company as of the Closing (the "Excluded Assets"). Such Excluded Assets are as follows: all motor vehicles; all office equipment and computers; all real estate and real estate interests of Cody Farms; all cash and cash equivalents; all cell phones; all tools; and all contents of the "barn." Buyer acknowledges and agrees that the Company may take, and Seller may cause the Company to take, any and all actions necessary to transfer such Excluded Assets to Seller or its affiliates at or before the Closing (as defined below). Buyer further agrees to cause the Company to take any and all actions necessary after the Closing to transfer such Excluded Assets to Seller or its affiliates. All items owned by the Company and not listed in this Section 1.2 or provided to Buyer on a schedule prior to closing are deemed included. ***[NTD: Parties to confirm list of "Excluded Assets"]***

1.3 Purchase Price.

(a) Purchase Price. Subject to the conditions set forth in this Agreement, at the Closing Buyer shall pay to Seller for the Shares the sum of $10,000,000 (the "Purchase Price").

(b) Payment of Purchase Price. The Purchase Price shall be paid to Seller at the Closing by wire transfer of immediately available funds.

1.4 Time and Place of Closing. Unless otherwise agreed to by the parties, this transaction shall be closed concurrently with the execution of this Agreement (the "Closing"). The Closing shall take place at the offices of Buyer, 8401 W. Monroe Street, Peoria, AZ 85345, or at such other place as the parties may agree. The date on which the Closing occurs shall be referred to as the "Closing Date."

1.5 Closing Deliveries by Seller. At the Closing, Seller shall deliver to Buyer, all duly executed:

(a) a certificate(s) representing the Shares, duly endorsed or accompanied by appropriate stock powers;

(b) evidence of the release of any Encumbrances on the Shares;

(c) resignations, effective as of the Closing Date, of all officers and directors of the Company;

(d) a certificate of good standing with respect to the Company issued by the Arizona Corporation Commission; and

(e) such other separate documents or instruments of sale, assignment, or transfer reasonably required by Buyer to consummate the transactions contemplated by this Agreement (the "Transactions").

1.6 Closing Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller, all duly executed (where applicable):

(a) the Purchase Price payable to Seller by wire transfer of immediately available funds;

(b) a certified copy of resolutions of the City Council of Buyer authorizing the execution and delivery of this Agreement and the consummation of the Transactions by Buyer; and

(c) such other separate instruments of sale, assignment, or transfer reasonably required by Seller to consummate the Transactions.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as otherwise disclosed in the Disclosure Schedules to this Agreement, Seller makes the representations and warranties set forth in this Article 2 to Buyer. Whenever a representation or warranty herein is qualified as having been made "to the best of Seller's knowledge," such phrase shall mean the knowledge of Robert L. Fletcher, without inquiry.

2.1 Organization; Authority; Capitalization.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona and is duly authorized, qualified and licensed under all laws, regulations, ordinances and orders of public authorities to carry on its businesses in the places and in the manner as presently conducted except for where failure to be so authorized, qualified or licensed would not have a material adverse affect on its business. Copies of the Company's Articles of Incorporation and Bylaws, each as amended, are set forth on Schedule 2.1(a).

(b) Seller has the full legal right, power and authority to enter into this Agreement and to consummate the Transactions. On or before the Closing, all action of Seller necessary to approve the Transactions shall have been taken.

(c) The authorized capitalization of the Company consists of 100,000 shares of common stock, of which 100 Shares are issued and outstanding. All of the Shares are validly issued, fully paid and non-assessable and owned, beneficially and of record, by Seller. Except for liens on the Shares that will be released before or concurrently with the Closing, there are no outstanding rights, warrants, options or agreements with respect to any class of capital stock of the Company, including agreements granting to any person rights to acquire any capital stock or agreements with respect to the voting thereof. Except for the Shares, there are no other outstanding equity securities or other interests of the Company. The Company has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its equity securities or any interests therein or to pay any dividend or make any distribution in respect thereof. The Company has not agreed to register any securities under the Securities Act of 1933, as amended (the "Act"), or under any state securities law. The Company has no subsidiaries and the Company does not control, directly or indirectly, or have any direct or indirect equity participation in, any other person or entity.

2.2 Binding Effect. This Agreement is the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

2.3 Consents and Approvals; No Violation.

(a) Except as set forth on Schedule 2.3(a), no filing or registration with, and no permit, authorization, consent or approval of, any party, including any federal, state or local court or regulatory agency, or other governmental authority or private arbitral authority (collectively, a "Governmental Authority"), is necessary for the consummation by Seller of the Transactions; provided, however, that Seller makes no representations or warranties as to the effect

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of the Transactions on any Permits (as defined below) and that Buyer shall be responsible for obtaining all required governmental consents to or approvals of the Transactions.

(b) Except as set forth on Schedule 2.3(b), the execution, delivery and performance of this Agreement, the consummation of the Transactions and the fulfillment of the terms hereof will not: (i) conflict with or result in a breach or violation of the Articles of Incorporation or Bylaws of the Company or the trust agreement of Seller; (ii) conflict with, or result in a material breach under, any document, agreement or other instrument to which the Company is a party, or result in the creation or imposition of any Encumbrance on any properties of the Company; or (iii) violate any law, regulation, judgment, order, injunction or decree of any applicable Governmental Authority applicable to the Company ("Applicable Laws"), except in the case of clauses (ii) and (iii) for breaches, violations, defaults, or Encumbrances as would not result in a material adverse effect on the Company. Buyer acknowledges and agrees, however, that the Transactions will result in the revocation of the Company's status as an S corporation.

2.4 Litigation. Except as set forth on Schedule 2.4, there is no claim, litigation, action, suit or proceeding, formal arbitration, informal arbitration or mediation, administrative, judicial or otherwise (collectively, "Proceedings"), pending or, to the best of Seller's knowledge, threatened against the Company, or against Seller and relating to the Company, before any Governmental Authority that could reasonably be expected to have a material adverse effect on the Company or that would prevent, delay or make illegal the Transactions.

2.5 Taxes. Except as set forth on Schedule 2.5, (a) the Company has filed, or will file, in a timely manner all requisite federal, state, local and other tax returns due for all fiscal periods ended on or before the date hereof and as of the Closing shall have filed in a timely manner all such returns due for all periods ended on or before the Closing Date; (b) no federal, state, local or other tax returns or reports filed by the Company (whether filed prior to, on or after the date hereof) with respect to the Company will result in any taxes, assessments, fees or other governmental charges upon the Company or the Buyer; (c) all federal, state and local taxes due and payable by the Company have been paid; (d) there are no agreements to extend the statutory period for the assessment of any taxes, examinations in progress or claims against the Company for federal, state, local and other taxes (including penalties and interest) for any period or periods prior to and including the date hereof (and as of the Closing Date) and no notice of any claim, whether pending or threatened, for taxes has been received; and (e) there are no liens for taxes on any assets of the Company, except for liens relating to current real property taxes and personal property taxes that are not yet due and payable.

2.6 Personal Property and Other Assets.

(a) Except for the Excluded Assets, each piece of equipment used or for use in the Business and owned or leased by the Company (the "Equipment") is being transferred to Buyer through its acquisition of the Shares in its "as is" condition.

(b) To the best of Seller's knowledge, all of the Company's personal property assets are either owned by the Company or leased under an agreement listed on Schedule 2.6(b). To the best of Seller's knowledge, all leases set forth on Schedule 2.6(b) are in full force and effect and constitute valid and binding agreements of the parties thereto in accordance with their respective terms. At the Closing, the Company shall have good and marketable title to its assets

(other than the Excluded Assets), free and clear of all debts and Encumbrances (other than lease obligations).

2.7 Contracts. Seller has made available to Buyer true and correct copies of all of the Company's material written leases, contracts and agreements (the "Contracts"). A list of the Contracts is set forth on Schedule 2.7. To the best of Seller's knowledge, except as set forth on Schedule 2.7: (a) all of the Contracts are in full force and effect; (b) all rent and other payments by Seller or the Company under the Contracts are current and there are no existing defaults by Seller or the Company under the Contracts; and (c) no termination, condition or other event has occurred which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute a default or a basis for force majeure or other claim of excusable delay or non-performance under the Contracts. Seller shall execute such assignments and related documents as may be necessary, if any, under the Contracts set forth on Schedule 2.7 to assign Seller's interest to Buyer.

2.8 Environmental Matters. To the best of Seller's knowledge, except as set forth on Schedule 2.8, as of the date of this Agreement, neither Seller nor the Company has received any written notice regarding the Company or its assets from any Governmental Authority or other third party alleging a material violation of any Applicable Laws that relate to health, the environment, or a community's right to know ("Environmental Laws").

2.9 Permits. Set forth on Schedule 2.9 is a complete and accurate list of all permits, licenses, consents and approvals of every kind held by the Company, including permit applications, franchises, and certificates of convenience and necessity (the "Permits"). To the best of Seller's knowledge, except as set forth on Schedule 2.9, all of the Permits are valid, in good standing and in full force and. Notwithstanding the foregoing, however, Seller makes no representations or warranties as to the effect of the Transactions on any Permits.

2.10 Financial Information.

(a) True and complete copies of the 2013 and 2014 ACC filings (the "Financial Statements"), are included as Schedule 2.10(a). The Financial Statements were prepared in accordance with the books of account and other financial records of the Company. Buyer acknowledges and agrees that such Financial Statements have been prepared based on the ACC's regulatory requirements and may be different than financial statements prepared on the tax basis or on another accounting basis, and that such Financial Statements may not "fairly present" the financial condition and the results of operations and cash flows of the Company as of the applicable date or for the applicable periods.

(b) Except as disclosed in the Schedule 2.10(b), there are no Liabilities of the Company other than Liabilities (i) reflected or reserved against on the balance sheet dated as of December 31, 2014, and (ii) Liabilities which have arisen after December 31, 2014 in the ordinary course of business. "Liabilities" means any and all debts, liabilities and obligations of the type that are required to be included in a balance sheet prepared in accordance with generally accepted accounting principles, but excludes non-contractual liabilities (such as contingent liabilities arising out of events that occurred before the Closing or arising under any Applicable Law (including any Environmental Law) other than Tax liabilities.

2.11 Absence of Changes. Since December 31, 2014, except as otherwise set forth in Schedule 2.11, the Company has not:

(a) transferred or encumbered any: water rights, including any Type 1 and Type 2 Groundwater Rights owned by the Company; rights that the Company may currently have under the agreement between the Company and the City of Glendale; rights that the Company may currently have under its subcontract with the Central Arizona Water Conservation District for the delivery of Central Arizona Project Water; or other real or personal property used or necessary for the provision of utility service, except in the ordinary course of business.

(b) issued or sold any capital stock, or rights to purchase any such stock or any securities convertible into or exchangeable for such stock;

(c) suffered any damage, destruction or loss (insured or uninsured) materially and adversely affecting its ability to conduct its business or operations;

(d) merged or consolidated with or been acquired by any person, firm or corporation (or agreed to do so);

(e) agreed to any waiver or settlement of any lawsuit or dispute involving it or its properties;

(f) made or authorized any loan or advance to any person;

(g) incurred (or agreed to) any Liability, except current liabilities in the ordinary and usual course of business; or

(h) made (or agreed to) any purchase or lease of capital assets exceeding $10,000.

2.12 No Guarantees. The Company has not guaranteed or become subject to a similar contingent obligation in respect of the obligations or liabilities of any other person or entity, except for such guarantees or obligations that will be released in full at Closing.

2.13 No Other Representations. Seller is not making any representations or warranties, expressed or implied, of any nature whatsoever except as specifically set forth in this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER.

Buyer makes the representations and warranties set forth in this Article 3 to Seller.

3.1 Organization; Authority.

(a) Buyer is a municipal corporation duly incorporated, validly existing and in good standing under the laws of the State of Arizona and is duly authorized, qualified and licensed under all laws, regulations, ordinances and orders of public authorities to carry on its business in the place and the manner as presently conducted, except for where failure to be so

authorized, qualified or licensed would not have a material adverse effect on it or its ability to consummate the Transactions.

(b) Buyer has the full legal right, power and authority to enter into this Agreement and to consummate the Transactions. On or before the Closing, all municipal action of Buyer necessary to approve the Transactions shall have been taken.

3.2 Binding Effect. This Agreement is the valid and binding obligation of Buyer, enforceable against it in accordance with its terms.

3.3 Consents and Approvals; No Violation.

(a) No filing or registration with, and no permit, authorization, consent or approval of, any party, including any Governmental Authority, is necessary for the consummation by Buyer of the Transactions.

(b) The execution, delivery and performance of this Agreement, the consummation of the Transactions and the fulfillment of the terms hereof will not: (i) conflict with, or result in a breach or violation of the charter of Buyer; (ii) conflict with, or result in a material breach under, any document, agreement or other instrument to which Buyer is a party, or result in the creation or imposition of any encumbrance on any properties of Buyer; or (iii) violate any Applicable Laws; except in the case of clauses (ii) and (iii) for breaches, violations, defaults, liens, charges or encumbrances as do not and would not result in a material adverse effect on Buyer's ability to consummate the Transactions.

3.4 Litigation. There are no Proceedings, pending or, to the best of Buyer's knowledge, threatened against Buyer before any Governmental Authority that would prevent, delay or make illegal the Transactions.

3.5 Independent Investigation. Buyer has conducted its own independent investigation of the Company, its assets and the Business. Buyer acknowledges that it has had access to Seller's representatives and to any and all real estate, environmental, financial, operational and other documents and information that Buyer has requested or otherwise determined is necessary as part of Buyer's due diligence review of the Company, its assets and the Business, and that it has inspected the same and the Company's assets. Buyer has been provided all information and documentation it has requested and has received answers to all questions asked of Buyer and its representatives and personnel. Buyer acknowledges that, **EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN THE SCHEDULES HERETO, BUYER, THROUGH ITS ACQUISITION OF THE SHARES, IS ACQUIRING THE COMPANY AND ALL OF ITS ASSETS "AS IS, WHERE IS" AND "WITH ALL FAULTS" AND SELLER HAS NOT MADE, AND SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER, RELATING TO THE COMPANY OR ITS ASSETS (INCLUDING ANY REPRESENTATIONS OR WARRANTIES AS TO ENVIRONMENTAL MATTERS OR ANY IMPLIED OR EXPRESSED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE).**

3.6 Investment. Buyer is an "accredited investor" within the meaning of Rule 501 under the Act, and is acquiring the Shares pursuant to this Agreement for its own account and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Act.

3.7 Buyer's Representations and Warranties. From the date of this Agreement until the Closing Date, except as provided for in or contemplated by this Agreement or except as consented to or approved by Seller in writing, Buyer covenants and agrees that it will not take any action that would make any representation and warranty of Buyer hereunder inaccurate in any material respect at or as of the Closing.

ARTICLE 4

REMEDIES

4.1 Survival; Exclusivity. The representations and warranties contained in this Agreement and the certificates and other documents delivered pursuant to this Agreement shall survive the Closing for 6 months; provided, however, the representations and warranties (and indemnification obligations related thereto) in Section 2.5 shall survive until six months following the expiration of the applicable statute of limitations and the representations and warranties in Section 2.8 shall survive for a period of one year. The covenants and agreements contained in this Agreement and the certificates and other documents delivered pursuant to this Agreement shall survive the Closing to the extent applicable. Such representations, warranties, covenants and agreements contained herein are exclusive, and the parties hereto confirm that they have not relied upon any other representations, warranties, covenants and agreements as an inducement to enter into this Agreement or otherwise.

4.2 Indemnification by Seller. Seller agrees to indemnify and hold harmless Buyer from any and all claims, damages, losses, liabilities, costs and expenses (including settlement costs and any legal, accounting or other expenses for investigating or defending any actions or threatened actions) (collectively, "Losses") reasonably incurred by Buyer in connection with any breach by Seller of any representation or warranty in this Agreement or any breach by Seller of any covenant, agreement or obligation contained in this Agreement or any document contemplated hereby; provided, however, that Seller shall not be liable for the breach of any representation or warranty in this Agreement if Buyer had knowledge before the Closing of facts that would make such representation or warranty untrue.

4.3 Indemnification by Buyer. Buyer agrees to indemnify and hold harmless Seller from any and all Losses reasonably incurred by Seller in connection with any breach by Buyer of any representation or warranty in this Agreement or any breach by Buyer of any covenant, agreement or obligation contained in this Agreement or any document contemplated hereby; provided, however, that Buyer shall not be liable for the breach of any representation or warranty in this Agreement if Seller had knowledge before the Closing of facts that would make such representation or warranty untrue.

4.4 Limitation on Liability. Notwithstanding the other provisions of this Article 4, the indemnification obligations of Seller set forth in this Article 4 shall apply only after the aggregate amount of such obligations exceeds $105,000, at which time the indemnification obligations shall be effective only as to those Losses in excess of such initial $105,000. Further,

the indemnification obligations of Seller set forth in this Article 4 shall be limited to an aggregate amount not to exceed $1,000,000.

4.5 Exclusivity. Indemnification pursuant to this Article 4, as limited by the provisions of this Article 4, shall be the exclusive remedy of the parties with respect to any breach by any party of any representation or warranty in this Agreement.

ARTICLE 5

GENERAL

5.1 Tax Returns. From and after the Closing, Buyer shall not amend any of the Company's federal or state income tax returns for any period ending on or before the Closing Date.

5.2 Assignment; Binding Effect; Amendment. This Agreement and the rights of the parties hereunder may not be assigned and shall be binding upon and shall inure to the benefit of the parties hereto and their successors. This Agreement, upon execution and delivery, constitutes a valid and binding agreement of the parties hereto enforceable in accordance with its terms and may be modified or amended only by a written instrument executed by both of the parties hereto.

5.3 Entire Agreement. This Agreement is the final, complete and exclusive statement and expression of the agreement among the parties hereto relating to the subject matter of this Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter as this Agreement. This Agreement supersedes, and cannot be varied, contradicted or supplemented by, evidence of any prior or contemporaneous discussions, correspondence, or oral or written agreements of any kind.

5.4 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

5.5 No Brokers. Seller represents and warrants to Buyer that Seller has had no dealings with any broker or agent so as to entitle such broker or agent to a commission or fee in connection with the transaction described herein. Buyer represents and warrants to Seller that Buyer has had no dealings with any broker or agent so as to entitle such broker or agent to a commission or fee in connection with the transaction described herein. If for any reason a commission or fee shall become due, the party dealing with such agent or broker shall pay such commission or fee, and agrees to indemnify and save harmless the other party from all claims for such commission or fee and from all attorneys' fees, litigation costs and other expenses relating to such claim.

5.6 Expenses of Transaction. Whether or not the transactions herein shall be consummated: (a) Buyer will pay the fees, expenses and disbursements of Buyer and its agents, representatives, accountants and counsel incurred in connection with the subject matter of this Agreement and any amendments hereto and all other costs and expenses incurred in the performance and compliance with all conditions to be performed by Buyer under this Agreement; and (b) Seller will pay the fees, expenses and disbursements of Seller and its agents, representatives, accountants and counsel incurred in connection with the subject matter of this

Agreement and any amendments hereto and all other costs and expenses incurred in the performance and compliance with all conditions to be performed by Seller under this Agreement.

5.7 Notices. All notices or other communications required or permitted hereunder shall be in writing and may be given by depositing the same in United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier, or by delivering the same in person to such party.

If to Seller, addressed to it at:

7837 West Deer Valley Road
Peoria, Arizona 85382
Attn: Robert L. Fletcher

with a copy to:

Fennemore Craig, P.C.
2394 East Camelback Road
Suite 600
Phoenix, AZ 85016
Attn: Norman D. James, Esq.

If to Buyer, addressed to it at:

City of Peoria, Arizona
8401 W. Monroe Street, Room 300
Peoria, AZ 85345
Attn: City Manager

City of Peoria, Arizona
8401 W. Monroe Street, Room 280
Peoria, AZ 85345
Attn: Stephen M. Kemp, Esq., City Attorney

Notice shall be deemed given and effective the day personally delivered with delivery verification, the day after being sent by overnight courier, subject to signature verification, and three business days after the deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested, or when actually received, if earlier. Any party may change the address for notice by notifying the other parties of such change in accordance with this Section.

5.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona, without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Arizona.

5.9 Jurisdiction; Waiver of Jury Trial. The parties agree that any disputes arising out of or related in any way to this Agreement, including a breach of this Agreement, shall be filed exclusively in the state or federal courts in Maricopa County, Arizona. The parties consent and

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agree to the jurisdiction of the Arizona courts. Neither party will argue or contend that it is not subject to the jurisdiction of the Arizona courts or that venue in Maricopa County, Arizona, is improper.

5.10 Attorneys' Fees. Should any litigation be commenced under this Agreement, the successful party in such litigation shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses, and court or other costs incurred in such litigation or proceeding. For purposes of this clause, the term "successful party" means the net winner of the dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. If a written settlement offer is rejected and the judgment or award finally obtained is equal to or more favorable to the offeror than an offer made in writing to settle, the offeror is deemed to be the successful party from the date of the offer forward.

5.11 No Waiver. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by the other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of or in any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver. The rights and remedies of any party based upon, arising out of or otherwise in respect to any inaccuracy or breach of any representation, warranty, covenant, or agreement, or failure to fulfill any condition shall in no way be limited by the fact that the act, omission, occurrence or other stated facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant, or agreement as to which there is no inaccuracy or breach.

5.12 Captions. The headings of this Agreement are inserted for convenience only, and shall not constitute a part of this Agreement or be used to construe or interpret any provision hereof.

5.13 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

5.14 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute shall be deemed to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "include" or "including" means include or including, without limitation.

[Signatures Appear on Next Page]

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

BUYER:

The City of Peoria

By: _____
Name: Carl Swenson, City Manager

Approved as to form:

By: _____
Name: Stephen M. Kemp, City Attorney

Attestation:

By: _____
Name: Rhonda Geriminsky, City Clerk

SELLER:

Robert L. Fletcher and Mary Karen Fletcher, as Trustees of the Robert L. Fletcher and Mary Karen Fletcher Family Trust, created under trust instrument dated July 19, 2002

By: _____
Name: Robert L. Fletcher

By: _____
Name: Mary Karen Fletcher

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LIST OF SCHEDULES

Schedule 2.1(a)	--	Articles of Incorporation and Bylaws
Schedule 2.3(a)	--	Consents
Schedule 2.3(b)	--	Conflicts
Schedule 2.4	--	Litigation
Schedule 2.5	--	Taxes
Schedule 2.6(b)	--	Personal Property Leases
Schedule 2.7	--	Contracts
Schedule 2.8	--	Environmental Matters
Schedule 2.9	--	Permits
Schedule 2.10(a)	--	Financial Statements
Schedule 2.10(b)	--	Liabilities
Schedule 2.11	--	Changes

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Agenda Item: 31R

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Date Prepared: June 18, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Andy Granger, P.E., Development & Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Two New Full-Time Building Inspector I Positions

Purpose:

This is a request for City Council to approve two new full-time Building Inspector I positions to help address the increasing demand for services in the area of residential construction. Additionally, staff is requesting a budget adjustment to fund these positions and their associated equipment.

Background/Summary:

Residential construction activity continues to trend upward as it did in 2014. Total residential inspections in 2014 were 25% above those in 2013 and new housing starts are approximately 22% above what they were last year at this time. The increased demand is placing additional workloads on staff to a point where acceptable service levels are not achievable.

Industry expectations are that inspections are performed on the day they are requested. Customers understand that due to fluctuating demand inspections may be occasionally rolled to the next day. Currently, 9% of our requested inspections are being rolled over to the following day, thereby making construction scheduling more unpredictable and subsequently increasing construction costs. Each inspector is currently averaging approximately 33 inspections per day – a volume at which the inspector is often unable to provide an appropriate level of customer service for addressing customer comments or questions. With a target rate of 15 inspections per inspector per day, the current volume stands to compromise the overall quality of each inspection, which in turn could affect product durability and protection for the future homeowner(s).

In FY 2015, an inspector position was added in response to the increased customer demand experienced in FY 2014. Permit activity has since continued to increase at a rate that has outpaced recent predictions, therefore it is critical that this new demand be addressed and customer service be restored to acceptable levels. Funding for a contract inspection service is currently in existence, but it is only adequate for a half-time inspector for one year; whereas,

current demand requires more than a full-time position. The current contract inspection service provider is unable to dedicate more inspection resources due to the lack of staffing. It should also be noted that this type of contract service is intended for intermittent use during times of immediate need. Expanding this service would be a very costly option and is therefore an undesirable option. Staff has evaluated using full-time contract staff, but cannot find skilled individuals willing to take on a full-time, though temporary, assignment. The most cost effective and prudent option is to create two new full-time inspector positions in order to attract experienced individuals who can make an immediate impact on the inspection workloads and measurable improvements in customer service.

The two inspection positions being requested are not anticipated to fully address all of the inspection demands, but rather maximize customer service improvements and overall service quality with minimal investment. Inspection staff in excess of this request will need to be funded through current general fund resources or an increase in permit fee revenue, which is currently being analyzed for future consideration. Management is currently working with industry representatives to determine acceptable service levels in conjunction with a revised fee schedule to offset the cost of service.

Staff will return to Council in the Fall to share the results of the discussions and an update on continuing workload trends along with recommendations on fee adjustments, if necessary.

Previous Actions:

This item has not been presented before any committees or sub-committees.

Options:

A: Approve staff's request and associated budget amendment to create two new Building Inspector I positions to reduce the workload on current inspection staff and improve inspection quality and overall customer service.

B: Deny staff's request to create two new Building Inspector I positions acknowledging that current service levels are likely to degrade as customer demands increase due to increased permit activity. Inspection services will become more unpredictable and make scheduling of construction projects more difficult and costly for our customers

Staff's Recommendation:

Staff recommends the Mayor and City Council approve the request to create two new Building Inspector I positions to begin addressing increased workload demands in the area of residential construction.

Fiscal Analysis:

Staff has prepared a thorough estimate for each new Building Inspector I position that includes standard elements such as salary and benefits, a vehicle, official uniforms and safety gear, mandatory training, and office equipment. This estimate, as provided in Exhibit 1, shows an overall cost of $226,084 for two positions. Funding of these positions will require a number of budget adjustments as outlined in Exhibit 2.

To fund this request, staff recommends re-directing half of the one-time funding in the FY16 budget for contract building inspection, budgeted at $80,000, and one-time admin support, budgeted at $68,000, to these requested positions to better serve these needs. By utilizing $40,000 from the contract building inspection and $34,000 from the admin support, staff will be able to offset $74,000 from the cost of this request. The balance of the cost will come from General Fund reserves at this time, but staff anticipates one-time savings from FY15 being available to offset some of this, as well as increased permit fee revenues. This would allow the City to address the increased needs in a cost neutral manner.

It is staff's intention to prepare a detailed cost of service analysis and revised fee schedule that will provide a revenue offset for these additional positions. This analysis is currently underway and is anticipated to be brought before City Council this Fall.

Exhibit 1: Cost Estimate
Exhibit 2: Budget Adjustment

Contact Name and Number:

Bob Goodhue, Deputy Director of Development, x7589

Cost Estimate

The following is a summary of the one-time and ongoing costs associated with the Building Inspector I position request:

Full-Time "Building Inspector I" Estimate	***One-Time***	***Ongoing***	***Total***
Non-Personnel	$ 34,717	$ 5,925	$ 40,642
Personnel		$ 72,400	$ 72,400
TOTAL PER INSPECTOR	$ 34,717	$ 78,325	**$ 113,042**
TOTAL REQUEST AMOUNT	*$ 69,434*	*$ 156,650*	***$ 226,084***

The following outlines the itemized cost estimate for the Building Inspector I position(s):

Fund	***Div***	***Account***	***Account Title***	***One-Time***	***Ongoing***	***Per Inspector***	***Two Inspectors***
1000	650	510000	Salaries/Benefits		$ 72,400	$ 72,400	$ 144,800
1000	650	520502	Training/Seminar/Conf Fees		$ 600	$ 600	$ 1,200
1000	650	530028	Desk Phone	$ 300		$ 300	$ 600
1000	650	523410	Telecom Svc Lease & Rental	$ 50	$ 500	$ 550	$ 1,100
3100	3500	542008	Truck	$ 24,702		$ 24,702	$ 49,404
1000	650	525600	Direct Svc Chg Fleet Maint		$ 3,400	$ 3,400	$ 6,800
1000	650	525701	Computer Repl Chg		$ 800	$ 800	$ 1,600
3400	3820	530003	Toughbook	$ 5,825		$ 5,825	$ 11,650
3400	3820	530021	Computer Software	$ 630		$ 630	$ 1,260
3400	3820	542008	Vehicle Docking Station	$ 2,100		$ 2,100	$ 4,200
3400	3820	542008	PC Docking Station	$ 185		$ 185	$ 370
3400	3820	543007	Computer Data Drop	$ 325		$ 325	$ 650
1000	650	530009	Wearing Apparel		$ 625	$ 625	$ 1,250
1000	650	530012	Tools & Equipment	$ 600		$ 600	$ 1,200
			Total	$ 34,717	$ 78,325	**$ 113,042**	**$ 226,084**

FY16 Budget Adjustment - Building Inspector I *(two positions)*

Staff is requesting the following budget adjustments from the General Fund Reserves account for **two** new Building Inspector I positions:

Fund	Division	Account	Account Title		Debits		Credits
1000	650	510000	Salaries/Benefits	$	144,800	$	-
1000	650	520502	Training/Seminar/Conf Fees	$	1,200	$	-
1000	650	530028	Desk Phone	$	600	$	-
1000	650	523410	Telecom Svc Lease & Rental	$	1,100	$	-
1000	650	542008	Truck	$	49,404	$	-
1000	650	525600	Direct Svc Chg Fleet Maint	$	6,800	$	-
1000	650	525701	Computer Replacment Chg	$	1,600	$	-
1000	650	530003	Toughbook	$	11,650	$	-
1000	650	530021	Computer Software	$	1,260	$	-
1000	650	542008	Vehicle Docking Station	$	4,200	$	-
1000	650	542008	PC Docking Station	$	370	$	-
1000	650	543007	Computer Data Drop	$	650	$	-
1000	650	530009	Wearing Apparel	$	1,250	$	-
1000	650	530012	Tools & Equipment	$	1,200	$	-
1000	650	530012	Contract Labor	$	-	$	40,000
1000	750	530012	Contract Labor	$	-	$	34,000
1000	300	570000	General Fund Contingency	$	-	$	152,084
			Total	**$**	**226,084**	**$**	**226,084**

Exhibit 2

City Council Calendar

Color Key:
City Council

< June	July 2015					August >
Sunday	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**Saturday**
			1	2	3	4 All-American Festival presented by Sears Vacations
5	6	7 Special City Council Meeting & Study Session Regular City Council Meeting	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

City Council Calendar

Color Key:
City Council

< July	August 2015					September >
Sunday	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**Saturday**
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26 Special City Council Meeting & Study Session Regular City Council Meeting	27	28	29
30	31					

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: RCM 33A

Date Prepared: June 22, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

THROUGH: **Susan Daluddung, Deputy City Manager**

FROM: **Julie Ayers, Human Resources Director**

SUBJECT: **Mid-Decade Census Update**

Purpose:
The City of Peoria will be participating in a mid-decade Census. This staff report is to update the Mayor and Council on the status of the project.

Background/Summary:
The Peoria City Council voted on March 17, 2015 to participate in a mid-decade census. Peoria has experienced significant growth since the 2010 census and an updated count will allow the City to qualify for additional state shared sales tax revenues to provide essential services such as public safety, parks and street maintenance. In fact, each person counted in Peoria equals $318 in annual revenue. The anticipated cost of the mid-decade census for the City of Peoria is $3.1M.

Census day will be October 1, 2015 and census enumerators will be going door-to-door during October and November. Special census counts are only taken in person at their residence; there are no mail-in forms or others methods of being counted. Seven basic questions will be asked of Peoria residents: name, relationship, race and Hispanic origin, gender, age, date of birth and whether the home is owned or rented. The information provided is confidential under Federal Law and no one outside the Census Bureau can ever be given information that would enable them to connect the information provided back to the household. Census workers will visit a residence up to three (3) times, and if unsuccessful, will then seek information from neighbors to obtain the necessary information.

<u>Project Team</u>
Conducting a mid-decade census is a large organizational undertaking and an internal project team has been established that includes:

Susan Daluddung, City Manager's Office Lead
Julie Ayers, Project Lead
Jason Cleghorn, Project Coordinator
Bo Larsen, Communications
Mary Roberts, Volunteer Outreach
John Imig, IT
Katie Gregory, Finance
Lisa Estrada, Hispanic Community Outreach
Tammy Shreeve, Community Outreach
Sonia Andrews, Payroll
Walt Begley, Facilities
Claudia Hasbrouck, Recruiting
Beth Ullinger, Administrative Support

In addition to coordinating the logistics of the census, the committee is responsible for recruiting census workers and providing community outreach to Peoria residents.

Recruiting

The Census Bureau has requested that the City source 1200+ applicants for them to select 300 census workers. Although these are census employees they will be paid through the City's payroll system. Census enumerators will receive $16.25 per hour plus mileage and paid training. Applications are being taken through July 31st and can be submitted through the City's online recruiting program or in person at City Hall, Human Resources Department. We are asking our community partners to help spread the word of this exciting part-time employment opportunity that also helps our community.

Community Outreach

The project team will also be responsible for community outreach to educate and encourage Peoria residents to open their doors and be counted. Members will be available to speak to non-profit groups, homeowner's associations, etc. and will participate in other community events throughout the project. We will utilize advertising, signs, newsletters, radio programs, etc. and will ask our community partners to assist in these efforts.

Timeline

July 31st	Applications for Census workers due
August 3rd	Census Office opens
October 1st	Census Day!
November 19th	End of Field Work
November 25th	Census Office closes
March 1, 2016	Last day for updated numbers to be sent to the State

CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATION

Agenda Item: RCM 33B

Date Prepared: June 22, 2015 **Council Meeting Date: July 7, 2015**

TO: **Carl Swenson, City Manager**

THROUGH: **Susan Daluddung, Deputy City Manager**

FROM: **Julie Ayers, Human Resources Director**

SUBJECT: **Healthy Arizona Worksite Award**

Purpose:
The City of Peoria has recently been recognized as a Healthy Arizona Worksite award winner.

Background/Summary:
The Healthy Arizona Worksites Program builds collaboration among Arizona employers around worksite wellness. The program recognizes participating Arizona employers for their leadership and commitment to the health of their employees and the state's business community.

The City of Peoria is one of seven (7) organizations state-wide receiving the Silver designation, including the City of Scottsdale. The Silver designation recognizes that the City of Peoria has an active wellness program with senior level support, a program budget and has conducted biometric screenings.

Over the past twelve (12) months the Wellness Committee has notably increased their presence in the organization:

- Biometric Screenings and Health Risk Assessments
- Walking Program, with over 38,421 miles walked in the past seven (7) months
- Hydration Campaign
- Sleep Apnea Education Seminars
- Disease management information pamphlets provided at the City's MOC location at the request of employees
- Increased communication including Enouncements, posters and Wellness website updates to provide employees with information on the latest wellness initiatives
- Partnership with the Diversity Committee: Flavors of Peoria
- Continuation of Mobile On-Site Mammography (MOM) Van and on-site Flu vaccinations

Additional activities have been planned by the Wellness Committee through the remainder of the calendar year, including on-site Biometric Screenings in early September and prostate screenings in November.

The Wellness Committee is proud of this award and looks forward to continuing a culture of wellness in the City.

Contact Name and Number: Julie Ayers, Human Resources Director, 623-773-7580

CITY OF PEORIA, ARIZONA
CITY MANAGER REPORT

Agenda Item: RCM 33C

Date Prepared: May 21, 2015 **Council Meeting Date: July 7, 2015**

TO: Carl Swenson, City Manager

FROM: Andrew Granger, P.E., Engineering Director

THROUGH: Susan J. Daluddung, Deputy City Manager

SUBJECT: Hon. John R. Sticht Excellence in Disabilities Accessibility Award

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Summary:

On June 24, 2015, the State Bar of Arizona awarded the City of Peoria the 2015 Hon. John R. Sticht Excellence in Disabilities Accessibility Award. The award, which recognizes private and/or public legal employers for their efforts to improve access to the Arizona judicial system for persons with disabilities in the legal profession, is in recognition of Peoria as a municipal leader in developing and maintaining an accessible work environment and community for all Arizonans.

In a 2014 WalletHub survey of the largest 150 cities in the United States, the City of Peoria ranked first in Arizona, and second in the United States, as the most suitable place for a disabled person to live and work. In 2011, the Peoria Municipal Court was substantially expanded and reconstructed to include plenty of accessible parking; variable height counters for city clerks, push button building access, and appropriately labeled and designed handrails, ramps and workstations. In the courtroom, each workstation is accessible via a ramp and the juror seating area is wheelchair accessible.

In addition to the improvements at the Municipal Court, the nomination committee also considered the City's commitment to accessibility improvements undertaken during the 2015 renovations of the Peoria Sports Complex stadium. The upgrades enhance access to seating, restrooms, the field, vendors, and other amenities for the disabled. The stadium has more than

200 wheelchair seats available with unobstructed views of the field and a wide ramp provides access to seats, gift shop and the field.

The Sticht Award was named in honor of the man and legacy of Judge John R. Sticht, the first judge in the State of Arizona who used a wheelchair throughout his legal career. Judge Sticht was appointed by Governor Bruce Babbitt to the Maricopa County Superior Court, beginning in January 1984, where he sat for 18 years until his retirement in 2002. Judge Sticht passed away on June 2, 2004. While an undergraduate student and member of the gymnastics team at the University of Arizona in 1960, Judge Sticht sustained a devastating neck injury in a trampoline accident, rendering him a quadriplegic at the age of 19.

The State Bar of Arizona recognized eight individuals and one state agency for their contributions to the legal profession at the 2015 State Bar of Arizona Annual Convention at the Arizona Biltmore Resort & Spa in Phoenix on June 24-26.

Contact Name and Number: Bo Larson, 623-773-7934 or Ed Striffler, 623-773-7721

CITY OF PEORIA, ARIZONA
CITY MANAGER REPORT

Agenda Item: RCM 33D

Date Prepared: July 1, 2015 **Council Meeting Date:** July 7, 2015

TO: Carl Swenson, City Manager

THROUGH: Jeff Tyne, Deputy City Manager

FROM: Roy W. Minter, Jr., Chief of Police

SUBJECT: Peoria Police Department Crisis Negotiations Team Takes First Place in the Regional ATOA Negotiations Competition

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Summary:

The Peoria Police Department Crisis Negotiations Team put their skills to the test on May 15, 2015 as they participated in the 3rd annual Arizona Tactical Officers Association (ATOA) Negotiations Competition. Approximately 17 law enforcement agencies from across the Southwest to include Department of Corrections, the FBI, and the Glendale California Police Department participated in the 8 to 10 hour long exercise. Over 250 team members, judges, role players, and volunteers joined efforts in the planning and implementing of the event. The Peoria Police Department Crisis Negotiations Team placed first in this competition.

Sergeant Jeff Carrion, a coordinator and the Peoria Police Department Crisis Negotiations Sergeant stated, "I enjoyed collaborating with other agencies to bring this event to Peoria and am also very proud of our team's performance." The competition serves dual purpose as agencies hone their skills and build lasting, working partnerships with each other. The Peoria Police Department Crisis Negotiations Team currently continues to train and looks forward to competing again next year.

Exhibit(s): None

Contact Name and Number: Chief Roy W. Minter, Jr., 623-773-7059

MINUTES OF THE VISTANCIA COMMUNITY FACILITIES DISTRICT BOARD
CITY OF PEORIA, ARIZONA
COUNCIL CHAMBER
May 19, 2015

A **Special Meeting** of the Vistancia Community Facilities District Board was convened at 8401 West Monroe Street in open and public session at 8:19 p.m.

Members Present: Board Chairperson Cathy Carlat; Vice Chairperson Jon Edwards; Board Members Bridget Binsbacher, Michael Finn, Vicki Hunt, Carlo Leone and Bill Patena.

Members Absent: None.

Other Municipal Officials Present: Carl Swenson, District Manager; Susan Daluddung, Deputy District Manager; Jeff Tyne, Deputy District Manager; Steve Kemp, District Counsel; Linda Blas, Deputy District Clerk; Robert Goodhue, Deputy Economic Development Services Director; Andy Granger, Development and Engineering Director; Stacy Irvine, Deputy Fire Chief; Chris Jacques, Planning and Community Development Director; Bo Larsen, Public Information Director; Brent Mattingly, Chief Financial Officer; Roy Minter, Police Chief; John Sefton, Community Services Director; Mike Weber, Deputy Utilities Director; Corina Russo, Assistant to the District Manager; and Dawn Ganzer, Executive Assistant to the District Clerk.

Audience: Approximately two members of the public were present.

Note: The order in which items appear in the minutes is not necessarily the order in which they were discussed in the meeting.

CONSENT AGENDA: All items listed with a "C" are considered to be routine or have been previously reviewed by the District Board and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests; in which event the item will be removed from the General Order of Business and considered in its normal sequence on the Agenda.

Chairperson Carlat asked if any Board Member wished to have an item removed from the Consent Agenda. Having no requests from the Board, motion was made by Board Member Binsbacher, seconded by Vice Chairperson Edwards, to approve the Consent Agenda.

Upon vote, the motion carried unanimously 7 to 0.

CONSENT – New Business:

Clerk's Note: The agenda item numbers shown below reflect the items as they were numbered on the agenda.

17. **C – Minutes**

Approved the April 21, 2015 Special Meeting minutes.

18. **C - Investment Report, Quarter Ending March 31, 2015**

Reviewed and accepted the Investment Report as presented.

REGULAR AGENDA

New Business:

Clerk's Note: Agenda Items 19R and 20R were presented together.

19. **R - PUBLIC HEARING - District Budget and Tax Levy for Fiscal Year 2016**

Staff Report:

Brent Mattingly, Chief Financial Officer, provided an overview of the Vistancia Community Facilities District Budget and Tax Levy for Fiscal Year 2016. Mr. Mattingly reported that the Fiscal Year 2016 Final Budget is $18.8 million and maintains the current tax rate for the District of $2.10 per $100 of limited assessed value for debt service.

Public Hearing:

Chairperson Carlat opened the Public Hearing and asked if any Board Member or citizen wished to comment on the District Budget and Tax Levy for Fiscal Year 2016.

Samuel Papparazzo posed questions to the Board regarding:

- Vistancia Community Facilities District Budget and Tax Levy for Fiscal Year 2016
- Standby contribution agreements
- Debt service obligations
- Change in ownership of undeveloped land

Brent Mattingly, Chief Financial Officer, addressed the questions presented by Mr. Papparazzo.

There being no additional comments from those present, Chairperson Carlat declared the public hearing closed.

Board Action:

No Board action required.

20. **R - Final Budget and Tax Levy Estimates for Fiscal Year 2016**

Motion was made by Board Member Hunt, seconded by Board Member Patena, to adopt **VCFD RES. 2015-02** approving the final budget and tax levy estimates for Fiscal Year 2016 for the Vistancia Community Facilities District.

Upon vote, the motion carried unanimously 7 to 0.

Call To The Public (Non-Agenda Items)

Samuel Papparazzo read aloud excerpts from recent news articles related to the Vistancia Community Facilities District and the City of Peoria regarding bond ratings.

ADJOURNMENT:

Being no further business to come before the District Board, the meeting was duly adjourned at 8:19 p.m.

_____
Cathy Carlat, Board Chairperson

ATTEST:

_____
Rhonda Geriminsky, District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct summary of the proceedings of the Special Meeting of the Vistancia Community Facilities District held on the 19th day of May, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of July, 2015.

(Seal)

_____
Rhonda Geriminsky, District Clerk

Agenda Item: 35R

CITY OF PEORIA, ARIZONA
VISTANCIA COMMUNITY FACILITIES DISTRICT
DISTRICT COMMUNICATION

Date Prepared: June 23, 2015 **District Meeting Date: July 7, 2015**

TO: Carl Swenson, District Manager

FROM: Brent Mattingly, District Treasurer

THROUGH: Jeff Tyne, Deputy District Manager

SUBJECT: Public Hearing on Report of Feasibility and Benefits of Projects Required By Section 48-715, Arizona Revised Statutes

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Purpose:

This is a request for the District Board to hold a Public Hearing on the Amended and Restated Feasibility Report of the Vistancia Community Facilities District as required under Arizona State Statute. No Board action is necessary under this agenda item.

Summary:

Pursuant to A.R.S. 48-715, feasibility reports for community facilities districts are to include (i) a description of the public infrastructure to be constructed or acquired; (ii) a map showing, in general, the location of the public infrastructure and area to be benefited by the public infrastructure; (iii) an estimate of the cost to acquire, construct, operate and maintain the public infrastructure and an estimated schedule for completion of public infrastructure; and (iv) a plan for financing the public infrastructure.

This Feasibility Report ("Report"), prepared by engineers and other qualified persons, amends and restates in applicable parts the feasibility reports originally presented to the Board of the Vistancia Community Facilities District on November 19, 2002, March 22, 2005, and December 12, 2006. Those prior reports were approved in connection with the issuance by the District of its general obligation bonds. The prior reports addressed the feasibility and benefits of certain "public infrastructure" projects and the plans for financing the costs and benefits of those projects. This Report supersedes those prior feasibility reports in all respects.

Previous Actions:

District Feasibility Reports were approved by the Vistancia CFD Board in association with bond sale transactions in 2002, 2005 and 2006.

Options:

A: Hold the Public Hearing as required by State Statute in conjunction with the sale of new general obligation refunding bonds.

B: Do not hold the Public Hearing. Under this option the District Board cannot consider the approval of the subsequent Board Agenda item regarding the sale of new general obligation refunding bonds.

Staff Recommendation:

Staff recommends that the District Board hold the Public Hearing on the amended and restated feasibility report of the Vistancia Community Facilities District.

Fiscal Analysis:

There is no financial impact of the Public Hearing.

Attachment: Amended and Restated Feasibility Report

Contact Name and Number: Brent Mattingly, District Treasurer, 623-773-7134

FEASIBILITY REPORT
AMENDING AND RESTATING
IN APPLICABLE PARTS
FEASIBILITY REPORTS

For The Issuance of

ALL
VISTANCIA
COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS

Submitted
December 12, 2006
Amended
July 7, 2015

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	SECTION
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Timetable for Completion of Public Infrastructure	**FOUR**
Plan of Finance	**FIVE**
Legal Description of Vistancia Community Facilities District	**APPENDIX A**

SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT, AND GENERAL DESCRIPTION OF DISTRICT

PURPOSE OF FEASIBILITY REPORT

Pursuant to A.R.S. 48-715, feasibility reports for community facilities districts are to include (i) a description of the public infrastructure (as such term and all other undefined terms used herein are defined or used in Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act")) to be constructed or acquired; (ii) a map showing, in general, the location of the public infrastructure and area to be benefited by the public infrastructure; (iii) an estimate of the cost to acquire, construct, operate and maintain the public infrastructure and an estimated schedule for completion of public infrastructure; and (iv) a plan for financing the public infrastructure.

Feasibility reports are prepared for the consideration of the District Board of the District only. They are not intended or anticipated that they will be relied upon by other persons.

This Feasibility Report (this "Report") prepared by engineers and other qualified persons amends and restates in applicable parts the feasibility reports originally presented to the Board of the Vistancia Community Facilities District (the "District") on November 19, 2002, March 22, 2005, and December 12, 2006 (together, the "Prior Feasibility Reports"), in connection with the issuance by the District of its general obligation bonds to date, pursuant to the Act, with respect to the feasibility and benefits of certain "public infrastructure" described therein and the plan for financing the costs thereof (the "Studied Infrastructure") and with respect to the feasibility and benefits of certain different public infrastructure described herein and the plan of financing the costs thereof (the "New Infrastructure" and, with the Studied Infrastructure, the "Public Infrastructure"). To the extent this Report contradicts the Prior Feasibility Reports, this Report supersedes the Prior Feasibility Reports in all respects. To the extent the description of the Studied Infrastructure in this Report (including its feasibility and benefits) is different from that in the Prior Reports, this Report supersedes such descriptions in all respects.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City on October 15, 2002. The District is located within the City boundaries and was created to finance the acquisition or construction of certain public infrastructure, including the Public Infrastructure that relates to the development of portions of the project known as "Vistancia" (the "Project"). The Project consists of approximately 6,940 acres with a maximum allowable residential build out of approximately 10,500 units. Included in the 6,940 acres are 540 acres of authorized commercial uses including neighborhood centers, a regional, commercial and employment core and up to four golf courses. To date over 5,000 homes have been sold within the District, two 18-hole golf courses have been constructed, and nearly 200,000 square feet of commercial buildings have been built. The developed portion of the Project is also home to two kindergarten through eighth grade schools, two city parks, and nearly 200 acres of additional amenity and open space preserve.

Pursuant to an election held November 12, 2002, the District is authorized to issue not to exceed $100,000,000 in principal amount of general obligation bonds. In 2002, the District issued $21,250,000 aggregate principal amount of General Obligation Bonds, Series 2002 (the "Series 2002 Bonds"). In 2005, the District issued $23,550,000 aggregate principal amount of General Obligation Bonds, Series 2005 (the "Series 2005 Bonds"). In 2006, the District issued $22,760,000 aggregate principal amount of General

Obligation Bonds, Series 2006 (the "Series 2006 Bonds" and, with the Series 2002 Bonds and the Series 2005 Bonds, the "Bonds"). As indicated in this Report, the Public Infrastructure has been or will be paid for from proceeds of the sale of the Bonds. To the extent the use of such proceeds differs from what was reflected in the Prior Feasibility Reports, the use of such proceeds as indicated in this Report supersedes that indicated in the Prior Feasibility Reports.

The District Development, Financing Participation and Intergovernmental Agreement, dated October 1, 2002, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2005, the Second Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated December 1, 2006, the Third Amendment to District Development, Financing Participation and Intergovernmental Agreement, to be dated as of August 1, 2015 (subject to change), provides the terms for, among other things, providing and financing of the costs of certain portions of the Public Infrastructure necessary for the development of the Project. **Such agreement, as amended, should be reviewed in connection with this Report for a fuller understanding of the process for providing and financing the Public Infrastructure**.

A map of the District is included in Section Three and a legal description depicting the boundaries of the District is included in Appendix A.

SECTION TWO

DESCRIPTION OF, AND COST ESTIMATES FOR, PUBLIC INFRASTRUCTURE

Series 2002 Bonds Project Descriptions	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
1. ***Jomax Water Reclamation Facility Phase 1*** - Construction activities include the majority of the ultimate facility's site work and a small batch reactor treatment process to 0.75 million gallons per day ("MGD"). In addition, this phase of construction include many components required to increase plant capacity to 1.5 MGD.	$12,000,000	$16,061,099	$13,387,824	$ 798,905	-	-
2. ***Water Zone 4/5 Reservoir Site*** - Components included at this site are a 1.5 million gallon storage reservoir, two booster pump stations to serve City pressure zones 4 and 5 within the District, site work and necessary water treatment components.	4,795,000	3,105,777	3,665,836	98,988	-	-
3. ***Water Production Wells #5 and #8*** - This project consists of two phases. The first phase construction includes the drilling of the wells, well development and aquifer testing. The second phase of the project is recovery pump, site work, etc.	1,000,000	1,636,285	1,161,866	--	-	-
4. ***Water Production Well #10*** – This project consists of two phases. The first phase construction includes the drilling of the well, well development, and aquifer testing. The second phase of the project is recovery pump, site work, etc.	600,000*	115,092	217,569	-	-	-

*Completed within Zone 4/5 Reservoir Site.

Series 2002 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
5. ***Water and Wastewater Program Management**** - This project consists of development and refinement of the water and wastewater master plan for the Project. There were no construction activities in this project.	$400,000**	$400,000**	-	-	-	-
Total Cost Series 2002 Bonds Projects	**$18,795,000**	**$21,318,253**	**$18,433,095**	**$ 897,893**	**$0**	**$0**

(Note: The above amount paid by Series 2002 Bonds of $18,433,095 exceeds actual proceeds of Series 2002 Bonds of $18,344,295. The difference of $88,800 was paid with Series 2002 Bonds interest earnings.)

Series 2005 Bonds Project Descriptions						
1. ***Water Zone 5/6 Pump Station and Reservoir*** - The project will provide storage for pressure zones 5 and 6 within the Project. In addition, the facility will provide booster pump capacity to satisfy water demands as well as to provide fire protection for those zones. The facility will consist of one 2.5 MG circular pre-stressed concrete reservoir, two booster pump stations (one for each pressure zone); one 3000 sq. ft. building to house all mechanical and electrical equipment (excluding the hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping.	$6,250,000	$8,480,064	-	$7,987,115	$340,704	-

* Indicates acquisition project/

** Allocated among Items 1, 3, and 4, as applicable.

Series 2005 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
2. ***Water Production Well #2**** **-** This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	$875,000	$1,140,814	-	$ 831,713	$79,961	-
3. ***Water Production Well #6* -** This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well will be further equipped with remote gas-based chlorine disinfection systems.	975,000	1,384,104	-	1,942,957	69,198	-
4. ***Water Production Wells #3 and #7* -** This project will be installed to supplement existing groundwater supplies needed to meet water demands for the District. This project will consist of two phases, the first phase of construction includes drilling of the well, well development and aquifer testing. The second phase is for equipping the wells sites with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry and other miscellaneous site work.	1,850,000	2,888,503	-	2,052,649	760,819	-
Projects have been combined in this update to more accurately account for actual costs spent						

***** Indicates acquisition project.

Series 2005 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
5. ***Outfitting of Well Production Well #1 -*** . This project was installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells were equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well was further equipped with remote gas-based chlorine disinfection systems. A standby power generator was also provided	$ 650,000	$1,043,682	-	$ 965,615	$ 63,840	-
6. ***Jomax Water Treatment Facilities Expansion -*** This project. expanded the existing plant treatment capacity of 1.5 MGD. Major modifications included as part of the expansion was as follows: converting the sequencing batch reactors to extended aeration, adding clarifier number 2, adding a clarifier drain pump station, adding a belt filter in solids handling building and modifying existing pump capacity where needed.	4,300,000	7,716,293	-	5,711,742	2,256,888	-
7. ***Recharge Wells –*** Pilot project to recharge surplus treated effluent into the water aquifer. This will be needed as the Project develops and the supply of effluent exceeds demands (typically in winter months). This will allow the Project to recover the surplus water at a later date when demand exceeds supply of the effluent (typically in the summer months)	2,030,531	1,347,521	-	21,364	1,362,936	-
Total Costs Series 2005 Bonds Projects	**$16,930,531**	**$24,000,981**	**$0**	**$20,411,048**	**$4,934,346**	**$0**

(Note: The total amount paid by Series 2005 Bonds of $20,411,048 differs from actual proceeds of Series 2005 Bonds of $20,527,138. The difference of $116,090 was transferred to the Series 2005 debt service account. The total amounts above are cumulative of projects paid for with proceeds of Series 2002 Bonds and Series 2005 Bonds.)

Series 2006 Bonds Project Descriptions	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
1. ***Water Zone 4/5 Water Reservoir Site Phase 2*** - Provide additional storage capacity for City pressure zones 4 and 5. The expansion will consist of adding one 2.5 million gallon ("MG") circular steel reservoir to the existing site. In addition, the necessary supply and discharge piping to connect the reservoir with the existing facility will be provided.	$3,043,417	$3,311,903	-	-	$3,311,903	-
2. ***Water Production Well #4*** - Installed to supplement existing groundwater supplies needed to meet water demands for the City pressure zones 4, 5, 6, and 7 within the Project. The well will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	1,796,939	1,694,896	-	-	1,527,610	-
3. ***Water Production Well #9*** - Installed to supplement existing groundwater supplies needed to meet water demands for the City pressure zones 4, 5, 6, and 7 within the Project. Drilling of the well, well development and aquifer testing was performed outside of the CFD by Vistancia LLC. The second phase (performed by the CFD) is for equipping the well site including: new well vertical turbine pump, discharge piping and accessories, electrical power supply and radio telemetry.	1,110,856	1,181,824	-	-	1,278,470	

Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
4. ***Lone Mountain Road Water Line Design and ROW Acquisition*** – The design and right–of-way acquisition for the equivalent of a 16" water line (LMW Obligated Party's pro-rata share) in the ROW of Lone Mountain Road from Loop 303 east to Lake Pleasant Parkway. *This project is part of the New Infrastructure and is related to Development Agreement requirements revised in May of 2012. Estimates above are less than total anticipated costs, balance of improvement costs to be funded through other sources.* *This project is anticipated to be designed and built as part of a joint development Agreement involving the City of Peoria and other neighboring land owners. Funds of the District will only be for the pro rata share of the District.*	-	$1,596,233	-	-	-	$400,000
5. ***Jomax Road Section 36 Off-Site Sewer*** - Right of way acquisition for, and construction of, a sewer line through Section 36 that will serve areas of Village D of the Property. *This project has been adjusted to remove the installation of a parallel line (see above).*	$1,523,280	2,052,764	-	-	$2,107,439	-
6. ***SDB Lawsuit Settlement*** - Settlement costs of a lawsuit with original general contractor who was released from construction of Jomax Water Treatment Facility. *This project has been added to include settlement costs not previously anticipated.*	-	-	-	-	1,800,000	

Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
7. ***Treatment Costs of City Water*** **–** A payment to the City ($1 million) for constructing or acquiring the means to treat the City Water allocated to the Property. The capacity will be sufficient to treat that amount of City Water needed to serve the final portion of the projected annual water demand for the Property. *This project is part of the New Infrastructure and is related to requirements revised in May of 2012.*	-	$1,000,000	-	-	-	$1,000,000
8. ***Vistancia Blvd Lift Station*** **–** Regional lift station to convey wastewater from North of the CAP Canal to gravity sewer in Vistancia Blvd located south of the CAP Canal. Include concrete wet well, submersible pumps, pretreatment grinder, odor control system, discharge piping, electrical service and remote telemetry, standby power generator, & other misc. site improvements. The lift station is planned to be oversized to accommodate offsite flows, District will only be responsible for the Vistancia' s prorated share. *Total facility costs higher than shown herein. District to construct facility, with oversize reimbursements adjusting cost down after completion.*	-	-	-	-	$188,734	
9. ***Zone 6/7 Pump Station Modifications*** –. Modify and convert the existing Zone 5 pumps and hydropneumatic tank at the Zone 5/6 Reservoir and Pump Station Site to serve the City's Pressure Zone 7. *This project is part of the New Infrastructure.*	423,280	934,698	-	-	-	645,000

Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
10. ***Water Zone 7/8 Reservoir and Water Zone 8 Pump Station*** - Provide water storage for City pressure zones 7 and 8. Includes one 1.0 MG circular pre-stressed concrete reservoir, one booster pump station and hydropneumatic tank for pressure zone 8, one approximately 2,500 sq. ft. building to house all mechanical and electrical equipment (excluding hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment and radio telemetry; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping.	$8,243,280	$8,243,280	-	-	$317,481	-
11. ***Westland Road Reservoir and Pump Stations (Parcel F9)*** – Components for this site would consist of one 0.75 million gallon ("MG") steel storage reservoir, three booster pump stations and hydropneumatic tanks to serve City pressure zones 5, 6, and 7 within the District, one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, landscaping, and other miscellaneous site work. Project will be developed in two phases: Design of the facility; and construction of the facility. *This project is part of the New Infrastructure and is related to requirements revised in May of 2012.* *This project is anticipated to be designed and built as part of a joint development agreement involving the City of Peoria and other neighboring land owners. Amount here will only be for the pro rata share of District.*	-	3,130,000	-	-	-	2,500,000

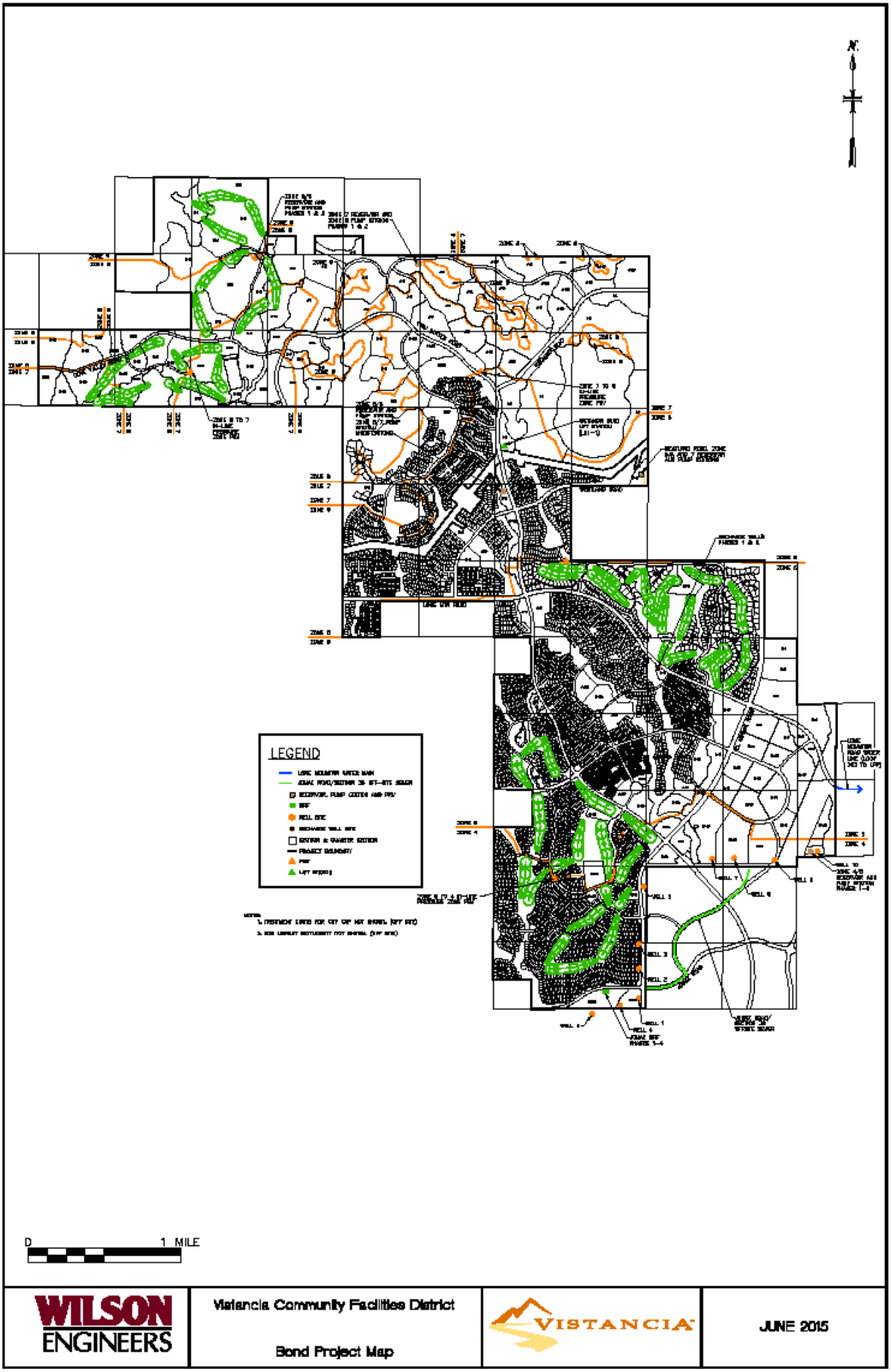
Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
Total Estimated Costs Series 2006 Bonds Projects	**$16,141,052**	**$23,145,598**	**$0**	**$0**	**$15,465,983**	**$4,545,000**
Grand Total	**$51,866,583**	**$68,464,832**	**$18,433,095**	**$20,411,048**	**$15,465,983**	**$4,545,000**

Total From All Bonds
$58,855,126

SECTION THREE

MAP SHOWING
DISTRICT BOUNDARIES, LOCATION OF PUBLIC INFRASTRUCTURE AND AREA TO BE BENEFITED

See map on following page.



A larger version of this map is available upon request

SECTION FOUR

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

Listed below are dates and anticipated dates for completion of the Public Infrastructure. Upon completion, the District has or will dedicate or otherwise transfer all portions of the Public Infrastructure to the City, and, as such, there will be no costs borne by the District to operate and maintain the same.

Series 2002 Bonds Project Descriptions	Estimated or Actual Start Date	Estimated or Actual Completion Date
1. ***Jomax Water Reclamation Facility Phase 1*** **-** Construction activities include the majority of the ultimate facility's site work and a small batch reactor treatment process to 0.75 million gallons per day ("MGD"). In addition, this phase of construction includes many components required to increase plant capacity to 1.5 MGD.	March 2002	Completed
2. ***Water Zone 4/5 Reservoir Site*** - Components included at this site are a 1.5 million gallon storage reservoir, two booster pump stations to serve City pressure zones 4 and 5 within the District, site work and necessary water treatment components.	May 2002	Completed
3. ***Water Production Wells #5 and #8*** - This project consists of two phases. The first phase construction includes the drilling of the wells, well development and aquifer testing. The second phase of the project is recovery pump, site work, etc.	July 2002	Completed
4. ***Water Production Well #10*** - This project consists of two phases. The first phase construction includes the drilling of the well, well development, and aquifer testing. The second phase of the project is recovery pump, site work, etc.	May 2002	Completed
5. ***Water and Wastewater Program Management*** - This project consists of development and refinement of the water and wastewater master plan for the Project. There are no construction activities in this project.	March 2003	Completed

Series 2005 Bonds Project Descriptions	Estimated or Actual Start Date	Estimated or Actual Completion Date
1. ***Water Zone 5/6 Pump Station and Reservoir*** - The project will provide storage for City pressure zones 5 and 6 within the Project will consist of one 2.5 MG circular pre-stressed concrete reservoir, two booster pump stations (one for each pressure zone); one 3000 sq. ft. building to house all mechanical and electrical equipment (excluding the hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping.	March 2004	Completed
2. ***Water Production Well #2*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	March 2004	Completed
3. ***Water Production Well #6*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well will be further equipped with remote gas-based chlorine disinfection systems.	May 2004	Completed
4. ***Water Production Wells #3 and #7*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for District. This project will consist of two phases, the first phase of construction includes drilling of the well, well development and aquifer testing. The second phase is for equipping the wells sites with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry and other miscellaneous site work.	Feb 2005	Completed
5. ***Outfitting of Water Production Well #1*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well will be further equipped with remote gas-based chlorine disinfection systems. A standby power generator will also be provided.	Jan 2005	Completed
6. ***Jomax Water Treatment Facility Expansion*** - This project will expand the existing plant treatment capacity of 1.5 MGD. Major modifications included as part of the expansion will be as follows: converting the sequencing batch reactors to extended aeration, adding clarifier number 2, adding a clarifier drain pump station, adding a belt filter in solids handling building and modifying existing pump capacity where needed.	April 2005	Completed
7. ***Recharge Wells Phase 1*** - Pilot project to recharge surplus treated effluent into the water aquifer. This will be needed as the Project develops and the supply of effluent exceeds demands (typically in winter months). This will allow the Project to recover the surplus water at a later date when demand exceeds supply of the effluent (typically in the summer months).	March 2005	Completed

Series 2006 Bonds Project Descriptions	Estimated or Actual Start Date	Estimated or Actual Completion Date
1. ***Water Zone 4/5 Water Reservoir Site Phase 2*** - Provide additional storage capacity for City pressure zones 4 and 5. The expansion will consist of adding one 2.5 million gallon ("MG") circular steel reservoir to the existing site. In addition, the necessary supply and discharge piping to connect the reservoir with the existing facility will be provided.	March 2007	Completed
2. ***Water Production Well #4*** - Installed to supplement existing groundwater supplies needed to meet water demands the City pressure zones 4, 5, 6, and 7 within the Project. The well will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	Sept 2006	Completed
3. ***Water Production Well #9*** - Installed to supplement existing groundwater supplies needed to meet water demands for the District. Drilling of the well, well development and aquifer testing was performed outside of the CFD by Vistancia LLC. The second phase (performed by the CFD) is for equipping the well site including: new well vertical turbine pump, discharge piping, electrical power supply and radio telemetry, other miscellaneous site work.	Sept 2006	Completed
4. ***Lone Mountain Road Water Line Design and ROW Acquisition*** - The design and right–of-way acquisition for the equivalent of a 16" water line (LMW Obligated Party's pro-rata share) in the ROW of Lone Mountain Road from Loop 303 east to Lake Pleasant Parkway. *[Schedule above reflects completion of all design and right of way acquisition. District is expected to fund the expense through a joint development agreement in July 2015]*	Sept 2013	Dec 2016
5. ***Section 36 Off-Site Sewer*** - Right of way acquisition for, and construction of, a sewer line through Section 36 that will serve areas of Village D of the Property.	Jan 2013	June 2015
6. ***SDB Lawsuit Settlement*** - Settlement costs of a lawsuit with original general contractor who was released from construction of Jomax Water Treatment Facility.	Aug 2009	Completed
7. ***Treatment Costs of City Water*** - A payment to the City ($1 million) for constructing or acquiring the means to treat the City Water allocated to the Property. The capacity will be sufficient to treat that amount of City Water needed to serve the final portion of the projected annual water demand for the Property.	2016	2016
8. ***Vistancia Blvd Lift Station*** - Regional lift station to convey wastewater from North of the CAP Canal to gravity sewer in Vistancia Blvd located south of the CAP Canal. Include concrete wet well, submersible pumps, pretreatment grinder, odor control system, discharge piping, electrical service and remote telemetry, standby power generator, & other misc. site improvements. The lift station is planned to be oversized to accommodate offsite flows, District will only be responsible for the Vistancia' s prorated share.	March 2016	Dec 2016
9. ***Zone 6/7 Pump Station Modifications*** – Modify and convert the existing Zone 5 pumps and hydropneumatic tank at the Zone 5/6 Reservoir and Pump Station Site to serve the City's Pressure Zone 7.	Jan 2016	July 2016

Series 2006 Bonds Project Descriptions (continued)	Estimated or Actual Start Date	Estimated or Actual Completion Date
10. ***Water Zone 7/8 Reservoir and Pump Station (Phase 1 - Reservoir Design Only)*** **-** Provide water storage for City pressure zones 7 and 8. Includes one 1.0 MG circular pre-stressed concrete reservoir, one booster pump station and hydropneumatic tank for pressure zone 8, one approximately 2,500 sq. ft. building to house all mechanical and electrical equipment (excluding hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment and radio telemetry; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping. *[Proceeds of the Bonds were used for the partial design of this site/station. Further design work and construction is anticipated to be funded through future bond issuances]*	Nov 2012	2018
11. ***Westland Road Reservoir and Pump Stations (Design and Construction)*** **-** Components for this site would consist of one 0.75 million gallon ("MG") steel storage reservoir, three booster pump stations and hydropneumatic tanks to serve City pressure zones 5, 6, and 7 within the District, one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, landscaping, and other miscellaneous site work. Project will be developed in two phases: Design of the facility; and construction of the facility. *[Schedule above reflects completion of the entire facility. District is expected to fund the expense through a joint development agreement in the fourth quarter of 20015]*	Nov 2012	Dec 2016

SECTION FIVE

PLAN OF FINANCE

The construction and/or acquisition of the Public Infrastructure has been financed by the District with proceeds of the sale of the Bonds. Approximately $4,545,000 of the remaining proceeds of the sale of the Series 2006 Bonds will be applied as described under the heading "To Be Paid By Series 2006 Bonds" in Section Two which includes amounts for the New Infrastructure. (The remaining unspent proceeds of the Series 2006 Bonds (approximately $2,200,000) will be used as a source of funds to refund all the remaining outstanding amount of the Bonds.)

APPENDIX A

LEGAL DESCRIPTION

Area A1:
Those portions of Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

Sections 23, 24, 25, 26, and 35;

Together with those portions of Township 5 North, Range 1 East, of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

Lots 1, 2, 3, and 4 of Section 30.

EXCEPTING THEREFROM:

Parcel A1:
The Northwest quarter of the Southwest quarter of Section 23; Lots 1 and 2 of Section 24, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

The Northwest quarter of the Southwest quarter of Section 26; and Lot 1 of Section 35, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

Any portion of the Beardsley Canal, situated within Lot 4 of Section 35, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona

Parcel A2:
The Southwest quarter of the Southwest quarter of the Southwest quarter, Section 3, Township 5 North, Range 1 East, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A3:
The Southwest quarter; the Southwest quarter of the Southwest quarter of the Southeast quarter; the West half of the Southeast quarter of the Southwest quarter of the Southeast quarter; the East half of the Southwest Quarter of the Southeast quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 4, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A4:
The East half of the Southeast quarter of Section 5, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A6:
The North half of the Northeast quarter; the Southeast quarter; the Southwest quarter of Section 8, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A7:
All of Section 9, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A8:
All of Section 10, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A9:
All of Section 11, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A10:
Lots 1-10 Inclusive; the Northwest quarter of the Northeast quarter; the North Half of the Northwest quarter; the Northeast quarter of the Southwest quarter; and the South half of the Southwest quarter of Section 14, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A11:
Lots 1-10 inclusive; the North half of the Northeast quarter; the Southwest quarter of the Northeast quarter; the Northwest quarter; and the North half of the Southwest quarter of Section 15, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A12:
The North half of the North half; and the Southwest quarter of the Northwest quarter of Section 22, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

EXCEPTING THEREFROM:
Any portion of the Central Arizona Project Canal situated within Sections 14 and 15, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona:

Said Descriptions for parcels A1 through A12 contains 6940.0824 acres, more or less.

The basis of bearing for the subject parcel is N 89°55’32”W for a line between GDACS Control Station 1ICI to Control Station 1IAI.

Agenda Item: 36R

CITY OF PEORIA, ARIZONA
VISTANCIA COMMUNITY FACILITIES DISTRICT
DISTRICT COMMUNICATION

Date Prepared: June 23, 2015 **District Meeting Date: July 7, 2015**

TO: Carl Swenson, District Manager

FROM: Brent Mattingly, District Treasurer

THROUGH: Jeff Tyne, Deputy District Manager

SUBJECT: Resolution Ordering the Sale of Vistancia Community Facilities District (City of Peoria, Arizona) General Obligation Refinancing (Refunding) Bonds, Series 2015

Purpose:

This is a request for the District Board to consider the adoption of Resolution No. VCFD 2015-03 authorizing and approving an amended and restated feasibility report; authorizing the sale and issuance of not to exceed $45,000,000 aggregate principal amount of general obligation refinancing (refunding) bonds; approving the form and authorizing the execution and delivery of related, necessary documents; awarding the bonds to the purchaser thereof; delegating the determination of certain matters related to the foregoing; authorizing the preparation and distribution of an official statement relating to the bonds; authorizing the levying of an Ad Valorem property tax with respect to the bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution

Summary:

With the current low interest rate environment, Vistancia Community Facilities District (VCFD) is considering the issuance of new District general obligation bonds to refinance (the Refunding Bonds) all of the outstanding bonds in the approximate amount of $45,410,000.

The following bonds (the Outstanding Bonds) are being considered for refunding:

Bond Issue	**Final Maturity Date**	**Principal Amount Outstanding at Time of Refunding**
GO Bonds, Series 2002	7/16/2022	$11,050,000
GO Bonds, Series 2005	7/15/2024	$16,050,000
GO Bonds, Series 2006	7/15/2026	$18,310,000
Total Principal Outstanding		$45,410,000

The average interest rate of the Outstanding Bonds is currently 5.27% with the hopes of refinancing those bonds at a lower interest rate by issuing the new Refunding Bonds with an average rate of approximately 3.75%. The planned refinancing (refunding) is estimated to provide gross debt service cash flow savings of approximately $11.9 million. The savings includes utilizing approximately $4.4 million of existing debt service reserve funds (funded with bond proceeds of certain of the Outstanding Bonds) (the Debt Service Reserve Funds) and $2.2 million of unexpended bond proceeds of certain of the Outstanding Bonds, combined with approximately $5.3 million in gross savings as the result of the reduction in interest rates. The net present value savings from the reduction in interest rates will be approximately $3.7 million. The net present value savings of $3.7 million as a percent of the Refunded Bonds ($45.4 million) approximates 8.2%. This savings threshold/metric is used by cities to measure the efficiency of a refunding and indicates an efficient refunding by industry standards.

The savings from this refinancing transaction will be spread evenly over the eleven year life of the new bonds, resulting in a reduction in actual debt service of approximately $1.1 million per year. The new bonds will not extend the final maturity date of the existing outstanding bonds. The sale date of the new Refunding Bonds is planned on or around August 6, 2015.

It is anticipated that the sale of the Refunding Bonds will be in the approximate amount of $37.6 million (par amount), sold via a public offering, having a tax exempt interest rate of not to exceed 6% (current estimates approximate 3.75%, callable after five years, without premium, and a final maturity of eleven years. The Outstanding Bonds are expected to be rated "A-" by Fitch Ratings and "A1" by Moody's Rating Services. Staff anticipates the Refunding Bonds will carry the same ratings from both Fitch Ratings and Moody's Rating Services.

Benefits of the Bond Refinancing Transaction:

The main benefit of the proposed bond refinancing transaction is the reduction in the annual debt service on the Outstanding Bonds. The $2.10 target tax rate has historically generated approximately 40% to 50% of the annual debt service requirement. The project developer has paid the remaining annual debt service shortfall. After the refinancing transaction, the ongoing debt service shortfall will be reduced by approximately $1.1 million annually over the remaining eleven year term of the Outstanding Bonds. This debt service savings will reduce the required annual developer subsidy that should result in an increased investment in the capital infrastructure necessary for the development. As new development occurs, the total assessed value of property will increase. The newly developed property will result in increased diversity in the tax base and will correspondingly reduce the exposure of existing property owners to a tax rate potentially higher than the $2.10 target tax rate.

Not only will the refinancing transaction reduce debt service because of the current lower interest rate environment, but it will also reduce the amount of outstanding debt. The Debt Service Reserve Funds were funded with bond proceeds of the first two series of the Outstanding Bonds in order to cover possible shortfalls in debt service payments when the project was in its initial stages of development. The amount of each Debt Service Reserve Fund

was equal to about one year of debt service payments in the series of the Outstanding Bonds to which it is related. The Debt Service Reserve Funds were important protections at the time they were initially created to help bridge the property tax shortfall, if necessary. However, over the past ten, years the success of the development project has eliminated the usefulness of Debt Service Reserve Funds. As such, they can be incorporated into the refinancing transaction and be used to pay off approximately $4.4 million of the Outstanding Bonds. This will result in reducing the annual debt service associated with the new Refunding Bonds.

With regard to the development progress of the development project ("Vistancia"), there have been approximately 4,700 residential home closings with developer expectations of selling/closing approximately 350-500 residential units per year over the foreseeable future. (An independently prepared analysis of the current project and future absorption projections will be completed by Belfiore Real Estate Consulting and will be included in the offering document for the Refunding Bonds.) Homebuilders within Vistancia include Ashton Woods Homes, Gehan Homes, Mattamy Homes, Meritage Homes, Ryland Homes, Shea Homes, Woodside Homes, T.W. Lewis by David Weekley Homes and Toll Brothers Homes. The recent 2015/16 Full Cash Value of the taxable property within VCFD is estimated at $1.2 billion. Property tax collections have been very strong and there is limited concentration of the tax base.

Approximately $8.9 million of unspent bond proceeds remain from the Outstanding Bonds. In working closely with the developer, staff estimates that approximately $6.7 million of those monies will be spent on eligible projects within the next twelve months (the "Unspent Proceeds"). (As noted above, $2.2 million of unexpended bond proceeds of the Outstanding Bonds will be incorporated into the refinancing transaction, thereby also reducing the amount of the new Refunding Bonds to be issued.)

The lower amount of the new Refunding Bonds, the reduction in the new annual debt service, the reduction in the required annual developer subsidy payment, and the increased ability for the developer to invest in infrastructure (resulting in an increase in assessed values) all serve to help reduce the risk to current homeowners of an increase in the target property tax above the current $2.10 tax rate. As mentioned above, this can be accomplished without increasing the final maturity date of the new Refunding Bonds.

Required Legal Documents:

Several legal documents including an Amended Feasibility Report; a Preliminary Official Statement; an Amended District Development, Financing Participation and Intergovernmental Agreement; a Standby Contribution Agreement; a Depository Agreement; a Trust Indenture; an Escrow Trust Agreement; and several other legal documents need to be considered and approved in connection with the foregoing. Several of these documents are described in further detail below.

Amended Feasibility Report

Feasibility reports are required under State statute. With regard specifically to the Unspent Proceeds as well as other proceeds of the Outstanding Bonds, the Amended Feasibility Report amends prior feasibility reports for the Outstanding Bonds to include a description of the public infrastructure constructed and/or acquired or to be constructed and/or acquired, a map showing the location of that infrastructure and the area benefitted or to be benefited by the infrastructure, an estimate of the cost of the infrastructure and an estimated schedule of completion, and a plan for financing the infrastructure. As shown in the Amended Feasibility Report, it is estimated that the Unspent Proceeds will be used to acquire and/or construct several infrastructure projects over the next twelve months. Depending on the actual costs of these projects, it is possible that not all projects listed will be financed using the Unspent Proceeds. As required by State Statute, a public hearing on the Amended Feasibility Report must be held by the District Board. The public hearing was noticed and published in accordance with State Statute.

Preliminary Official Statement

The Preliminary Official Statement (POS) is an important document that communicates information to potential purchasers of the new bonds. All of the various parties to this bond sale have reviewed the POS as it contains information from the District, the City, the developer, and the other obligated parties. The POS describes the District, the new Refunding Bonds, the plan to refinance the current outstanding debt, the security and sources of payment for the new bonds, the developer of the Vistancia project, the risk factors associated with the new bonds, the bond ratings, and other information associated with the new bonds. A Final Official Statement will be prepared in conjunction with the final bond sale transaction.

Amended District Development, Financing Participation and Intergovernmental Agreement

In association with the refinancing of the District debt, an Amended District Development, Financing Participation and Intergovernmental Agreement should be approved. The District Development, Financing Participation and Intergovernmental Agreement addresses the following topics:

- Amortization of the Refunding Bonds through 2026 - the same final maturity as the Outstanding Bonds.
- Execution of development parties of a Standby Contribution Agreement whereby each party promises to make any necessary cash contributions to meet the anticipated shortfalls in debt service payments for the Refunding Bonds at a tax rate of $2.10.
- Inclusion of a highly rated bank Letter of Credit of approximately $3.75 million as collateral to help ensure full payment under the Standby Contribution Agreement.
- Inclusion of a Financial Guarantee Bond of approximately $3.75 million as collateral to help ensure full payment under the Standby Contribution Agreement.
- Release of a Standby Contribution Agreement and Letter of Credit after the assessed values and tax levy are stabilized at the $2.10 tax rate.

- Projects to be funded with the Unspent Proceeds include the Westland Reservoir & Booster Station Facility, the Section 36 Offsite Sewer, the Loan Mountain Waterline project, the Vistancia Boulevard Sewer Lift Station, and several other projects.
- Indemnification of District's actions and liability provided by the developer and Shea Homes Limited Partnership, LLC.

Standby Contribution Agreement

The Standby Contribution Agreement is the document that, among other items, obligates certain parties to contribute monies to bridge any annual shortfall between the annual debt service amount for the Refunding Bonds and the monies received from the property tax levy generated by the target $2.10 tax rate. The purpose of this important agreement is to try and insure that the target $2.10 tax rate is maintained through developer contributions to any shortfall in the annual debt service. As previously explained, it is important to note that the $2.10 target tax rate is simply a target amount. Because the Refunding Bonds will be unlimited obligations of the District, the tax rate must be established at whatever rate is necessary to generate adequate revenues for the annual debt service obligation. The parties to the Standby Contribution Agreement are jointly and severally liable for the necessary payments. These parties include Stratford and Shea Homes Limited Partnership, LLC.

Due to changes in their corporate structure since the issuance of the first two series of the Outstanding Bonds, and due to corporate surety bonding required for their large construction projects, J.F. Shea Co., Inc. can no longer be a party to the Standby Contribution Agreement. In exchange for J.F. Shea Co., Inc. not being an obligated party under the new Standby Contribution Agreement, a Financial Guarantee Bond is being established in the amount of approximately $3.75 million. The Financial Guarantee Bond provides security that financial obligations by the parties under the Standby Contribution Agreement will be met.

Depository Agreement

Amounts not paid under the Standby Contribution Agreement can be made up by a draw on a Letter of Credit. The terms of the Letter of Credit are described in the Depository Agreement. The new Letter of Credit will be in the amount of $3.75 million which is approximately equal to 10% of the proceeds of the Refunding Bonds. This is a similar requirement as under the Outstanding Bonds, but is a lower total amount since the amount of outstanding bonds is being reduced. The purpose of the Letter of Credit is to provide additional security to the bondholders and homeowners in case of any default in payment of amounts due pursuant to the Standby Contribution Agreement.

Background:

VCFD was formed by the City Council in 2002. It is a separate legal entity, distinct from the City of Peoria legal entity.

VCFD has the authority to issue bonds and to establish a unique tax rate to pay for the debt service on those bonds. The purpose of bonds of VCFD is to finance public infrastructure

improvements within the boundaries of VCFD. VCFD initially had "voter authorization" to issue up to $100 million in bonds to finance public infrastructure such as water and sewer projects. To support this, a target tax rate of $2.10 per $100 of secondary assessed value was established and applied to the homes in VCFD. This rate has remained the same since its inception in 2002. The VCFD formation documents also allow for an additional tax rate of $0.30 in order to support certain operations, maintenance and administration. Although legally allowed, VCFD has not charged this additional tax to property owners located within the VCFD boundaries.

To date there has been $67.6 million of debt issued through three bond transactions (2002, 2005, and 2006). Approximately $37.6 million of principal will be outstanding as a result of the refunding transaction. Each of the initial bond transactions had a 20 year amortization schedule. The first two transactions were non-rated; bonds were sold to qualified investors only. The third bond issue was initially rated "BBB" by Fitch Ratings, which later upgraded the rating to "A-" as part of its global recalibration of ratings. The current outstanding bonds have a rating of "A1" from Moody's Investor Services. All debt service has been timely paid when due. Additional information related to VCFD can be found on the VCFD website at: http://www.peoriaaz.gov/NewSecondary.aspx?id=72283&terms=cfd

Financial Risk Factors

VCFD is a separate legal entity within the boundaries of the City. As such, any debt or other legal obligations of VCFD are strictly obligations of VCFD. They are not obligations of the City of Peoria. The financial obligations primarily include the debt service payments necessary to meet the semi-annual principal and interest payments.

It is important to understand that these debt service obligations are the ultimate responsibility of the property owners within VCFD boundaries. VCFD is legally obligated to establish the property tax rate at whatever tax rate is necessary to generate property tax revenues necessary to meet the debt service in any given year. The targeted $2.10 tax rate is not a maximum rate. Under a scenario of development failure and/or bankruptcy, the targeted $2.10 tax rate could increase significantly, impacting the property tax obligations of each property owner, as the tax rate would need to be set at whatever rate would generate enough tax revenues to pay the annual debt service obligations. The targeted $2.10 tax rate is the rate that was initially chosen by the VCFD Board; it generates annual tax revenues that, when supplemented by financial payments pursuant to the Standby Contribution Agreement, will generate the amount necessary to meet the annual debt service payments. As discussed herein, the $2.10 secondary tax rate has never been increased since the inception of the tax rate in fiscal year 2002/2003.

The amount of property tax dollars generated from the $2.10 tax rate will be determined by a combination of the number of homes on the County assessor's tax roll, the assessed value of those homes, and the $2.10 tax rate itself. It is projected that the developer will be required to make up the shortfall between the tax levy generated from the $2.10 tax rate and the annual debt service amount for the foreseeable future. This legal obligation of the joint venture will be the subject of the Standby Contribution Agreement.

As described above, payments under the Standby Contribution Agreement will be secured by both a Letter of Credit and a Financial Guarantee Bond. If the obligated parties fail to pay under the Standby Contribution Agreement, an amount will be available under each of these two credit enhancements to help control dramatic increases in the CFD tax rate. The Standby Contribution Agreement and the Depository Agreement as it relates to the Letter of Credit and Financial Guarantee Bond have "release provisions" under which, once it has been demonstrated that the tax revenues at the $2.10 tax rate are sufficient to meet the annual debt service, will allow release of these "backstops".

Previous Actions:

In 2012 the City entered into an amended Zoning and Development Agreement whereby the property owner reduced its housing unit count property entitlements from 17,500 dwelling units to a maximum of 10,500 units. The amended documents combined the two land areas north and south of the Central Arizona Project canal into one project entitlement. The amended development documents also addressed other issues including future development of the Vistancia commercial core, developer land donations, reduction of required infrastructure as a result of reduced housing densities, amendments to the water infrastructure requirements, and amended use of some CFD bond proceeds to facilitate the continued construction of water and wastewater infrastructure. Historically, most development in Vistancia has occurred in the southern portion of the District (i.e. south of the Central Arizona Project Canal). Additional residential and commercial land remains available for development in both the southern and northern areas of the District.

Options:

A: Adopt Resolution No. VCFD 2015-03 ordering the sale of District General Obligation Refunding Bonds, Series 2015, and granting authority to the District Treasurer to take those actions necessary to conduct the upcoming sale.

B: Do not adopt Resolution No. VCFD 2015-03 ordering the sale of District General Obligation Refunding Bonds, Series 2015, and granting authority to the District Treasurer to take those actions necessary to conduct the upcoming sale.

Staff Recommendation:

Staff recommends that the District Board adopt Resolution No. VCFD 2015-03.

Fiscal Analysis:

This refinancing transaction and planned sale of the Refunding Bonds is expected to result in approximately $11.9 million of gross debt service savings (approximately $10.3 million of net present value savings or approximately $3.7 million net of the total $6.6 million cash contribution from the Debt Service Reserve Funds and the $2.2 million of the Unspent

Proceeds) over the remaining eleven year term of the new Refunding Bonds. Actual savings from the refinancing transaction will be determined by market conditions on the date of the bond sale. The maturity schedule of the new Refunding Bonds will be the same as for the Outstanding Bonds; it is not being extended.

Attachment: Resolution No. VCFD 2015-03 with Legal Documents

Contact Name and Number: Brent Mattingly, District Treasurer, 623-773-7134

RESOLUTION NO. VCFD 2015-03

(VISTANCIA COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF VISTANCIA COMMUNITY FACILITIES DISTRICT RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING, AND APPROVING, AN AMENDED AND RESTATED FEASIBILITY REPORT WITH RESPECT TO THE FEASIBILITY REPORTS ORIGINALLY CONSIDERED ON NOVEMBER 19, 2002, MARCH 22, 2005, AND DECEMBER 12, 2006, WHICH INCLUDES, AS APPLICABLE, IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS BENEFITTED OR TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT, AND RESOLVING THE INTENT THEREFOR; AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED $45,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (VISTANCIA COMMUNITY FACILITIES DISTRICT), A SERIES 2015 STANDBY CONTRIBUTION AGREEMENT, A SERIES 2015 LETTER OF CREDIT DEPOSITORY AGREEMENT, A SERIES 2015 SURETY DEPOSITORY AGREEMENT, A SERIES 2015 INDENTURE OF TRUST AND SECURITY AGREEMENT, AN ESCROW TRUST AGREEMENT, A PURCHASE CONTRACT, A SERIES 2015 CONTINUING DISCLOSURE UNDERTAKING, A SERIES 2015 DISSEMINATION AGENCY AGREEMENT AND CERTAIN OTHER DOCUMENTS RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; DELEGATING THE DETERMINATION OF CERTAIN TERMS OF THE BONDS AND MATTERS RELATED THERETO TO THE DISTRICT CHIEF FINANCIAL OFFICER; RATIFYING THE FORM AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE SUBSEQUENT LEVYING OF AN AD VALOREM PROPERTY TAX WITH RESPECT TO THE BONDS; ADOPTING POST-ISSUANCE TAX COMPLIANCE AND CONTINUING DISCLOSURE COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

BE IT RESOLVED BY THE DISTRICT BOARD OF VISTANCIA COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Act"), and Section 9-500.05, Arizona Revised Statutes, the City of Peoria, Arizona (hereinafter called the "Municipality"), Vistancia Community Facilities District (hereinafter called the "District") and certain entities which at various times have had an interest in real property within the boundaries of the District entered into a District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of October 1, 2002, as amended by a First Amendment to the Development Agreement, dated as of April 1, 2005, and by a Second Amendment to the Development Agreement, dated as of December 1, 2006, (as so amended, hereinafter referred to as the "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 and subsequent reimbursements or repayments over time.

b. With regard to the property which makes up the real property included within the District, the District, Vistancia and certain of such entities specified some of such matters in the Development Agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District, the acceptance by the Municipality or other appropriate political subdivisions, the reimbursement or repayment of Vistancia, Sunbelt and Shea with respect thereto, the advance of moneys for public infrastructure purposes and the repayment of such advances and the obtaining of credit enhancement for, and processing of disbursement and investment of proceeds of, certain bonds, all pursuant to the Act.

c. This district board of the District (hereinafter called the "District Board") has determined to enter into a Third Amendment to the Development

Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Fourth Series of the Bonds (hereinafter referred to as the "Development Agreement Amendment"), with certain of such entities to provide for certain amendments to the Development Agreement.

d. The District is authorized (1) by Section 48-719, Arizona Revised Statutes to issue and sell general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with The General Plan of Vistancia Community Facilities District (hereinafter referred to as the "General Plan") and (2) by Section 48-709(G), Arizona Revised Statutes to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Municipality, pursuant to Section 48-709(A)(10), Arizona Revised Statutes.

e. Such bonds may not be issued unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who will be qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes [being, if no person has registered to vote within the area to be included within the boundaries of the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who will be qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes (hereinafter referred to as the "qualified electors"),] the question of authorizing the District Board to issue such bonds (hereinafter referred to as the "Bonds").

f. The District Board deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. 1 adopted on October 15, 2002

(hereinafter referred to as the "Election Resolution"), which provided that a special election be held on November 12, 2002 (hereinafter referred to as the "Election"), at which time there was submitted to the qualified electors of the District the question set forth in the official ballot described in the Election Resolution.

g. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the Election and determined (1) that a total of one (1) ballot(s) had been cast in response to the question submitted with respect to issuance of the Bonds, that in answer to such question, such ballot was marked "Bonds, Yes" and no ballots were marked "Bonds, No" with respect to the issuance of the Bonds; (2) that the Election had been conducted and the returns thereof made as required by law and (3) that only qualified electors were permitted to vote at the Election.

h. After careful examination of the official returns of the Election, the District Board found and determined that a majority of the votes cast by the qualified electors voting at the Election voted "Bonds, Yes" and that up to and including $100,000,000 aggregate principal amount of the Bonds were therefore authorized to be sold and issued pursuant to Resolution No. 2 adopted by the District Board on November 19, 2002.

i. The District Board has caused $21,250,000 aggregate principal amount of the Bonds, designated General Obligation Bonds, Series 2002 and dated as of December 1, 2002 (hereinafter referred to as the "First Series of Bonds"), to be sold and issued to construct or acquire certain projects relating to certain public infrastructure provided for in the General Plan.

j. The District Board has also caused $23,550,000 aggregate principal amount of the Bonds, designated General Obligation Bonds, Series 2005 and dated April 27, 2005 (hereinafter referred to as the "Second Series of Bonds"), to be

sold and issued to construct or acquire certain other projects relating to certain public infrastructure provided for in the General Plan.

k. The District Board has also caused $22,760,000 aggregate principal amount of the Bonds, designated General Obligation Bonds, Series 2006 and dated December 28, 2006 (hereinafter referred to collectively with the First Series of Bonds and the Second Series of Bonds as the "Bonds Being Refunded"), to be sold and issued to construct or acquire certain other projects relating to certain public infrastructure provided for in the General Plan.

l. Pursuant to Section 48-715, Arizona Revised Statutes and the Election Resolution, the District Board caused reports of the feasibility and benefits of projects relating to certain public infrastructure provided for in the General Plan to be financed with proceeds of the sale of the Bonds Being Refunded to be prepared, such report having included in each a description of certain public infrastructure to be acquired and all other information useful to understand the projects, a map showing, in general, the location of the projects, 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 benefitted by the projects and a plan for financing the projects (hereinafter referred to as the "Reports"). Public hearings on the Reports were held on November 19, 2002, March 22, 2005, and December 12, 2006, after provision for publication of notice thereof as provided by law.

m. The District Board has caused an Amended and Restated Feasibility Report to be prepared (hereinafter referred to as the "Restated Report") to restate in applicable parts the description of infrastructure acquired or constructed or to be acquired or constructed, the map showing the location of the projects, the estimate of the cost to construct the projects, the estimated schedule for completion of the projects and the map or description of the area to be benefitted by the projects, all as

shown on the Reports, to reflect, in part, the effect of the Development Agreement Amendment. A public hearing on the Restated Report was held on the date of adoption of this Resolution, but prior thereto (hereinafter referred to as the "Hearing"), after provision for publication of notice thereof as provided by law (hereinafter referred to as the "Notice").

n. The District is authorized by Sections 35-473.01 and 48-719, Arizona Revised Statutes to issue and sell refunding bonds to refund any general obligation bonds of the District.

o. The District Board (1) has determined and found that it is expedient to refund all of the Bonds Being Refunded and that the issuance of certain general obligation refunding bonds by the District (hereinafter referred to as the "Fourth Series of Bonds") and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the District and shall result in a present value debt service savings, net of costs associated with the Bonds, of not less than five percent (5%) and (2) shall enter in its minutes a record of the Fourth Series of Bonds sold and their numbers and dates and levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described herein, to pay Debt Service (as such term is hereinafter defined) when due; provided, however, that the total aggregate of taxes levied to pay principal of and interest on the Fourth Series of Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Fourth Series of Bonds to the final date of maturity of the Bonds Being Refunded; the owners of the Fourth Series of Bonds shall rely upon the sufficiency of the funds deposited as described in the hereinafter described Escrow Trust Agreement for the payment of the

Bonds Being Refunded and the issuance of the Fourth Series of Bonds shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such funds prove insufficient.

p. Pursuant to the Act, the District Board has determined to enter into a Series 2015 Standby Contribution Agreement, to be dated as of the first day of the month of the dated date of the Fourth Series of Bonds determined as provided herein (hereinafter referred to as the "Standby Contribution Agreement"), by and among the District; Vistancia Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware, on behalf of itself and Vistancia North, LLC, Vistancia Village H, LLC, Vistancia Clementine, LLC, Vistancia Mystic, LLC, Vistancia South, LLC, Vistancia 150 Commercial, LLC and Vistancia 580 Commercial, LLC (hereinafter referred to as "Vistancia"); Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California; SLF III - Vistancia, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Texas, and Zions First National Bank, as trustee (hereinafter referred to as the "Trustee"), to provide for certain public infrastructure purposes for the District, including for credit enhancement for the Fourth Series of Bonds.

q. Pursuant to the Act, the District Board has also determined to enter into a Series 2015 Letter of Credit Depository Agreement and a Series 2015 Surety Depository Agreement, each to be dated as of the first day of the month of the dated date of the Fourth Series of Bonds determined as provided herein (hereinafter referred to together as the "Depository Agreements"), by and between the District and Zions First National Bank, as depository (hereinafter referred to as the "Depository"), to

provide for certain public infrastructure purposes for the District, including for credit enhancement for the Fourth Series of Bonds.

r. Pursuant to the Act, the District Board has further determined to enter into a Series 2015 Indenture of Trust and Security Agreement, to be dated as of the first day of the month of the dated date of the Fourth Series of Bonds as provided herein (hereinafter referred to as the "Indenture"), from the District to the Trustee to secure (including with, if any, amounts to be available pursuant to the Standby Contribution Agreement and the Depository Agreements), and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of, the Fourth Series of Bonds. (Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.) The District Board has determined by this Resolution to authorize the sale and issuance of the Fourth Series of Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Fourth Series of Bonds by the Trustee, to authorize the execution and delivery of the Indenture.

s. Pursuant to the Act, the District Board has further also determined to enter into (1) a Series 2015 Continuing Disclosure Undertaking, to be dated even date with the delivery of the Fourth Series of Bonds (hereinafter referred to as the "Undertaking") and (2) a Series 2015 Dissemination Agency Agreement, to be dated as of the first day of the month of the dated date of the Fourth Series of Bonds (hereinafter referred to as the "Dissemination Agreement"), by and between the District and TL Hocking & Associates, in each case to provide for purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (hereinafter referred to as the "Rule") applicable to the Fourth Series of Bonds.

t. There have been placed on file with the District Clerk of the District and presented to the District Board, in connection with the amendment of the Development Agreement, the proposed form of the Development Agreement Amendment, and, in connection with the purposes described in paragraphs 1.p. through s. (1) the proposed form of the Standby Contribution Agreement, (2) the proposed forms of the Depository Agreements, (3) the proposed form of the Indenture, (4) the proposed form of the Escrow Trust Agreement relating to the Fourth Series of Bonds, to be dated as of the first day of the month of the dated date of the Fourth Series of Bonds as provided herein (hereinafter referred to as the "Escrow Agreement"), by and between the District and Zions First National Bank, as escrow trustee (hereinafter referred to as the "Escrow Trustee"), (5) the proposed form of the Purchase Contract relating to the Fourth Series of Bonds, to be dated even date with their sale (hereinafter referred to as the "Purchase Contract"), by and between the District and Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), (6) the proposed form of the Undertaking, (7) the proposed form of the Dissemination Agreement and (8) the form of the Preliminary Official Statement relating to the Fourth Series of Bonds, dated the date of the mailing thereof (hereinafter referred to as the "Preliminary Official Statement"). (The documents described in Clauses (1) through (7), both inclusive, are hereinafter referred to, collectively, as the "Bond Documents.")

u. The District Board hereby finds and determines that (1) the proposed amount of indebtedness evidenced by the Bonds Being Refunded does not exceed the estimated cost of the public infrastructure improvements financed with the proceeds of the sale thereof plus all costs connected with the public infrastructure purposes related thereto and sale and issuance of the Fourth Series of Bonds and (2) the total aggregate outstanding amount of the Fourth Series of Bonds will not exceed sixty percent (60%) of the aggregate of the estimated market value of the real

property and improvements in the District, hereby found and determined to be not less than $75,000,000 all as provided in the Act.

v. Pursuant to the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), and the regulations promulgated thereunder (hereinafter referred to as the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes (hereinafter referred to as "Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations, and the District Board has determined that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the District comply with the provisions of the Code and the Regulations (hereinafter referred to as the "Tax Compliance Procedures").

w. Pursuant to the Rule, Participating Underwriters (as defined in the Rule) are required to reasonably determine that issuers have entered into written undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule and the District Board has determined that procedures should be adopted in order to document practices and describe various procedures for preparing and disseminating such ongoing disclosure for the benefit of the holders of the obligations of the District and to assist the Participating Underwriters in complying with the Rule and such written undertakings (hereinafter, together with the Tax Compliance Procedures, referred to as the "Procedures").

x. There has also been placed on file with the District Clerk of the District and presented to the District Board the Procedures.

y. All formal actions concerning and relating to the passage of this Resolution were taken in an open meeting, in compliance with all legal requirements, and all things required to be done preliminary to the authorization, sale

and issuance of the Fourth Series of Bonds have been duly done and performed in the manner required by law, and the District Board is now empowered to proceed with the sale and issuance of the Fourth Series of Bonds.

z. All actions to refund the Bonds Being Refunded, whether taken before or after adoption of this Resolution, are ratified and confirmed and approved, respectively.

2. a. Approval of Notice of Hearing on Restated Report. The form of the Notice attached hereto and marked as the Exhibit is hereby ratified in all respects as well as the publication of the Notice and mailing of the Restated Report to the governing body of the Municipality.

b. Preparation of Restated Report. The preparation of the Restated Report is hereby ratified and confirmed. (Upon completion of a draft of the Restated Report, the Restated Report, marked in a conspicuous fashion "DRAFT," was submitted to the District Board and Vistancia for their review and comment.)

c. Approval of Restated Report and Resolution of Intent. After review of the Restated Report and based on the Hearing and the mailing of the Restated Report to the governing body of the Municipality, the Restated Report is hereby approved in the form submitted to the District Board, the Restated Report amends and restates in applicable parts the Reports and the District Board hereby declares its intent as required by Section 48-715, Arizona Revised Statutes and subject to the provisions set forth in the Restated Report and the Development Agreement Amendment, to take such reasonable actions as may be necessary to cause the results contemplated by and set forth in the Restated Report.

3. a. Approval of Sale and Issuance of Fourth Series of Bonds. The Fourth Series of Bonds is hereby authorized to be issued as a series of general obligation bonds of the District to be designated "General Obligation Refunding Bonds,

Series 2015." The Fourth Series of Bonds shall be issued in the aggregate principal amount, be in fully registered form only and denominations, bear interest from their date, be numbered and mature and be subject to redemption prior to maturity, in each case as provided in the Indenture as determined by the District Chief Financial Officer as hereinafter provided. (The Bonds Being Refunded shall be paid at maturity or redeemed on the earliest redemption date.) The District Chief Financial Officer is hereby authorized and directed to determine on behalf of the District: (1) the dated date (but not later than December 31, 2015) and total principal amount (but not to exceed $45,000,000) of the Fourth Series of Bonds; (2) the final principal and maturity schedule of the Fourth Series of Bonds (but none of the Fourth Series of Bonds to mature more than twenty-five (25) years from their date of issuance); (3) the interest rate on each maturity of the Fourth Series of Bonds and the dates for payment of such interest; (4) the provisions for redemption in advance of maturity of the Fourth Series of Bonds; (5) the sales date, sales price and other terms of sale of the Fourth Series of Bonds and (6) the provisions for credit enhancement, if any, for the Fourth Series of Bonds upon the advice of the Underwriter including pursuant to the Standby Contribution Agreement and the Depository Agreements, particularly the instruments and the amounts thereof to be deposited pursuant to the latter; provided, however, that the foregoing determinations must result in a yield with respect to the Fourth Series of Bonds, calculated for federal income tax purposes, of not to exceed five and twenty-five one-hundredths percent (5.25%), provided, however, that such determinations must result in at least the savings indicated in the recitals hereto. The Fourth Series of Bonds shall be sold to the Underwriter in accordance with the terms of the Purchase Contract and at a price specified therein with original issue discount and underwriter's compensation in each case as determined by the District Chief Financial Officer who is hereby authorized and directed to so determine such matters.

b. Forms, Terms and Provisions, and Execution and Delivery, of Fourth Series of Bonds. The forms, terms and provisions of the Fourth Series of Bonds provided for in the Indenture are hereby approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized in the Indenture to execute the Fourth Series of Bonds, and each is hereby authorized to execute and deliver them. (The persons who shall so execute and deliver the Fourth Series of Bonds shall be the persons holding such offices at the time of the initial issuance and delivery of the Fourth Series of Bonds.)

c. Forms, Terms and Provisions, and Execution and Delivery, of Development Agreement Amendment and Bond Documents. The forms, terms and provisions of the Development Agreement Amendment and the Bond Documents in substantially the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution is adopted, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officers authorized to execute the documents, which approval will be conclusively demonstrated by the execution thereof, and the District Manager or the District Chief Financial Officer and the District Clerk or any of such officers are hereby authorized to execute the Development Agreement Amendment and the Bond Documents.

d. Authorization to Execute and Deliver Order to Trustee. The District Manager or the District Chief Financial Officer is hereby authorized to execute and deliver to the Trustee the written order of the District for the authentication and delivery of the Fourth Series of Bonds by the Trustee.

e. Other Actions Necessary. The District Manager, the District Chief Financial Officer, the District Clerk and the other officers of the District shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Development Agreement Amendment and the

Bond Documents, including without limitation, the closing and other documents required to be delivered in connection with the sale and delivery of the Fourth Series of Bonds. (The persons who shall so take such actions shall be the persons holding such offices at the time of the initial issuance and delivery of the Fourth Series of Bonds.)

f. Distribution of Disclosure Documents.

1. The distribution by the Underwriter of the Preliminary Official Statement is hereby ratified and confirmed, and the District Chief Financial Officer is hereby authorized and directed to prepare, or cause the preparation of, and to execute the Final Official Statement for the Fourth Series of Bonds, to be dated even date with their sale, and the distribution of such Final Official Statement by the Underwriter is hereby approved.

2. The District Chief Financial Officer is hereby authorized to deem the Preliminary Official Statement "final" as of its date for purposes of the Rule. In that respect, the District Chief Financial Officer is further authorized to modify, or authorize the modification of, the Preliminary Limited Offering Memorandum.

g. Tax Levy.

1. For each year while any of the Fourth Series of Bonds is outstanding, the District Board shall annually levy and cause to be collected an ad valorem tax, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any moneys from any sources in the Enabling Act and under the Indenture, to pay Debt Service when due.

2. Moneys derived from the levy of the tax provided for in this Section with respect to the Fourth Series of Bonds when collected constitute funds to pay Debt Service and shall be kept in the Series 2015 Tax Account and separately from other funds of the District.

3. The District Board shall make annual statements and estimates of the amount to be raised to pay Debt Service on the Fourth Series of Bonds. The District Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The District Board, on or before the date set by law for certifying the annual budget of the Municipality, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the District and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

h. No Obligation of Municipality. Neither the full faith and credit nor the general taxing power of the Municipality is pledged to the payment of the Fourth Series of Bonds. Nothing contained in this Resolution, the Bond Documents or any other instrument related to the Fourth Series of Bonds shall be construed as obligating the Municipality, or as incurring a charge upon the general credit or any other credit or revenues of the Municipality nor shall the breach of any agreement contained in this Resolution, the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the Municipality.

i. Appointment of Trustee, Escrow Trustee and Depository. Zions First National Bank, Phoenix, Arizona, is hereby confirmed as Trustee, Registrar and Paying Agent, as Escrow Trustee and as Depository for the purposes of the Indenture, the Escrow Agreement and the Depository Agreements, respectively.

j. Implementation of Procedures. The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the

Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

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

5. Severability; Amendment; Effective Date.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

b. This Resolution may only be amended as provided by the terms of the Indenture.

c. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

d. This Resolution shall be effective immediately.

PASSED by the District Board of Vistancia Community Facilities District this 7th day of July, 2015.

.....
Chairman, District Board, Vistancia Community Facilities District

ATTEST:

.....
District Clerk, Vistancia
Community Facilities District

APPROVED AS TO FORM:

.....
District Counsel, Vistancia
Community Facilities District

ATTACHMENT:

EXHIBIT -- Form of Notice of Hearing on Report

* * *

EXHIBIT

FORM OF NOTICE OF HEARING ON REPORT

NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-715 ON AMENDED AND RESTATED REPORT OF THE FEASIBILITY AND BENEFITS OF CERTAIN PROJECTS TO BE FINANCED WITH THE PROCEEDS OF THE SALE OF GENERAL OBLIGATION BONDS OF VISTANCIA COMMUNITY FACILITIES DISTRICT WITH RESPECT TO FEASIBILITY REPORT ORIGINALLY CONSIDERED ON DECEMBER 12, 2006

Pursuant to Section 48-715, Arizona Revised Statutes, notice is hereby given that a public hearing on an amended and restated feasibility report of the feasibility and benefits of projects to be financed with the proceeds of the sale of the third series of general obligation bonds of Vistancia Community Facilities District shall be held by the District Board on July 7, 2015, at approximately 7:00 p.m. (Phoenix, Arizona, time), or immediately preceding the meeting of the Mayor and Council of the City of Peoria, Arizona, on the same date in the Council Chambers located at 8401 West Monroe Street, Peoria, Arizona. (The original feasibility report was considered on December 12, 2006.) Such amended and restated feasibility report and further information relating thereto are on file with the City Clerk of the City of Peoria, Arizona/District Clerk of Vistancia Community Facilities District, 8401 West Monroe Street, Peoria, Arizona 85345, telephone number: (623) 773-7340.

Dated this ..... day of ....., 2015.

/s/ Brent Mattingly
.....
District Chief Financial Officer, Vistancia
Community Facilities District

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

NEW ISSUE - BOOK-ENTRY-ONLY FORM **RATINGS: See "RATINGS" herein**

In the opinion of Greenberg Traurig, LLP, Bond Counsel, assuming continuing compliance with certain tax covenants and the accuracy of certain representations of the District, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. Interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds. See also "TAX MATTERS – Original Issue Discount and Original Issue Premium" herein.

$37,635,000*
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015

Dated: Date of Delivery **Due**: July 15, as shown on the inside front cover

The Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015 (the "Bonds") "Bonds") will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers under the book-entry system maintained by DTC in amounts of $5,000 of principal amount due on a maturity date or integral multiples in excess thereof. Purchasers will not receive definitive certificates with respect to the Bonds. So long as any purchaser is the beneficial owner of a Bond, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a "DTC Participant" to receive payment of principal of and interest on such Bond. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on each January 15 and July 15 of each year, commencing January 15, 2016. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Bonds. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

SEE MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, ad valorem tax levied against all taxable property within the boundaries of the District, unlimited as to rate, but subject to the limitation that the total aggregate amount of taxes levied to pay principal of and interest on the Bonds shall not exceed the total aggregate of principal of and interest on all outstanding bonds of the District being refunded in advance of their respective maturities with proceeds of the sale of the Bonds (the "Bonds Being Refunded"), from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to the payment of the Bonds Being Refunded from the same source in the event of a deficiency in the proceeds of the sale of the Bonds and amounts contributed by the District for such purpose held to pay principal of and interest on the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the moneys held for payment of the Bonds Being Refunded. Debt service with respect to the Bonds will also be payable from (i) amounts payable pursuant to a Series 2015 Standby Contribution Agreement, dated as of July 1, 2015 (the "Standby Contribution Agreement"), as described herein, (ii) an amount to be held under certain circumstances pursuant to a Series 2015 Depository Agreement, dated as of July 1, 2015 (the "Depository Agreement"), and which is not subject to replenishment as described herein, and (iii) other amounts available pursuant to the Indenture. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein. The Standby Contribution Agreement and the Depository Agreement will be terminated, in each case, under certain circumstances described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "RISK FACTORS" herein.

The Bonds will be subject to optional and mandatory redemption by the District prior to maturity as described herein.

Proceeds of the sale of the Bonds will be used: (i) to refund the Bonds Being Refunded which were issued to pay costs of acquisition and construction of certain public infrastructure benefiting the District, and (ii) to pay costs of issuance relating to the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF PEORIA, ARIZONA (THE "CITY"), THE STATE OF ARIZONA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

The Bonds are offered when, as and if issued and subject to the approval of Greenberg Traurig, LLP, Bond Counsel. Certain matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, for Shea Homes Limited Partnership by Gallagher & Kennedy, P.A., and for SLF III – Vistancia, LLC and the Developer by Maguire Pearce & Storey PLLC. It is expected that delivery of the Bonds in book entry-only form will be made through the facilities of DTC on or about _____, 2015.

STIFEL

MATURITY SCHEDULE*

$37,635,000*
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015

Maturity (July 15)	Principal Amount	Interest Rate	Yield	CUSIP [(a)] No. 92839N
2016	$2,855,000			
2017	2,850,000			
2018	2,965,000			
2019	3,080,000			
2020	3,210,000			
2021	3,335,000			
2022	3,500,000			
2023	3,675,000			
2024	3,860,000			
2025	4,050,000			
2026	4,255,000			

$_____ Term Bond @ ____% Due July 15, 20__ – Price ____ - CUSIP 92839N ____

$_____ Term Bond @ ____% Due July 15, 20__ – Price ____ - CUSIP 92839N ____

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* Subject to change

VISTANCIA COMMUNITY FACILITIES DISTRICT

DISTRICT BOARD

Cathy Carlat, *Chairperson*

Jon Edwards, *Vice Chairperson*

Bridget Binsbacher, *Member*

Michael Finn, *Member*

Vicki Hunt, *Member*

Carlo Leone, *Member*

Bill Patena, *Member*

DISTRICT ADMINISTRATIVE STAFF

Carl Swenson
District Manager

Brent Mattingly
District Treasurer and
District Chief Financial Officer

Stephen M. Kemp
District Counsel

Rhonda Geriminsky
District Clerk

FINANCIAL ADVISOR

TL Hocking & Associates LLC
Phoenix, Arizona

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

TRUSTEE

Zions First National Bank
Phoenix, Arizona

THIS OFFICIAL STATEMENT, WHICH INCLUDES THE COVER PAGE AND THE APPENDICES HERETO, SHOULD BE CONSIDERED IN ITS ENTIRETY, AND NO ONE SUBJECT SHOULD BE CONSIDERED LESS IMPORTANT THAN ANOTHER BY REASON OF LOCATION IN THE TEXT. BRIEF DESCRIPTIONS OF THE BONDS, THE ESCROW TRUST AGREEMENT, THE INDENTURE, THE STANDBY CONTRIBUTION AGREEMENT, THE DEPOSITORY AGREEMENT, THE BOND RESOLUTION, THE SECURITY FOR THE BONDS, THE DISTRICT, SHEA HOMES, STRATFORD VISTANCIA, THE DEVELOPER AND THE PUBLIC INFRASTRUCTURE (AS SUCH TERMS ARE DEFINED HEREIN) AND OTHER INFORMATION ARE INCLUDED IN THIS OFFICIAL STATEMENT. SUCH DESCRIPTIONS DO NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES HEREIN TO THE BONDS, THE INDENTURE, THE BOND RESOLUTION, THE STANDBY CONTRIBUTION AGREEMENT, THE DEPOSITORY AGREEMENT AND ANY OTHER DOCUMENTS ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS, COPIES OF WHICH MAY BE OBTAINED FROM STIFEL NICOLAUS & COMPANY, INCORPORATED (THE "UNDERWRITER") AT SUITE 750, 2325 EAST CAMELBACK ROAD, PHOENIX, ARIZONA 85016.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT, SHEA HOMES, STRATFORD VISTANCIA, THE DEVELOPER AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS AND IS NOT TO BE CONSTRUED AS THE PROMISE OR GUARANTEE OF THE UNDERWRITER. THIS OFFICIAL STATEMENT CONTAINS, IN PART, ESTIMATES AND MATTERS OF OPINION THAT ARE NOT INTENDED AS STATEMENTS OF FACT, AND NO REPRESENTATION IS MADE AS TO THE CORRECTNESS OF SUCH ESTIMATES AND OPINIONS OR THAT THEY WILL BE REALIZED. THE PRESENTATION OF INFORMATION, INCLUDING TABLES OF *AD VALOREM* PROPERTY TAX RATES AND BONDED GENERAL OBLIGATION INDEBTEDNESS, IN THIS OFFICIAL STATEMENT IS INTENDED TO SHOW RECENT HISTORICAL INFORMATION AND, EXCEPT AS EXPRESSLY STATED OTHERWISE, IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS. NO REPRESENTATION IS MADE THAT THE PAST EXPERIENCE SHOWN BY SUCH INFORMATION WILL NECESSARILY CONTINUE OR BE REPEATED IN THE FUTURE.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: "THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION."

ANY STATEMENTS IN THIS OFFICIAL STATEMENT INVOLVING MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO STATED, ARE INTENDED AS SUCH AND NOT AS REPRESENTATIONS OF FACT. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE DISTRICT OR THE UNDERWRITER AND THE PURCHASERS OR HOLDERS OF ANY OF THE BONDS.

THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, SHEA HOMES, STRATFORD VISTANCIA OR THE DEVELOPER WITH RESPECT TO THE STANDBY CONTRIBUTION AGREEMENT OR IN THE INFORMATION OR OPINIONS SET FORTH HEREIN SINCE THE DATE OF THIS OFFICIAL STATEMENT.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT OR THE UNDERWRITER TO GIVE INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THIS OFFICIAL STATEMENT, WHICH INCLUDES THE COVER PAGE AND THE APPENDICES HERETO, DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE DISTRICT, THE DEVELOPER, SHEA HOMES AND STRATFORD VISTANCIA, AS THE OBLIGATED PERSONS PURSUANT TO THE CONTINUING DISCLOSURE UNDERTAKINGS, WILL COVENANT TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THIS OFFICIAL STATEMENT UNDER THE HEADING “CONTINUING DISCLOSURE” AND IN APPENDIX D – “FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS,” PURSUANT TO RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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LAND USE MASTER PLAN OF DISTRICT

MAP SHOWING LOCATION OF DISTRICT IN CONTEXT OF SURROUNDING METROPOLITAN AREA

$37,635,000*
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto, provides certain information concerning the issuance of Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015 (the "Bonds"), in the aggregate principal amount of $37,635,000*. Certain capitalized terms not defined in the text of this Official Statement are defined in Appendix B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Definitions of Certain Terms."

The Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act"), was enacted to provide a method of financing (including through the issuance of general obligation bonds) certain "public infrastructure purposes" (as such term is defined in the Enabling Act) relating to a community facilities district. The Mayor and Council of the City of Peoria, Arizona (the "City"), formed Vistancia Community Facilities District (the "District") pursuant to a resolution adopted on October 15, 2002.

The City and the District are separate and distinct legal entities, and neither entity is legally or otherwise liable for the obligations of the other. The District has the power to issue bonds payable from ad valorem taxes levied on all taxable property within the District.

Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer"), is the successor in interest to Shea Sunbelt Pleasant Point, LLC (whose name was subsequently changed to, and is hereinafter referred to as, Vistancia, LLC), the original developer within the District since 2001. Pursuant to the Enabling Act, the Mayor and Council of the City formed the District in response to a petition by Vistancia, LLC. Vistancia, LLC was formed by two members, comprised of Shea Homes Southwest, Inc. ("Shea Southwest") and Sunbelt Pleasant Point Investors, L.L.C., an Arizona limited liability company ("Sunbelt"). Shea Southwest is a related company of J.F. Shea Co., Inc., a Nevada corporation and Shea Homes Limited Partnership, a California limited partnership ("Shea Homes"), both of which are independent members of the Shea family of companies. On August 31, 2009, Vistancia, LLC conveyed the remaining unsold District Land (defined below) to four landowner entities, some of which thereafter conveyed portions of such District Land to other landowner entities, resulting in the remaining unsold District Land now being owned by eight landowner entities (each a "Landowner LLC" and collectively, the "Landowner LLCs"), comprised of Vistancia North LLC, Vistancia Village H LLC, Village Clementine LLC, Vistancia Mystic LLC, Vistancia South LLC, Vistancia 150 Commercial LLC, Vistancia 580 Commercial LLC and Vistancia South LLC, each a Delaware limited liability company, with the majority interest of each Landowner LLC owned by the Developer. At the time of the August 31, 2009 acquisition, the Developer was comprised of two members: Vistancia, LLC (the Shea Southwest/Sunbelt entity that was the original developer of the Project) and SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia"), an entity owned and controlled by Stratford Land Fund III, L.P., a Delaware limited partnership ("Stratford Land"), with Stratford Vistancia having the majority interest in the Developer. On December 31, 2011, Stratford Vistancia acquired Vistancia, LLC's interest in the Developer, which resulted in Stratford Vistancia owning and controlling 100 percent of the equity interest in the Developer and the Developer retaining its majority interest in the Landowner LLCs.

∗ Subject to change

See Appendix A – "INFORMATION REGARDING THE CITY OF PEORIA, ARIZONA" for certain information about the City, "THE DISTRICT" for a description of the District and "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER" for a description of Shea Homes, Stratford Vistancia and the Developer. The Developer has not undertaken (and does not intend to undertake) any development activities with respect to the Project; instead, those activities have been (and will be) undertaken, if at all, by the various Landowner LLCs. Nevertheless, for ease of reference, this Official Statement refers to Vistancia Land Holdings, LLC as the "Developer" and also contains various statements regarding development of the Project by the Developer. Any such terminology and statements are intended to refer to development by the applicable Landowner LLC (or other third party, as applicable) and are not intended to imply that development activities have been or will be undertaken by Vistancia Land Holdings, LLC.

Pursuant to a District Development, Financing Participation and Intergovernmental Agreement, dated October 1, 2002, as amended by a First Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2005, a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2006, and a Third Amendment to District Development, Financing and Intergovernmental Agreement, dated as of July 1, 2015 (as so amended, the "Development Agreement"), among the City, the District, the Developer (on behalf of itself and on behalf of the Landowner LLCs), Shea Homes and Stratford Vistancia, the District has been and is intended to provide the vehicle for financing certain public infrastructure necessary for development of the land within the boundaries of the District. See "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER."

Pursuant to the results of a vote of the owners of land in the District at a special bond election held in and for the District on November 12, 2002 (the "Election"), the District has the authority to issue general obligation bonds in an aggregate principal amount of not to exceed $100,000,000 in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds, in more than one series, payable from ad valorem taxes (without limitation as to rate or amount) levied on all taxable property within the boundaries of the District and may also secure such bonds from other sources described in the Enabling Act, including amounts available from sources such as the hereinafter described Standby Contribution Agreement and Depository Agreement. The District has previously issued $21,250,000 in principal amount of the bonds so authorized at the Election pursuant to a resolution adopted by the Board on November 19, 2002 (the "Series 2002 Bonds"), $23,550,000 in principal amount of the bonds so authorized at the Election pursuant to a resolution adopted by the Board on March 22, 2005 (the "Series 2005 Bonds") and $22,760,000 in principal amount of the bonds so authorized at the Election pursuant to a resolution adopted by the Board on December 12, 2006 (the "Series 2006 Bonds"), the outstanding portions of which will be refunded and redeemed with proceeds of the Bonds. See "PLAN OF REFUNDING" herein. After the issuance of the Bonds, there will be $32,440,000 remaining authorization from the Election to issue bonds payable from ad valorem property taxes levied on all taxable property in the District. Additional amounts of general obligation bonds may be authorized at future elections held in and for the District.

The Bonds are being issued in order to refund the Bonds Being Refunded, comprising all outstanding amounts of the Series 2002 Bonds, the Series 2005 Bonds and the Series 2006 Bonds, which were issued to finance the costs to acquire and construct certain public infrastructure within the boundaries of the District, and to pay costs of issuance relating to the Bonds. See "PLAN OF REFUNDING," "THE PUBLIC INFRASTRUCTURE" and "SOURCES AND APPLICATIONS OF FUNDS."

After the Bonds are issued, State law requires that the Board annually levy and cause an ad valorem tax to be collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described in the Enabling Act and available pursuant to the Indenture, including the hereinafter described Standby Contribution Agreement and Depository Agreement, to pay Debt Service with respect to the Bonds (whether at maturity or prior redemption) when due; provided, however, that the total aggregate of taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. Subject to such limitation, such taxes are to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes will be kept in the Tax Account of the Bond Fund (the "Tax Account") and will be used only for the payment of principal and interest as above-stated. Following collection and deposit of the taxes in the Tax Account, moneys credited to the Tax Account will be invested in accordance with the provisions of State law.

As described under the heading "PLAN OF REFUNDING," the net proceeds of the sale of the Bonds and certain amounts contributed by the District for such purpose will be placed in an escrow trust with an escrow trustee and invested in obligations of the United States of America ("Government Obligations"), to be applied to payment of principal of and premium, if any, and interest on the Bonds Being Redeemed. The owners of the Bonds must rely upon the sufficiency of such amount for the payment of the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if amounts held in the escrow trust prove insufficient.

In addition to the levy of ad valorem property taxes for the payment of Debt Service, pursuant to the results of the Election, the District also is authorized to levy and collect an ad valorem tax at a tax rate of not to exceed $0.30 per $100 of limited assessed valuation on all taxable property within the boundaries of the District for operation and maintenance expenses of the District (the "Operation and Maintenance Tax"). The District previously has not levied, and currently does not intend to levy, the Operation and Maintenance Tax.

For each year until the Bonds are paid or otherwise provided for and subject to the limitation described above, the Board will levy and cause to be collected an ad valorem tax on all taxable property within the boundaries of the District (which does not include the Operation and Maintenance Tax), sufficient, with moneys, if any, available pursuant to the Series 2015 Standby Contribution Agreement, dated as of July 1, 2015 (the "Standby Contribution Agreement"), by and among the District, the Developer, Shea Homes, Stratford Vistancia and Zions First National Bank, as trustee (the "Trustee"), to pay Debt Service. The Standby Contribution Agreement will be terminated under certain circumstances. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – The Standby Contribution Agreement."

Simultaneously with the delivery of the Bonds, the Developer will have established with the Letter of Credit Bank the Initial Letter of Credit for the benefit of the District and in favor of Zions First National Bank, as depository (the "Depository"), in the stated amount of $_____ to be held pursuant to the Series 2015 Depository Agreement, dated as of July 1, 2015 (the "Depository Agreement"), by and between the District and the Depository. The draw upon the Letter of Credit in its stated amount will be available to pay Debt Service (but not debt service with respect to any other subsequently issued general obligation bonds of the District) if there has been levied and assessed an ad valorem tax of at least $2.10 per $100 of limited assessed valuation (which does not include the Operation and Maintenance Tax) on all taxable property within the boundaries of the District and amounts to pay Debt Service are not available pursuant to the Standby Contribution Agreement. The amount to be held pursuant to the

Depository Agreement as a result of the draw upon the Letter of Credit will not be subject to replenishment if applied as described hereinabove, and the Depository Agreement is subject to termination under certain circumstances. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – The Depository Agreement."

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OF ARIZONA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

THE BONDS

Authority and Election

The Bonds are authorized pursuant to the Enabling Act and Title 35, Chapter 3, Article 4, Arizona Revised Statutes (the "Refunding Act") and will be issued pursuant to a resolution adopted by the Board on July 7, 2015 (the "Bond Resolution"), and the Series 2015 Indenture of Trust and Security Agreement, dated as of July 1, 2015 (the "Indenture"), from the District to the Trustee. See Appendix B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE." See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS- Ad Valorem Property Taxation in the District – Annual Debt Service Requirements of General Obligation Bonded Indebtedness to be Outstanding" and "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District."

General Description

The Bonds will be dated the date of their initial delivery and will mature and bear interest as set forth on the inside front cover page of this Official Statement.

Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2016 (each such date an "Interest Payment Date"). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30day months.

The Bonds will be issued in the form of fully registered bonds, without coupons, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers under the book-entry system maintained by DTC in amounts of $5,000 of principal due on a maturity date and any integral multiples thereof in excess thereof. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Bonds. No document of any nature whatsoever need be surrendered as a condition to payment of the principal and interest on the Bonds. See APPENDIX F "BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions*

Optional Redemption. The Bonds maturing on or before July 15, 20__ will not be subject to redemption prior to maturity. The Bonds maturing on and after July 15, 20__ will be subject to redemption at the option of the District as a whole or from time to time in part on July 15, 20__ or any date thereafter (each a "Redemption Date") upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium.

Mandatory Redemption. The Bonds maturing on July 15, 20__ and July 15, 20__ will be redeemed on the following Redemption Dates and in the following amounts upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium:

Term Bond Maturing
July 15, 20__

Redemption Date (July 15)	**Principal Amount Redeemed**
(maturity)	

Term Bond Maturing
July 15, 20__

Redemption Date (July 15)	**Principal Amount Redeemed**
(maturity)	

Selection of Bonds for Redemption. In case of any redemption at the election of the District of less than all of the Bonds Outstanding, the District will, at least 60 days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the Stated Maturities and principal amounts of Bonds to be redeemed. If less than all the Bonds Outstanding of a Stated Maturity of the Bonds are to be redeemed, the particular Bonds of such Stated Maturity of the Bonds to be redeemed will be selected not more than 45 days prior to the Redemption Date by the Trustee from the Bonds Outstanding that have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and that may provide for the selection for redemption of portions (equal to $5,000 of principal amount or an integral multiple thereof) of the principal of Bonds of a denomination larger than the authorized denomination of that Bond.

* Subject to change

Notice of Redemption. Notice of redemption will be given by the Trustee, not less than 30 days nor more than 60 days prior to the Redemption Date, to DTC. Neither the failure to mail any such notice, nor any defect in any notice so mailed, will affect the sufficiency of such notice or the redemption otherwise effected by such notice.

Effect of Redemption. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed will, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the District shall default in the payment of the Redemption Price) such Bonds will cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond will be paid by the District at the Redemption Price, but solely from the sources provided therein.

PLAN OF REFUNDING

The proceeds from the sale of the Bonds remaining after payment of the costs of issuance, and certain amounts contributed by the District for such purpose, will be placed in an escrow trust (the "Escrow Trust") with Zions First National Bank, as escrow trustee (the "Escrow Trustee") pursuant to the terms of an Escrow Trust Agreement, dated as of July 1, 2015 (the "Escrow Trust Agreement") between the District and the Escrow Trustee, and invested in Government Obligations, to be applied to payment of principal of and premium, if any, and interest on the Bonds Being Redeemed described below.

Issue Series	Maturity Date (July 15)	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded	Redemption Date	Redemption Price	CUSIP[(1)] Number (92839N)
2002	2022	6.75%	$11,050,000	$11,050,000	9/__/15	100%	AT0
2005	2024	5.50	16,050,000	16,050,000	9/__/15	100	BM4
2006	2016	4.10	730,000	730,000	7/15/16	100	BV4
	2017	4.15	780,000	780,000	7/15/16	100	BW2
	2021	4.40	3,420,000	3,420,000	7/15/16	100	BX0
	2026	4.55	13,380,000	13,380,000	7/15/16	100	BY8

(1) See footnote (a) on inside cover page of this Official Statement

If the moneys in the Escrow Trust are not sufficient to pay the principal of and interest on the Bonds Being Refunded, the District will remain liable for payment of the Bonds Being Refunded. The ad valorem property tax to be levied for the payment of the Bonds is unlimited as to rate, but limited in amount so that the aggregate of taxes levied to pay principal of and interest on the Bonds will not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The Refunding Act provides that the issuance of the Bonds in no way infringes upon the rights of holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the moneys and government obligations held in the Trust prove insufficient. The Refunding Act further provides that owners of the Bonds must rely upon the sufficiency of the moneys held in the Escrow Trust for the Bonds Being Refunded. See "SECURITY FOR AND SOURCES OF PAYMENT" and "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Causey, Demgen & Moore P.C., a firm of independent certified public accountants, will deliver to the District and the Trustee, on or before the issue date of the Bonds, its verification report indicating,

among other things, that it has verified, in accordance with standards for attestation engagements established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, to pay, when due the principal of and prepayment amount and interest on the Bonds Being Refunded and (b) the yields on the Government Obligations and the Bonds. The verification performed by Causey, Demgen & Moore P.C. will be solely based upon data, information and documents provided to Causey, Demgen & Moore P.C. by the District and its representatives. Causey, Demgen & Moore P.C. has restricted its procedures to recalculating the computations provided by the Underwriter and has assumed the accuracy of the data, information and documents used in the computations.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

After the Bonds are issued, State law requires that the Board annually levy and cause an ad valorem tax to be collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described in the Enabling Act and available pursuant to the Indenture, including the Standby Contribution Agreement and the Depository Agreement, to pay Debt Service when due; provided, however, that the total aggregate of taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. Subject to such limitation, such taxes are to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes will be kept in the Tax Account and will be used only for the payment of principal and interest as above-stated. Following collection and deposit of the taxes in the Tax Account, moneys credited to the Tax Account will be invested in accordance with the provisions of State law.

As described under the heading "PLAN OF REFUNDING," the net proceeds of the sale of the Bonds and any amounts contributed by the District for such purpose will be placed in an escrow trust with an escrow trustee and invested in Government Obligations, to be applied to payment of principal of, premium, if any, and interest on the Bonds Being Redeemed. The owners of the Bonds must rely upon the sufficiency of such amount for the payment of the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if amounts held in the escrow trust prove insufficient. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – *Ad Valorem* Property Taxation in the District – General Obligation Bonded Indebtedness to be Outstanding" and "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER INDEBTEDNESS – Additional General Obligation Bonded Indebtedness of the District."

The District and the Trustee will acknowledge pursuant to the Indenture that the Bonds and any other general obligation bonds of the District hereafter issued will be payable on a parity basis with respect to the collection and application of property tax revenues of the District and that such property taxes will be allocated to each series of general obligation bonds in accordance with any debt service then due and, in either case, taking into account other funds held by the District for such payment. Property tax revenues allocated for any series of bonds will be deposited into the applicable fund or account set aside for such series.

Debt Service on the Bonds also will be payable from amounts paid pursuant to the Standby Contribution Agreement, which amounts will be paid to the Trustee at the times and for the period set forth in the Standby Contribution Agreement. The Standby Contribution Agreement may be terminated under certain circumstances prior to the final maturity of the Bonds. See "—The Standby Contribution

Agreement" below. It is expected that, based on anticipated development as described herein under the heading "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER – Land Development," the amount of ad valorem taxes to be collected from year to year at a tax rate of $2.10 per $100 of limited assessed valuation on all taxable property then within the boundaries of the District may, each year, pay an increasing amount of Debt Service and ultimately may be sufficient alone to pay Debt Service.

In the event the Developer, Shea Homes and Stratford Vistancia fail to pay amounts due pursuant to the Standby Contribution Agreement, Debt Service (but not debt service with respect to any subsequently issued general obligation bonds of the District) also will be payable from the stated amount of the Letter of Credit which will be drawn and held pursuant to the Depository Agreement and then paid to the Trustee for such purpose at the times and in the amounts set forth in the Depository Agreement. The Depository Agreement may be terminated under certain circumstances prior to the final maturity of the Bonds. See "—The Depository Agreement" below.

The amounts available to be held pursuant to the Depository Agreement will not be subject to replenishment from any sources if such amounts are applied as described hereinabove.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "RISK FACTORS."

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

***Ad Valorem* Property Taxation in the District**

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025 (generally referred to as "Proposition 117"), which amends a provision of the Arizona Constitution relating to the State's property tax system. Beginning in tax year 2015 (for operations during the District's fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that is regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

Taxable Property

For tax purposes in Arizona, real property and improvements are either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and

traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities.

Locally assessed property has two different values, "limited property value" and "full cash value." Limited property value is used as the basis for taxation purposes (i.e. the levy of taxes) and for determining statutory debt limits. Full cash value is used as the ceiling for determining limited property value and for determining constitutional debt limits. For centrally valued property and personal property (except mobile homes), full cash value is used as the basis for taxation purposes and determining taxable values and constitutional and statutory debt limits.

For tax year 2015 and subsequent tax years, limited property value, including that of mobile homes, used for all ad valorem property taxation purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of full cash value or an amount five percent greater than the limited property value determined for the prior year. (Tax years are the same as calendar years.) Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. (Increases in full cash value are not limited.)

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was limited property value and for secondary ad valorem tax purposes (as described below) was full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value was not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County uses generally a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value property in certain classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle. Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owner's total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. Appeals are also allowed for such valuations.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by both full cash value and limited property value ("taxable value") of the property to obtain the "assessed valuation". The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
PROPERTY TAX ASSESSMENT RATIOS [a]
FISCAL YEARS 2011-12 THROUGH 2015-16

	Assessment as Percentage of Full Cash Value				
Property Classification [b]	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Mining, Utility, Commercial and Industrial [c]	20.0%	20.0%	19.5%	19.0%	18.5%
Agriculture and Vacant Land [c]	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private car Company and Airline Flight Property	15.0%	15.0%	15.0%	16.0%	15.0%

(a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) For tax year 2015, full cash values up to $146,973 on commercial, industrial and agricultural personal property are exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

(c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year. On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Financial Advisor, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

It is anticipated that the District's semiannual payments of Debt Service will be funded with installments of tax payments collected on or about the immediately preceding tax payment date together

with any funds available from any other sources, including amounts, if any, available from the Standby Contribution Agreement. If, for any reason, a material portion of the *ad valorem* property taxes due and payable to the District are not paid in a timely manner, the payment of Debt Service could be delayed. It cannot be determined with any certainty when delinquent *ad valorem* property taxes could be collected and available for the payment of Debt Service and what impact such delay could have on the secondary market for the Bonds**. See "RISK FACTORS - Availability of Standby Contribution Agreement Amounts," "- Assessed Valuation of Property," "- Direct and Overlapping Indebtedness" and "— Bankruptcy and Foreclosure Delays."**

Property Valuations.

The full cash values and secondary assessed values of all taxable property within the boundaries of the District for the tax years 2010-2011 through 2014-2015 are shown in Table 2:

TABLE 2
PROPERTY VALUATIONS [(a)(b)]

Fiscal Year	Full Cash Value	Secondary Assessed Value
2014/15	1,078,080,706	$116,395,550
2013/14	939,316,183	102,696,067
2012/13	950,916,548	104,536,480
2011/12	940,793,478	102,606,002
2010/11	996,285,630	110,252,442

(a) See "Ad Valorem Property Taxation in the District – *Taxable Property"* above for a discussion of differences implemented by Proposition 117 and related legislation in the valuation of property for taxation purposes beginning in tax year 2015 (Fiscal Year 2015-16) and succeeding years from the valuation process in prior tax years.

(b) Estimated Full Cash Net Assessed Value and Limited Property Value are $1,161,966,798 and $124,332,283, respectively, for Fiscal Year 2015-16, provided by the Maricopa County Assessor. Valuations for the Fiscal Year 2015-16 are not official until approved by the Board of Supervisors of the County on or before the third Monday in August for the following fiscal year. Although the final official valuations are not expected to differ materially from the estimated valuations, they are subject to positive or negative adjustments until approved by the Board of Supervisors of the County. See also "SECURITY FOR AND SOURCES OF PAYMENT – *Ad Valorem* Property Taxation Process."

Source: Maricopa County Assessor's Office.

Net Secondary Assessed Valuation by Property Classification.

The following is a breakdown of secondary assessed valuations for the District by property classifications:

TABLE 3
SECONDARY ASSESSED VALUE BY PROPERTY CLASSIFICATIONS

Description	Net Secondary Assessed Valuation 2014-2015	2014-2015 Percent of Total
Mining, Utility, Commercial and Industrial	$ 6,613,699	5.68%
Agricultural and Vacant Land	9,437,159	8.11
Owner Occupied Residential	70,517,124	60.58
Leased or Rented Residential	29,827,568	25.63
Total	$ 116,395,550	100.00%

Source: Maricopa County Assessor's Office.

Secondary Assessed Valuation of Major Taxpayers.

The major property taxpayers located within the District for tax year 2014-15 and the secondary assessed valuation of their property is as follows:

TABLE 4
SECONDARY ASSESSED VALUATION BY MAJOR TAXPAYERS

Major Taxpayer [(a)]	2014/15 Net Full Cash Assessed Valuation	As % of 2014/15 Net Full Cash Assessed Valuation
Vistancia South LLC	$ 1,685,271	1.45%
Vistancia Associates LLC	1,201,940	1.03
Accipter Communications Inc.	1,191,804	1.02
Blackstone Country Club	1,144,792	0.98
Pwreo Vistancia LLC	1,136,917	0.98
Mattamy Arizona LLC	892,272	0.77
Lake Pleasant Partners LLC	835,085	0.72
Shea Homes Southwest Inc.	684,962	0.59
Vistancia 150 Commercial LLC	671,799	0.58
MSR Public Power Agency (T&D)[(b)]	488,758	0.42
	$ 9,933,600	8.53

(a) Some of such taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the District, the Financial Advisor, the Underwriter or their respective agents or consultants has examined the

information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

(b) M-S-R Public Power Agency is a California joint powers agency comprised of the City of Santa Clara, the City of Redding and the Modesto Irrigation District.

Source: Maricopa County Assessor's Office.

Record of Taxes Levied and Collected in the District.

Under State law, the Board of Supervisors of the County is required to levy a tax in an amount sufficient to provide for Debt Service on the Bonds. With respect to the District, certain amounts are available (as described below) that will be used to offset the amount otherwise needed for Debt Service on the Bonds. Property taxes are levied and collected on property within the District and certified by the Treasurer on behalf of the District. The following table sets forth the tax collection record of the District for the periods shown:

TABLE 5
PROPERTY TAX COLLECTIONS

Fiscal Year	District Tax Rate	Adopted District Tax Levy[a]	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year[b]		Adjusted District Tax Levy as of 5/21/2015	Cumulative Collections to May 21, 2015	
				Amount	% of Adj. Levy as of		Amount	% of Adj. Levy as of
2014/15	$2.1000	$2,444,330	$2,442,268	[c]	[c]	$2,442,268	$2,376,309	97.30%
2013/14	2.1000	2,156,639	2,156,288	$2,119,016	98.27%	2,154,233	2,131,883	98.96
2012/13	2.1000	2,195,288	2,186,408	2,157,096	98.66	2,182,996	2,182,996	100.00
2011/12	2.1000	2,154,748	2,152,832	2,123,609	98.64	2,147,263	2,147,262	100.00
2010/11	2.1000	2,315,321	2,314,486	2,254,750	97.42	2,304,388	2,304,388	100.00

(a) Tax levy is as reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after August report.

(b) Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1, but any interest penalty is waived if the full tax year's taxes are paid in full by December 31. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16 percent per annum attaches on the first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.

(c) In the process of collection.

General Obligation Bonded Indebtedness to be Outstanding.

Following the issuance of the Bonds and application of the proceeds as described under "PLAN OF REFUNDING," the District will have no general obligation bonds outstanding other than the Bonds. However, the owners of the Bonds must rely upon the sufficiency of the amount deposited under the Escrow Trust for the payment of the Bonds Being Refunded. The Refunding Act provides that the issuance of the Bonds will in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if amounts held in the Escrow Trust prove insufficient. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

TABLE 6
DEBT SERVICE FOR THE BONDS* (a)

Year Ending (July 15)	Debt Service Requirements for the Bonds (b)		Total Combined Debt Service Requirements
	Principal	Estimated Interest (c)	
2016	$2,855,000	$1,782,435 (d)	$4,637,435
2017	2,850,000	1,739,000	4,589,000
2018	2,965,000	1,596,500	4,561,500
2019	3,080,000	1,448,250	4,528,250
2020	3,210,000	1,294,250	4,504,250
2021	3,335,000	1,133,750	4,468,750
2022	3,500,000	967,000	4,467,000
2023	3,675,000	792,000	4,467,000
2024	3,860,000	608,250	4,468,250
2025	4,050,000	415,250	4,465,250
2026	4,255,000	212,750	4,467,750

(a) Prepared by the Underwriter.
(b) Net of Bonds Being Refunded.
(c) Interest is estimated at 5.00%.
(d) The first interest payment on the Bonds will be due on January 15, 2016*. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption.

The Standby Contribution Agreement

Pursuant to the Standby Contribution Agreement, in any Fiscal Year prior to termination of the Standby Contribution Agreement, so long as the District has, with respect to any Interest Payment Date occurring on January 15, levied for that Fiscal Year a tax rate of at least $2.10 per $100 of limited assessed valuation and, with respect to any Interest Payment Date occurring on July 15, levied such tax rate for the immediately preceding Fiscal Year (provided, however, that the tax rate in any such Fiscal Year for such purpose may be less than $2.10 if the Board expected that such lower rate would produce secondary *ad valorem* property tax revenues sufficient to pay in full Debt Service and the Depository Agreement has been, or is in the process of being, terminated pursuant to its terms), the Developer, Shea Homes and Stratford Vistancia will be jointly and severally obligated to pay to the Trustee on each October 12 prior to a January 15 Interest Payment Date and on each April 11 prior to a July 15 Interest Payment Date the amount equal to the amount estimated by the Trustee to be the difference between one-half of the aggregate amount due as Debt Service on the next January 15 and July 15 and one-half of the tax revenues for such year expected to be produced at such tax rate based on the then current limited assessed valuation of taxable property in the District (assuming a five percent delinquency factor) less the amount then held in the Tax Account of the Bond Fund for such purpose. As provided in the Indenture, the Trustee will submit a request for payment under the Standby Contribution Agreement for such moneys to be used to pay Debt Service. See Appendix B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Funds -- Bond Fund." The Standby Contribution Agreement allows for submission of an additional request for payment under the Standby Contribution Agreement immediately before payment of Debt Service if any shortfall arises after the initial request.

* Subject to change

If at any time prior to the termination of the Standby Contribution Agreement, Shea Homes has an audited net worth (as such term is construed under generally accepted accounting principles) of less than eight times the difference between (a) the principal amount of the Bonds then Outstanding and (b) the principal amount of the Bonds then Outstanding for which the Debt Service can be serviced by *ad valorem* taxes paid by owners of property in the District other than the Developer, the Landowner LLCs, Shea Homes, Stratford Vistancia or any entity owned or controlled by any of them (assuming a delinquency factor of five percent) (the "net worth test"), Shea Homes must promptly either defease a portion of the Bonds or post collateral (such as a surety bond, letter of credit, cash or guaranty from another entity), satisfactory in form and amount to the District Chief Financial Officer, or any combination of the two, such that the net worth test will thereafter be satisfied. Within 14 days after a request from a Holder, Shea Homes will provide to the Trustee which shall provide the same to such Holder, within 60 days after the last day of each six-month period during each fiscal year of Shea Homes, financial statements for Shea Homes, prepared according to generally accepted accounting principles which evidence compliance with the "net worth" test described above; provided, however, that if such statements are not audited, an authorized officer of Shea Homes shall certify as to their accuracy and compliance with generally accepted accounting principles. (The District shall have no obligation to see that the foregoing is provided or to review the same.)

The Standby Contribution Agreement will terminate upon the earlier of (i) the payment of or the provision for the payment in full of all of the Bonds Outstanding or (ii) receipt by the District Chief Financial Officer of evidence satisfactory to the District Chief Financial Officer that, for any consecutive three Fiscal Years (the first of which may not be sooner than the first Fiscal Year in which principal of the Bonds has started to be amortized), a tax rate of $2.10 per $100 of limited assessed valuation of property within the boundaries of the District owned by other than the Developer, the Landowner LLCs, Shea Homes, Stratford Vistancia or any entity owned or controlled by any of them for each such Fiscal Year would have been sufficient to pay maximum annual debt service with respect to the Bonds and any other general obligation bonds of the District hereafter issued for any subsequent Fiscal Year plus the historical, annual, average of amounts necessary for payment of administrative expenses relating to the Bonds as of such Fiscal Year. Such evidence will consist of a written projection, prepared by the District Chief Financial Officer upon a written request of the Developer, that is based upon the application of such secondary tax rate in light of the actual limited assessed valuation of the property within the boundaries of the District for each such Fiscal Year, assuming a delinquency factor equal to the greater of five percent or the historic, average, annual percentage delinquency factor for the District as of such Fiscal Year and without credit for any fund balances or investment income accruing during such Fiscal Year. After receipt of proof that such condition has been satisfied, the Board will approve in writing the termination of the Standby Contribution Agreement, such approval not to be withheld unreasonably. See "RISK FACTORS - Bankruptcy and Foreclosure Delays."

Upon the occurrence of any failure (1) to pay amounts due pursuant to the Standby Contribution Agreement or (2) to provide the information required with respect to the net worth test, the Trustee will proceed directly against the Developer, Shea Homes and Stratford Vistancia, jointly and severally, under the Standby Contribution Agreement without proceeding against or exhausting any other remedies which it may have against the District, or any other person, firm or corporation and without resorting to any other security held by the District or the Trustee, in the case of clause (1) for the amounts so due and in the case of clause (2) for the security which would be required under the net worth test if the net worth test was treated as if it was not being complied with. Before taking any such action, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses and to protect against all liability, except liability that is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

The Depository Agreement

Simultaneously with the delivery of the Bonds, the Developer will have established with the Letter of Credit Bank the Initial Letter of Credit for the benefit of the District and in favor of the Depository in the stated amount of $_____. To the extent described in and pursuant to the terms of the Depository Agreement, the draw upon the Letter of Credit in the stated amount (the "Draw") will be held by the Depository pursuant to the Depository Agreement and will be paid over to the Trustee in amounts necessary to supplement *ad valorem* property tax revenues of the District for the payment of Debt Service if amounts are not available for such purpose pursuant to the Standby Contribution Agreement. See "—The Standby Contribution Agreement" above. To be able to make the Draw to have such amounts available pursuant to the Depository Agreement for the payment of such Debt Service before the Depository Agreement is terminated according to its terms, the Board must have, with respect to any Interest Payment Date occurring on January 15, levied for that Fiscal Year a tax rate of at least $2.10 per $100 of limited assessed valuation and with respect to any Interest Payment Date occurring on July 15, levied such tax rate for the immediately preceding Fiscal Year.

If such taxes have been so levied, the Draw also will be made and the amount thereof held pursuant to the Depository Agreement upon (a) the failure of Shea Homes to provide security with respect to the net worth test pursuant to the Standby Contribution Agreement, (b) the failure to obtain and deliver to the Depository an Alternate Letter of Credit as hereafter described or (c) the Letter of Credit Bank (i) commencing a proceeding under any federal or state insolvency, reorganization or similar law, or having such a proceeding commenced against it and either having an order of insolvency or reorganization entered against it or having the proceeding remain undismissed and unstayed for 90 days or (ii) having a receiver, conservator, liquidator or trustee appointed for it or for the whole or any substantial part of its property. The Developer may, at its option, provide for the delivery to the Depository of an Alternate Letter of Credit to take effect on the Letter of Credit Termination Date of the then effective Letter of Credit. For an Alternate Letter of Credit to be effective, prior to 60 Business Days prior to the Letter of Credit Termination Date, the Depository and the District must have received the following, in form and substance acceptable to the District Chief Financial Officer: evidence that the rating of the issuer of the Alternate Letter of Credit is as indicated in the definition of "Alternate Letter of Credit"; an opinion of counsel for the issuer of the Alternate Letter of Credit that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms; an opinion of nationally recognized bond counsel that such replacement is authorized pursuant to the Depository Agreement and will not cause interest on the Bonds to become includable in gross income for federal income tax purposes; and the Alternate Letter of Credit, meeting all of the other requirements provided in the definition of "Alternate Letter of Credit" and being unconditionally binding and effective as of the Letter of Credit Termination Date.

If the Draw has occurred because of the event described in clause (b) or (c) in the preceding paragraph, the District Chief Financial Officer may, in his sole and absolute discretion and pursuant to the same terms and conditions for provision of an Alternate Letter of Credit and whatever additional terms and conditions the District Chief Financial Officer deems appropriate, instruct the Depository to exchange the proceeds of the Draw for a new letter of credit meeting the qualifications in the definition of "Alternate Letter of Credit." After such exchange, such new letter of credit will be treated as the Letter of Credit for all purposes of the Depository Agreement.

[After the Draw, on each July 2 and January 2, the Trustee will notify the Depository of the Debt Service coming due on the next succeeding July 15 or January 15, as the case may be, and state the amounts then on deposit in the Bond Fund and the accounts therein under the Indenture including amounts received pursuant to the Standby Contribution Agreement. Based on the amounts indicated to the Depository, the Depository will pay to the Trustee for deposit in the Bond Fund, as described in Appendix B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Funds - Bond

Fund," an amount sufficient to pay the remaining amount of Debt Service due on the Bonds on the next succeeding July 15 or January 15, as the case may be, such amount to be paid on July 8 and January 8, respectively.]

Amounts held pursuant to the Depository Agreement after a Draw will be invested in Permitted Investments. Earnings on amounts held by the Depository pursuant to the Depository Agreement will be deposited with the Depository and held pursuant to the Depository Agreement.

The Depository Agreement will terminate upon the earlier of (i) the payment of or the provision for the payment in full of all of the Bonds Outstanding or (ii) receipt by the District Chief Financial Officer in any Fiscal Year of evidence satisfactory to the District Chief Financial Officer that, for such Fiscal Year (which may be no sooner than the first Fiscal Year after which principal of the Bonds has started to be amortized), a tax rate of $2.10 per $100 of limited assessed valuation of property within the boundaries of the District owned by other than the Developer, Shea Homes, Stratford Vistancia or any entity owned or controlled by any of them for such Fiscal Year would have been sufficient to pay maximum annual debt service with respect to the Bonds and any other general obligation bonds of the District hereafter issued for any subsequent Fiscal Year plus the historical, annual, average of amounts necessary for payment of administrative expenses relating to the Bonds as of such Fiscal Year. Such evidence will consist of a written projection, prepared by the District Chief Financial Officer, if the Letter of Credit has not been drawn, upon a written request of the Developer and otherwise at the discretion of the District Chief Financial Officer, that is based upon the application of such secondary tax rate in light of the actual limited assessed valuation of the property within the boundaries of the District for each such Fiscal Year, assuming a delinquency factor equal to the greater of five percent or the historic, average, annual percentage delinquency factor for the District as of such Fiscal Year and without credit for any fund balances or investment income accruing during such Fiscal Year. After receipt of proof of satisfaction of such condition, the Board will approve in writing the termination of the Depository Agreement, such approval not to be withheld unreasonably.

OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown on the following page including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, net assessed valuation and combined tax rate per $100 assessed valuation. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. See "RISK FACTORS - Direct and Overlapping Indebtedness."

TABLE 7
OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

Overlapping Jurisdiction	2014-2015 Net Secondary Assessed Valuation ($)	Net Outstanding Bonded Debt [a] ($)	Proportion Applicable to the District: Approx. Percent (%)	Proportion Applicable to the District: Net Amount ($)	2014-2015 Combined Tax Rate Per $100 Assessed [b] ($)
State of Arizona	$ 55,352,051,074	None	0.21	None	$ 0.0000
Maricopa County [c]	35,079,646,593	None	0.33	None	1.8298[c]
Maricopa County Community College District	35,079,646,593	654,190,000	0.33	$ 2,158,827	1.5187
Peoria Unified School District No. 11	1,471,213,352	246,825,000	4.61	11,378,633	7.2708
Nadaburg Unified School District No. 81	52,399,727	1,010,000	0.04	404	4.8136
City of Peoria	1,155,587,438	142,925,000	10.07	14,392,548	1.4400
Vistancia Community Facilities District [d]	**$ 116,395,550**	**48,330,000***	**100.00**	**48,330,000***	**2.1000**
Total Net Direct and Overlapping General Obligation Bonded Debt and Tax Rate				**$**68,485,411	**$16.1333**

[a] Includes general obligation bonds outstanding and general obligation bonds scheduled for sale. Also, does not include the Salt River Project Agricultural Improvement and Power District general obligation bonded debt. Such debt has been refunded in advance of maturity and is secured for payment by government securities held in irrevocable trust. Also excludes the principal amount of special districts' bonds outstanding of various jurisdictions that are secured by special assessments levied against property owners residing within the respective improvement districts. Bonds supported from enterprise revenues are also excluded.

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior for repayment of certain capital costs of construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Bureau of Reclamation to deliver Colorado River water to central Arizona and Tucson. CAWCD's obligation for substantially all of the CAP features that have been constructed is $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. Of the $1.646 billion repayment obligation, 73 percent will be interest bearing and the remaining 27 percent will be non-interest bearing. These percentages will be fixed for the entire 50 year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying payment administrative costs and expenses of CAP and to assist in repayment to the United States of the capital costs of CAP. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial, and agricultural water users for delivery of CAP water) and a tax levy against all taxable property in the CAWCD. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of secondary assessed valuation, of which 14 cents is being levied. (See Sections 48 3715 and 3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

[b] The combined tax rate includes the tax rate for debt service payments and maintenance and operation outlay for the District, which is based on the secondary assessed valuation of the entity, and the tax rate for all other

purposes such as capital and other maintenance and operation outlay, which is based on the primary assessed valuation of the jurisdiction.

(c) The County's tax rate includes the $1.3209 tax rate of the County, the $0.1400 tax rate of CAWCD, the $0.1392 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the County Free Library, the $0.1856 tax rate of the Maricopa Special Health Care District, the $0.0113 tax rate of the County Fire District and the $0.5089 "State Equalization Assistance Property Tax." It should be noted that the County Flood Control District does not levy taxes on personal property. The State Equalization Assistance Property Tax is adjusted annually pursuant to Arizona Revised Statutes, Section 41-1276.

(d) Does not include the Bonds.

Source: Individual jurisdictions and the Maricopa County Assessor's Office.

Additional General Obligation Bonded Indebtedness of the District

In addition to the Bonds, the District retains the right to issue, subject to the authorization remaining from the Election or authorization from a future bond election, in accordance with the procedures set forth in the Enabling Act, additional series of bonds payable from *ad valorem* property taxes. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS- *Ad Valorem* Property Taxation in the District – *Annual Debt Service Requirements of General Obligation Bonded Indebtedness to be Outstanding*." See also "RISK FACTORS - Direct and Overlapping Debt."

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (The District has made a finding that issuance of the Bonds will meet the test set forth above.)

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed $100,000,000 and $32,440,000 of bond authorization will remain after issuance of the Bonds. See "THE PUBLIC INFRASTRUCTURE" with respect to the issuance of such bonds. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, Maricopa County, Arizona, Peoria Unified School District No. 11 of Maricopa County Arizona, Maricopa County Community College District, Maricopa County Special Health Care District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. See "RISK FACTORS - Direct and Overlapping Debt."

The following overlapping entities of the District have the indicated authorized but unissued general obligation bonds available for future issuance:

TABLE 8
AUTHORIZED BUT UNISSUED OVERLAPPING
GENERAL OBLIGATION BONDS

Peoria Unified School District	$ 82,800,000
City of Peoria, Arizona	708,709,815
Maricopa County Community College District	3,000
Maricopa County Special Health Care District	935,000,000

Market Absorption Study

A Market Analysis and Absorption Study, dated _____, 2015, was performed by Belfiore Real Estate Consulting at the request of the District for the purpose of determining the potential market demand for the proposed development and residences within the District. An Executive Summary of the Study is attached hereto as Appendix G – "EXECUTIVE SUMMARY OF MARKET ANALYSIS AND ABSORPTION STUDY". A copy of the final Report can be obtained from the Underwriter, at 2325 E. Camelback Road, Suite 750, Phoenix, Arizona 85016. The information, assumptions, conclusions and projections contained in such study are those of Belfiore Real Estate Consulting, unless otherwise sourced or noted therein, and none of the District, the Financial Advisor, the Underwriter or the Developer has made any independent investigation regarding the accuracy or completeness thereof. There can be no assurance that the absorption levels projected in the referenced Study will be realized. Further, the absorption levels set forth in such Study are forward looking in nature and as such may not be realized as projected.

THE DISTRICT

General

The District encompasses approximately 6,940 acres (the "District Land") located within the northern portion of the City. The City is located in Maricopa County and is considered part of the greater Phoenix metropolitan area. See Appendix A – "INFORMATION REGARDING THE CITY OF PEORIA, ARIZONA," which includes certain information about the City and surrounding area, and, generally, the maps on pages (iii) and (iv).

The City formed the District pursuant to a resolution adopted on October 15, 2002. The District is a special purpose, tax levying public improvement district for certain constitutional purposes and a municipal corporation for certain other statutory purposes. The District has the power to implement the District's general plan for public infrastructure primarily through the issuance of general obligation, assessment or revenue bonds. The District has no current plans to issue assessment or revenue bonds. The District's current plan consists of financing only the acquisition or construction of certain public infrastructure through the issuance of general obligation bonds.

District Board and Administrative Staff

In accordance with State law, the Mayor and Council of the City serve as the Chairman and members of the District Board. Additionally, the District Board has appointed Carl Swenson, the City Manager, as the District Manager, Brent Mattingly, the City's Finance Director and Chief Financial

Officer, as the District Treasurer and the District Chief Financial Officer, Stephen M. Kemp, the City Attorney, as the District Counsel and Rhonda Geriminsky, the City Clerk, as the District Clerk.

LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER

The information contained in this section relates to and has been obtained from Shea Homes, Stratford Vistancia and the Developer, and none of the District, the Financial Advisor or the Underwriter assumes any responsibility for the accuracy or completeness thereof. None of the District, the Financial Advisor or the Underwriter make any representation regarding projected development plans within the District, the financial soundness of Shea Homes, Stratford Vistancia, the Developer or other property owners and developers or the managerial ability of such persons and entities to complete development as planned. The development of the District Land may be affected by factors, such as governmental policies with respect to land development, the availability of utilities, the availability of energy, construction costs, interest rates, competition from other developments and other political, legal and economic conditions beyond the control of the District, property owners and developers. Further, the District Land may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect construction activity. See "RISK FACTORS."

Land Development

General. The District is being developed by the Developer and/or its affiliates as a master planned, mixed use development known as "Vistancia" (the "Project"). The District consists of approximately 6,940 acres and is entitled for maximum allowable residential build out of approximately 10,500 units and up to three golf courses. Included in the District Land are over 500 acres of authorized commercial uses, including neighborhood centers and a regional commercial and employment core.

Although the number of acres devoted to each particular land use may ultimately vary, the Project is currently expected to include the following land uses:

TABLE 9
EXPECTED LAND USES WITHIN VISTANCIA

Type of Development	Approximate Acres of District Land
Residential	4,132
Commercial	540
Public / Quasi Public	170
Parks/ROW/Open Space/Golf	2,098
Total	6,940

Development of Vistancia. Development has been underway on the Project for thirteen years, and has been partially funded through the issuance of three series of general obligation bonds of the District. Proceeds from the first two series of bond offerings, in 2002 and 2005, have been fully expended on various infrastructure projects that are all completed. A portion of the proceeds of the third series of bonds, in 2006, has gone toward infrastructure development; the balance of proceeds of the 2006 series of bonds is now being re-dedicated to near-term project needs ($4.5M), or used to reduce the principal balance of this current offering ($2.1M).

Construction of the Project began in November 2002, which consisted of the initial phase of the Trilogy Active Adult Village, an active adult community ("Trilogy") and the initial phase of Vistancia Village, a conventional housing community ("Vistancia Village"). The initial phase of Trilogy includes an 18-hole championship golf course, an adjacent clubhouse, an active adult model complex and tour center, and a 35,000 square foot active adult recreation clubhouse, all of which are complete. The initial phase of Vistancia Village includes an 11-acre private recreation club, a community amenity center, a trail system and a 10-acre public park, all of which are complete. The third residential village in the Project, Blackstone at Vistancia ("Blackstone"), opened in December 2005. Blackstone is a 600-acre gated golf community consisting of approximately 650 home sites, including 62 custom home sites. The focus of Blackstone is an 18-hole championship private golf course and 30,000 square foot clubhouse.

Trilogy has been completely sold out, Vistancia Village is 65% sold out and Blackstone is 53% sold out based on lot counts. Future development includes the completion of lots/homes within Vistancia Village and Blackstone, the development of an additional 3.8M square feet of commercial development, and over 3,500 acres of development north of the Central Arizona Project (CAP) Canal (planned for 3,500 additional residential units in multiple villages, some convenience commercial, and potentially another golf course).

A portion of the District Land is presently zoned for commercial development. To date, 25 acres of commercial property has been sold to commercial developers. The Project's first retail shopping center opened in 2007 and contains 139,000 square feet, featuring a full-service Safeway grocery store and a Walgreens Pharmacy, along with other retailers. An additional 1.5 acre site has been conveyed to the City for use as a fire station, which is complete and operational. Zoning authorizations for mixed use, retail, commercial, employment, and light industrial exist for the balance of the commercial land located within the District Land.

The Project is served by the Peoria Unified School District ("PUSD"). Pursuant to a Developer Assistance Agreement between the Developer and PUSD, the Developer has agreed to donate to PUSD up to three K-8 school sites within the District Land. Additionally, a high school site within the District Land is being reserved for future purchase by PUSD from the Developer. The first two K-8 school sites have been donated to PUSD by the Developer; the first of these schools opened in Spring 2006 and the second school opened in 2009. These schools serve the residents of the Project and surrounding communities.

All municipal services within the Project, including police, fire, water and sewer, are provided to residents in the normal course of operations by the City.

Cable television and telecommunications services are currently provided to the Project by Coxcom, Inc., a Delaware corporation d/b/a Cox Communications Phoenix ("Cox"). In addition, Accipiter Communications, Inc., an Arizona corporation d/b/a Zona Communications ("Zona") provides telecommunications services to the Project.

Homebuilders. Nearly 6,000 home sites have been sold to builders or investors over the life of the Project. Over 5,000 of those have been sold to end users. The following table reflects the homebuilders that are currently selling within the Project, along with their remaining lot inventory and the base home price range as of March 2015.

TABLE 10
VISTANCIA BUILDERS

Builder	Product Type	Number of Lots	Average Price Range
Ashton Woods Homes	Conventional	77	$240,990 - $324,990
Gehan Homes	Conventional	17	$267,990 - $330,990
Mattamy Homes	Conventional	160	$220,490 - $327,490
Meritage Homes	Conventional	109	$301,490 - $443,490
Ryland Homes	Conventional	66	$184,950 - $194,950
Shea Homes	Conventional and Active Adult	165	$219,290 - $435,990
Woodside Homes	Conventional	17	$248,990 - $299,990
T.W. Lewis By David Weekley Homes	Conventional	71	$429,990 - $544,990
Toll Brothers Homes	Conventional	38	$427,995 - $509,995

Source: The Developer.

Historic Absorption Rates. Below are the absorption rates for the Project and the District since development began in 2002.

TABLE 11
VISTANCIA HISTORIC ABSORPTION RATE SCHEDULE

Calendar Year Ending	Single Family Units	Single Family Cumulative	Multi-Family Units	Multi-Family Cumulative	Commercial Square Feet	Commercial Cumulative
2004	130	130	-	-	-	-
2005	1,254	1,384	-	-	-	-
2006	700	2,084	-	-	-	-
2007	500	2,584	-	-	89,000	89,000
2008	400	2,984	-	-	50,000	139,000
2009	300	3,284	-	-	-	139,000
2010	220	3,504	-	-	-	139,000
2011	230	3,734	-	-	-	139,000
2012	250	3,984	-	-	-	139,000
2013	246	4,230	-	-	-	139,000
2014	240	4,470	-	-	-	139,000

Below are the Developer's absorption projections for the Project and the District. **There can be no guarantee that these projections will occur. Such projections are "forward looking" statements and should be considered with an abundance of caution.**

TABLE 12
VISTANCIA PROJECTED ABSORPTION SCHEDULE

Calendar Year Ending	Single Family Units	Single Family Cumulative	Multi-Family Units	Multi-Family Cumulative	Commercial Square Feet	Commercial Cumulative
2015	230	4,700	-	-	-	139,000
2016	400	5,100	-	-	-	139,000
2017	350	5,450	145	145	75,000	214,000
2018	400	5,850	-	145	100,000	314,000
2019	500	6,350	200	345	150,000	464,000
2020	500	6,850	-	345	200,000	664,000
2021	450	7,300	127	472	250,000	914,000
2022	400	7,700	-	472	300,000	1,214,000
2023	350	8,050	-	472	350,000	1,564,000
2024	350	8,400	-	472	400,000	1,964,000
2025	350	8,750	-	472	450,000	2,414,000
2026	300	9,050	-	472	500,000	2,914,000
2027	250	9,300	-	472	500,000	3,414,000

Source: The Developer.

As stated above, there is no guarantee that the foregoing projections will occur. In addition, there can be no guarantee that any subsequent owners of the District Land (such as the production home builders) will have the financial capabilities to complete development on any land so acquired. There can be no assurance that any such sales will be consummated or that the projected activity will occur. There are no restrictions on the ability of the Developer to sell all or portions of the District Land to one or more other developers and there can be no assurance now or at the time the Bonds are issued that any subsequent owners will have the financial capability to, or will, commence or complete development on any portion of the District Land so acquired. **See "RISK FACTORS – Concentration of Ownership; Subsequent Transfer" and "—Failure or Inability to Complete Proposed Project."**

The Public Infrastructure. The Bond Resolution approved a feasibility report relating to, among other things, the financing from remaining proceeds of the sale of the Series 2006 Bonds the cost of constructing and acquiring the following public infrastructure (the "Public Infrastructure") within the District necessary for the continued development of the Project to thereafter be transferred to the City:

TABLE 13
REMAINING PUBLIC INFRASTRUCTURE PAID FOR
FROM THE BOND PROCEEDS

Description	Estimated Cost [a]	Estimated Completion Date [b]
Lone Mountain Rd. Water Line Design & ROW acquisition[c]	$ 400,000	July 2015
Westland Rd Reservoir & Pump Stations[c]	2,500,000	Fourth Quarter 2015
Treatment Costs of City Water	1,000,000	February 2016
Water Zone 6/7 Pump Station Modifications	645,000	June 2016

[a] Costs for the Public Infrastructure are estimated and, once contracted for, subject to change orders and unforeseen events.

[b] Completion dates for the Public Infrastructure are estimated and, once contracted for, subject to change orders and unforeseen events and other potential delays.

[c] The Lone Mountain Rd. Water Line and Westland Rd Reservoir and Pump Stations will be constructed pursuant to joint development agreements with the City and other developers. The above figures reflect the Project's proportionate share under those agreements and dates reflect timing of when the VCFD will fund the respective escrow account. There are risk factors associated with the agreements such as delay and/or increased costs in the event that the other parties to the agreements do not perform

The estimated total acquisition and construction cost of the Public Infrastructure described above is $4,545,000. The Public Infrastructure will be publicly bid in compliance with the process required by State law and the District. Upon completion of each portion of the Public Infrastructure, the completed portion will be acquired by the District and dedicated to the City. Any cost not paid from the proceeds of the Bonds will be borne by the Developer or financed by the issuance of additional bonds.

Other Project Infrastructure. In addition to the Public Infrastructure, the Project will include construction of certain other infrastructure (the "Project Infrastructure"). None of the Project Infrastructure will be financed with proceeds from the sale of bonds by the District, but instead will be financed by the Developer through a combination of equity (the sources of which will be additional equity contributions by the members in the Developer entity and/or proceeds of land sales within the Project) and debt.

Environmental, Cultural, and Biological. As part of the due diligence process associated with the acquisition of the land in the District, outside consultants were employed to evaluate environmental, cultural, and biological impediments to the development of the site. Such consultant's reports indicated no recognized environmental concerns, with the exception of one major recognized environmental concern concentrated on previous mining activities, which indicated the following: (i) there have been intermittent mining activities performed within the northern portion of the District Land over approximately the last 40 to 50 years, and (ii) of these activities, two significant areas have been observed: (A) the Mystic Mine, an approximately 12.44 acre site located in the far eastern portion of the District Land, which has been determined to be exempt from Arizona Department of Environmental Quality ("ADEQ") regulations and for which no further action presently appears necessary, but further characterization and potential remediation may be required prior to developing the site, and (B) the Clementine Mine, an approximately 2.39 acre site located in the center of the northern portion of the District Land, for which the Developer entered this site into the "Voluntary Remediation Program" with ADEQ and received a "No Further Action" (NFA) determination in 2009. There is still miscellaneous surface debris left over from the previous mining operations on Clementine Mine which may require further characterization and potential remediation prior to actively developing the site. Due to the former

use of the Clementine Mine area, the Developer intends to develop this area as a non-residential use, such as a City park.

Substantial archeological surveys have been completed for the southern portion of the District Land. While not detailed in nature, no significant findings have been identified. Detailed studies for this area are complete and are on file for review in the Developer's Project office.

Biological studies have been performed on the District Land. These investigations included evaluation of endangered species (none observed) and plants, as well as habitat areas. Other studies performed on the District Land include native plant inventories, noxious weeds evaluation (none found), and definition of Jurisdictional Waters of the United States. The Developer has successfully procured the necessary permits pursuant to Section 404 of the Clean Water Act, 33 U.S.C. § 1344 (which permits were issued in September 2002 and July 2004 and together cover all of the Project) from the Army Corps of Engineers for the authorization to impact delineated Jurisdictional Waters of the United States.

Potable Water. The water for the District Land is to be supplied by a combination of Potable Water Wells (#'s 1 – 10) and the future Lone Mountain Road Water Transmission Line. All 10 Potable Water Wells are currently in operation and are capable of supplying 76% of the annual potable water demands projected for the District Land. The existing Potable Water Wells are producing water that meets all current water quality standards from the Environmental Protection Agency, ADEQ and the Maricopa County Environmental Services Department. The City is designated as having an assured water supply pursuant to applicable Arizona law and presently serves potable water to the District Land. An assured water supply means that sufficient water of adequate quality will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the water management plan approved by the Arizona Department of Water Resources ("ADWR") and achievement of the management goal for the area, and that financial capability to construct the delivery system and any necessary treatment works has been demonstrated to ADWR. An "analysis of assured water supply" approved by the ADWR has been obtained. The assured water supply designation, which can be terminated or modified by ADWR should circumstances warrant, is a necessary condition to the ability of the Developer to plat, construct and sell homes within the Project. **See, however, "RISK FACTORS – Availability of Water."**

Jomax Water Reclamation Facility. A portion of the proceeds of the Series 2002 and Series 2006 Bonds were used to finance construction of the first and second phases of the Jomax Water Reclamation Facility (the "Jomax WRF").

Maricopa Association of Governments ("MAG") has authority for regional planning of water reclamation facilities within the Phoenix metropolitan area. The Jomax WRF is included in the MAG 208 Update and has an estimated capacity of 9 million gallons per day ("MGD") at build-out. The portion of the ultimate capacity of the Jomax WRF that will be used by the Project is approximately 2.7 MGD. The Jomax WRF is currently constructed to a capacity of 2.25 MGD, with 1.5 MGD of that capacity dedicated to the Project.

The City's Utilities Department has been included in all phases of the Jomax WRF design.

Existing Indebtedness. The Developer expects to obtain a loan in June 2015 of approximately $35,000,000 for its business purposes that will be secured by a first-lien deed of trust on all real property within the District owned or controlled by the Developer. The secured loan is expected to mature in 20__.

Shea Homes

Shea Homes Limited Partnership, a California limited partnership ("Shea Homes"), is one of the nation's largest privately owned homebuilders based on total number of home deliveries and total revenues according to data compiled for Builder Magazine's 2013 "Builder 100" list. Shea Homes builds and markets single-family detached and/or attached homes in various geographic markets in California, Arizona, Colorado, Washington, Nevada, Florida, Virginia, North Carolina and Texas. Shea Homes was formed January 4, 1989, pursuant to an agreement of partnership, as most recently amended August 6, 2013. Shea Homes, Inc. is a wholly owned subsidiary of Shea Homes. Since 1881 in Portland, Oregon, beginning with only a plumbing contractor business, the Shea family has expanded to start and currently owns and operates various businesses, including homebuilding, heavy construction, venture capital, home mortgage, insurance and commercial property. The Shea companies have grown but remained privately held by the Shea family. The Shea family began building homes in 1968 and, in 1989, moved homebuilding under the Shea brand to Shea Homes. Shea Homes' internet address is www.sheahomes.com.

The audited financial statements of Shea Homes for the years ending December 31, 2013 and December 31, 2014 are included in Appendix E hereof. Shea neither requested nor obtained the consent of its auditors to include their report with respect to such audited financial statements and the auditors have performed no procedures subsequent to rendering their opinion on the audited financial statements.

Stratford Vistancia

Stratford Vistancia is an affiliate of Stratford Land. Stratford Land is a leading land investment manager focused on distinctive opportunities in high-growth regions of the U.S. The firm's goal is simple – to consistently outperform the competition through hard work, sophisticated analysis, and unmatched expertise in land. Capitalizing on over 30 years of proven land investment success and astute financing practices for land acquisition, Stratford Land provides private and institutional partners a sound strategy for superior risk-adjusted returns through land investment.

Stratford Land comprises a team of highly trained land professionals with specialized expertise in rapidly developing areas of the country. The Stratford Land team works with private and institutional investors, land developers, sellers, and buyers to build an impressive portfolio of land assets that dependably delivers on or exceeds the expectations of their investors.

Stratford Land diligently underwrites each site's value and risks by basing its investment decision on an in-depth analysis of the demands of the market and the needs of the community. A customized business plan for each investment serves as a guide in attempting to maximize the potential of each investment. Value-creation methods include, among others, working with local governmental agencies to re-zone or up-zone a site, undertaking land planning and other entitlement and pre-development activities, creating an overlay district, and planning for and implementing necessary infrastructure and utilities.

Stratford Land formally entered the land investment management business in 1998, and has since invested through four private equity funds (including co-investment capital) to control approximately 45,000 acres:

- Stratford Land Fund IV – A $350.2 million private equity fund formed in 2010.
- Stratford Land Fund III – A $349.2 million private equity fund formed in 2007.
- Stratford Land Fund II – A $109.4 million private equity fund formed in 2004.
- Stratford Land Fund I – A $33.0 million private equity fund formed in 1998.

Predecessor companies of Stratford Land began investing in land in 1983 while operating a land brokerage business. Prior to 1998, Stratford Land-managed partnerships invested $30 million of equity in 19 transactions to acquire and dispose of over 2,100 acres.

The unaudited financial statements of Stratford Vistancia for the years ending December 31, 2013 and December 31, 2014 are included in Appendix E hereof.

The Developer

The Developer is a Delaware limited liability company, whose sole and managing member is Stratford Vistancia, a Texas limited liability company, whose sole and managing member is Stratford Land, a Delaware limited partnership whose general partner is Stratford Fund III GP, LLC, a Texas limited liability company.

The Developer is the successor in interest to Vistancia, LLC, the original developer of the District Land. Pursuant to the Enabling Act the Mayor and Council of the City formed the District in response to a petition by Vistancia, LLC. Vistancia, LLC (previously known as Shea Sunbelt Pleasant Point, LLC) was formed by Shea Southwest (which is a related company of J. F. Shea Co., Inc. and Shea Homes, both of which are independent members of the Shea family of companies) and Sunbelt. On August 31, 2009, Vistancia, LLC conveyed the remaining unsold District Land to four of the Landowner LLCs (who then conveyed portions of the District Land to other Landowner LLCs, resulting in the remaining unsold District Land currently being owned by the eight Landowner LLCs). The majority interest of each Landowner LLC is owned by the Developer. At the time of the August 31, 2009 acquisition, the Developer was comprised of two members: Vistancia, LLC (the Shea Southwest/Sunbelt entity that was the original developer of the Project) and Stratford Vistancia, an entity owned and controlled by Stratford Land, with Stratford Vistancia having the majority interest in the Developer. On December 31, 2011, Stratford Vistancia acquired Vistancia, LLC's interest in the Developer, which resulted in Stratford Vistancia owning and controlling 100 percent of the equity interest in the Developer and the Developer retaining its majority in interest in the Landowner LLCs. That ownership and control remains in effect as of the date of this Offering Statement.

The unaudited financial statements of the Developer for the years ending December 31, 2013 and December 31, 2014 are included in Appendix E hereof.

SOURCES AND APPLICATIONS OF FUNDS

Shown below is the sources and applications of funds related to the Bonds.

Sources:	
Par Amount of Bonds	
Net Original Issue Premium/(Discount)	_____
Total	
Applications:	
Deposit to Escrow Trust	
Costs of Issuance (including Underwriter's Compensation)	_____
Total	

RISK FACTORS

THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

Assessed Valuation of Property

Information is provided herein with respect to the assessed valuation of the District Land. See Table 3 – "Secondary Assessed Value by Property Classifications." It is anticipated that the assessed valuation of the District will increase as the development of the Project continues. However, less than expected increases in future assessed valuation or decreases in the future assessed valuation of the District may reduce the willingness of landowners to pay the ad valorem property taxes securing the bonds or adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Ad Valorem Property Taxation in the District."

Concentration of Ownership; Subsequent Transfers

The Landowner LLCs (the majority interests in which are owned by the Developer) are the largest landowners within the District and are responsible for paying the ad valorem property taxes on the District Land they own. There can be no assurance that the Developer, the Landowner LLCs, Shea Homes or Stratford Vistancia has the financial capability to continue and complete development of the Project. See "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER – Land Development – Development of Vistancia." Also, there can be no assurance that the Developer and the Landowner LLCs controlled by the Developer will continue to pay the ad valorem property taxes with respect to the real property located within the District owned or controlled by such

entities, including the amounts to be used to pay principal of and interest on the Bonds. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District -- Collection."

In addition, the Developer or the Landowner LLCs have transferred, and intend to continue to transfer, ownership of certain parcels (or portions thereof) within the District Land to homebuilders and others who will then sell to, among others, the ultimate homeowners in the Project. There can be no assurance that any subsequent owners will have the financial capabilities to complete development on any land so acquired or to pay ad valorem property taxes with respect to such land, including the amounts to be used to pay principal of and interest on the Bonds.

Failure or Inability to Complete Proposed Project

The continuing development and successful completion of the Project by the Developer is contingent upon construction or acquisition of major public improvements such as arterial streets, water distribution facilities, sewage collection and transmission facilities, drainage facilities, telephone and electrical facilities, recreational facilities and street lighting, as well as local in-tract improvements, including site grading. If the Developer is unable to complete these additional improvements, the ability of the Developer to sell land would be affected adversely.

There are no assurances the Developer can obtain the necessary financing to pay for the required development costs. Cash generated from the sale of land within the District by the Developer is expected to fund a substantial portion of the costs of the development. The cost of these additional improvements plus the public and private in-tract, on-site and off-site improvements may increase the public and private debt for which the land within the District is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. See "—Direct and Overlapping Indebtedness" below.

The Project may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development of environmental problems with such land. See "—Availability of Water" below. While the Developer's predecessor in interest has entered into a development agreement dated October 22, 2001, with the City addressing, among other things, the vesting of zoning approvals necessary to develop the Project, land development within the District could nevertheless be affected by changes in governmental policies and laws, including, but not limited to, governmental policies and laws to restrict or control development. (Any approvals needed in the future for the development of the Project must come from the City, over which the District has no control.) Land development within the District also could be affected by competition from other residential developments in surrounding areas. See "Availability of Standby Contribution Agreement Amounts" below. A slowdown of the development process and the related absorption rate within the Project because of any or all of the foregoing could affect adversely land values and impair the Developer's ability to finance the costs of development. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF THE DEVELOPER OR THE LANDOWNER LLCS TO PAY AD VALOREM PROPERTY TAXES AND COULD GREATLY REDUCE THE VALUE OF SUCH PROPERTY IN THE EVENT IT HAS TO BE FORECLOSED UPON.

As noted above, portions of the land in the District remain undeveloped and, if any or all of the foregoing occurs, would continue as such. Vacant land provides less security to the holders of the Bonds should it be necessary for the District to foreclose due to non-payment of ad valorem property taxes. An inability to develop the remaining land within the District will likely reduce the diversity of ownership on

land within the District, making the owners of the Bonds more dependent upon timely payment of the ad valorem property taxes levied on the vacant property.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay its ad valorem taxes could be affected by the existence of other taxes and assessments imposed upon the property, including special assessment bonds. The District and other political subdivisions whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS.") The lien created on the property within the District through the levy of ad valorem taxes would be on a parity with that for the ad valorem taxes securing the Bonds. The imposition of additional parity liens, junior liens, in the case of special assessments, or even private financing, may reduce the ability or willingness of the owners of land within the District to pay the ad valorem property taxes securing the Bonds. In that event, there could be a default in the payment of the Bonds.

From time to time there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which ad valorem taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Bonds or other obligations issued prior to enactment.

Bankruptcy and Foreclosure Delays

The payment of the ad valorem taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, ad valorem taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the ad valorem taxes securing the Bonds, bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – *Ad Valorem* Taxation Process within the District."

It should be noted that in the event of a bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pendency of the bankruptcy proceedings. Such taxes might constitute an unsecured and possible non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on a pro rata basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact the bankruptcy of a property owner might have on the ability of the District to collect ad valorem taxes levied on that property before or during the bankruptcy proceedings. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover any claim against the debtor or its estate that arose before the commencement of the bankruptcy is automatically stayed pursuant to the Bankruptcy Code. While the stay may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure

of a tax lien against the real property of a debtor in bankruptcy would be subject to the stay of bankruptcy court. Furthermore, "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections become uncertain.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. Neither the District, the Underwriter or their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

In addition, the various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Projections

Included in this Official Statement and in the Market Analysis and Absorption Study attached as Appendix G are various projections for lot closings, completion dates, completion costs and other items. The projections for lot closings, completion dates, completion costs and other items are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which are believed to be significant and which are not within the control of the District or the Developer may also exist. There are usually differences between projections for lot closings, completion dates, completion costs and other items and actual lot closings, completion dates, completion costs and other items, because the lot closings, completion dates, completion costs and other items frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Official Statement can be achieved.

Forward-Looking Statements

This Official Statement contains certain "forward-looking" statements, including information about property values in the District for the 2015-16 Fiscal Year in Table 2, that are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements should be considered in light of the information provided under this section and in the other portions of this Official Statement. Although it is believed that the forward-looking statements are reasonable, for the reasons described in footnote (b) to Table 2, they could prove to be inaccurate.

The Underwriter makes no representation as to the accuracy of the projections contained herein nor as to the assumptions on which the projections are based.

The Bonds will be secured solely by ad valorem property taxes generated within the District, amounts available pursuant to the Standby Contribution Agreement and the Depository Agreement. Anyone considering investing in the Bonds should carefully examine this Official Statement, including the Appendices hereto.

Availability of Standby Contribution Agreement Amounts

If amounts to be available pursuant to the Standby Contribution Agreement are not available for any reason (including financial difficulties or bankruptcy of Shea Homes, Stratford Vistancia or the Developer), the Bonds will be payable only from District ad valorem property taxes, resulting in increased District tax rates and increased reliance upon District tax revenues collected within the District to pay Debt Service.

The District's ability to retire the indebtedness evidenced by the Bonds solely from ad valorem property taxes is dependent upon the development and maintenance of an adequate tax base from which the District may collect revenues. The District's ability to achieve a tax base adequate to generate ad valorem property tax revenues for timely payment of the Bonds will depend upon the continued and successful development of the Project. The District faces some competition from other residential developments in surrounding areas within the City. Such competition may adversely affect the rate of development within the District. Many unpredictable factors could influence the actual rate of construction within the District, including the prevailing interest rates, availability of funds, market and economic conditions generally, supply of housing in the greater Phoenix metropolitan area, construction costs, labor conditions, access to building supplies, availability of water and water taps, availability and costs of fuel and transportation costs, among other things.

Availability of Water

The Developer's ability to develop the Project and to subdivide the real property constituting the District Land is dependent upon the Project having a 100-year assured water supply, as determined by ADWR and applicable law. The Project is located in the City, which has been designated as having a 100-year water supply based on the City's available surface and ground water rights. Additionally, as part of the Project's annexation to the City, the Developer provided the City with 4,200 acre-feet of ground water to be added to the City's supplies. If the City were to lose its 100-year water supply designation, however, the sale of subdivided land within the Project would be halted until the situation could be resolved.

Cancellation of Contracts

The State, its political subdivisions, including the District, or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, including the District or any of the departments or agencies of either is, while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. Cancellation of contracts entered into by the District may adversely affect the Bonds.

Tax Risks

As discussed under "TAX MATTERS" below, interest on the Bonds could become includable in gross income of the owners thereof for purposes of federal income taxation retroactive to the date the Bonds were issued if the District acts or fails to act in a manner which violates its covenants in the Bond Resolution. In that event, the Bonds are not subject to special redemption and will remain outstanding on a taxable basis until maturity or until redeemed in accordance with the redemption provisions contained in the Bond Resolution.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Official Statement may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the property within the District is in being pursued in phases. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, the Developer anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, the Developer does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. Liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act. In addition, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

LITIGATION

The District

At the time of delivery and payment for the Bonds, appropriate representatives of the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, overtly threatened against the District affecting the existence of the District, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture and the Bond Resolution, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, any action of the District contemplated by any of the said documents, or the collection or application of the revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

Shea Homes

At the time of delivery and payment for the Bonds, an authorized representative of Shea Homes will certify that no litigation or administrative action or proceeding is pending or, to the knowledge of such authorized representative, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness of the resolution authorizing Shea Homes to execute and deliver the documents executed by it in connection with issuance of the Bonds, or contesting or questioning the proceedings and authority under which such resolution or such documents have been authorized and are delivered and executed.

At the time of delivery and payment for the Bonds an authorized representative of Shea Homes also will certify that there are no legal proceedings to which Shea Homes is party or to which any of its properties are subject, other than routine litigation incident to its business which is covered by insurance or an indemnity or which are not expected to have a material adverse effect on Shea Homes. It is possible, however, that Shea Homes could incur claims for which it is not insured or that exceed the amount of its insurance coverage.

Stratford Vistancia

At the time of delivery and payment for the Bonds, an authorized representative of Stratford Vistancia will certify that no litigation or administrative action or proceeding is pending or, to the knowledge of such authorized representative, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness of the resolution authorizing Stratford Vistancia to execute and deliver the documents executed by it in connection with issuance of the Bonds, or contesting or questioning the proceedings and authority under which such resolution or such documents have been authorized and are delivered and executed.

At the time of delivery and payment for the Bonds an authorized representative of Stratford Vistancia also will certify that there are no legal proceedings to which Stratford Vistancia is party or to which any of its properties are subject, other than routine litigation incident to its business which is covered by insurance or an indemnity or which are not expected to have a material adverse effect on Stratford Vistancia. It is possible, however, that Stratford Vistancia could incur claims for which it is not insured or that exceed the amount of its insurance coverage.

The Developer

At the time of delivery and payment for the Bonds, an authorized representative of the Developer will certify that no litigation or administrative action or proceeding is pending or, to the knowledge of such authorized representative, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness of the resolution authorizing the Developer to execute and deliver the documents executed by it in connection with issuance of the Bonds, or contesting or questioning the proceedings and authority under which such resolution or such documents have been authorized and are delivered and executed.

At the time of delivery and payment for the Bonds an authorized representative of the Developer also will certify that there are no legal proceedings to which the Developer is party or to which any of its properties are subject, other than routine litigation incident to its business which is covered by insurance or an indemnity or which are not expected to have a material adverse effect on the Developer. It is possible, however, that the Developer could incur claims for which it is not insured or that exceed the amount of its insurance coverage.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Bonds in order that interest thereon be and remain excludable from gross income of the holders thereof for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District has covenanted to take the actions required by the Code in order to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds and not to take any actions that would adversely affect that excludability.

In the opinion of Bond Counsel, assuming continuing compliance by the District with the tax covenants referred to above and the accuracy of certain representations of the District, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of interest on the Bonds or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the owner's interest expense allocable to interest on the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on the Bonds, (iii) the inclusion of interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) recipients of certain Social Security and Railroad Retirement benefits being required to take into account receipts and accrual of interest on the Bonds in determining whether a portion of such benefits are included in gross income for federal income tax purposes.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal income tax matters referred to herein or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds), executed and delivered prior to enactment.

The discussion of tax matters in this Official Statement applies only in the case of purchasers of the Bonds at their original issuance and at the respective prices indicated on the inside front cover page of this Official Statement. It does not address any other tax consequences, such as, among others, the consequence of the existence of any market discount to subsequent purchasers of the Bonds. Purchasers of the Bonds should consult their own tax advisers regarding their particular tax status or other tax considerations resulting from ownership of the Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Original Issue Discount and Original Issue Premium

Certain of the Bonds, as indicated on the inside front cover page of this Official Statement ("Discount Bonds"), were offered and will be sold to the public at an original issue discount ("Original Issue Discount"). Original Issue Discount is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity will be sold pursuant to that offering. For federal income tax purposes, Original Issue Discount accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of Original Issue Discount that accrues during the period of ownership of a Discount Bond (i) will be interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as interest on the Bonds, and (ii) will be added to the owner's tax basis for purposes of determining gain or loss on the maturity, prior sale or other disposition of that Discount Bond. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside front cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Bonds, as indicated on the inside front cover page of this Official Statement (the "Premium Bonds"), were offered and will be sold to the public at a price in excess of their stated redemption price at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to the maturity of a Premium Bond, based on the yield to the maturity date of that Premium Bond, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside front cover of this Official Statement who holds that Premium Bond to maturity will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount Bonds and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of Original Issue Discount or bond premium properly accruable or amortizable in any period with respect to the Discount Bond or Premium Bond and as to other federal tax consequences, and the treatment of Original Issue Discount and bond premium for purposes of state and local taxes on, or based on, income.

RATINGS

Moody's Investors Service ("Moody's") and Fitch Ratings, Inc. ("Fitch") have assigned the Bonds their long-term ratings of "___" and "___," respectively. The District has furnished Moody's and Fitch with certain information and materials, which have not been included in this Official Statement.

Such ratings reflect only the views of Moody's and Fitch. An explanation of the significance of such ratings may be obtained from Moody's at One Front Street, Suite 1900, San Francisco, CA 94111 and Fitch at One State Street Plaza, New York, New York 10004. The ratings are not a recommendation to buy, sell or hold the Bonds and there is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by Moody's or Fitch, if, in their respective judgment, circumstances so warrant. Any withdrawal or downgrading may adversely affect the market price of the Bonds.

The District expects to furnish Moody's and Fitch with information and materials that each requests. The District, however, assumes no obligation to furnish requested information materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of the ratings on the Bonds.

BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each a "Bond Insurer") for a municipal bond insurance policy (the "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide the Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Greenberg Traurig LLP, Bond Counsel, a form of which is included herein as Appendix C. See "TAX MATTERS." Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds. Certain legal matters will be passed upon with respect to the District by Greenberg Traurig, LLP; for the Underwriter by its counsel, Squire Patton Boggs (US) LLP; for Shea Homes by Gallagher & Kennedy, P.A.; and for the Developer and Stratford Vistancia by Maguire Pearce & Storey PLLC, Phoenix, Arizona. It is currently anticipated that District Counsel will not issue an opinion with respect to this or any issuance of bonds by the District.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issue explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $_____ (reflecting the aggregate principal amount of the Bonds, plus net original issue premium of $_____ and less Underwriter's compensation of $_____). The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing such Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside front cover page hereof. The offering prices set forth on the inside front cover page hereof may be changed after the initial offering by the Underwriter.

CONTINUING DISCLOSURE

The District, Shea Homes, Stratford Vistancia and the Developer, have each separately covenanted for the benefit of certain beneficial owners of the Bonds to provide certain financial information and operating data relating to the District and development therein, as applicable, by not later than seven months after the end of their respective fiscal years (the "Annual Reports") and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports will be filed by the District, Shea Homes, Stratford Vistancia and the Developer with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"), as described in APPENDIX G – "FORM OF CONTINUING DISCLOSURE UNDERTAKINGS." The specific nature of the information to be contained in the Annual

Reports and the Notices of Listed Events is set forth in APPENDIX F. These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). Should the District, Shea Homes, Stratford Vistancia or the Developer not comply with such covenants they have covenanted to provide notice of such fact to the MSRB in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Pursuant to Arizona law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants. Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. The District has no obligation to enforce the obligations of Shea Homes. Stratford Vistancia or the Developer under their respective Continuing Disclosure Undertakings. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

The District filed Annual Reports in connection with prior continuing disclosure undertakings ("Prior Undertakings"), but the Annual Report for fiscal year 2012-13 was filed 66 days late and the Annual Reports for fiscal years 2009-10 through 2012-13 did not include a table regarding overlapping general obligation bonded indebtedness. Such information was filed on EMMA on _____, 2015. The Developer, as an obligated person in connection with the Bonds Being Refunded, undertook to file certain operating data by May 1, 2015, which operating data was not filed on EMMA until _____, 2015. Shea Homes as an obligated person in connection with the 2006 Bonds, undertook to file its audited financial statements for each fiscal year by March 1 of the succeeding year. The audited financial statements for fiscal years 2012 through 2014 was not filed on EMMA until _____, 2015. In addition, a semiannual report by Shea Homes required to be filed by March 1, 2015 was not filed on EMMA until _____, 2015.

RELATIONSHIPS AMONG PARTIES

Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, and Squire Patton Boggs (US) LLP, Counsel to the Underwriter, have acted as bond counsel in other transactions underwritten by the Underwriter, and have acted as underwriter's counsel to the Underwriter in other transactions. Greenberg Traurig, LLP, and Squire Patton Boggs (US) LLP have also acted as bond counsel and/or underwriter's counsel with respect to bonds issued by the City and other overlapping political subdivisions.

The Underwriter has underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions. The Underwriter has underwritten bonds of other special districts in which Shea Homes was the owner of the majority of the land in such special districts.

VISTANCIA COMMUNITY FACILITIES DISTRICT

By _____
Chairperson, District Board

APPENDIX A

INFORMATION REGARDING THE
CITY OF PEORIA, ARIZONA

The following information regarding the City of Peoria, Arizona (the "City") is provided for reference only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District, and consequently no representation is made as to the relevance of the data to the District or to the Bonds. THE BONDS ARE NOT OBLIGATIONS OF THE CITY. The Bonds are direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District, limited as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" in this Official Statement.

General Information

Peoria is the ninth largest city in the State based on population and currently encompasses an area of approximately 178 square miles. Peoria is situated in the central portion of the County and extends north into a small portion of southern Yavapai County and is located in the northwestern portion of the Phoenix metropolitan area, the State's economic, political and population center. Peoria's eastern boundary is formed by the Cities of Glendale and Phoenix and the western boundary by the Community of Sun City. Peoria is adjacent to the Cities of El Mirage and Surprise, the Town of Youngtown and the Community of Sun City.

Peoria was settled in 1886 by former residents of Peoria, Illinois, who over the years purchased water rights from the Arizona Canal Company, which in 1885 had constructed a canal to provide irrigation water. Peoria was incorporated in 1954.

The table below illustrates population statistics for Peoria.

POPULATION STATISTICS

Year	City of Peoria [(a)]
2014 Estimate [(b)]	163,839
2012 Census	157,660
2010 Census	154,058
2000 Census	108,364
1990 Census	50,675
1980 Census	12,171

(a) Population for places in two counties, Maricopa and Yavapai.

(b) Data through July 2014.

Source: Arizona Department of Administration, Office of Employment and Population Statistics.

Along with the population, the City has grown in terms of land area as evidenced by the following table, which illustrates the City's square mile statistics.

SQUARE MILE STATISTICS
City of Peoria, Arizona

Year	Square Miles
2005	177.9
2004	176.3
2003	170.9
2002	162.4
2001	156.0
2000	144.0
1999	139.0
1998	117.0
1995	100.0
1990	63.5
1985	31.5

Source: City of Peoria Planning Department

Municipal Government and Organization

Peoria operates under the Council-Manager form of government. Its original Charter was adopted in 1954 and has been subsequently amended from time to time. Legislative authority is vested in a six member Council and the Mayor. In 1989, the voters amended the City Charter to change the method of electing the City Council members from an at-large system to a district system. The names of the districts are Willow, Pine, Ironwood, Acacia, Mesquite and Palo Verde. On March 11, 1997, the City Charter was amended to provide for a four-year term for the Mayor commencing in 1999. The Council members are elected for four year terms on a staggered basis.

The elected officials of the City currently in office are:

ELECTED OFFICIALS
City of Peoria, Arizona

Elected Officials	Name	District	Term Expires
Mayor:	Cathy Carlat	At Large	January 2019
Vice Mayor:	Jon Edwards	Willow	January 2017
Council:	Bridget Binsbacher	Mesquite	January 2017
	Michael Finn	Palo Verde	January 2019
	Vicki Hunt	Acacia	January 2019
	Carlo Leone	Pine	January 2019
	Bill Patena	Ironwood	January 2017

The Council fixes the duties and compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing monies, licensing and regulating business and trades and other municipal purposes. The City Council appoints the City Manager.

The City Manager is responsible for executing Council policies and administering City operations. The City government is responsible for furnishing basic municipal services. Primary services delivered by the 15 departments and approximately 1,146 employees, and include police, municipal courts, fire protection, community services, finance, development services, public services and general administration. These services are provided in Fiscal Year 2015 through an adopted budget of $470,000,000. Of this, the general fund and special revenue fund budgets total $233,645,437 (not including operating transfers), which is for general municipal services and excludes enterprise activities such as water, sewers and sanitation.

The City's key administrative staff consists of the following appointed officials:

APPOINTED OFFICIALS
City of Peoria, Arizona

Appointed Officials	Name
City Manager	Carl Swenson
Deputy City Manager	Susan Daluddung
Deputy City Manager	Jeff Tyne
Finance Director/CFO	Brent Mattingly
City Attorney	Stephen M. Kemp
City Clerk	Rhonda Geriminsky

Employment

The Peoria Economic Development Department facilitates new business and industry moving to Peoria. Along with a number of new commercial and retail developments, high quality "Class A" office buildings have recently opened and more are under construction. Transportation has improved with a new freeway, Arizona Loop 101. Most employers in Peoria are in the commercial and service sectors. Many residents also commute to nearby jobs in northwest Phoenix.

The following is a partial list of major employers in the Peoria area.

MAJOR EMPLOYERS

Employer	Description	Approximate Number of Employees
Peoria Unified School District No. 11	Education	3,050
City of Peoria	Government	1,110
Younger Brothers	Farming	530
Freedom Plaza Properties	Real estate	520
Immanuel Care Campus	Healthcare	460
The Antigua Group Inc.	Retail	290
Arizona Retirement Center	Healthcare	240
OakCraft	Cabinetry	200
Good Shepherd Care Center	Senior care	130

Source: City of Peoria Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 and Hoovers Inc., a D&B Company.

Construction

The following tables illustrate a building permit summary for residential and non-residential construction and new housing starts for the City and the County.

VALUE OF BUILDING PERMITS
City of Peoria, Arizona
($000)

Fiscal Year	Residential	Commercial and Industrial	Other	Total
2015*	$ 159,200,482	$ 24,987,551	$ 6,006,562	$ 190,194,595
2014	146,795,889	34,327,800	6,741,491	187,865,180
2013	117,849,499	45,876,131	4,935,735	168,661,365
2012	78,180,645	30,848,820	3,110,748	112,140,213
2011	48,691,773	20,318,355	2,897,931	71,908,059
2010	48,013,605	55,317,137	3,530,082	106,860,824

* Through May 28, 2015.

Source: City of Peoria, Development and Engineering Department.

NEW HOUSING STARTS
City of Peoria and Maricopa County

	Number of New Housing Starts	
Fiscal Year	City	Phoenix MSA
2015*	916	10,365
2014	1,042	12,233
2013	834	12,423
2012	600	10,022
2011	391	6,671
2010	392	9,365

* Through April, 2015.

Source: City of Peoria, Finance and Budget Department.

Commerce

Commerce is a growing segment of the City's economy. The City serves as a trade center for the neighboring retirement communities of Sun City, Sun City West and Youngtown, as well as the cities of El Mirage and Surprise and Luke Air Force Base, located a few miles west of the City.

The Peoria City Sales Tax is 1.8% on most taxable activities within the City, utilities are taxed at 3.3%, restaurants and bars and amusements are taxed at 2.8%, and hotels and motels are taxed at 5.6%. Pursuant to City Charter, increases in the City's sales tax rates are subject to voter approval. In September 2005 voters approved a 0.3% transportation sales tax to fund transportation improvements.

The following is Peoria's sales tax revenue.

SALES TAX REVENUE
City of Peoria, Arizona
($'s in 000's)

Fiscal Year	Amount
2013/14	$70,214
2012/13	65,950
2011/12	60,720
2010/11	58,082
2009/10	56,277

Source: City of Peoria Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

Tourism

Tourism contributes to the economy of Peoria with scenic attractions such as Lake Pleasant Regional Park and White Tanks Regional Park. Lake Pleasant Regional Park, which is located within Peoria, has a 24,500-acre lake for boating, fishing, swimming and water skiing as well as a full-service marina. White Tanks Regional Park, located west of Peoria, features natural rock water tanks. Another significant contributor to tourism within Peoria is the Peoria Sports Complex, which is home to the Seattle Mariners and San Diego Padres during Major League Baseball's spring training season.

Education

Residents of Peoria are served by two unified school districts and one elementary school district, operating more than 95 elementary and secondary schools throughout the Peoria metropolitan area. Education is also provided by private and parochial schools located throughout the metropolitan area. The Maricopa County Community College District serves the educational needs of the Phoenix metropolitan area through seven institutions. Glendale Community College is located within four miles of Peoria and has an approximate enrollment of 40,000. Arizona State University West (ASU West), a branch of the Arizona State University campus is located in northwest Glendale, and is within five miles of Peoria. Peoria is also relatively close to a number of other private colleges and technical institutions.

Transportation

Peoria is served by main lines of the Union Pacific and Santa Fe Railroads, two transcontinental bus lines (Greyhound and Continental Trailways), and 10 transcontinental, 34 interstate, and 39 intrastate truck lines. U.S. Highway 60 parallels the railroad through Peoria, connecting the Phoenix metropolitan area with points in northwestern Arizona and Las Vegas, Nevada. State Route 101 (the "outer loop") has been completed within Peoria's limits. The outer loop links Interstate 17 to Interstate 10, connecting through Peoria. State Route 303 connects Interstate 10 with U.S. Highway 60 ten miles west of State Route 101. The County intends to continue construction of State Route 303 from U.S. Highway 60 to Lake Pleasant Parkway within Peoria. With the recent voter approval of Proposition 400, which continues the Maricopa County half cent sales tax for funding of regional transportation projects, completion of State Route 303 is expected within the next six years. Phoenix Sky Harbor Airport is located approximately 25 miles from Peoria's downtown center and provides local, regional, and transcontinental air service through a number of major airlines.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture to which reference is hereby made for a more complete description of its terms.

Definitions of Certain Terms

The following are certain terms defined in the Indenture and used in this Official Statement.

"*Alternate Letter of Credit*" means an irrevocable, single-draw standby letter of credit authorizing a draw thereunder by the Depository issued by a bank, a trust company or other financial institution rated by a Rating Agency in one of the four highest rating categories of a Rating Agency and which has a term of not less than one year from the date of its issuance, which Alternate Letter of Credit shall be the same in all other material respects (except as to expiration date) as the Letter of Credit.

"*Bond Fund*" means the fund with that name established pursuant to the Indenture.

"*Business Day*" means any day other than a Saturday; a Sunday; or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the place of payment or in the city where the principal corporate trust office of the Trustee or the office of the account bank of the Letter of Credit Bank is located. (If the specified date for any payment, submission, certification, determination or other action pursuant to the Indenture shall be other than a Business Day, then such payment, submission, certification, determination or other action may be made or done on the next succeeding day which is a Business Day without, in the case of any payment, additional interest (except in the event of a moratorium) and with the same force and effect as if made or done on the specified date.)

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

"*Debt Service*" means, collectively, (i) the principal of and interest and premium, if any, on the Bonds, when due, (ii) expenses and costs of the District arising from the activities of the District (such activities being the financing of certain public infrastructure purposes including the issuance of the Bonds) including particularly, but not by way of limitation, expenses and costs for agents or third parties required to administer the Bonds, levy and collect taxes for payment of the Bonds, prepare annual audits, budgets and materials with respect to continuing disclosure and provide for any purposes otherwise related to such activities of the District and (iii) amounts due with regard to Rebate.

"*Fiscal Year*" means a period of twelve (12) consecutive months commencing on July 1 and ending on June 30 or any other consecutive 12-month period which may be established hereinafter as the fiscal year of the District for budgeting and appropriate purposes.

"*Governmental Obligations*" means (1) direct obligations of, or obligations the timely payment of principal of which is fully and unconditionally guaranteed by, the United States of America, (2) obligations described in Section 103(a) of the Internal Revenue Code of 1954 or the Code, provision for the payment of the principal of and premium, if any, and interest on which shall have been made by the irrevocable deposit with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of securities described in Clause (1) the maturing principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of and premium, if any, and interest on such obligations, and which securities described in Clause (1) are not available to satisfy any

claim, including any claim of the trustee or escrow agent, or any claim of one to whom the trustee or escrow agent may be obligated which, at the time of deposit for purposes of defeasing the Bonds, have been assigned ratings in the highest rating categories of S&P or Moody's, but in the case of both Clause (1) and Clause (2) of this paragraph, for purposes of defeasing the Bonds, only if such obligations are non-callable prior to the Maturity of the Bonds or (3) obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York. Governmental Obligation also includes for purposes other than defeasing the Bonds, a "no load," open-end management investment company or trust (mutual fund), registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and which money market fund invests in short term United States Treasury obligations, agencies guaranteed by the United States, and repurchase agreements secured by the same and which money market fund has a rating by S&P of "AAAm-G," "AAm" or "AAm" or better and a rating of Moody's of "VMIG-1" or better.

"*Holder*" when used with respect to any Bond means the person in whose name such Bond is registered in the bond register maintained by the Trustee.

"*Initial Letter of Credit*" means the irrevocable, single-draw, stand-by letter of credit issued by the Letter of Credit Bank and delivered to the Depository on the same date as the initial delivery of the Bonds, being an irrevocable obligation to make payment to the Depository of $_____.

"*Letter of Credit*" means (a) the Initial Letter of Credit and (b) upon the issuance and effectiveness thereof, any Alternate Letter of Credit.

"*Letter of Credit Bank*" means J.P. Morgan Chase, a national banking association in its capacity as issuer of the Initial Letter of Credit and not as the Trustee or as the Depository, and its successors and assigns. Upon issuance and effectiveness of any Alternate Letter of Credit, "Letter of Credit Bank" shall mean the issuer thereof and its successors and assigns.

"*Letter of Credit Termination Date*" means the earlier of sixty (60) days after the Letter of Credit then in effect is no longer rated in one of the four highest rating categories of a Rating Agency and the stated expiration date of the Letter of Credit, as extended by any applicable provisions thereof.

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

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

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

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

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

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

3. Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture;

4. Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in the Indenture; and

5. Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or an escrow agent with the effect specified in under the heading "Defeasance" below.

"*Permitted Investments*" means:

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

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

a. Small Business Administration – guaranteed participation certificates

b. Farmers Home Administration - certificates of beneficial ownership

c. Federal Housing Administration Debentures

d. General Services Administration - participation certificates

e. Government National Mortgage Association ("GNMA") - guaranteed mortgage-backed bonds; guaranteed pass-through obligations

f. U.S. Maritime Administration - guaranteed Title XI financing

g. Washington Metropolitan Transit Authority – guaranteed transit bonds

h. Veteran Administration – guaranteed REMIC pass-through certificates

i. U.S. Department of Housing and Urban Development - local authority bonds

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

a. Federal Home Loan Bank System – consolidated debt obligations

b. Federal Home Loan Mortgage Corporation - debt obligations

c. Federal National Mortgage Association ("FNMA") - debt obligations

d. Student Loan Marketing Association - debt obligations

e. Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) – debt obligations

f. Financing Corp. – debt obligations

g. Resolution Funding Corp. – debt obligations

h. U.S. Agency for International Development – guaranteed notes which mature at least four Business Days before the appropriate payment date

4. Money market funds registered with the Securities and Exchange Commission, meeting the requirements of Rule 2a(7) under the Investment Company Act of 1940, and having a rating by S&P of "AAAm-G", "AAAm" or "AAm" or better and a rating by Moody's of "VMIG-1" or better including, if the foregoing are met, funds for which the Trustee acts as an investment advisor or custodian.

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

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

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

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

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

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

Repos must satisfy the following criteria.

a. Repos must be between the District and a dealer bank or securities firm

(1) Primary dealers on the Federal Reserve reporting dealer list, or

(2) Banks rated "A" or above by S&P and "A" or above by Moody's.

b. The written repo contract must include the following:

(1) Securities which are acceptable for transfer are:

(a) Direct U.S. government, or

(b) Federal agencies backed by the full faith and credit of the U.S. government

(2) The term of the repo may be up to 30 days

(3) The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities)

(4) The securities must be valued weekly, market-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 103% of the amount of cash transferred by the Issuer to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 103% of the value of the cash transferred by the Issuer, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the municipal entity:

(1) Repo meets guidelines under State law for legal investment of public funds.

11. Governmental Obligations.

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

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

"*Rebate*" means the payment system established by Section 148 of the Code with respect to certain arbitrage earnings by a political subdivision on amounts treated as the proceeds of certain obligations of such political subdivision and shall include all costs and expenses incurred in connection with, and allocable to, determining the amount due pursuant to such system.

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

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

"*S&P*" means Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, or any successor thereto.

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

Trust Estate Under the Indenture

The District has granted a security interest to the Trustee in all money and investments held for the credit of the "Tax Account" of the Bond Fund and the District's interest in the Standby Contribution Agreement and the Depository Agreement. The Trustee is required to hold all such property in trust for the benefit of all of the Holders of the Bonds.

Bond Fund

The money deposited to the Bond Fund is required to be held by the Trustee in trust and applied solely as provided in the Indenture. The District is required to deposit to the Tax Account of the Bond Fund, among other amounts, (i) amounts collected by or remitted to the District as *ad valorem* property taxes to the extent provided in the Indenture, and (ii) amounts paid for deposit therein pursuant to the Standby Contribution Agreement and the Depository Agreement. The Tax Account of the Bond Fund is required to be applied by the Trustee solely to pay Debt Service in any form and in the order described below under "Application of Moneys Collected: Second."

The Indenture provides that money held for the credit of (i) the Bond Fund will be invested by the Trustee in Governmental Obligations will be invested by the Trustee in Permitted Investments, and on each September 14 and March 10 of each Fiscal Year the resulting investment income will be transferred by the Trustee to the Tax Account of the Bond Fund. The Trustee will sell or present for redemption any obligations so purchased as an investment pursuant to the Indenture whenever it is necessary to do so in order to provide money to make any payment or transfer of money required thereby. Investments will mature, or will be subject to redemption by the holder thereof at the option of such holder without penalty, not later than the respective dates when such money is expected to be required for the purpose intended. Obligations so purchased as an investment of any money credited to any fund established pursuant to the Indenture will be deemed at all times to be a part of such fund. The investment income on obligations so purchased and any profit realized from such investment will be credited to such fund and any loss resulting from such investment will be charged to such fund. All money held by the Trustee pursuant to the Indenture will be continuously secured in the manner and to the fullest extent then required by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee will not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from disregard or negligent implementation of any permitted direction by the District.

Remedies under the Trust Indenture

The Trustee in its discretion, subject to the other provisions of the Indenture, may proceed to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in the Indenture, the Standby Contribution Agreement or the Depository Agreement or in aid of the execution of any power granted in the Indenture, the Standby Contribution Agreement, or the Depository Agreement or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce any of the

rights of the Trustee or the Holders of the Bonds. The Indenture provides that, in addition to all rights and remedies of any Holder of a Bond provided therein, in the event the District defaults in the payment of the principal of or premium, if any, or interest on any of the Bonds when due, or defaults in the observance or performance or the causing of the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution, the Indenture, the Standby Contribution Agreement or the Depository Agreement, the Trustee will be entitled, to the extent available pursuant to applicable law, to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the members of the Board and other officers of the District to make such payment or to observe and perform or cause the observation or performance of any covenant, obligation, or condition prescribed in the Bond Resolution, the Indenture, the Standby Contribution Agreement or the Depository Agreement. (Notwithstanding the foregoing, if the Trustee is unwilling or unable to perform any of the foregoing with respect to the Standby Contribution Agreement or the Depository Agreement and the result will be an increase of the levy of property taxes for the next Fiscal Year, the Issuer may, independently, take whatever action is necessary in the judgment of the Board to mitigate the effect in future Fiscal Years. The Indenture contains no provision for acceleration of maturity of principal of the Bonds in the event of default. The remedy of mandamus described above would have to be exercised upon each separate default and may, therefore, prove costly, time consuming, and difficult to enforce. The rights and remedies of Holders of the Bonds and the enforceability of the Bonds may also be limited by bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors' rights generally. See "RISK FACTORS."

If

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

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

then upon demand of the Trustee, the District will pay or cause to be paid to the Trustee for the benefit on the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any), but not any such amounts due in the future, and interest and, in addition thereto, such further amount as will be sufficient to cover the costs and expenses of administration and collection, including the reason-able compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the District fails to pay or cause to be paid such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, will be entitled to sue for and recover judgment against the District for the amount then so due and unpaid.

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

Application of Money Collected

Any money collected by the Trustee pursuant to the "Remedies under the Trust Indenture" above, together with any other sums then held by the Trustee as part of the trust estate established pursuant to the Indenture, will be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

A. First: To the payment of all unpaid amounts due the Trustee under the applicable provisions of the Indenture;

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

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

Control by Holders of the Bonds

The Holders of a majority in principal amount of the Outstanding Bonds affected thereby will have the right (subject to providing indemnity to the Trustee as described below)

1. to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of the Indenture, the sale of the trust estate established pursuant to the Indenture, or otherwise; and

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

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

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

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

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

Before taking action pursuant to the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished to it for the reimbursement of all expenses which it may incur and to protect

it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the District will reimburse the Trustee for all of the expenses of the Trustee pursuant to the Indenture.

Each Holder of any Bond by his acceptance thereof will be deemed to have agreed that any court may in its discretion require, in any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. However, the provisions of the Indenture will not apply to any suit instituted by or against the Trustee, to any suit instituted by any Holder of a Bond or group of Holders of the Bonds affected thereby, holding in aggregate more than ten percent in principal amount of the Outstanding Bonds, or to any suit instituted by any Holder of a Bond for the enforcement of the payment of the principal of or interest on any Bond on or after the Stated Maturity expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

Supplemental Indentures and Amendments to Certain Documents

Without the consent of the Holders of any Bonds and, under certain circumstances described in the Indenture, the District and the Trustee may from time to time enter into indentures supplemental to the Indenture or adopt a resolution amending the Bond Resolution or amend the Standby Contribution Agreement or the Depository Agreement (i) to correct or amplify the description of any property subject to the lien of the Indenture, or better to assure, convey, and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture, or to subject to the lien of the Indenture additional property; (ii) to add to the conditions, limitations and restrictions on the authorized amount, terms, or purposes of issue, authentication and delivery of Bonds any additional conditions, limitations and restrictions thereafter to be observed; (iii) to evidence the succession of another entity to the District and the assumption by any such successor of the covenants of the District in the Bonds, the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement; (iv) to add to the covenants of the District for the benefit of the Holders of all the Bonds; or (v) to cure any ambiguity, to correct or supplement any provision in the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement which may be inconsistent with any other provisions thereof, or to make any other provisions with respect to matters or questions arising thereunder which will not be inconsistent with the provisions thereof, if such actions will not adversely affect the interests of the Holders of the Bonds.

With the consent of the Holders of not less than a majority in principal amount of the Bonds affected by such supplemental Indenture or amendment to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement and, under certain circumstances described in the Indenture, the District and the Trustee may also enter into indentures supplemental to the Indenture or amendments to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement for the purpose of adding any other provisions to or changing in any other manner or eliminating any of the provisions of the Indenture, the Standby Contribution Agreement or the Depository Agreement or of modifying in another manner the rights of the Holders of the Bonds under the Indenture, the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement. However, no supplemental indenture or amendment, without the consent of the Holder of each Outstanding Bond affected thereby, is permitted by the Indenture to (i) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of or the interest on, any Bond, or change any place of payment where, or the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or,

in the case of redemption, on or after the Redemption Date); (ii) reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any supplemental indenture or amendment to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement, or the consent of Holders of which is required for any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences; (iii) modify or alter the provisions of the proviso to the definition of the term "Outstanding" in the Indenture; or (iv) modify any of the provisions of the Indenture concerning approval of supplemental indentures or amendments to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement except to increase any percentage of the Holders of Bonds necessary for approval or to provide that certain provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Bond Resolution, the Standby Contribution Agreement or the Depository Agreement and any such determination will be conclusive upon each Holder of the Bonds, whether theretofore or thereafter authenticated and delivered under the Trust Indenture. The Trustee will not be liable for any such determination made in good faith.

Concerning the Trustee

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

No provision of the Indenture will be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

1. this paragraph will not be construed to limit the effect of the preceding paragraph;

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

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

4. no provision of the Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in the Indenture.

Except as otherwise provided in the Indenture:

1. the Trustee may rely and will be protected in acting or refraining from acting upon:

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

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

2. any request or direction of the District mentioned in the Indenture will be sufficiently evidenced by a request of the District, and any order or resolution of the District may be sufficiently evidenced by a resolution of the board of the District;

3. whenever in the administration of the Indenture the Trustee will deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action described hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of an officer of the District;

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

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

6. the Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee determines to make such further inquiry or investigation, it will be entitled to examine the books, records, and premises of the District, personally or by agent or attorney; and

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

There will at all times be a trustee under the Indenture which will be a bank or trust company organized and doing business under the laws of the United States or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to, the requirements of such supervising or

examining authority, then for the purposes of the Indenture the combined capital and surplus of such corporation will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee ceases to be eligible in accordance with the provisions of the Indenture, it will resign immediately in the manner and with the effect specified in the Indenture.

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

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

If at any time:

1. the Trustee ceases to be eligible under the Indenture and fails to resign after written request therefor by the District or any such Holder of a Bond, or

2. the Trustee becomes incapable of acting or adjudged insolvent or a receiver of the Trustee or of its property is appointed or any public officer takes charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in either such case, the District may remove the Trustee or subject to the provisions of the Indenture, any Holder of a Bond who has been a *bona fide* Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

If the Trustee resigns, is removed, or becomes incapable of acting, the District will promptly appoint a successor Trustee. In case all or substantially all of the trust estate held pursuant to the Indenture will be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee is appointed by the Holders of the Bonds. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Trustee is appointed by act of the Holders of a majority in principal amount of the Outstanding Bonds and delivered to the District and the retiring Trustee, then the successor Trustee so appointed will, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the District or by such receiver or trustee. If no successor Trustee is so appointed by the District or the Holders of the Bonds and has accepted appointment in the manner hereinafter provided, any Holder of a Bond who has been a *bona fide* Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

Defeasance

The Indenture, and the lien, rights, and interests created thereby, will terminate, at the request of the District, when the following conditions exist:

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

a. Bonds for the payment of which money has been deposited with the Trustee or a paying agent, as provided by the provisions of the Indenture relating to redemption of the Bonds;

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

c. Bonds, other than those referred to in the foregoing clauses, for the payment or redemption of which there has been deposited with the Trustee in accordance with the provisions of the Indenture in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on such Bonds for principal and interest to the Stated Maturity or Redemption Date of such Bonds, as the case may be; and

d. Bonds deemed no longer outstanding as a result of the deposit or escrow or money or Governmental Obligations as described below; and

2. the District has paid or caused to be paid all other sums payable by the District under the Indenture.

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

No such deposit will have the effect specified above, however, (i) if made during the existence of a default under the Trust Indenture, unless made with respect to all of the Bonds then Outstanding, and (ii) unless there is delivered to the Trustee an opinion of counsel to the effect that such deposit will not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Trustee for such purpose is required to be held by the Trustee in a segregated account in trust for the Holders of the Bonds with respect to which such deposit is made and, together with any investment income therefrom, is required to be disbursed solely to pay the

principal of and interest on such Bonds when due. No money or Governmental Obligations so deposited pursuant to this Section will be invested or reinvested unless in Governmental Obligations and unless such money not invested, such Governmental Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be so paid, it will no longer be secured by or entitled to the benefits of the Indenture, except for purposes of any such payment from such money or Governmental Obligations.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG]

[Closing Date]

District Board
Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

We have acted as Bond Counsel in connection with the issuance by Vistancia Community Facilities District (hereinafter referred to as the "Issuer") of the captioned bonds, dated the date hereof (hereinafter referred to as the "Bonds"). We have examined, and in rendering the opinions herein have relied upon, original or certified copies of the proceedings had in connection with issuance of the Bonds; certifications executed by officers of the Issuer relating to, among other things, the expected use of proceeds of the sale of the Bonds and certain other funds of the Issuer and to certain other facts within the knowledge and control of the Issuer and such other material and matters of law as we deem relevant to the matters discussed hereinbelow. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies and the accuracy of the statements contained in such certifications and representations. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings, certifications, representations, material and matters.

We are of the opinion, based upon such examination and subject to the reliances, assumptions and exceptions hereinabove and hereinafter set forth, that, under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Bonds are valid and legally binding obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein and are secured by a Series 2015 Indenture of Trust and Security Agreement, dated as of December 1, 2006 (hereinafter referred to as the "Indenture"), from the Issuer to Zions First National Bank, as trustee (hereinafter referred to as the "Trustee"), except to the extent that the enforceability thereof and such provision of the security therefor may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

2. The Issuer is to annually levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the Issuer, sufficient, but subject to limitations hereinafter described, together with any moneys from the sources described in Section 48-717, Arizona Revised Statutes including amounts from a Series 2015 Standby Contribution Agreement, dated as of July 1, 2015, by and among the Issuer, the Trustee, Shea Homes Limited Partnership, SLF III - Vistancia, LLC and Vistancia Land Holdings, LLC (hereinafter referred to as "Vistancia") and a

Series 2015 Depository Agreement, dated as of July 1, 2015, by and among the Issuer and Zions First National Bank, as depository, to pay debt service on the Bonds when due. All of the taxable property within the Issuer is subject to the levy of a tax, without limitation as to rate, to pay the principal of and interest on the Bonds, but limited to a total amount not greater than the total aggregate principal and interest to become due on the bonds being refunded with proceeds of the sale of the Bonds (the "Bonds Being Refunded") from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The net proceeds of the Bonds have been invested in obligations issued by or guaranteed by the United States government which mature with interest so as to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon, and such proceeds and obligations have been deposited in the respective principal and interest redemption funds, and shall be held in trust for the payment of, the Bonds Being Refunded with interest on maturity or upon an available redemption date. The owners of the Bonds must rely on the sufficiency of such funds and securities held irrevocably in trust for payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such funds and securities prove insufficient.

3. Subject to the reliance and assumption stated in the last sentence of this paragraph, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations. (We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Issuer and Vistancia must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the Issuer or Vistancia to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and Vistancia have either indicated their compliance with, or covenanted to take the actions required by, applicable provisions of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In rendering the opinion expressed above, we have relied on certifications of the Issuer and Vistancia with respect to certain matters necessary for, and have assumed continuing compliance with certain covenants by the Issuer and Vistancia included in, respectively, the Indenture and a District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of October 1, 2002, as amended by a First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of April 1, 2005, a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of December 1, 2006, and a Third Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of July 1, 2015, by and among, as applicable, the Issuer, the City of Peoria, Arizona, Shea Homes Limited Partnership, SLF III - Vistancia, LLC and Vistancia (which are, as to their enforceability, subject to the same exceptions described in paragraph 1 hereinabove) that must be met after the issuance of the Bonds in order that, interest on the Bonds not be included in gross income for federal tax purposes.

4. The interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds.)

Respectfully submitted,

APPENDIX D

FORMS OF CONTINUING DISCLOSURE UNDERTAKINGS

$37,635,000*
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

SERIES 2015 CONTINUING DISCLOSURE UNDERTAKING

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

Section 1. Definitions.

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

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

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

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

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

"Resolution" shall mean, collectively, the resolutions authorizing the issuance of the Securities and the Series 2015 Indenture of Trust and Security Agreement from the Issuer to Zions First National Bank, as trustee, with respect to the Securities.

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

Section 2. Contents and Provision of Annual Reports.

(a) (i) SUBJECT TO ANNUAL APPROPRIATION WITH RESPECT TO THE PURPOSES HEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2016, PROVIDE TO THE MSRB THROUGH EMMA AN ANNUAL REPORT THAT IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.

* Subject to change

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

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

(A) Information or operating data of the type in TABLES 2, 3, 4 and 7 (but as to any valuations required, only the actual amount of the current valuation) of the Official Statement, dated _____, 2015, with respect to the Securities.

(B) Audited financial statements of the Issuer for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently prepare audited financial statements, and execution of this Undertaking shall not obligate the Issuer to prepare audited financial statements for any fiscal year.) IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN AN ANNUAL REPORT AND THEREAFTER THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

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

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

Section 3. Reporting of Listed Events and Failure to Provide Annual Report.

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

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

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

(vii) Modifications to rights of holders, if material.

(viii) Bond calls, if material, or tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Securities, if material.

(xi) Rating changes.

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

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

(xiv) Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material.

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

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

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

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

Section 4. Termination of Reporting Obligation.

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

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Resolution at the time of the amendments.

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

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

Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

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

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

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

Dated: _____, 2015

VISTANCIA COMMUNITY FACILITIES DISTRICT

By. . . . . .
District Chief Financial Officer

ATTEST:

. . . . . .
District Clerk

APPROVED AS TO FORM:

. . . . . .
District Counsel

VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

SERIES 2015 CONTINUING DISCLOSURE UNDERTAKING

This Undertaking is executed and delivered by Vistancia Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware (hereinafter referred to as the "Developer"), acting in its own capacity, in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

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

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

"Issuer" shall mean Vistancia Community Facilities District, a community facilities district organized and existing pursuant to the laws of the State of Arizona.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

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

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

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

"Resolution" shall mean, collectively, the resolutions authorizing the issuance of the Securities and the Series 2015 Indenture of Trust and Security Agreement from the Issuer to Zions First National Bank, as trustee, with respect to the Securities.

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

Section 2. Contents and Provision of Reports.

(a) Annual Reports.

(i) THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN MAY 1 OF EACH YEAR,

COMMENCING MAY 1, 2016, PROVIDE TO THE MSRB THROUGH EMMA A REPORT FOR THE DEVELOPER THAT IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION. THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH REPORT TO THE ISSUER.

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

(b) Contents of Annual Report.

(i) The Reports required to be provided pursuant to Subsection (a)(i) of this Section shall contain or incorporate by reference the following:

(A) Audited financial statements of the Developer for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles; provided, however, execution of this Undertaking shall not obligate the Developer to prepare audited financial statements for any fiscal year. IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN A REPORT REQUIRED TO BE PROVIDED PURSUANT TO SUBSECTION (a)(i) OF THIS SECTION AND THEREAFTER THE FISCAL YEAR OF THE DEVELOPER CHANGES, THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT. THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE TO THE ISSUER.

(ii) The Report required to be provided pursuant to Subsection (a)(i) of this Section may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including official statements of debt issues of the Issuer or related public entities that have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Developer shall clearly identify each such other document so incorporated by reference.

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

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of the following Listed Events with respect to the Securities: (i) any change of ownership or control of the Developer; or (ii) any failure by the Developer to pay, prior to delinquency, general property taxes, special taxes or assessments with respect to property of the Developer within the boundaries of the Issuer or any amount due pursuant to the Standby Contribution Agreement (described in the Official Statement, dated _____, 2015, with respect to the Securities).

(b) THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY FILE A NOTICE OF LISTED EVENT OF THE OCCURRENCE OF A LISTED EVENT WITH THE MSRB THROUGH EMMA. THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE OF LISTED EVENT TO THE ISSUER.

Section 4. Termination of Reporting Obligation.

The obligations of the Developer pursuant to this Undertaking shall terminate upon (i) the legal defeasance, prior redemption or payment in full of all of the Securities, or (ii) the release of the Standby Contribution Agreement (described in the Official Statement, dated _____, 2015, with respect to the Securities). THE DEVELOPER, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION TO THE MSRB THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE. THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE TO THE ISSUER.

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Developer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Developer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Developer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Resolution at the time of the amendments.

(b) The Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Report required to be provided pursuant to Subsection (a)(i) of Section 2 hereof for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability

of the Developer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN A REPORT REQUIRED TO BE PROVIDED PURSUANT TO SUBSECTION (a)(i) OF SECTION 2 HEREOF AND THEREAFTER THE ACCOUNTING PRINCIPLES OF THE DEVELOPER CHANGE, THE DEVELOPER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

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

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

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

Section 9. Recordkeeping. The Developer shall maintain copies of each Report and Notice Listed Event as well as the names of the entities with whom the same was filed and the date of filing thereof.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and the Developer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities that the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Section 11. Copies for Issuer. Any copy provided by this Undertaking to be given or furnished to the Issuer by the Developer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk or at any other address furnished previously in writing to the Developer by the Issuer.

Section 12. Subsequent Transfers of Land. Upon any sale of land within the boundaries of the Issuer such that the acquiring owner (hereinafter referred to as the “Transferee”) shall become an owner of land within the boundaries of the Issuer, the limited assessed valuation of which (as of the date on

which the Transferee becomes an owner) equals or exceeds 20 percent of the limited assessed valuation of all land within the boundaries of the Issuer, the Developer shall require the Transferee to execute an Undertaking substantially similar to this Undertaking and in compliance with the Rule prior to the conveyance of title to the Transferee.

Dated: _____, 2015

VISTANCIA LAND HOLDINGS, LLC,
a Delaware limited liability company

By: SLF III – Vistancia, LLC,
a Texas limited liability company,
its sole and managing member

By: Stratford Land Fund III, L.P.,
a Delaware limited partnership,
its sole and managing member

By: Stratford Fund III GP,
a Texas limited liability company,
its General Partner

By:_____
Name:_____
Title:_____

$37,635,000*
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

SERIES 2015 CONTINUING DISCLOSURE UNDERTAKING

This Undertaking is executed and delivered by Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California (hereinafter referred to as "Shea Homes"), acting in its own corporate capacity, in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Dissemination Agent" shall mean any agent that has executed a dissemination agency agreement with Shea Homes and the successors and assigns of such agent.

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

"Issuer" shall mean Vistancia Community Facilities District, a community facilities district organized and existing pursuant to the laws of the State of Arizona.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board

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

"Report" shall mean any report provided by Shea Homes pursuant to, and as described in, Section 2.

"Resolution" shall mean, collectively, the resolutions authorizing the issuance of the Securities and the Series 2015 Indenture of Trust and Security Agreement from the Issuer to Zions First National Bank, as trustee, with respect to the Securities.

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

* Subject to change

Section 2. Contents and Provision of Reports.

(a) Annual Reports.

(i) SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN MAY 1 OF EACH YEAR, COMMENCING MAY 1, 2016, PROVIDE TO THE MSRB THROUGH EMMA A REPORT FOR SHEA HOMES THAT IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION. SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH REPORT TO THE ISSUER.

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

(b) Contents of Annual Report.

(i) The Reports required to be provided pursuant Subsection (a)(i) of this Section shall contain or incorporate by reference audited financial statements of Shea Homes, if any, for the preceding fiscal year, such statements to be prepared on the basis of generally accepted accounting principles. IF THE FISCAL YEAR OF SHEA HOMES CHANGES, SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT. SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE TO THE ISSUER.

(ii) The Report required to be provided pursuant to Subsection (a)(i) of this Section may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including official statements of debt issues of the Issuer or related public entities that have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. Shea Homes shall clearly identify each such other document so incorporated by reference.

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

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of the following Listed Events with respect to the Securities: (i) any change of ownership or control of Shea Homes, or (ii) any failure by Shea Homes to pay, prior to delinquency, general property taxes, special taxes or

assessments with respect to property of Shea Homes within the boundaries of the Issuer or any amount due pursuant to the Standby Contribution Agreement (described in the Official Statement, dated _____, 2016, with respect to the Securities).

(b) SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY FILE A NOTICE OF LISTED EVENT OF THE OCCURRENCE OF A LISTED EVENT WITH THE MSRB THOUGHT EMMA. SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE OF LISTED EVENT TO THE ISSUER.

Section 4. Termination of Reporting Obligation. The obligations of Shea Homes pursuant to this Undertaking shall terminate upon (i) the legal defeasance, prior redemption or payment in full of all of the Securities, or (ii) the release of the Standby Contribution Agreement (as described in the Official Statement, dated _____, 2015, with respect to the Securities). SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION TO THE MSRB THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE A REPORT WOULD OTHERWISE HAVE BEEN DUE. SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE TO THE ISSUER.

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, Shea Homes may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of Shea Homes or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with Shea Homes or by an approving vote of the registered owners of the Securities pursuant to the terms of the Resolution at the time of the amendments.

(b) The Report required to be provided pursuant to Subsection (a)(i) of Section 2 hereof containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Report required to be provided pursuant to Subsection (a)(i) of Section 2 hereof for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. IF THE ACCOUNTING PRINCIPLES OF SHEA HOMES CHANGE, SHEA HOMES SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

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

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

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

Section 9. Recordkeeping. Shea Homes shall maintain copies of each Report and Notice Listed Event as well as the names of the entities with whom the same was filed and the date of filing thereof.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and Shea Homes shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities that the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of Shea Homes under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Section 11. Copies for Issuer. Any copy provided by this Undertaking to be given or furnished to the Issuer by Shea Homes shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk or at any other address furnished previously in writing to Shea Homes by the Issuer.

Dated: _____, 2015

SHEA HOMES LIMITED PARTNERSHIP
a California limited partnership

By: J.F. Shea, LP, a Delaware limited partnership
Its: General Partner
By: JFS Management, L.P., a Delaware limited partnership
Its: General Partner
By: J.F. Shea Construction Management, Inc., a California corporation

Its: General Partner

By: _____
Its: _____

$37,635,000*
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

SERIES 2015 CONTINUING DISCLOSURE UNDERTAKING

This Undertaking is executed and delivered by SLF III - Vistancia, LLC, a Texas limited liability company (hereinafter referred to as "Stratford Vistancia"), acting in its own corporate capacity, in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Dissemination Agent" shall mean any agent that has executed a dissemination agency agreement with Stratford Vistancia and the successors and assigns of such agent.

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

"Issuer" shall mean Vistancia Community Facilities District, a community facilities district organized and existing pursuant to the laws of the State of Arizona.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board

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

"Report" shall mean any report provided by Stratford Vistancia pursuant to, and as described in, Section 2.

"Resolution" shall mean, collectively, the resolutions authorizing the issuance of the Securities and the Series 2015 Indenture of Trust and Security Agreement from the Issuer to Zions First National Bank, as trustee, with respect to the Securities.

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

* Subject to change

Section 2. Contents and Provision of Reports.

(a) Annual Reports.

(i) STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN MAY 1 OF EACH YEAR, COMMENCING MAY 1, 2016, PROVIDE TO THE MSRB THROUGH EMMA A REPORT FOR STRATFORD VISTANCIA THAT IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION. STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH REPORT TO THE ISSUER.

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

(b) Contents of Annual Report.

(i) The Reports required to be provided pursuant Subsection (a)(i) of this Section shall contain or incorporate by reference audited financial statements of Stratford Vistancia, if any, for the preceding fiscal year, such statements to be prepared on the basis of generally accepted accounting principles. IF THE FISCAL YEAR OF STRATFORD VISTANCIA CHANGES, STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT. STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE TO THE ISSUER.

(ii) The Report required to be provided pursuant to Subsection (a)(i) of this Section may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including official statements of debt issues of the Issuer or related public entities that have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. Stratford Vistancia shall clearly identify each such other document so incorporated by reference.

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

(c) Section 3. Reporting of Listed Events.

(i) This Section shall govern the giving of notices of the occurrence of the following Listed Events with respect to the Securities: (i) any change of ownership or control of Stratford Vistancia, or (ii) any failure by Stratford Vistancia to pay, prior to delinquency, general property taxes, special taxes or assessments with respect to property of Stratford Vistancia within the boundaries of the Issuer or any amount due pursuant to the Standby Contribution Agreement (described in the Official Statement, dated _____, 2015, with respect to the Securities).

(ii) STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY FILE A NOTICE OF LISTED EVENT OF THE OCCURRENCE OF A LISTED EVENT WITH THE MSRB THOUGHT EMMA. STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE OF LISTED EVENT TO THE ISSUER.

Section 4. Termination of Reporting Obligation. The obligations of Stratford Vistancia pursuant to this Undertaking shall terminate upon (i) the legal defeasance, prior redemption or payment in full of all of the Securities, or (ii) the release of the Standby Contribution Agreement (as described in the Official Statement, dated _____, 2015, with respect to the Securities). STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION TO THE MSRB THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE A REPORT WOULD OTHERWISE HAVE BEEN DUE. STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROVIDE A COPY OF SUCH NOTICE TO THE ISSUER.

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, Stratford Vistancia may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of Stratford Vistancia or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with Stratford Vistancia or by an approving vote of the registered owners of the Securities pursuant to the terms of the Resolution at the time of the amendments.

(b) The Report required to be provided pursuant to Subsection (a)(i) of Section 2 hereof containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Report required to be provided pursuant to Subsection (a)(i) of Section 2 hereof for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. IF

THE ACCOUNTING PRINCIPLES OF STRATFORD VISTANCIA CHANGE, STRATFORD VISTANCIA SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

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

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

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

Section 9. Recordkeeping. Stratford Vistancia shall maintain copies of each Report and Notice Listed Event as well as the names of the entities with whom the same was filed and the date of filing thereof.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and Stratford Vistancia shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities that the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of Stratford Vistancia under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Section 11. Copies for Issuer. Any copy provided by this Undertaking to be given or furnished to the Issuer by Stratford Vistancia shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk or at any other address furnished previously in writing to Stratford Vistancia by the Issuer.

Dated: _____, 2015

SLF III – VISTANCIA, LLC
a Texas limited liability company,

By: Stratford Land Fund III, L.P.,
a Delaware limited partnership,
its sole and managing member

By: Stratford Fund III GP,
a Texas limited liability company,
its General Partner

By:_____
Name:_____
Title:_____

APPENDIX E

AUDITED FINANCIAL STATEMENTS FOR SHEA HOMES LIMITED PARTNERSHIP AND UNAUDITED FINANCIAL STATEMENTS OF SLF III - VISTANCIA, LLC, AND THE DEVELOPER

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, ANY BENEFICIAL OWNER OR ANY OTHER PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE BONDS UNDER OR THROUGH DTC OR ANY DTC PARTICIPANT, INDIRECT PARTICIPANT, OR ANY OTHER PERSON WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; THE GIVING OF ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO OWNERS OF THE BONDS UNDER THE INDENTURE; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS AN OWNER.

APPENDIX G

EXECUTIVE SUMMARY OF MARKET ANALYSIS AND ABSORPTION STUDY

FEASIBILITY REPORT
AMENDING AND RESTATING
IN APPLICABLE PARTS
FEASIBILITY REPORTS

For The Issuance of

ALL
VISTANCIA
COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION BONDS

Submitted
December 12, 2006
Amended
July 7, 2015

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SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT, AND GENERAL DESCRIPTION OF DISTRICT

PURPOSE OF FEASIBILITY REPORT

Pursuant to A.R.S. 48-715, feasibility reports for community facilities districts are to include (i) a description of the public infrastructure (as such term and all other undefined terms used herein are defined or used in Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act")) to be constructed or acquired; (ii) a map showing, in general, the location of the public infrastructure and area to be benefited by the public infrastructure; (iii) an estimate of the cost to acquire, construct, operate and maintain the public infrastructure and an estimated schedule for completion of public infrastructure; and (iv) a plan for financing the public infrastructure.

Feasibility reports are prepared for the consideration of the District Board of the District only. They are not intended or anticipated that they will be relied upon by other persons.

This Feasibility Report (this "Report") prepared by engineers and other qualified persons amends and restates in applicable parts the feasibility reports originally presented to the Board of the Vistancia Community Facilities District (the "District") on November 19, 2002, March 22, 2005, and December 12, 2006 (together, the "Prior Feasibility Reports"), in connection with the issuance by the District of its general obligation bonds to date, pursuant to the Act, with respect to the feasibility and benefits of certain "public infrastructure" described therein and the plan for financing the costs thereof (the "Studied Infrastructure") and with respect to the feasibility and benefits of certain different public infrastructure described herein and the plan of financing the costs thereof (the "New Infrastructure" and, with the Studied Infrastructure, the "Public Infrastructure"). To the extent this Report contradicts the Prior Feasibility Reports, this Report supersedes the Prior Feasibility Reports in all respects. To the extent the description of the Studied Infrastructure in this Report (including its feasibility and benefits) is different from that in the Prior Reports, this Report supersedes such descriptions in all respects.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City on October 15, 2002. The District is located within the City boundaries and was created to finance the acquisition or construction of certain public infrastructure, including the Public Infrastructure that relates to the development of portions of the project known as "Vistancia" (the "Project"). The Project consists of approximately 6,940 acres with a maximum allowable residential build out of approximately 10,500 units. Included in the 6,940 acres are 540 acres of authorized commercial uses including neighborhood centers, a regional, commercial and employment core and up to four golf courses. To date over 5,000 homes have been sold within the District, two 18-hole golf courses have been constructed, and nearly 200,000 square feet of commercial buildings have been built. The developed portion of the Project is also home to two kindergarten through eighth grade schools, two city parks, and nearly 200 acres of additional amenity and open space preserve.

Pursuant to an election held November 12, 2002, the District is authorized to issue not to exceed $100,000,000 in principal amount of general obligation bonds. In 2002, the District issued $21,250,000 aggregate principal amount of General Obligation Bonds, Series 2002 (the "Series 2002 Bonds"). In 2005, the District issued $23,550,000 aggregate principal amount of General Obligation Bonds, Series 2005 (the "Series 2005 Bonds"). In 2006, the District issued $22,760,000 aggregate principal amount of General

Obligation Bonds, Series 2006 (the "Series 2006 Bonds" and, with the Series 2002 Bonds and the Series 2005 Bonds, the "Bonds"). As indicated in this Report, the Public Infrastructure has been or will be paid for from proceeds of the sale of the Bonds. To the extent the use of such proceeds differs from what was reflected in the Prior Feasibility Reports, the use of such proceeds as indicated in this Report supersedes that indicated in the Prior Feasibility Reports.

The District Development, Financing Participation and Intergovernmental Agreement, dated October 1, 2002, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2005, the Second Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated December 1, 2006, the Third Amendment to District Development, Financing Participation and Intergovernmental Agreement, to be dated as of August 1, 2015 (subject to change), provides the terms for, among other things, providing and financing of the costs of certain portions of the Public Infrastructure necessary for the development of the Project. **Such agreement, as amended, should be reviewed in connection with this Report for a fuller understanding of the process for providing and financing the Public Infrastructure**.

A map of the District is included in Section Three and a legal description depicting the boundaries of the District is included in Appendix A.

SECTION TWO

DESCRIPTION OF, AND COST ESTIMATES FOR, PUBLIC INFRASTRUCTURE

Series 2002 Bonds Project Descriptions	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
1. ***Jomax Water Reclamation Facility Phase 1*** - Construction activities include the majority of the ultimate facility's site work and a small batch reactor treatment process to 0.75 million gallons per day ("MGD"). In addition, this phase of construction include many components required to increase plant capacity to 1.5 MGD.	$12,000,000	$16,061,099	$13,387,824	$ 798,905	-	-
2. ***Water Zone 4/5 Reservoir Site*** - Components included at this site are a 1.5 million gallon storage reservoir, two booster pump stations to serve City pressure zones 4 and 5 within the District, site work and necessary water treatment components.	4,795,000	3,105,777	3,665,836	98,988	-	-
3. ***Water Production Wells #5 and #8*** - This project consists of two phases. The first phase construction includes the drilling of the wells, well development and aquifer testing. The second phase of the project is recovery pump, site work, etc.	1,000,000	1,636,285	1,161,866	--	-	-
4. ***Water Production Well #10*** – This project consists of two phases. The first phase construction includes the drilling of the well, well development, and aquifer testing. The second phase of the project is recovery pump, site work, etc.	600,000*	115,092	217,569	-	-	-

*Completed within Zone 4/5 Reservoir Site.

Series 2002 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
5. ***Water and Wastewater Program Management**** - This project consists of development and refinement of the water and wastewater master plan for the Project. There were no construction activities in this project.	$400,000**	$400,000**	-	-	-	-
Total Cost Series 2002 Bonds Projects	**$18,795,000**	**$21,318,253**	**$18,433,095**	**$ 897,893**	**$0**	**$0**

(Note: The above amount paid by Series 2002 Bonds of $18,433,095 exceeds actual proceeds of Series 2002 Bonds of $18,344,295. The difference of $88,800 was paid with Series 2002 Bonds interest earnings.)

Series 2005 Bonds Project Descriptions						
1. ***Water Zone 5/6 Pump Station and Reservoir*** - The project will provide storage for pressure zones 5 and 6 within the Project. In addition, the facility will provide booster pump capacity to satisfy water demands as well as to provide fire protection for those zones. The facility will consist of one 2.5 MG circular pre-stressed concrete reservoir, two booster pump stations (one for each pressure zone); one 3000 sq. ft. building to house all mechanical and electrical equipment (excluding the hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping.	$6,250,000	$8,480,064	-	$7,987,115	$340,704	-

* Indicates acquisition project/

** Allocated among Items 1, 3, and 4, as applicable.

Series 2005 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
2. ***Water Production Well #2**** **-** This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	$875,000	$1,140,814	-	$ 831,713	$79,961	-
3. ***Water Production Well #6* -** This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well will be further equipped with remote gas-based chlorine disinfection systems.	975,000	1,384,104	-	1,942,957	69,198	-
4. ***Water Production Wells #3 and #7* -** This project will be installed to supplement existing groundwater supplies needed to meet water demands for the District. This project will consist of two phases, the first phase of construction includes drilling of the well, well development and aquifer testing. The second phase is for equipping the wells sites with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry and other miscellaneous site work.	1,850,000	2,888,503	-	2,052,649	760,819	-
Projects have been combined in this update to more accurately account for actual costs spent						

***** Indicates acquisition project.

Series 2005 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
5. ***Outfitting of Well Production Well #1 -*** . This project was installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells were equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well was further equipped with remote gas-based chlorine disinfection systems. A standby power generator was also provided	$ 650,000	$1,043,682	-	$ 965,615	$ 63,840	-
6. ***Jomax Water Treatment Facilities Expansion -*** This project. expanded the existing plant treatment capacity of 1.5 MGD. Major modifications included as part of the expansion was as follows: converting the sequencing batch reactors to extended aeration, adding clarifier number 2, adding a clarifier drain pump station, adding a belt filter in solids handling building and modifying existing pump capacity where needed.	4,300,000	7,716,293	-	5,711,742	2,256,888	-
7. ***Recharge Wells –*** Pilot project to recharge surplus treated effluent into the water aquifer. This will be needed as the Project develops and the supply of effluent exceeds demands (typically in winter months). This will allow the Project to recover the surplus water at a later date when demand exceeds supply of the effluent (typically in the summer months)	2,030,531	1,347,521	-	21,364	1,362,936	-
Total Costs Series 2005 Bonds Projects	**$16,930,531**	**$24,000,981**	**$0**	**$20,411,048**	**$4,934,346**	**$0**

(Note: The total amount paid by Series 2005 Bonds of $20,411,048 differs from actual proceeds of Series 2005 Bonds of $20,527,138. The difference of $116,090 was transferred to the Series 2005 debt service account. The total amounts above are cumulative of projects paid for with proceeds of Series 2002 Bonds and Series 2005 Bonds.)

Series 2006 Bonds Project Descriptions	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
1. ***Water Zone 4/5 Water Reservoir Site Phase 2*** - Provide additional storage capacity for City pressure zones 4 and 5. The expansion will consist of adding one 2.5 million gallon ("MG") circular steel reservoir to the existing site. In addition, the necessary supply and discharge piping to connect the reservoir with the existing facility will be provided.	$3,043,417	$3,311,903	-	-	$3,311,903	-
2. ***Water Production Well #4*** - Installed to supplement existing groundwater supplies needed to meet water demands for the City pressure zones 4, 5, 6, and 7 within the Project. The well will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	1,796,939	1,694,896	-	-	1,527,610	-
3. ***Water Production Well #9*** - Installed to supplement existing groundwater supplies needed to meet water demands for the City pressure zones 4, 5, 6, and 7 within the Project. Drilling of the well, well development and aquifer testing was performed outside of the CFD by Vistancia LLC. The second phase (performed by the CFD) is for equipping the well site including: new well vertical turbine pump, discharge piping and accessories, electrical power supply and radio telemetry.	1,110,856	1,181,824	-	-	1,278,470	

Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
4. ***Lone Mountain Road Water Line Design and ROW Acquisition*** – The design and right–of-way acquisition for the equivalent of a 16" water line (LMW Obligated Party's pro-rata share) in the ROW of Lone Mountain Road from Loop 303 east to Lake Pleasant Parkway. *This project is part of the New Infrastructure and is related to Development Agreement requirements revised in May of 2012. Estimates above are less than total anticipated costs, balance of improvement costs to be funded through other sources.* *This project is anticipated to be designed and built as part of a joint development Agreement involving the City of Peoria and other neighboring land owners. Funds of the District will only be for the pro rata share of the District.*	-	$1,596,233	-	-	-	$400,000
5. ***Jomax Road Section 36 Off-Site Sewer*** - Right of way acquisition for, and construction of, a sewer line through Section 36 that will serve areas of Village D of the Property. *This project has been adjusted to remove the installation of a parallel line (see above).*	$1,523,280	2,052,764	-	-	$2,107,439	-
6. ***SDB Lawsuit Settlement*** - Settlement costs of a lawsuit with original general contractor who was released from construction of Jomax Water Treatment Facility. *This project has been added to include settlement costs not previously anticipated.*	-	-	-	-	1,800,000	

Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
7. ***Treatment Costs of City Water*** **–** A payment to the City ($1 million) for constructing or acquiring the means to treat the City Water allocated to the Property. The capacity will be sufficient to treat that amount of City Water needed to serve the final portion of the projected annual water demand for the Property. *This project is part of the New Infrastructure and is related to requirements revised in May of 2012.*	-	$1,000,000	-	-	-	$1,000,000
8. ***Vistancia Blvd Lift Station*** **–** Regional lift station to convey wastewater from North of the CAP Canal to gravity sewer in Vistancia Blvd located south of the CAP Canal. Include concrete wet well, submersible pumps, pretreatment grinder, odor control system, discharge piping, electrical service and remote telemetry, standby power generator, & other misc. site improvements. The lift station is planned to be oversized to accommodate offsite flows, District will only be responsible for the Vistancia' s prorated share. *Total facility costs higher than shown herein. District to construct facility, with oversize reimbursements adjusting cost down after completion.*	-	-	-	-	$188,734	
9. ***Zone 6/7 Pump Station Modifications*** –. Modify and convert the existing Zone 5 pumps and hydropneumatic tank at the Zone 5/6 Reservoir and Pump Station Site to serve the City's Pressure Zone 7. *This project is part of the New Infrastructure.*	423,280	934,698	-	-	-	645,000

Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
10. ***Water Zone 7/8 Reservoir and Water Zone 8 Pump Station*** - Provide water storage for City pressure zones 7 and 8. Includes one 1.0 MG circular pre-stressed concrete reservoir, one booster pump station and hydropneumatic tank for pressure zone 8, one approximately 2,500 sq. ft. building to house all mechanical and electrical equipment (excluding hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment and radio telemetry; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping.	$8,243,280	$8,243,280	-	-	$317,481	-
11. ***Westland Road Reservoir and Pump Stations (Parcel F9)*** – Components for this site would consist of one 0.75 million gallon ("MG") steel storage reservoir, three booster pump stations and hydropneumatic tanks to serve City pressure zones 5, 6, and 7 within the District, one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, landscaping, and other miscellaneous site work. Project will be developed in two phases: Design of the facility; and construction of the facility. *This project is part of the New Infrastructure and is related to requirements revised in May of 2012.* *This project is anticipated to be designed and built as part of a joint development agreement involving the City of Peoria and other neighboring land owners. Amount here will only be for the pro rata share of District.*	-	3,130,000	-	-	-	2,500,000

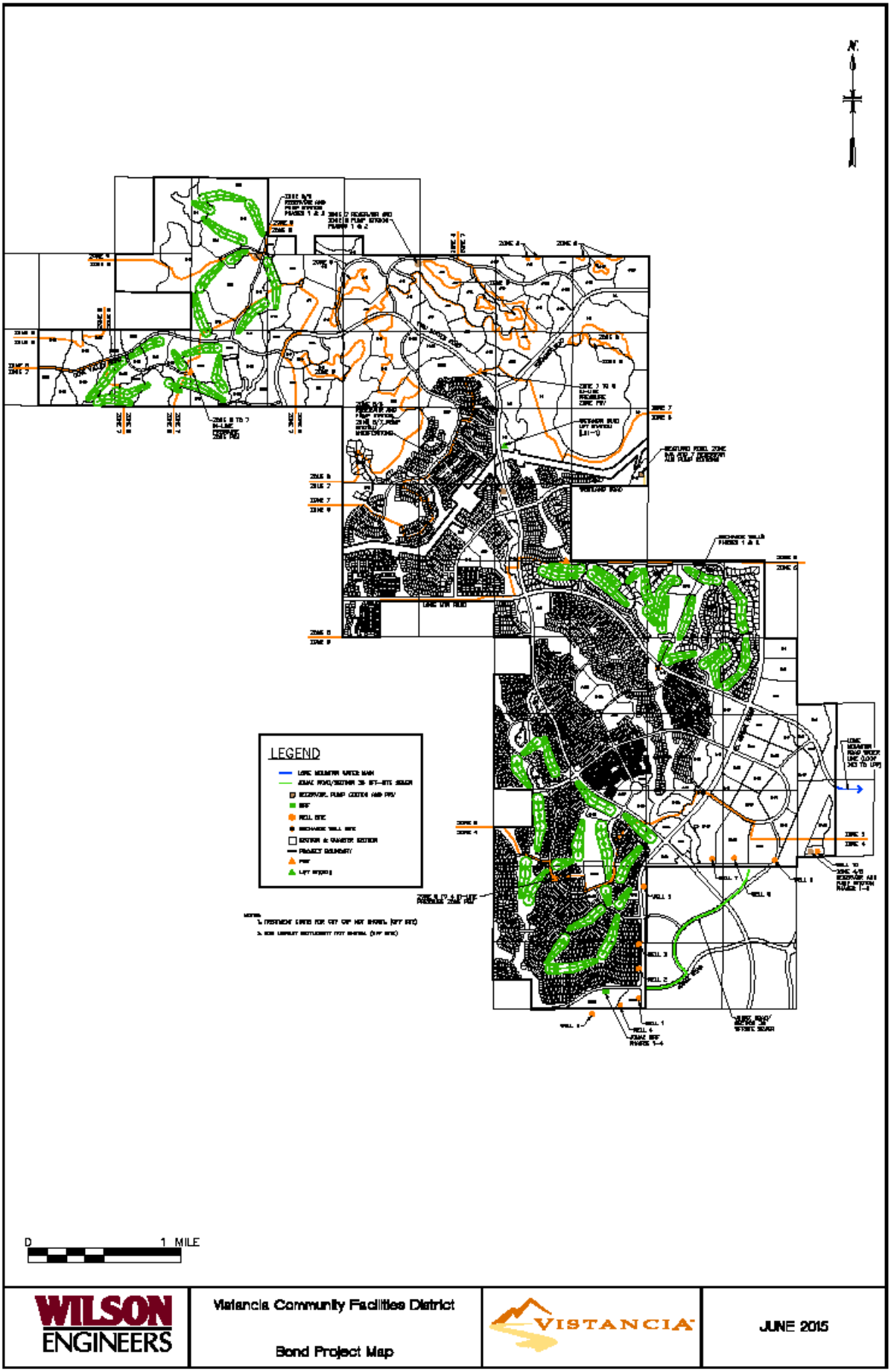
Series 2006 Bonds Project Descriptions (continued)	Original Engineer's Estimate	Revised Estimate	Paid By Series 2002 Bonds	Paid By Series 2005 Bonds	Paid By Series 2006 Bonds	To be Paid By Series 2006 Bonds
Total Estimated Costs Series 2006 Bonds Projects	**$16,141,052**	**$23,145,598**	**$0**	**$0**	**$15,465,983**	**$4,545,000**
Grand Total	**$51,866,583**	**$68,464,832**	**$18,433,095**	**$20,411,048**	**$15,465,983**	**$4,545,000**

Total From All Bonds
$58,855,126

SECTION THREE

MAP SHOWING
DISTRICT BOUNDARIES, LOCATION OF PUBLIC INFRASTRUCTURE AND AREA TO BE BENEFITED

See map on following page.



A larger version of this map is available upon request

SECTION FOUR

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

Listed below are dates and anticipated dates for completion of the Public Infrastructure. Upon completion, the District has or will dedicate or otherwise transfer all portions of the Public Infrastructure to the City, and, as such, there will be no costs borne by the District to operate and maintain the same.

Series 2002 Bonds Project Descriptions	Estimated or Actual Start Date	Estimated or Actual Completion Date
1. ***Jomax Water Reclamation Facility Phase 1*** **-** Construction activities include the majority of the ultimate facility's site work and a small batch reactor treatment process to 0.75 million gallons per day ("MGD"). In addition, this phase of construction includes many components required to increase plant capacity to 1.5 MGD.	March 2002	Completed
2. ***Water Zone 4/5 Reservoir Site*** - Components included at this site are a 1.5 million gallon storage reservoir, two booster pump stations to serve City pressure zones 4 and 5 within the District, site work and necessary water treatment components.	May 2002	Completed
3. ***Water Production Wells #5 and #8*** - This project consists of two phases. The first phase construction includes the drilling of the wells, well development and aquifer testing. The second phase of the project is recovery pump, site work, etc.	July 2002	Completed
4. ***Water Production Well #10*** - This project consists of two phases. The first phase construction includes the drilling of the well, well development, and aquifer testing. The second phase of the project is recovery pump, site work, etc.	May 2002	Completed
5. ***Water and Wastewater Program Management*** - This project consists of development and refinement of the water and wastewater master plan for the Project. There are no construction activities in this project.	March 2003	Completed

Series 2005 Bonds Project Descriptions	Estimated or Actual Start Date	Estimated or Actual Completion Date
1. ***Water Zone 5/6 Pump Station and Reservoir*** - The project will provide storage for City pressure zones 5 and 6 within the Project will consist of one 2.5 MG circular pre-stressed concrete reservoir, two booster pump stations (one for each pressure zone); one 3000 sq. ft. building to house all mechanical and electrical equipment (excluding the hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping.	March 2004	Completed
2. ***Water Production Well #2*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	March 2004	Completed
3. ***Water Production Well #6*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well will be further equipped with remote gas-based chlorine disinfection systems.	May 2004	Completed
4. ***Water Production Wells #3 and #7*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for District. This project will consist of two phases, the first phase of construction includes drilling of the well, well development and aquifer testing. The second phase is for equipping the wells sites with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry and other miscellaneous site work.	Feb 2005	Completed
5. ***Outfitting of Water Production Well #1*** - This project will be installed to supplement existing groundwater supplies needed to meet water demands for City pressure zones 4, 5 and 6 within the Project. The wells will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry. This well will be further equipped with remote gas-based chlorine disinfection systems. A standby power generator will also be provided.	Jan 2005	Completed
6. ***Jomax Water Treatment Facility Expansion*** - This project will expand the existing plant treatment capacity of 1.5 MGD. Major modifications included as part of the expansion will be as follows: converting the sequencing batch reactors to extended aeration, adding clarifier number 2, adding a clarifier drain pump station, adding a belt filter in solids handling building and modifying existing pump capacity where needed.	April 2005	Completed
7. ***Recharge Wells Phase 1*** - Pilot project to recharge surplus treated effluent into the water aquifer. This will be needed as the Project develops and the supply of effluent exceeds demands (typically in winter months). This will allow the Project to recover the surplus water at a later date when demand exceeds supply of the effluent (typically in the summer months).	March 2005	Completed

Series 2006 Bonds Project Descriptions	Estimated or Actual Start Date	Estimated or Actual Completion Date
1. ***Water Zone 4/5 Water Reservoir Site Phase 2*** - Provide additional storage capacity for City pressure zones 4 and 5. The expansion will consist of adding one 2.5 million gallon ("MG") circular steel reservoir to the existing site. In addition, the necessary supply and discharge piping to connect the reservoir with the existing facility will be provided.	March 2007	Completed
2. ***Water Production Well #4*** - Installed to supplement existing groundwater supplies needed to meet water demands the City pressure zones 4, 5, 6, and 7 within the Project. The well will be equipped with vertical turbine pumps, discharge piping and accessories, electrical power supply and radio telemetry.	Sept 2006	Completed
3. ***Water Production Well #9*** - Installed to supplement existing groundwater supplies needed to meet water demands for the District. Drilling of the well, well development and aquifer testing was performed outside of the CFD by Vistancia LLC. The second phase (performed by the CFD) is for equipping the well site including: new well vertical turbine pump, discharge piping, electrical power supply and radio telemetry, other miscellaneous site work.	Sept 2006	Completed
4. ***Lone Mountain Road Water Line Design and ROW Acquisition*** - The design and right–of-way acquisition for the equivalent of a 16" water line (LMW Obligated Party's pro-rata share) in the ROW of Lone Mountain Road from Loop 303 east to Lake Pleasant Parkway. *[Schedule above reflects completion of all design and right of way acquisition. District is expected to fund the expense through a joint development agreement in July 2015]*	Sept 2013	Dec 2016
5. ***Section 36 Off-Site Sewer*** - Right of way acquisition for, and construction of, a sewer line through Section 36 that will serve areas of Village D of the Property.	Jan 2013	June 2015
6. ***SDB Lawsuit Settlement*** - Settlement costs of a lawsuit with original general contractor who was released from construction of Jomax Water Treatment Facility.	Aug 2009	Completed
7. ***Treatment Costs of City Water*** - A payment to the City ($1 million) for constructing or acquiring the means to treat the City Water allocated to the Property. The capacity will be sufficient to treat that amount of City Water needed to serve the final portion of the projected annual water demand for the Property.	2016	2016
8. ***Vistancia Blvd Lift Station*** - Regional lift station to convey wastewater from North of the CAP Canal to gravity sewer in Vistancia Blvd located south of the CAP Canal. Include concrete wet well, submersible pumps, pretreatment grinder, odor control system, discharge piping, electrical service and remote telemetry, standby power generator, & other misc. site improvements. The lift station is planned to be oversized to accommodate offsite flows, District will only be responsible for the Vistancia' s prorated share.	March 2016	Dec 2016
9. ***Zone 6/7 Pump Station Modifications*** – Modify and convert the existing Zone 5 pumps and hydropneumatic tank at the Zone 5/6 Reservoir and Pump Station Site to serve the City's Pressure Zone 7.	Jan 2016	July 2016

Series 2006 Bonds Project Descriptions (continued)	Estimated or Actual Start Date	Estimated or Actual Completion Date
10. ***Water Zone 7/8 Reservoir and Pump Station (Phase 1 - Reservoir Design Only)*** **-** Provide water storage for City pressure zones 7 and 8. Includes one 1.0 MG circular pre-stressed concrete reservoir, one booster pump station and hydropneumatic tank for pressure zone 8, one approximately 2,500 sq. ft. building to house all mechanical and electrical equipment (excluding hydropneumatic tanks); one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment and radio telemetry; one standby power generator; instrumentation and pump controls, perimeter wall, and landscaping. *[Proceeds of the Bonds were used for the partial design of this site/station. Further design work and construction is anticipated to be funded through future bond issuances]*	Nov 2012	2018
11. ***Westland Road Reservoir and Pump Stations (Design and Construction)*** **-** Components for this site would consist of one 0.75 million gallon ("MG") steel storage reservoir, three booster pump stations and hydropneumatic tanks to serve City pressure zones 5, 6, and 7 within the District, one gas-based chlorine disinfection system for the reservoir; electrical power supply equipment; one standby power generator; instrumentation and pump controls, perimeter wall, landscaping, and other miscellaneous site work. Project will be developed in two phases: Design of the facility; and construction of the facility. *[Schedule above reflects completion of the entire facility. District is expected to fund the expense through a joint development agreement in the fourth quarter of 20015]*	Nov 2012	Dec 2016

SECTION FIVE

PLAN OF FINANCE

The construction and/or acquisition of the Public Infrastructure has been financed by the District with proceeds of the sale of the Bonds. Approximately $4,545,000 of the remaining proceeds of the sale of the Series 2006 Bonds will be applied as described under the heading "To Be Paid By Series 2006 Bonds" in Section Two which includes amounts for the New Infrastructure. (The remaining unspent proceeds of the Series 2006 Bonds (approximately $2,200,000) will be used as a source of funds to refund all the remaining outstanding amount of the Bonds.)

APPENDIX A

LEGAL DESCRIPTION

Area A1:
Those portions of Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

Sections 23, 24, 25, 26, and 35;

Together with those portions of Township 5 North, Range 1 East, of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

Lots 1, 2, 3, and 4 of Section 30.

EXCEPTING THEREFROM:

Parcel A1:
The Northwest quarter of the Southwest quarter of Section 23; Lots 1 and 2 of Section 24, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

The Northwest quarter of the Southwest quarter of Section 26; and Lot 1 of Section 35, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

Any portion of the Beardsley Canal, situated within Lot 4 of Section 35, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona

Parcel A2:
The Southwest quarter of the Southwest quarter of the Southwest quarter, Section 3, Township 5 North, Range 1 East, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A3:
The Southwest quarter; the Southwest quarter of the Southwest quarter of the Southeast quarter; the West half of the Southeast quarter of the Southwest quarter of the Southeast quarter; the East half of the Southwest Quarter of the Southeast quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 4, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A4:
The East half of the Southeast quarter of Section 5, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A6:
The North half of the Northeast quarter; the Southeast quarter; the Southwest quarter of Section 8, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A7:
All of Section 9, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A8:
All of Section 10, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A9:
All of Section 11, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A10:
Lots 1-10 Inclusive; the Northwest quarter of the Northeast quarter; the North Half of the Northwest quarter; the Northeast quarter of the Southwest quarter; and the South half of the Southwest quarter of Section 14, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A11:
Lots 1-10 inclusive; the North half of the Northeast quarter; the Southwest quarter of the Northeast quarter; the Northwest quarter; and the North half of the Southwest quarter of Section 15, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A12:
The North half of the North half; and the Southwest quarter of the Northwest quarter of Section 22, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

EXCEPTING THEREFROM:
Any portion of the Central Arizona Project Canal situated within Sections 14 and 15, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona:

Said Descriptions for parcels A1 through A12 contains 6940.0824 acres, more or less.

The basis of bearing for the subject parcel is N 89°55’32”W for a line between GDACS Control Station 1ICI to Control Station 1IAI.

DRAFT
11/15/12
04/29/15
05/05/15
06/22/15

When recorded, return to:

Michael Cafiso, Esq.
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

THIRD AMENDMENT
TO
DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND
INTERGOVERNMENTAL AGREEMENT
(VISTANCIA COMMUNITY FACILITIES DISTRICT)

THIS THIRD AMENDMENT, dated as of _____ 1, 2015 (hereinafter referred to as this "*Amendment*"), TO THE DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (VISTANCIA COMMUNITY FACILITIES DISTRICT), dated as of October 1, 2002, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of April 1, 2005, and the Second Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of December 1, 2006, by and among Vistancia Community Facilities District, a community facilities district formed by the City of Peoria, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"); Vistancia Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State

of Delaware, on behalf of itself and Vistancia North, LLC, Vistancia Village H, LLC, Vistancia Clementine, LLC, Vistancia Mystic, LLC, Vistancia South, LLC, Vistancia 150 Commercial, LLC and Vistancia 580 Commercial, LLC (hereinafter referred to as "*Vistancia*"); J.F. Shea Co., Inc. a corporation duly incorporated and validly existing pursuant to the laws of the State of Nevada (hereinafter referred to as "*Shea*"); Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California (hereinafter referred to as "*Shea Homes*") and SLF III - Vistancia, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Texas (hereinafter referred to as "*Stratford*");

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, the City of Peoria, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"), the District and certain entities which at various times have had an interest in real property within the boundaries of the District entered into a District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District, dated as of October 1, 2002, as amended by a First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of April 1, 2005, and a Second Amendment to District

Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of December 1, 2006 (hereinafter, as so amended, referred to as the "*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 and subsequent reimbursements or repayments over time; and

WHEREAS, with regard to the real property described in the Exhibit hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District, the Municipality, the District and certain of such entities specified some of such matters in the Agreement, particularly matters relating to the construction or acquisition of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of certain of such entities with respect thereto, all pursuant to the Act, such public infrastructure being necessary for Vistancia to develop the Property prior to the time at which the District can itself pay for the construction or acquisition thereof; and

WHEREAS, the Agreement, including as amended by this Amendment, 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 the Agreement and on the date this Amendment was and is, respectively, executed;

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 that:

Section 1. Sunbelt and Vistancia (as those entities are identified in the Agreement) shall be released from and shall no longer be bound by the Agreement from an after the date hereof. Shea Homes, Vistancia Holdings and Stratford shall be bound by the terms of the Agreement from and after the date hereof, jointly and severally with Shea, whenever, pursuant to the Agreement, Vistancia, Sunbelt and Shea are so bound. All notices, certificates or other communications under the Agreement (including in the Exhibits thereto) 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 to Shea Homes at the same address as Shea and to Vistancia Holdings and Stratford at Stratford Land, 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Peter Field, with a copy to Hudnall P.C., 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Matthew N. Hudnall, Esq. Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 2. (a) The following is added as a new Article to the Agreement immediately following ARTICLE III:

ARTICLE IIIA

Section 3A.1. (a) Projects not constructed pursuant to Article II or III and described in this Article ("Joint Projects") shall be undertaken by the Municipality and Vistancia Holdings (or a related entity including, but not limited to, a Landowner LLC (as hereinafter defined)) pursuant to a joint development or similar agreement entered into by the Municipality and Vistancia Holdings (or such related entity) (which joint development or other agreement may include other third parties as parties thereto) (hereinafter referred to as a "Joint Development Agreement") in a fashion which allows for development of the Property to proceed in accordance with the terms of, and the timing provided by, the Land Development Agreement. (Underlying ownership of the Joint Projects or necessary interests therein shall be determined to the satisfaction of the District Treasurer and documented to the satisfaction of District Counsel.) As used herein, "*Landowner LLC*") means an entity related to Vistancia Holdings that owns land within the Property (it being acknowledged that the Landowner LLCs currently consist of Vistancia North, LLC; Vistancia South, LLC; Vistancia 150 Commercial, LLC; Vistancia 580 Commercial, LLC; Vistancia Village H, LLC; Vistancia Clementine, LLC; and Vistancia Mystic, LLC).

(b) (i) The construction of the Joint Projects shall be bid pursuant to the provisions of Title

34, Chapter 2, Article 1, Arizona Revised Statutes. (Compliance with such requirements with respect to a Joint Project shall be evidenced by a Certificate of the Engineers.)

(ii) The District shall not bear any risks, liabilities, obligations or responsibilities under any construction contract for, or risk of loss of or damage to, any Joint Project (or any part thereof) occurring prior to the time of acquisition of such Joint Project (or part thereof) pursuant to Article IV.

(iii) An indication of final payment and contract closeout shall be provided to the District Treasurer before any acquisition pursuant to Article IV. If any liens are placed on any portion of a Joint Project or if litigation ensues with respect to a Joint Project, the District shall not acquire the Joint Project or any portion thereof until such liens are removed or such litigation is resolved.

(iv) The Segment Price for a Joint Project shall be determined based upon the proportionate share of cost allocated to Vistancia Holdings (or its related entity that executes the Joint Development Agreement) pursuant to the terms of such Joint Development Agreement.

; the following is added after existing numbered sentence 5 to Exhibit "D" of the Agreement in connection therewith:

[*For Joint Projects*]

1. The Segment Price (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) as publicly bid and including the cost of approved change orders for the Segment indicated above is $.....

2. 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) were complied with for such Segment.

3. All construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment have been filed with the Municipality.

4. Good and sufficient performance and payment bonds were obtained in connection with the construction contract for such Segment.

and the paragraph and footnotes after "[Insert description of Acquisition Project/Segment]" in Exhibit "D" of the Agreement are deleted in their entirety and replaced with the following in connection therewith:

together with any and all benefits, including warranties and performance and payment bonds[, under the Project Construction Contract (as such term is defined in such Development Agreement) or relating thereto]**, all of which are or shall be located within 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 amounts described in such Development Agreement*], but subject to all taxes and other

assessments, reservations in patents, and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, leases, and liabilities or other matters as set forth on Exhibit I hereto.

---

* Insert with respect to any acquisition financed pursuant to Section 4.1(a) hereof.

** Delete with respect to Joint Projects.

(b) Section 6.3 of the Agreement is deleted in its entirety and replaced with the following:

> Other than (1) this Agreement, (2) the Bonds, (3) any refundings bonds issued pursuant to the Act so long as the related refunding results in a present value debt service savings, net of costs associated with such refunding bonds, of at least three percent (3%) and (4) any obligations necessary in connection with any of foregoing, the District shall not incur, or otherwise become obligated with respect to, any other obligations.

and the following is added as a new section of the Agreement immediately following Section 6.3:

> Section 6.4. Pursuant to Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts (as adopted on May 6, 2014), of the Municipality and the Act, assessment bonds and revenue bonds may also be issued in addition to the Bonds, pursuant to Article 5, Section 5.3 of such Guidelines and Procedures, the general obligation bond authorization for the

District shall expire on November 12, 2027, to the extent the District can agree pursuant to applicable law.

Section 3. Exhibit "B" to the Agreement is hereby replaced for all purposes with the Public Infrastructure defined by the Feasibility Report Amending and Restating in Applicable Parts Feasibility Reports for the Issuance of All Vistancia Community Facilities District (Peoria, Arizona) General Obligation Bonds.

Section 4. The provisions of the Agreement are otherwise hereby ratified and confirmed in all respects, in particular the indemnification provided by Article VIII thereof being effective in all respects as it relates to this Amendment.

Section 5. This Amendment shall be binding upon and shall inure to the benefit of the parties to this Amendment 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 Amendment, which consent shall not be unreasonably withheld.

Section 6. 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 Amendment.

Section 7. This Amendment sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Amendment is executed and cannot be altered or otherwise

amended except pursuant to an instrument in writing signed by each of the parties hereto. This Amendment 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 8. This Amendment shall be governed by and interpreted in accordance with the laws of the State of Arizona.

Section 9. The waiver by any party hereto of any right granted to it under this Amendment shall not be deemed to be a waiver of any other right granted in this Amendment 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 Amendment.

Section 10. This Amendment 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 11. (a) Pursuant to Section 38-511, Arizona Revised Statutes, the District may, within three years after its execution, cancel this Amendment, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Amendment on behalf of the District is, at any time while this Amendment is in effect, an employee or agent of Shea, Shea Homes, Vistancia Holdings or Stratford in any capacity or a consultant to any other party of this Amendment with respect to the subject matter of this Amendment and may recoup any fee or commission paid or due any person significantly involved in

initiating, negotiating, securing, drafting or creating this Amendment on behalf of the District from Shea, Shea Homes, Vistancia Holdings or Stratford arising as the result of this Amendment. Shea, Shea Homes, Vistancia Holdings or Stratford have 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 Shea, Shea Homes, Vistancia Holdings or Stratford in any capacity or a consultant to any party to this Amendment with respect to the subject matter of this Amendment.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, Shea, Shea Homes, Vistancia Holdings and Stratford shall comply with all federal immigration laws and regulations that relate to their employees and their compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by any of them of the foregoing shall be deemed a material breach of this Amendment and may result in termination as this Amendment relates to the offender. The District retains the legal right to randomly inspect the papers and records of Shea, Shea Homes, Vistancia Holdings and Stratford to ensure that they are complying with the above-mentioned warranty. Shea, Shea Homes, Vistancia Holdings and Stratford shall keep such papers and records open for random inspection during normal business hours by the District. Shea, Shea Homes, Vistancia Holdings and Stratford shall cooperate with the random inspections by the District including granting the District entry rights onto their property to perform such random inspections and waiving their respective rights to keep such

papers and records confidential in connection with such inspections. The District shall keep such papers and records confidential, except to the extent that disclosure may be required pursuant to applicable law.

Section 12. The term of this Amendment shall be as of the date of the execution and delivery of the Agreement by each of the parties thereto and shall expire upon the earlier of the agreement of the District, the Municipality, Shea, Shea Homes, Vistancia Holdings and Stratford to the termination of the Agreement, October 1, 2052, and the date on which all of the Bonds (as such term is defined in the Agreement) are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 13. If any provision of this Amendment 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 14. No later than ten (10) days after this Amendment is executed and delivered by each of the parties hereto, Vistancia Holdings shall on behalf of the District record a copy of this Amendment with the County Recorder of Maricopa County, Arizona.

Section 15. Unless otherwise expressly provided, the agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

* * *

IN WITNESS WHEREOF, the officers of the District have duly affixed their signatures and attestations, and the officers of Vistancia, Sunbelt, Shea Homes and Stratford their signatures, all as of the day and year first written above.

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
Brent Mattingly, District Chief Financial Officer

ATTEST:

.....
Rhonda Geriminsky, District Clerk

SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership

By: J.F. Shea, LP, a Delaware limited partnership, its General Partner

By: JFS Management, L.P., a Delaware limited partnership, its General Partner

By: J.F. Shea Construction Management, Inc., a California corporation, its General Partner

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

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

J.F. SHEA CO. INC., a Nevada corporation

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

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

VISTANCIA LAND HOLDINGS, LLC, a Delaware limited liability company

By: SLF III - Vistancia, LLC, a Texas limited liability company, its sole and managing member

By: Stratford Land Fund, III, L.P., an Delaware limited partnership, its sole and managing member

By: Stratford Fund III GP, LLC, a Texas limited liability company, its General Partner

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

SLF III - VISTANCIA, LLC, a Texas limited liability company

By: Stratford Land Fund III, L.P., a Delaware limited partnership, its sole and managing member

By: Stratford Fund III GP, LLC, a Texas limited liability company, its General Partner

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

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ..... day of ....., 2015, by Brent Mattingly, as District Chief Financial Officer of Vistancia Community Facilities District, an Arizona community facilities district.

.....
Notary Public

My commission expires:

.....

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

On this day, personally appeared before me ...., as ....., and ...., as ..... of J.F. Shea Construction Management, Inc., a California corporation, the General Partner in JFS Management, L.P., a Delaware limited partnership, the General Partner in J.F. Shea, LP, a Delaware limited partnership, the General Partner in Shea Homes Limited Partnership, a California limited partnership, who are known to me to be the persona whose names are 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 ....., 2015.

.....
Notary Public

My commission expires:

.....

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

On this day, personally appeared before me ...., as ....., and ...., as ..... of J.F. Shea Co., Inc., a Nevada corporation, 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 ....., 2015.

.....
Notary Public

My commission expires:

.....

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

On this day, personally appeared before me ...., as ..... of Stratford Fund III GP, LLC, a Texas limited liability company, the General Partner in Stratford Land Fund III, L.P., a Delaware limited partnership, the sole and managing member in SLF III - Vistancia, LLC, a Texas limited liability company, the sole and managing member in Vistancia Land Holdings, LLC, a Delaware limited liability company, 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 ....., 2015.

.....
Notary Public

My commission expires:

.....

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

On this day, personally appeared before me ...., as ..... of Stratford Fund III GP, LLC, a Texas limited liability company, the General Partner in Stratford Land Fund III, L.P., a Delaware limited partnership, the sole and managing member in SLF III – Vistancia, LLC, a Texas limited liability company, 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 ....., 2015.

.....
Notary Public

My commission expires:

.....

ATTACHMENTS:

EXHIBIT -- Legal Description Of Property To Be Included In The District

EXHIBIT

LEGAL DESCRIPTION OF PROPERTY INCLUDED IN THE DISTRICT

Area A1:
Those portions of Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona described as follows:

Sections 23, 24, 25, 26, and 35;

Together with those portions of Township 5 North, Range 1 East, of the Gila and Salt River
Meridian, Maricopa County, Arizona described as follows:

Lots 1, 2, 3, and 4 of Section 30.

EXCEPTING THEREFROM :

Parcel A1:
The Northwest quarter of the Southwest quarter of Section 23; Lots 1 and 2 of Section 24, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona;

The Northwest quarter of the Southwest quarter of Section 26; and Lot 1 of Section 35, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona.

Any portion of the Beardsley Canal, situated within Lot 4 of Section 35, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona

Parcel A2:
The Southwest quarter of the Southwest quarter of the Southwest quarter, Section 3, Township 5 North, Range 1 East, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A3:
The Southwest quarter; the Southwest quarter of the Southwest quarter of the Southeast quarter; the West half of the Southeast quarter of the Southwest quarter of the Southeast quarter; the East half of the Southwest Quarter of the Southeast quarter of the Southeast quarter; and the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 4, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A4:
The East half of the Southeast quarter of Section 5, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A6:
The North half of the Northeast quarter; the Southeast quarter; the Southwest quarter of Section 8, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A7:
All of Section 9, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A8:
All of Section 10, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A9:
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Lots 1-10 Inclusive; the Northwest quarter of the Northeast quarter; the North Half of the Northwest quarter; the Northeast quarter of the Southwest quarter; and the South half of the Southwest quarter of Section 14, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A11:
Lots 1-10 inclusive; the North half of the Northeast quarter; the Southwest quarter of the Northeast quarter; the Northwest quarter; and the North half of the Southwest quarter of Section 15, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

Parcel A12:
The North half of the North half; and the Southwest quarter of the Northwest quarter of Section 22, Township 5 North, Range 1 West, of the Gila and Salt River Meridian, Maricopa County, Arizona.

EXCEPTING THEREFROM:
Any portion of the Central Arizona Project Canal situated within Sections 14 and 15, Township 5 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona:

Said Descriptions for parcels A1 through A12 contains **6940.0824 acres**, more or less.

The basis of bearing for the subject parcel is N 89°55'32"W for a line between GDACS Control Station 1ICI to Control Station 1IAI.

SQUIRE DRAFT 06/22/2015

BOND PURCHASE AGREEMENT

$_____
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015

_____, 2015

District Board
Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345
Attention: District Chief Financial Officer

Upon the terms and conditions hereof and in reliance on the representations, warranties and covenants contained herein and in any certificates or other documents delivered pursuant hereto, Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), hereby offers to enter into the following agreement with Vistancia Community Facilities District (the "District"), which, upon the acceptance hereof by the District, shall be binding upon the District and the Underwriter. The offer made hereby is made subject to the written acceptance of this Bond Purchase Agreement (hereinafter referred to as this "Purchase Agreement") by the District on or before 11:59 P.M., Arizona time, on the date indicated hereinabove, and, if not so accepted, shall be subject to withdrawal by the Underwriter upon notice delivered to the District at any time after such time and prior to the acceptance of this Purchase Agreement by the District. The District also hereby acknowledges that Greenberg Traurig, LLP, "Bond Counsel," represents the Underwriter in other transactions and, from time to time, may provide general legal services to the Underwriter and hereby waives any conflict of interest that may exist as a result of such representation. Capitalized terms used and not defined herein shall have the meanings assigned to them in the hereinafter-defined Official Statement.

In addition to acceptance of this Purchase Agreement by the District, as provided above, the obligations of the Underwriter under this Purchase Agreement shall be conditioned on receipt of a fully-executed Indemnity Letter, dated the date hereof, from each of Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California ("Shea Homes"), SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia"), and Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer"), on behalf of itself and Vistancia North LLC, Vistancia Village H LLC, Vistancia Clemente LLC, Vistancia Mystic LLC, Vistancia South LLC, Vistancia Commercial 150 LLC and Vistancia Commercial 580 LLC (each an "Indemnity

Letter" and, collectively, the "Indemnity Letters"), the forms of which are attached hereto as Attachment I, Attachment II, Attachment III, and Attachment IV respectively.

1. (a) The Underwriter shall purchase from the District, and the District shall sell to the Underwriter, all (but not less than all) of the $_____ aggregate principal amount of "Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015" (hereinafter referred to as the "Bonds"). The Bonds shall be as described in, and shall be issued and secured under the provisions of, Series 2015 Indenture of Trust and Security Agreement, dated as of July 1, 2015 (the "Indenture"), between the District and Zions First National Bank, as trustee (the "Trustee") and authorized by a resolution adopted by the District Board (the "Board") on July 7, 2015, 2015 (the "Bond Resolution"), under authority of Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act") and Title 35, Chapter 3, Article 4, Arizona Revised Statutes (the "Bond Act" and, together with the Enabling Act, the "Act"). The Underwriter has not previously made any final agreement with the District to purchase the Bonds in an offering within the meaning of the SEC Rule (as such term is hereinafter defined).

(b) The Bonds shall be dated as of the date of initial authentication and delivery thereof, and shall mature on the dates and in the amounts, be redeemable, bear interest at the rates per annum and produce the yields or prices, in each case as set forth on Schedule I hereto, such interest being payable on January 15, 2016, and semiannually thereafter on each July 1 and January 1. The Bonds shall be issued for the purpose of refunding the Bond Being Refunded, comprising all outstanding amounts of the Series 2002 Bonds, the Series 2005 Bonds and the Series 2006 Bonds of the District, which were issued to finance the costs to acquire and construct certain public infrastructure within the boundaries of the District, and to pay costs of issuance relating to the Bonds.

(c) The net purchase price for the Bonds shall be $_____ consisting of the principal amount of the Bonds, plus a net original issue premium ($_____) with respect to the Bonds less compensation for the Underwriter (which includes fees and disbursements of the hereinafter described Counsel to the Underwriter) ($_____) payable by wire transfer in immediately available funds. The date of the payment for and delivery of the Bonds (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Bonds herein sometimes called the "Closing") shall be on _____, 2015, or on such other date as may be mutually agreeable to the Underwriter and the District. [For convenience, the Underwriter shall pay by the Closing, on behalf of the District, $_____ from the proceeds of the Bonds to the Insurer (as such term is hereinafter defined) as payment of the bond insurance premium for the Policy (as such term is hereinafter defined).] The Underwriter shall also be reimbursed for its expenses as provided in Section 8. The District hereby expressly acknowledges that such purchase price if the Bonds are sold to the public at the approximate prices or yields set forth on Schedule I hereto and on the inside cover page of the Final Official Statement (as such term is hereinafter defined) shall result in remuneration to the Underwriter of $_____ which includes the fees and disbursements of Counsel to the Underwriter.

(d) (i) The purchase and sale of the Bonds pursuant to this Purchase Agreement is an "arm's-length," commercial transaction between the District and the

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

2. (a) The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices (or not less than the yields) set forth on Schedule I hereto and on the cover page of the Final Official Statement of the District relating to the Bonds, dated even date herewith (including all appendices thereto, hereinafter referred to as the "Final Official Statement") and may subsequently change such offering prices (or yields). The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices (or higher than the yields) set forth on Schedule I hereto and on the inside cover page of the Final Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

(b) The Underwriter agrees that the Bonds shall not be offered to produce a net premium that exceeds the sum of the following: (i) an amount not to exceed 5% of the principal amount of the Bonds, (ii) the amount equal to the difference between the amount required to fund the Escrow Trust (as hereinafter defined) and the par amount of the Bonds Being Refunded and (iii) the amount equal to the costs incurred in issuing the Bonds (hereinafter referred to as, collectively, the "Allowable Premium"). The term "net premium" means the difference between the par amount of the Bonds and the issue price of such Bonds determined pursuant to United States Treasury Regulations. The issue price of the Bonds is the aggregate of the issue price of each maturity of such Bonds. The issue price of each maturity of the Bonds is that initial offering price to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of Bonds of that maturity (at least ten percent (10%) of such maturity) are reasonably expected to be sold. The issue price of Bonds for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Underwriter acknowledges that the Bonds cannot lawfully be re-offered at net premiums in excess of the Allowable Premium and that in the event so offered the Bonds shall not be delivered at the Closing.

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

(d) The undersigned, on behalf of the Underwriter, but not individually, hereby represents and warrants:

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

(ii) this Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the District, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Purchase Agreement may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (hereinafter referred to as, collectively, "Creditors' Rights Laws"); and

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

3. (a) By all necessary official action of the District prior to or concurrently with the acceptance hereof, the District has duly authorized and approved the distribution and use by the Underwriter of the Preliminary Official Statement of the District relating to the Bonds, dated _____, 2015 (including all appendices thereto, hereinafter referred to as the "Preliminary Official Statement" and, together with the Final Official Statement, hereinafter referred to as, collectively, the "Official Statement"), and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds.

(b) The District has caused the Preliminary Official Statement to be prepared and hereby deems the Preliminary Official Statement to be "final" for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (hereinafter referred to as the "SEC Rule").

(c) (i) WHILE THE UNDERWRITER HAS PARTICIPATED AND WILL PARTICIPATE WITH THE DISTRICT IN THE PREPARATION AND ASSEMBLAGE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT, RESPECTIVELY, THE DISTRICT IS PRIMARILY RESPONSIBLE FOR THE CONTENT OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT and (ii) as of the date thereof, and at the time of

the acceptance by the District of this Purchase Agreement, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(d) The District shall provide to the Underwriter copies of the Official Statement in sufficient quantity to comply with the SEC Rule and the Rules of the Municipal Securities Rulemaking Board, particularly with respect to the Final Official Statement, within seven (7) business days after the date of this Purchase Agreement.

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

(f) The Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the District and the Underwriter.

(g) During the period ending on the 25th day after the End of the Underwriting Period (as such term is hereinafter defined) or such other period as may be agreed to by the District and the Underwriter, the District (i) shall not supplement or amend the Final Official Statement or cause the Final Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Final Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter or the District, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Final Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the date of the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Final Official Statement.

(h) For purposes of this Purchase Agreement, the "End of the Underwriting Period" is used as defined in the SEC Rule and shall occur on the later of (i) the date of the Closing or (ii) when the Underwriter no longer retains an unsold balance of the

Bonds; unless otherwise advised in writing by the Underwriter on or prior to the date of the Closing, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the date of the Closing.

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

4. (a) The undersigned on behalf of the District, but not individually, hereby represents and warrants that:

(i) the District is a community facilities district duly organized and validly existing under the Constitution and laws of the State, including the Enabling Act;

(ii) the Board has duly adopted the Bond Resolution; and the District has (A) has authorized the District Chief Financial Officer to approve and execute the Final Official Statement on behalf of the District; (B) has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations contained in, the Bonds, a written undertaking by the District to provide ongoing disclosure for the benefit of certain owners of the Bonds as required under paragraph (b)(5) of the SEC Rule, in form and substance satisfactory to the Underwriter and Counsel to the Underwriter which shall be substantially in the form set forth in the Preliminary Official Statement, with such changes as may be agreed in writing by the Underwriter (hereinafter referred to as the "Continuing Disclosure Undertaking"), the Indenture, a letter of representations, dated the date of the Closing (the "DTC Letter") by and among the District, the Trustee and The Depository Trust Company ("DTC"), the Series 2015 Standby Contribution Agreement, dated as of July 1, 2015 (the "Standby Contribution Agreement"), by and among the District, the Developer, Shea Homes, Stratford Vistancia and the Trustee, an escrow trust agreement, to be dated as of July 1, 2015 (hereinafter referred to as the "Escrow Trust Agreement") by and between the District and Zions First National Bank, as escrow trustee (the "Escrow Trustee"), the Series 2015 Depository Agreement, dated as of July 1, 2015 (the "Depository Agreement"), by and between the District and Zions First National Bank, as depository (the "Depository"), and this Purchase Agreement, and (C) has duly authorized and approved the performance of the obligations of the District contained in the Bond Resolution and the Indenture and the consummation of all other transactions contemplated by the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement, this Purchase Agreement and the Preliminary Official Statement;

(iii) the District is not in material breach of or in material default under any applicable constitutional provision, material law or administrative regulation of the state of Arizona (the "State") or the United States of America (the "United States") or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument material to its existence, operation or ability to meet its obligations as they come due to which the District is a party or to which it is otherwise subject or to which any of its property is otherwise subject because such property is property of the District;

(iv) the District is, and at the Closing shall, to the extent possible, be or shall thereafter cause itself to be, in compliance in all material respects with the Bond Resolution, the Indenture and this Purchase Agreement;

(v) the District has, and at the date of the Closing will have, full legal right, power and authority under the Bond Resolution and the Act (A) to enter into the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement and this Purchase Agreement, (B) to cause the Board of the District to adopt the Bond Resolution, (C) to deliver the Bonds to the Underwriter pursuant to the Indenture as provided herein and (D) to carry out and consummate the transactions contemplated on its part by the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement, this Purchase Agreement and the Official Statement, including the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Bonds pursuant to Section 8 hereof;

(vi) the District has made all required filings with, and has obtained all approvals, consents and orders of, any governmental authority, board, agency or commission having jurisdiction (including the Arizona Department of Revenue with respect to the requirements of Section 35-501(B), Arizona Revised Statutes) which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the District of the obligations of the District pursuant to this Purchase Agreement and pursuant to the Bonds, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement and the Bond Resolution;

(vii) the Bonds, the Bond Resolution, the Continuing Disclosure Undertaking, the Indenture, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement shall conform to the descriptions thereof to be contained in the Official Statement;

(viii) the Bonds, when issued, executed, authenticated and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, shall be validly issued and outstanding ad valorem tax obligations of the District, entitled to the benefits of the Constitution and laws of the State, and the Bond Resolution, and all actions necessary to create a legal, valid and binding levy on all of the taxable property in the District of a direct, annual, ad valorem tax, unlimited as to amount

or rate, sufficient to pay all the principal of and interest on the Bonds as the same become due; provided, however, that the total aggregate of taxes levied to pay the principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the bonds being refunded with proceeds of the sale of the Bonds Being Refunded from the date of issuance of the Bonds to the final maturity date of the Bonds Being Refunded, shall have been or shall be taken to the extent such action may be taken at or prior to the Closing;

(ix) the adoption of the Bond Resolution and the execution and delivery of the Bonds, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement and this Purchase Agreement, and the compliance with the provisions of each, shall not conflict with or constitute a material breach of or default pursuant to any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the District is a party or to which the District is otherwise subject or to which any of the property of the District is otherwise subject because such property is property of the District;

(x) this Purchase Agreement constitutes a legal, valid and binding obligation of the District enforceable in accordance with its terms; the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement, when duly executed and delivered, will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms; and the Bonds, when issued, authenticated and delivered in accordance with the Bond Resolution and the Indenture and sold to the Underwriter as provided herein, will be the legal, valid and binding obligations of the District enforceable in accordance with their terms; in all cases, except as the enforceability of this Purchase Agreement, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement and the Bonds may be limited by Creditors' Rights Laws;

(xi) except as otherwise described in the Official Statement, there is neither any action, suit, proceeding, inquiry or investigation by or before any court, governmental agency, public board or body, pending, nor is there any basis therefor, (A) in any way affecting the powers of the District, the existence of the District or the title to office of any of the officials of the District, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the collection of the taxes levied or to be levied to pay the principal of and interest on the Bonds or the levy thereof, (C) in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement or this Purchase Agreement, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement, (E) contesting the power of the District or the authority of the District with respect to the Bonds, the Bond Resolution, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the

Depository Agreement or this Purchase Agreement, (F) questioning the status of the exclusion of interest on the Bonds from gross income for federal income taxation, or (G) wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the District or would result in any material adverse change in the ability of the District to pay debt service on the Bonds;

(xii) except as otherwise disclosed in the Official Statement, the District has been during the previous five years and is currently in compliance with continuing disclosure undertakings which the District has entered into pursuant to paragraph (b)(5) of the SEC Rule, if any; and

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

(b) The District hereby agrees with the Underwriter that:

(i) unless the Final Official Statement is amended or supplemented pursuant to Section 3(g) hereof, at the time of the acceptance by the District of this Purchase Agreement and at all times subsequent thereto, up to and including the End of the Underwriting Period, the Final Official Statement (including the financial and statistical data included therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) if the Final Official Statement is amended or supplemented pursuant to Section 3(g) hereof, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the date of the End of the Underwriting Period (unless the Final Official Statement is further amended or supplemented pursuant to subparagraph (iv) of this subparagraph), the Final Official Statement as so supplemented or amended (including the financial and statistical data provided or reviewed by the District included therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

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

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

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

5. At the Closing, the District shall cause the Bonds to be delivered to the Underwriter in definitive form, registered in the name of Cede & Co., as nominee of DTC pursuant to the DTC Letter, bearing CUSIP numbers (provided, however, that lack of such CUSIP numbers shall not relieve the Underwriter from its obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds), duly executed and authenticated, together with the other documents hereinafter mentioned and subject to the terms and conditions of this Purchase Agreement. The Underwriter shall accept such delivery and pay the purchase price for the Bonds as set forth in Paragraph 1 of this Purchase Agreement in immediately available federal funds. Delivery and payment as aforesaid shall be made at DTC or, in the case of a "Fast Automated Securities Transfer," with the Trustee through DTC, or at such other place as may have been mutually agreed upon by the District and the Underwriter.

6. The Underwriter has entered into this Purchase Agreement in reliance upon (i) the representations and warranties (A) of the District contained herein, (B) of Shea Homes, Stratford Vistancia and the Developer contained in the Indemnity Letters and (C) to be contained in the documents and instruments to be delivered on the date of the Closing, both as of the date hereof and as of the date of the Closing, and (ii) the performance by the District of the obligations of the District pursuant to this Purchase Agreement, subject to the performance of Shea Homes, Stratford Vistancia and the Developer of their respective obligations under the documents and instruments to be executed and delivered by each of them at or prior to the date of the Closing. Accordingly, the obligation of the Underwriter pursuant to this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds is subject to the performance by the District of the obligations of the District to be performed pursuant to this Purchase Agreement and pursuant to such aforesaid documents and instruments at or prior to the Closing and is also subject to the fulfillment to the reasonable satisfaction of the Underwriter of the following conditions, that:

(i) the representations, warranties and agreements of the District contained in this Purchase Agreement shall be true, complete and correct on the date of this Purchase Agreement and on and as of the date of the Closing, as if made on the date of Closing;

(ii) at the time of the Closing, the Bond Resolution, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, and the Final Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter;

(iii) at the time of the Closing, the District shall have adopted and there shall be in full force and effect such resolutions as in the opinion of Bond Counsel and the Underwriter shall be necessary in connection with the transactions contemplated by this Purchase Agreement, and all necessary action of the District relating to the issuance of the Bonds shall have been taken, shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter;

(iv) the Underwriter may terminate the obligations of the Underwriter pursuant to this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the District of the election of the Underwriter to do so if at any time after the execution of this Purchase Agreement and at or prior to the Closing, in the Underwriter's sole and reasonable judgment, any of the following events shall occur (each hereinafter referred to as a "Termination Event"):

(A) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(I) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; provided that, this paragraph (A)(I) shall not apply if the Bonds are being issued as taxable bonds; or

(II) there shall have occurred (a) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (b) any other calamity or crisis in the financial markets of the United States or elsewhere, (c) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, or (d) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 500,000; or

(III) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(IV) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds or the Bond Resolution, or any comparable securities of the District, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, or otherwise, or would be in violation of any provision of the federal securities laws; or

(V) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District shall have occurred; or

(VI) any rating on (1) general obligation bonds of the District or (2) bonds insured by the Bond Insurer is

reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(B) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Final Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Final Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Final Official Statement to be supplemented to supply such statement or information, or the effect of the Final Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(C) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(D) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

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

(F) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Final Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the date of the Closing, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended; or

(G) the debt ceiling of the United States is such that the obligations required to fund the Escrow Trust Agreement are not available for delivery on the date of the delivery of the Bonds, and the District has not, in the opinion of Bond Counsel, successfully obtained equivalent open market securities.

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the District and the Underwriter under this Purchase Agreement shall terminate, without further liability, except those in Sections 2(d) and 4(a) hereof and that the District and the Underwriter shall pay their respective expenses as set forth in Section 8(c) hereof.

(v) at or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(A) (I) the approving opinion, dated the date of the Closing and addressed to the District, of Bond Counsel in form and content satisfactory to the Underwriter, in substantially the form attached as Appendix C to the Preliminary Official Statement relating to the Bonds; (II) a letter from Bond Counsel, dated the date of Closing and addressed to the Underwriter, permitting the Underwriter to rely upon the opinion of Bond Counsel for that period during which the Underwriter is the lawful owner of the Bonds and (III) the supplemental opinion of Bond Counsel, dated the date of the Closing, addressed to the Underwriter and substantially in the form attached hereto as Exhibit B;

(B) the opinion of Gallagher & Kennedy, P.A., as counsel to Shea Homes, and the opinion of Maguire Pearce & Storey PLLC, as counsel to Stratford Vistancia and the Developer, each dated the date of the Closing, addressed to the Underwriter and the District and each in substantially the form attached hereto as Exhibit C-1 and Exhibit C-2, respectively;

(C) the opinion of Squire Patton Boggs (US) LLP, "Counsel to the Underwriter", addressed to the Underwriter, dated the date of the Closing, to the effect that: (I) the Bonds are exempt from registration under the Securities Act of 1933, as amended and the Bond Resolution and any related trust indenture are exempt from qualification under the Trust Indenture Act of 1939, as amended, and (II) the Continuing Disclosure Undertaking meets the requirements of paragraph (b)(5)(i) of the SEC Rule. In addition, such counsel shall state in its letter containing the foregoing opinion or in a separate letter addressed to the Underwriter and dated the date of the Closing that, without having undertaken to determine independently, or to assume responsibility for, the accuracy, completeness or fairness thereof, and based

solely on their participation in meetings and telephone conferences at which representatives of the District, Developer, Bond Counsel and the Underwriter were at various times present, nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of sale of the Bonds, and the Final Official Statement, as of its date and as of the date of such letter, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the District, any other financial, forecast, technical or statistical data, and any information in the Official Statement respecting DTC;

(D) a certificate from each of Shea Homes, Stratford Vistancia and the Developer, dated the date of the Closing, to the effect that the representations and warranties contained in their respective Indemnity Letter and in the respective documents executed by each of them in connection with the issuance of the Bonds are true and correct in all material respects as of the date of the Closing;

(E) a certificate, dated the date of the Closing and signed on behalf of the District by an authorized officer with respect to matters relating to the District, to the effect that (I) the representations and warranties contained in this Purchase Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (II) except as otherwise to be described in the Final Official Statement, no litigation of any nature is then pending or, to their knowledge, threatened, seeking to restrain or enjoin the issuance and delivery of the Bonds or the levy and collection of taxes to pay the principal thereof and interest thereon, questioning the proceedings and authority by which the levy is made, affecting the validity of the Bonds or contesting the corporate existence or boundaries of the District or the title of the present officers to their respective offices; (III) no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Bonds has been filed with or received by any of the signors; (IV) the District has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing and (V) no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for

the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect as of the date of the Closing;

(F) a counterpart original of the Final Official Statement manually executed on behalf of the District by the President of the Board;

(G) specimen Bonds;

(H) a certified copy of the Bond Resolution;

(I) the items required by the Bond Resolution as conditions for issuance of the Bonds;

(J) a non-arbitrage certificate of the District, in form and substance satisfactory to Bond Counsel setting forth, among other things, in the manner permitted by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the reasonable expectations of the District as of the date of the Closing as to the use of proceeds of the Bonds and of any other funds of the District expected to be used to pay debt service on the Bonds and the facts and estimates on which such expectations are based, and stating that, to the best of knowledge and belief of such certifying officer, the expectations set forth therein are reasonable;

(K) an executed copy of the Report of Bond and Security Issuance Pursuant to Section 35-501(B), Arizona Revised Statutes, of the Arizona Department of Revenue;

(L) an executed copy of the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement and the Depository Agreement;

(M) an executed copy of each of the undertakings from Shea Homes, Stratford Vistancia and the Developer to provide continuing disclosure as required by paragraph (b)(5) of the Rule;

(N) the filing copy of the Information Return Form 8038-G (IRS) for the Bonds;

(O) [evidence that _____ (hereinafter referred to as the "Bond Insurer") has issued its municipal bond insurance policy (hereinafter referred to as the "Policy") with

respect to the Bonds as well as appropriate opinions and certifications from the Insurer relating to the Policy;]

(P) [evidence Fitch Inc. ("Fitch") and Moody's Investors Service, Inc. ("Moody's") have issued (i) "underlying" ratings of "_____" and "_____," respectively, and (ii) ratings of "_____" and "_____", respectively, based on issuance of the Policy (hereinafter referred to as the "Ratings"), and that the Ratings are then in effect];

(Q) A copy of a special report prepared by Grant Thornton LLP, a firm of independent certified public accountants, addressed to the District, Bond Counsel and the Underwriter, verifying the arithmetical computations of the adequacy of the maturing principal and interest on the obligations and uninvested cash on hand under the Escrow Trust Agreement to pay, when due, the principal of and interest on the Bonds Being Refunded and the yields on the Bonds and amounts held under the Escrow Trust Agreement;

(R) A certificate of the Escrow Trustee, to the effect that moneys or obligations sufficient to effectuate the refunding of the Bonds Being Refunded have been received and that such moneys or obligations have been deposited under the Escrow Trust Agreement (the "Escrow Trust"); and

(S) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date of this Purchase Agreement and as of the date of the Closing, of the representations, warranties and covenants of the District contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the District.

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

7. If the District is unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Purchase Agreement,

this Purchase Agreement (except the obligations set forth in Sections 2(d), 4(a) and 8(c) hereof) shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder.

8. (a) If the Closing shall take place hereunder, the District shall pay, but solely from the proceeds of the sale of the Bonds, (i) the cost of the preparation and printing of the Bond Resolution, the Continuing Disclosure Undertaking, the Indenture, the DTC Letter, the Standby Contribution Agreement, the Escrow Trust Agreement, the Depository Agreement, the Preliminary Official Statement and the Final Official Statement (including any amendments or supplements thereto); (ii) the cost of preparation and printing of the Bonds; (iii) the fees and disbursements of Bond Counsel; (iv) the initial fees and disbursements of the Trustee and the Escrow Trustee, provided, however, that the District shall be responsible for all other fees and disbursements of the Trustee and the Escrow Trustee; (v) the fees and expenses incurred by the District or the Underwriter for the Ratings; and (vi) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses incurred by the Underwriter in connection with the issuance and sale of the Bonds, including any meals and travel of District officials paid for by the Underwriter, but not entertainment expenses.

(b) The Underwriter shall pay, if any, (i) all advertising expenses in connection with the public offering of the Bonds, (ii) the fees and disbursements of counsel to the Underwriter and (iii) all other expenses incurred by it in connection with its public offering and distribution of the Bonds.

(c) If this Purchase Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the District to comply with the terms or to fulfill any of the conditions of this Purchase Agreement, the District shall reimburse the Underwriter for all "out-of-pocket" expenses (including the fees and disbursements of Counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Purchase Agreement or the offering contemplated hereunder.

9. As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the State, its political subdivisions (including the District) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the District hereunder except as required by such

Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Purchase Agreement and covenants that it shall take no action which would result in a violation of such Section.

10. (a) Any notice or other communication to be given pursuant to this Purchase Agreement must be given by delivering the same in writing to:

If to the District at:

District Board
Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345
Attention: District Chief Financial Officer

If to the Underwriter at:

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016
Attention: Mark Reader, Managing Director

(b) This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter), and no other person may acquire or have any right hereunder or by virtue of this Purchase Agreement.

(c) All of the representations, warranties, and covenants of the District contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter or (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement.

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

(e) This Purchase Agreement expresses the entire understanding and all agreements of the parties to this Purchase Agreement with each other with respect to the subject matter of this Purchase Agreement, and no party to this Purchase Agreement has made or

shall be bound by any agreement or any representation to any other party which is not expressly set forth in this Purchase Agreement.

(f) This Purchase Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(g) This Purchase Agreement shall become effective upon the execution of the acceptance of this Purchase Agreement by the undersigned member of the Board on behalf of the District and shall be valid and enforceable as of the time of such acceptance.

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

(i) This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

[Remainder of page intentionally left blank]

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By_____
Mark Reader, Managing Director

ACCEPTED AND AGREED AT ____ P.M.
THIS _____ DAY OF _____, 2015

VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)

By_____

Printed Name:_____

Title:_____

SCHEDULE I

$_____
VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2015

Maturity Dates (July 15)	Principal Amounts	Interest Rates	Yield

Optional Redemption. The Bonds maturing on or before July 15, 20__ will not be subject to redemption prior to maturity. The Bonds maturing on and after July 15, 20__ will be subject to redemption at the option of the District as a whole or from time to time in part on July 15, 20__ or any date thereafter (each a "Redemption Date") upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium.

Mandatory Redemption. The Bonds maturing on July 15, 20__ and July 15, 20__ will be redeemed on the following Redemption Dates and in the following amounts upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date, but without premium:

Term Bond Maturing
July 15, 20__

Redemption Date (July 15)	Principal Amount Redeemed

(maturity)

Term Bond Maturing
July 15, 20__

Redemption Date (July 15)	**Principal Amount Redeemed**

(maturity)

EXHIBIT A

FORM OF UNDERWRITER'S CERTIFICATE

This Certificate is furnished by Stifel Nicolaus & Company, Incorporated as underwriter (the "Underwriter") of the $_____ stated principal amount of the Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015. The Underwriter hereby certifies and represents the following, based upon the information available to it:

1. Issue Price.

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

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

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

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

2. Credit Enhancement.

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

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

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

2.4 To the best of knowledge of the undersigned, the fees paid and to be paid for the Bond Insurance represent a commercially reasonable charge for the transfer of credit risk. Such

fees do not include any direct or indirect payment for a cost, risk or other element that is not customarily borne by guarantors of tax-exempt bonds in transactions in which the guarantor has no involvement other than as guarantor. No non guarantee services are being provided by the Bond Insurance.]

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

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

Dated: _____

STIFEL NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
[banker]

By: _____
[underwriter]

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG LLP]

[Closing Date]

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

Re: $_____ Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

This supplemental opinion is rendered pursuant to Section 6(v)(A)(III) of the Purchase Contract, dated as of _____, 2015 (the "Purchase Contract"), between Vistancia Community Facilities District (the "Issuer") and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), and is given in connection with the issuance on this date by the Issuer of bonds designated its General Obligation Refunding Bonds, Series 2015, in the aggregate principal amount of $_____ (the "Bonds"). The Bonds are issued under and secured by a Series 2015 Indenture of Trust and Security Agreement, dated as of July 1, 2015 (the "Indenture"), from the Issuer to Zions First National Bank, as trustee (the "Trustee"), are the subject of an Official Statement, dated _____, 2015 (the "Official Statement"), and are being sold pursuant to the Purchase Contract, in each case in accordance with a resolution authorizing issuance of, and certain other matters related to, the Bonds adopted by the District Board of the Issuer on July 7, 2015 (the "Resolution"), including a Series 2015 Standby Contribution Agreement, dated as of July 1, 2015 (the "Standby Contribution Agreement"), by and among the Issuer, the Trustee, Vistancia Land Holdings, LLC (the "Developer"), Shea Homes Limited Partnership ("Shea Homes"), and SLF III – Vistancia, LLC ("Stratford Vistancia"), a Series 2015 Depository Agreement, dated as of July 1, 2015 (the "Depository Agreement"), by and between the Issuer and Zions First National Bank, as depository (the "Depository"). A portion of the proceeds of Bonds will be deposited with Zions First National Bank, as escrow trustee (the "Escrow Trustee"), pursuant an Escrow Trust Agreement, dated as of July 1, 2015 (the "Escrow Trust Agreement"). In connection with the issuance and sale of the Bonds, the Issuer will execute and deliver a Series 2015 Continuing Disclosure Undertaking, dated of even date herewith (the "Undertaking"). (The Indenture, the Purchase Contract, the Standby Contribution Agreement, the Depository Agreement, the Escrow Trust Agreement and the Undertaking are hereinafter collectively referred to as the "District Documents"). (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

In connection with such issuance, we have examined and relied upon:

(i) An executed copy of the Indenture;

(ii) An executed copy of the Official Statement;

(iii) An executed copy of the Purchase Contract;

(iv) An executed copy of the Standby Contribution Agreement;

(v) An executed copy of the Depository Agreement;

(vi) An executed copy of the Escrow Trust Agreement;

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

(viii) An executed copy of the Undertaking;

(ix) Such other agreements, certificates (including particularly, but not by way of limitation, certificates of the Developer, Shea Homes and Stratford Vistancia, dated of even date herewith), opinions, letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set forth herein; and

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

In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer, we have also participated in conferences from time to time with representatives of and counsel to the Issuer, the Underwriter, the Developer, Shea Homes, Stratford Vistancia, the Trustee and the Depository relating to the District Documents.

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

1. The Issuer is a duly organized and validly existing special purpose district, a tax levying public improvement district and a municipal corporation for purposes set forth in Section 48-708(B), Arizona Revised Statutes, pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to adopt the Resolution, (b) to authorize, execute, deliver

and issue, as applicable, the District Documents and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement, dated _____, 2015 (the "Preliminary Official Statement"), with respect to the Bonds), and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Resolution, the District Documents and the Bonds (including performing the applicable obligations thereunder).

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

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

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

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

6. Based solely upon a search of the computerized docket records available for review on _____, 2015, in the office of the Maricopa County Superior Court and U.S. District Court, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental

agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) that in any way questions the powers of the Issuer referred hereinabove or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Resolution, the District Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Resolution, the District Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby or by the Official Statement), (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (iv) that questions the right of the Issuer to levy, receive and pledge special assessments or taxes, nor lawsuits pending or overtly threatened against the Issuer that, if decided adversely to the Issuer, would, individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Resolution, the District Documents or the Bonds.

7. The information contained in the Official Statement under the headings "THE BONDS," "PLAN OF REFUNDING," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" (except the information under the subheading "Ad Valorem Property Taxation in the District"), "TAX MATTERS" and "CONTINUING DISCLOSURE" (but only as it relates to the Issuer) therein and in Appendix B - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" and Appendix C - "FORM OF LEGAL OPINION OF BOND COUNSEL" fairly summarizes the information that it purports to summarize.

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

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the District Documents is dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the District Documents by the other party or parties thereto and to the extent that the enforceability of the District Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to grant certain equitable remedies such as specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the District Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help, subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets, or (iv) purporting to grant to the owners of the Bonds or to any party to the District Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This opinion may be relied upon only by you and by persons to whom we grant written permission to do so.

Respectfully submitted,

EXHIBIT C-1

FORM OF OPINION OF COUNSEL TO SHEA HOMES LIMITED PARTNERSHIP

[LETTERHEAD OF GALLAGHER & KENNEDY, P.A.]

[Closing Date]

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

Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: $_____ Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

Ladies and Gentlemen:

We have acted as counsel to Shea Homes Limited Partnership, a California limited partnership ("Shea Homes"), in connection with the transactions provided for by the documents referred to herein, including the issuance and sale of the Bonds, sold pursuant to a Purchase Contract, dated _____, 2015 (the "Purchase Contract"), by and between Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), and Vistancia Community Facilities District (the "District"). This opinion is delivered to you pursuant to Section 6(v)(B) of the Purchase Contract. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Purchase Contract.

In rendering the opinions expressed below, we have examined copies of the agreements, documents and instruments listed on the Schedule of Documents attached hereto. In addition, we have received such other information from representatives of Shea Homes as we have deemed necessary for the purposes of this opinion (hereinafter referred to, collectively, as "due inquiry"). The Official Statement, Development Agreement, Standby Contribution Agreement, Series 2015 Continuing Disclosure Undertaking, dated the date hereof, executed by Shea Homes, and Shea Homes Indemnity Letter are hereinafter referred to as the "Shea Homes Bond Documents." Whenever any portion of this opinion is limited to the existence or absence of fact based upon our actual knowledge, it is limited to our actual knowledge of the existence or absence of such fact after due inquiry.

In rendering the following opinions, we have assumed:

(a) The genuineness of all signatures to the Shea Homes Bond Documents (except for the signatures of Shea Homes) and the legal capacity of each natural person executing any of the Shea Homes Bond Documents;

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

(c) The due authorization, execution, acknowledgment where necessary, and delivery, and the validity and binding effect, of Shea Homes Bond Documents with regard to the parties to those agreements other than Shea Homes;

(d) The Shea Homes Bond Documents accurately describe and contain the agreement and mutual understanding of the parties thereto and that there are no oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms of the Shea Homes Bond Documents;

(e) That all parties to the Shea Homes Bond Documents will enforce their respective rights thereunder in circumstances and in a manner which is commercially reasonable and in accordance with applicable law; and

(f) That, with respect to the enforceability of the Shea Homes Bond Documents by a court of another jurisdiction, such court would apply Arizona law (except for applicable Nevada corporate law), and would determine that the application of Arizona substantive law is not contrary to a fundamental policy of the law of such other jurisdiction.

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

1. Shea Homes is a limited partnership validly existing in good standing under the laws of the State of California, and is qualified to do business in the State of Arizona.

2. Shea Homes has the requisite limited partnership power and authority under the laws of the State of California: (i) to execute and deliver the Shea Homes Bond Documents, and carry out the terms and conditions applicable to it under, and consummate all transactions contemplated by, the Shea Homes Bond Documents; and (ii) to own and operate its properties and assets as described in the Official Statement, and (iii) to carry out its business as such business is described in the Official Statement.

3. The execution, delivery and performance of the Shea Homes Bond Documents by Shea Homes and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all requisite limited partnership, corporate and partnership action on the part of Shea Homes and its partners, and the Shea Homes Bond Documents have been duly executed and delivered by Shea Homes.

4. The Shea Homes Bond Documents have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of Shea Homes enforceable against Shea Homes in accordance with their respective terms.

5. The execution and delivery of the Shea Homes Bond Documents by Shea Homes, and the performance by Shea Homes of its obligations thereunder, do not and will not conflict with or result in a violation of, or a default pursuant to, Shea Home's partnership agreement [INSERT ANY OTHER RELEVANT FORMATION DOCUMENTS] (in each case, as amended and in effect on the date hereof).

6. The execution and delivery of the Shea Homes Bond Documents by Shea Homes will not conflict with or result in a violation of (i) any material contract, indenture, instrument or other agreement to which Shea Homes is a party or by which its properties are bound, or (ii) the laws of the State of Arizona or any court order by which Shea Homes or its properties are bound.

7. No consent, approval, authorization, or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by Shea Homes of the Shea Homes Bond Documents, or consummation of the transactions contemplated thereby and, to our actual knowledge, Shea Homes has obtained all consents, approvals and authorizations, and has made all filings, required by applicable federal, state and/or local governmental authorities in order to own and operate its properties and assets as described in the Official Statement and to carry out its business as such business is currently being conducted as described in the Official Statement.

8. Shea Homes is not in violation of any provision of, or in default under, its partnership agreement [ANY OTHER RELEVANT FORMATION DOCUMENTS?] or any other agreement or instrument, the violation of which or default under which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of Shea Homes under the Shea Homes Bond Documents.

9. No legal or governmental actions, proceedings, inquiries or investigations are pending or overtly threatened by any governmental authorities or to which Shea Homes is a party or of which its property is subject, which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of Shea Homes under the Shea Homes Bond Documents, or (ii) the financial condition or operations of Shea Homes as described in the Official Statement.

10. The information contained in the Official Statement under the headings "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER" and "LITIGATION – Shea Homes" does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading; provided, however, that we express no opinion regarding any such information relating to any person or entity other than Shea Homes Limited Partnership contained in the Official Statement under the heading "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER." In connection with our participation with the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements

contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such participation, we have acquired no actual knowledge that the information contained in the Official Statement (except for the financial information and notes thereto and the schedules and other financial or statistical data included therein or in any appendix thereto, as to which we express no opinion) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The opinions set forth above are subject to the following qualifications and limitations: (i) enforceability of the Shea Homes Bond Documents may be limited by bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium, arrangement or laws or court decisions affecting the enforcement of creditors' rights generally; (ii) enforceability of the Shea Homes Bond Documents is subject to general principles of equity, whether remedies are sought in equity or at law; (iii) enforceability of the Shea Homes Bond Documents is further subject to the qualification that certain waivers, procedures, remedies, indemnities and other provisions thereof may be unenforceable under or limited by Arizona law; however, such law does not, in our opinion, substantially prevent the practical realization of the benefits intended by the Shea Homes Bond Documents (except that the principles of guaranty and suretyship may present the practical realization of the benefits intended by indemnity and guarantee provisions in the Shea Homes Bond Documents); (iv) we are expressing no opinion as to the enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner; (v) we are expressing no opinion as to the compliance of the Shea Homes Bond Documents or the offer and sale of the Bonds with any securities law or regulation; (vi) with the sole exception of those matters addressed in our opinion to our actual knowledge, we are expressing no opinion as to any federal or state securities laws, any environmental or health or safety laws, rules or regulations, or any county, municipal or other local ordinances; and (vii) the term "actual knowledge" as used herein means solely the knowledge of attorneys in this firm who have performed services in respect of the transactions provided for by the documents referred to herein, including knowledge ascertained from our review of the Shea Homes Bond Documents, the documents listed in paragraphs 8 through 16 of the Schedule of Documents attached to this letter, and the certificate of various officers of Shea Homes issued to us in connection herewith.

We are qualified to practice law only in the State of Arizona and, except for applicable Nevada general corporation law, we do not purport to express any opinion herein concerning any law other than the laws of the State of Arizona. With respect to the laws of the State of Arizona, our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we assume no obligation to revise or supplement this opinion due to any change in the law by legislative action, judicial decision or otherwise. Any opinion as to the enforceability of any document is limited to enforceability as between the original parties thereto. We do not render any opinion with respect to any matters other than those expressly set forth above.

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

Very truly yours,

SCHEDULE OF DOCUMENTS

1. Official Statement, dated _____, 2015 (the "Official Statement"), executed by the District.

2. District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of October 1, 2002, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2005, a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of December 1, 2006, and a Third Amendment to District Development, Financing and Intergovernmental Agreement, dated as of July 1, 2015, among the City, the District, the Developer, Shea Homes, and Stratford Vistancia (the "Development Agreement").

3. Series 2015 Standby Contribution Agreement, dated as of July 1, 2015, by and among the District, Shea Homes, Zions First National Bank (the "Trustee"), SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia") and Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer") (the "Standby Contribution Agreement").

4. The executed Series 2015 Continuing Disclosure Undertaking, dated as of July 1, 2015, by Shea Homes (the "Shea Homes Undertaking").

5. The executed Indemnity Letter, dated as of _____, 2015, by Shea Homes to the Underwriter and the District (the "Shea Homes Indemnity Letter").

6. The executed Closing Certificate of Shea Homes, dated _____, 2015.

7. [describe organizational documents of Shea Homes].

8. [describe resolutions of Shea Homes authorizing this transaction].

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

EXHIBIT C-2

FORM OF OPINION OF COUNSEL TO STRATFORD VISTANCIA AND THE DEVELOPER

[LETTERHEAD OF MAGUIRE PEARCE & STOREY PLLC]

[Closing Date]

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

Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: $_____ Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

Ladies and Gentlemen:

We have acted as counsel to SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia") and Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer"), in connection with the transactions provided for by the documents referred to herein, including the issuance and sale of the Bonds, sold pursuant to a Purchase Agreement, dated _____, 2015 (the "Purchase Agreement"), by and between Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), and Vistancia Community Facilities District (the "District"). Any capitalized term used and not defined herein shall have the meaning assigned to it in the Purchase Agreement.

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

1. The District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated October 1, 2002 and recorded October 23, 2002, in Instrument No. 2002-1103744, official records of Maricopa County, Arizona, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2005, the Second Amendment to the District Development, Financing Participation and Intergovernmental Agreement, dated as of December 1, 2006, and a Third Amendment to District Development, Financing and Intergovernmental Agreement, dated as of July 1, 2015 (hereinafter referred to as the "Development

Agreement"), executed by the City of Peoria, Arizona, the District, the Developer, Stratford Vistancia and Shea Homes Limited Partnership, a California limited partnership ("Shea Homes");

2. Official Statement, dated _____, 2015 (the "Official Statement"), executed by the District;

3. The Series 2015 Standby Contribution Agreement, dated as of July 1, 2015, by and among the District, Shea Homes, Zions First National Bank (the "Trustee"), Stratford Vistancia and the Developer (the "Standby Contribution Agreement");

4. The executed Series 2015 Continuing Disclosure Undertaking, dated as of _____, 2015, by the Developer (hereinafter referred to as the "Developer Undertaking");

5. The executed Series 2015 Continuing Disclosure Undertaking, dated as of _____, 2015, by Stratford Vistancia (hereinafter referred to as the "Stratford Vistancia Undertaking");

6. The executed Indemnity Letter, dated as of _____, 2015, by the Developer to the Underwriter and the District (hereinafter referred to as the "Developer Indemnity Letter");

7. The executed Indemnity Letter, dated as of _____, 2015, by Stratford Vistancia to the Underwriter and the District (the "Stratford Vistancia Indemnity Letter");

8. The executed Closing Certificate of the Developer, dated _____, 2015;

9. The executed Closing Certificate of Stratford Vistancia, dated _____, 2015;

10. Certificate of Formation of Developer, dated _____, as filed with the Delaware Secretary of State on _____, File No. _____, and Certificate of Registration for Developer, dated _____, issued by the Arizona Corporation Commission [add description of any amendment(s)];

11. Limited Liability Company Agreement of Developer, dated _____, ____ [add description of any amendment(s)];

12. Certificate of Good Standing of the Developer, issued by the Delaware Secretary of State on _____, 2015;

13. Certificate of Good Standing of the Developer, issued by the Arizona Corporation Commission on _____, 2015;

14. Articles of Organization of Stratford Vistancia, filed with _____ on _____;

15. Operating Agreement of Stratford Vistancia, dated _____, ____, between _____;

16. Certificate of Good Standing of Stratford Vistancia, issued by the Arizona Corporation Commission on _____, 2015;

17. Unanimous Written Consent of the Executive Committee of Stratford Vistancia, dated _____, 2015, authorizing this transaction;

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

In addition, we have received such other information from representatives of the Developer and Stratford Vistancia as we have deemed necessary for the purposes of this opinion (hereinafter referred to, collectively, as "due inquiry"). The Development Agreement, Official Statement, Standby Contribution Agreement, Developer Undertaking, and Developer Indemnity Letter are hereinafter collectively referred to as the "Developer Bond Documents." The Development Agreement, Official Statement, Standby Contribution Agreement, Stratford Vistancia Undertaking, and Stratford Vistancia Indemnity Letter are hereinafter collectively referred to as the "Stratford Vistancia Bond Documents." The documents listed in paragraphs 8 and 10 through 13 above are hereinafter collectively referred to as the "Developer Documents." The documents listed in paragraphs 9 and 14 through 17 above are hereinafter collectively referred to as the "Stratford Vistancia Documents." Whenever any portion of this opinion is limited to the existence or absence of fact based upon our actual knowledge, it is limited to our actual knowledge of the existence or absence of such fact after due inquiry.

In rendering the following opinions, we have assumed:

(a) The genuineness of all signatures to the Developer Bond Documents and the Developer Documents (except for the signatures of the Developer on the Developer Bond Documents) and the legal capacity of each natural person executing any of the Developer Bond Documents or the Developer Documents;

(b) The genuineness of all signatures to the Stratford Vistancia Bond Documents and the Stratford Vistancia Documents (except for the signatures of Stratford Vistancia on the Stratford Vistancia Bond Documents) and the legal capacity of each natural person executing any of the Stratford Vistancia Bond Documents or the Stratford Vistancia Documents;

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

(d) The due authorization, execution, acknowledgment where necessary, and delivery, and the validity and binding effect, of the Developer Bond Documents and the Stratford Vistancia Bond Documents with regard to the parties to those agreements other than the Developer and Stratford Vistancia;

(e) The Developer Bond Documents and the Stratford Vistancia Bond Documents accurately describe and contain the agreement and mutual understanding of the parties thereto

and that there are no oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms of the Developer Bond Documents or the Stratford Vistancia Bond Documents;

(f) That all parties to the Developer Bond Documents and the Stratford Vistancia Bond Documents will enforce their respective rights thereunder in circumstances and in a manner which is commercially reasonable and in accordance with applicable law;

(g) That, with respect to the enforceability of the Developer Bond Documents by a court of another jurisdiction, such court would apply Arizona law (except for applicable Delaware limited liability company law), and would determine that the application of Arizona substantive law is not contrary to a fundamental policy of the law of such other jurisdiction; and

(h) That, with respect to the enforceability of the Stratford Vistancia Bond Documents by a court of another jurisdiction, such court would apply Arizona law (except for applicable Texas limited liability company law), and would determine that the application of Arizona substantive law is not contrary to a fundamental policy of the law of such other jurisdiction.

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

1. The Developer is a limited liability company, duly organized and existing under the laws of the State of Delaware, and is qualified to do business in the State of Arizona.

2. The Developer has the requisite limited liability company power and authority under the laws of the State of Delaware: (i) to execute and deliver the Developer Bond Documents, and carry out the terms and conditions applicable to it under, and consummate all transactions contemplated by, the Developer Bond Documents; and (ii) to own and operate its properties and assets as described in the Official Statement, and (iii) to carry out its business as such business is currently being conducted as described in the Official Statement.

3. The execution, delivery and performance of the Developer Bond Documents by the Developer and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all necessary limited liability company, corporate and partnership action on the part of the Developer and its Members, and the Developer Bond Documents have been duly executed and delivered by the Developer.

4. The Developer Bond Documents are in full force and effect as of the date hereof and constitute legal, valid and binding obligations of the Developer, enforceable in accordance with their terms.

5. The execution and delivery of the Developer Bond Documents by the Developer, and the performance of its obligations thereunder, do not and will not conflict with or result in a violation of, or a default pursuant to, the Developer Documents.

6. The execution and delivery of the Developer Bond Documents by the Developer will not conflict with or result in a violation of (i) any contract, indenture, instrument or other

agreement to which the Developer is a party or by which it or its properties are bound, or (ii) the laws of the State of Arizona or any court order by which the Developer or its properties are bound.

7. No consent, approval, authorization, or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by the Developer of the Developer Bond Documents, or consummation of the transaction contemplated thereby and, to our actual knowledge, the Developer has obtained all consents, approvals and authorizations, and has made all filings, required by applicable federal, state and/or local governmental authorities in order to own and operate its properties and assets as described in the Official Statement and to carry out its business as such business is currently being conducted as described in the Official Statement.

8. The Developer is not in violation of any provision of, or in default under, its organizational documents or any other agreement or instrument, the violation of which or default under which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of the Developer under the Developer Bond Documents.

9. No legal or governmental actions, proceedings, inquiries or investigations are pending or overtly threatened by any governmental authorities or to which the Developer is a party or of which any property of the Developer is subject, which would materially and adversely affect (i) the execution, delivery and/or performance of the agreements and obligations of the Developer under the Developer Bond Documents, or (ii) the financial condition or operations of the Developer as described in the Official Statement.

10. Stratford Vistancia is a limited liability company, duly organized and existing under the laws of the State of Texas, and is qualified to do business in the State of Arizona.

11. Stratford Vistancia has the requisite limited liability company power and authority under the laws of the State of Arizona: (i) to execute and deliver the Stratford Vistancia Bond Documents, and carry out the terms and conditions applicable to it under, and consummate all transactions contemplated by, the Stratford Vistancia Bond Documents; and (ii) to own and operate its properties and assets as described in the Official Statement, and (iii) to carry out its business as such business is currently being conducted as described in the Official Statement.

12. The execution, delivery and performance of the Stratford Vistancia Bond Documents by Stratford Vistancia and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all necessary limited liability company, corporate and partnership action on the part of Stratford Vistancia and its Members, and the Stratford Vistancia Bond Documents have been duly executed and delivered by Stratford Vistancia.

13. The Stratford Vistancia Bond Documents are in full force and effect as of the date hereof and constitute legal, valid and binding obligations of Stratford Vistancia, enforceable in accordance with their terms.

14. The execution and delivery of the Stratford Vistancia Bond Documents by Stratford Vistancia, and the performance of its obligations thereunder, do not and will not

conflict with or result in a violation of, or a default pursuant to, the Stratford Vistancia Documents.

15. The execution and delivery of the Stratford Vistancia Bond Documents by Stratford Vistancia will not conflict with or result in a violation of (i) any contract, indenture, instrument or other agreement to which Stratford Vistancia is a party or by which it or its properties are bound, or (ii) the laws of the State of Arizona or any court order by which Stratford Vistancia or its properties are bound.

16. No consent, approval, authorization, or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by Stratford Vistancia of the Stratford Vistancia Bond Documents, or consummation of the transaction contemplated thereby and, to our actual knowledge, Stratford Vistancia has obtained all consents, approvals and authorizations, and has made all filings, required by applicable federal, state and/or local governmental authorities in order to own and operate its properties and assets as described in the Official Statement and to carry out its business as such business is currently being conducted as described in the Official Statement.

17. Stratford Vistancia is not in violation of any provision of, or in default under, its organizational documents or any other agreement or instrument, the violation of which or default under which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of Stratford Vistancia under the Stratford Vistancia Bond Documents.

18. No legal or governmental actions, proceedings, inquiries or investigations are pending or overtly threatened by any governmental authorities or to which Stratford Vistancia is a party or of which any property of Stratford Vistancia is subject, which would materially and adversely affect (i) the execution, delivery and/or performance of the agreements and obligations of Stratford Vistancia under the Stratford Vistancia Bond Documents, or (ii) the financial condition or operations of Stratford Vistancia as described in the Official Statement.

19. The information contained in the Official Statement under the headings "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER," "LITIGATION – Stratford Vistancia" and "LITIGATION – The Developer" does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading; provided, however, that we express no opinion regarding any such information relating to Shea Homes Limited Partnership contained in the Official Statement under the heading "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER". In connection with our participation with the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such participation, we have acquired no actual knowledge that the information contained in the Official Statement (except for the financial information and notes thereto and the schedules and other financial or statistical data included therein or in any appendix thereto, as to

which we express no opinion) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The opinions set forth above are subject to the following qualifications and limitations: (i) enforceability of the Developer Bond Documents and the Stratford Vistancia Bond Documents may be limited by bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium, arrangement or laws or court decisions affecting the enforcement of creditors' rights generally; (ii) enforceability of the Developer Bond Documents and the Stratford Vistancia Bond Documents is subject to general principles of equity, whether remedies are sought in equity or at law; (iii) enforceability of the Developer Bond Documents and the Stratford Vistancia Bond Documents is further subject to the qualification that certain waivers, procedures, remedies, indemnities and other provisions thereof may be unenforceable under or limited by Arizona law; however, such law does not, in our opinion, substantially prevent the practical realization of the benefits intended by the Developer Bond Documents and the Stratford Vistancia Bond Documents (except that the principles of guaranty and suretyship may present the practical realization of the benefits intended by indemnity and guarantee provisions in the Developer Bond Documents and the Stratford Vistancia Bond Documents); (iv) we are expressing no opinion as to the enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner; (v) we are expressing no opinion as to the compliance of the Developer Bond Documents, the Stratford Vistancia Bond Documents, or the offer and sale of the Bonds with any securities law or regulation; (vi) with the sole exception of those matters addressed in our opinion to our actual knowledge, we are expressing no opinion as to any federal or state securities laws, any environmental or health or safety laws, rules or regulations, or any county or municipal ordinances; and (vii) the term "actual knowledge" as used herein means solely the knowledge of attorneys in this firm who have performed services in respect of the transactions provided for by the documents referred to herein, including knowledge ascertained from our review of the Developer Bond Documents, the Stratford Vistancia Bond Documents, the Developer Documents and the Stratford Vistancia Documents, including the Developer Certificate as well as the results of third-party searches of the records of the Arizona Federal District Court and the Maricopa County Superior Court concerning the Developer and Stratford Vistancia.

We are qualified to practice law only in the State of Arizona and, except for applicable Delaware limited liability company law, we do not purport to express any opinion herein concerning any law other than the laws of the State of Arizona. With respect to the laws of the State of Arizona, our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we assume no obligation to revise or supplement this opinion due to any change in the law by legislative action, judicial decision or otherwise. Any opinion as to the enforceability of any document is limited to enforceability as between the original parties thereto. We do not render any opinion with respect to any matters other than those expressly set forth above.

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

Respectfully submitted,

ATTACHMENT I

SHEA HOMES INDEMNITY LETTER

_____, 2015

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

Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: $_____ Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

This Indemnity Letter is delivered by Shea Homes Limited Partnership, a California limited partnership ("Shea Homes"), in order to induce Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), and Vistancia Community Facilities District (the "District") to enter into the Purchase Contract, dated _____, 2015 (the "Purchase Contract"), related to the purchase by the Underwriter of the captioned bonds (the "Bonds"). Terms that are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

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

(a) Shea Homes is a limited partnership duly organized, validly existing and in good standing under the laws of the State of California and is qualified to transact business in the State of Arizona.

(b) The information in the Official Statement with respect to the Bonds under the headings "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER," "RISK FACTORS" (except the information under the subheadings "Direct and Overlapping Indebtedness" and "Cancellation of Contracts"), "LITIGATION - Shea Homes" and, insofar as it relates to Shea Homes, "CONTINUING DISCLOSURE" and in Appendix E - "AUDITED FINANCIAL STATEMENTS FOR SHEA HOMES LIMITED PARTNERSHIP AND UNAUDITED FINANCIAL STATEMENTS OF SLF III – VISTANCIA, LLC AND THE DEVELOPER is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading. Such financial statements have been prepared in accordance with generally accepted

accounting principles and fairly present the financial position and results of operations of Shea Homes as of the dates and for the periods indicated therein, and, since the dates thereof, Shea Homes has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position or result of operations of Shea Homes whether or not arising from transactions in the ordinary course of business.

(c) Neither the execution or delivery of this Indemnity Letter, the Standby Contribution Agreement, to be dated as of July 1, 2015, by and among Shea Homes, SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia"), Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer"), the District and Zions First National Bank, as trustee, and the Series 2015 Continuing Disclosure Undertaking, to be dated the date of issuance of the Bonds (collectively, hereinafter referred to as the "Documents") nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of, or compliance with, the terms hereof or thereof, shall contravene the organizational documents of Shea Homes or conflict with or result in a breach by Shea Homes of any of the terms, conditions or provisions of, or constitute a default by Shea Homes under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Shea Homes is a party or by which it is or may be bound or to which any of the property or assets of Shea Homes is or may be subject, or any law or any order, rule or regulation applicable to Shea Homes of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Shea Homes or any of its properties or operations, or (except as contemplated by the Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Shea Homes under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of Shea Homes, threatened against Shea Homes wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Shea Homes, or materially and adversely affect the properties (taken as a whole) of Shea Homes, and that has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Purchase Contract or the Documents or (iii) adversely affect the validity or enforceability of the Documents.

(e) Shea Homes has the full power and authority to execute and deliver the Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Purchase Contract and the Documents, and the Documents have been duly authorized by Shea Homes and, when executed by all applicable parties thereto will constitute valid, binding and enforceable obligations of Shea Homes except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and/or by general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation of

the transactions contemplated by the Purchase Contract and the Documents, other than the permits and licenses for construction of the Project (as defined in the Official Statement) contemplated by the Development Agreement referred to in paragraph (c) above, which have not yet been issued.

(g) Except as otherwise disclosed in the Official Statement, Shea Homes has been during the previous five years and is currently in compliance with continuing disclosure undertakings which Shea Homes has entered into pursuant to paragraph (b)(5) of the SEC Rule, if any.

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

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against Shea Homes, notify Shea Homes in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of Shea Homes by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Shea Homes but the omission to notify Shea Homes of any such action shall not relieve Shea Homes 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 Shea Homes of the commencement thereof, Shea Homes may, or if so requested by such Indemnified Party shall, participate therein or assume the defenses thereof, with counsel satisfactory to such Indemnified Party and Shea Homes (it being understood that, except as hereinafter provided, Shea Homes shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Shea Homes to such Indemnified Party of an election so to assume the defenses thereof, Shea Homes will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until Shea Homes assumes the defense of any such action at the request of such Indemnified

Party, Shea Homes shall have the right to participate at its own expense in the defense of any such action. If within a reasonably time after receipt of notice of any such action Shea Homes shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded (and shall have notified Shea) that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Shea Homes (in which case Shea Homes shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Shea Homes.

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

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

5. Shea Homes shall pay all costs and expenses of its counsel with respect to the issuance and delivery of the Bonds.

6. Shea Homes consents to the references to Shea Homes in the Official Statement.

Respectfully submitted,

SHEA HOMES LIMITED PARTNERSHIP,
a California limited partnership

By: J.F. Shea, LP, a Delaware limited partnership,
Its: General Partner

By: JFS Management, L.P., a Delaware limited partnership
Its: General Partner

By: J.F. Shea Construction Management, Inc., a California corporation
Its: General Partner

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

ATTACHMENT II

STRATFORD VISTANCIA INDEMNITY LETTER

_____, 2015

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

Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: $_____ Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

This Indemnity Letter is delivered by SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia"), in order to induce Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), and Vistancia Community Facilities District (the "District") to enter into the Purchase Contract, dated _____, 2015 (the "Purchase Contract"), related to the purchase by the Underwriter of the captioned bonds (the "Bonds"). Terms that are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

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

(a) Stratford Vistancia is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Texas and is qualified to transact business in the State of Arizona.

(b) The information in the Official Statement with respect to the Bonds under the headings "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER," "RISK FACTORS" (except the information under the subheadings "Direct and Overlapping Indebtedness" and "Cancellation of Contracts") and "LITIGATION - Stratford Vistancia" and, insofar as it relates to Stratford Vistancia, in Appendix E - "AUDITED FINANCIAL STATEMENTS FOR SHEA HOMES LIMITED PARTNERSHIP AND UNAUDITED FINANCIAL STATEMENTS OF SLF III – VISTANCIA, LLC, AND THE DEVELOPER is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading. Such financial statements have been prepared in accordance with generally accepted accounting principles and fairly

present the financial position and results of operations of Stratford Vistancia as of the dates and for the periods indicated therein, and, since the dates thereof, Stratford Vistancia has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position or result of operations of Stratford Vistancia whether or not arising from transactions in the ordinary course of business.

(c) Neither the execution or delivery of this Indemnity Letter, the Standby Contribution Agreement, to be dated as of July 1, 2015, by and among Stratford Vistancia, Shea Homes Limited Partnership, a California limited partnership ("Shea Homes"), Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer"), the District and Zions First National Bank, as trustee, and the Series 2015 Continuing Disclosure Undertaking, to be dated the date of issuance of the Bonds (collectively, hereinafter referred to as the "Documents") nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of, or compliance with, the terms hereof or thereof, shall contravene the organizational documents of Stratford Vistancia or conflict with or result in a breach by Stratford Vistancia of any of the terms, conditions or provisions of, or constitute a default by Stratford Vistancia under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Stratford Vistancia is a party or by which it is or may be bound or to which any of the property or assets of Stratford Vistancia is or may be subject, or any law or any order, rule or regulation applicable to Stratford Vistancia of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Stratford Vistancia or any of its properties or operations, or (except as contemplated by the Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Stratford Vistancia under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of Stratford Vistancia, threatened against Stratford Vistancia wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Stratford Vistancia, or materially and adversely affect the properties (taken as a whole) of Stratford Vistancia, and that has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Purchase Contract or the Documents or (iii) adversely affect the validity or enforceability of the Documents.

(e) Stratford Vistancia has the full power and authority to execute and deliver the Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Purchase Contract and the Documents, and the Documents have been duly authorized by Stratford Vistancia and, when executed by all applicable parties thereto will constitute valid, binding and enforceable obligations of Stratford Vistancia except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and/or by general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation of the transactions contemplated by the Purchase Contract and the Documents, other than the permits and licenses for construction of the Project (as defined in the Official Statement) contemplated by the Development Agreement referred to in paragraph (c) above, which have not yet been issued.

(g) During the previous five years Stratford Vistancia has not entered into or had an obligation under any continuing disclosure undertakings pursuant to paragraph (b)(5) of the SEC Rule.

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

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against Stratford Vistancia, notify Stratford Vistancia in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of Stratford Vistancia by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Stratford Vistancia but the omission to notify Stratford Vistancia of any such action shall not relieve Stratford Vistancia 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 Stratford Vistancia of the commencement thereof, Stratford Vistancia may, or if so requested by such Indemnified Party shall, participate therein or assume the defenses thereof, with counsel satisfactory to such Indemnified Party and Stratford Vistancia (it being understood that, except as hereinafter provided, Stratford Vistancia shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Stratford Vistancia to such Indemnified Party of an election so to assume the defenses thereof, Stratford Vistancia will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense

thereof other than reasonable costs of investigation; provided, however, that unless and until Stratford Vistancia assumes the defense of any such action at the request of such Indemnified Party, Stratford Vistancia shall have the right to participate at its own expense in the defense of any such action. If within a reasonably time after receipt of notice of any such action Stratford Vistancia shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded (and shall have notified Stratford Vistancia) that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Stratford Vistancia (in which case Stratford Vistancia shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Stratford Vistancia.

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

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

5. Stratford Vistancia shall pay all costs and expenses of its counsel with respect to the issuance and delivery of the Bonds.

6. Stratford Vistancia consents to the references to Stratford Vistancia in the Official Statement.

Respectfully submitted,

SLF III – VISTANCIA, LLC
a Texas limited liability company

By:_____
Name:_____
Title:_____

ATTACHMENT IV

DEVELOPER INDEMNITY LETTER

_____, 2015

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

Vistancia Community Facilities District
c/o City of Peoria, Arizona
8401 West Monroe Street
Peoria, Arizona 85345

Re: $_____ Vistancia Community Facilities District (Peoria, Arizona) General Obligation Refunding Bonds, Series 2015

This Indemnity Letter is delivered by Vistancia Land Holdings, LLC, a Delaware limited liability company (the "Developer"), on behalf of itself and Vistancia North LLC, Vistancia Village H LLC, Vistancia Clemente LLC, Vistancia Mystic LLC, Vistancia South LLC, Vistancia Commercial 150 LLC and Vistancia Commercial 580 LLC, in order to induce Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), and Vistancia Community Facilities District (the "District") to enter into the Purchase Contract, dated _____, 2015 (the "Purchase Contract"), related to the purchase by the Underwriter of the captioned bonds (the "Bonds"). Terms that are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

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

(a) The Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to transact business in the State of Arizona.

(b) The information in the Official Statement with respect to the Bonds under the headings "LAND DEVELOPMENT BY SHEA HOMES, STRATFORD VISTANCIA AND THE DEVELOPER," "RISK FACTORS" (except the information under the subheadings "Direct and Overlapping Indebtedness" and "Cancellation of Contracts") and "LITIGATION – The Developer" and, insofar as it relates to the Developer, in Appendix E - "AUDITED FINANCIAL STATEMENTS FOR SHEA HOMES LIMITED PARTNERSHIP AND UNAUDITED FINANCIAL STATEMENTS OF SLF III – VISTANCIA, LLC AND THE DEVELOPER is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or

omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading. Such financial statements have been prepared in accordance with generally accepted accounting principles and fairly present the financial position and results of operations of Shea Homes as of the dates and for the periods indicated therein, and, since the dates thereof, Shea Homes has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position or result of operations of Shea Homes whether or not arising from transactions in the ordinary course of business.

(c) Neither the execution or delivery of this Indemnity Letter, the Standby Contribution Agreement, to be dated as of July 1, 2015, by and among Shea Homes Limited Partnership, a California limited partnership ("Shea Homes"), SLF III – Vistancia, LLC, a Texas limited liability company ("Stratford Vistancia"), the Developer, the District and Zions First National Bank, as trustee, and the Series 2015 Continuing Disclosure Undertaking, to be dated the date of issuance of the Bonds, the District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of October 1, 2002, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of April 1, 2005, a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement, dated as of December 1, 2006, and a Third Amendment to District Development, Financing and Intergovernmental Agreement, dated as of July 1, 2015 (as so amended, the "Development Agreement"), among the City, the District, the Developer, Shea Homes, Stratford Vistancia (collectively, hereinafter referred to as the "Documents") nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of, or compliance with, the terms hereof or thereof, shall contravene the organizational documents of the Developer or conflict with or result in a breach by the Developer of any of the terms, conditions or provisions of, or constitute a default by the Developer under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Developer is a party or by which it is or may be bound or to which any of the property or assets of the Developer is or may be subject, or any law or any order, rule or regulation applicable to the Developer of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over the Developer or any of its properties or operations, or (except as contemplated by the Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of the Developer, threatened against the Developer wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of the Developer, or materially and adversely affect the properties (taken as a whole) of the Developer, and that has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Purchase Contract or the Documents or (iii) adversely affect the validity or enforceability of the Documents.

(e) The Developer has the full power and authority to execute and deliver the Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Purchase Contract and the Documents, and the Documents have been duly authorized by the Developer and, when executed by all applicable parties thereto will constitute valid, binding and enforceable obligations of the Developer except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and/or by general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation of the transactions contemplated by the Purchase Contract and the Documents, other than the permits and licenses for construction of the Project (as defined in the Official Statement) contemplated by the Development Agreement referred to in paragraph (c) above, which have not yet been issued.

(g) During the previous five years the Developer has not entered into or had an obligation under any continuing disclosure undertakings pursuant to paragraph (b)(5) of the SEC Rule.

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

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Developer, notify the Developer in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will 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 assume the defenses thereof, with counsel satisfactory to such Indemnified Party and the 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 defenses thereof, the Developer will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Developer assumes the defense of 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 within a reasonable time after receipt of notice of any such action the Developer shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded (and shall have notified the Developer) 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, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Developer.

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

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

5. The Developer shall pay all costs and expenses of its counsel with respect to the issuance and delivery of the Bonds.

6. The Developer consents to the references to the Developer in the Official Statement.

[Remainder of page intentionally left blank.]

Respectfully submitted,

VISTANCIA LAND HOLDINGS, LLC,
a Delaware limited liability company

By: SLF III – Vistancia, LLC,
a Texas limited liability company,
its sole and managing member

By: Stratford Land Fund III, L.P.,
a Delaware limited partnership,
its sole and managing member

By: SLF III – Vistancia, LLC,
a Texas limited liability company,
its General Partner

By:_____
Name:_____
Title:_____

DRAFT
04/29/15
05/05/15
06/22/15

VISTANCIA COMMUNITY FACILITIES DISTRICT,

ZIONS FIRST NATIONAL BANK,
as Trustee,

VISTANCIA LAND HOLDNGS, LLC,
(ON BEHALF OF ITSELF AND VISTANCIA NORTH, LLC
VISTANCIA VILLAGE H, LLC
VISTANCIA CLEMENTINE, LLC,
VISTANCIA MYSTIC, LLC,
VISTANCIA SOUTH, LLC
VISTANCIA 150 COMMERCIAL, LLC AND
VISTANCIA 580 COMMERCIAL, LLC),
SHEA HOMES LIMITED PARTNERSHIP
and
SLF III - VISTANCIA, LLC

SERIES 2015 STANDBY CONTRIBUTION AGREEMENT

Dated as of _____ 1, 2015

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* * *

THIS SERIES 2015 STANDBY CONTRIBUTION AGREEMENT, dated as of _____ 1, 2015 (hereinafter referred to as this "*Agreement*"), by and among Vistancia Community Facilities District, a community facilities district duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "*Issuer*"); Zions First National Bank, a national banking association with trust powers having a corporate trust office in the City of Phoenix, Maricopa County, Arizona, as trustee (hereinafter together with its successors referred to as the "*Trustee*"); Vistancia Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware, on behalf of itself and Vistancia North, LLC, Vistancia Village H, LLC, Vistancia Clementine, LLC, Vistancia Mystic, LLC, Vistancia South, LLC, Vistancia 150 Commercial, LLC and Vistancia 580 Commercial, LLC (hereinafter referred to as "*Vistancia*"); Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California (hereinafter referred to as "*Shea Homes*"); and SLF III - Vistancia, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Texas (hereinafter referred to as "*Stratford*"),

W I T N E S S E T H:

WHEREAS, pursuant to the Bond Resolution (as such term and all other initially capitalized, undefined terms used in these recitals are defined in the hereinafter defined Series 2015 Indenture), the Board has authorized, among other things, the sale and issuance of the Series 2015 Bonds and, in order to provide terms for, to secure and to provide for authentication and delivery of the Series 2015 Bonds, has duly authorized the execution and delivery of a Series 2015 Indenture of Trust and Security Agreement, dated as of even date herewith (hereinafter referred to as the "*Series 2015 Indenture*"), from the Issuer to Zions First National Bank, as trustee; and

WHEREAS, in consideration for the issuance of the Series 2015 Bonds, and the actions taken and to be taken in the Development Agreement and the Series 2015 Indenture, by the Issuer and as a condition precedent to the execution and delivery of this Agreement and the issuance of the Series 2015 Bonds, Vistancia, Shea Homes and Stratford shall be obligated, jointly and severally, to contribute certain amounts for the benefit of the Issuer which shall, pursuant to, and for purposes of, the Enabling Act, be considered by the Issuer in levying taxes to pay principal of and interest on the Series 2015 Bonds when due; and

WHEREAS, the Issuer may enter into this Agreement for the public infrastructure purposes provided for by this Agreement with respect to the Issuer;

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

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. *Definitions.*

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

1. The terms defined hereinabove, hereinafter and in the Series 2015 Indenture have the meanings assigned to them hereinabove, hereinafter and in Article One of the Series 2015 Indenture and include the plural as well as the singular.

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

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

SECTION 1.02. *Notices, etc.*

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

1. the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk, or at any other address previously furnished in writing to such Person by the Issuer,

2. the Trustee shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Trustee at its corporate trust office in Phoenix, Arizona, or if in writing and mailed, first-class postage prepaid, to the Trustee addressed to it at 6001 North 24th Street, Phoenix, Arizona 85016, Attention: Corporate Trust Services, or at any other address furnished in writing to such Person by the Trustee, or

3. Shea Homes shall be sufficient for every purpose hereunder if in writing and mailed, first class mail

postage prepaid, to Shea Homes addressed to Shea Homes at 8800 Gainey Center Drive, Suite 350, Scottsdale, Arizona 85258, Attention: Jeff McQueen, or at any other address previously furnished in writing to such Person by Shea Homes.

4. Vistancia and Stratford shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Vistancia or Stratford addressed to whichever is appropriate at Stratford Land, 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Peter Field, with a copy to Hudnall P.C., 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Matthew N. Hudnall, Esq., or at any other address previously furnished in writing to such Person by Vistancia or Stratford.

B. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

SECTION 1.03. *Effect of Headings and Table of Contents.*

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

SECTION 1.04. *Successors and Assigns.*

All covenants and agreements in this Agreement by the Issuer, the Trustee, Vistancia, Shea Homes and Stratford shall bind their successors and assigns, whether so expressed or not.

SECTION 1.05. *Severability Clause.*

In case any provision in this Agreement or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.06. *Benefits of Agreement.*

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

SECTION 1.07. *Governing Law.*

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

SECTION 1.08. *Incorporation of State Statutes.*

A. The Issuer may, within three (3) years after its execution, cancel this Agreement, without penalty(s) or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Issuer is, at any time while this Agreement is in effect, an employee or agent of any of the Trustee, Vistancia, Shea Homes or Stratford in any capacity or a consultant to any of the Trustee, Vistancia, Shea Homes or Stratford with respect to the subject matter of this Agreement and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Issuer from any of the Trustee, Vistancia, Shea Homes or Stratford arising as the result of this Agreement. None of the Trustee, Vistancia, Shea Homes or Stratford has taken nor shall take any action which could cause any person described in the preceding sentence to be or become an employee or agent of any of the Trustee, Vistancia, Shea Homes or Stratford in any capacity or a consultant to any of the Trustee, Vistancia, Shea Homes or Stratford with respect to the subject matter of this Agreement.

B. To the extent applicable under Section 41-441, Arizona Revised Statutes, the Trustee, Vistancia, Shea Homes and Stratford shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by any of the Trustee, Vistancia, Shea Homes or Stratford of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee, Vistancia, Shea Homes or Stratford, as applicable. The Issuer retains the legal right to randomly inspect the papers and records of the Trustee, Vistancia, Shea Homes and Stratford to ensure that the Trustee, Vistancia, Shea Homes and Stratford are complying with the above-mentioned warranty. The Trustee, Vistancia, Shea Homes and Stratford shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Trustee, Vistancia, Shea Homes and Stratford shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

SECTION 1.09. *Further Assurances.*

A. The Issuer, the Trustee, Vistancia, Shea Homes and Stratford shall do, execute, acknowledge, and deliver all and every such further acts, conveyances and assurances as shall be reasonably required for accomplishing the purposes of this Agreement.

B. Vistancia, Shea Homes and Stratford shall cause this instrument and any instruments of further assurance, including financing statements, if any, to be promptly registered and filed, and to be kept registered and filed, and, when necessary, to re-register,

and re-file the same, all in such manner and in such places as may be required by law, fully to preserve and protect the rights of the Issuer hereunder, and Vistancia, Shea Homes and Stratford shall execute any financing statement, continuation statement or other document required for such purposes.

SECTION 1.10. *Amendments.*

Pursuant to the provisions established in the Series 2015 Indenture, this Agreement may be amended by an instrument in writing executed and delivered by each of the Issuer, the Trustee, Vistancia, Shea Homes and Stratford.

SECTION 1.11. *Business Days.*

For purposes of this Agreement, if any date for any certification, payment, submission or determination is not a Business Day, the applicable certification, payment, submission or determination shall be made or done on the next succeeding day which is a Business Day.

SECTION 1.12. *Termination.*

Subject to the last sentence of this Section, this Agreement shall terminate upon the earlier of (A) the payment or the provision for the payment in full of all of the outstanding Series 2015 Bonds or (B) receipt by the Issuer Representative of evidence satisfactory to the Issuer Representative that, for any consecutive three (3) Fiscal Years (the first of which shall be no sooner than the first Fiscal Year in which principal of the Series 2015 Bonds has started to be amortized), a tax rate of $2.10 per $100 of limited assessed valuation of property within the boundaries of the Issuer owned by other than Vistancia, Shea Homes, Stratford or any entity owned or controlled (as such term is used in the federal Securities Act of 1933, as amended) by any of them for each such Fiscal Year would have been sufficient to pay Maximum Annual Debt Service for any subsequent Fiscal Year plus the historical, annual, average of amounts necessary for payment of amounts described in Section 9.1 of the Development Agreement as of such Fiscal Year. Such evidence shall consist of a written projection, prepared by the Issuer Representative upon a written request of Vistancia, that is based upon the application of such secondary tax rate in light of the actual limited assessed valuation of the property within the boundaries of the Issuer for each such Fiscal Year, assuming a delinquency factor equal to the greater of five percent (5%) and the historic, average, annual percentage delinquency factor for the Issuer as of such Fiscal Year and no credit for any fund balances or investment income accruing during such Fiscal Year. After receipt of proof of satisfaction of such condition, the Board shall approve in writing such termination, such approval not to be withheld unreasonably.

SECTION 1.13. *Beneficiaries.*

This Agreement is entered into by Vistancia, Shea Homes and Stratford with the Trustee and the Issuer for the benefit of the Issuer, the Trustee and the Holders, from time to time, of the Series 2015 Bonds, all of whom shall be entitled to enforce performance and observance of this Agreement to the same extent provided for the enforcement of remedies under the Series 2015 Indenture.

SECTION 1.14. *Integration.*

This Agreement, when executed and delivered by the parties hereto, shall constitute the entire agreement among them with respect to the matters provided herein and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

* * *

ARTICLE TWO

PAYMENTS; RELATED MATTERS

SECTION 2.01. *Payments.*

A. [Reserved to Preserve Section Numbering.]

B. 1. On September 1 of each Fiscal Year commencing the Fiscal Year ending in 2016, the Issuer shall certify to the Trustee the amount of property taxes which would be produced based upon (a) the current limited assessed valuation of taxable property within the boundaries of the Issuer and (b) a tax rate of $2.10 per $100 (or such lower rate as may be permitted as hereinafter provided) of limited assessed valuation (assuming a five percent (5%) delinquency factor) (hereinafter referred to as the "Tax Year Tax Amount").

2. On September 15 of each Fiscal Year commencing the Fiscal Year ending in 2016, the Trustee shall determine (a) Debt Service (without regard to any optional redemption) due on the next succeeding January 15 plus Debt Service due on the next succeeding July 15 (hereinafter referred to as the "Total Debt Service"), (b) the amount in the Series 2015 Tax Account available to pay Debt Service (hereinafter referred to as the "September Available Moneys"), and (c) the difference, if any, between (x) one-half (1/2) of the Total Debt Service and (y) the sum of (A) the September Available Moneys and (B) one-half (1/2) of the Tax Year Tax Amount (such difference being referred to hereinafter as the "October Payment").

3. On March 11 of each Fiscal Year commencing the Fiscal Year ending in 2016, the Trustee shall determine (a) the amount in the Series 2015 Tax Account available to pay Debt Service (hereinafter referred to as the "March Available Moneys"), and (b) the difference, if any, between (x) one-half (1/2) of the Total Debt Service and (y) the sum of (A) the March Available Moneys and (B) one-half (1/2) of the Tax Year Tax Amount (such difference being referred to hereinafter as the "April Payment").

4. On September 15 and March 11 of each Fiscal Year commencing the Fiscal Year ending in 2016, the Trustee shall submit a written request to Vistancia for, and on the October 12 and April 11, respectively, immediately succeeding thereafter, Vistancia, Shea Homes and Stratford shall be obligated, jointly and severally, to pay and shall pay to the Trustee, the October Payment and the April Payment, respectively.

C. 1. On December 15 of each Fiscal Year commencing the Fiscal Year ending in 2016, the Trustee shall determine the difference between the amount in the Series 2015 Tax Account on such date and the amount necessary to pay Debt Service (without regard to any optional redemption) on the next succeeding January 15 (such difference being referred to hereinafter as the "December Payment").

2. On June 15 of each Fiscal Year commencing the Fiscal Year ending in 2016, the Trustee shall determine the difference between the amount in the Series 2015 Tax Account on such date and the amount necessary to pay Debt Service on the next succeeding July 15 (such difference being referred to hereinafter as the "June Payment").

3. On December 21 and June 20 of each Fiscal Year commencing the Fiscal Year ending 2016, the Trustee shall submit a written request to Vistancia for, and on the next succeeding December 31 and June 30, respectively, Vistancia, Shea Homes and Stratford shall be obligated, jointly and severally, to pay and shall pay to the Trustee, the December Payment and the June Payment, respectively.

D. Vistancia, Shea Homes and Stratford shall be liable and obligated pursuant to Sections 2.01(B)(4) and (C)(3) only if the Issuer has with respect to any Interest Payment Date occurring on January 15 levied for that Fiscal Year a tax rate pursuant to Section 10.01(A) of the Series 2015 Indenture of at least $2.10 per $100 of limited assessed valuation and with respect to any Interest Payment Date occurring on July 15 levied such tax rate for the immediately preceding Fiscal Year; provided, however that the tax rate in any such Fiscal Year for such purpose may be less than $2.10 if the Board expected that such lower rate would produce secondary ad valorem tax revenues sufficient to pay in full Debt Service and the Series 2015 Depository Agreement has been, or is in the process of being, terminated pursuant to its terms.

E. All payments by Vistancia, Shea Homes and Stratford pursuant to the preceding subsections of this Section shall be paid to the Trustee or the Issuer, as the case may be, in immediately available funds composed of lawful money of the United States of America.

F. 1. If at any time prior to the termination of this Agreement Shea Homes then has an audited net worth (as such term is construed under generally accepted accounting principles) of less than eight (8) times the difference between (a) the principal amount of the Series 2015 Bonds then Outstanding and (b) the principal amount of the Series 2015 Bonds then Outstanding, which can be serviced by taxes paid by owners of the property in the District other than Vistancia, Shea Homes, Stratford or any entity owned or controlled (as such term is used in the federal Securities Act of 1933, as amended) by any of them, assuming a delinquency factor of five percent (5%), Shea Homes shall promptly cause the defeasance of an appropriate portion of the Series 2015 Bonds, the posting of collateral (such as a guaranty from another entity, surety bond, letter of credit or cash) satisfactory in form and amount to the Issuer Representative or any combination of the two such that such net worth test will thereafter be satisfied.

2. Within fourteen (14) days after a request from a Bondholder, Shea Homes shall provide to the Trustee which shall provide the same to such Bondholder, within sixty (60) days after the last day of each six-month period during each fiscal year of Shea

Homes, financial statements for Shea Homes prepared according to generally accepted accounting principles which evidence compliance with the "times audited net worth" test described in Section 2.01(F)(1); provided, however, that if such statements are not audited, an authorized officer of Shea Homes shall certify as to their accuracy and compliance with generally accepted accounting principles. (The Issuer shall have no obligation to see that the foregoing is provided or to review the same.)

SECTION 2.02. *Nature of Vistancia's, Shea Homes' and Stratford's Obligations.*

The obligations of Vistancia, Shea Homes and Stratford pursuant to this Agreement shall be absolute and unconditional (except as set forth in Section 2.01 hereof) and shall remain in full force and effect until this Agreement is terminated. Such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to, or the consent of, Vistancia, Shea Homes and Stratford:

A. the compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Issuer, Vistancia, Shea Homes or Stratford under the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement; or

B. the failure to give notice to Vistancia, Shea Homes or Stratford of the occurrence of an event of default under the terms and provisions of the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement; or

C. the waiver of the payment, performance or observance by the Issuer, Vistancia, Shea Homes or Stratford of any of the obligations, covenants or agreements of any of them contained in the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement; or

D. the extension of the time for payment of any principal of or premium, if any, or interest on any Series 2015 Bond or the extension or renewal of the time for performance of any other obligations, covenants or agreements under or arising out of the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement; or

E. the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement; or

F. the taking or the omission of any of the actions referred to in the Series 2015 Indenture, the Series 2015 Depository

Agreement, the Development Agreement or this Agreement (other than as set forth in Section 2.01 hereof); or

G. any failure, omission, delay or lack on the part of the Issuer, the Trustee, Vistancia, Shea Homes or Stratford to enforce, assert or exercise any right, power or remedy conferred on the Issuer or the Trustee in the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement (except as set forth in Section 2.01 hereof), or any other act or acts on the part of the Issuer, the Trustee or any of the owners from time to time of the Series 2015 Bonds; or

H. the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or re-adjustment of, or other similar proceedings affecting the Issuer, Vistancia, Shea Homes or Stratford or any of the assets of any of them or any allegation or contest of the validity of the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement in any such proceeding; or

I. the release or discharge of the Issuer, Vistancia, Shea Homes or Stratford from the performance or observance of any obligations, covenant or agreement contained in the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement or this Agreement by operation of law; or

J. the default or failure of Vistancia, Shea Homes or Stratford fully to perform any of their obligations set forth in the Series 2015 Depository Agreement, the Development Agreement or this Agreement; or

K. the invalidity of the Series 2015 Indenture, the Series 2015 Depository Agreement, the Development Agreement, this Agreement or the Series 2015 Bonds.

SECTION 2.03. *No Set-Off.*

Except as otherwise provided herein, no monetary set-off, reduction or diminution of any obligation or any defense of any kind or nature which Vistancia, Shea Homes or Stratford has or may have against the Issuer or the Trustee or which the Issuer may have against the Trustee shall be available hereunder to Vistancia, Shea Homes or Stratford against the Trustee.

SECTION 2.04. *Remedies.*

Upon the occurrence of any failure (1) to pay amounts due hereunder or (2) to provide the information required by Section 2.01(F)(2), the Trustee shall proceed directly against Vistancia, Shea Homes and Stratford, jointly and severally, under this Agreement

without proceeding against or exhausting any other remedies which it may have against the Issuer, or any other person, firm or corporation and without resorting to any other security held by the Issuer or the Trustee, in the case of clause (1) for the amounts so due and in the case of clause (2) for the security which would be required under Section 2.01(F)(1) if such section was treated as if it was not being complied with. Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses and to protect against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken.

SECTION 2.05. *Waiver of Notice; Payment of Expenses.*

Vistancia, Shea Homes and Stratford hereby expressly waive notice from the Trustee or the owners from time to time of any of the Series 2015 Bonds of their acceptance and reliance on this Agreement. Vistancia, Shea Homes or Stratford shall be liable and obligated, jointly and severally, to pay and shall pay all costs, expenses and fees, including all reasonable attorneys' fees, which may be incurred by the Trustee in enforcing or attempting to enforce this Agreement following any default on the part of Vistancia, Shea Homes or Stratford hereunder, whether the same shall be enforce by suit or otherwise.

* * *

ARTICLE THREE

THE TRUSTEE

SECTION 3.01. *Certain Duties and Responsibilities.*

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

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

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

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

3. no provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Sections 2.04 and 3.04A(3).

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

SECTION 3.02. *Certain Rights of Trustee.*

Except as otherwise provided in Section 3.01 hereof the Trustee may rely and shall be protected in acting or refraining from acting upon:

A. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, telex or other paper, document or communication reasonably believed by

it to be genuine and to have been signed or presented by the proper Persons;

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

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

D. whenever in the administration of this Agreement the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

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

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

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

SECTION 3.03. *Not Responsible for Recitals or Application of Proceeds.*

The recitals contained herein shall be taken as the statements of the other parties hereto, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the amounts held hereunder or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of this Agreement.

SECTION 3.04. *Compensation and Reimbursement.*

A. The Issuer shall

1. pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

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

3. indemnify, to the extent permitted by applicable law, the Trustee for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

B. The Trustee shall not have the right to set off against or to appropriate or apply any of the amount deposited pursuant to Section 2.01 or any of the investment income therefrom to any unpaid obligation of the Issuer to the Trustee hereunder or as a result of any other matter between the Issuer and the Trustee.

SECTION 3.05. *Corporate Trustee Required; Eligibility.*

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

SECTION 3.06. *Resignation and Removal; Appointment of Successor.*

A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 3.07.

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

C. If at any time:

1. the Trustee shall cease to be eligible under Section 3.05 and shall fail to resign after written request therefor by the Issuer or

2. the Trustee shall become incapable of acting or shall be adjudged insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in any such case, the Issuer by Board Resolution may remove the Trustee.

D. If the Trustee shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer by Board Resolution, shall promptly appoint a successor Trustee. In case all or substantially all of the amounts held hereunder shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Trustee shall be so appointed, then the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed and accepted appointment in the manner hereinafter provided, either the Issuer or Vistancia may petition any court of competent jurisdiction for the appointment of a successor Trustee.

SECTION 3.07. *Acceptance of Appointment by Successor.*

A. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the retiring Trustee an instrument accepting such appointment, and thereupon the resigna-

tion or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 3.04. Upon request of any such successor Trustee, the Issuer and Vistancia shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

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

SECTION 3.08. *Merger, Conversion, Consolidation or Succession to Business.*

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

* * *

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

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
Issuer Representative

ATTEST:

.....
District Clerk

ZIONS FIRST NATIONAL BANK, as Trustee

By.....
Authorized Officer

VISTANCIA LAND HOLDINGS, LLC, a Delaware limited liability company

By: SLF III - Vistancia, LLC, a Texas limited liability company, its sole and managing member

By: Stratford Land Fund, III, L.P., an Delaware limited partnership, its sole and managing member

By: Stratford Fund III GP, LLC, a Texas limited liability company, its General Partner

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

SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership

By: J.F. Shea, LP, a Delaware limited partnership, its General Partner

By: JFS Management, L.P., a Delaware limited partnership, its General Partner

By: J.F. Shea Construction Management, Inc., a California corporation, its General Partner

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

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

SLF III - VISTANCIA, LLC, a Texas limited liability company

By: Stratford Land Fund III, L.P., a Delaware limited partnership, its sole and managing member

By: Stratford Fund III GP, LLC, a Texas limited liability company, its General Partner

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

DRAFT
06/22/15

VISTANCIA COMMUNITY FACILITIES DISTRICT

and

ZIONS FIRST NATIONAL BANK,
as Depository

SERIES 2015 SURETY DEPOSITORY AGREEMENT

Dated as of _____ 1, 2015

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* * *

THIS SERIES 2015 SURETY DEPOSITORY AGREEMENT, dated as of _____ 1, 2015 (hereinafter referred to as this "*Agreement*"), by and between Vistancia Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "*Issuer*"), and Zions First National Bank, a national banking association with trust powers having a corporate trust office in the City of Phoenix, Maricopa County, Arizona, as depository (hereinafter together with any successor to the trust herein granted referred to as the "*Depository*"),

W I T N E S S E T H:

WHEREAS, pursuant to the Bond Resolution (as such term and all other initially capitalized, undefined terms used in these recitals are defined in the hereinafter defined Series 2015 Indenture), the Board has authorized, among other things, the sale and issuance of the Series 2015 Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Series 2015 Bonds, has duly authorized the execution and delivery of a Series 2015 Indenture of Trust and Security Agreement, dated as of even date herewith (hereinafter referred to as the "*Series 2015 Indenture*"), from the Issuer to Zions First National Bank, as trustee; and

WHEREAS, in consideration for the issuance of the Series 2015 Bonds, and the actions taken and to be taken in the Series 2015 Indenture, by the Issuer and as a condition precedent to the execution and delivery of this Agreement and the issuance of the Series 2015 Bonds, Vistancia, Shea Homes and Stratford have had established by Zions First National Bank in favor of the Depository an irrevocable financial guaranty bond in the amount of $_____,000; and

WHEREAS, the Issuer may enter into, and expend moneys pursuant to, this Agreement for the public infrastructure purposes provided for by this Agreement with respect to the Issuer;

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

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. *Definitions.*

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

1. The terms defined hereinabove, hereinafter and in the Series 2015 Indenture have the meanings assigned to them hereinabove, hereinafter and in Article One of the Series 2015 Indenture and include the plural as well as the singular.

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

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

SECTION 1.02. *Notices, etc.*

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

1. the Depository shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Depository at its corporate trust office in Phoenix, Arizona, or if in writing and mailed, first-class postage prepaid, to the Depository addressed to it at 6001 North 24th Street, Phoenix, Arizona 85016, Attention: Corporate Trust Services, or at any other address furnished in writing to such Person by the Depository, or

2. the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk or at any other address previously furnished in writing to such Person by the Issuer, or

3. Shea Homes shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Shea Homes addressed to Shea Homes at 8800 Gainey Center Drive, Suite 350, Scottsdale, Arizona 85258, Attention: Jeff McQueen, or at any other address previously furnished in writing to such Person by Shea Homes.

4. Vistancia and Stratford shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Vistancia or Stratford addressed to whichever is appropriate at Stratford Land, 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Peter Field, with a copy to Hudnall P.C., 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Matthew N. Hudnall, Esq., or at any other address previously furnished in writing to such Person by Vistancia or Stratford.

B. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

SECTION 1.03. *Effect of Headings and Table of Contents.*

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

SECTION 1.04. *Successors and Assigns.*

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

SECTION 1.05. *Severability Clause.*

In case any provision in this Agreement or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.06. *Benefits of Agreement.*

Nothing in this Agreement, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement. The role of the Depository hereunder is administrative only, and the Depository is a party to this Agreement only to hold the Surety or proceeds thereof in trust for the benefit of the Issuer and the Holders of the Series 2015 Bonds and to carry out the instructions given to the Depository hereunder.

SECTION 1.07. *Governing Law.*

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

SECTION 1.08. *Incorporation of State Statutes.*

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

B. To the extent applicable under Section 41-441, Arizona Revised Statutes, the Depository shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Depository of the foregoing shall be deemed a material breach of this Depository Agreement and may result in the termination of the services of the Depository. The Issuer retains the legal right to randomly inspect the papers and records of the Depository to ensure that the Depository is complying with the above-mentioned warranty. The Depository shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Depository shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

SECTION 1.09. *Further Assurances.*

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

SECTION 1.10. *Amendments.*

Pursuant to the conditions established in the Series 2015 Indenture, this Agreement may be amended by an instrument in writing executed and delivered by each of the Depository and the Issuer.

SECTION 1.11. *Business Days.*

For purposes of this Agreement, if any date for any payment or determination is not a Business Day, the applicable payment or determination shall be made or done on the next succeeding day which is a Business Day.

SECTION 1.12. *Termination.*

Subject to the last sentence of this Section, this Agreement shall terminate upon the earlier of (A) the payment or the provision for payment in full of all of the outstanding Series 2015 Bonds or (B) receipt by the Issuer Representative in any Fiscal Year of evidence satisfactory to the Issuer Representative that, for such Fiscal Year, a tax rate of $2.10 per $100 of limited assessed valuation of property within the boundaries of the Issuer owned by other than Vistancia, Shea Homes, Stratford or any entity owned or controlled (as such term is used in the federal Securities Act of 1933, as amended) by any of them for such Fiscal Year would have been sufficient to pay Maximum Annual Debt Service for any subsequent Fiscal Year plus the historical, annual, average of amounts necessary for payment of amounts described in Section 9.1 of the Development Agreement as of such Fiscal Year. Such evidence shall consist of a written projection, prepared by the Issuer Representative, if the Surety has not been drawn, upon a written request of Vistancia and otherwise at the discretion of the Issuer Representative, that is based upon the application of such secondary tax rate in light of the actual limited assessed valuation of the property within the boundaries of the Issuer for such Fiscal Year, assuming a delinquency factor equal to the greater of five percent (5%) and the historic, average, annual percentage delinquency factor for the Issuer as of such Fiscal Year and no credit for any balance or investment income accruing during such Fiscal Year. After receipt of proof of satisfaction of such condition, the Board shall approve in writing such termination, such approval not to be withheld unreasonably.

SECTION 1.13. *Integration.*

This Agreement, when executed and delivered by the parties hereto, shall constitute the entire agreement among them with respect to the matters provided herein and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

* * *

ARTICLE TWO

THE SURETY

SECTION 2.01. *Beneficiary; Authority to Cause Surety Payments; Surety Payments; Alternates.*

A. The Surety shall be held by the Depository for the benefit of the Issuer and shall be the subject of the Surety Payment upon the occurrence of any one of the following events so long as the Issuer has with respect to any Interest Payment Date occurring on the January 15 immediately preceding the Surety Payment levied for that Fiscal Year a tax rate pursuant to Section 10.01(A) of the Series 2015 Indenture of at least $2.10 per $100 of limited assessed valuation and with respect to any Interest Payment Date occurring on the July 15 immediately preceding the Surety Payment levied such tax rate for the immediately preceding Fiscal Year:

1. The failure of Vistancia, Shea Homes or Stratford to pay any amount due on the applicable date due pursuant to, or to provide any security as required by, the Series 2015 Standby Contribution Agreement.

2. The failure to obtain and deliver to the Depository an Alternate Surety pursuant to Section 2.01C.

3. The Surety Provider (i) commences a proceeding under any federal or state insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against it or has the proceeding remain undismissed and unstayed for ninety (90) days or (ii) has a receiver, conservator, liquidator or trustee appointed for it or for the whole or any substantial part of its property.

The Depository shall present a notice to the Surety Provider (together with any required certificates under the Surety) so as to permit the timely transfer of funds from the Surety Provider to the Depository for the Surety Payment and shall follow such other procedures so as to comply with the Surety in order to make the Surety Payment. The Depository shall promptly notify Shea Homes and the Issuer if the Surety Provider has not transferred funds in accordance with the Surety upon the presentment of such draft.

B. Upon receipt of moneys from the Surety Provider, the Depository shall deposit the amount representing the Surety Payment in a separate account established hereby in the name of the Issuer for the purposes hereof to be called the "Series 2015 Principal Account" and apply the same as provided in Section 2.02.

C. Shea Homes may, at its option, provide for the delivery to the Depository of an Alternate Surety to take effect on the Surety Termination Date of the then effective Surety. For an Alternate Surety to be effective, sixty (60) Business Days prior to

the Surety Termination Date, the Depository and the Issuer shall have received the following, in form and substance acceptable to the Issuer Representative:

1. evidence that the rating of the issuer of the Alternate Surety is as indicated in the definition of "Alternate Surety";

2. an opinion of counsel for the issuer of the Alternate Surety that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms;

3. an opinion of nationally recognized bond counsel that such replacement is authorized hereunder and will not cause interest on the Series 2015 Bonds to become includable in gross income for federal income tax purposes and

4. the Alternate Surety, meeting all of the other requirements provided in the definition of "Alternate Surety" and being unconditionally binding and effective as of the Surety Termination Date.

D. The Depository shall not sell, assign or transfer the Surety except to a successor Depository under this Agreement.

E. If the Surety Payment has occurred because of the event described in Section 2.01(A)(2) or (3), the Issuer Representative may, in his sole and absolute discretion and pursuant to the same terms and conditions described in Section 2.01(C) and whatever additional terms and conditions the Issuer Representative deems appropriate, instruct the Depository to pay an amount equal to the Surety Payment to the issuer of a new surety meeting the qualifications in the definition of "Alternate Surety" in exchange for such new surety and thereafter such new surety shall be treated as the Surety for all purposes of this Agreement.

SECTION 2.02. *Application.*

A. After the Surety Payment, the Depository shall pay to the Trustee from amounts on deposit in the Series 2015 Principal Account the amounts requested pursuant to Section 5.02(C)(1)(c) of the Series 2015 Indenture.

B. Upon the written consent of the District Chief Financial Officer, the Depository shall pay to Shea Homes all amounts held by the Depository hereunder upon the termination of this Agreement.

C. The Depository shall return the Surety to Shea Homes upon the earlier of the termination thereof or of this Agreement.

SECTION 2.03. *Investment of and Security for Account.*

A. Amounts on deposit in the Series 2015 Principal Account shall be invested in the Permitted Investments indicated in writing by the Issuer Representative but only such that the yield, calculated for federal income tax purposes, of such Permitted Investments is not materially higher than the yield, calculated on the same basis, for the Series 2015 Bonds, and the Depository shall take all actions necessary with regard to any Permitted Investment to assure that amounts are invested accordingly and such that amounts are available therefrom for the purposes hereof; provided, however, that such amounts may be invested at a higher yield upon receipt from the Issuer of an opinion of nationally recognized bond counsel, addressed to the Depository, to the effect that such amounts may be so invested.

B. The earnings accruing on amounts deposited hereunder and any profit realized from such investment shall be added to the amount held hereunder, and any loss resulting from such investment shall be subtracted from the amount held hereunder.

C. The Depository shall not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from disregard or negligent implementation of any written direction by the Issuer.

SECTION 2.04. *Annual Reports.*

As soon as possible after July 15 of each Fiscal Year and more often as requested in writing by the Issuer Representative, the Depository shall provide to the Issuer a report indicating the balance in the Series 2015 Principal Account as well as all deposits to, and payments from, the Series 2015 Principal Account during the prior Fiscal Year.

* * *

ARTICLE THREE

DEPOSITORY

SECTION 3.01. *Certain Duties and Responsibilities of Depository.*

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

B. No provision of this Agreement shall be construed to relieve the Depository from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

1. this Subsection shall not be construed to limit the effect of Subsection (A) of this Section;

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

3. no provision of this Agreement shall require the Depository to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Section 3.04(A)(3).

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

SECTION 3.02. *Certain Rights of Depository.*

Except as otherwise provided in Section 3.01 hereof:

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

1. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent,

order, bond, telex or other paper, document or communication reasonably believed by it to be genuine and to have been signed or presented by the proper Persons and

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

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

C. whenever in the administration of this Agreement the Depository shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Depository (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

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

E. the Depository shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document, but the Depository, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Depository shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney and

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

SECTION 3.03. *Not Responsible for Recitals or Application of Proceeds.*

The recitals contained herein shall be taken as the statements of the other parties hereto, and the Depository assumes no responsibility for their correctness. The Depository makes no representations as to the amounts held hereunder or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Depository hereunder, or as to the validity or sufficiency of this Agreement.

SECTION 3.04. *Compensation and Reimbursement.*

A. The Issuer shall

1. pay to the Depository from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

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

3. indemnify, to the extent permitted by applicable law, the Depository for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

B. The Depository shall not have the right to set off against or to appropriate or apply any of the amount deposited pursuant to Section 2.01 or any of the investment income therefrom to any unpaid obligation of the Issuer to the Depository hereunder or as a result of any other matter between the Issuer and the Depository.

SECTION 3.05. *Corporate Depository Required; Eligibility.*

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

SECTION 3.06. *Resignation and Removal; Appointment of Successor.*

A. No resignation or removal of the Depository and no appointment of a successor Depository pursuant to this Article shall become effective until the acceptance of appointment by the successor Depository under Section 3.07.

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

C. If at any time:

1. the Depository shall cease to be eligible under Section 3.05 and shall fail to resign after written request therefor by the Issuer or

2. the Depository shall become incapable of acting or shall be adjudged insolvent or a receiver of the Depository or of its property shall be appointed or any public officer shall take charge or control of the Depository or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in any such case, the Issuer by Board Resolution may remove the Depository.

D. If the Depository shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Depository for any cause, the Issuer by Board Resolution, shall promptly appoint a successor Depository. In case all or substantially all of the amounts held hereunder shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Depository shall be so appointed. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Depository shall be so appointed, then the successor Depository so appointed shall, forthwith upon its acceptance of such appointment, become the successor Depository and supersede the successor Depository appointed by the Issuer or by such receiver or trustee. If no successor Depository shall have been so appointed and accepted appointment in the manner hereinafter provided, the Issuer may petition any court of competent jurisdiction for the appointment of a successor Depository.

SECTION 3.07. *Acceptance of Appointment by Successor.*

A. Every successor Depository appointed hereunder shall execute, acknowledge and deliver to the Issuer and the retiring Depository an instrument accepting such appointment, and thereupon the

resignation or removal of the retiring Depository shall become effective and such successor Depository, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Depository; but, on request of the Issuer or the successor Depository, such retiring Depository shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Depository upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Depository, and shall duly assign, transfer and deliver to such successor Depository all property and money held by such retiring Depository hereunder, subject nevertheless to its lien, if any, provided for in Section 3.04. Upon request of any such successor Depository, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Depository all such estates, properties, rights, powers and trusts.

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

SECTION 3.08. *Merger, Conversion, Consolidation or Succession to Business.*

Any corporation into which the Depository may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Depository shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Depository, shall be the successor of the Depository hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

* * *

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

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
Issuer Representative

ATTEST:

.....
District Clerk

ZIONS FIRST NATIONAL BANK, as Depository

By.....
Authorized Officer

DRAFT
04/29/15
05/05/15
06/22/15

VISTANCIA COMMUNITY FACILITIES DISTRICT

and

ZIONS FIRST NATIONAL BANK,
as Depository

SERIES 2015 LETTER OF CREDIT DEPOSITORY AGREEMENT

Dated as of _____ 1, 2015

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SIGNATURES.....15

* * *

THIS SERIES 2015 LETTER OF CREDIT DEPOSITORY AGREEMENT, dated as of _____ 1, 2015 (hereinafter referred to as this "*Agreement*"), by and between Vistancia Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "*Issuer*"), and Zions First National Bank, a national banking association with trust powers having a corporate trust office in the City of Phoenix, Maricopa County, Arizona, as depository (hereinafter together with any successor to the trust herein granted referred to as the "*Depository*"),

W I T N E S S E T H:

WHEREAS, pursuant to the Bond Resolution (as such term and all other initially capitalized, undefined terms used in these recitals are defined in the hereinafter defined Series 2015 Indenture), the Board has authorized, among other things, the sale and issuance of the Series 2015 Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Series 2015 Bonds, has duly authorized the execution and delivery of a Series 2015 Indenture of Trust and Security Agreement, dated as of even date herewith (hereinafter referred to as the "*Series 2015 Indenture*"), from the Issuer to Zions First National Bank, as trustee; and

WHEREAS, in consideration for the issuance of the Series 2015 Bonds, and the actions taken and to be taken in the Series 2015 Indenture, by the Issuer and as a condition precedent to the execution and delivery of this Agreement and the issuance of the Series 2015 Bonds, Vistancia, Shea Homes and Stratford have had established by Zions First National Bank in favor of the Depository an irrevocable standby letter of credit in the amount of $_____,000; and

WHEREAS, the Issuer may enter into, and expend moneys pursuant to, this Agreement for the public infrastructure purposes provided for by this Agreement with respect to the Issuer;

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

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. *Definitions.*

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

1. The terms defined hereinabove, hereinafter and in the Series 2015 Indenture have the meanings assigned to them hereinabove, hereinafter and in Article One of the Series 2015 Indenture and include the plural as well as the singular.

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

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

SECTION 1.02. *Notices, etc.*

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

1. the Depository shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Depository at its corporate trust office in Phoenix, Arizona, or if in writing and mailed, first-class postage prepaid, to the Depository addressed to it at 6001 North 24th Street, Phoenix, Arizona 85016, Attention: Corporate Trust Services, or at any other address furnished in writing to such Person by the Depository, or

2. the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk or at any other address previously furnished in writing to such Person by the Issuer, or

3. Shea Homes shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Shea Homes addressed to Shea Homes at 8800 Gainey Center Drive, Suite 350, Scottsdale, Arizona 85258, Attention: Jeff McQueen, or at any other address previously furnished in writing to such Person by Shea Homes.

4. Vistancia and Stratford shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Vistancia or Stratford addressed to whichever is appropriate at Stratford Land, 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Peter Field, with a copy to Hudnall P.C., 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Matthew N. Hudnall, Esq., or at any other address previously furnished in writing to such Person by Vistancia or Stratford.

B. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

SECTION 1.03. *Effect of Headings and Table of Contents.*

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

SECTION 1.04. *Successors and Assigns.*

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

SECTION 1.05. *Severability Clause.*

In case any provision in this Agreement or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.06. *Benefits of Agreement.*

Nothing in this Agreement, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement. The role of the Depository hereunder is administrative only, and the Depository is a party to this Agreement only to hold the Letter of Credit or proceeds thereof in trust for the benefit of the Issuer and the Holders of the Series 2015 Bonds and to carry out the instructions given to the Depository hereunder.

SECTION 1.07. *Governing Law.*

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

SECTION 1.08. *Incorporation of State Statutes.*

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

B. To the extent applicable under Section 41-441, Arizona Revised Statutes, the Depository shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Depository of the foregoing shall be deemed a material breach of this Depository Agreement and may result in the termination of the services of the Depository. The Issuer retains the legal right to randomly inspect the papers and records of the Depository to ensure that the Depository is complying with the above-mentioned warranty. The Depository shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Depository shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

SECTION 1.09. *Further Assurances.*

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

SECTION 1.10. *Amendments.*

Pursuant to the conditions established in the Series 2015 Indenture, this Agreement may be amended by an instrument in writing executed and delivered by each of the Depository and the Issuer.

SECTION 1.11. *Business Days.*

For purposes of this Agreement, if any date for any payment or determination is not a Business Day, the applicable payment or determination shall be made or done on the next succeeding day which is a Business Day.

SECTION 1.12. *Termination.*

Subject to the last sentence of this Section, this Agreement shall terminate upon the earlier of (A) the payment or the provision for payment in full of all of the outstanding Series 2015 Bonds or (B) receipt by the Issuer Representative in any Fiscal Year of evidence satisfactory to the Issuer Representative that, for such Fiscal Year, a tax rate of $2.10 per $100 of limited assessed valuation of property within the boundaries of the Issuer owned by other than Vistancia, Shea Homes, Stratford or any entity owned or controlled (as such term is used in the federal Securities Act of 1933, as amended) by any of them for such Fiscal Year would have been sufficient to pay Maximum Annual Debt Service for any subsequent Fiscal Year plus the historical, annual, average of amounts necessary for payment of amounts described in Section 9.1 of the Development Agreement as of such Fiscal Year. Such evidence shall consist of a written projection, prepared by the Issuer Representative, if the Letter of Credit has not been drawn, upon a written request of Vistancia and otherwise at the discretion of the Issuer Representative, that is based upon the application of such secondary tax rate in light of the actual limited assessed valuation of the property within the boundaries of the Issuer for such Fiscal Year, assuming a delinquency factor equal to the greater of five percent (5%) and the historic, average, annual percentage delinquency factor for the Issuer as of such Fiscal Year and no credit for any balance or investment income accruing during such Fiscal Year. After receipt of proof of satisfaction of such condition, the Board shall approve in writing such termination, such approval not to be withheld unreasonably.

SECTION 1.13. *Integration.*

This Agreement, when executed and delivered by the parties hereto, shall constitute the entire agreement among them with respect to the matters provided herein and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

* * *

ARTICLE TWO

THE LETTER OF CREDIT

SECTION 2.01. *Beneficiary; Authority to Draw; Draws; Alternates.*

A. The Letter of Credit shall be held by the Depository for the benefit of the Issuer and shall be the subject of the Draw upon the occurrence of any one of the following events so long as the Issuer has with respect to any Interest Payment Date occurring on the January 15 immediately preceding the Draw levied for that Fiscal Year a tax rate pursuant to Section 10.01(A) of the Series 2015 Indenture of at least $2.10 per $100 of limited assessed valuation and with respect to any Interest Payment Date occurring on the July 15 immediately preceding the Draw levied such tax rate for the immediately preceding Fiscal Year:

1. The failure of Vistancia, Shea Homes or Stratford to pay any amount due on the applicable date due pursuant to, or to provide any security as required by, the Series 2015 Standby Contribution Agreement.

2. The failure to obtain and deliver to the Depository an Alternate Letter of Credit pursuant to Section 2.01C.

3. The Letter of Credit Bank (i) commences a proceeding under any federal or state insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against it or has the proceeding remain undismissed and unstayed for ninety (90) days or (ii) has a receiver, conservator, liquidator or trustee appointed for it or for the whole or any substantial part of its property.

The Depository shall present a sight draft to the Letter of Credit Bank (together with any required certificates under the Letter of Credit) so as to permit the timely transfer of funds from the Letter of Credit Bank to the Depository for the Draw and shall follow such other procedures so as to comply with the Letter of Credit in order to make the Draw. The Depository shall promptly notify Vistancia and the Issuer if the Letter of Credit Bank has not transferred funds in accordance with the Letter of Credit upon the presentment of such draft.

B. Upon receipt of moneys from the Letter of Credit Bank, the Depository shall deposit the amount representing the Draw in a separate account established hereby in the name of the Issuer for the purposes hereof to be called the "Series 2015 Principal Account" and apply the same as provided in Section 2.02.

C. Vistancia may, at its option, provide for the delivery to the Depository of an Alternate Letter of Credit to take effect on the Letter of Credit Termination Date of the then effective Letter of Credit. For an Alternate Letter of Credit to be effective, sixty (60)

Business Days prior to the Letter of Credit Termination Date, the Depository and the Issuer shall have received the following, in form and substance acceptable to the Issuer Representative:

1. evidence that the rating of the issuer of the Alternate Letter of Credit is as indicated in the definition of "Alternate Letter of Credit";

2. an opinion of counsel for the issuer of the Alternate Letter of Credit that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms;

3. an opinion of nationally recognized bond counsel that such replacement is authorized hereunder and will not cause interest on the Series 2015 Bonds to become includable in gross income for federal income tax purposes and

4. the Alternate Letter of Credit, meeting all of the other requirements provided in the definition of "Alternate Letter of Credit" and being unconditionally binding and effective as of the Letter of Credit Termination Date.

D. The Depository shall not sell, assign or transfer the Letter of Credit except to a successor Depository under this Agreement.

E. If the Draw has occurred because of the event described in Section 2.01(A)(2) or (3), the Issuer Representative may, in his sole and absolute discretion and pursuant to the same terms and conditions described in Section 2.01(C) and whatever additional terms and conditions the Issuer Representative deems appropriate, instruct the Depository to pay an amount equal to the Draw to the issuer of a new letter of credit meeting the qualifications in the definition of "Alternate Letter of Credit" in exchange for such new letter of credit and thereafter such new letter of credit shall be treated as the Letter of Credit for all purposes of this Agreement.

SECTION 2.02. *Application.*

A. After the Draw, the Depository shall pay to the Trustee from amounts on deposit in the Series 2015 Principal Account the amounts requested pursuant to Section 5.02(C)(1)(c) of the Series 2015 Indenture.

B. Upon the written consent of the District Chief Financial Officer, the Depository shall pay to Vistancia all amounts held by the Depository hereunder upon the termination of this Agreement.

C. The Depository shall return the Letter of Credit to Vistancia upon the earlier of the termination thereof or of this Agreement.

SECTION 2.03. *Investment of and Security for Account.*

A. Amounts on deposit in the Series 2015 Principal Account shall be invested in the Permitted Investments indicated in writing by the Issuer Representative but only such that the yield, calculated for federal income tax purposes, of such Permitted Investments is not materially higher than the yield, calculated on the same basis, for the Series 2015 Bonds, and the Depository shall take all actions necessary with regard to any Permitted Investment to assure that amounts are invested accordingly and such that amounts are available therefrom for the purposes hereof; provided, however, that such amounts may be invested at a higher yield upon receipt from the Issuer of an opinion of nationally recognized bond counsel, addressed to the Depository, to the effect that such amounts may be so invested.

B. The earnings accruing on amounts deposited hereunder and any profit realized from such investment shall be added to the amount held hereunder, and any loss resulting from such investment shall be subtracted from the amount held hereunder.

C. The Depository shall not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from disregard or negligent implementation of any written direction by the Issuer.

SECTION 2.04. *Annual Reports.*

As soon as possible after July 15 of each Fiscal Year and more often as requested in writing by the Issuer Representative, the Depository shall provide to the Issuer a report indicating the balance in the Series 2015 Principal Account as well as all deposits to, and payments from, the Series 2015 Principal Account during the prior Fiscal Year.

* * *

ARTICLE THREE

DEPOSITORY

SECTION 3.01. *Certain Duties and Responsibilities of Depository.*

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

B. No provision of this Agreement shall be construed to relieve the Depository from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

1. this Subsection shall not be construed to limit the effect of Subsection (A) of this Section;

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

3. no provision of this Agreement shall require the Depository to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Section 3.04(A)(3).

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

SECTION 3.02. *Certain Rights of Depository.*

Except as otherwise provided in Section 3.01 hereof:

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

1. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent,

order, bond, telex or other paper, document or communication reasonably believed by it to be genuine and to have been signed or presented by the proper Persons and

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

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

C. whenever in the administration of this Agreement the Depository shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Depository (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

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

E. the Depository shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond or other paper or document, but the Depository, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Depository shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney and

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

SECTION 3.03. *Not Responsible for Recitals or Application of Proceeds.*

The recitals contained herein shall be taken as the statements of the other parties hereto, and the Depository assumes no responsibility for their correctness. The Depository makes no representations as to the amounts held hereunder or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Depository hereunder, or as to the validity or sufficiency of this Agreement.

SECTION 3.04. *Compensation and Reimbursement.*

A. The Issuer shall

1. pay to the Depository from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

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

3. indemnify, to the extent permitted by applicable law, the Depository for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

B. The Depository shall not have the right to set off against or to appropriate or apply any of the amount deposited pursuant to Section 2.01 or any of the investment income therefrom to any unpaid obligation of the Issuer to the Depository hereunder or as a result of any other matter between the Issuer and the Depository.

SECTION 3.05. *Corporate Depository Required; Eligibility.*

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

SECTION 3.06. *Resignation and Removal; Appointment of Successor.*

A. No resignation or removal of the Depository and no appointment of a successor Depository pursuant to this Article shall become effective until the acceptance of appointment by the successor Depository under Section 3.07.

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

C. If at any time:

1. the Depository shall cease to be eligible under Section 3.05 and shall fail to resign after written request therefor by the Issuer or

2. the Depository shall become incapable of acting or shall be adjudged insolvent or a receiver of the Depository or of its property shall be appointed or any public officer shall take charge or control of the Depository or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in any such case, the Issuer by Board Resolution may remove the Depository.

D. If the Depository shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Depository for any cause, the Issuer by Board Resolution, shall promptly appoint a successor Depository. In case all or substantially all of the amounts held hereunder shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Depository shall be so appointed. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Depository shall be so appointed, then the successor Depository so appointed shall, forthwith upon its acceptance of such appointment, become the successor Depository and supersede the successor Depository appointed by the Issuer or by such receiver or trustee. If no successor Depository shall have been so appointed and accepted appointment in the manner hereinafter provided, the Issuer may petition any court of competent jurisdiction for the appointment of a successor Depository.

SECTION 3.07. *Acceptance of Appointment by Successor.*

A. Every successor Depository appointed hereunder shall execute, acknowledge and deliver to the Issuer and the retiring Depository an instrument accepting such appointment, and thereupon the

resignation or removal of the retiring Depository shall become effective and such successor Depository, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Depository; but, on request of the Issuer or the successor Depository, such retiring Depository shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Depository upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Depository, and shall duly assign, transfer and deliver to such successor Depository all property and money held by such retiring Depository hereunder, subject nevertheless to its lien, if any, provided for in Section 3.04. Upon request of any such successor Depository, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Depository all such estates, properties, rights, powers and trusts.

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

SECTION 3.08. *Merger, Conversion, Consolidation or Succession to Business.*

Any corporation into which the Depository may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Depository shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Depository, shall be the successor of the Depository hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

* * *

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

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
Issuer Representative

ATTEST:

.....
District Clerk

ZIONS FIRST NATIONAL BANK, as Depository

By.....
Authorized Officer

DRAFT
04/29/15
05/05/15
06/22/15

VISTANCIA COMMUNITY FACILITIES DISTRICT

and

ZIONS FIRST NATIONAL BANK,
as Trustee

SERIES 2015

INDENTURE OF TRUST

AND

SECURITY AGREEMENT

Dated as of _____ 1, 2015

VISTANCIA
COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

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* * *

THIS SERIES 2015 INDENTURE OF TRUST AND SECURITY AGREEMENT, dated as of _____ 1, 2015 (hereinafter referred to as this "*Indenture*"), from Vistancia Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "*Issuer*"), to Zions First National Bank, a national banking association with a corporate trust office in the City of Phoenix, Maricopa County, Arizona, as trustee (hereinafter together with any successor to the trust herein granted referred to as the "*Trustee*"),

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Enabling Act*"), a general obligation bond election was held on November 12, 2002 (hereinafter referred to as the "*Election*"), submitting to those persons who were qualified to vote pursuant to the Enabling Act the question of authorizing the district board of the Issuer (hereafter referred to as the "*Board*") to issue general obligation bonds of the Issuer in the principal amount of $100,000,000 to provide moneys for any "public infrastructure purposes" (as such term is defined in the Enabling Act) consistent with the General Plan for the Proposed Vistancia Community Facilities District filed with the Clerk of the City of Peoria, Arizona, before or on October 15, 2002; and

WHEREAS, the issuance of such general obligation bonds was approved at the Election, and

WHEREAS, pursuant to a Resolution of the Board adopted on November 19, 2002, the Board (1) authorized the sale and issuance of general obligation bonds in the aggregate principal amount of $21,250,000 (hereinafter referred to as the "*Series 2002 Bonds*") to provide funds for all or a portion of the public infrastructure purposes provided for in the Enabling Act and in the hereinafter described Development Agreement to the extent authorized in the Election and (2) entered in its minutes a record of the Series 2002 Bonds sold and their numbers and dates and is levying and causing an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the Issuer sufficient, together with moneys from the sources described therein, to pay debt service with respect to the Series 2002 Bonds when due with the limitations provided in the Series 2002 Bonds; and

WHEREAS, pursuant to a Resolution of the Board adopted on March 22, 2005, the Board (1) authorized the sale and issuance of general obligation bonds in the aggregate principal amount of $23,550,000 (hereinafter referred to as the "*Series 2005 Bonds*") to provide funds for all or a portion of the public infrastructure purposes provided for in the Enabling Act and in the Development Agreement to the extent authorized in the Election and (2) entered in its minutes a record of the Series 2005 Bonds sold and their numbers

and dates and is levying and causing an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the Issuer sufficient, together with moneys from the sources described therein, to pay debt service with respect to the Series 2005 Bonds when due with the limitations provided in the Series 2005 Bonds; and

WHEREAS, pursuant to a Resolution of the Board adopted on December 12, 2006, the Board (1) authorized the issuance of general obligation bonds in the aggregate principal amount of $22,760,000 (hereinafter referred to as the "*Series 2006 Bonds*" and, collectively with the Series 2002 Bonds and the Series 2005 Bonds, the "*Bonds Being Refunded*") to provide funds for all or a portion of the public infrastructure purposes provided for in the Enabling Act and in the Development Agreement to the extent authorized in the Election and (2) entered in its minutes a record of the Series 2006 Bonds sold and their numbers and dates and is levying and causing an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the Issuer sufficient, together with moneys from the sources described herein, to pay debt service with respect to the Series 2006 Bonds when due with the limitations provided in the Series 2006 Bonds; and

WHEREAS, pursuant to a Resolution of the Board adopted on July 7, 2015 (hereinafter referred to as the "*Bond Resolution*"), the Board has determined (1) that it is expedient to refund all of the Bonds Being Refunded and that the issuance of general obligation refunding bonds (hereinafter referred to as the "*Bonds*") and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the Issuer and shall result in a present value debt service savings, net of costs associated with the Bonds, of not less than _____ percent (_____%) and (2) has entered in its minutes a record of the Bonds sold and their numbers and dates and will levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the Issuer sufficient, together with moneys from the sources described herein, to pay Debt Service (as such term is hereinafter defined) when due with the limitations provided in the Bonds and specifically provided that the total aggregate of taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded; and

WHEREAS, pursuant to (1) the Enabling Act and (2) Section 9-500.05, Arizona Revised Statutes, the City of Peoria, Arizona, a municipality incorporated and existing pursuant to the laws of the State of Arizona, the Issuer, Vistancia Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware and having an interest in real property within the boundaries of the Issuer, on behalf of itself and Vistancia

North, LLC, Vistancia Village H, LLC, Vistancia Clementine, LLC, Vistancia Mystic, LLC, Vistancia South, LLC, Vistancia 150 Commercial, LLC and Vistancia 580 Commercial, LLC (hereinafter referred to as "*Vistancia*"), J.F. Shea Co., Inc., a corporation duly incorporated and validly existing pursuant to the laws of the State of Nevada, Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California (hereinafter referred to as "*Shea Homes*") and SLF III - Vistancia, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Texas (hereinafter referred to as "*Stratford*") are now the parties to a District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of October 1, 2002, as amended by a First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of April 1, 2005, a Second Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of December 1, 2006, and a Third Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of _____ 1, 2015 (hereinafter referred to, as so amended, as the "*Development Agreement*"), as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Enabling Act) and the financing of public infrastructure and, with regard to the property which makes up the real property included within the boundaries of the Issuer, particularly matters relating to the acquisition of certain public infrastructure by the Issuer and the acceptance thereof by the Municipality, all pursuant to the Enabling Act; and

WHEREAS, pursuant to the Enabling Act, the Issuer has also entered into a Series 2015 Standby Contribution Agreement, dated as of even date herewith (hereinafter referred to as the "*Series 2015 Standby Contribution Agreement*"), by and among the Issuer, the Trustee, Vistancia, Shea Homes and Stratford to provide for certain public infrastructure purposes for the Issuer; and

WHEREAS, pursuant to the Enabling Act, the Issuer has also entered into a Series 2015 Letter of Credit Depository Agreement, dated as of even date herewith (hereinafter referred to as the "*Series 2015 Letter of Credit Depository Agreement*"), by and between the Issuer and Zions First National Bank, as depository, to provide for certain moneys to be available to the Issuer; and

WHEREAS, pursuant to the Enabling Act, the Issuer has also entered into a Series 2015 Surety Depository Agreement, dated as of even date herewith (hereinafter referred to as the "*Series 2015* Surety *Depository Agreement*"), by and between the Issuer and Zions First National Bank, as depository, to provide for certain moneys to be available to the Issuer; and

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

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

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

GRANTING CLAUSES

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

GRANTING CLAUSE FIRST

All money and investments held for the credit of the Series 2015 Tax Account established with the Trustee as hereinafter described, unless necessary to pay Rebate (as such term is hereinafter defined) and

GRANTING CLAUSE SECOND

Any and all interest of the Issuer in and to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Issuer or by anyone in its behalf (and the Trustee is hereby authorized to receive the same at any time as additional security hereunder), which subjection to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions which shall be set forth in a written instrument executed by the Issuer or the person so acting in its behalf or by the Trustee respecting the use and disposition of such property or the proceeds thereof;

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

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

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

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

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. *Definitions.*

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

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

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

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

"*Acquisition and Construction Fund*" means the fund of the Issuer so defined in Section 5.03.

"*Act*" when used with respect to any Bondholder or Bondholders has the meaning stated in Section 1.02.

"*Alternate Letter of Credit*" means an irrevocable, single-draw, standby letter of credit authorizing a draw thereunder by the Depository issued by a bank, a trust company or other financial institution rated by a Rating Agency in one of the four highest rating categories of a Rating Agency and which has a term of not less than one year from the date of its issuance, which Alternate Letter of Credit shall be the same in all other material respects (except as to expiration date) as the Letter of Credit.

"*Alternate Surety*" means an irrevocable, single-draw, surety bond or similar form of financial guarantee authorizing a draw thereunder by the Depository issued by a provider rated by a Rating Agency in one of the four highest rating categories of a Rating Agency**[???]** and which has a term of not less than one year from the date of its issuance, which Alternate Surety shall be the same in all other material respects (except as to expiration date) as the Surety.

"*Annual Debt Service Requirement*" means, for any Fiscal Year, the amount to be paid in such Fiscal Year with respect to the Bonds and any other outstanding general obligation bonds or general obligation refunding bonds of the Issuer heretofore or hereafter

issued for payment of principal of and interest on the Bonds and such other bonds during such Fiscal Year.

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

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

"*Bond Fund*" means the fund of the Issuer so defined in Section 5.01.

"*Bond Register*" and "*Bond Registrar*" have the respective meanings stated in Section 3.04.

"*Bond Resolution*" means the Board Resolution adopted on July 7, 2015, which, among other things provided for the issuance of the Bonds.

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

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

"*Bonds Being Refunded*" means the Issuer's General Obligation Bonds, Series 2002, Series 2005 and Series 2006, dated as of December 1, 2002, dated April 27, 2005, and dated December 28, 2006, respectively.

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

"*Closing Date*" means the date of the initial authentication and delivery of the Bonds to DTC.

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

"*Costs of Acquisition and Construction*" means all items of expense directly or indirectly relating to the cost of the "Infrastructure" described in, and to be paid pursuant to the terms of, the Development Agreement.

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Issuer relating to the execution, sale and delivery of the Bonds and the execution and delivery of this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement and the Escrow Agreement, including, but not limited to, filing and recording costs, settlement costs, printing

costs, reproduction and binding costs, initial fees and charges of the Trustee, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing as well as costs relating to the Election.

"*Costs of Issuance Fund*" means the fund of the Issuer so defined in Section 5.05.

"*DTC*" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"*Debt Service*" means, collectively, (i) the principal of and interest and premium, if any, on the Bonds; (ii) expenses and costs of the Issuer arising from the activities of the Issuer (such activities being the financing of the "Acquired Infrastructure" described in the Development Agreement including the issuance of the Bonds Being Refunded and the refunding of the Bonds Being Refunded) including particularly, but not by way of limitation, expenses and costs for agents or third parties required to administer the Bonds, levy and collect taxes for payment of the Bonds, prepare annual audits, budgets and materials with respect to continuing disclosure and provide for any purposes otherwise related to such activities of the Issuer and (iii) amounts due with respect to Rebate.

"*Defaulted Interest*" has the meaning stated in Section 3.07.

"*Depository*" means the Person named as "Depository" in the first paragraph of the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement until a successor Depository shall have become such pursuant to the applicable provisions of the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement, and thereafter "Depository" shall mean such successor Depository.

"*Development Agreement*" means that certain District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of October 1, 2002, with respect to the District, as amended by the Development Agreement Amendments.

"*Development Agreement Amendments*" means those certain First Amendment, Second Amendment and Third Amendment to District Development, Financing Participation and Intergovernmental Agreement (Vistancia Community Facilities District), dated as of April 1, 2005, December 1, 2006, and _____ 1, 2015, respectively, with respect to the District.

"*Draw*" means the single drawing by the Depository against the Letter of Credit in the full amount of the Letter of Credit.

"*Election*" means the election of the Issuer held on November 12, 2002, to authorize the issuance of the Bonds.

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

"*Escrow Agreement*" means the Escrow Trust Agreement, dated as of even date herewith, by and between the Issuer and the Escrow Trustee.

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

"*Facilities*" means improvements refinanced with proceeds of the sale of the Bonds.

"*Fiscal Year*" means a period of twelve (12) consecutive months commencing on July 1 and ending on June 30 or any other consecutive 12-month period which may be established hereinafter as the fiscal year of the Issuer for budgeting and appropriate purposes.

"*Governmental Obligations*" means (1) direct obligations of, or obligations the timely payment of principal of is fully and unconditionally guaranteed by, the United States of America, (2) obligations described in Section 103(a) of the Internal Revenue Code of 1954 or the Code, provision for the payment of the principal of and premium, if any, and interest on which shall have been made by the irrevocable deposit with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of securities described in Clause (1) the maturing principal of and interest on which, when due and payable, will provide sufficient moneys to pay when due the principal of and premium, if any, and interest on such obligations, and which securities described in Clause (1) are not available to satisfy any other claim, including any claim of the trustee or escrow agent, or any claim of one to whom the trustee or escrow agent may be obligated which, at the time of deposit pursuant to Section 6.02, have been assigned ratings in the highest rating category of S&P, but in the case of both Clause (1) and Clause (2) of this paragraph, for purposes of Section 6.02, only if such obligations are non-callable prior to the Maturity of the Bonds or (3) obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York. Governmental Obligations also includes for purposes other than Section 6.02, a "no load," open-end management investment company or trust (mutual fund), registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and which money market fund invests in short term United States Treasury obligations, agencies guaranteed by

the United States, and repurchase agreements secured by the same and which money market fund is rated by S&P at least "AAAm-G;" "AAAm" or "AAm" and by Moody's at least "VMIG-1."

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

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

"*Initial Letter of Credit*" means the irrevocable, single-draw, standby letter of credit issued by the Letter of Credit Bank and delivered to the Depository on the same date as the initial delivery of the Bonds, being an irrevocable obligation to make payment to the Depository of $_____,000.

"*Initial Surety*" means the irrevocable, single-draw, financial guaranty bond issued by the Surety Provider and delivered to the Depository on the same date as the initial delivery of the Bonds, being an irrevocable obligation to make payment to the Depository of $_____,000.

"*Interest Payment Date*" means each January 15 and July 15 commencing _____ 15, 201_.

"*Issuer*" means Vistancia Community Facilities District, a community facilities district duly organized and validly existing, pursuant to the laws of the State.

"*Issuer Representative*" means the District Chief Financial Officer or any designee appointed by him in writing.

"*Issuer Request*" means a written request signed in the name of the Issuer by the Issuer Representative or by the District Clerk and delivered to the Trustee.

"*Letter of Credit*" means (a) the Initial Letter of Credit and (b) upon the issuance and effectiveness thereof, any Alternate Letter of Credit.

"*Letter of Credit Bank*" means J.P. Morgan Chase Bank, N.A., a national banking association in its capacity as issuer of the Initial Letter of Credit, and its successors and assigns. Upon issuance and effectiveness of any Alternate Letter of Credit, "Letter of Credit Bank" shall mean the issuer thereof and its successors and assigns.

"*Letter of Credit Termination Date*" means the earlier of sixty (60) days after the Letter of Credit then in effect is no longer rated in one of the four highest rating categories of a Rating Agency

and the stated expiration date of the Letter of Credit, as extended by any applicable provisions thereof.

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

"*Maximum Annual Debt Service*" means, at the time of computation, the greatest Annual Debt Service Requirement for the then current or any succeeding Fiscal Year.

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

"*Municipality*" means the City of Peoria, Arizona, a municipal corporation incorporated and existing pursuant to the laws of the State.

"*Officers' Certificate*" means a certificate signed by the Issuer Representative and delivered to the Trustee.

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

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

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

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

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

(4) Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in Section 3.06 and

(5) Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or an escrow agent with the effect specified in Section 6.02.

"*Outstanding Secured Bonds*" means, as of the date of determination, (1) all Bonds then Outstanding and (2) all Bonds, if any, alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.06 but whose ownership and enforceability by the Holder thereof have been established by a court of competent jurisdiction or other competent tribunal or otherwise established to the satisfaction of the Issuer and the Trustee.

"*Parity Debt Service*" means for any Fiscal Year principal of and interest on all outstanding general obligation bonds and general obligation refunding bonds of the Issuer heretofore or hereafter issued.

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

"*Permitted Investments*" means:

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

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

1. <u>Small Business Administration</u>
   Guaranteed participation certificates

2. <u>Farmers Home Administration</u>
   Certificates of beneficial ownership

3. <u>Federal Housing Administration</u>
   Debentures

4. <u>General Services Administration</u>
   Participation certificates

5. Government National Mortgage Association ("GNMA")
   Guaranteed mortgage-backed bonds
   Guaranteed pass-through obligations

6. U.S. Maritime Administration
   Guaranteed Title XI financing

7. Washington Metropolitan Transit Authority
   Guaranteed transit bonds

8. Veteran Administration
   Guaranteed REMIC pass-through certificates

9. U.S. Department of Housing and Urban Development
   Local authority bonds

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

1. Federal Home Loan Bank System
   Consolidated debt obligations

2. Federal Home Loan Mortgage Corporation
   Debt obligations

3. Federal National Mortgage Association ("FNMA")
   Debt obligations

4. Student Loan Marketing Association
   Debt obligations

5. Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
   Debt obligations

6. Financing Corp.
   Debt obligations

7. Resolution Funding Corp.
   Debt obligations

8. U.S. Agency for International Development
   Guaranteed notes which mature at least four Business Days before the appropriate payment date

D. Money market funds registered with the federal Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a-7 under the Investment Company Act of 1940, and having a rating by S&P of "AAAm-G" including, if the foregoing are met, funds for which

the Trustee acts as an investment advisor or custodian; "AAAm"; or "AAm" or better and having a rating by Moody's of "VMIG-1 or better including, if the foregoing are met, funds for which the Trustee acts as an investment advisor or custodian.

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

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

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

H. Bonds or notes issued by any state or municipality which are rated by S&P and Moody's in one of the two highest rating categories assigned by S&P or Moody's, as applicable.

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

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

Repos must satisfy the following criteria:

1. Repos must be between the Issuer and a dealer bank or securities firm

   a. Primary dealers on the Federal Reserve reporting dealer list or

   b. Banks rated "A" or above by S&P or "A" or above by Moody's.

2. The written repo contract must include the following:

a. Securities which are acceptable for transfer are:

   (1) Direct U.S. government or

   (2) Federal agencies backed by the full faith and credit of the U.S. government.

   b. The term of the repo may be up to 30 days.

   c. The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

   d. The securities must be valued weekly, marked-to market at current market price plus accrued interest and the value of collateral must be equal to 103% of the amount of cash transferred by the Issuer to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 103% of the value of the cash transferred by the Issuer, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the municipal entity:

   a. Repo meets guidelines under state law for legal investment of public funds.

K. Governmental Obligations.

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

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

"*Predecessor Bonds*" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond authenticated and delivered under Section 3.06 in lieu of a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Bond.

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

"*Rebate*" means the payment system established by Section 148 of the Code with respect to certain arbitrage earnings by a political subdivision on amounts treated as the proceeds of certain obligations of such political subdivision and shall include all costs and expenses incurred in connection with, and allocable to, determining the amount due pursuant to such system including those provided for in Section 10.06 hereof.

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

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

"*Regular Record Date*" for the interest payable on the Bonds on any Interest Payment Date means the first (1st) day (whether or not a Business Day) of the calendar month of such Interest Payment Date.

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

entity to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*S&P*" means Standard & Poor's Financial Services, LLC or any entity succeeding to the duties and obligations thereof.

"*Series 2002/2005/2006 Trustee*" means Zions First National Bank

"*Series 2006 Bonds*" means the general obligation bonds of the Issuer issued pursuant to the Series 2006 Indenture.

"*Series 2006 Indenture*" means the Series 2006 Indenture of Trust and Security Agreement, dated as of December 1, 2006, from the Issuer to the Series 2002/2005/2006 Trustee.

"*Series 2015 Bonds*" has the same meaning as "Bonds."

"*Series 2015 Expenses Account*" means the account of the Bond Fund so defined in Section 5.01.

"*Series 2015 Letter of Credit Depository Agreement*" means that certain Series 2015 Letter of Credit Depository Agreement, dated as of even date herewith, by and between the Issuer and the Depository.

"*Series 2015 Standby Contribution Agreement*" means that certain Series 2015 Standby Contribution Agreement, dated as of even date herewith, by and among the Issuer, Vistancia, Sunbelt, Shea Homes, J.F. Shea, Stratford and the Trustee.

"*Series 2015 Surety Depository Agreement*" means that certain Series 2015 Surety Depository Agreement, dated as of even date herewith, by and between the Issuer and the Depository.

"*Series 2015 Tax Account*" means the account of the Bond Fund so defined in Section 5.01.

"*Shea Homes*" means Shea Homes Limited Partnership, a limited partnership duly organized and validly existing pursuant to the laws of the State of California.

"*Special Record Date*" has the meaning stated in Section 3.07.

"*State*" means the State of Arizona.

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

"*Stratford*" means SLF III - Vistancia, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Texas.

"*Surety*" means (a) the Initial Surety and (b) upon the issuance and effectiveness thereof, any Alternate Susrety.

"*Surety Payment*" means the single drawing by the Depository against the Surety in the full amount of the Surety.

"*Surety Provider*" means _____, a _____ in its capacity as issuer of the Initial Surety, and its successors and assigns. Upon issuance and effectiveness of any Alternate Surety, "Surety Provider" shall mean the issuer thereof and its successors and assigns.

"*Surety Termination Date*" means the earlier of sixty (60) days after the Surety then in effect is no longer rated in one of the four highest rating categories of a Rating Agency**[???]** and the stated expiration date of the Surety, as extended by any applicable provisions thereof.

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

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

"*Underwriter*" means Stifel, Nicolaus & Company, Incorporated.

"*Vistancia*" means Vistancia Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware, on behalf of itself and Vistancia North, LLC, Vistancia Village H, LLC, Vistancia Clementine, LLC, Vistancia Mystic, LLC, Vistancia South, LLC, Vistancia 150 Commercial, LLC and Vistancia 580 Commercial, LLC.

SECTION 1.02. *Acts of Bondholders.*

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

any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Issuer and (subject to Section 8.01) the Trustee, if made in the manner provided in this Section.

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

C. The owner of any Bond shall be proved by the Bond Register for such Bonds.

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

SECTION 1.03. *Notices, etc.*

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

1. the Trustee shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Trustee at its principal corporate trust office or if in writing and mailed, first-class postage prepaid, to the Trustee addressed to it at Wells Fargo Plaza, MAC S4101-22E, 100 West Washington Street, 22nd Floor, Phoenix, Arizona 85003, Attention: Corporate Trust Services, or at any other address furnished in writing to such Person by the Trustee, or

2. the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at c/o City of Peoria, Arizona, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Clerk, or at any other address previously furnished in writing to such Person by the Issuer.

3. the Underwriter shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Underwriter addressed to it at Suite 750, 2325 East Camelback Road, Phoenix, Arizona 85016, Attention: Managing Director, or at any other address furnished previously in writing to such Person by the Underwriter, or

4. Shea Homes shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Shea Homes addressed to Shea Homes at 8800 Gainey Center Drive, Suite 350, Scottsdale, Arizona 85258, Attention: Jeff McQueen, or at any other address previously furnished in writing to such Person by Shea Homes.

5. Vistancia and Stratford shall be sufficient for every purpose hereunder if in writing and mailed, first class mail postage prepaid, to Vistancia or Stratford addressed to whichever is appropriate at Stratford Land, 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Peter Field, with a copy to Hudnall P.C., 5949 Sherry Lane, Sterling Plaza - Suite 1750, Dallas, Texas 75225, Attention: Matthew N. Hudnall, Esq., or at any other address previously furnished in writing to such Person by Vistancia or Stratford.

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

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

SECTION 1.04. *Form and Contents of Documents Delivered to the Trustee.*

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

persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

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

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

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

SECTION 1.05. *Effect of Headings and Table of Contents.*

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

SECTION 1.06. *Successors and Assigns.*

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

SECTION 1.07. *Severability Clause.*

In case any provision in this Indenture or in the Bonds or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.08. *Benefits of Indenture.*

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

SECTION 1.09. *Governing Law.*

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

SECTION 1.10. *Incorporation of State Statutes.*

A. The Issuer may, within three (3) years after its execution, cancel this Indenture, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Indenture on behalf of the Issuer is, at any time while this Indenture is in effect, an employee or agent of the Trustee in any capacity or a consultant to the Trustee with respect to the subject matter of this Indenture and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Indenture on behalf of the Issuer from the Trustee arising as the result of this Indenture. The Trustee 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 Trustee in any capacity or a consultant to the Trustee with respect to the subject matter of the Indenture.

B. To the extent applicable under Section 41-441, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee. The Issuer retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Trustee shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

SECTION 1.11. *Business Days.*

If the specified date for any payment, submission, certification, determination or other action shall be other than a Business Day, then such payment, submission, certification, determination or other action may be made or done on the next succeeding day which is a Business Day without, in the case of any payment, additional interest (except in the event of a moratorium) and with the same force and effect as if made or done on the specified date.

* * *

ARTICLE TWO

FORM OF BONDS

SECTION 2.01. *Forms Generally.*

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

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

SECTION 2.02. *Forms of Bonds and Matters Relating to Certain Necessary Documentation.* The Bonds shall be in the following form:

[FORM OF BOND]

REGISTERED REGISTERED

NO. ..... $.....

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

United States of America
State of Arizona

VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BOND, SERIES 2015

Interest Rate	Maturity Date	Original Issue Date	CUSIP NO.:
.....	July 15, ...	_____, 2015	.....

REGISTERED OWNER CEDE & CO.

PRINCIPAL AMOUNT ..... DOLLARS

Vistancia Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "Issuer"), for value received, hereby promises to pay to the "Registered Owner" specified above or registered assigns (hereinafter referred to as the "Holder"), on the "Maturity Date" specified above, the "Principal Amount" specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the "Original Issue Date" specified above, or from the most recent "Interest Payment Date" (as such term is hereinafter defined) to which interest has been paid or duly provided for, until paid or the payment thereof is duly provided for at Maturity (as such term is defined in the hereinafter described "Indenture"), semiannually on each January 15 and July 15 commencing _____ 15, 20__ (each an "Interest Payment Date"), at the per annum "Interest Rate" specified above.

As provided in the Indenture hereinafter referred to, the interest so payable on any Interest Payment Date shall be paid to the

Person (as such term is defined in the Indenture) in whose name this Bond (or one or more Predecessor Bonds evidencing the same debt) is registered in the Bond Register (as such term is defined in the Indenture) of the Issuer at the close of business on the "Regular Record Date" therefor, which shall be the 1st day (whether or not a Business Day as such term is defined in the Indenture) of the calendar month of such Interest Payment Date. Any such interest not so punctually paid or duly provided for within 15 days after such Interest Payment Date shall forthwith cease to be payable to the Holder on such Regular Record Date and shall be paid to the Person in whose name this Bond (or one or more such Predecessor Bonds) is registered at the close of business on a "Special Record Date" for the payment of such defaulted interest to be fixed by the hereinafter referred to "Trustee" in accordance with the Indenture, notice whereof being given to the Holder hereof not less than 10 days prior to such Special Record Date. All such interest shall be payable at the agency of the Issuer for such purpose (hereinafter referred to as the "Paying Agent") which shall initially be the designated corporate trust office of Zions First National Bank, by check mailed to the Holder as of the relevant record date at the address specified in the Bond Register or pursuant to customary arrangements made by such Holder acceptable to the Paying Agent. The principal and Redemption Price (as such term is defined in the Indenture) of this Bond are payable at the designated corporate trust office of the Paying Agent, upon presentation and surrender of this Bond.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city where such designated corporate trust office of the Trustee is located, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment, except that in the event of a moratorium for banking institutions generally in the city where such designated corporate trust office of the Trustee is located, such payment may be made on such next succeeding day except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

This Bond is one of a duly authorized issue of bonds of the Issuer having the designation specified in its title (hereinafter referred to as the "Bonds"), issued and to be issued in one series under, and all equally and ratably secured by, a Series 2015 Indenture of Trust and Security Agreement, dated as of _____ 1, 2015 (hereinafter, together with all indentures supplemental thereto, referred to as the "Indenture"), from the Issuer to Zions First National Bank, as trustee (hereinafter referred to as the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the Holders of the Bonds, the Trustee and the Issuer and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference

to the terms of which each Holder of this Bond hereby consents. The Bonds are authorized to be issued by a Resolution of the District Board of the Issuer adopted on July 7, 2015 (hereinafter referred to as the "Bond Resolution"), for the purposes therein described and in strict conformity with Title 35, Chapter 3, Article 4 and Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the latter hereinafter referred to as the "Enabling Act").

The Bonds are payable, equally and ratably with, with the limitations described herein, such other general obligation and general obligation refunding bonds of the Issuer from the proceeds of an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the Issuer, sufficient together with any other moneys from sources available pursuant to the Enabling Act (including the Standby Contribution Agreement described hereinbelow) to pay debt service on the Bonds when due; provided, however, that the issuance of the Bonds shall in no way infringe upon the rights of the owners of the bonds being refunded with the proceeds of the sale of the Bonds (hereinafter referred to as the "*Bonds Being Refunded*") to rely upon a tax levy for payment of the principal and interest on the Bonds Being Refunded if the obligations of the United States government in which net proceeds of the Bonds are held to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon, and with other funds legally available for such purposes deposited in the respective principal and interest redemption funds and held for the payment of such Bonds Being Refunded with interest on maturity or upon an available redemption date prove insufficient and further that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the funds and securities held irrevocably in trust for payment of the Bonds Being Refunded. Certain entities have entered into a Series 2015 Standby Contribution Agreement, dated as of _____ 1, 2015 (the "Standby Contribution Agreement"), with the Issuer and the Trustee pursuant to which they are obligated to make payments to the Trustee to supplement tax revenues to pay principal and interest with respect to the Bonds. The Issuer and Zions First National Bank, as depository, have entered into a Series 2015 Letter of Credit Depository Agreement and a Series 2015 Surety Depository Agreement, each dated as of _____ 1, 2015 (hereinafter referred to together as the "Depository Agreements"), pursuant to which certain other amounts may be available to the Trustee for payment of principal and interest with respect to the Bonds to the extent moneys are not otherwise available. THE STANDBY CONTRIBUTION AGREEMENT AND THE DEPOSITORY AGREEMENTS MAY BE TERMINATED PRIOR TO THE MATURITY OF THE BONDS BY THE ISSUER UPON SATISFACTION OF CERTAIN CONDITIONS SET FORTH THEREIN.

Notwithstanding any provision hereof or of the Bond Resolution, however, the Indenture may be released and the obligation

of the Issuer to make money available to pay this Bond may be defeased by the deposit of money and/or Governmental Obligations (as such term is defined in the Indenture) sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in the denominations of principal amount of $5,000 and any integral multiple in excess thereof.

The Bonds are subject to redemption, at the option of the Issuer as a whole or from time to time in part, on July 15, 2025, and any date thereafter, upon not more than 60 nor less than 30 days prior notice given by mail as provided in the Indenture, upon payment of the Redemption Price (as such term is defined in the Indenture), which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date (as such term is defined in the Indenture), without a premium.

The Bonds maturing on July 15 of the following years shall be redeemed on the following Redemption Dates and in the following amounts upon not more than 60 nor less than 30 days notice given by mail as provided in the Indenture, upon payment of the Redemption Price, which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date:

Redemption Date (July 15)	Principal Amount
MATURING IN 20__	
20	$,000
20	,000
20__	_____,000
MATURING IN 20__	
20	$,000
20	,000
20	,000
20__	_____,000

Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 of principal amount or an integral multiple thereof) and upon any partial redemption of any such Bond the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same Stated Maturity (as such term is defined in the Indenture) in authorized form for the unredeemed portion of principal. Bonds (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture and the Bond Resolution shall thereupon cease to be entitled

to the benefits of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

If less than all the Outstanding Bonds of a Stated Maturity are to be redeemed, the particular Bonds of that Stated Maturity to be redeemed shall be selected not more than forty-five (45) days prior to the Redemption Date by the Trustee from the Outstanding Bonds which have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and which may provide for the selection for redemption of portions (equal to $5,000 of principal amount or a multiple thereof) of the principal of Bonds of a denomination larger than $5,000. The Trustee shall promptly notify the Issuer in writing of the Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

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

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the designated corporate trust office thereof duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of authorized denominations and for the same Stated Maturity and aggregate principal amount shall be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, Bonds are exchangeable for a like Stated Maturity and original aggregate principal amount of Bonds in

authorized denominations, as requested by the Holder, upon surrender of the Bonds to be exchanged to the Paying Agent at the designated corporate trust office thereof.

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

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF PEORIA, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) IS PLEDGED TO THE PAYMENT OF THE BONDS.

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

It is hereby certified, covenanted and represented that all acts, conditions and things required to be performed, exist and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid and binding general obligation refunding bond of the Issuer have been performed, exist and have been done, in regular and due time, form and manner, as required by law, and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona and the federal laws of the United States of America.

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
.....

ATTEST:

.....
.....

SECTION 2.03. *Form of Certificate of Authentication.*

Each of the Bonds shall also include the following form:

CERTIFICATE OF AUTHENTICATION

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

[Name of Trustee], as Trustee

By.....
Authorized Representative

DATE: .....

SECTION 2.04. *Form of Assignment.*

Each of the Bonds shall further include the following form:

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address and zip code of transferee)
.....
.....
.....
(Print or typewrite Social Security or other identifying number of transferee: .....) the within Bond

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

DATED: .....

.....

Signature(s) guaranteed:
[Insert proper legend]

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

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

UNIF GIFT MIN ACT

TEN COM -- as tenants in common
TEN ENT -- as tenants by the Entireties under Uniform Gifts to Minors Act
JT TEN -- as joint tenants with Right of survivorship and not as tenants in common

..... Custodian .....
(Cust.) (Minor)

.....
State

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

* * *

ARTICLE THREE

TERMS AND ISSUANCE OF THE BONDS

SECTION 3.01. *Title and Terms.*

A. There shall be one series of bonds, dated the date of initial authentication and delivery thereof, issued and secured hereunder entitled

"VISTANCIA COMMUNITY FACILITIES DISTRICT
(PEORIA, ARIZONA)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015"

(hereinafter referred to as the "Bonds")

B. The Bonds shall be issued in denominations of $5,000 of principal amount and integral multiples in excess thereof.

C. The aggregate principal amount of the Bonds which may be authenticated and delivered and Outstanding is limited to $_____,000, and the Stated Maturities, the principal amounts thereof maturing thereon and the rates of interest the Bonds so maturing shall bear shall be as follows:

Year (July 15)	Principal Amount	Interest Rate
2016	$,000	%
2017	,000	
2018	,000	
2019	,000	
2020	,000	
2021	,000	
2022	,000	
2023	,000	
2024	,000	
2025	,000	
2026	_____,000	
20__	_____,000	
20__	_____,000	

D. The Bonds shall bear interest from and including the date of initial authentication and delivery thereof, or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each January 15 and July 15 commencing _____ 15, 201_ (hereinafter each referred to as an "Interest Payment Date").

E. The principal of, Redemption Price for and premium, if any, on the Bonds shall be payable upon surrender of the Bonds to the

Paying Agent at the designated corporate trust office thereof when due. Interest on the Bonds payable on any Interest Payment Date shall be payable as provided in Section 3.07.

SECTION 3.02. *Redemption of Bonds.*

A. The Bonds shall be redeemable from funds of the Issuer at the option of the Issuer prior to their Stated Maturity in accordance with Article Four in whole or from time to time in part on July 15, 2025, and any date thereafter, upon not more than sixty (60) nor less than thirty (30) days prior notice given as provided in Section 4.04, upon payment of the Redemption Price which shall consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date without a premium.

B. The Bonds maturing on July 15 of the following years shall be redeemed from funds of the Issuer prior to their Stated Maturities in accordance with Article Four on the following Redemption Dates and in the following amounts upon not less than sixty (60) nor more than thirty (30) days prior notice given as provided in Section 4.04, upon payment of the Redemption Price which consists of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the Redemption Date:

Redemption Date (July 15)	Principal Amount
MATURING IN 20__	
20	$,000
20	,000
20__	_____,000
MATURING IN 20__	
20	$,000
20	,000
20	,000
20__	_____,000

SECTION 3.03. *Execution, Authentication, Delivery and Dating.*

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

B. Forthwith upon the execution and delivery of this Indenture, the Issuer shall deliver to the Trustee the Bonds, executed by the Issuer, and the Trustee shall thereupon authenticate the Bonds and deliver the Bonds to the Persons and in the principal amounts designated in writing to the Trustee not less than seven (7) days in advance thereof upon receipt by the Trustee of:

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

2. the Series 2015 Standby Contribution Agreement, duly and validly executed and delivered by the parties thereto, and evidence satisfactory to the Trustee of performance of the obligations of Vistancia, Shea Homes or Stratford and the Issuer thereunder to be performed by Vistancia, Shea Homes or Stratford and the Issuer prior to or simultaneously with the delivery of the Bonds,

3. the Series 2015 Letter of Credit Depository Agreement, duly and validly executed and delivered by the parties thereto, and evidence satisfactory to the Trustee of the performance of the obligations of the Issuer thereunder to be performed by the Issuer prior to or simultaneously with the delivery of the Bonds,

4. the Series 2015 Surety Depository Agreement, duly and validly executed and delivered by the parties thereto, and evidence satisfactory to the Trustee of the performance of the obligations of the Issuer thereunder to be performed by the Issuer prior to or simultaneously with the delivery of the Bonds,

5. the Escrow Agreement, duly and validly executed and delivered by the parties thereto, and evidence satisfactory to the Trustee of the performance of the obligations of the Escrow Trustee and the Issuer thereunder to be performed by the Escrow Trustee and the Issuer prior to or simultaneously with the delivery of the Bonds,

6. the Initial Letter of Credit and the Initial Surety, along with necessary legal opinions relating to the validity and enforceability thereof and

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

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

D. No Bond shall be entitled to any right or benefit under this Indenture, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided in Section 2.03, executed by the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or authenticated and delivered.

E. All Bonds authenticated and delivered by the Trustee hereunder shall be dated the date of their authentication.

SECTION 3.04. *Registration, Transfer and Exchange.*

A. The Issuer shall cause to be kept (at its agency for payment of the Bonds) at the designated corporate trust office of the Registrar a register (hereinafter referred to as the "Bond Register") for the Bonds in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of the Bonds and registration of transfers of Bonds as herein provided. The Trustee is hereby appointed "Bond Registrar" for the purpose of registering Bonds and transfer of Bonds as herein provided.

B. Upon surrender for transfer of any Bond to a Paying Agent therefor at the designated corporate trust office thereof, accompanied by such other documents as are required in the form of Bond in Section 2.02 in connection with the transfer thereof, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new fully registered Bonds of the same Stated Maturity, of any authorized denominations (provided, however, that no Bond shall ever be issued in a denomination less than the minimum applicable authorized denomination of such Bond) and of a like aggregate principal amount as requested by the transferor.

C. At the option of the Holder, Bonds may be exchanged for other Bonds of the same Stated Maturity, of any authorized denominations (provided, however, that no Bond shall ever be issued in a denomination less than the minimum applicable authorized denomination of such Bond) and of like aggregate principal amount upon surrender of the Bonds to a Paying Agent therefor at the designated corporate trust office thereof. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder of Bonds making the exchange is entitled to receive.

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

E. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed (if so required by the Trustee), or be

accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

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

G. Neither the Issuer nor the Trustee shall be required (1) to issue, transfer, or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of the first mailing of a notice of redemption of Bonds under Section 4.04 and ending at the close of business on the day of such mailing or (2) thereafter to transfer or exchange any Bond to be redeemed in whole or in part pursuant to such notice. The Trustee shall give notice of any such redemption with each delivery of Bonds to be redeemed upon transfer pursuant to any such mandatory tender.

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

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

3. It is hereby acknowledged that the Issuer and the Trustee entered into a "letter of representations" with DTC in connection with the issuance of the Bonds, and while such letter of representations is in effect, the procedures established therein shall apply to the Bonds notwithstanding any other provisions of this Indenture to the contrary. As long as DTC is such a securities depository with respect to the Bonds, the Trustee shall be a "DTC Direct Participant."

SECTION 3.05. *Temporary Bonds.*

A. Pending the preparation of definitive Bonds, the Issuer may execute, and upon Issuer Request the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, mimeographed or otherwise produced, any denomination and Stated Maturities, substantially of the tenor of the definitive Bonds in lieu of which they are issued, in fully registered form, and with such appropriate insertions, omissions, substitutions and other varia-

tions as the officers executing such Bonds may determine, as evidenced by their execution of such Bonds.

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

SECTION 3.06. *Mutilated, Destroyed, Lost and Stolen Bonds.*

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

B. In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer or the Trustee in its discretion may pay such Bond instead of issuing a new Bond.

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

D. Every new Bond issued pursuant to this Indenture in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the

benefits of the Board Resolution authorizing the Bonds and of this Indenture equally and ratably with all other Outstanding Bonds.

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

SECTION 3.07. *Payment of Interest on Bonds; Interest Rights Preserved.*

A. Interest on any Bond which is payable on, and is punctually paid or duly provided for on, any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest. Such interest, in the absence of other arrangements acceptable to the Paying Agent made by the Holder as of such date, shall be paid by check payable to the order and mailed to the address of such Holder as the same appears on the Bond Register and such payment shall be deemed to be at the designated corporate trust office of the Paying Agent.

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

Register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

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

SECTION 3.08. *Cancellation.*

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

SECTION 3.09. *Persons Deemed Owners.*

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

* * *

ARTICLE FOUR

REDEMPTION OF BONDS

SECTION 4.01. *General Applicability of Article.*

The Bonds shall be redeemable before their Stated Maturity in accordance with Section 3.02 and this Article.

SECTION 4.02. *Election to Redeem; Notice to Trustee.*

The exercise by the Issuer of its option to redeem any Bonds shall be evidenced by a Board Resolution. In case of any redemption at the election of the Issuer of less than all of the Outstanding Bonds, the Issuer shall, at least sixty (60) days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the Stated Maturities and principal amounts of Bonds to be redeemed.

SECTION 4.03. *Selection of Bonds to be Redeemed.*

A. If less than all the Outstanding Bonds of a Stated Maturity of the Bonds are to be redeemed, the particular Bonds of such Stated Maturity of the Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the Redemption Date by the Trustee from the Outstanding Bonds which have not previously been called for redemption, by such random method as the Trustee shall in its sole discretion deem appropriate and which may provide for the selection for redemption of portions (equal to $5,000 of principal amount or an integral multiple thereof) of the principal of Bonds of a denomination larger than the authorized denomination of that Bond.

B. The Trustee shall promptly notify the Issuer in writing of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 4.04. *Notice of Redemption.*

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

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

1. the Redemption Date,

2. the Redemption Price,

3. the Stated Maturity and principal amount of Bonds to be redeemed and, if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of Bonds to be redeemed,

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

5. that Bonds to be redeemed are to be surrendered for payment of the Redemption Price to the Paying Agent at the designated corporate trust office thereof and the address of such Paying Agent.

C. Notices of redemption shall also be sent pursuant to this Section for receipt no later than the close of business on the second Business Day prior to the mailing of such notice by (1) registered or certified mail, (2) overnight delivery service or (3) facsimile transmission to the repositories specified in the continuing disclosure undertaking delivered simultaneously with the Bonds.

D. Notices of redemption shall further also be sent on the date of the mailing of the notice pursuant to this Section by (1) registered or certified mail, (2) overnight delivery service or (3) facsimile transmission to the repositories specified in the continuing disclosure undertaking delivered simultaneously with the Bonds.

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

SECTION 4.05. *Deposit of Redemption Price.*

On or before the Business Day preceding the earliest date for mailing of the notice required by Section 4.04 with regard to any Redemption Date relating to Sections 3.02(A)(1), the Issuer shall deposit or cause to be deposited with the Trustee an amount of money which, together with any amounts in the Bond Fund available for such purpose, is sufficient to pay the Redemption Price of all the Bonds then to be redeemed and interest, if any, accrued thereon to the Redemption Date. Such money and amounts shall be segregated and shall be held in trust, uninvested, for the benefit of the Holders entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate.

SECTION 4.06. *Bonds Payable on Redemption Date.*

A. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Issuer at the Redemption Price, but solely from the sources therein provided. Installments of interest with a Stated Maturity on or prior to the Redemption Date shall be payable to the Holders of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 3.07.

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

SECTION 4.07. *Bonds Redeemed in Part.*

Any Bond which is to be redeemed only in part shall be surrendered at the designated corporate trust office of the Trustee, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of any authorized denomination or denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

* * *

ARTICLE FIVE

FUNDS

SECTION 5.01. *Bond Fund.*

There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer designated its "General Obligation Refunding Bonds, Series 2015 Bond Fund" (hereinafter referred to as the "*Bond Fund*") and within the Bond Fund (1) a special account designated the Series 2015 Tax Account" and (2) a special account separate and apart from the Trust Estate and designated the "*Series 2015 Expenses Account*." The money deposited to the Series 2015 Tax Account and the Series 2015 Expenses Account, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.02 and 7.03.

SECTION 5.02. *Deposits to and Application of Bond Fund; Reports from Trustee with Respect Thereto.*

A. The Issuer shall, upon receipt, deposit to the credit of

1. the Series 2015 Tax Account:

a. amounts collected by or remitted to the Issuer as ad valorem taxes to the extent provided in Section 10.01(A) which are allocated in the budget of the Issuer for the applicable Fiscal Year for the payment of either (i) principal of or interest or premium on the Bonds with respect to Debt Service or (ii) for the payment of Rebate and the expenses described in Clause (ii) of the definition of Debt Service (but not any amounts from such source which are to be applied to pay amounts due with respect to any bonds issued on a parity with the Bonds),

b. amounts paid to the Trustee pursuant to Sections 2.01(A), (B)(4) and (C)(3) of the Series 2015 Standby Contribution Agreement for which the Trustee shall submit written requests as required by such sections of the Series 2015 Standby Contribution Agreement;

c. amounts, if any, paid to the Trustee pursuant to Sections 2.02(A) of the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement;

d. amounts transferred from the Acquisition and Construction Fund to the extent provided in Sections 5.04(B) and 5.08(B);

e. amounts paid by the Municipality pursuant to Section 9.3 of the Development Agreement and

f. such other funds as the Issuer shall, at the option of the Board, deem advisable.

2. the Series 2015 Expenses Account:

a. the amount, if any, received from proceeds of the sale of the Bonds and

b. amounts transferred from the Series 2015 Tax Account to the extent provided in Section 5.02(B)(1)(b).

B. 1. a. Amounts deposited in the Series 2015 Tax Account shall be applied, first, to pay principal, interest or premium with respect to Debt Service on the dates due and in the amounts and order provided in Section 7.03(B).

b. On the day after each such due date referred to in Section 5.02(B)(1)(a), amounts deposited in the Series 2015 Tax Account pursuant to, and for the purposes described in, Section 5.02(A)(1)(a)(ii) shall be transferred to the Series 2015 Expenses Account.

2. Amounts deposited in the Series 2015 Expenses Account shall be applied to pay amounts due with respect to Rebate or, upon an Issuer Request, be paid to the Issuer for the purposes described in Section 8.1 of the Development Agreement.

C. 1. After the Draw or the Surety Payment, on January 2 and July 2 of each Fiscal Year prior to the termination of the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement, as the case may be, the Trustee shall provide to the Depository in writing the following information:

a. Debt Service due on the Bonds on the next January 15 and July 15, as the case may be,

b. the amount then on deposit in the Series 2015 Tax Account including the amounts deposited therein pursuant to Section 5.02(A)(1)(b) and (c) and

c. the difference of clause (a) above less clause (b) above,

together with, subject to the next sentence, a request (which may be by facsimile communication) for payment by the Depository, from amounts held pursuant to the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement, of amounts equal in total to such difference if greater than zero by January 8 and July 8, respectively. Notwithstanding the foregoing, as indicated

in an Issuer Request (which may be by facsimile request), amounts held pursuant to the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement shall be paid as otherwise directed in the Issuer Request to enforce performance of the obligations of the parties to the Series 2015 Standby Contribution Agreement.

2. As soon as possible after July 15 of each Fiscal Year and more often as indicated in an Issuer Request, the Trustee shall provide to the Issuer, the Underwriter and, while the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement are in effect, Vistancia the balances as of such date in each fund established thereunder.

SECTION 5.03. *Acquisition and Construction Fund.*

There is hereby created by the Issuer and established with the Trustee a special trust fund of the Issuer held separate and apart from the Trust Estate and designated its "General Obligation Bonds, Series 2006 (Remaining Proceeds) Acquisition and Construction Fund" (hereinafter referred to as the "*Acquisition and Construction Fund*"). Amounts deposited to the Acquisition and Construction Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.04 and 5.05.

SECTION 5.04. *Deposits to and Application of Acquisition and Construction Fund.*

A. The Issuer shall deposit to the credit of the Acquisition and Construction Fund the amount indicated in Section 5.07.

B. Upon an Issuer Request which shall state with respect to Costs of Acquisition and Construction (1) the name and address of the Person to whom the payment is to be made; (2) the amount to be paid; (3) the obligation on account of which the payment is to be made, showing the total obligation, any amount previously paid and the unpaid balance as well as the provision of the Development Agreement to which the foregoing relates; (4) that the obligation was properly incurred and is a proper charge against the Acquisition and Construction Fund; (5) that the amount requisitioned is due and unpaid or owing to such Person; (6) that with respect to items covered in the Issuer Request, there are no vendors', mechanics' or other liens, bailments, leases or conditional sale contracts which must be satisfied or discharged before the payments as requisitioned therein are made or which will not be discharged by such payment and (7) the aggregate amount of all disbursements previously made from the Acquisition and Construction Fund, amounts on deposit in the Acquisition and Construction Fund shall be applied by the Trustee solely to pay the Costs of Acquisition and Construction and, to the extent the funds deposited to the Acquisition and Construction Fund and investment income attributable thereto are in excess of the amounts required for any such purpose, then at the discretion of the Issuer as provided by

Issuer Request to transfer such unexpended proceeds or income to the Series 2015 Tax Account; provided, however, that if any such amounts remain on deposit in the Acquisition and Construction Fund on _____ 1, 2016, such amounts shall be transferred by the Trustee to the Series 2015 Tax Account.

SECTION 5.05. *Costs of Issuance Fund.*

There is hereby created by the Issuer and established with the Trustee a special trust fund of the Issuer held separate and apart from the Trust Estate and designated its "General Obligation Refunding Bonds, Series 2015 Costs of Issuance Fund" (hereinafter referred to as the "*Costs of Issuance Fund*"). Amounts deposited to the Costs of Issuance Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.06 and 5.07.

SECTION 5.06. *Deposits to and Application of Costs of Issuance Fund.*

A. The Issuer shall deposit to the credit of the Costs of Issuance Fund the amount indicated in Section 5.07.

B. Upon an Issuer Request which shall state with respect to Costs of Issuance (1) the name and address of the Person to whom the payment is to be made; (2) the amount to be paid; (3) the obligation on account of which the payment is to be made, showing the total obligation, any amount previously paid and the unpaid balance; (4) that the obligation was properly incurred and is a proper charge against the Costs of Issuance Fund; (5) that the amount requisitioned is due and unpaid or owing to such Person and (6) the aggregate amount of all disbursements previously made from the Costs of Issuance Fund, amounts on deposit in the Costs of Issuance Fund shall be applied by the Trustee solely to pay the Costs of Issuance and, to the extent the funds deposited to the Acquisition and Construction Fund and investment income attributable thereto are in excess of the amounts required for any such purpose, then at the discretion of the Issuer as provided by Issuer Request to transfer such unexpended proceeds or income to the Series 2015 Tax Account; provided, however, that if any such amounts remain on deposit in the Acquisition and Construction Fund on December 1, 2015, such amounts shall be transferred by the Trustee to the Series 2015 Tax Account.

SECTION 5.07. *Disposition of Proceeds of Bonds and Remaining Proceeds of Series 2006 Bonds.*

Simultaneously with delivery of the Bonds to the initial purchasers thereof, the Issuer shall cause the Trustee to deposit $_____ of the proceeds thereof with the Escrow Trustee and the remaining proceeds thereof in the Costs of Issuance Fund. $_____of the remaining proceeds of the Series 2006 Bonds paid by the 2002/2005/2006 Trustee on the Closing Date from the "Acquisition and Construction Fund" held pursuant to the Series 2006 Indenture shall be deposited in the Acquisition and Construction Fund.

SECTION 5.08. *Investment of and Security for Funds.*

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

B. Money held for the credit of the Acquisition and Construction Fund shall, as nearly as may be practical, be continuously invested and reinvested by the Trustee in Permitted Investments at the written direction of the Issuer Representative and on each September 14 and March 10 of each Fiscal Year the resulting investment income shall be transferred by the Trustee to the Series 2015 Tax Account.

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

D. All money held by the Trustee hereunder shall be continuously secured in the manner and to the fullest extent then required by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee shall not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from disregard or negligent implementation of any permitted direction by the Issuer.

* * *

ARTICLE SIX

DEFEASANCE AND RELEASES

SECTION 6.01. *Payment of Indebtedness; Satisfaction and Discharge of Indenture.*

A. Whenever

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

a. Bonds for the payment of which money has theretofore been deposited in trust with the Trustee or a Paying Agent as provided in Section 4.05,

b. Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.06, except for any such Bond which, prior to the satisfaction and discharge of this Indenture, has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction,

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

d. Bonds deemed no longer Outstanding as a result of the deposit or escrow of money or Governmental Obligations or both as described in Section 6.02; and

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

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

B. In the absence of an Issuer Request as aforesaid, the payment of all Outstanding Secured Bonds shall not render this Indenture inoperative or prevent the Issuer from issuing Bonds from time to time thereafter as herein provided.

C. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee under Section 8.06 shall survive.

SECTION 6.02. *Defeasance.*

Any Bond shall be deemed to be no longer Outstanding when payment of the principal of such Bond, plus interest thereon to the Maturity thereof (whether such Maturity be by reason of the Stated Maturity thereof or giving of notice redemption therefor, if notice of such redemption has been given or waived or irrevocable arrangements therefor satisfactory to the Trustee have been made) shall have been provided for by depositing for such payment from funds of the Issuer under the terms provided in this Section (1) money sufficient to make such payment or (2) money and Governmental Obligations certified by an independent accountant of national reputation to mature as to principal and interest in such amounts and at such times as shall, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient to make such payment, provided that all necessary and proper fees, compensation, and expenses of the Trustee and Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Any such deposit shall be made either with the Trustee or, if notice of such deposit is given to the Trustee, with a state or nationally chartered bank with a minimum combined capital and surplus of $50,000,000, as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Trustee or the Paying Agents in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the Maturity thereof and of such interest or the Stated Maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then Outstanding, the Trustee shall select the Outstanding Bonds in the same manner as provided in Section 4.03 for the selection of Bonds to be redeemed. Notwithstanding anything herein to the contrary however, no such deposit shall have the effect hereinabove described

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

SECTION 6.03. *Application of Deposited Money.*

Money or Governmental Obligations deposited with the Trustee pursuant to Section 6.01 or 6.02 shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Subject to the provisions of Section 4.03, such money or Governmental Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent as the Trustee may determine) to the Holders entitled thereto of the principal (and premium, if any) and interest for the payment of which such money has been deposited with the Trustee.

* * *

ARTICLE SEVEN

REMEDIES

SECTION 7.01. *Suits for Enforcement; Mandamus.*

A. The Trustee in its discretion, subject to the provisions of Section 7.10, may proceed to protect and enforce its rights and the rights of the Bondholders under this Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement or in aid of the execution of any power granted in this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Bondholders. Without limiting the generality of the foregoing, the Trustee shall at all times have the power to institute and maintain such proceedings as it may deem expedient: (1) to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement and (2) to protect its interests and the interests of the Bondholders in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including the power to maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order which may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair the Trust Estate or be prejudicial to the interests of the Bondholders or the Trustee.

B. In addition to all rights and remedies of any Holder of Bonds provided herein, in the event the Issuer defaults in the payment of the principal of or premium, if any, or interest on any of the Bonds when due, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution, this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement, the Trustee shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the directors and other officers of the Issuer to make such payment or to observe and perform any covenant, obligation, or condition prescribed in the Bond Resolution, this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement.

C. Notwithstanding the foregoing, if the Trustee is unwilling or unable to perform any of the foregoing with respect to

the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement and the result will be an increase of the levy required by Section 10.01 for the next Fiscal Year, the Issuer may, independently, take whatever action is necessary in the judgment of the Board to mitigate the effect in future Fiscal Years.

SECTION 7.02. *Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment.*

A. If

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

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

then upon demand of the Trustee, the Issuer shall pay or cause to be paid to the Trustee for the benefit of the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any), but not any such amounts due in the future, and interest and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of administration and collection, including the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the Issuer fails to pay or cause to be paid such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and recover judgment against the Issuer for the amount then so due and unpaid.

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

SECTION 7.03. *Application of Money Collected.*

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

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

A. First: To the payment of all unpaid amounts due the Trustee under Section 8.06;

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

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

SECTION 7.04. *Trustee May File Proofs of Claim.*

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

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

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making

of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 8.06.

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

SECTION 7.05. *Trustee May Enforce Claims Without Possession of Bonds.*

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

SECTION 7.06. *Unconditional Right of Bondholders to Receive Principal, Premium and Interest.*

Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive, after payment of all amounts due to the Trustee hereunder, payment of the principal of and (subject to Section 7.10) interest on any such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date), and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that no Bondholder shall be entitled to take any action or institute any such suit to enforce the payment of his Bonds, whether for principal, interest or premium, if and to the extent that the taking of such action or the institution or prosecution of any such suit or the entry of judgment therein would under applicable law result in a surrender, impairment, waiver or loss of the lien of this Indenture upon the Trust Estate, or any part thereof, as security for Bonds held by any other Bondholder.

SECTION 7.07. *Rights and Remedies Cumulative.*

No right or remedy herein conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in

equity or otherwise. Except as otherwise provided herein with regard to the rights or remedies of Bondholders, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 7.08. *Delay or Omission Not Waiver.*

No delay or omission of the Trustee or any Holder of any Bond to exercise any right or remedy accruing upon a default under this Article shall impair any such right or remedy or constitute a waiver of any such default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

SECTION 7.09. *Control by Bondholders.*

A. The Holders of a majority in aggregate principal amount of the Outstanding Bonds affected thereby shall have the right

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

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

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

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

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

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

B. Before taking action pursuant to this Section, the Trustee may require that a satisfactory indemnity bond be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its

negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the Issuer shall reimburse the Trustee for all of the expenses of the Trustee pursuant to Section 8.06.

SECTION 7.10. *Waiver of Past Defaults.*

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

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

SECTION 7.11. *Undertaking for Costs.*

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

SECTION 7.12. *Remedies Subject to Applicable Law.*

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

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ARTICLE EIGHT

THE TRUSTEE

SECTION 8.01. *Certain Duties and Responsibilities.*

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

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

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

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

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

4. no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Sections 7.09(B) and 8.02(E).

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

SECTION 8.02. *Certain Rights of Trustee.*

Except as otherwise provided in Section 8.01 hereof:

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

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

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

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

C. whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate or, for purposes of Section 10.06, an appropriate certificate of the Rebate Consultant;

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

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

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

determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney and

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

SECTION 8.03. *Not Responsible for Recitals or Application of Proceeds.*

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

SECTION 8.04. *May Hold Bonds.*

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

SECTION 8.05. *Money Held in Trust.*

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

SECTION 8.06. *Compensation and Reimbursement.*

A. The Issuer shall

1. pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and

2. except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable

expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith.

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

SECTION 8.07. *Corporate Trustee Required; Eligibility.*

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

SECTION 8.08. *Resignation and Removal; Appointment of Successor.*

A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.09.

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

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

D. If at any time:

1. the Trustee shall cease to be eligible under Section 8.07 and shall fail to resign after written request therefor by the Issuer or any such Bondholder or

2. the Trustee shall become incapable of acting or shall be adjudged insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation,

then, in either such case, (a) the Issuer by Board Resolution may remove the Trustee or (b) subject to Section 8.12, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

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

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

SECTION 8.09. *Acceptance of Appointment by Successor.*

A. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective

and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.06. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

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

SECTION 8.10. *Merger, Conversion, Consolidation or Succession to Business.*

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

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ARTICLE NINE

SUPPLEMENTAL INDENTURES; AMENDMENTS TO BOND RESOLUTION, SERIES 2015 STANDBY CONTRIBUTION AGREEMENT, SERIES 2015 LETTER OF CREDIT DEPOSITORY AGREEMENT AND SERIES 2015 SURETY DEPOSITORY AGREEMENT

SECTION 9.01. *Supplemental Indentures or Amendments to Bond Resolution, Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement and Series 2015 Surety Depository Agreement Without Consent of Bondholders.*

Without the consent of the Holders of any Bonds, the Issuer, when authorized by Board Resolution, and the Trustee may from time to time enter into one or more indentures supplemental hereto in form satisfactory to the Trustee, the Issuer may amend the Bond Resolution or the Issuer, when authorized by Board Resolution, and the Trustee may amend the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement, as applicable, for any of the following purposes:

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

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

3. to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer herein, in the Bond Resolution, in the Series 2015 Standby Contribution Agreement, in the Series 2015 Letter of Credit Depository Agreement, in the Series 2015 Surety Depository Agreement or in the Bonds contained; or

4. to add to the covenants of the Issuer for the benefit of the Holders of all of the Bonds or

5. to cure any ambiguity, to correct or supplement any provision herein, in the Series 2015 Standby Contribution Agreement, in the Series 2015 Letter of Credit Depository Agreement, in the Series 2015 Surety Depository Agreement or in the Bond Resolution which may be

inconsistent with any other provision herein in the Series 2015 Standby Contribution Agreement, in the Series 2015 Letter of Credit Depository Agreement, in the Series 2015 Surety Depository Agreement or in the Bond Resolution, or to make any other provisions, with respect to matters or questions arising under this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution, which shall not be inconsistent with the provisions of this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution, provided such action shall not adversely affect the interests of the Holders of the Bonds.

SECTION 9.02. *Supplemental Indentures or Amendments to the Bond Resolution or Series 2015 Standby Contribution Agreement or Series 2015 Letter of Credit Depository Agreement or Series 2015 Surety Depository Agreement With Consent of Bondholders.*

A. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds affected by such supplemental indenture or amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution, by Act of such Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto or an amendment or amendments to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution or of modifying in any manner the rights of the Holders of the Bonds under this Indenture, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution; provided, however, that no such supplemental indenture or amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution shall, without the consent of the Holder of each Outstanding Bond affected thereby

1. change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of, or the interest on, any Bond, or change the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on

or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

2. reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any such supplemental indenture or amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement and the Bond Resolution, or the consent of Holders of which is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences; or

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

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

B. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution and any such determination shall be conclusive upon every Holder of Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

C. It shall not be necessary for any Act of Bondholders under this Section to approve the particular form of any proposed supplemental indenture or any such amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03. *Execution of Supplemental Indentures and Amendments to Bond Resolution, Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement and the Series 2015 Surety Depository Agreement.*

In executing, or accepting the additional trusts created by, any supplemental indenture or amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement, the Series 2015 Surety Depository Agreement or the Bond Resolution permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall be entitled to

receive and, subject to Section 8.01, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture or adoption or execution of such amendment is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture or amendment to the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement or be governed by any amended Bond Resolution which affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise.

SECTION 9.04. *Effect of Supplemental Indentures and Amendments to Bond Resolution, Series 2015 Standby Contribution Agreement, Series 2015 Letter of Credit Depository Agreement or Series 2015 Surety Depository Agreement.*

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith and such supplemental indenture shall form a part of this Indenture for all purposes, and upon the amendment of the Bond Resolution, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement under this Article, the Bond Resolution, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement, as applicable, shall be modified in accordance therewith, and such amendment shall form a part of the Bond Resolution, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement, as applicable, for all purposes, and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05. *Reference in Bonds to Supplemental Indentures or Amendments to Bond Resolution, Series 2015 Standby Contribution Agreement, Series 2015 Letter of Credit Depository Agreement, Series 2015 Surety Depository Agreement.*

Bonds authenticated and delivered after the execution of any supplemental indenture or amendment to the Bond Resolution, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement pursuant to this Article may bear a notation as to any matter provided for in such supplemental indenture or amendment to the Bond Resolution, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement. If the Issuer shall so determine, new Bonds so modified as to conform to any such supplemental indenture or amendment to the Bond Resolution, the Series 2015 Standby Contribution Agreement, the Series 2015 Letter of Credit Depository Agreement or the Series 2015 Surety Depository Agreement may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

* * *

ARTICLE TEN

COVENANTS

SECTION 10.01. *Pledge and Levy of Taxes.*

A. For each Fiscal Year while any Bond is Outstanding, the Board shall annually levy and cause an *ad valorem* property tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the Issuer, to pay Debt Service and to pay Parity Debt Service when due, and the Issuer shall duly and punctually pay Debt Service in accordance with the terms of this Indenture. (The Issuer and the Trustee acknowledge that the Bonds and any other general obligation bonds and general obligation refunding bonds of the Issuer hereafter issued will be secured on a parity basis in the collection and application of property tax revenues of the Issuer and that such property taxes will be allocated to each series of general obligation bonds and general obligation refunding bonds in accordance with any Debt Service or Parity Debt Service then due and, in either case, taking into account other funds held by the Issuer for such payment. Property tax revenues allocated for any series of bonds shall be deposited into the applicable fund or account set aside for such series.) Notwithstanding the foregoing, the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity on the Bonds Being Refunded, and the owners of the Bonds shall rely upon the sufficiency of the funds deposited a described in subsection (d) for the payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such redemption funds prove insufficient.

B. Amounts derived from the levy of the tax provided for in this Section when collected constitute funds to pay Debt Service and shall be kept separately from other funds of the Issuer, including with respect to the pro-rata amount of such amounts applicable to the Bonds, by being paid to the Trustee and deposited by the Trustee to the accounts as described in Section 5.02.

C. The Board shall make annual statements and estimates of the amount to be raised to pay Debt Service [including the amounts to be allocated as described in Sections 5.02(A)(1)(a)]. The Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The Board, on or before the date set by law for certifying the annual budget of the Municipality, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the Issuer and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, to the Department of Revenue of the State and to the Trustee. All statutes relating to the levy and collection

of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

SECTION 10.02. *Maintenance of Agency.*

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

SECTION 10.03. *Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money.*

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

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

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

(b) at any time, upon the written request of the Trustee, forthwith pay to the Trustee all amounts so held in trust by such Paying Agent.

C. The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Request direct any Paying Agent to pay to the Trustee all money held by such Paying Agent, such money to be held by the Trustee upon the same trusts as those upon which such money was held by such Paying Agent, and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

D. In the event any check for payment of interest on a Bond is returned to any Paying Agent unendorsed or is not presented for payment within two (2) years from its payment date or any Bond is not presented for payment of principal at Maturity or Redemption Date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to such Paying Agent for the benefit of the Holder thereof, it shall be the duty of such Paying Agent to hold such funds or invest the same in Government Obligations, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. Such obligation of the Paying Agent to hold such funds shall continue for two (2) years and six (6) months following the date on which such interest or principal payment became due, whether at Maturity or Stated Maturity, or at the Redemption Date, or otherwise, at which time such Paying Agent shall surrender such unclaimed funds so held to the Issuer, whereupon any claim of whatever nature by the Holder of such Bond arising under such Bond shall be made upon the Issuer.

SECTION 10.04. *Further Assurances; Recording.*

A. The Issuer shall do, execute, acknowledge and deliver all and every such further acts, conveyances, mortgages, financing statements and assurances as shall be reasonably required for accomplishing the purposes of this Indenture.

B. The Issuer shall cause this instrument and all supplemental indentures and other instruments of further assurance, including all financing statements, to be promptly recorded, registered and filed, and to be kept recorded, registered and filed, and, when necessary, to re-record, re-register and re-file the same, all in such manner and in such places as may be required by law, fully to preserve and protect the rights of the Bondholders and the Trustee hereunder to all property comprising the Trust Estate, and the Issuer shall execute any financing statement, continuation statement or other document required for such purposes.

SECTION 10.05. *Covenants as to Arbitrage and Other Tax Matters.*

A. The Issuer shall not make or direct the making of any investment or other use of the proceeds of any Bonds which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private

activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the Issuer shall comply with the requirements of the Code sections and related regulations throughout the term of the Bonds. (Particularly, the Issuer or the Municipality shall be the owner of the Facilities for federal income tax purposes. Except as otherwise advised in a Bond Counsel's Opinion (as such term is defined in the next Section), (i) no management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities shall be entered into unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time, and (ii) no lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities shall be entered into.) Also, the payment of principal and interest with respect to the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds, or amounts treated as proceeds of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the Bonds are being issued, (ii) may be so used in making investments of a bona fide debt service fund or (iii) may be invested in obligations issued by the United States Treasury. The Issuer shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds (including as provided in Section 10.06) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In consideration of the purchase and acceptance of the Bonds by such holders from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the Issuer covenants, and the appropriate officials of the Issuer are hereby directed, to take all action required or to refrain from taking any action prohibited by such Code which would adversely affect in any respect such exclusion.

B. 1. The Issuer shall not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds or any other funds of the Issuer, including amounts received from the investment of any of the foregoing, which, based upon the facts, estimates, and circumstances known on the Closing Date, would result in constituting the Bonds "arbitrage bonds" within the meaning of the Code, and the Issuer shall not take any deliberate action motivated by arbitrage which would have such result.

2. In the event the Issuer is of the opinion that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder in order to avoid classification of any Bonds as "arbitrage bonds" within the meaning of the Code, the Issuer may issue to the Trustee a written instrument to such effect (along with appropriate written instructions), in which

event the Trustee shall take such action as is necessary so to restrict or limit the yield on such investment in accordance with such instrument and instructions, irrespective of whether the Trustee shares such opinion. The Trustee may conclusively rely upon any such instructions and shall be responsible for no loss resulting from investment of any money held hereunder in accordance with such instructions.

C. 1. The Issuer shall take all necessary and desirable steps, as determined by the Board, to comply with the requirements hereunder in order to ensure that interest on the Bonds is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event the Issuer receives a Bond Counsel's Opinion (as such term is defined in the next section) that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds, or (ii) compliance with some other requirement will meet the requirements of the Code. In the event the Issuer receives such a Bond Counsel's Opinion, this shall be supplemental Indenture to conform to the requirements set forth in such opinion.

2. If for any reason any requirement hereunder is not complied with, the Issuer shall take all necessary and desirable steps, as determined by the Board, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the Issuer shall pay any required interest or penalty under Regulations section 1.148-3(h) of the Regulations (as such term is defined in the next section).

D. Written procedures have been established for the District to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which the District will comply.

SECTION 10.06. *Specific Covenants as to Rebate.*

A. 1. Terms not otherwise defined in Subsection (2) hereof shall have the meanings given to them in the arbitrage certificate of the Issuer delivered in connection with the issuance of the Bonds.

2. The following terms shall have the following meanings:

Bond Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the Issuer.

Bond Year shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first

Bond Year shall begin on the date of issue of the Bonds and shall end on the date selected by the Issuer, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

Bond Yield is as indicated in such arbitrage certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

Code shall mean the Internal Revenue Code of 1986, as amended, and any successor provisions thereto.

Gross Proceeds shall mean:

(i) any amounts actually or constructively received by the Issuer from the sale of the Bonds but excluding amounts used to pay accrued interest on the Bonds within one year of the date of issuance of the Bonds;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds in the event the Issuer encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under the Indenture.

Investment Property shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

Issue Price is as indicated in such arbitrage certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations

acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Bonds was sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

Nonpurpose Investment shall mean any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

Payment shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

Rebate Requirement shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

Receipt shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

Regulations shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

B. Within 60 days after the end of each Bond Year, the Issuer shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or

before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

C. No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

D. For purposes of Subsection (C), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

1. The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

2. Except as provided in Subsection (E) or (F), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

3. If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

E. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

1. the yield on reasonably comparable direct obligations of the United States; and

2. the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

F. A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

1. A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential

providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements in the Regulations that the Issuer receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

2. All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

3. At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the Issuer uses an agent to conduct the bidding, the agent may not bid.

4. The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

5. The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

6. The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

7. The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

8. The Issuer retains until three years after the last outstanding Bond is retired, (i) a copy of the

guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the Issuer and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation. Such experts and consultants shall be employed to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code with respect to the Bonds.

G. The employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code, is hereby authorized.

* * *

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

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
Issuer Representative

ATTEST:

.....
District Clerk

ZIONS FIRST NATIONAL BANK, as Trustee

By.....
Authorized Officer

DRAFT
04/29/15
06/22/15

VISTANCIA COMMUNITY FACILITIES DISTRICT

and

ZIONS FIRST NATIONAL BANK,
as Escrow Trustee

ESCROW TRUST AGREEMENT

Dated as of _____ 1, 2015

ESCROW TRUST AGREEMENT

THIS ESCROW TRUST AGREEMENT, dated as of _____ 1, 2015 (hereinafter referred to as this "*Agreement*"), by and between Vistancia Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"), and Zions First National Bank, a national banking association authorized to exercise trust powers under the laws of the State of Arizona, as escrow trustee (hereinafter referred to as the "*Escrow Trustee*"),

W I T N E S S E T H:

WHEREAS, all of the outstanding general obligation bonds of the District are being paid or refunded (hereinafter referred to as the "*Bonds Being Refunded*" or the "*Refunded Bonds*"); and

WHEREAS, the District Board of the District, by resolution adopted on June 16, 2015 (hereinafter referred to as the "*Bond Resolution*"), has authorized the issuance of certain General Obligation Refunding Bonds, Series 2015, of the District, a portion of which are being issued to provide funds to be used to refund the Bonds Being Refunded (hereinafter referred to as the "*Refunding Bonds*"); and

WHEREAS, the Bond Resolution approves this Agreement which is to be irrevocable with the Escrow Trustee with respect to the safekeeping and handling of the moneys and securities to be held in trust for the payment of the Bonds Being Refunded;

NOW, THEREFORE, in consideration of the mutual provisions and covenants, conditions and agreements hereinafter contained, the District and the Escrow Trustee agree as follows:

Section 1. On _____, 2015 (hereinafter referred to as the "*Delivery Date*"), there was deposited cash in the amount of $_____ (hereinafter referred to as the "*Initial Cash Deposit*") and the securities described in Exhibit "A" hereto (or additional funds sufficient to permit the Escrow Trustee to purchase such securities on the Delivery Date), all of which are direct obligations of the United States (hereinafter referred to as the "*Securities*"), to be held by the Escrow Trustee in a special and separate trust fund (hereinafter referred to as the "*Trust Fund*"). As determined in the Verification Report of Grant Thornton LLP regarding the Bonds Being Refunded (hereinafter referred to as the "*Report*"), the principal amount of the Securities, together with the scheduled interest thereon and the Initial Cash Deposit, are sufficient to assure that the funds available in the Trust Fund shall be sufficient to pay promptly the principal of and interest with respect to the Bonds Being Refunded at maturity or upon redemption.

Section 2. (A) The Escrow Trustee shall, at all times, hold the Securities and the Initial Cash Deposit in the Trust Fund for the account of the District and for the benefit of the owners of the Refunding Bonds and shall maintain the Trust Fund wholly segregated from other funds and securities on deposit with the Escrow Trustee, shall never commingle the Securities and other moneys with other funds or securities of the Trust Fund and shall never at any time use, loan or borrow the same in any way, so that sufficient funds always shall be available to pay the interest and principal requirements with respect to the Bonds Being Refunded as the same accrue and become due and payable from time to time as set forth in the Report (hereinafter referred to as, collectively, the "*Payment Schedules*").

(B) The Escrow Trustee shall reinvest cash balances held in the Trust Fund, to the extent not required for the payment of the principal of and interest with respect to the Bonds Being Refunded, in United States Treasury Certificates of Indebtedness, State and Local Government Series (hereinafter referred to as "*SLGS*"), at a zero percent (0.0%) interest rate, maturing on the semiannual debt service payment date for the Bonds Being Refunded (hereinafter referred to as the "*Restricted Reinvestment Obligations*"), provided that amounts which may not be so invested shall be held in cash and shall not be invested. (The Initial Cash Deposit shall be held in the Trust Fund in cash and shall not be invested.) Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Fiscal Service. Such rules and regulations currently require that a subscription for purchase of the investment be submitted at least fifteen (15) (or, for subscriptions of less than $10,000,000 five (5)) but no more than sixty (60) days prior to the date of investment. If the Department of the Treasury (or the Bureau of Fiscal Service) of the United States suspends the sale of SLGS causing the Escrow Trustee to be unable to purchase SLGS, then the Escrow Trustee will take the following actions: On the date the Escrow Trustee would have purchased SLGS had the Escrow Trustee been able to do so, the Escrow Trustee shall purchase non-callable and non-prepayable obligations issued or guaranteed as to full and timely payment by the United States of America maturing no more than ninety (90) days after the date of purchase (hereinafter referred to as "*Alternate Investments*"). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase and shall in no event be more than the amount payable at such maturity on such investment. The Escrow Trustee shall purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and shall maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow Trustee shall pay the difference between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the District with a notice to the District that such amount must be paid to the Internal Revenue Service pursuant to Internal Revenue Service Revenue Procedure 95-47.

Promptly upon the District's receipt of notice from the Escrow Trustee, the District will contact nationally recognized bond counsel to review the purchase of Alternate Investments and to prepare the necessary forms to be filed relating to such payment. If the Alternate Investment matures more than twenty-nine (29) days prior to the next succeeding interest payment date with respect to the Bonds Being Refunded on which such proceeds will be needed to pay principal of and premium, if any, and interest on the Bonds Being Refunded, the Escrow Trustee shall treat such amounts as an invested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section). The Escrow Trustee shall hold balances not so invested in accordance with Section 4 hereof.

(C) The Escrow Trustee may sell or redeem the Securities in advance of their maturity dates and invest the proceeds of such sale or redemption or other moneys credited to the Trust Fund in connection with such sale or redemption in other non-callable obligations issued or guaranteed by the United States of America (hereinafter referred to as the "*Substitute Securities*") only upon receipt of written instructions from the District to do so and receipt by the parties hereto and the District of (1) an opinion in form and substance satisfactory to them from a nationally recognized bond counsel to the effect that such action will not affect adversely the status of the interest on the Bonds Being Refunded for federal income tax purposes and will not affect adversely the right of the District to issue obligations the interest on which is excludable from gross income for federal income tax purposes and (2) a report from a nationally recognized accountant or firm of accountants verifying the accuracy of the arithmetic computations of the adequacy of the proceeds from the liquidation together with any other moneys and the maturing principal of and interest on the Substitute Securities to be credited to the Trust Fund, to pay when due the interest with respect to the Bonds Being Refunded and the principal of the Bonds Being Refunded as they become due at maturity. Upon any such sale or redemption of investments and reinvestment, any amounts not needed in the Trust Fund to provide for payments with respect to the Bonds Being Refunded, as shown by such accountant's report, may be withdrawn from the Trust Fund at the direction of the District and applied for the benefit of the District in accordance with applicable law.

Section 3. The debt service with respect to the Bonds Being Refunded shall be paid from the Trust Fund from the following sources in the order listed below:

(A) The Initial Cash Deposit.

(B) Cash receipts from the Securities, the Restricted Reinvestment Obligations, the Alternate Investments or the Substitute Securities.

Amounts available from such sources shall be applied consistently with the Payment Schedules.

Section 4. Any moneys credited to the Trust Fund which are not invested in the Securities, the Restricted Reinvestment Obligations, the Alternate Investments or the Substitute Securities as provided herein shall be held as a demand deposit and shall be secured in the same manner as deposits of public moneys.

Section 5. (A) The Escrow Trustee shall make timely payments from the Trust Fund to the trustee for the Bonds Being Refunded, in the amounts and on the dates necessary to permit the payment when due as set forth in the Payment Schedules of the principal of and redemption premiums (if any) and interest on the Bonds Being Refunded as the same become due and payable or when the Bonds Being Refunded are to be redeemed.

(B) The District hereby irrevocably instructs the Escrow Trustee to, and the Escrow Trustee shall, as soon as possible, cause notices of the refunding of the Bonds Being Refunded, in the forms as shown in Exhibit "B" hereto, to be mailed as provided in Exhibit "B" hereto and to the Municipal Securities Rulemaking Board.

(C) The District further hereby irrevocably instructs the trustee for the Bonds Being Refunded, for and on behalf of the District, to cause notice of redemption of the Bonds Being Refunded in the form as shown in Exhibit "C" hereto to be mailed, with such additional information as such deem appropriate, as provided in Exhibit "C" hereto, and to the Municipal Securities Rulemaking Board.

(D) Any costs incurred in mailing the notices described in (B) and (C) hereinabove may be billed to the District.

Section 6. If, at any time or times, there are insufficient funds on hand in the Trust Fund for the payment of the principal of and redemption premiums and interest on the Bonds Being Refunded as the same become due, or for the payment of the fees and expenses of the Escrow Trustee, the Escrow Trustee shall promptly notify the District and Stifel, Nicolaus & Company, Incorporated of such deficiency by telephone and by registered first class mail, postage prepaid.

Section 7. On or before each February 28 and August 31 during the term of this Escrow Trust Agreement, the Escrow Trustee shall submit to the District a report covering all moneys it has received and all payments it has made under the provisions hereof during the six-month period ending on the preceding July 15 or January 15. Each such report also shall list all investments and moneys on deposit with the Escrow Trustee as of the date of the report.

Section 8. The Escrow Trustee shall receive the sum of $1,000.00 upon the date of delivery of the Refunding Bonds. The Escrow Trustee shall not make claim upon or expect payment from any amounts held hereunder for payment of any other amounts due or claimed to be due to the Escrow Trustee.

Section 9. When all amounts payable on the Bonds Being Refunded have become due and the trustee for the Bonds Being Refunded has on deposit all moneys necessary for the payment of such amounts, the Escrow Trustee shall on the business day next succeeding the date the last of the Bonds Being Refunded matures or is otherwise paid, transfer all moneys and investments credited to the Trust Fund in excess of the amounts needed to pay the amounts payable on the Bonds Being Refunded to the District to be applied in accordance with applicable law.

Section 10. The registered owners of the Refunding Bonds and of the Bonds Being Refunded, as their interests may appear, have a beneficial interest in the Trust Fund, and the Refunding Bonds shall be delivered to and accepted by the registered owners thereof in reliance upon the irrevocable character of the Trust Fund. It is therefore expressly recited, understood and agreed by the parties hereto that this Agreement shall not be revoked and shall not be amended in any manner which may adversely affect the rights herein sought to be protected until the provisions of this Agreement have been fully carried out.

Section 11. The Escrow Trustee shall be under no obligation to inquire into or be otherwise responsible for the performance or nonperformance by the District of any of his obligations or to protect any of the rights of the District under any of the proceedings with respect to the Bonds Being Refunded or the Refunding Bonds. The Escrow Trustee shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing except for its negligence or its default in the performance of any obligation imposed upon it under the terms of this Agreement. The Escrow Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement in compliance with the provisions hereof.

Section 12. The District shall have the right to audit the books, records and accounts of the Escrow Trustee insofar as they pertain to the Trust Fund.

Section 13. Except as otherwise provided herein, neither this Agreement nor the Trust Fund may be assigned by the Escrow Trustee without the prior written consent of the District unless the Escrow Trustee is required by law to divest itself of its interest in its corporate trust department or unless the Escrow Trustee sells or otherwise assigns all or substantially all of its corporate trust business, in which event the Trust Fund shall be continued by the successor in interest of the Escrow Trustee. Any trust company or national banking association into which the Escrow Trustee or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business as a whole shall be the successor of the Escrow Trustee with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and

liabilities as its predecessor, all without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. If any section, paragraph, subdivision, sentence, clause or phrase hereof shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions hereof. The parties hereby declare that they would have executed this Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof may be held to be illegal, invalid or unenforceable. If any provision hereof contains any ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted. In construing this Agreement, it should be noted that the Refunding Bonds and the Bonds Being Refunded are intended to be obligations the interest on which is excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the provisions hereof should be construed to permit that result.

Section 15. Notice shall be sufficient hereunder, if it is contained in a writing to the District at 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Treasurer and to the Escrow Trustee at 6001 North 24th Street, Phoenix, Arizona 85016, Attention: Corporate Trust Services, or any other address which may be designated from time to time by any party in writing delivered to the District or the Escrow Trustee, as applicable, or is provided by facsimile means in a form acceptable to the recipient.

Section 16. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other with respect to the subject matter hereof, and no party hereto has made or shall be bound by any agreement or any representation to any other party which is not expressly set forth in this Agreement.

Section 17. (A) To the extent applicable by provision of law, the Escrow Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the District may within three years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by the District if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

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

Section 18. This Agreement may be executed in several counterparts, each of which shall be an original, all of which together shall constitute but one instrument.

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By.....
Issuer Representative

ATTEST:

.....
District Clerk

ZIONS FIRST NATIONAL BANK, as the Escrow Trustee

By.....
Authorized Representative

ACKNOWLEDGED BY WELLS FARGO BANK, NATIONAL ASSOCIATION, AS THE TRUSTEE FOR THE BONDS BEING REFUNDED

By.....
Authorized Representative

EXHIBIT A

TRUST FUND SECURITIES

Type	Maturity Date	Par Amount	Coupon
		$	%

EXHIBIT B-1

NOTICE OF REFUNDING
of
VISTANCIA COMMUNITY FACILITIES DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2002
DATED AS OF DECEMBER 1, 2002,
MATURING ON JULY 15, 2022

Notice is hereby given that the above-described Bonds have been refunded in advance of their stated maturity date by the establishment of an irrevocable trust with Zions First National Bank, as trustee. Moneys which have been deposited in the irrevocable trust are scheduled to provide funds in amounts sufficient to pay all principal of and interest on the above-described Bonds as the same become due. The Bonds maturing on July 15, 2022, will be redeemed on _____, 2015, at a price of par plus accrued interest, without premium.

Date: ....., 2015.

ZIONS FIRST NATIONAL BANK, as Trustee

MAILING REQUIREMENTS:

This Notice of Refunding is to be mailed, by regular mail, postage prepaid, as soon as possible to the registered owners of the Bonds Being Refunded at the respective addresses shown on the registration books maintained by Zions First National Bank, as the trustee for the Bonds Being Refunded.

EXHIBIT B-2

NOTICE OF REFUNDING
of
VISTANCIA COMMUNITY FACILITIES DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2005
DATED APRIL 27, 2005,
MATURING ON JULY 15, 2020, AND JULY 15 2024

Notice is hereby given that the above-described Bonds have been refunded in advance of their stated maturity dates by the establishment of an irrevocable trust with Zions First National Bank, as trustee. Moneys which have been deposited in the irrevocable trust are scheduled to provide funds in amounts sufficient to pay all principal of and interest on the above-described Bonds as the same become due. The Bonds maturing on July 15, 2020, and July 15, 2024, will be redeemed on _____, 2015, at a price of par plus accrued interest, without premium.

Date: ....., 2015.

ZIONS FIRST NATIONAL BANK, as Trustee

MAILING REQUIREMENTS:

This Notice of Refunding is to be mailed, by regular mail, postage prepaid, as soon as possible to the registered owners of the Bonds Being Refunded at the respective addresses shown on the registration books maintained by Zions First National Bank, as the trustee for the Bonds Being Refunded.

EXHIBIT B-3

NOTICE OF REFUNDING
of
VISTANCIA COMMUNITY FACILITIES DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2006
DATED DECEMBER 28, 2006,
MATURING ON JULY 15, 2016,
JULY 15, 2017, JULY 15, 2021, AND JULY 15, 2026

Notice is hereby given that the above-described Bonds have been refunded in advance of their stated maturity dates by the establishment of an irrevocable trust with Zions First National Bank, as trustee. Moneys which have been deposited in the irrevocable trust are scheduled to provide funds in amounts sufficient to pay all principal of and interest on the above-described Bonds as the same become due. The Bonds maturing on July 15, 2017, July 15, 2021, and July 15, 2026, will be redeemed on July 15, 2016, at a price of par plus accrued interest, without premium.

Date: ....., 2015.

ZIONS FIRST NATIONAL BANK, as Trustee

MAILING REQUIREMENTS:

This Notice of Refunding is to be mailed, by regular mail, postage prepaid, as soon as possible to the registered owners of the Bonds Being Refunded at the respective addresses shown on the registration books maintained by Zions First National Bank, as the trustee for the Bonds Being Refunded.

EXHIBIT C

NOTICE OF REDEMPTION
of
VISTANCIA COMMUNITY FACILITIES DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2006
DATED DECEMBER 28, 2006,
MATURING ON JULY 15, 2017,
JULY 15, 2021, AND JULY 15, 2026

Notice is hereby given that the above-described Bonds will be redeemed prior to their stated maturity date on July 15, 2016.

Registered owners of the above-described Bonds are notified to present the same at the office of Zions First National Bank, on July 15, 2016, the date set for redemption. The above-described Bonds will be redeemed at a redemption price equal to the principal amount of each such Bond, plus interest accrued to the date of redemption, without premium. From and after July 15, 2016, no interest will be paid on the Bonds.

Dated: ....., 2016

VISTANCIA COMMUNITY FACILITIES DISTRICT

By ZIONS FIRST NATIONAL BANK, as Trustee

MAILING REQUIREMENTS:

Not more than 60 nor less than 30 days prior to July 15, 2016, this Notice of Redemption of the Bonds Being Refunded is to be mailed, by first class mail, postage prepaid, to the registered owner of each Bond Being Refunded at the address shown on the registration books maintained by Zions First National Bank, as the trustee for the Bonds Being Refunded.

DRAFT 06/19/15

VISTANCIA COMMUNITY FACILITIES DISTRICT

and

TLHOCKING & ASSOCIATES LLC

DISSEMINATION AGENCY AGREEMENT

Dated as of July 1, 2015

$_____
Vistancia Community Facilities District
(Peoria, Arizona)
General Obligation Refunding Bonds, Series 2015

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DISSEMINATION AGENCY AGREEMENT

THIS DISSEMINATION AGENCY AGREEMENT, dated as of July 1, 2015 (hereinafter referred to as this "Agreement"), by and between Vistancia Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "Issuer"), and TLHocking & Associates LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "Agent");

W I T N E S S E T H:

WHEREAS, pursuant to a Resolution of the district board of the Issuer (hereinafter referred to as the "Board") adopted on July 7, 2015, the Board has authorized the issuance of certain general obligation bonds (hereinafter referred to as the "Securities") pursuant to Title 35, Chapter 3, Article 4, Arizona Revised Statutes (hereinafter referred to as the "Bond Act") to provide funds for certain public infrastructure purposes provided for in Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Enabling Act" and, together with the Bond Act, the "Act"); and

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

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

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

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

ARTICLE ONE

SECTION 1.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) The terms in this Agreement have the meanings assigned to them hereinabove and in the Section 1 of the Undertaking.

(b) The terms used herein include the plural as well as the singular.

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

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

SECTION 1.02. Notices, etc.

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

(i) the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at c/o City of Peoria, 8401 West Monroe Street, Peoria, Arizona 85345, Attention: District Chief Financial Officer or at any other address furnished previously in writing to such person by the Issuer, and

(ii) the Agent shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid to it at P.O. Box 10097, Phoenix, Arizona 85064, Attention: Thomas L. Hocking, or at any other address furnished previously in writing to such person by the Agent.

(b) Where this Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

SECTION 1.03. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.04. Successors and Assigns. All covenants and agreements in this Agreement by the Issuer and the Agent shall bind their successors and assigns, whether so expressed or not.

SECTION 1.05. Severability Clause. In case any provision in this Agreement or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

SECTION 1.06. Benefits of Agreement. Nothing in this Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

SECTION 1.07. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Arizona and the federal laws of the United States of America.

SECTION 1.08. Incorporation of State Statutes.

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

(b) To the extent applicable under Section 41-440, Arizona Revised Statutes, as amended, the Agent shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Agent of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of the Agent. The Issuer retains the legal right to randomly inspect the papers and records of the Agent to ensure that the Agent is complying with the above-mentioned warranty. The Agent shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Agent shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

SECTION 1.09. Further Assurances; Recording. The Agent shall do, execute, acknowledge and deliver all and every such further acts, conveyances and assurances as shall be reasonably required for accomplishing the purposes of this Agreement.

SECTION 1.10. Amendments. This Agreement may be amended by an instrument in writing executed and delivered by each of the Issuer and the Agent.

SECTION 1.11. Termination. The Issuer or the Agent may terminate this Agreement by giving written notice to the other party at least 30 days prior to such termination. Otherwise, this Agreement shall terminate coincident with the termination of the Undertaking. The Issuer is not required to appoint a successor to the Agent. The absence of the Agent or a successor to the Agent shall not relieve the Issuer of its responsibilities pursuant to the Undertaking.

SECTION 1.12. Integration. This Agreement, when executed and delivered by the parties hereto, shall constitute the entire agreement between the Issuer and the Agent with regard to the matters provided for herein.

ARTICLE TWO

SECTION 2.01. Annual Reports. The Agent shall compile and deliver each Annual Report to the Issuer by December 1 of each year for review by the Issuer, and the Issuer shall thereafter deliver to the Agent any revisions to each Annual Report by the next succeeding January 15 for dissemination as set forth in Section 2.03.

SECTION 2.02. Material Events.

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

(b) The Agent shall disseminate Notices of Material Events as set forth in Section 2.04.

SECTION 2.03. Dissemination of Annual Reports.

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

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

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

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

SECTION 2.04. Dissemination of Notices of Material Events.

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

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

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

SECTION 2.05. Dissemination of Other Notices. The Agent shall file the notices required pursuant to Sections 4(a) and 5(b) of the Undertaking with respect to termination of the Undertaking and changes in accounting principles of the Issuer, respectively, and shall provide a copy thereof to the Issuer.

SECTION 2.06. Duty to Update. One business day prior to the date the Issuer is required to file information with a Repository or the Municipal Securities Rulemaking Board, as applicable, the Agent shall determine, in the manner the Agent deems appropriate, the names and addresses of the then existing Repositories and the manner and medium by which information is to be transmitted and filed with such Repository or the Municipal Securities Rulemaking Board.

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

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

(b) In the absence of bad faith on its part, the Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Agent or matters of public record.

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

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

SECTION 2.08. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from delivering any other information to the Agent, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or Notice of Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any such information, then the Issuer shall have no obligation pursuant to this Agreement to update such information or include it in any future disclosure or notice.

SECTION 2.09. Compensation. The Issuer shall compensate the Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time.

SECTION 2.10. Recordkeeping. The Agent shall maintain records of the Annual Reports and the Notices of Material Events including the names of the entities with which the same were filed and the date of filing, and copies thereof shall be available to the Issuer upon reasonable request and the payment of reasonable copying and delivery charges.

SECTION 2.11. Counterparts. This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

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

VISTANCIA COMMUNITY FACILITIES DISTRICT

By_____
District Chief Financial Officer

ATTEST:

_____
District Clerk

TLHOCKING & ASSOCIATES LLC

By_____
Name_____
Title_____

PROCEDURES FOR COMPLIANCE WITH OBLIGATIONS UNDER CONTINUING DISCLOSURE UNDERTAKINGS

These Procedures for Compliance with Obligations under Continuing Disclosure Undertakings (these "Procedures") are established as of July 7, 2015, and set forth specific procedures of Vistancia Community Facilities District (the "Issuer"), designed to assist in compliance with applicable requirements set forth in undertakings ("Continuing Disclosure Undertakings") providing for ongoing disclosure in connection with the offering of obligations to investors for obligations (whether or not tax-exempt/tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

These Procedures document practices and describe various procedures for preparing and disseminating related reports and information and reporting "listed events" for the benefit of the holders of the Issuer's obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule and the Continuing Disclosure Undertaking.

The Issuer recognizes that compliance with pertinent law is an ongoing process; necessary during the entire term of any obligations issued by the Issuer, and is an integral component of the Issuer's debt management. Accordingly, implementation of these Procedures will require ongoing monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

1. The District Chief Financial Officer (the "Compliance Officer") shall be responsible for monitoring post-issuance compliance issues.

2. The Compliance Officer will coordinate procedures for record retention and review of such records.

3. All documents and other records relating to obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer.

4. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

5. The Compliance Officer will review the annual information required to be filed pursuant to each Continuing Disclosure Undertaking.

Continuing Disclosure

Under the provisions of the Rule, Participating Underwriters are required to reasonably determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, a Continuing Disclosure Undertaking executed by the Issuer will be required.

In order to monitor compliance by the Issuer with its Continuing Disclosure Undertakings, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Undertakings. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Undertakings

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Undertakings of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective obligation issue. Continuing Disclosure Undertakings are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Undertakings) for so long as the obligations to which they relate are outstanding. As obligations are completely repaid or redeemed, the Compliance Officer shall remove the related Continuing Disclosure Undertakings from the set of Currently Effective Continuing Disclosure Undertakings.

B. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Undertakings annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Undertaking may differ from the financial information and operating data required to be reported under another Continuing Disclosure Undertaking; and

- The timing requirements for reporting under a particular Continuing Disclosure Undertaking may differ from the timing requirements for filing under another Continuing Disclosure Undertaking.

C. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall also subscribe to notification services made available through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

D. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) shall file the missing information.

E. Monitoring of Listed events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Undertakings and shall provide notice of the same in the required manner and by the relevant reporting deadline (generally within 10 days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations;
- Modification to rights of holders of the Issuer's obligations, if material;
- Calls of the Issuer's obligations, if material, and tender offers;
- Defeasances of the Issuer's obligations;
- Release, substitution or sale of property securing repayment of the Issuer's obligations, if material;
- Rating changes;

- Bankruptcy, insolvency, receivership or similar event of the Issuer;
- The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

F. Review of Official Statements

The Compliance Officer shall review drafts of any offering document for a new offering of obligations, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the offering document accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its offering documents.

G. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer's annual reviews and its reviews of offering documents in connection with new offerings as set forth above. This Issuer shall retain this documentation, for each Continuing Disclosure Undertaking, for the period that the related obligations are outstanding.

H. Annual Review Checklist

The Compliance Officer may (or may not) choose to use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. Fiscal Year Ending: _____

2. Compliance Officer: _____

3. Checklist Completion Date: _____

4. Obligations for which there are Currently Effective Continuing Disclosure Undertakings - <u>Attach Agreements</u>:

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

5. Have any new Obligations subject to Continuing Disclosure Been Issued this Year?

_____ No

_____ Yes (Add Agreement to Currently Effective Continuing Disclosure Undertakings) If Yes, did the Compliance Officer review the Offering Document's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years?
Circle: Y/ N (If N, review and discuss any issues with counsel.)

6. Have any Obligations subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Currently Effective Continuing Disclosure Undertakings)

7. (a) Has the Compliance Officer Reviewed the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

	Checked?
Different Continuing Disclosure Undertakings may require different information to be file (so check each one)	Y / N
Different Continuing Disclosure Undertakings may have different filing timing requirements (so check each one).	Y / N

Have any of the Following Events Occurred this Year?

	Event	**Circle**
1.	Principal and interest payment delinquencies	Y / N
2.	Non-payment related defaults, if material	Y / N
3.	Unscheduled draws on debt service reserves reflecting financial difficulties	Y / N
4.	Unscheduled draws on credit enhancements reflecting financial difficulties	Y / N
5.	Substitution of credit or liquidity providers, or their failure to perform	Y / N
6.	Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations	Y / N
7.	Modification to rights of holders of the Issuer's obligations, if material	Y / N
8.	Calls of the Issuer's obligations, if material, and tender offers	Y / N
9.	Defeasances of the Issuer's obligations	Y / N
10.	Release, substitution or sale of property securing repayment of the Issuer's obligations, if material	Y / N
11.	Rating changes	Y / N
12.	Bankruptcy, insolvency, receivership or similar event of the Issuer	Y / N
13.	The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material	Y / N
14.	Appointment of a successor or additional trustee or the change of name of a trustee, if material	Y / N

If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

_____ Yes: Name/Contact: _____

_____ No

331451779.1

WRITTEN POLICIES AND PROCEDURES FOR TAX-ADVANTAGED OBLIGATIONS

Vistancia Community Facilities District (the "Issuer"), has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, "tax-advantaged obligations") that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer has established the policies and procedures contained herein (the "Procedures") as of July 7, 2015, in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the "Tax Certificate") executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The District Chief Financial Officer of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the "Responsible Officer").

2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.

3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)

    a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.

    b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all Procedures have been appropriately assigned.

4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code applicable to each tax-advantaged obligation, identification of all tax-advantaged obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.

5. Periodic Review. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the "remedial action" regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service ("IRS") (or successor guidance). Such periodic review shall occur at least annually.

6. Change in Terms. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.

B. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS From 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section F.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

C. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:

1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.

2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.

3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.

4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.

5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of "direct tracing" is often made to reduce the private business use of bond proceeds that would otherwise result from "direct tracing" of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.

6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section H. below.

D. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:

1. Identify Financed Facilities. Identify or "map" which outstanding issues financed which facilities and in what amounts.

2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the financed facilities which could result in private business use of the facilities:

   a. Sales of financed facilities;

   b. Leases of financed facilities;

   c. Management or service contracts relating to financed facilities;

   d. Research contracts under which a private person sponsors research in financed facilities; and

e. Any other contracts involving "special legal entitlements" (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.

3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond counsel to review such amendment or agreement to determine whether it results in private business use.

4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.

5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of "unrelated or disproportionate" private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.

6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.

7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section H. below.

E. LOAN OF BOND PROCEEDS. Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.

F. ARBITRAGE AND REBATE COMPLIANCE. The Responsible Officer or other responsible person shall:

1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.

2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.

3. Temporary Periods. Review the Tax Certificate to determine the "temporary periods" for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.

4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.

5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of proceeds and to avoid "hedge bond" status.

6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.

7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.

8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.

9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects

(or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.

10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a "bona fide debt service fund," i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal amount of the issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.

12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.

    a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.

    b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.

    c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.

d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.

e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).

13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions for the period indicated in Section H. below.

G. RECORD RETENTION. The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.