

APPLICATION

FOR FORMATION OF

SUPERSTITION VISTAS COMMUNITY

FACILITIES DISTRICT NO. 2

(APACHE JUNCTION, ARIZONA)

SUBMITTED BY

D.R. Horton, Inc.

September 9, 2021

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Introduction

This application (“Application”) is being submitted by D.R. Horton Inc. (the “Applicant” or “Developer”) for the proposed formation of the Superstition Vistas Community Facilities District No. 2 of the City of Apache Junction (“District No. 2” or “District”)) pursuant to Arizona Revised Statutes Section 48-701 through 48-729, as amended (the “Act”). District No. 2 is proposed to be formed to provide a financing mechanism for certain public infrastructure relating to the development of a portion of Superstition Vistas, a master planned community located within the City of Apache Junction (the “Project”).

The Project consists of approximately 2800 acres and will be subject of a Development Agreement (“DA”), annexation, and Master Planned Community zoning (“MPC”), all of which will be considered for approval by the Apache Junction City Council immediately prior to the approval of this Application (collectively, the “Entitlements”).

The Project is located east of Meridian Road, north of Ray Avenue, west of Idaho Road and south of Elliot Avenue. The Project is divided into two development units, each consisting of approximately 1400 acres. This Application pertains to “Development Unit No. 2.” A separate application will be submitted for “Development Unit No. 1.” The Project location and Development Unit No. 2 boundaries are depicted in **Appendix A**. The property included in Development Unit No. 2 is referred to herein as the “Property.”

The Project is anticipated to include approximately 10,500 residential dwelling units, divided evenly between Development Unit No. 1 and Development Unit No. 2. The Project is currently projected to break ground in 2021, with home closings anticipated in the second quarter of 2023.

In preparing this application, the Applicant followed the format suggested in the City’s community facilities district policy and guidelines (the “Policy”).

To the extent permitted by law, in its petition to form District No. 2 the Applicant requests the City form District No. 2 without provisions for posting, publication, notice, hearing and landowner election otherwise required by the Act.

Description of Proposed CFD and Ownership Interests (Section 2.1(a) of the Policy)

District No. 2 consists of approximately 1400 acres, located east of Meridian Road, north of Ray Avenue, west of Ironwood Drive, and south of Elliot Avenue, and is depicted as Development Unit No.2 in **Appendix A**. The legal description for the proposed District No. 2 is attached as **Appendix B**. The District No. 2 boundaries are appropriate because the improvements to be financed by District No. 2 will primarily benefit future residents within District No. 2.

A current title report showing the identity of all persons or entities with an interest in the Property is attached as **Appendix C**. The current owner of the Property is the Arizona State Land Department. The Applicant has an interest in the Property, as the successful bidder of the Arizona State Land Department (“ASLD”) Auction Nos. 53-120190, 16-121118, 16-121120, 16-121121, 16-121123 and 16-121125, which occurred on November 4, 2020. The ASLD granted the

Applicant Certificate of Purchase No. 53-120190 for the Project. The ASLD executed the petition to form District No. 2.

The Applicant may sell the Property to Brookfield Home Holdings LLC, subject to approval by the ASLD.

Pinal County records, attached as **Appendix D**, show no qualified electors within the Property.

Applicant Information (Section 2.1(b) and (c) of the Policy)

The Applicant is a Delaware Corporation, with a State of Arizona Certificate of Good Standing from the Corporation Commission. It is a publicly traded company on the New York Stock Exchange under DHI. As of March 24, 2020, there were 363,701,712 outstanding shares with a Market Cap of \$30,630,960,000. This information is available on <http://investor.drhorton.com/financial-information/financial-reports/quarterly-reports>.

The key personnel for the Applicant are as follows:

Executive Team

Donald R. Horton – Chairman of the Board

David V. Auld -President and Chief Executive Officer

Michael J. Murray – Executive Vice President and Chief Operating Officer

Bill W. Wheat – Executive Vice President and Chief Financial Officer

Board of Directors

Bradley S. Anderson – Outside Director

Michael R. Buchanan – Outside Director

Michael W. Hewatt – Outside Director

Barbara K. Allen – Outside Director

Maribess L. Miller – Outside Director

Regional Presidents

Rick Horton – South Region (to which the Phoenix Division belongs) – Vice President

Tom Hill – East Region -Vice President

Matt Farris – West Region – Vice President

Doug Brown – North Region – Vice President

Paul Romanowski – Florida Region – Vice President

Sonya Luechauer – Financial Services – Vice President

Phoenix Division

Kim Oium – Division President – Vice President

Patrick Brown – Vice President of Land – Vice President

Lance Johnson – Regional Counsel – Vice President

Stephen Sanders – Chief Financial Officer

Dan Bonow – Director of Land Entitlements

Randy Christman – Director of Land Acquisition

The primary addresses and officers directly related to or associated with the Project and the proposed District No. 2 are:

20410 N. 19th Ave. Suite 100

Phoenix, Arizona 85027

Patrick Brown – Vice President of Land – Vice President PNBrown@drhorton.com 480-368-1065

Lance Johnson – Regional Counsel – Vice President LMJohnson@drhorton.com 480-368-1092

Kim Oium – Division President – Vice President KOium@drhorton.com 480-483-0006

The ASLD is the current Owner of the Property. The address and the officers are:

1616 W. Adams Street

Phoenix, AZ 85007

Lisa Atkins – Land Commissioner

Jim Perry – Deputy Land Commissioner

The Applicant has engaged the following professionals to assist in the preparation of this application:

Gallagher & Kennedy – Dana S. Belknap

Fennemore Craig – Jay Kramer

Piper Sandler & Co. – Nick Dodd

Brookfield Residential – John Bradley

ABLA – Andy Baron

Hilgart Wilson – Nguyen Lam

Swaback – Jeff Denzak

Southwest Traffic Engineering – Andrew Smigielski

Wood Patel – Dan Matthews

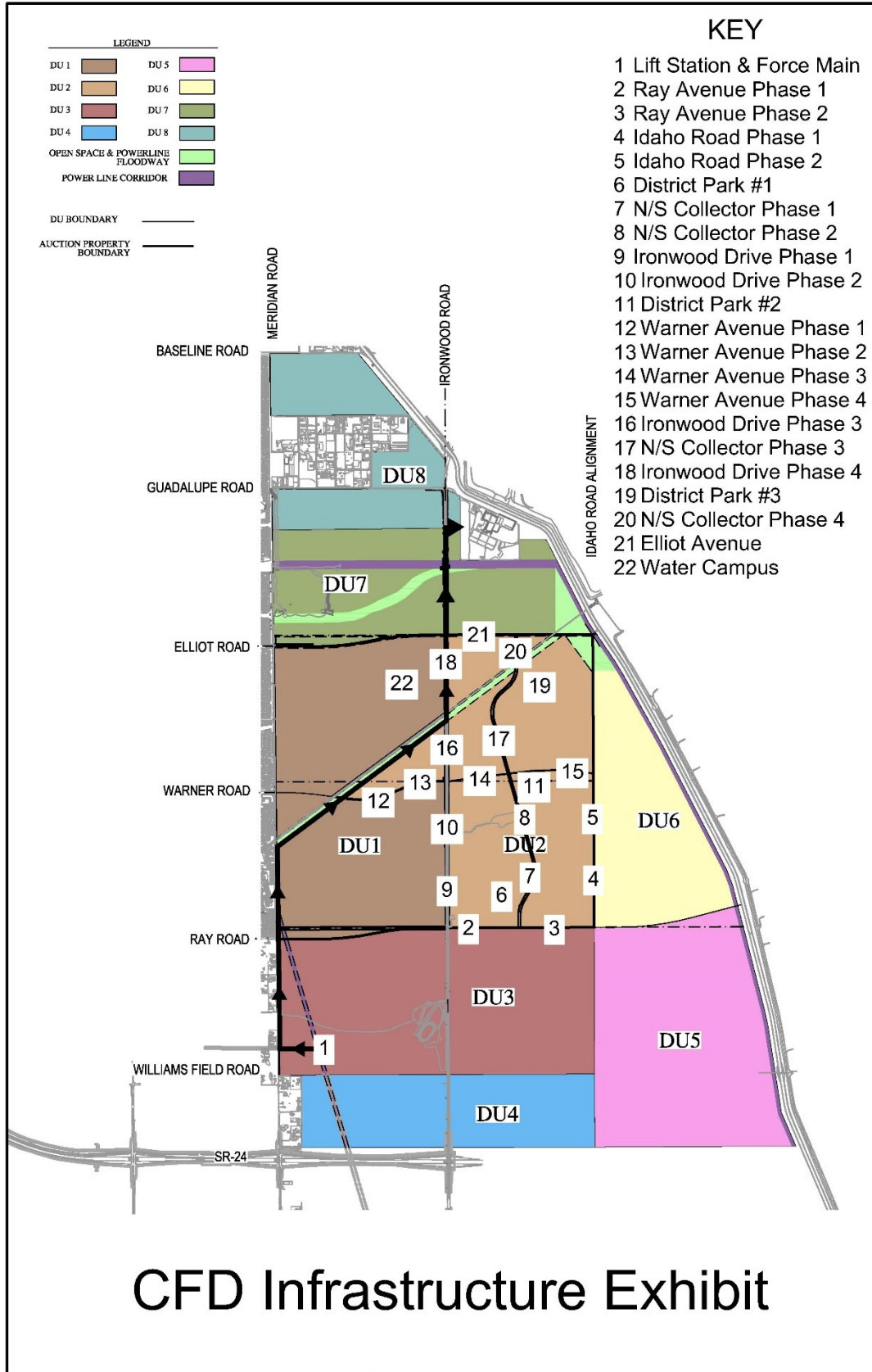
Detailed Description of Public Infrastructure (Section 2.2 of the Policy)

Cost Estimates

A detailed description of and cost estimates for the public infrastructure to be acquired by District No. 2 (“Public Infrastructure”) are set forth in the Estimated Costs of Public Infrastructure Table below.

Estimated Costs of Project Improvements

Project Segment	Description of Project	Estimated Costs	CFD Eligible Costs	Non CFD Eligible Costs
	Roadways			
21	Elliot Avenue	\$8,979,245.00	\$7,240,955.00	\$1,738,290.00
4	Idaho Road Phase 1	\$8,979,245.00	\$7,240,955.00	\$1,738,290.00
5	Idaho Road Phase 2	\$8,979,245.00	\$7,240,955.00	\$1,738,290.00
9	Ironwood Drive Phase 1	\$7,114,770.00	\$5,076,352.00	\$2,038,418.00
10	Ironwood Drive Phase 2	\$7,114,770.00	\$5,076,352.00	\$2,038,418.00
16	Ironwood Drive Phase 3	\$7,114,770.00	\$5,076,352.00	\$2,038,418.00
18	Ironwood Drive Phase 4	\$7,114,770.00	\$5,076,352.00	\$2,038,418.00
2	Ray Avenue Phase 1	\$8,390,715.00	\$6,653,781.00	\$1,736,934.00
3	Ray Avenue Phase 2	\$8,390,715.00	\$6,653,781.00	\$1,736,934.00
12	Warner Avenue Phase 1	\$9,877,170.00	\$7,965,052.00	\$1,912,118.00
13	Warner Avenue Phase 2	\$9,877,170.00	\$7,965,052.00	\$1,912,118.00
14	Warner Avenue Phase 3	\$9,877,170.00	\$7,965,052.00	\$1,912,118.00
15	Warner Avenue Phase 4	\$19,754,340.00	\$15,930,104.00	\$3,824,236.00
7	N/S Collector Phase 1	\$7,624,435.00	\$5,736,737.00	\$1,887,698.00
8	N/S Collector Phase 2	\$7,624,435.00	\$5,736,737.00	\$1,887,698.00
17	N/S Collector Phase 3	\$7,624,435.00	\$5,736,737.00	\$1,887,698.00
20	N/S Collector Phase 4	\$7,624,435.00	\$5,736,737.00	\$1,887,698.00
	Total Roadways:	\$152,061,835.00	\$118,108,043.00	\$33,953,792.00
	Utilities			
1	Lift Station & Force Main	\$44,843,700.00	\$44,208,700.00	\$635,000.00
22	Water Campus	\$66,349,255.00	\$65,409,730.00	\$939,525.00
	Total Utilities:	\$111,192,955.00	\$109,618,430.00	\$1,574,525.00
	Amenities			
	Facilities #1	\$2,750,000.00	\$0.00	\$2,750,000.00
	Facilities #2	\$2,750,000.00	\$0.00	\$2,750,000.00
6	District Park #1	\$23,000,001.00	\$23,000,001.00	\$0.00
11	District Park #2	\$23,750,001.00	\$23,750,001.00	\$0.00
19	District Park #3	\$23,000,001.00	\$23,000,001.00	\$0.00
	Total Amenities:	\$75,250,003.00	\$69,750,003.00	\$5,500,000.00
	Total Parcel Improvements:	\$217,609,529.00	\$30,618,432.00	\$186,991,097.00
	Total Project Monumentation:	\$15,000,000.00	\$15,000,000.00	\$0.00
	Total Site Maintenance:	\$2,816,000.00	\$0.00	\$2,816,000.00
	TOTAL:	\$573,930,322.00	\$343,094,908.00	\$230,835,414.00



Project Segment	Cost	Description
Elliot Avenue	\$8,979,245	South half-street section of 4-lane collector with raised median & associated improvements (i.e. median breaks, landscape, irrigation, pavement, sidewalk, curb & gutter). Please reference segment 21 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Idaho Road	\$17,958,490	West half-street section of 4-lane collector with raised median & associated improvements (i.e. median breaks, landscape, irrigation, pavement, sidewalk, curb & gutter). Please reference segments 4 & 5 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Ironwood Drive	\$28,459,080	Addition of 1-lane in each direction, landscaping & associated improvements (i.e. median breaks, landscape, irrigation, pavement, sidewalk, curb & gutter). Please reference segments 9, 10, 16 & 18 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Ray Avenue	\$16,781,430	North half-street section of 6-lane arterial with raised median & associated improvements (i.e. median breaks, landscape, irrigation, pavement, sidewalk, curb & gutter). Please reference segments 2 & 3 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Warner Avenue	\$49,385,850	Full-street section of 4-lane collector with raised median & associated improvements (i.e. median breaks, landscape, irrigation, pavement, sidewalk, curb & gutter). Please reference segments 12, 13, 14 & 15 in the CFD infrastructure exhibit.
Project Segment	Cost	Description
N/S Collector	\$30,497,740	Full-street section of 4-lane collector with raised median & associated improvements (i.e. median breaks, landscape, irrigation, pavement, sidewalk, curb & gutter). Please reference segments 7, 8, 17 & 20 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Water Campus	\$66,349,255	Water campus with storage & booster pumps and associated equipment & material. Campus will include groundwater recovery well. Facilities are shared cost between Brookfield & D.R. Horton. Please reference segment 22 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Lift Station & Force Main	\$44,843,700	Lift station with associated pumps & controls. Force main duct bank to convey to existing wastewater treatment plant. Facilities are shared cost between Brookfield & D.R. Horton. Please reference segment 1 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
District Parks/Regional Park	\$69,750,003	3 district parks with associated amenities (i.e. playgrounds, shade structures etc.). Trail & drainage corridor connections. Please reference segments 6, 11 & 19 in the CFD infrastructure exhibit.

Project Segment	Cost	Description
Parcel Improvements	\$217,609,529	Public park and landscape improvements within the neighborhoods.

Project Segment	Cost	Description
Project Monumentation	\$10,000,000.00	Primary project entry monumentation.

All Costs in the Detailed Budget Narrative are grossed up to the total cost amount and do not indicate what portion is CFD Eligible.

The costs in the table above include design, engineering, construction, contingency, and construction management.

Operation and Maintenance of Public Infrastructure

The Public Infrastructure will be dedicated to the City (roadways), the Apache Junction Water Utilities Community Facilities District (“WUCFD”) (water infrastructure), and the Superstition Mountains Community Facilities District No. 1 (“SMCFD”) (sewer infrastructure), as appropriate, upon completion. The City, WUCFD, or SMCFD, as appropriate, will be responsible for ongoing maintenance and operation responsibility and expenses with respect to such public infrastructure, and it is anticipated that the costs of maintaining the Public Infrastructure will be substantially the same as infrastructure of the same type currently maintained by the City, WUCFD, or SMCFD, as appropriate. The District may levy a \$0.30 ad valorem tax rate per \$100 of net limited property assessed value to fund the operation, maintenance and administrative expenses which are the responsibility of District No. 2. Applying the \$0.30 ad valorem operation and maintenance tax rate over all of the estimated taxable real property contained within the District generates the revenue estimates set forth in the following table.

SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT No. 2
(CITY OF APACHE JUNCTION)
PROJECTION OF OPERATION & MAINTENANCE (O&M) TAXES

Fiscal Year	Projected Net Assessed Limited Property Valuation	Projected O&M Property Tax Rate	Projected O&M Tax Revenues
2024	\$11,250,000	\$0.30	\$33,750
2025	31,012,500	0.30	93,038
2026	52,144,875	0.30	156,435
2027	74,719,301	0.30	224,158
2028	98,811,363	0.30	296,434
2029	124,500,207	0.30	373,501
2030	151,868,696	0.30	455,606
2031	181,003,579	0.30	543,011
2032	211,995,661	0.30	635,987
2033	244,939,984	0.30	734,820
2034	279,936,016	0.30	839,808
2035	299,957,947	0.30	899,874
2036	311,956,265	0.30	935,869
2037	324,434,516	0.30	973,304
2038	337,411,897	0.30	1,012,236
2039	350,908,372	0.30	1,052,725
2040	364,944,707	0.30	1,094,834
2041	379,542,496	0.30	1,138,627
2042	394,724,195	0.30	1,184,173

Governmental Approvals

All improvement plans relating to roadways, utilities and park amenities and final segment acceptance after construction completion will be subject to approval by the City, WUCFD, and SMCFD, as applicable.

Project Schedule (Section 2.3 of the Policy)

Estimated Schedule of Project Improvements

Description of Project	Estimated Start Date	Estimated Completion Date
<i>Roadways</i>		
Elliot Avenue	Q3 2028	Q2 2030
Idaho Road Phase 1	Q3 2023	Q2 2025
Idaho Road Phase 2	Q3 2024	Q2 2026
Ironwood Drive Phase 1	Q3 2021	Q2 2023
Ironwood Drive Phase 2	Q3 2022	Q2 2024
Ironwood Drive Phase 3	Q3 2025	Q2 2027
Ironwood Drive Phase 4	Q3 2028	Q2 2030
Ray Avenue Phase 1	Q3 2021	Q2 2023
Ray Avenue Phase 2	Q3 2023	Q2 2025
Warner Avenue Phase 1	Q3 2022	Q2 2024
Warner Avenue Phase 2	Q3 2024	Q2 2026
Warner Avenue Phase 3	Q3 2025	Q2 2027
Warner Avenue Phase 4	Q3 2028	Q2 2030
N/S Collector Phase 1	Q3 2021	Q2 2023
N/S Collector Phase 2	Q3 2022	Q2 2024
N/S Collector Phase 3	Q3 2025	Q2 2027
N/S Collector Phase 4	Q3 2027	Q2 2029
<i>Utilities</i>		
Lift Station & Force Main	Q3 2021	Q3 2023
Water Campus	Q3 2021	Q3 2023
<i>Amenities</i>		
Facilities #1	Q1 2022	Q3 2023
Facilities #2	Q1 2029	Q3 2030
Village Park 1	Q1 2022	Q3 2023
Village Park 2	Q1 2026	Q3 2027
Village Park 3	Q1 2029	Q3 2030
Regional Park	Q1 2027	Q3 2028
<i>Parcel Improvements</i>	Q3 2021	Q3 2031
<i>Project Monumentation</i>	Q3 2021	Q3 2031

Financing Plan and Feasibility Analysis (Sections 2.4 and 2.5 of the Policy)

A. Description of Financial Plan.

Proposed Debt. It is anticipated that the District No. 2 governing board will call a general obligation bond election to authorize the issuance of \$350 million of general obligation bonds in series, over time, which will be allocated as provided in the District Development, Financing Participation, Waiver and Intergovernmental Agreement (“CFD Agreement”). It is anticipated that the Developer will also request, over time, that the District No. 2 governing board approve the issuance of special assessment bonds. The general obligation bonds would be issued in series over time when the assessed value of the property within District No. 2 is sufficient to support bond debt service given a target tax rate of \$3.85 per \$100 of net assessed limited property valuation or at such time as the Developer, provides collateral in amounts and type acceptable to the District governing board. The general obligation bond authorization anticipates costs related to the bond offerings, District formation costs and incidental costs as well as potential increases in public infrastructure costs.

Following formation of District No. 2, it is anticipated that the Developer will also request that the District governing board levy assessments of the costs of public infrastructure on parcels, lots or pieces of property within District No. 2 based on the benefit to be received by such parcels, lots or property, but not exceeding \$5,000 per residential lot, and issue special assessment bonds to finance Public Infrastructure benefiting certain parcels, lots or pieces of property within District No. 2. At the time of the issuance of any proposed special assessment bonds, each parcel, lot or piece of property that is subject to assessment will have an appropriate value to lien ratio based on an MAI appraisal and as required by the CFD Agreement and the City’s Community Facilities District policy and guidelines.

The estimated general obligation bond program for District No. 2 through estimated build out is included in the Table below. The proposed first issue of general obligation bonds is to enable the governing board to levy the \$3.85 tax rate for general obligation bond debt service prior to the first homeowner occupancies which are expected in the first half of 2023. In addition, the Developer anticipates the levy of assessments and issuance of special assessment bonds, over time, based on the phasing of the Project. A detailed bond program is attached as **Appendix E**. In accordance with the Act and the CFD Agreement, bonds are issued at the sole and absolute discretion of the District No. 2 governing board.

**SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT No. 2
(CITY OF APACHE JUNCTION)
PROJECTION OF GENERAL OBLIGATION BONDING CAPACITY**

Fiscal Year	Projected Net Assessed Limited Property Valuation	Projected GO Bonding Capacity
2024	\$11,250,000	\$13,695,000
2025	31,012,500	27,960,000
2026	52,144,875	34,240,000
2027	74,719,301	47,685,000
2028	98,811,363	53,680,000
2029	124,500,207	68,260,000
2030	151,868,696	82,730,000
2031	181,003,579	97,050,000
2032	211,995,661	111,110,000
2033	244,939,984	125,370,000
2034	279,936,016	139,350,000
2035	299,957,947	153,365,000
2036	311,956,265	167,510,000
2037	324,434,516	167,510,000
2038	337,411,897	167,510,000
2039	350,908,372	167,510,000
2040	364,944,707	167,510,000
2041	379,542,496	167,510,000
2042	394,724,195	167,510,000

Terms of the Bonds. The general obligation and special assessment bonds will have maximum final maturities of 25 years from the dates of issuance. The general obligation bonds will be sized such that the ad valorem tax rate required to pay debt service is not expected to exceed a target tax rate of \$3.85 per \$100 of net assessed limited property value of the property within District No. 2. The Developer will request the issuance of general obligation bonds only after the assessed value of the property within District No. 2 is sufficient to generate ad valorem taxes necessary to support debt service on the general obligation bonds given a \$3.85 tax rate or if the Developer provides other collateral in amounts and type acceptable to the District governing board.

Estimated Per Lot Special Assessment Amount. If and when issued, any per lot special assessment amount is expected to average approximately \$2,000-\$4,000 and in no event will exceed \$5,000 per lot. Each parcel, lot or piece of property on which a special assessment is levied will have an appropriate value to lien ratio based on an MAI appraisal and as required by the City's CFD policy and guidelines.

- B. Sources and Uses of Funds. The proceeds from the sale of the general obligation bonds (and, if issued, the special assessment bonds), after payment of costs of issuance, will be applied by the District to finance a portion of the Public Infrastructure described in the response to Section 2.2 of this Application. The sources and uses of funds can be seen in **Appendix F**.
- C. Financial Feasibility. Below is a summary of the overlapping tax rates of the property within the District including the proposed District levy:

	2020/21	2020/21	2020/21
	Primary	Secondary	Total
Overlapping Jurisdiction	Tax Rate	Tax Rate	Tax Rate
Pinal County	\$3.7500	\$0.4649	\$4.2149
Pinal County Community College District	2.0193	0.2836	2.3029
City of Apache Junction	0.0000	0.0000	0.0000
Central Arizona Valley Institute of Technology	0.0000	0.0500	0.0500
Apache Junction Unified School District No. 43	3.5843	0.8519	4.4362
Superstition Mountain Fire & Medical District	0.0000	3.6500	3.6500
Superstition Vistas Community Facilities District No. 2 ^(a)	0.0000	4.1500	4.1500
	<u>\$9.3536</u>	<u>\$9.4504</u>	<u>\$18.8040</u>

(a) Tax rate shown for Superstition Vistas Community Facilities District No. 2 is for illustrative purposes only.

The following are comparative fiscal year combined tax rates for other “peer” community facilities districts in Maricopa and Pinal Counties.

District	Tax Rate
Eastmark Community Facilities District No. 1 (Mesa)	\$17.1964
Eastmark Community Facilities District No. 2 (Mesa)	17.1964
Cadence Community Facilities District (Mesa)	17.1964
Merrill Ranch Community Facilities District No. 1 (Florence)	15.8574
Merrill Ranch Community Facilities District No. 2 (Florence)	17.4219
Festival Ranch Community Facilities District (Buckeye)	14.2815
Verrado District No. 1 Community Facilities District (Buckeye)	16.5698

The Developer believes that the overall price and tax structure will make the homes within the Project a competitive home building product for prospective buyers in the East Valley and Pinal County. The financing of the private development will flow from several sources as circumstances dictate. These sources include: third party institutional development loans, internal cash flow and equity capital provided as needed by the principals of the Developer. Given the Developer’s experience in the development of master-planned communities, a separate market absorption study has not been prepared.

As shown in the table above on pages 4-5, there is approximately \$574 million in infrastructure costs (both public and non-public) associated with development of the Property. Of the \$574 million indicated above, approximately \$343 million of infrastructure costs would be reimbursed to the Developer by the issuance of CFD bonds over a period of approximately 20-25 years; such infrastructure is referred to as “public” for purposes of this discussion. A specific and detailed financing plan for the publicly funded infrastructure and CFD bonds that may be issued is included in **Appendix G**. The privately funded infrastructure (“non-public”) will be funded by the Developer through the normal course of development activity and by activities such as Developer equity contributions, lots sales to home-builders, partnership contributions and other capital contributions or leverage (as needed).

The Developer estimates build-out within the District to be up to 5250 residential dwelling units. Please refer to **Appendix G** for the estimated single-family residential home absorption and commercial acreage absorption schedule for the District. The absorption schedule reflects anticipated home sales; home construction and sales generate the assessed value that will support the issuance of the Bonds over a 20-25 year period. The absorption schedule is economically feasible for the Developer, and that the tax rate will have no adverse impact on the marketing of homes within the District due to the enhanced level of Public Infrastructure and amenities. The Developer expects the first home closings beginning in the first half of calendar year 2023.

Applicant's Equity Contribution (Section 2.6 of the Policy)

The Developer will provide, from non-CFD sources, at least \$0.25 in infrastructure or community improvements for each \$1.00 of debt to be issued by District No. 2 to finance public infrastructure purposes. The Developer will utilize internal sources of capital to fund the infrastructure or community improvements. D.R. Horton Inc. is a publicly traded company on the New York Stock Exchange under DHI. Per the December 31, 2020 Quarterly Report submitted to the United States Securities and Exchange Commission ("SEC") the Homebuilding cash and cash equivalents totaled \$2.1 billion. This information is available on <http://investor.drhorton.com>.

Funding by the Developer will occur through the normal course of development activity and by activities such as Developer equity contributions, lots sales to home-builders, partnership contributions and other capital contributions or leverage (as needed).

Applicant's Experience and Financial Capability (Section 2.7 of the Policy)

As America's largest homebuilder (per Builder magazine based on total closings), D.R. Horton is one of the largest land developers in the country. D.R. Horton owns approximately 122,000 lots, of which approximately 36,500 are finished. The remaining lots are under development. D.R. Horton has a sophisticated Land Development team that utilizes JD Edwards accounting software, Excel, and Microsoft Project to accurately budget and manage projects from 2 lots to 9000. As mentioned above, D.R. Horton has approximately \$2.1 billion in cash to build a project of this scale. D.R. Horton and the team has experience executing similar projects as the one proposed. Listed below are just three.

Westridge is a mixed-use master planned development started in 2003 by D.R. Horton. The development is approximately 1,400 acres with single family, multifamily and commercial uses. The project is highly amenitized with a resort-style swim center, satellite swim centers, passive and active open spaces and hike and bike trails. The development also contains three elementary schools and a fire station. One additional elementary school site is reserved for development when the need arises. Currently over 5,200 lots have been developed by D.R. Horton in 9 distinct neighborhoods, with the last phase being wrapped up. All homes in the development have been built by D.R. Horton, and a 432-unit multi-family project site has also been developed by one of D.R. Horton's subsidiaries, DHI Communities.

Tamarron is a mixed-use master planned development started in 2014 by DR Horton, Inc. ("Horton"). The property was bought from the previous land owners in several large tracts. The development is approximately 1,567 acres with single family, multifamily and commercial uses. The project is highly amenitized with a resort style swim center, planned satellite recreation center, passive and active open spaces and hike and bike trails. The development also contains an elementary school and a future regional water plant site. Currently over 2,311 lots have been developed by Horton in 12 distinct neighborhoods. Current build out projections include an additional 2,097 single family lots. A majority of the homes in the development have been built by DR Horton, and a 350-unit multi-family project site has also been developed by Horton's subsidiary company, DHI Communities.

Waterleigh is a lifestyle-centered, master planned, lakefront residential development. Situated on a picturesque setting of almost 1,500 acres and more than a dozen lakes and clear water ponds, Waterleigh is located in the Horizon West corridor, and is just a short drive to nearby shopping and major entertainment attractions. The design and development of the community reflects the natural environments of both land and water. Rolling terrain with low-lying marshes, beautiful scenic lakes and ponds creates a fresh living environment that respects and embraces these wonderful community qualities. Design aesthetics speak to these qualities through use of light stone, a warm color tones, and a native plant palette that appeal to today's homebuyers. The amenities are strategically and meticulously planned for a lifestyle that builds community togetherness. A communitywide nature walk trail system provides an outdoor workout that is connected to the natural environment and is interconnected to other lifestyle park amenities. We set the bar high in providing homeowners with a carefree, comfortable lifestyle with upscale amenities, sophisticated and spacious floor plans, and an exceptional and convenient location.

D.R. Horton will use our local team and their experience on master planned communities to execute on our vision. Patrick Brown is the Phoenix Division Vice President of Land. In his career he has purchased approximately \$700 million dollars of land, of which approximately \$200 million has been from the State Land Department. Patrick has also sold over \$60 million dollars of land to other builders. Patrick managed Anthem Sun Valley South's entitlements which is a 4000 acre community with approximately 9000 planned lots and a \$285 million dollar CFD established. This project is fully entitled and will start development when the market is ready. The total infrastructure budget would be approximately \$500 million dollars. He also managed Sun City Festival which is a 3800 acre master planned community with 8550 lots. While he managed this project Pulte spent approximately \$200 million on infrastructure and amenities. Patrick managed Sun City Festival's CFD and completed a number of bond sales totaling approximately \$40 million dollars. Dan Bonow is the Division's Director of Land Entitlement. Dan managed Anthem Merrill Ranch which is a 4000 acre master planned community with approximately 10,000 lots and \$500 million in infrastructure. Dan also managed the CFD for the community. Dan was responsible for the entitlement of this project as well as managing the budgets, cash flow and schedules from start up to when he left Pulte. Randy Christman is the Division's Director of Land Acquisition. When Dan left Pulte Randy Christman managed Anthem Merrill Ranch for Pulte. Randy also managed Stetson Valley which is a 2300 lot community and \$115 million dollar infrastructure budget. This team has over 60 combined years of land development and entitlement experience in the Metro Phoenix market and has full capability to develop a world-class master planned community.

Disclosure to Prospective Property Owners (Section 2.8 of the Policy)

State law requires that the existence and fiscal implications of any community facilities district overlapping a residence be disclosed as part of the formal real estate report related to the sale thereto. In addition to this minimum requirement, the Developer proposes a more comprehensive program of homebuyer disclosure. First, all sales contracts with homebuilders will include a provision that states that the homebuilder agrees to comply with the disclosure requirements of State law referenced above, plus the following additional requirements. Second, each homebuyer will receive a form detailing the existence of District No. 2, the tax rate and its financial impact. Third, receipt of this form (a draft of which is included in **Appendix H**) will be acknowledged in

writing by the homebuyer, and a signed copy kept on file with the City Clerk. Further, as a matter of practice no less than annually, the homeowner's association will be briefed on District No.21, its finances and activities. Finally, one of the reasons the Developer favors creation of District No. 2 and levy of the tax prior to home sales is that all homebuyers will typically receive an indication of the monthly requirement for payment of property taxes (including the District portion) when applying for a mortgage. This provides another opportunity for the homebuyer to learn about District No. 2 and its financial implications.

Operating Plan (Section 2.9 of the Policy)

The Public Infrastructure financed by District No. 2 will be as described in the General Plan for the District, which is attached hereto as **Appendix I**. Such Public Infrastructure will be dedicated, accepted, operated, and maintained pursuant to the CFD Agreement, the Entitlements, and such additional agreements as may be executed by the Developer, City, District No. 2, WUCFD, and/or SMCDFD, as appropriate. At the time of formation of District No. 2 and authorization of the general obligation bonds, the Developer agrees that provision for the authorization of a not to exceed tax rate of \$0.30 for operation and maintenance expenses of District No. 2 will be authorized. Please see the table on page 6 of this Application for projected revenues generated by a \$0.30 tax rate for administrative, operation and maintenance expenses of District No. 2.

The District will be self-supporting from the standpoint of financing and administration, and no City funds will be used for District purposes. Notwithstanding anything contained herein, the City's property, full faith and credit, and taxing power, shall not be pledged to the payment of any District obligation or indebtedness. Unless otherwise agreed to by the City, all costs of administration and operation of the District will be the responsibility of the District, the Developer, applicable homeowners associations, or any combination of the foregoing, as may be acceptable to the City and the District board and as stated in the CFD Agreement. The day-to-day administrative responsibilities of District No. 2 will be performed pursuant to one or more contracts with outside personnel or by the City staff.

The Developer will coordinate with District No. 2 to create and maintain a website and data base remaining at all times in compliance required by the Act. Costs associated with the creation and maintenance of the website will be considered a "District Expense" and funded through revenues generated by the \$0.30 tax (as subsidized by the Developer per the requirements of the CFD Agreement).

Development Objectives of the City (Section 2.10 of the Policy)

The Policy requests description of how proposed District No. 2 meets the development objectives of the City, including the degree to which proposed District No. 2 is consistent with the goals of the City's General Plan for promoting orderly development, consistent with growth management policies and zoning requirements and the degree to which the land use plan for District No. 2 is consistent with the City's General Plan Map for the area.

The City Council's development objectives are, in large part, contained in the City's General Plan. With regard to the Project's consistency with the goals of the City's General Plan, please

see **Appendix J.** The City's General Plan Map designates the Property as Master Planned Community, which is consistent with the Entitlements requested for the Property.

District No. 2 is essential to developing the Project pursuant to the Entitlements.

Character of Development (Section 2.11 of the Policy)

The property is in an optimal location for future development, immediately adjacent to existing neighborhoods, within proximity to major transportation corridors including the future planned Arizona State Route 24 alignment, employment, and commercial services. The property also benefits from exceptional views of the Superstition Mountain range to the northeast and San Tan Mountain range to the southwest.

The character of development for the property is comprised of a blend of land uses including residential and commercial uses, allocated via the Land Use Budget to each of the two Development Units. As the State Land Department auctions property, more detailed Development Unit Plans will be prepared for each Development Unit which will further detail the location of allowed uses and conformance with the approved Master Plans. The Development Unit Plan process allows development to respond to market conditions and provides for a more creative and innovative approach to each Development Unit's specific master planning. This process ensures a diversity in residential and non-residential uses, resulting in a cohesive and sustainable mixed-use, mixed-density master planned community with supporting employment and commercial services.

The development of the property is an opportunity to craft a healthy, vibrant, and sustainable community. This will be achieved by recognizing the uniqueness and natural beauty of the area. These elements will be integrated throughout the residential and non-residential uses throughout the site. A network of open space and trails will weave throughout the property connecting the varying land uses with ample opportunities for recreation. Residents, employees, and visitors alike will enjoy the ability to easily connect and to experience the lifestyle while surrounded by mountain views.

Feasibility Reports (Section 2.12 of the Policy)

As required by law, a feasibility report for each bond issue will be filed and considered for District governing board approval at the time of each bond issuance.

Additional Information (Sections 2.13-2.17 of the Policy)

Governing Board

The Applicant anticipates that the Governing Board of District No. 2 will be comprised of the members of the City Council, ex officio. The day-to-day administrative responsibilities of District No. 2 will be performed pursuant to one or more contracts with outside personnel or by the City staff, as determined by the Governing Board.

Petition

A petition in favor of creation of District No. 2 is attached as **Appendix K**. The petition is signed by all of the owners of and those having an interest in the land area proposed to be included in District No. 2.

CFD Agreement

The CFD Agreement, in substantially final form, is attached as **Appendix L**.

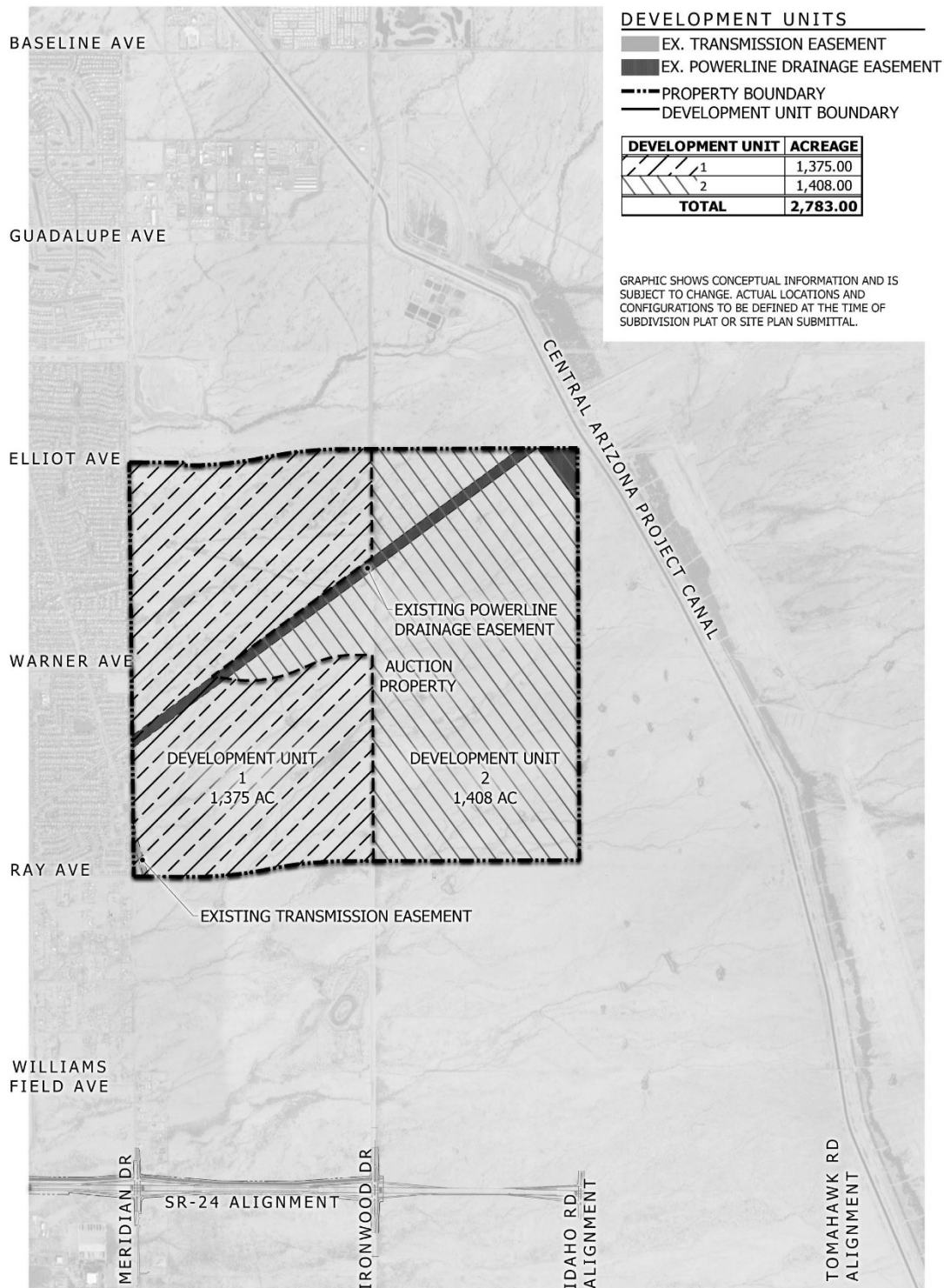
Insurance

The District will procure insurance coverage in accordance with the CFD Agreement. The cost of insurance will be a District Expense as provided in the CFD Agreement.

Indemnification

The CFD Agreement requires that the Developer, with certain exceptions, indemnify the City and District No. 2, and their agents, officers, and employees for, from, and against any and all liabilities, claims, costs and expenses, including attorneys' fees, incurred in any challenge or proceeding to the formation, operation, and administration of District No. 2, certain matters related to the offer and sale of District bonds, and the levying by District No. 2 of any tax, assessment, or charge. As previously stated, the Applicant's financial capability is demonstrated by the December 31, 2020 Quarterly Report submitted to the SEC. The Homebuilding cash and cash equivalents totaled \$2.1 billion. This information is available on <http://investor.drhorton.com>.

APPENDIX A



SUPERSTITON VISTAS
Auction Property Development Unit

Plan Scale: NTS
Date: 08-30-2021
ABLASTUDIO.COM



APPENDIX B

Wood, Patel & Associates, Inc.
480.834.3300
www.woodpatel.com

January 8, 2021
WP# 205166.01
Page 1 of 4
See Exhibit "A"

PARCEL DESCRIPTION Superstition Vistas Brookfield Parcel

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;

THENCE along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;

THENCE North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;

THENCE leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;

THENCE South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;

THENCE leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;

THENCE South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;

THENCE leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;

THENCE South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;

THENCE leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;

THENCE North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;

THENCE leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;

THENCE leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;

THENCE South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;

THENCE westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle of 30°39'58", a distance of 1605.68 feet, to the curves end;

**Legal Description
Superstition Vistas
Brookfield Parcel**

January 8, 2021
WP# 205166.01
Page 2 of 4
See Exhibit "A"

THENCE North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);

THENCE along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

THENCE leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

THENCE North 00°13'51" West, a distance of 2639.88 feet, to the **POINT OF BEGINNING**.

Containing 61,348,819 square feet or 1,408.3751 acres, more or less.

Subject to existing right-of-ways and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of December, 2020. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2020\205166.01 Superstition Vistas Brookfield Parcel L02 01-08-21.docx



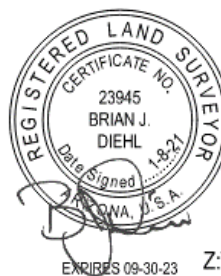
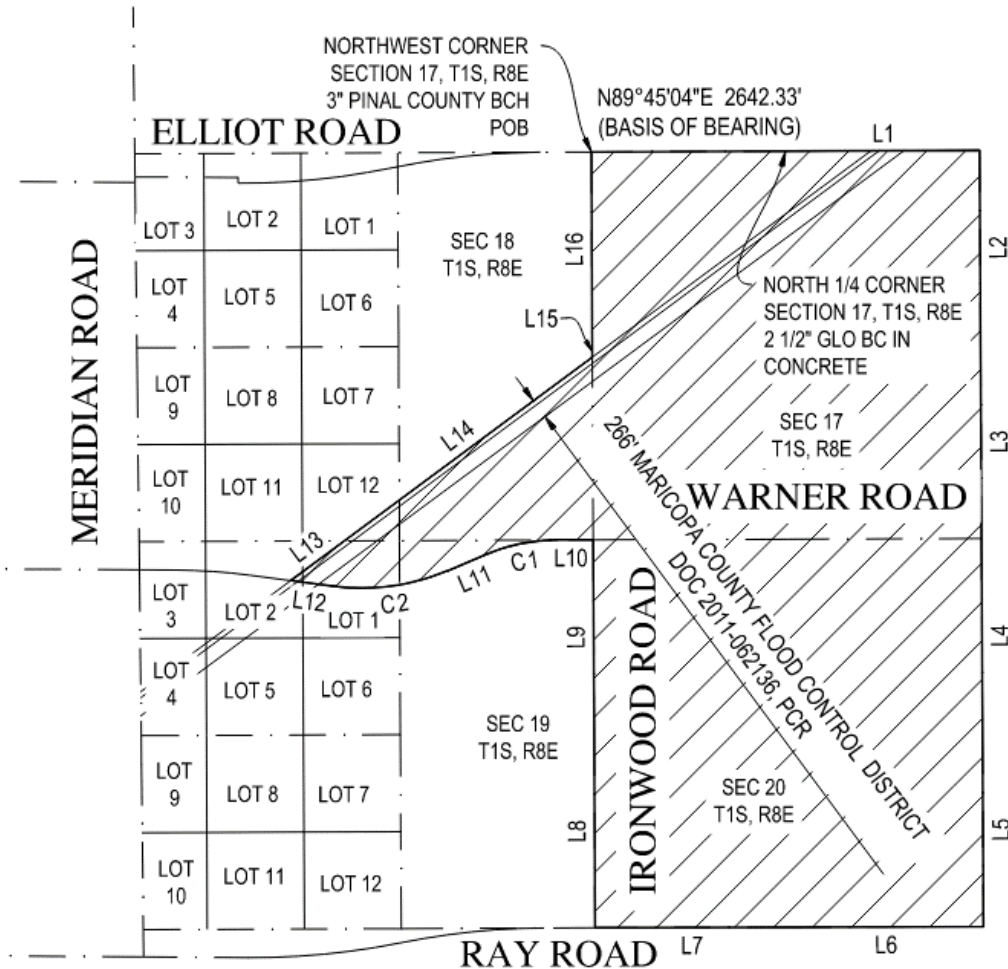


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 3 OF 4
 NOT TO SCALE

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LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'

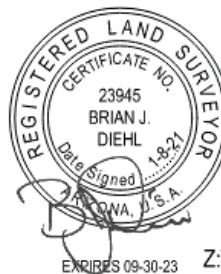


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
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 NOT TO SCALE

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APPENDIX C
TITLE REPORT

 First American Title™	ALTA Commitment for Title Insurance
Commitment	ISSUED BY DHI Title Agency

COMMITMENT FOR TITLE INSURANCE

Issued By

FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

First American Title Insurance Company



Dennis J. Gilmore
President



Jeffrey S. Robinson
Secretary

Issuing Agent: DHI Title Agency
Address: 20410 North 19th Avenue, Suite 120
City, State, ZIP: Phoenix, AZ 85027
Telephone: (480)778-0226

DHI Title Agency



Countersigned and Validated

If this jacket was created electronically, it constitutes an original document.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I—Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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 First American Title™	ALTA Commitment for Title Insurance
Schedule A	ISSUED BY DHI Title Agency

Transaction Identification Data for reference only:

Escrow Officer: Tonya Otis
 Issuing Office: DHI Title Agency, 20410 North 19th Avenue, Suite 120, Phoenix, AZ 85027, (480)778-0226
 Issuing Office's ALTA® Registry ID:
 Commitment No.: 271-200701958 B
 Title Officer: Jim Fielding
 Property Address: Apache Junction, AZ

SCHEDULE A

1. Commitment Date: September 8, 2021 at 7:00AM
2. Policy to be issued:
 - (a) ☒ ALTA 2006 Extended Owner's Policy
 Proposed Insured: Brookfield
 Proposed Policy Amount: \$70,000,000.00
3. The estate or interest in the Land described or referred to in this Commitment is Fee Simple.
4. The Title, at the Commitment Date, vested in:
 The State of Arizona
5. The Land is described as follows:
 SEE EXHIBIT A ATTACHED HERETO

DHI Title Agency




Countersigned and Validated

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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 First American Title™	ALTA Commitment for Title Insurance
	ISSUED BY DHI Title Agency
Exhibit A	

File No.: 271-200701958 B

The Land referred to herein below is situated in the County of Pinal, State of Arizona, and is described as follows:

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;

THENCE along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;

THENCE North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;

THENCE leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;

THENCE South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;

THENCE leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;

THENCE South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;

THENCE leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;

THENCE South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;

THENCE leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;

THENCE North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;

THENCE leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;

THENCE leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;

THENCE South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;

THENCE westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle



EXHIBIT A

(Continued)

of 30°39'58", a distance of 1605.68 feet, to the curves end;

THENCE North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);


THENCE along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

THENCE leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

THENCE North 00°13'51" West, a distance of 2639.88 feet, to the POINT OF BEGINNING.



 First American Title™	ALTA Commitment for Title Insurance
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Commitment No.: 271-200701958 B

SCHEDULE B, PART I

Requirements

All of the following Requirements must be met:


1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. NOTE: We find no open Deeds of Trust of record. Please verify by inquiry of agents and advise the Title Department accordingly prior to closing.
6. Approval of this commitment by the regional office of First American Title prior to close of escrow and issuance of policy.
7. Furnish an update of the search of the records of the Arizona State Land Department and disposition of matters disclosed thereby.

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8. Furnish DHI Title of Arizona, Inc. with a current (not older than 3 months) ALTA/NSPS Land Title Survey in accordance with the "Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys", which became effective February 23, 2016, prepared by a land surveyor registered in the State of Arizona. Said Survey shall:
 - a. Meet the applicable accuracy requirements of an urban survey as defined in said minimum standard detail requirements.
 - b. Contain the following items of Table A therein: 1, 8, 11, 16, 17, and 19.
 - c. Contain a statement that all applicable utility records have been searched and results delineated on said Survey.

Surveyor must certify to DHI Title of Arizona, Inc. and First American Title in the format set forth in said minimum standard detail requirements, that all of said requirements have been met. The bearing basis should refer to a known or established bearing line (not be assumed). All property corners must be monumented.

NOTE: If an ALTA 3.1 Zoning Endorsement is requested, Items 7a, 7b, 7c and 9 of Table A will also be required. If "parking" is to be added to the endorsement, the number and type of parking spaces must be shown on the Survey. Property use information must also be provided to the Company.


The right is reserved to make additional exceptions and/or requirements upon examination of said Survey.
9. Furnish an Affidavit executed by the owner, affirming as to any parties in possession and/or commitments of possession of any portion of said land under unrecorded leases or month-to-month tenancies.

If such showing discloses the existence of possessory rights, obtain approval of the proposed insured to show such rights in Schedule BII.
10. Intentionally deleted.
11. Record the Patent from the The State of Arizona to D.R. Horton, Inc., a Delaware corporation.
12. Intentionally deleted.
13. Intentionally deleted.

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14. Intentionally deleted.
15. Record a full termination of the Special Land Use Permit No. 23-106799-03 granted by the Arizona State Land Department to ET MOTORSPORTS, LLC for race track event and having a term which initially expired April 3, 2021 and was amended for expiration extension to November 30, 2021.

NOTE: Assessor's Parcel Numbers have not been assessed to date for the property described herein.

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SCHEDULE B, PART II

Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:


1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
2. Intentionally Deleted
3. Intentionally Deleted
4. Intentionally Deleted
5. Intentionally Deleted
6. Intentionally Deleted
7. Intentionally Deleted
8. Intentionally Deleted
9. Any additional taxes which may become a lien by reason of the county assessor reassessing the within described premises upon issuance of Patent to said land.
10. Intentionally Deleted

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11. Right-of-Way No. 65-000034 granted by the Arizona State Land Department to United States of America for electric transmission line and having a term of perpetual duration.

Thereafter Contract and Grant of Easement recorded August 30, 1950 in Docket 31, Page 436.

(Affects Sections 19 and other property)
12. Intentionally Deleted
13. Intentionally Deleted
14. The terms and provisions contained in the document entitled "Permanent Easement" recorded June 1, 1966 in Docket 451, Page 64 and re-recorded December 19, 1966 in Docket 479, Page 415; recorded November 7, 1966 in Docket 472, Page 319; recorded June 7, 1976 in Docket 825, Page 288; recorded June 7, 1976 in Docket 825, Page 292 and Right-of-Way No. 09-3681 granted by the Arizona State Land Department to Flood Control District of Maricopa County for flood control facilities and having a term of perpetual duration; document entitled "Agreement" recorded December 8, 1966 in Docket 478, Page 94. By and between The Mountain States Telephone and Telegraph Company, a corporation and Flood Control District of Maricopa County.

Thereafter Amendment to Right of Way dated October 11, 2011.

Deed referenced therein is recorded as 2011-62136 of Official Records.


(affects Section 17, 18 and 19)
15. Intentionally Deleted
16. Intentionally Deleted
17. Intentionally Deleted
18. Intentionally Deleted
19. An easement for gas lines and incidental purposes in the document recorded in Docket 524, Page 51.

(affects Section 19)
20. Intentionally Deleted

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21. Intentionally Deleted
22. Intentionally Deleted
23. Intentionally Deleted
24. Right-of-Way No. 09-001371 granted by the Arizona State Land Department to Pinal County for highway and having a term of perpetual duration.

A copy of which recorded November 25, 1991, in Docket 1091, Page 394.

(affects all parcels)
25. Right-of-Way No. 09-002458 granted by the Arizona State Land Department to Pinal County Board of Supervisors for highway and having a term of perpetual duration.

A copy of which recorded in Docket 265, Page 179.


(affects Section 19 and 20)
26. Intentionally Deleted
27. Intentionally Deleted
28. Intentionally Deleted
29. Intentionally Deleted
30. Intentionally Deleted
31. Intentionally Deleted
32. The terms and provisions contained in the document entitled "Desert Wells Multi-Use Area Management & Partnership Team, as disclosed in Document 56-109245 by and between the Arizona State Land Department and Desert Wells multi-use management & partnership team, as disclosed by a search of the records of the Arizona State Land Department.
33. Intentionally Deleted

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- 34. Intentionally Deleted
- 35. Intentionally Deleted
- 36. Right-of-Way No. 14-110140 granted by the Arizona State Land Department to Salt River Project and Agricultural Improvement and Power District for overhead double circuit 500kV /120kv transmission lines and having a term which expires October 12, 2056.

A copy of which recorded April 19, 2007 as 2007-46938 of Official Records.

(affects Section 17 and other property)
- 37. Right-of-Way No. 16-111118 granted by the Arizona State Land Department to Desert Communities, Inc., a Nevada corporation for flood water collection and detention facilities and having a term of perpetual duration.

Thereafter Assigned to Flood Control District of Maricopa County dated February 20, 2007.

Thereafter Amendment dated August 23, 2011 and another Amendment dated August 23, 2011.

(affects Section 18 and other property)
- 38. Intentionally Deleted
- 39. Intentionally Deleted
- 40. Right-of-Way No. 18-108362 granted by the Arizona State Land Department to MediaCom Arizona, LLC, a Delaware limited liability company for fiber optics and having a term which expired on April 26, 2016.


Said document is still showing as active. A copy of any extension is not yet available.

(affects Sections 17, 20 and other property)

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41. Right-of-Way No. 18-110900 granted by the Arizona State Land Department to Water Utilities Community Facilities District dba Apache Junction Water Company for water line and having a term which expires January 13, 2016.

Said document is still showing as active. A copy of any extension is not yet available.

(affects Sections 17, 20, and other property)

42. Intentionally Deleted

43. Intentionally Deleted

44. Right-of-Way No. 16-105661 granted by the Arizona State Land Department to Maricopa County for storm drain pipes and head walls and having a term of perpetual duration.

(affects Section 18)

45. Intentionally Deleted

46. Right-of-Way No. 16-110965 granted by the Arizona State Land Department to City of Mesa for underground water transmission lines and having a term of perpetual duration.

A copy of which recorded January 28, 2008 as 2008-7616 of Official Records.

Amendment dated January 19, 2012 recorded March 23, 2012 as 2012-23559 of Official Records.

(affects Sections 17 & 18 and other property)

47. Intentionally Deleted

48. Intentionally Deleted

49. Intentionally Deleted


50. Intentionally Deleted

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51. Right-of-Way No. 16-110357 granted by the Arizona State Land Department to Pinal County for public roadway and having a term of perpetual duration.

A copy of said right of way is attached to Pinal County Resolution Accepting a right of way recorded August 12, 2008 as 2008-76344 of Official Records.

Assigned to City of Apache Junction by assignment dated March 5, 2012.

Amendment dated November 1, 2016 recorded November 14, 2016 as 2016-76684 of Official Records and a copy of which is attached to Pinal County Resolution recorded November 7, 2016 as 2016-75097 of Official Records.

Amendment dated March 8, 2017 recorded March 20, 2017 as 2017-18728 of Official Records and a copy of which is attached to Pinal County Resolution recorded March 31, 2017 as 2017-22458 of Official Records.

Amendment dated June 6, 2018 recorded June 19, 2018 as 2018-45911 of Official Records.


(affects Sections 17, 18, 19, 20, and other property)
52. Right-of-Way No. 18-118098 granted by the Arizona State Land Department to Maricopa County for drainage facilities and having a term which expires January 6, 2026.

(affects Section 19)
53. Intentionally Deleted
54. Intentionally Deleted
55. Intentionally Deleted
56. Intentionally Deleted
57. Intentionally Deleted
58. Intentionally Deleted
59. Intentionally Deleted
60. Intentionally Deleted

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- 61. Intentionally Deleted
- 62. Intentionally Deleted
- 63. Intentionally Deleted
- 64. Intentionally Deleted
- 65. Intentionally Deleted
- 66. Intentionally Deleted
- 67. Intentionally Deleted
- 68. Intentionally Deleted
- 69. Intentionally Deleted
- 70. Intentionally Deleted
- 71. Intentionally Deleted
- 72. Intentionally Deleted
- 73. Any rights, interest, or claims of parties in possession of said land not shown by the public records.
- 74. Water rights, claims, or title to water, whether or not shown by the public records.
- 75. Intentionally Deleted
- 76. No liability is assumed for the accuracy or completeness of any map or legal description provided in relation to any State Land Right of Way, Permit or Lease set forth in Schedule B herein. Any copies furnished are as a courtesy only.
- 77. Reservations, exceptions, and provisions contained in the Certificate of Purchase issued on said land as recorded in Document No. 2020-137555.
- 78. Intentionally Deleted

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79. Perpetual Right of Way No. 16-121118 dated November 4, 2020 to D. R. Horton, Inc. for wastewater facility.
80. Perpetual Right of Way No. 16-121120 dated November 4, 2020 to D. R. Horton, Inc. for public road.
A copy of which recorded September 7, 2021 as 2021-112447 of Official Records.
(Affects Sections 17, 18, 19 and 30)
81. Perpetual Right of Way No. 16-121121 dated November 4, 2020 to D. R. Horton, Inc. for public road.
A copy of which recorded September 7, 2021 as 2021-112448 of Official Records.
(Affects Sections 19, 20 and 30)
82. Perpetual Right of Way No. 16-121123 dated November 4, 2020 to D. R. Horton, Inc. for public road.
A copy of which recorded September 7, 2021 as 2021-112449 of Official Records.
(Affects Sections 17 and 18)
83. Perpetual Right of Way No. 16-121125 dated November 4, 2020 to D. R. Horton, Inc. for public road.
A copy of which recorded September 7, 2021 as 2021-112450 of Official Records.
(Affects Sections 17, 18, 19 and 20)
84. Petition for Annexation to the City Apache Junction (Case AN-1-20) as recorded in Document No. 2020-134297.
85. The terms and provisions contained in the document entitled "Memorandum of Participation and Infrastructure Contract Regarding ASLD Auction Application No. 53-120190", by and between the Arizona State Land Department and D.R. Horton, Inc., as recorded in Document No. 2020-137832.
86. Resolution No. 2021-03-17-14 - Annexation of Arizona State Trust Land, Apache Junction, Arizona - Parcel No. ASLD 8500 into Superstition Fire and Medical District as recorded in Document No. 2021-038037.

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- 87. The terms and provisions contained in the document entitled "Procedural Pre-Annexation Agreement", by and between the Arizona State Land Department, D.R. Horton, Inc. and the City of Apache Junction, as recorded in Document No. 2021-102467.

- 88. The terms and provisions contained in the document entitled "Procedural Pre-Annexation Agreement", by and between the Arizona State Land Department and the City of Apache Junction, as recorded in Document No. 2021-102468.

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Privacy Notice

Effective: January 1, 2020

Notice Last Updated: January 1, 2020

This Privacy Notice describes how First American Financial Corporation and its subsidiaries and affiliates (together referred to as "First American" "we," "us," or "our") collect, use, store, and share your information. This Privacy Notice applies to information we receive from you offline only, as well as from third parties. For more information about our privacy practices, please visit <https://www.firstam.com/privacy-policy/index.html>. The practices described in this Privacy Notice are subject to applicable laws in the places in which we operate.

What Type Of Information Do We Collect About You? We collect both personal and non-personal information about and from you. Personal information is non-public information that can be used to directly or indirectly identify or contact you. Non-personal information is any other type of information.

How Do We Collect Your Information? We collect your personal and non-personal information: (1) directly from you; (2) automatically when you interact with us; and (3) from third parties, including business parties and affiliates.

How Do We Use Your Information? We may use your personal information in a variety of ways, including but not limited to providing the services you have requested, fulfilling your transactions, comply with relevant laws and our policies, and handling a claim. We may use your non-personal information for any purpose.

How Do We Share Your Personal Information? We do not sell your personal information to nonaffiliated third parties. We will only share your personal information, including to subsidiaries, affiliates, and to unaffiliated third parties: (1) with your consent; (2) in a business transfer; (3) to service providers; and (4) for legal process and protection. If you have any questions about how First American shares your personal information, you may contact us at dataprivacy@firstam.com or toll free at 1-866-718-0097.

How Do We Secure Your Personal Information? The security of your personal information is important to us. That is why we take commercially reasonable steps to make sure your personal information is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your personal information.

How Long Do We Keep Your Personal Information? We keep your personal information for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations.

Your Choices: We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and sharing of your personal information. In accordance with applicable law, your controls and choices. You can learn more about your choices, and exercise these controls and choices, by sending an email to dataprivacy@firstam.com or toll free at 1-866-718-0097.

International Jurisdictions: Our Products are hosted and offered in the United States of America (US), and are subject to US federal, state, and local law. If you are accessing the Products from another country, please be advised that you may be transferring your personal information to us in the US, and you consent to that transfer and use of your personal information in accordance with this Privacy Notice. You also agree to abide by the applicable laws of applicable US federal, state, and local laws concerning your use of the Products, and your agreements with us.

We may change this Privacy Notice from time to time. Any and all changes to this Privacy Notice will be reflected on this page, and where appropriate provided in person or by another electronic method. **YOUR CONTINUED USE, ACCESS, OR INTERACTION WITH OUR PRODUCTS OR YOUR CONTINUED COMMUNICATIONS WITH US AFTER THIS NOTICE HAS BEEN PROVIDED TO YOU WILL REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THIS PRIVACY NOTICE.**

Contact Us: dataprivacy@firstam.com or toll free at 1-866-718-0097.



For California Residents

If you are a California resident, you may have certain rights under California law, including but not limited to the California Consumer Privacy Act of 2018 ("CCPA"). All phrases used in this section shall have the same meaning as those phrases are used under California law, including the CCPA.

Right to Know: You have a right to request that we disclose the following information to you: (1) the categories of personal information we have collected about or from you; (2) the categories of sources from which the personal information was collected; (3) the business or commercial purpose for such collection and/or disclosure of your personal information; (4) the categories of third parties with whom we have shared your personal information; and (5) the specific pieces of your personal information we have collected. To submit a verified request for this information, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097 and submitting written proof of such authorization to dataprivacy@firstam.com.

Right of Deletion: You also have a right to request that we delete the personal information we have collected from you. This right is subject to certain exceptions available under the CCPA and other applicable law. To submit a verified request for deletion, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097 and submitting written proof of such authorization to dataprivacy@firstam.com.

Verification Process: For either a request to know or delete, we will verify your identity before responding to your request. To verify your identity, we will generally match the identifying information provided in your request with the information we have on file about you. Depending on the sensitivity of the personal information requested, we may also utilize more stringent verification methods to verify your identity, including but not limited to requesting additional information from you and/or requiring you to sign a declaration under penalty of perjury.

Right to Opt-Out: We do not sell your personal information to third parties, and do not plan to do so in the future.

Right of Non-Discrimination: You have a right to exercise your rights under California law, including under the CCPA, without suffering discrimination. Accordingly, First American will not discriminate against you in any way if you choose to exercise your rights under the CCPA.

Collection Notice: The following is a list of the categories of personal information we may have collected about California residents in the twelve months preceding the date this Privacy Notice was last updated, including the business or commercial purpose for said collection, the categories of sources from which we may have collected the personal information, and the categories of third parties with whom we may have shared the personal information:



Categories of Personal Information Collected	The categories of personal information we have collected include, but may not be limited to: real name; signature; alias; SSN; physical characteristics or description, including protected characteristics under federal or state law; address; telephone number; passport number; driver's license number; state identification card number; IP address; policy number; file number; employment history; bank account number; credit card number; debit card number; financial account numbers; commercial information; internet or other electronic network activity; geolocation data; audio and visual information; professional or employment information; and inferences drawn from the above categories to create a profile about a consumer.
Categories of Sources	Categories of sources from which we've collected personal information include, but may not be limited to: the consumer directly; public records; governmental entities; non-affiliated third parties; social media networks; affiliated third parties
Business Purpose for Collection	The business purposes for which we've collected personal information include, but may not be limited to: completing a transaction for our Products; verifying eligibility for employment; facilitating employment; performing services on behalf of affiliated and non-affiliated third parties; debugging to identify and repair errors that impair existing intended functionality on our Websites, Applications, or Products; protecting against malicious, deceptive, fraudulent, or illegal activity
Categories of Third Parties Shared	The categories of third parties with whom we've shared personal information include, but may not be limited to: advertising networks; internet service providers; data analytics providers; service providers; government entities; operating systems and platforms; social media networks; non-affiliated third parties; affiliated third parties

Categories of Personal Information We Have Sold In The Past Year: We have not sold any personal information of California residents to any third party in the twelve months preceding the date this Privacy Notice was last updated.

Categories of Personal Information Disclosed For A Business Purpose In The Past Year: The following is a list of the categories of **personal information** of California residents we may have disclosed for a business purpose in the 12 months preceding the date this Privacy Notice was last updated: The categories of personal information we have collected include, but may not be limited to: real name; signature; alias; SSN; physical characteristics or description, including protected characteristics under federal or state law; address; telephone number; passport number; driver's license number; state identification card number; IP address; policy number; file number; employment history; bank account number; credit card number; debit card number; financial account numbers; commercial information; internet or other electronic network activity; geolocation data; audio and visual information; professional or employment information; and inferences drawn from the above categories to create a profile about a consumer.



U. S. CONSUMER PRIVACY POLICY NOTICE

Rev. 12.30.2019

FACTS	WHAT DOES DHI TITLE DO WITH YOUR PERSONAL INFORMATION?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none">• Social Security Number and Income• Payment History and Account Balances• Credit History and Employment Information		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons DHI Title chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does DHI Title share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes – to offer our products and services to you		Yes	No
For joint marketing with other financial companies		No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences		Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness		Yes	Yes
For our affiliates to market to you		Yes	Yes
For nonaffiliates to market to you		No	We don't share
To limit our sharing	<ul style="list-style-type: none">• Call toll free (844) 312-1523 — our menu will prompt you through your choices.• Visit us online: www.dhititle.com or• Mail the form below <p>Please note:</p> <p>If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>		
Questions?	Call (844) 312-1523 or go to www.dhititle.com		



PRIVACY POLICY NOTICE

(Continued)

Mail In Form	
Mark any/all you want to limit:	
<input type="checkbox"/> Do not share information about my creditworthiness with your affiliates for their everyday business purposes.	
<input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me.	
Name:	
Address:	
City, State, ZIP	
GF Number:	
Mail to:	DHI Title Attn: Compliance Department 10700 Pecan Park Blvd., Suite 220 Austin, TX 78750
Who we are	
Who is providing this notice?	DHI Title of Texas, Ltd.; Travis County Title Company dba DHI Title of Central Texas/DHI Title Agency; DHI Title of Florida, Inc.; DHI Title of Minnesota, Inc. dba DHI Title of Louisiana; DHI Title of Arizona, Inc. dba DHI Title Agency; DHI Title of Nevada, Inc.; DHI Title of Alabama, Inc.; DHI Title of Washington, Inc.
What we do	
How does DHI Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings
How does DHI Title collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none">• Apply for insurance or pay insurance premiums• Provide your mortgage information or show your driver's license• Give us your contact information We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none">• Sharing for affiliates' everyday business purposes—information about your creditworthiness• Affiliates from using your information to market to you• Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more information on your rights under state laws.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">• Our affiliates include financial companies, such as D.R. Horton Insurance Agency, Inc., DHI Mortgage Company, Ltd., and title companies with a DHI Title name; and nonfinancial companies, such as D.R. Horton, Inc.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none">• DHI Title does not share with nonaffiliates so they can market to you.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none">• DHI Title does not jointly market.
Other Important Information	
<p>California Residents. We will not share personal information we collect about you with nonaffiliated third parties unless permitted by California law. We do not share personal information we collect about you with nonaffiliated third parties for their direct marketing purposes. We may, however, in accordance with California law, share such personal information with nonaffiliated third parties, in certain circumstances, including, but not limited to, when you direct us to share such information, to process or administer transactions that you have requested, to market our products and services to you, or to comply with the law. We will not share personal information we have collected about you with our affiliates for their marketing purposes if you have opted out from such sharing. And, we will further limit sharing of personal information collected about you with our affiliates to the extent required by California law and in accordance with your privacy choices. California residents, please go to https://www.dhititle.com/Footer/LEGAL/Your-Privacy-Rights/Your-Choices, for your additional privacy choices.</p>	



PRIVACY POLICY NOTICE

(Continued)

Vermont Residents. We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. We may, however, for example, in accordance with Vermont law, share certain personal information that we collect about you with nonaffiliated third parties in order to service or process a financial product or service that you request; to protect against or prevent actual or potential fraud; to comply with federal, state or local laws, rules and other applicable requirements or in accordance with your requests and with your consent. We may share information about our experiences or transactions with you with our affiliates without your consent. Additional information concerning our privacy policies can be found at our website, www.dhititle.com, by contacting us at Compliance911@drhorton.com or by calling (844) 312-1523.

Nevada Residents. We provide this notice under Nevada law. We may contact our existing Nevada customers by telephone to offer new or different financial services or products. Nevada customers have the right to opt out of these calls by adding their names to our internal Do-Not-Call list. To opt-out of these calls by being placed on our internal Do-Not-Call list or to receive additional information about your opt-out rights, call us at (844) 312-1523, write to us at DHI Title, Attn: Compliance Department, 10700 Pecan Park Blvd., Suite 220, Austin, TX 78750 or email us at Compliance911@drhorton.com. In addition to contacting DHI Title, you may contact the Nevada Attorney General for more information about your opt out rights by calling (702) 486-3132, emailing aginfo@ag.nv.gov, or by writing to: Office of the Attorney General, Bureau of Consumer Protection, 100 North Carson Street, Carson City, NV 89701-4717.



APPENDIX D

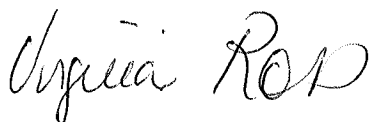
Qualified Electors Report

**SUPERSTITION VISTAS COMMUNITY
FACILITIES DISTRICT NO. 2**

CERTIFICATE OF PINAL COUNTY RECORDER

I, **VIRGINIA ROSS**, County Recorder in and for Pinal County, State of Arizona, hereby certify that, as of September 2, 2021, according to the general register of the voters maintained by the Pinal County Recorder, there are zero (0) qualified electors residing in the area of the proposed Superstition Vistas Community Facilities District No. 2, a legal description and boundary map of which is attached hereto as Exhibit A.

Witness my hand and seal this 2nd day of September, 2021.



**VIRGINIA ROSS
PINAL COUNTY RECORDER**

Name: VIRGINIA ROSS
Title: Recorder

EXHIBIT A

LEGAL DESCRIPTION OF
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2

Wood, Patel & Associates, Inc.
480.834.3300
www.woodpatel.com

January 8, 2021
WP# 205166.01
Page 1 of 4
See Exhibit "A"

PARCEL DESCRIPTION
Superstition Vistas
Brookfield Parcel

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;

THENCE along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;

THENCE North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;

THENCE leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;

THENCE South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;

THENCE leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;

THENCE South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;

THENCE leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;

THENCE South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;

THENCE leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;

THENCE North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;

THENCE leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;

THENCE leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;

THENCE South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;

THENCE westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle of 30°39'58", a distance of 1605.68 feet, to the curves end;

**Legal Description
Superstition Vistas
Brookfield Parcel**

January 8, 2021
WP# 205166.01
Page 2 of 4
See Exhibit "A"

THENCE North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);

THENCE along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

THENCE leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

THENCE North 00°13'51" West, a distance of 2639.88 feet, to the **POINT OF BEGINNING**.

Containing 61,348,819 square feet or 1,408.3751 acres, more or less.

Subject to existing right-of-ways and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of December, 2020. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2020\205166.01 Superstition Vistas Brookfield Parcel L02 01-08-21.docx



MERIDIAN ROAD

ELLIOT ROAD

NORTHWEST CORNER
SECTION 17, T1S, R8E
3" PINAL COUNTY BCH
POB

N89°45'04"E 2642.33'
(BASIS OF BEARING)

L1

SEC 18
T1S, R8E

L16

L15

NORTH 1/4 CORNER
SECTION 17, T1S, R8E
2 1/2" GLO BC IN
CONCRETE

SEC 17
T1S, R8E

WARNER ROAD

266' MARICOPA COUNTY FLOOD CONTROL DISTRICT
DOC-2011-062136, PCR

IRONWOOD ROAD

SEC 19
T1S, R8E

SEC 20
T1S, R8E

RAY ROAD

L7

L6

L2

L3

L4

L5

WOOD
PATEL

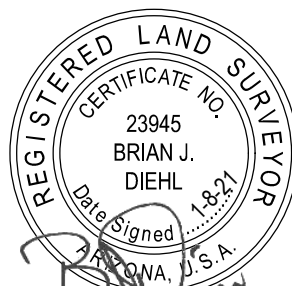
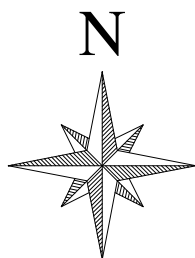


EXHIBIT "A"
SUPERSTITION VISTAS
BROOKFIELD PARCEL
01/08/2021
WP #205166.01
PAGE 3 OF 4
NOT TO SCALE

EXPIRES 09-30-23

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LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'

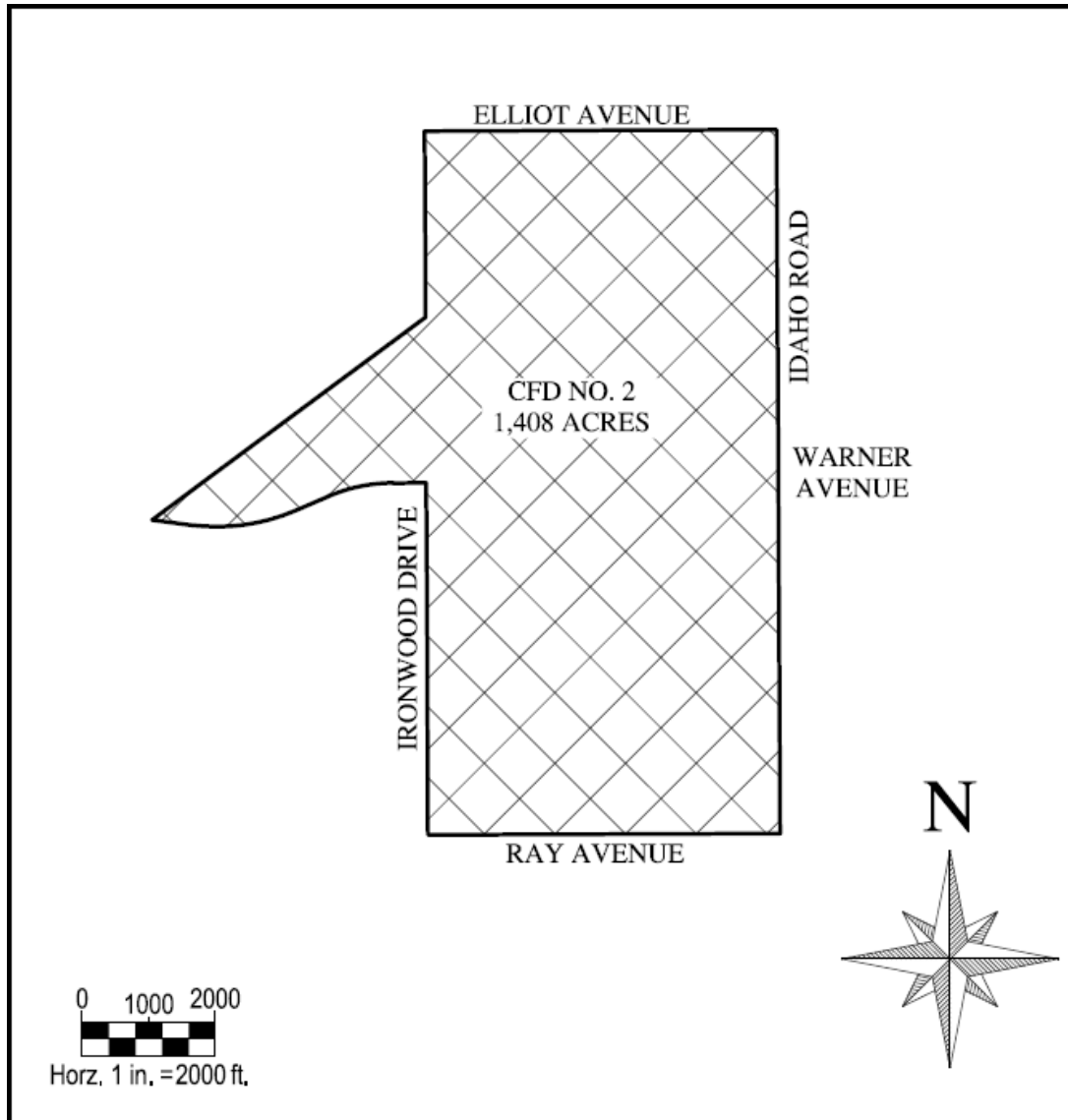


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
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 PAGE 4 OF 4
 NOT TO SCALE

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EXPIRES 09-30-23

BOUNDARY MAP OF
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2



APPENDIX E

BOND PROGRAM

Superstition Vistas Community Facilities District N (City of Apache Junction, Arizona)

Scenario 1: \$3.85 Tax Rate
Estimated \$176,555,000 Bond Program; Assumes Annual Absorptions and 4.0% Annual Growth

Fiscal Year (7/1/5)	Actual Net Assessed Limited Property Valuation	Estimated Net Assessed Limited Property Valuation from Residential Absorptions	Estimated Net Assessed Limited Property Valuation w/absorb (1)	% Change	\$13,685,000 General Obligation Bonds Series 2023 Dated: 7/1/2023		\$14,265,000 General Obligation Bonds Series 2024 Dated: 9/01/2024		\$6,470,600 General Obligation Bonds Series 2025 Dated: 7/1/2025		\$13,475,698 General Obligation Bonds Series 2026 Dated: 7/1/2026		\$6,180,000 General Obligation Bonds Series 2027 Dated: 7/1/2027		\$14,585,860 General Obligation Bonds Series 2028 Dated: 7/1/2028		\$14,805,000 General Obligation Bonds Series 2029 Dated: 7/1/2029		\$14,630,000 General Obligation Bonds Series 2030 Dated: 7/1/2030	
					Rate: 5.00%		Rate: 5.00%		Rate: 5.00%		Rate: 5.00%		Rate: 5.00%		Rate: 5.00%		Rate: 5.00%		Rate: 5.00%	
					Principal	Interest (2)	Principal	Interest (2)	Principal	Interest (2)	Principal	Interest (2)	Principal	Interest (2)	Principal	Interest (2)	Principal	Interest (2)	Principal	Interest (2)
2021																				
2022																				
2023																				
2024		\$11,250,000	\$11,250,000	N/A	\$5,000	\$864,750														
2025		19,319,500	31,012,500	175.67%	10,000	684,500	\$5,000	\$594,375												
2026		19,891,875	52,144,875	68.14%	10,000	684,000	5,000	713,000	\$175,000	\$323,500										
2027		20,488,631	74,719,301	43.29%	65,000	683,500	245,000	712,750	35,000	314,750	\$15,000	\$673,750								
2028		21,103,290	98,811,303	32.24%	340,000	680,250	385,000	700,500	290,000	313,500	10,000	673,000	\$5,000	\$306,500						
2029		21,736,389	124,500,207	26.00%	400,000	683,250	380,000	682,250	140,000	302,500	100,000	672,500	75,000	306,250	\$50,000	\$720,250				
2030		22,386,181	151,869,696	21.38%	420,000	683,250	400,000	683,250	150,000	296,250	200,000	667,500	120,000	306,500	100,000	724,500				
2031		23,060,130	181,003,579	19.19%	440,000	622,250	420,000	643,250	160,000	287,500	380,000	654,250	140,000	296,500	240,000	719,500	100,000	737,500	\$40,000	\$731,500
2032		23,761,938	211,990,861	17.12%	460,000	600,250	440,000	622,250	210,000	279,500	400,000	635,250	150,000	292,250	360,000	707,250	200,000	732,500	100,000	728,500
2033		24,484,497	244,936,684	15.54%	480,000	577,000	460,000	600,250	375,000	268,750	420,000	615,250	300,000	284,500	520,000	689,000	585,000	722,500	305,000	724,250
2034		25,198,432	279,938,018	14.29%	510,000	552,500	490,000	577,000	385,000	250,000	490,000	594,250	410,000	266,500	400,000	683,000	380,000	694,250	385,000	706,000
2035		25,924,401	309,957,547	7.15%	540,000	527,000	510,000	552,500	195,000	230,750	465,000	569,750	175,000	248,750	420,000	643,000	420,000	675,250	360,000	699,750
2036			311,956,205	4.00%	565,000	500,000	540,000	527,000	205,000	221,000	490,000	546,500	185,000	240,000	440,000	622,000	530,000	654,250	600,000	671,750
2037			324,134,516	-0.00%	586,000	471,500	565,000	500,000	210,000	210,500	510,000	522,000	196,000	236,500	460,000	600,000	490,000	626,250	330,000	641,500
2038			337,411,897	4.00%	620,000	442,000	605,000	471,750	225,000	200,000	540,000	496,500	205,000	221,000	490,000	576,750	385,000	605,250	340,000	625,250
2039			350,698,372	-0.00%	644,000	411,000	630,000	442,000	230,000	188,500	580,000	469,000	215,000	210,500	510,000	554,250	490,000	587,000	420,000	609,250
2040			364,944,707	-0.00%	665,000	378,250	650,000	411,000	250,000	177,000	595,000	441,250	225,000	206,000	540,000	528,750	510,000	582,500	460,000	587,000
2041			379,542,468	4.00%	720,000	344,000	685,000	378,250	280,000	164,500	620,000	411,500	235,000	188,750	600,000	501,750	740,000	537,000	710,000	582,500
2042			394,241,156	-0.00%	750,000	308,000	720,000	344,000	270,000	151,000	650,000	380,000	250,000	177,000	630,000	471,500	940,000	500,000	940,000	547,000
2043			410,515,180	4.00%	795,000	270,250	755,000	308,000	290,000	137,750	685,000	347,750	290,000	164,500	650,000	442,000	590,000	471,750	565,000	500,000
2044			426,933,690	-0.00%	835,000	230,500	790,000	270,250	300,000	123,250	720,000	313,500	270,000	161,500	660,000	411,000	620,000	442,000	590,000	471,750
2045			444,011,037	4.00%	875,000	188,750	835,000	230,500	315,000	108,000	755,000	377,500	290,000	137,750	685,000	378,250	685,000	411,000	620,000	442,000
2046			461,771,478	4.00%	920,000	145,000	875,000	188,750	335,000	92,250	785,000	238,750	305,000	123,250	730,000	344,000	685,000	378,250	685,000	411,000
2047			480,242,338	4.00%	965,000	99,000	920,000	145,000	350,000	75,500	835,000	200,000	315,000	108,000	755,000	308,000	720,000	344,000	685,000	378,250
2048			499,452,033	4.00%	1,015,000	50,750	965,000	99,000	370,000	58,000	875,000	158,250	335,000	92,250	755,000	278,250	755,000	308,000	720,000	344,000
2049			519,530,113	-0.00%			1,015,000	50,750	380,000	39,500	920,000	114,500	350,000	75,500	805,000	238,250	735,000	278,250	735,000	308,000
2050			540,207,317	4.00%			465,000	30,250			965,000	68,500	370,000	58,000	875,000	188,750	835,000	238,250	755,000	278,250
2051			561,870,610	-0.00%							495,000	20,250	385,000	39,500	920,000	145,000	975,000	188,750	835,000	238,250
2052			584,208,234	4.00%									405,000	20,250	965,000	99,000	1,020,000	145,000	875,000	188,750
2053			607,609,694	-0.00%											1,015,000	50,750		96,000	920,000	145,000
2054			631,066,154	-0.00%													1,015,000	50,750	960,000	99,000
2055			657,244,800	4.00%																
2056			685,145,090	-0.00%																
2057			710,875,978	4.00%																
2058			739,311,010	-0.00%																
2059			768,583,456	4.00%																
2060			799,638,764	4.00%																
2061			831,624,340	4.00%																
					\$13,685,000		\$14,441,750		\$6,470,600		\$13,475,698		\$6,180,000		\$14,585,860		\$14,805,000		\$14,630,000	
					\$11,441,750		\$11,427,625		\$4,034,000		\$10,783,250		\$4,767,500		\$11,568,250		\$11,712,750		\$11,647,750	

(1) Estimated based on proposed residential and commercial absorptions, as provided by the Developer. Assumes 4.0% annual growth on existing Net Assessed Limited Property Valuation (NALPV). Residential absorptions assumed to occur at an estimated 75.0% of market value.

(2) Interest rates estimated at 5.0% for all future bond issuances.

(3) Debt tax rate of estimated \$3.85 and assumes a tax collection rate 95% (i.e. 5% delinquency) applied against the Allowed NALPV.

Annual PAV Growth

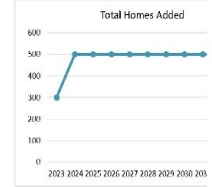
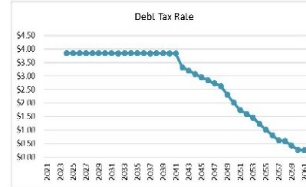
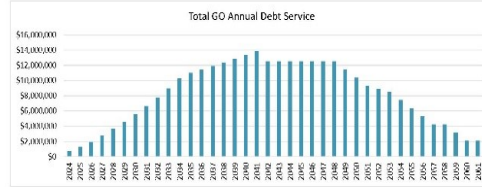
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APPENDIX F

SOURCES AND USES OF FUNDS

Superstition Vistas Community Facilities District No. 2
(City of Apache Junction, Arizona)

Key Statistics	
General	
Total Net Proceeds Received by Developer	\$169,492,800
Total Net Assessed LPV Added (100%)	0
General Obligation Bond Program	
Total "GO" Par Amount Issued	178,555,000
Total # of "GO" Issuances	13
First GO Bond Issuance	2023
Final GO Bond Issuance	2037



Estimated \$176,555,000 General Obligation Bonding Program														
	Series 2023	Series 2024	Series 2025	Series 2026	Series 2027	Series 2028	Series 2029	Series 2030	Series 2031	Series 2033	Series 2034	Series 2036	Series 2037	Total
SOURCES OF FUNDS														
Par Amount of Bonds	\$13,695,000	\$14,265,000	\$6,470,000	\$13,475,000	\$6,190,000	\$14,585,000	\$14,805,000	\$14,630,000	\$14,860,000	\$15,755,000	\$16,055,000	\$16,115,000	\$15,655,000	\$176,555,000
Total Sources	\$13,695,000	\$14,265,000	\$6,470,000	\$13,475,000	\$6,190,000	\$14,585,000	\$14,805,000	\$14,630,000	\$14,860,000	\$15,755,000	\$16,055,000	\$16,115,000	\$15,655,000	\$176,555,000
USES OF FUNDS														
Deposit to Project Acquisition Fund	\$13,147,200	\$13,694,400	\$6,211,200	\$12,936,000	\$5,942,400	\$14,001,600	\$14,212,800	\$14,044,800	\$14,265,600	\$15,124,800	\$15,412,800	\$15,470,400	\$15,028,800	\$169,492,800
Costs of Issuance (a)	\$547,800	\$570,600	\$258,800	\$539,000	\$247,600	\$583,400	\$592,200	\$585,200	\$594,400	\$630,200	\$642,200	\$644,600	\$628,200	7,062,200
Total Uses	\$13,695,000	\$14,265,000	\$6,470,000	\$13,475,000	\$6,190,000	\$14,585,000	\$14,805,000	\$14,630,000	\$14,860,000	\$15,755,000	\$16,055,000	\$16,115,000	\$15,655,000	\$176,555,000

(a) Costs of issuance include estimates for the following: bond counsel, underwriter's discount, underwriter's counsel, financial advisor, preliminary and limited offering memorandum printing, trustee and trustee counsel and miscellaneous costs.

APPENDIX G

Superstition Vistas Community Facilities District No. 2 (City of Apache Junction, Arizona)

RESIDENTIAL ABSORPTIONS (1) As of 5-12-2021

Residential Home Assumptions	
Starting Avg. Home \$	\$500,000
On the Rolls at:	75%
Assessment Ratio:	10%

General Assumptions	
Delinquency Rate:	95%
Debt Tax Rate:	\$3.85
Existing NALPV Growth:	4.00%

First Home Closing	Feb. 2023
--------------------	-----------

Residential Homes					
Fiscal Year	Homes Added (Cal. Year)	Homes (Cumulative)	Annual Home Price Inflation Rate	Average Home Price	Absorption NALPV
2021					
2022					
2023	300	300	N/A	\$500,000	
2024	500	800	3.00%	515,000	\$11,250,000
2025	500	1,300	3.00%	530,450	19,312,500
2026	500	1,800	3.00%	546,364	19,891,875
2027	500	2,300	3.00%	562,754	20,488,631
2028	500	2,800	3.00%	579,637	21,103,290
2029	500	3,300	3.00%	597,026	21,736,389
2030	500	3,800	3.00%	614,937	22,388,481
2031	500	4,300	3.00%	633,385	23,060,135
2032	500	4,800	3.00%	652,387	23,751,939
2033	500	5,300	3.00%	671,958	24,464,497
2034	170	5,470	3.00%	692,117	25,198,432
2035					8,824,491

5,470

(1) Estimated home absorptions are based on home closings in a calendar year. The related values of the absorptions are included in the tax rolls in the fiscal year following the home closing at 75% for residential homes and vacant lot conversions. All estimates contained in these schedules including absorptions, home prices and annual growth percentages are provided by the Developer.

APPENDIX H

FORM OF DISCLOSURE STATEMENT SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2 DISCLOSURE STATEMENT

D.R. Horton, Inc., a Delaware corporation (“**Developer**”), in conjunction with the City of Apache Junction, Arizona (the “**City**”), have established a community facilities district (the “**CFD**”) within the planned community development known as Superstition Vistas. The CFD has financed and, in the future, will finance certain public infrastructure improvements, which will result in a property tax liability and a separate special assessment lien liability for each residential property owner in Superstition Vistas.

HOW THE CFD WORKS

On October 5, 2021, the Mayor and Council of the City formed the CFD consisting of approximately 1,408 acres of land. An election was held on ____, 2021, at which time the owners of the property within the CFD voted to authorize up to \$400,000,000 of ad valorem tax bonds to be issued over time by the CFD to finance the acquisition or construction of public infrastructure improvements benefitting principally land within the CFD. The proceeds of separate special assessment revenue bonds will be used to finance acquisition or construction of public infrastructure improvements benefitting principally designated areas within the CFD. Such improvements have been or will be dedicated to the City or other governmental entity upon acquisition or construction of such public infrastructure by the CFD. The City or other governmental entity will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance, at the request of Developer, not more than \$350,000,000 in public infrastructure improvements within the CFD, including financing costs related to such improvements, through ad valorem tax bonds to be issued to finance the acquisition and construction of public infrastructure benefitting principally land within the CFD. [The CFD issued \$____,000 of its General Obligation Bonds, Series 20__ on _____, 20__.

In addition, a special assessment bond has been issued in the amount of \$____,000 to finance the acquisition of completed public infrastructure, consisting of roadway, sewer, water, storm drain, signage, street light, landscape and related improvements benefitting principally the land area depicted on Attachment 1 hereto (“**Assessment District** ____”). The lot and residence for which this Disclosure Statement is provided is located in Assessment District ____.

Developer may be reimbursed from CFD bond proceeds for eligible public infrastructure improvements for up to ten (10) years after the date of acceptance of such infrastructure by the City or other governmental entity.

PROPERTY OWNERS' TAX AND ASSESSMENT LIABILITY

The obligation to retire the ad valorem tax bonds will become the responsibility of all property owners in the CFD through the payment of ad valorem property taxes collected by the Pinal County Treasurer in addition to all other property tax payments. The CFD has levied a \$_.__ per \$100.00 of net assessed limited property value tax rate for the District's current fiscal year 20__ - 20__ to provide for repayment of the ad valorem tax bonds. The CFD has also levied up to a \$0.30 per \$100.00 of net assessed limited property value tax rate to provide for the payment of certain administrative expenses and operation and maintenance of the public infrastructure improvements financed by the CFD ("**O/M Tax**").

Although the ad valorem tax rate levied by the CFD to retire the ad valorem tax bonds is not limited by law, beginning this fiscal year, the rate of the ad valorem tax is not expected to exceed a rate of \$3.85 per \$100.00 of net assessed limited property value for as long as any ad valorem tax bonds are outstanding. However, in the event of declining assessed values or significant delinquencies in the collection of ad valorem taxes, the ad valorem tax rate could increase above the rate that would generate the same levy as would have been generated under a rate of \$3.85 per \$100.00 of net assessed limited property value. **Accordingly, there can be no guarantee ad valorem tax rates will not be increased, and may be increased significantly, to provide for repayment of such ad valorem tax bonds in the future. Developer is acquiring certain land within the boundaries of the District from the Arizona State Land Department. Should Developer default on its obligations to the Arizona State Land Department in connection with such land acquisition, portions of the property within the District may revert to the Arizona State Land Department and no longer be subject to ad valorem taxes. In such situation, the ad valorem taxes levied on taxable property within the District, including the lot which is the subject of this Disclosure Statement, may increase significantly above a rate of \$3.85 per \$100 of net assessed limited property value.**

The obligation to retire the special assessment bonds issued to finance the acquisition of the completed public infrastructure benefitting principally Assessment District __ will be the responsibility of all property owners in Assessment District __ through the collection of installments of assessment liens of \$_,_00 per lot levied by the CFD. It is anticipated that such assessment lien installment payments will be collected by the Pinal County Treasurer through its standard ad valorem property tax collection process.

IMPACT OF ADDITIONAL CFD PROPERTY TAX AND ASSESSMENTS

The following illustrates the estimated additional annual ad valorem tax liability imposed by the CFD, based on a range of residential values within Superstition Vistas and a combined \$4.15 tax rate for the current fiscal year 20__ -20__ (the \$3.85 tax rate to retire the ad valorem tax bonds plus the \$0.30 O/M Tax rate):

**Assumed Value
of Residence**

**Estimated Annual
Additional CFD Tax Liability***

\$ __,000
\$ __,000
\$ __,000
\$ __,000
\$ __,000
\$ __,000
\$ __,000

\$

**Assumptions:*

1. *Improved residential property assessment ratio will remain at 10%.*
2. *The estimated total ad valorem tax amount is computed by multiplying the \$4.15 per \$100 of assessed limited property value times the estimated limited tax rate of property value times the improved residential property assessment ratio. The actual limited property value is determined by the Pinal County Assessor.*

The estimated annual assessment lien liability imposed by the CFD in Assessment District __, in addition to the ad valorem tax liability described above, is \$__.

Additional information regarding the description of public infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Apache Junction City Clerk's office.

Your signature below acknowledges that you have read this Disclosure Statement at the time you made your decision to purchase property at Superstition Vistas and signed your purchase contract and that you understand the property you are purchasing will be taxed and separately assessed to pay the CFD bonds described above and issued in the future and taxed to pay the CFD operation, administration and maintenance expenses.

Home Buyer Signature/Date

Home Buyer Printed Name

IF PURCHASING JOINTLY OR OTHERWISE WITH ANOTHER PARTY:

Home Buyer Signature/Date

Home Buyer Printed Name

Builder Name: _____

Parcel No. _____

Lot No. _____

**UPON EXECUTION, MAIL DIRECTLY
TO: CFD DISTRICT CLERK,
CITY OF APACHE JUNCTION
300 E. SUPERSTITION BLVD
APACHE JUNCTION, AZ 85119**

APPENDIX I
DISTRICT GENERAL PLAN

When recorded return to:

Mr. Zachary D. Sakas
Sherman & Howard L.L.C.
7033 E. Greenway Parkway, Suite 250
Scottsdale, AZ 85254

**GENERAL PLAN
FOR THE PROPOSED
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2**

To: City Clerk, City of Apache Junction, Arizona

For the purposes of the Act (as defined herein) the following is the general plan for the proposed community facilities district captioned above (the “District”):

Article I.

GENERAL AREA TO BE IMPROVED WITHIN THE DISTRICT

All that area described in Exhibit A attached hereto and made a part hereof for all purposes shall comprise the area to be benefitted. The public infrastructure improvements shall be constructed in public rights-of-way or easements, or on property to be conveyed to a public entity, located both within and outside the areas described in Exhibit A hereto and shall result in a beneficial use principally to the area described in Exhibit A hereto.

Article II.

**GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE
IMPROVEMENTS FOR WHICH THE DISTRICT IS PROPOSED TO BE
FORMED**

The District is being formed to finance public infrastructure and public infrastructure purposes authorized by Arizona Revised Statutes (“A.R.S.”) §48-701, *et seq.*, as amended (the “Act”) and which are the subject of the Procedural Pre-Annexation Agreement, dated June 16, 2021 and recorded on August 16, 2021 in the Official Records of the Pinal County Recorder as Instrument No. 2021-102467, the Development Agreement for Superstition Vistas, to be dated October 5, 2021, and the Master Planned Community Zoning Ordinance and Development Plan pending approval by the City on October 5, 2021, as Case No. P-21-50-MPC, and such other public

infrastructure and public infrastructure purposes as may be approved by the Board of Directors of the District from time to time, in its sole and absolute discretion, and provided the public infrastructure may include any of the following:

(a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge.

(b) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge.

(c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes, including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for the repair or replacement of existing facilities when required by other improvements permitted by the Act.

(d) Highways, streets, roadways and parking facilities, including all areas for vehicular use for travel, ingress, egress and parking.

(e) Areas for pedestrian, equestrian, bicycle or other nonmotor vehicle use for travel, ingress, egress and parking.

(f) Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly and recreation.

(g) Landscaping, including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems.

(h) Public buildings, public safety facilities and fire protection facilities.

(i) Lighting systems.

(j) Traffic control systems and devices, including signals, controls, markings and signage.

(k) Equipment, vehicles, furnishings and other personalty related to the items listed in clauses (a) through and including (j) above.

(l) Any other public infrastructure now or hereafter included in the definition of "Public Infrastructure" in the Act.

(m) Operation and maintenance of the items listed in clauses (a) through and including (l) above.

Article III.


**ESTIMATED COSTS OF CONSTRUCTION OR ACQUISITION OF THE
PUBLIC INFRASTRUCTURE TO BE FINANCED, CONSTRUCTED OR
ACQUIRED BY THE DISTRICT**

The estimated costs of construction or acquisition of the public infrastructure to be financed, constructed or acquired by the District will not exceed \$300,000,000.

[Signature Pages to Follow.]

DATED AS OF: September 9, 2021

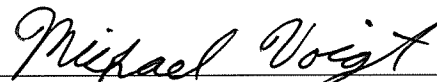
D.R. HORTON, INC.,
a Delaware corporation

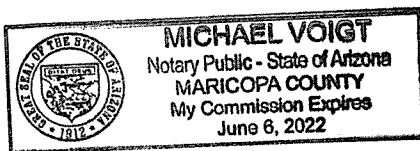
By: 
Name: Patrick Brown
Its: Vice President

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 15th day of September, 2021, by Patrick Brown, the Vice President of D.R. Horton, Inc., a Delaware corporation.

(Seal and Expiration Date)


Notary Public in and for the State of Arizona



ATTACHMENTS:

Exhibit A: Legal description of property to be included in the District

Exhibit A

Legal Description

Wood, Patel & Associates, Inc.
480.834.3300
www.woodpatel.com

January 8, 2021
WP# 205166.01
Page 1 of 4
See Exhibit "A"

PARCEL DESCRIPTION
Superstition Vistas
Brookfield Parcel

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;

THENCE along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;

THENCE North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;

THENCE leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;

THENCE South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;

THENCE leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;

THENCE South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;

THENCE leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;

THENCE South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;

THENCE leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;

THENCE North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;

THENCE leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;

THENCE leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;

THENCE South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;

THENCE westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle of 30°39'58", a distance of 1605.68 feet, to the curves end;

**Legal Description
Superstition Vistas
Brookfield Parcel**

January 8, 2021
WP# 205166.01
Page 2 of 4
See Exhibit "A"

THENCE North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);

THENCE along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

THENCE leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

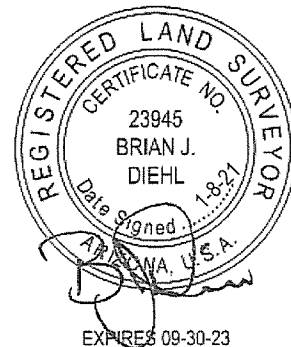
THENCE North 00°13'51" West, a distance of 2639.88 feet, to the **POINT OF BEGINNING**.

Containing 61,348,819 square feet or 1,408.3751 acres, more or less.

Subject to existing right-of-ways and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of December, 2020. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

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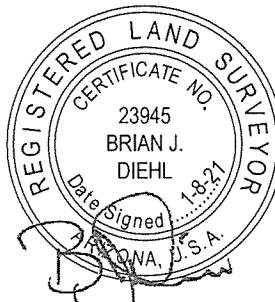
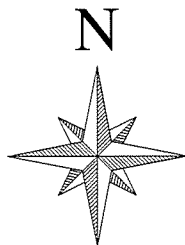
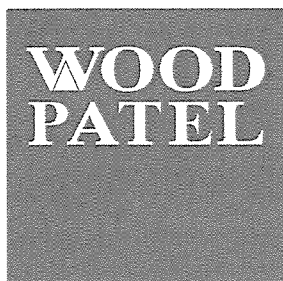
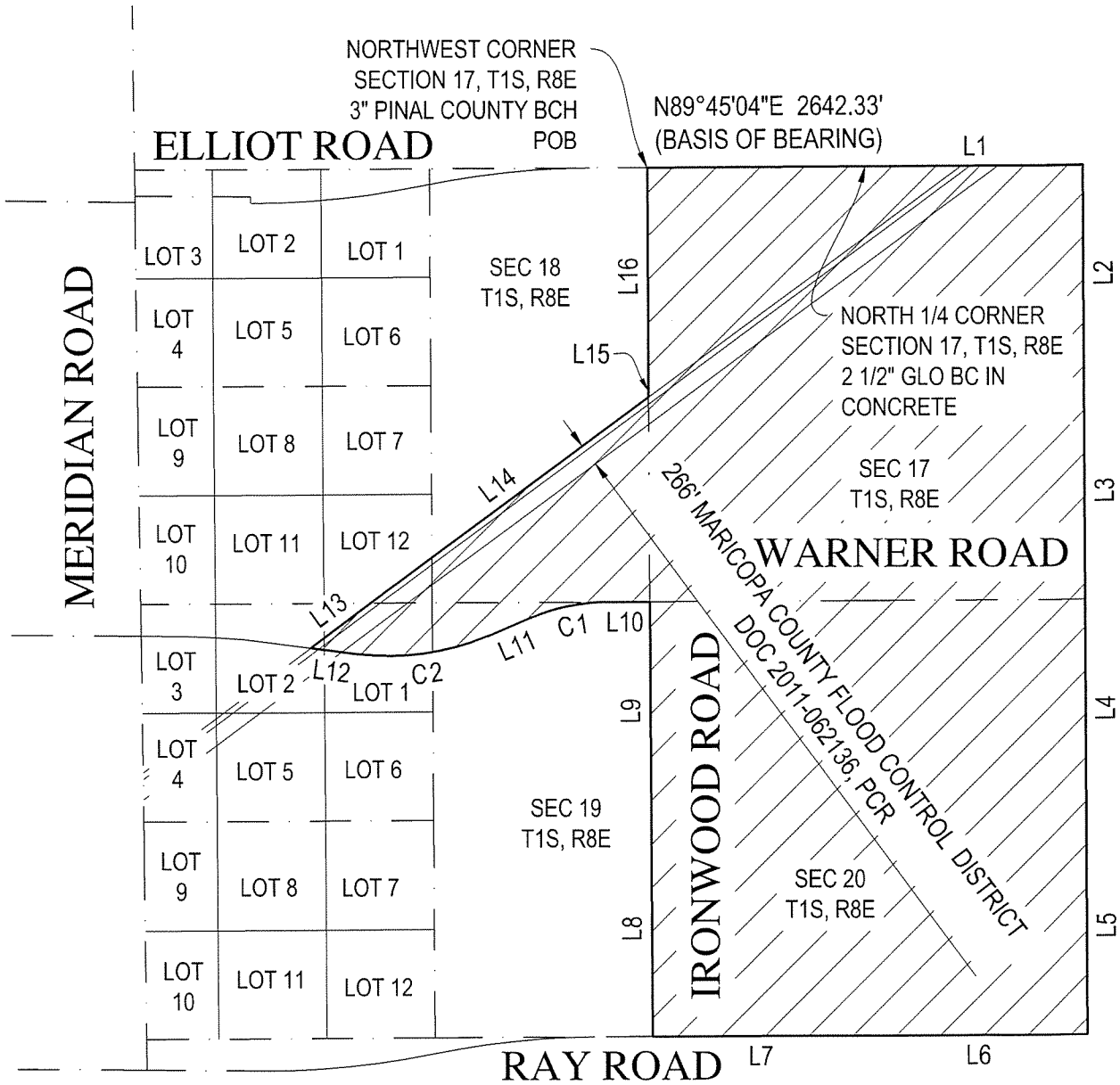


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 3 OF 4
 NOT TO SCALE

EXPIRES 09-30-23

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LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'

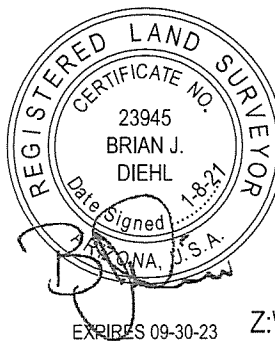
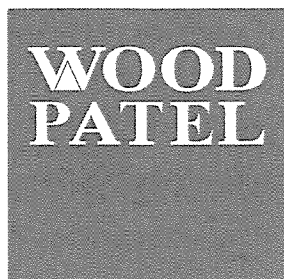


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 4 OF 4
 NOT TO SCALE

EXPIRES 09-30-23

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APPENDIX J

CONSISTENCY WITH CITY’S GENERAL PLAN

ENVIRONMENTAL PLANNING	
General Plan Goal	Response
<p>GOAL 1.1: PROTECT THE PLANNING AREA’S UNIQUE ENVIRONMENTAL ASSETS AND QUALITY OF LIFE</p> <p><i>Policy: Encourage developers and property owners to preserve the environment by:</i></p> <ul style="list-style-type: none"> <i>a. Leaving areas of sensitive lands in their natural state</i> <i>b. Clustering residential units where appropriate (new developers would receive a density bonus for employing this approach)</i> <i>c. Prohibiting new development within floodways</i> <p><i>Policy: Carefully integrate changes to drainage in a master stormwater plan that recognizes existing drainage and wash patterns, discharge locations and storm water flows.</i></p> <p><i>Policy: Emphasize non-structural flood control techniques where feasible. Choose and foster flood control methods that retain beneficial functions and maintain natural flooding and riparian vegetation while minimizing damage to private property.</i></p> <p><i>Policy: Encourage creative design for storm water harvesting and detention ponds to reduce increased storm water flows and provide an opportunity to channel storm rainwater to native Sonoran Desert plant material.</i></p>	<p>Where they exist, sensitive land areas shall be properly mitigated to maintain their natural features and environmental value. Comprehensive planning efforts will be utilized to locate complementary land uses in proximity to one another and allow for adequate transitions to more intense land uses. The drainage influences within and outside the property will be reviewed and mitigated per the Infrastructure Master Plans to allow for development outside of floodways as well as study opportunities and implement strategies to utilize drainage for environmental benefits as described in Section 3.7.10.2 Alternative Storm Water Management.</p>

<p>GOAL 1.2: PROTECT DARK SKIES IN APACHE JUNCTION</p> <p><i>Policy: Update the dark sky ordinance that includes a standard to encourage residential, commercial, and industrial property owners to install lighting only for safety, security and utility purposes to minimize light pollution of neighboring properties.</i></p>	<p>Development within the Auction Property will follow lighting practices described within Section 3.7.12 Lighting Standards to minimize light pollution.</p>
<p>GOAL 1.3: ENCOURAGE LOW IMPACT DEVELOPMENT PRACTICES TO MITIGATE THE NEGATIVE IMPACTS OF URBANIZATION</p> <p><i>Policy: Incorporate LID into the city’s design standards and describe detailed methods about how to incorporate these practices</i></p> <p><i>Policy: Educate the community about the benefits and necessity of LID practices.</i></p>	<p>Where appropriate, the Auction Property shall incorporate low impact development practices for stormwater management as described in Section 3.7.10.2 Alternative Storm Water Management.</p>
<p>GOAL 1.4: CONSERVE EXISTING HABITAT, RECREATE HABITAT WHERE IT HAS BEEN DESTROYED AND PROVIDE NEW HABITATS WHERE APPROPRIATE</p> <p><i>Policy: Conserve corridors along significant ephemeral washes to preserve habitat with the greatest value for wildlife. Include the floodway, floodplain and an appropriate upland buffer to allow a transition to urbanized areas.</i></p> <p><i>Policy: Promote planting and maintenance of indigenous vegetation along washes, the Central Arizona Project (“CAP”) Canal and other public spaces to enhance use by native wildlife.</i></p>	<p>The Auction Property is bounded by the Central Arizona Project canal and Vineyard Flood Retarding Structure (“FRS”) on its eastern boundary. The washes which exist on the property have been impacted and cut-off by FRS upstream, and therefore, drainage will be rerouted through the property to convey historic flows and outlet flows at their pre-development location and condition to mitigate any negative impacts to downstream properties. Drainage through the Auction Property will be addressed as described within the Master Drainage Plan. The drainage corridors will be landscaped with a native and transitional desert palette in varying character forms to blend with the aesthetics of the communities they traverse.</p>

<p>GOAL 1.5: PRESERVE THE VARIETY OF ANIMAL AND PLANT SPECIES IN APACHE JUNCTION</p> <p><i>Policy: Educate citizens and encourage awareness regarding the preservation of habitats and species existing within the city.</i></p>	<p>The Auction Property will salvage and preserve certain native tree and cacti plant materials and explore opportunities to provide interpretive signage at recreation areas regarding wildlife and plant habitats.</p>
<p>GOAL 1.6: SUPPORT SUSTAINABLE BUILDING PRACTICES THAT REDUCE THE IMPACT ON ENVIRONMENTAL QUALITY, RESOURCE USE AND HUMAN HEALTH</p> <p><i>Policy: Update the green building ordinance and implement a program to promote green building principles and practices.</i></p>	<p>Energy Star, a program run by the U.S. Environmental Protection Agency and U.S. Department of Energy that promotes energy efficiency, will be implemented within all residential development. Additionally, the use of low water use plumbing fixtures which meet current building codes will be utilized within all residential development.</p>
<p>GOAL 1.7: PROTECT AND ENHANCE AIR QUALITY AND PUBLIC HEALTH</p> <p><i>Policy: Enforce regulations that reduce particulate air pollutants by:</i></p> <p><i>a. Continuing to participate with Maricopa Association of Governments (“MAG”), Central Arizona of Governments (“CAG”) and Pinal County to implement regional air quality planning and implementation,</i></p> <p><i>Policy: Reduce emissions of greenhouse gases through programs and policies such as the possible conversion of the city’s fleet to clean alternative fuels or electric vehicles.</i></p> <p><i>Policy: Implement a no-idling ordinance that prohibits unmanned vehicles from idling for more than five minutes.</i></p>	<p>Proposed development within the Auction Property shall follow governing agency requirements regarding pollution and dust control.</p>

<p>GOAL 1.8: REDUCE THE AMOUNT OF SOLID WASTE AND MINIMIZE ILLEGAL DUMPING VIA AN INTEGRATED SOLID WASTE MANAGEMENT SYSTEM</p> <p><i>Policy: Require residents to subscribe to weekly solid waste and recycling collection. The recycling program should include standard recyclables (glass, plastic, etc.) and green waste (grass clippings, weeds, etc.).</i></p> <p><i>Policy: Phase out Free Dump Week by 2025. Policy: Create an environmental leadership institute similar to the Citizen Leadership Institute ("CLI") to educate the residents on solid waste, pest management, green buildings, LID, solar power, dark skies, xeriscape and raingardens.</i></p>	<p>Proposed development within the Auction Property shall follow the City's requirements for solid waste and recycling.</p>
<p>RECREATION AND OPEN SPACE</p>	
<p>General Plan Goal</p>	<p>Response</p>
<p>GOAL 2.1: DEVELOP A SYSTEM OF PARKS, TRAILS AND OPEN SPACE TO MEET THE RECREATIONAL AND HEALTH NEEDS OF APACHE JUNCTION RESIDENTS AND VISITORS</p> <p><i>Policy: Encourage and facilitate public participation in planning and expanding the parks and trail system through various means, including regularly scheduled parks and recreation commission meetings.</i></p> <p><i>Policy: Consider development of community sponsored facilities such as: off-leash dog parks, expansion of pickleball courts, open space expansion, archaeological parks on BLM land, landfill park conversion, bicycle motocross ("BMX") and other bicycle facilities.</i></p>	<p>The MPC includes criteria and requirements by which the need for trails, parks and open space will be determined. The quantity of trails, parks and open space will be defined at the time of preliminary subdivision plat or site plan submittal. Section 3.6.9 Open Space and Parks Framework Plan.</p>

Policy: Coordinate with developers to incorporate potential sites for parks, trails, open space and other recreational facilities in their development master plans. Continue to require residential developers to construct neighborhood parks and place operation and maintenance responsibilities on HOAs.

Policy: Coordinate with other public and private groups to promote joint acquisition, use and public/private participation in the development of new parks and trails and recreational facilities.

Policy: Update and reintroduce the parks and recreation master plan for review and eventual approval by the parks and recreation commission and the city council.

NEIGHBORHOOD PRESERVATION, REVITALIZATION, AND HOUSING

General Plan Goal

Response

GOAL 3.2: DIVERSIFY HOUSING STOCK AND NEIGHBORHOODS BY INCORPORATING A VARIETY OF HOUSING TYPES AND ASSOCIATED VALUES TO ALLOW FOR A DIVERSE DEMOGRAPHIC OF RESIDENTS

Policy: Create a policy for the development of quality workforce housing by utilizing available federal, state, regional and local resources, and programs to encourage first-time homebuyers and by providing incentives to encourage the development of affordable housing.

Policy: Encourage the development of public-private ventures developing low-income housing with local, state and federal funds in order to promote a quality rental market.

The Auction Property allows for a broad range of housing opportunities, in location, style and size. The variety in housing options will allow residents of varying income levels and ages to have an abundance of housing choices based on market demand and desired lifestyle.

<p>GOAL 3.3: MAINTAIN AND ATTRACT A QUALITY HOUSING STOCK IN CONDITION, DESIGN, AND CONSTRUCTION STANDARDS</p> <p><i>Policy: Develop design guidelines and standards such as energy efficient “green” designs for all new housing construction.</i></p> <p><i>Policy: Strengthen and implement housing quality standards for existing housing units by promoting the city’s owner-occupied housing rehabilitation program and enforcing the property maintenance code to include standards of care requiring trash removal, landscape requirements, and sewer hook-ups.</i></p>	<p>Design parameters for housing types which will guide the design, quality and, ultimately, construction of housing are included in Section 3.7.5 Architecture.</p>
<p>GOAL 3.4: INCORPORATE SUSTAINABLE PRACTICES IN ALL HOUSING DEVELOPMENT</p> <p><i>Policy: Maintain the natural environment, views, and access to greenspace by establishing connectivity and walkability between existing neighborhoods and commercial areas while ensuring connectivity to the south and future development.</i></p> <p><i>Policy: Encourage infill, redevelopment, and higher density housing within downtown while preserving low density housing development in areas designated on land use map.</i></p>	<p>The proposed development plan employs a design approach based on connecting residents to the outdoors with a series of trails and recreation features. These areas will provide opportunities for walking, running, biking, enjoyment of mountain views, and other activities, thus benefitting the City’s overall public health by promoting an active lifestyle.</p> <p>The Auction Property includes a range of residential densities, which will be located based on well thought out criteria established within the MPC providing for diverse neighborhoods.</p>

ECONOMIC DEVELOPMENT	
General Plan Goal	Response
<p>GOAL 5.1: ATTRACT ALL TYPES OF QUALITY PRIVATE INVESTMENT THAT WILL ADD VALUE AND BRING DIVERSIFICATION TO CURRENT AND FUTURE RESIDENTS OF APACHE JUNCTION AS A GREAT PLACE TO LIVE, WORK AND PLAY</p> <p>Policy: Strategically identify infill opportunity sites that can accommodate office, industrial, entertainment, retail, and housing and mitigate barriers to development.</p> <p>Policy: Consider incentives or economic development agreements to close the gap on hard to redevelop properties that have been underutilized or have sat vacant.</p> <p>Policy: Consider alternative zoning or overlay districts for idle infill parcels or redevelopment areas that may inspire a higher and better use based in current market realities.</p> <p>Policy: Encourage the protection and expansion of the land designated in the general plan specifically for employment and ensure they are preserved along transportation corridors or in prime business cluster locations that will maximize the impact and economic potential for those businesses and employment centers. Discourage any uses that bring little or no value to the community (such as RV Parks, RV storage, mini-storage lots and seasonal residential units).</p>	<p>The Auction Property and the Retained Property together total approximately 8,090 gross acres in area. The area spans nearly six miles north to south and nearly four miles east to west. With the US-60 Superstition Freeway on its north end and the SR-24 on its south end, the overall Site is well placed for future development.</p> <p>The Auction Property, with its location being centralized within the larger land area, is situated in a prime location for residential development. This will allow the more intense land uses to be located closer to the regional transportation facilities.</p> <p>The scale of the Property allows for a significant range of proposed land uses. As proposed, the blend of non-residential and residential land uses provides for potential economic development, regional growth of employment and growth of the general population.</p>

GOAL 5.2: ALIGN RESOURCES AND PRIORITIES TO ENHANCE EXPANSION AND ATTRACTION OF THE CITY'S TARGETED INDUSTRIES (BUSINESS SERVICES; STANDARD AND ADVANCED MANUFACTURING; REGIONAL AND CORPORATE CENTERS; MEDICAL INSTITUTIONS AND/OR ASSOCIATED SATELLITE OPERATIONS; MINING SUPPORT FACILITIES; RESORT/TOURIST ORIENTED DEVELOPMENT; EXPANDED RETAIL OPPORTUNITIES, HIGH-DENSITY RESIDENTIAL)

Policy: Collaborate and engage with Arizona Commerce Authority, Greater Phoenix Economic Council, Phoenix-East Valley Partnership, Arizona Office of Tourism, the local Chamber of Commerce, neighboring municipalities, and other regional economic development organizations to align business supply and demand opportunities, enhance competitiveness of the state and region, and bring additional prospect activity and quality job growth to Apache Junction.

Policy: Identify and strategize infrastructure gaps or opportunities with utility providers or districts to enhance shovel-readiness of key locations with maximum opportunity to bring additional economic development benefits to the city and to those providers.

Policy: Assess the adequacy of current services to existing employment areas to aid in business retention efforts.

Policy: Develop an infrastructure improvement recommendation for key potential and existing employment areas.

The Auction Property and the Retained Property together total approximately 8,090 acres in area. The area spans nearly six miles north to south and nearly four miles east to west. With the US-60 Superstition Freeway on its north end and the SR-24 on its south end, the overall site is well placed for future development.

The Auction Property, with its location being centralized within the larger land area, is situated in a prime location for residential development. This will allow the more intense land uses to be located closer to the regional transportation facilities.

Within the larger land area, future development of the Retained Property will attract new industries to the region by providing entitled land in prime locations with access to regional transportation corridors and a wide array of residential, commercial, office and mixed uses.

GOAL 5.4: ENHANCE THE IMAGE AND ELEVATE AWARENESS OF APACHE JUNCTION AND ALL IT HAS TO OFFER

Policy: Utilizing the identified targeted industries, create a more robust marketing campaign that would seek to pique the interest of development that would help bring more diversity and living-wage jobs to the market by showing the strengths and niche potential unique to Apache Junction. As new sites targeting employment come online, actively promote and recruit through industry specific forums.

Policy: Collaborate efforts focused on visitor services and tourism marketing with local organizations and/or regional visitor bureaus to promote quality of life and business opportunity assets unique to Apache Junction.

Policy: Consider ways to engage and support area tourist attractions that will elevate awareness and increase visitor traffic in the city.

Policy: Identify local assets that are attractive to visitor psychographic profiles with strong spend potential that are currently not well represented in the market. Add unique tourism demand generators as appropriate that will be attractive to that more diverse visitor profile.

The Auction Property and the Retained Property together total approximately 8,090 acres in area. The area spans nearly six miles north to south and nearly four miles east to west. With the US-60 Superstition Freeway on its north end and the SR-24 on its south end, the overall site is well placed for future development.

The Auction Property, with its location being centralized within the larger land area, is situated in a prime location for residential development, adding population to utilize the existing services within the City of Apache Junction. This allows the more intense land uses to be located closer to the regional transportation facilities.

Within the larger land area, future development of the Retained Property will attract new industries to the region by providing entitled land in prime locations with access to regional transportation corridors and a wide array of residential, commercial, office and mixed uses. Additionally, the new parks, trails, open spaces, and other planned uses within the Auction Property and the Retained Property will provide amenities that are attractive to visitors to the City.

<p>GOAL 5.5: MAKE ROOM FOR ALL BY MAINTAINING THE VERY UNIQUE CHARACTERISTICS AND RICH HISTORY OF APACHE JUNCTION’S EXISTING DEVELOPMENT PATTERNS AND LIFESTYLE PREFERENCES, WHILE RECOGNIZING NEW GROWTH IN LARGE SWATHS OF STATE LAND WILL COME WITH VASTLY DIFFERENT PREFERENCES FOR DEVELOPMENT</p> <p>Policy: <i>The likelihood of “one community, feeling like two different places” should be embraced not be avoided. Marketing efforts need to help overcome perceptions that Apache Junction is a small town and simply wants more of what currently exists.</i></p> <p>Policy: <i>Actively gather insight and data from the development community not active in Apache Junction and assess if there are gaps preventing them from investing in the community, or if there is an opportunity to share additional information to help with a site selection decision.</i></p>	<p>The Auction Property provides for a variety of uses and character areas. The Development Unit Plan in Section 3.6 accommodates the flexibility needed for future development and establishes a creative approach to community and neighborhood planning.</p>
<p>PUBLIC SAFETY, SERVICES, AND FACILITIES</p>	
<p>General Plan Goal</p>	<p>Response</p>
<p>GOAL 6.1: CONTINUE TO PROVIDE EXCELLENT POLICE AND FIRE SERVICES</p> <p>Policy: <i>Raise professional standards and seek state accreditation through the ACOP.</i></p> <p>Policy: <i>Develop and expand police resources at a rate to keep pace with growth in terms of facilities, personnel, equipment, technologies, and other resources.</i></p> <p>Policy: <i>Improve/lower 911 emergency call response times for police, fire, and other emergency services personnel.</i></p>	<p>The Auction Property will support City police service through development fees, the opportunity for the City to locate a police presence near the library site, and the City’s collected construction, property, and sales tax revenues from development on the Auction Property. A site for a fire station will be located within the Auction Property and provided to the fire district. Fire district facilities will be funded by the fire district’s property tax. These contributions support the growth of police and fire services as well as the quality of life of the residents of the City.</p>

GOAL 6.2: CONTINUE TO PROVIDE ADEQUATE PUBLIC FACILITIES

Policy: Provide adequate public facilities and services concurrent with new development while maintaining or improving existing service levels for existing development.

Policy: Continue to require new development to provide its fair share of required services and infrastructure in a timely manner (see Chapter 10 - Cost of Development Element).

Policy: Develop minimum acceptable standards for the provision of community services and infrastructure.

Policy: Develop and/or maintain community facilities that encourage and promote opportunities for the interaction and communication between citizens of all ages, cultures, and incomes.

The Development Agreement requires donation of a library site, significant arterial road improvements, and agreed upon public park improvements. Development on the Property will pay development fees as provided in the Development Agreement, including development fees for police and library facilities. Additionally, development on the Property will be responsible for regional water and sewer infrastructure. In sum, development on the Property will finance public facilities that, at a minimum, meet service levels for the City's existing residents.

GOAL 6.3: CONTINUE TO PROVIDE FOR STORMWATER MANAGEMENT

Policy: Update the 2002 City of Apache Junction Stormwater Master Plan.

Policy: Work with the Flood Control District of Maricopa County, Pinal County and Federal Emergency Management Agency ("FEMA") on stormwater management.

Policy: Promote the joint use of detention basins for flood control, groundwater recharge and recreational activities.

The use of retention basins for flood control, groundwater recharge through various methods including the use of drywells to percolate storm water into the aquifer, and recreational activities will be implemented as part of the Auction Property development.

GOAL 6.4: COMPREHENSIVE COMMUNITY PLANNING

Policy: Encourage new development to provide up-to-date technology, such as fiber optics and wireless internet connections, throughout the development.

Policy: Require the inclusion of Salt River Project, water, sewer and other public/private utility facilities and line routes on development plan submittals.

Policy: Evaluate the implications of allowing areas affected by existing or proposed overhead electrical facilities to organize improvement districts for facility undergrounding.

Policy: Provide adequate space to accommodate community utilities, services, and facilities as development occurs.

The Auction Property will provide for substantial infrastructure improvements as the Property develops. Opportunities will be considered to provide backbone infrastructure for future technologies. Utility corridors will be maintained and/or established for water, sewer, power, or other public/private utilities. New electrical services will be primarily served through undergrounded electrical lines.

GOAL 6.5: SUPPORT CULTURAL FACILITIES

Policy: Ensure that the library system and multigenerational center continues its role as a major cultural resource for the community.

Policy: Continue to provide funding for the library and parks through development fees.

Policy: Develop and support art programs, including public art and other cultural activities.

Policy: Support public and private partnerships to promote arts and culture.

The Auction Property will support the City's parks and library facilities through either direct contributions for libraries or by development fees, one or more CFD's, construction taxes and sales taxes. These facilities are valuable assets to the greater community providing for essential social and knowledge-based activities.

GOAL 6.6: SUPPORT EDUCATIONAL FACILITIES

Policy: Promote and support the expansion and enhancement of CAC's Superstition Mountain Campus.

Policy: Actively coordinate with AJUSD, CAC, charter schools and private entities on the planning and construction of new and rehabilitated schools in concert with redevelopment, revitalization, and development activities.

Policy: Request that developers of large residential projects meet with the respective school district and that the district provide the city with projected enrollment and timing impacts such that this information can be included in planning commission and city council staff reports.

Policy: Encourage developers to provide for multiple housing choices for all citizens and discourage the creation of more age-restricted development.

Policy: Promote sound site planning principles in locating safe, secure school sites.

Policy: Encourage the connection of schools to surrounding residences through sidewalks, bicycle paths and trail systems.

Policy: Create joint development opportunities to co-locate schools and parks, as well as selected sites for swimming pools and satellite library facilities.

Policy: Negotiate intergovernmental agreements for joint use of facilities where and when appropriate.

The Auction Property allows for a broad range of housing opportunities, in location, style and size. The Applicant has coordinated with the Apache Junction Unified School District to evaluate the impacts of development on current school capacities. Where additional school sites are warranted because of student generation, well thought out criteria established within the MPC will be utilized to locate schools at the most appropriate locations.

CIRCULATION	
General Plan Goal	Response
<p>GOAL 7.1: IDENTIFY AND PRIORITIZE TRANSPORTATION PROJECTS</p> <p>Policy: Finalize the 10-year transportation capital improvement projects (“CIP”) plan.</p> <p>Policy: Adhere to the adopted Active Transportation Plan:</p> <ul style="list-style-type: none"> a. Plan, design, and construct in accordance with recommended lanes and street classification. b. Planning, design and construction shall include recommended active transportation amenities. c. Acquire necessary right-of-way to accommodate active transportation amenities. <p>Policy: Coordinate with adjacent municipalities and counties to address regional transportation issues and planning programs.</p> <p>Policy: Preserve, protect, and acquire transportation corridors from federal patented easements (“FPEs”), washes, powerlines, and CAP canals.</p>	<p>The Auction Property will provide for substantial street infrastructure improvements as the Property develops. Each Development Unit will reserve the opportunity to propose and finance infrastructure improvements through one or more CFDs. Transportation improvements shall follow those described within the approved Infrastructure Master Plans.</p>
<p>GOAL 7.3: PROMOTE REGIONAL TRANSPORTATION PLANNING</p> <p>Policy: Coordinate with adjacent municipalities and counties to address regional transportation issues.</p> <p>Policy: Promote and be an involved partner in all regional transportation planning programs.</p>	<p>The Auction Property will coordinate all future development recommendations within the context of local and regional transportation planning with adjacent municipalities and counties. The Auction Property will propose and finance infrastructure improvements through one or more CFDs.</p>
<p>GOAL 7.4: PROMOTE INTELLIGENT TRANSPORTATION SYSTEMS AND TECHNOLOGY ADVANCEMENTS</p> <p>Policy: Promote solar powered electronic vehicle charging stations in existing and new development.</p> <p>Policy: Stay up to date on changing technologies and how those technologies can impact existing transportation systems and laws.</p>	<p>The Auction Property provides for opportunities to employ new technologies and related practices such as including home options for electric vehicle charging.</p>

AJ1H ₂ O RESOURCES ELEMENT	
General Plan Goal	Response
<p>GOAL 8.1: ADVANCE WATER QUALITY AND QUANTITY</p> <p>Policy: Develop and maintain physically and legally available water supplies of sufficient capacity and quality to satisfy demands of current and future water users.</p> <p>Policy: Investigate creative partnerships for the supply and delivery of water to existing and new development in Apache Junction.</p> <p>Policy: Participate in processes to develop alternative regulations to facilitate the acquisition, development and use of necessary water supplies.</p> <p>Policy: Encourage the use of scientific/technical studies to reduce negative impacts of the development of new water sources on existing water facilities.</p> <p>Policy: Maintain a reliable water supply in order to enhance the security and economic sustainability of Apache Junction.</p> <p>Policy: Develop a regional approach to water resource utilization that promotes future growth and sustainability.</p> <p>Policy: Evaluate the costs and benefits of merging AzWC and AJWD into one municipal water service provider.</p> <p>Policy: Evaluate the costs and benefits of merging SMCFD (sewer district) and AJWD into a water and wastewater city utility department.</p>	<p>The Auction Property, through development of Infrastructure Master Plans, will evaluate connections to the water and wastewater services within the City. Required capacities for the proposed development have been established and each preliminary subdivision plat or site plan will demonstrate conformance to the Infrastructure Master Plans.</p>

<p>GOAL 8.2: STRENGTHEN WATER CONSERVATION</p> <p>Policy: Develop and/or participate in existing public education efforts regarding the incorporation of water harvesting, xeriscape and other water conservation measures into new developments, redevelopment areas and city projects.</p> <p>Policy: Promote development that conserves water through the type of LID provisions of recharge and use of renewable water supplies.</p> <p>Policy: Conserve the use of both groundwater and renewable water supplies.</p> <p>Policy: Require compliance with ADWR programs, rules and regulations for new developments and city projects.</p> <p>Policy: Require compliance with water conservation guidelines set by the ADWR, for all users, including those outside of the AMAs.</p> <p>Policy: Update the 2002 Stormwater Masterplan. Consider stormwater as a renewable water supply.</p> <p>Policy: Adopt LID Standards and incorporate them into the land development code for water quality and managing stormwater as a source of water for landscape irrigation.</p> <p>Policy: Evaluate the cost/benefit analysis of a stormwater utility to carry out the Stormwater Pollution Prevention Plan ("SWPPP") and the 2002 Stormwater Masterplan.</p>	<p>The Auction Property, through the Infrastructure Master Plans, evaluates the use and management of "non-potable water" within the Non-Potable Water Infrastructure Master Plan. Best practices for the use of non-potable water for irrigation of landscape materials, groundwater recharge, construction water or other planned uses may be incorporated where non-potable water is available. Proposed development will follow ADWR requirements for low water-use plant materials. The Auction Property shall incorporate low impact development practices for stormwater management as described in Section 3.7.10.2 Alternative Storm Water Management.</p>
GROWTH AREA	
General Plan Goal	Response
<p>GOAL 9.1: INCREASE THE CITY'S FINANCIAL SUSTAINABILITY</p> <p>Policy: Develop into a shopping and entertainment destination for the region.</p> <p>Policy: Capture greater shares of the year-round and seasonal resident expenditures.</p>	<p>The Auction Property and the Retained Property together total approximately 8,090 acres in area. The area spans nearly six miles north to south and nearly four miles east to west. With the US-60 Superstition Freeway on its north end and the SR-24 on its south end, the overall site is well placed for future development.</p> <p>The Auction Property, with its location being centralized within the larger land area, is situated</p>

	<p>in a prime location for residential development, adding population to utilize the existing services within the City. This allows the more intense land uses to be located closer to the regional transportation facilities.</p> <p>Within the larger land area, future development of the Retained Property has frontage along the State Route 24 alignment on the southern portion of the Site. This area is planned for the more intense, regional, non-residential uses as well as residential uses, which support the goals of the City.</p>
<p>GOAL 9.4: SUPPORT SUSTAINABLE GROWTH</p> <p>Policy: Encourage the use of “green building practices” for developers/builders.</p> <p>Policy: Require the use of low impact development practices for all new development.</p> <p>Policy: Conserve for future generations permanent open space to connect the natural resources that are the essence of what defines the city.</p>	<p>The Auction Property provides for opportunities to employ sustainable building practices, and where appropriate, shall incorporate low impact development practices for stormwater management as described in Section 3.7.10.2 Alternative Storm Water Management.</p>
COST OF DEVELOPMENT, CAPITAL IMPROVEMENTS	
General Plan Goal	Response
<p>GOAL 10.1: CONSIDER ALTERNATE FINANCIAL MECHANISMS</p> <p>Policy: Explore the possibility of implementing a minor property tax to diversify funding and accelerate city-initiated improvements such as public safety, parks, streets, and the expansion of other municipal services.</p>	<p>The Auction Property will provide funding through various methods including the formation of one or more CFDs, development fees, construction taxes and sales taxes to support the growth of police service, parks, and infrastructure to support the quality of life for the residents of Apache Junction.</p>
<p>GOAL 10.2: MAINTAIN OR ENHANCE PUBLIC SERVICE LEVELS</p> <p>Policy: Public services/facilities should be available concurrently with development demand.</p>	<p>The Auction Property will provide funding through various methods including the formation of one or more CFDs, development fees, construction taxes and sales taxes to support the growth of police service, parks, and infrastructure to support the quality of life for the residents of Apache Junction.</p>

<p>GOAL 10.5: ENSURE THAT NEW DEVELOPMENT PAYS ITS FAIR AND PROPORTIONAL SHARE OF THE COST OF ADDITIONAL PUBLIC FACILITY AND SERVICE NEEDS THAT IT GENERATES</p> <p><i>Policy: Continue to recover, through development fees, the costs of police, roads, parks, and libraries associated with new development.</i></p> <p><i>Policy: When practical and feasible, encourage the formation of CFDs, or improvement districts, to upgrade or construct city streets and sidewalks in developed or developing areas.</i></p> <p><i>Policy: Conduct a periodic review with peer governments of the city's tax and fee structure to ensure economic development competitiveness including a construction sales tax.</i></p>	<p>The Auction Property will provide funding through various methods including the formation of one or more CFDs, development fees, construction taxes and sales taxes to support the growth of police service, parks, and infrastructure to support the quality of life for the residents of Apache Junction.</p>
<p>GOAL 10.6: RELATE INFRASTRUCTURE INVESTMENT AND LAND USE DECISIONS TO MUNICIPAL ECONOMIC SUSTAINABILITY</p> <p><i>Policy: Recognize long term municipal revenue implications of land use decisions. Support desired levels of public services and fiscal stability by promoting revenue generating land uses.</i></p> <p><i>Policy: Conduct fiscal impact analysis for major developments or annexation proposals.</i></p>	<p>The Auction Property and the Retained Property together total approximately 8,090 acres in area. The area spans nearly six miles north to south and nearly four miles east to west. With the US-60 Superstition Freeway on its north end and the Arizona State Route 24 alignment on its south end, the overall site is well placed for future development.</p> <p>The Auction Property, with its location being centralized within the larger land area, is situated in a prime location for residential development, adding population to utilize the existing services within the City. This allows the more intense land uses to be located closer to the regional transportation facilities.</p> <p>Within the larger land area, future development of the Retained Property has frontage along the planned future extension of Arizona State Route 24 alignment on the southern portion of the site. This area is planned for the more intense, regional, non-residential uses as well as residential uses, which support the goals of the City as it relates to economic development and regional growth of employment and general population.</p> <p>In addition, a fiscal impact analysis is provided as part of the application for MPC zoning.</p>

LAND USE	
General Plan Goal	Response
<p>GOAL 11.1: BE CONSIDERATE OF THE RURAL CHARACTER OF THE CITY</p> <p><i>Policy: Preserve mountain views through the limitation of multi-story buildings outside the downtown core and master planned area.</i></p> <p><i>Policy: Require active open space in all new residential developments.</i></p>	<p>The Auction Property is primarily composed of residential uses. Therefore, the proposed scale of the development is residential in nature and supports the goals of maintaining mountain views.</p> <p>The Auction Property has established requirements for parks and open space within residential development. Section 3.7.6 Open Space and Parks Guidelines.</p>
<p>GOAL 11.2: PROVIDE A BALANCE OF USES THROUGHOUT THE COMMUNITY</p> <p><i>Policy: Allow for the future development of regional shopping centers.</i></p> <p><i>Policy: Provide incentives for desired uses.</i></p> <p><i>Policy: Attract employment uses to the U.S. 60 corridor.</i></p> <p><i>Policy: Discourage any additional manufactured home/recreational vehicle parks and mini storage within the city.</i></p>	<p>The Auction Property and the Retained Property together total approximately 8,090 acres in area. The area spans nearly six miles north to south and nearly four miles east to west. With the US-60 Superstition Freeway on its north end and the Arizona State Route 24 alignment on its south end, the overall site is well placed for future development.</p> <p>The Auction Property, with its location being centralized within the larger land area, is situated in a prime location for residential development, adding population to utilize the existing services within the City of Apache Junction. This allows the more intense land uses to be located closer to the regional transportation facilities.</p> <p>Within the larger land area, future development of the Retained Property has frontage along the State Route 24 alignment on the southern portion of the site. This area is planned for the more intense, regional, non-residential uses as well as residential uses, which support the goals of the City as it relates to economic development and regional growth of employment and general population.</p>
<p>GOAL 11.4: ENCOURAGE AND PROMOTE SUSTAINABLE LAND USE DEVELOPMENT</p> <p><i>Policy: Encourage use of green building standards.</i></p> <p><i>Policy: Zoning regulations should include sustainable development standards.</i></p> <p><i>Policy: Utilize city resources to promote sustainable awareness.</i></p>	<p>The MPC for the Property provides for opportunities to employ sustainable building practices and land use specific development standards. Section 3.7.10 Stormwater Drainage and Retention Standards.</p>

<p>GOAL 11.5: PROVIDE EQUAL PROTECTION OF EXISTING AGGREGATE AND RESIDENTIAL DEVELOPMENT</p> <p><i>Policy: Discourage new residential zoning adjacent to where existing or future aggregate operations are planned.</i></p> <p><i>Policy: Discourage aggregate operations near or adjacent to residential development, schools, or planned/existing city parks.</i></p> <p><i>Policy: Promote aggregate operations to be located adjacent to industrial uses.</i></p>	<p>The MPC proposes land uses and associated development standards and design guidelines for the Property. Land uses will be appropriately distributed throughout the Property based on the criteria provided within the MPC.</p>
<p>INTERGOVERNMENTAL COOPERATION</p>	
<p>General Plan Goal</p>	<p>Response</p>
<p>GOAL 12.1: PROTECT THE IRREPLACEABLE LEGENDARY LANDSCAPES AND LIFESTYLE OF THE CITY AND REGION</p> <p><i>Policy: The city, federal, state, county and adjacent cities have an imperative and obligation to protect the Superstition region for future generations and shall ensure that the regions natural landscapes are not lost to irresponsible growth.</i></p> <p><i>Policy: The city will lead by example by requiring development to leave the lightest footprint possible on the landscape.</i></p> <p><i>Policy: The city will convene regional partners to define the metrics and agree to a regional compact for the protection of the resources that define the region and the quality of life for area residents.</i></p>	<p>The Auction Property’s request for MPC zoning recognizes the importance of providing a foundation for quality and responsible development that addresses quality of life through prosperity, health, and environment. These elements contribute to the well-being of future residents and ultimately the viability of the project and region. The Development Unit Plan in Section 3.7.10: Stormwater Drainage and Retention Standards provides for opportunities to employ sustainable building practices.</p>

**GOAL 12.2: FOSTER THE 3 C's OF
INTERGOVERNMENTAL COOPERATION
(COLLABORATION, COMMUNICATION AND
COLLEGIALITY)**

Policy: *The city will work proactively to avoid conflict on matters pertaining to regional issues and build interpersonal relationships that promote communication and cooperation.*

Policy: *Put residents first by sharing public resources, services and facilities that serve residents across jurisdictional boundaries.*

Policy: *Grow the City of Apache Junction in a way that benefits the region while conserving the quality of life of existing residents, visitors, and businesses.*

Policy: *Encourage planning in Pinal County that promotes the eventual elimination of county islands, logical extensions of public utilities and roadways, services delivery and directs growth to existing municipalities.*

Policy: *The city will not permit connection to water and sewer utilities without annexation to the city.*

The Auction Property is an asset to the City. As a part of an overall larger land area, the range of proposed land uses will create a very diverse and vibrant region within the City.

Once the Auction Property has been annexed into the City it will, pursuant to the MPC Plan, provide a location for new residential and non-residential development.

The Retained Property will provide for additional opportunities for economic development and regional growth of employment.

APPENDIX K
PETITION

**PETITION FOR FORMATION
AND
PETITION FOR ADOPTION OF RESOLUTIONS
ORDERING AND DECLARING
FORMATION OF
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2**

STATE OF ARIZONA)
COUNTY OF PINAL) ss.
CITY OF APACHE JUNCTION)

The undersigned owners of all of the land (collectively, the “*Petitioner*”), hereinafter described by metes and bounds, acting pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “*Act*”), respectfully petitions the Honorable Mayor and City Council of the City of Apache Junction, Arizona (the “*City*”), to adopt such resolutions (the “*Resolutions*”) as may be necessary to declare its intent to form and order the formation of a tax levying community facilities district (the “*District*”) and would respectfully request the following:

A. The name of the District is to be “***Superstition Vistas Community Facilities District No. 2***”,

B. The District is to be formed, and shall exist, pursuant to the terms and provisions of the Act, as such terms and provisions are modified, waived or restricted pursuant to agreements to be entered into by and among the Petitioner, the City and the District,

C. The District is to contain an area of approximately 1,408 acres of land, more or less, wholly within the corporate boundaries of the City and is to be composed of the land described by metes and bounds in Exhibit A hereto, which is made a part hereof for all purposes,

D. The District is to be a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, Arizona Revised Statutes, as amended; is, except as otherwise provided in the Act, to be considered a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City; and is to be formed for, and to have, all the purposes and powers of a “District” as such term is defined, and as provided, in the Act,

E. The formation of the District may result in the levy of taxes to pay costs of improvements constructed by the District and for their operation and maintenance,

F. The District is to be governed by a board of directors that consists of the members of the governing body of the City, ex officio,

G. Before the Resolutions are adopted, the City Clerk is to accept and place on file a “general plan” (as such term is defined in the Act and is referred to herein as the “General Plan”) for the District setting out a general description of the public infrastructure for which the District is proposed to be formed, the general areas to be improved and the estimated costs of construction or acquisition of the public infrastructure to be financed, constructed or acquired by the District, and

H. The City is to determine that public convenience and necessity require the adoption of the Resolutions.

NOW THEREFORE, the Petitioner represents, attests and declares that:

1. On the date hereof, as shown on the assessment roll for state and county taxes in Pinal County, Arizona, all of the land to be in the District, as described in Exhibit A hereto and depicted on the map attached hereto as Exhibit B, which is made a part hereof, is owned by Petitioner or, if a person listed on such assessment roll is no longer the owner of the land in the District, that the name of the successor owner has become known and has been verified by recorded deed or other similar evidence of transfer of ownership to be Petitioner and that there are no residents on the land to be in the District and there are no residents; and

2. The land to be included in the District: (i) consists of approximately 1,408 acres; and (ii) is wholly within the corporate limits of the City or is expected to be wholly within the corporate limits of the City following annexation; and

3. The District shall be formed and exist pursuant to the terms and provisions of the Act, as such terms and provisions are modified, waived or restricted pursuant to agreements to be entered into by and among the Petitioner, the City and the District; and

4. This Petition is signed (either as a single document or in counterparts) by the Petitioner, any requirements of posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the formation of the District and the adoption of the Resolutions are waived, and the City may, and is hereby requested to, on receipt of this Petition, declare the District formed without being required to comply with such provisions for posting, publication, mailing, notice, hearing or landowner election; and

5. Public convenience and necessity require the adoption of the Resolutions, and that the City shall in no way be liable for the payment of any of the costs of the public infrastructure described in the General Plan, nor liable for any liability, debt or obligation of the District.

6. In accordance with Section 2.7 of the Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190, the undersigned, on behalf of the Arizona State

Land Department, hereby consents to the formation of the District as an additional community facilities district.

FURTHER, D.R. Horton, Inc., acting for itself and not on behalf of the Arizona State Land Department, represents, attests and declares that:

1. Attached hereto as Exhibit C and made a part hereof, is a certificate of the Assessor of Pinal County stating who are the owners of the land in the proposed District and listing the tax parcel numbers for the parcels of real property affected by or included within the boundaries of the District; and

2. Attached hereto as Exhibit D and made a part hereof, is a certificate of the Recorder of Pinal County stating the qualified electors who reside on the land in the proposed District, if any; and

3. Based on its own knowledge and the information contained in Exhibits C and D hereto, the Petitioner is the sole owner of the real property described in Exhibit A; no other person having any interest in such real property has filed a written request for copies of any notices under the Act; and there are no qualified electors residing on such real property and there shall be no residents within fifty (50) calendar days preceding the first anticipated election for the District; and

4. The land to be included in the District shall be benefited from the improvements for which the District is proposed to be formed; and

5. The General Plan for the proposed District has been filed with the City Clerk setting out a general description of the public infrastructure for which the District is proposed to be formed, the general areas to be improved and the estimated costs of construction or acquisition of the public infrastructure to be financed, constructed or acquired by the District.

FURTHER, Petitioner requests that this Petition be properly filed as provided by law; that the City adopt the Resolutions required to declare and order the District formed without being required to comply with the provisions for posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the Resolutions; and that such other orders, acts, procedures and relief as are proper, necessary and appropriate to the purposes of organizing the District and to the execution of the purposes for which the District shall be organized be granted as the Honorable Mayor and City Council shall deem proper and necessary.

[Signature Pages to Follow.]

Submitted and effective as of the 9th day of September, 2021.

D.R. HORTON, INC.,
a Delaware corporation

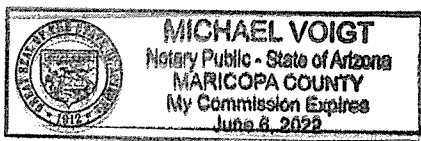
By: Patrick B
Name: Patrick Brown
Its: Vice President

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 15th day of September, 2021, by Patrick Brown, the Vice President of D.R. Horton, Inc., a Delaware corporation.

(Seal and Expiration Date)

Michael Voigt
Notary Public in and for the State of Arizona



Submitted and effective as of the 9th day of September, 2021.

STATE OF ARIZONA,
acting by and through the Arizona State Land
Department

By: *Lisa A. Atkins*
Name: *Lisa A. Atkins*
Its: *Commissioner*

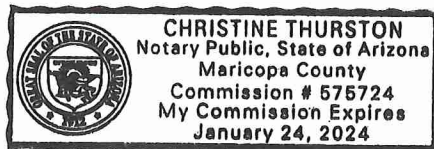
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this *21st* day of *September*, 2021, by *Lisa A. Atkins*, the *Commissioner* of the State of Arizona, acting by and through the Arizona State Land Department.

(Seal and Expiration Date)

1-24-24

Christine Thurston
Notary Public in and for the State of Arizona



ATTACHMENTS:

- Exhibit A: Legal description of property to be included in the District
- Exhibit B: Map of property to be included in the District
- Exhibit C: County Assessor's certificate of owners of property in the District
- Exhibit D: County Recorder's certificate of qualified electors in the District

Exhibit A

Legal description of property to be included in the District

LEGAL DESCRIPTION OF
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2

Wood, Patel & Associates, Inc.
480.834.3300
www.woodpatel.com

January 8, 2021
WP# 205166.01
Page 1 of 4
See Exhibit "A"

PARCEL DESCRIPTION
Superstition Vistas
Brookfield Parcel

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;

THENCE along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;

THENCE North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;

THENCE leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;

THENCE South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;

THENCE leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;

THENCE South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;

THENCE leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;

THENCE South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;

THENCE leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;

THENCE North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;

THENCE leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;

THENCE leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;

THENCE South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;

THENCE westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle of 30°39'58", a distance of 1605.68 feet, to the curves end;

**Legal Description
Superstition Vistas
Brookfield Parcel**

January 8, 2021
WP# 205166.01
Page 2 of 4
See Exhibit "A"

THENCE North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);

THENCE along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

THENCE leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

THENCE North 00°13'51" West, a distance of 2639.88 feet, to the **POINT OF BEGINNING**.

Containing 61,348,819 square feet or 1,408.3751 acres, more or less.

Subject to existing right-of-ways and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of December, 2020. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2020\205166.01 Superstition Vistas Brookfield Parcel L02 01-08-21.docx



MERIDIAN ROAD

ELLIOT ROAD

NORTHWEST CORNER
SECTION 17, T1S, R8E
3" PINAL COUNTY BCH
POB

N89°45'04"E 2642.33'
(BASIS OF BEARING)

L1

SEC 18
T1S, R8E

L16

L15

NORTH 1/4 CORNER
SECTION 17, T1S, R8E
2 1/2" GLO BC IN
CONCRETE

SEC 17
T1S, R8E

WARNER ROAD

266' MARICOPA COUNTY FLOOD CONTROL DISTRICT
DOC-2011-062136, PCR

IRONWOOD ROAD

SEC 19
T1S, R8E

SEC 20
T1S, R8E

RAY ROAD

L7

L6

WOOD
PATEL

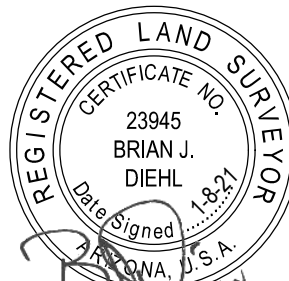
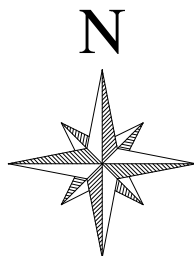


EXHIBIT "A"
SUPERSTITION VISTAS
BROOKFIELD PARCEL
01/08/2021
WP #205166.01
PAGE 3 OF 4
NOT TO SCALE

EXPIRES 09-30-23

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LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'



EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 4 OF 4
 NOT TO SCALE

EXPIRES 09-30-23

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Exhibit B

Map of property to be included in the District

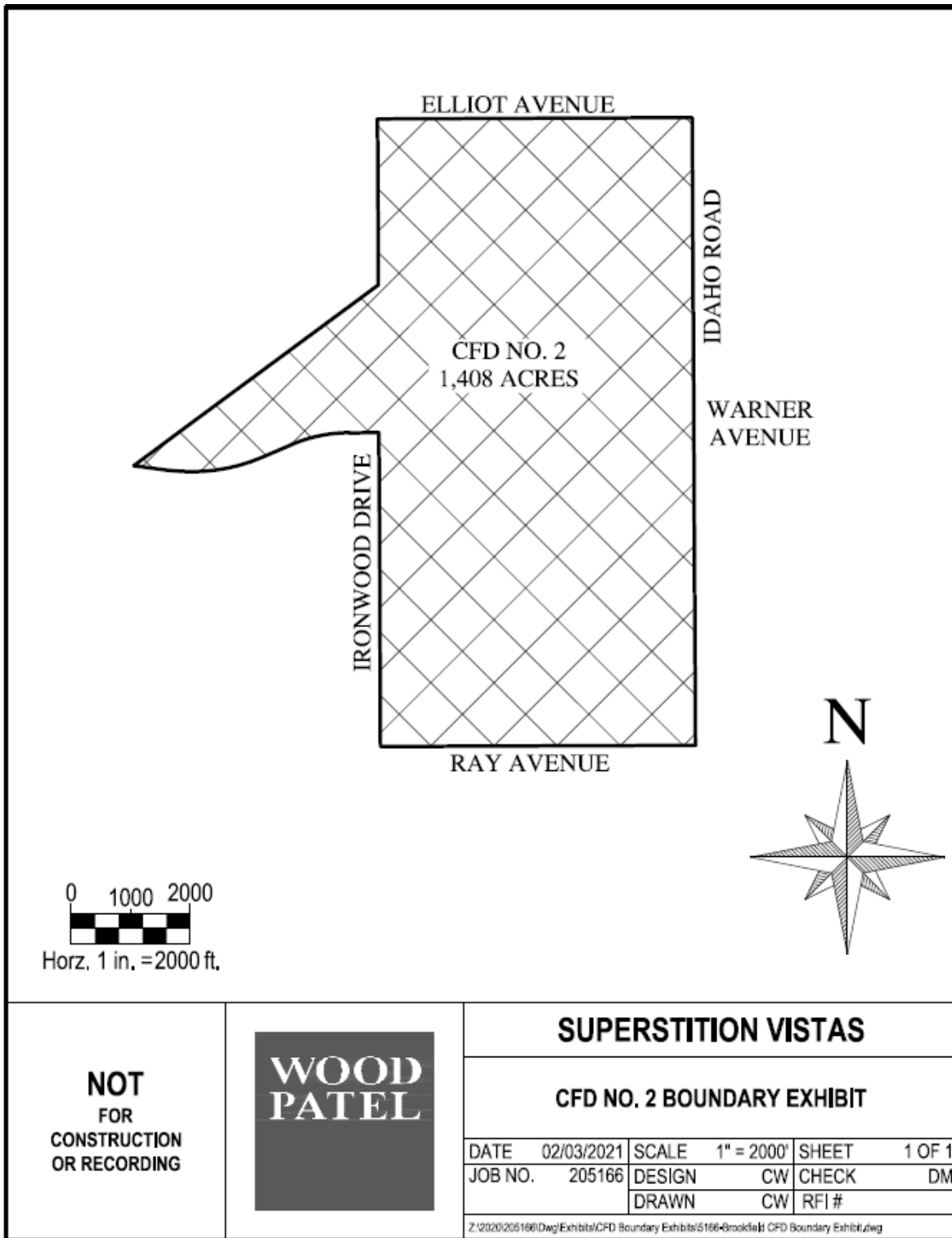


Exhibit C

County Assessor's certificate of owners of property in the District

**ASSESSOR'S CERTIFICATE**

I, the undersigned Pinal County Chief Deputy Assessor, hereby certify that the Arizona State Land Department is the owner of the real property and D.R. Horton as an underlying owner per Certificate of Purchase No. 53-120190, recorded in fee number 2020-137555, all within the proposed Superstition Vistas Community Facilities District No. 2 as shown on the most recent assessment roll for State of Arizona and Pinal County, Arizona taxes and is the owner of the corresponding tax parcel listed in Exhibit A hereto.

Dated: August 31, 2021.

PINAL COUNTY CHIEF DEPUTY ASSESSOR

John Ellinwood



EXHIBIT A

(Please See Attached)



Parcel No.	Owner Name	Section, Township, Range
104-07-705, 104-07-706	State of Arizona	17-01S-08E
104-07-703	State of Arizona	18-01S-08E
104-07-703	State of Arizona	19-01S-08E
104-07-706	State of Arizona	20-01S-08E
104-07-706	State of Arizona	29-01S-08E
104-07-703	State of Arizona	30-01S-08e

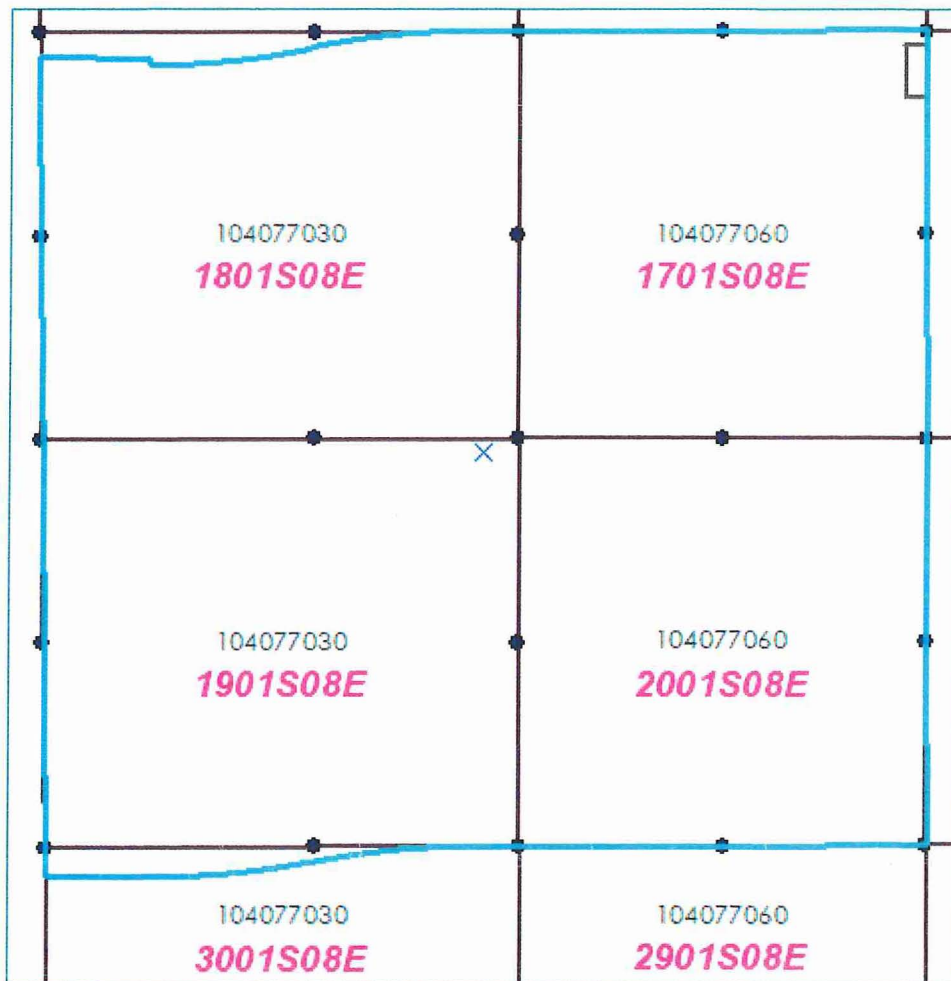


Exhibit D

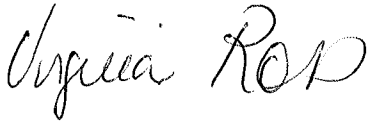
County Recorder's certificate of qualified electors in the District

**SUPERSTITION VISTAS COMMUNITY
FACILITIES DISTRICT NO. 2**

CERTIFICATE OF PINAL COUNTY RECORDER

I, **VIRGINIA ROSS**, County Recorder in and for Pinal County, State of Arizona, hereby certify that, as of September 2, 2021, according to the general register of the voters maintained by the Pinal County Recorder, there are zero (0) qualified electors residing in the area of the proposed Superstition Vistas Community Facilities District No. 2, a legal description and boundary map of which is attached hereto as Exhibit A.

Witness my hand and seal this 2nd day of September, 2021.



**VIRGINIA ROSS
PINAL COUNTY RECORDER**

Name: VIRGINIA ROSS
Title: Recorder

EXHIBIT A

LEGAL DESCRIPTION OF
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2

Wood, Patel & Associates, Inc.
480.834.3300
www.woodpatel.com

January 8, 2021
WP# 205166.01
Page 1 of 4
See Exhibit "A"

PARCEL DESCRIPTION
Superstition Vistas
Brookfield Parcel

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**Legal Description
Superstition Vistas
Brookfield Parcel**

January 8, 2021
WP# 205166.01
Page 2 of 4
See Exhibit "A"

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THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

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Y:\WP\Parcel Descriptions\2020\205166.01 Superstition Vistas Brookfield Parcel L02 01-08-21.docx



MERIDIAN ROAD

ELLIOT ROAD

NORTHWEST CORNER
SECTION 17, T1S, R8E
3" PINAL COUNTY BCH
POB

N89°45'04"E 2642.33'
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T1S, R8E

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PATEL

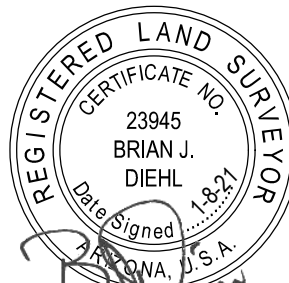
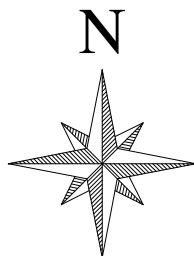


EXHIBIT "A"
SUPERSTITION VISTAS
BROOKFIELD PARCEL
01/08/2021
WP #205166.01
PAGE 3 OF 4
NOT TO SCALE

EXPIRES 09-30-23

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LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'

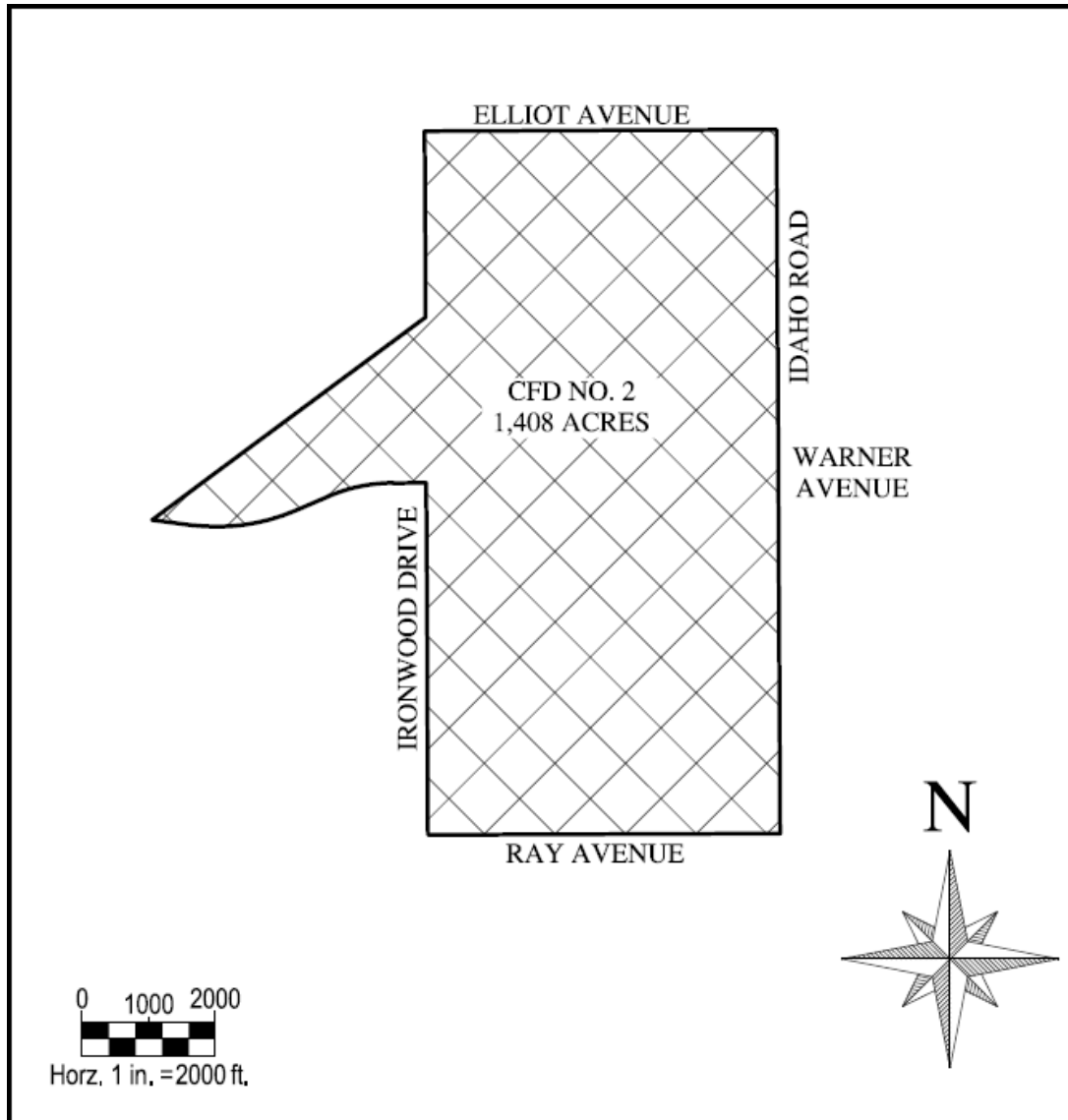


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 4 OF 4
 NOT TO SCALE

EXPIRES 09-30-23

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BOUNDARY MAP OF
SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2



APPENDIX L
CFD AGREEMENT

When recorded, return to:

Zachary D. Sakas, Esq.
Sherman & Howard L.L.C.
7033 East Greenway Parkway, Suite 250
Scottsdale, AZ 85254-2080

**DISTRICT DEVELOPMENT, FINANCING PARTICIPATION, WAIVER
AND INTERGOVERNMENTAL AGREEMENT**

by and among

CITY OF APACHE JUNCTION, ARIZONA,

SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2,

and

D.R. HORTON, INC.

Dated as of _____, 2021

**DISTRICT DEVELOPMENT, FINANCING PARTICIPATION, WAIVER AND
INTERGOVERNMENTAL AGREEMENT**

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THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION, WAIVER AND INTERGOVERNMENTAL AGREEMENT, dated as of _____, 2021 (this “*Agreement*”), by and among the City of Apache Junction, Arizona, an Arizona municipal corporation (the “*Municipality*”); Superstition Vistas Community Facilities District No. 2, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (the “*District*”); and D.R. Horton, Inc., a Delaware corporation duly organized and validly existing pursuant to the laws of the State of Delaware (the “*Developer*”), which has an interest in certain property within the boundaries of the District and is an investor, developer, guarantor and indemnitor. The Property (as defined herein) is land granted to the Arizona State Land Department (“*ASLD*”), and ASLD has consented to the recordation of this Agreement on the Property.

RECITALS

A. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the “*Act*”), and § 9-500.05, Arizona Revised Statutes, as amended (“*A.R.S.*”), the Municipality, the District and the Developer are entering into this Agreement as a “development agreement” to specify, among other things, conditions, terms, restrictions and requirements for “public infrastructure” (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

B. With regard to the real property described in Exhibit A hereto (the “*Property*”), which makes up the real property included within the District, the Municipality, the District and the Developer have determined to specify certain matters in this Agreement relating to the acquisition, construction, financing, operation and maintenance of public infrastructure, including 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 the Developer with respect thereto, all pursuant to the Act, such public infrastructure being necessary for the Developer to develop the Property prior to the time at which the District can itself pay for the construction or acquisition thereof.

C. On November 4, 2020, the Developer was the successful bidder at a public auction conducted by ASLD and is thereby entitled to purchase the Property from ASLD pursuant to the terms of Certificate of Purchase No. 53-120190 (the “*Certificate of Purchase*”) and subject to the terms of the Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190, executed on November 12, 2020 between ASLD and the Developer (the “*Participation Contract*”), with the express condition that the Developer entitle and develop the Property as a mixed-use master planned community.

D. Pursuant to the Participation Contract, the Property is a component of the Auction Property (as defined in the Participation Contract).

E. Pursuant to the Participation Contract, the Developer is required to acquire, construct and improve certain infrastructure benefitting the Property, and ASLD has certain consent and approval rights regarding the Developer’s development of the Property including the formation of the District.

F. This Agreement as a “development agreement” pursuant to A.R.S. § 9-500.05 is consistent with the “General Plan” of the Municipality, as defined in A.R.S. § 9-461, applicable to the Property on the date this Agreement is executed.

G. To perform and finance certain “public infrastructure purposes” (as such term is defined in the Act) the District Board (as defined herein) is expected to call an election to be held in and for the District, pursuant to the Act, to authorize the District Board to: (i) in its sole discretion, issue certain general obligation bonds of the District, in the amount of four hundred million dollars (\$400,000,000.00), provided however, the Developer shall not request the issuance of more than three hundred fifty million dollars (\$350,000,000.00), to provide monies for certain “public infrastructure purposes” described in the General Plan of the District approved by the Municipality and the District (the “*General Obligation Bonds*”) and to annually levy, assess and collect an ad valorem tax against all taxable property in the District, unlimited as to rate or amount therefor, to pay debt service on the General Obligation Bonds; and (ii) annually levy, assess and collect an ad valorem tax in an amount up to \$0.30 (or such higher amount approved at an election in accordance with the Act) per \$100.00 of net assessed limited property valuation against all taxable property in the District (the “*O/M Tax*”) to provide for amounts to pay the administrative, operation and maintenance expenses of the District.

H. The District Board, pursuant to the Act and the procedures prescribed by A.R.S. §§ 48-576 through 48-589, as nearly as practicable, or such other procedures as the District board provides, may in its sole discretion levy assessments of the costs of any public infrastructure purpose on any land in the District based on the benefit determined by the District Board to be received by such land (the “*Assessments*”).

I. If the District Board, in its sole discretion, adopts a resolution levying a special assessment on property in the District, pursuant to the Act, special assessment bonds of the District (the “*Assessment Bonds*”) may be issued and sold to provide monies for certain “public infrastructure purposes” described in the General Plan of the District.

J. This Agreement, together with the Land Development Agreement and the CFD Guidelines (each as defined herein) shall set forth some parameters and conditions pertaining to the use of the proceeds of any General Obligation Bonds, Assessment Bonds and amounts which will be collected with respect to the O/M Tax in the future.

K. Pursuant to the Act and the Land Development Agreement, the District is entering into this Agreement with the Developer with respect to, among other things, the expenditure of monies for public infrastructure purposes by the Developer and, if the District, in its sole discretion, sells General Obligation Bonds or Assessment Bonds, the reimbursement of all or part of such expenditures, and the security for, and disbursement and investment of proceeds of, the General Obligation Bonds and the Assessment Bonds.

L. The Municipality has adopted Policy Guidelines and Application Procedures for the Establishment of Community Facility Districts (the “*CFD Guidelines*”) in Resolution No. 21-05, as thereafter amended and adopted by the Municipality in Resolution No. 21-____, to establish certain requirements and procedures applicable to all community facility

districts within the Municipality, including the District except as otherwise provided in this Agreement.

M. Pursuant to the Act and A.R.S. Title 11, Chapter 7, Article 3, the District and the Municipality are entering into the specified sections of this Agreement as an “intergovernmental agreement” with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of “public infrastructure,” including particularly to provide for the acceptance by the Municipality and other governmental entities of certain public infrastructure constructed or acquired by the District.

N. The District has entered into the IGA (as defined herein) with WUCFD, SMCFD (each as defined herein) and Superstition Vistas Community Facilities District No. 1 pursuant to Resolution No. ____ of the District Board pertaining to, among other things, public infrastructure to be financed by the District.

O. Nothing contained in this Agreement is intended to limit the District Board in exercising its sole discretion at any time with respect to the approval or rejection of a feasibility report or the issuance of General Obligations Bonds or Assessment Bonds.

AGREEMENT

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:

ARTICLE I

DEFINED TERMS; MISCELLANEOUS MATTERS RELATING TO USE THEREOF; AND GENERAL DISTRICT MATTERS

Section 1.1. (a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section have the meanings assigned to them in this Section and include, as appropriate, the plural as well as the singular:

“*Acquisition Project*” means each Project constructed by the Developer pursuant to a Construction Contract and which the Developer intends to preserve the ability to finance with the proceeds of District Bonds, and excludes Infrastructure that is a Construction Project approved by the District Board as described in Section 2.1.

“*Act*” means A.R.S. Title 48, Chapter 4, Article 6, as amended.

“*Agreement*” means this District Development, Financing Participation, Waiver and Intergovernmental Agreement, dated as of ____, 2021, by and among the Municipality, the District and the Developer.

“*ASLD*” means the Arizona State Land Department.

“*Assessed Property*” means all or a portion of the real property within the District subject to, from time to time, an Assessment.

“*Assessment Bonds*” means any series of special assessment bonds of the District authorized to be sold and issued by the District as described in this Agreement and the Act, payable from amounts collected from Assessments.

“*Assessment Diagram*” means the assessment diagram to be prepared by the District Engineer and the superintendent of streets (as described in A.R.S. § 48-589 and incorporated by reference in the Act pursuant to A.R.S. § 48-721.A.) showing the parcels and lots subject to Assessments.

“*Assessment District*” means the Assessed Property described in the Assessment Diagram which is benefited by the Work upon which Assessments will be levied.

“*Assessments*” means, as to be originally levied and as thereafter reallocated as described herein, the “not to exceed” proportionate share of costs and expenses of the Work levied against each parcel or lot of the Assessed Property pursuant to A.R.S. Title 48, Chapter 4, Article 6.

“*Auction Property*” has the meaning ascribed in the Participation Contract.

“*Bonds*” means, as applicable, any Assessment Bonds or any General Obligation Bonds issued by the District.

“*Certificate of Purchase*” means Certificate of Purchase No. 53-120190, pursuant to which the Developer is entitled to purchase the Property from ASLD.

“*Certificate of the Engineers*” means a certificate of the Developer’s Engineer and the District Engineer in substantially the form of Exhibit C hereto.

“*Community Plan*” means the Master Planned Community Zoning Ordinance and Development Plan for the Auction Property adopted by the Municipality on October 5, 2021, as Ordinance No. _____, together with any amendment thereto approved by the Municipality in the manner required by Community Plan and City Code.

“*Construction Contract*” means a construction or acquisition contract for a Project procured and awarded pursuant to the Public Bid Requirements.

“*Construction Cost*” means an amount equal to the sum of the amounts paid by the Developer or the District for: (1) the cost of any Plans and Specifications which have been approved pursuant to Section 2.6 of this Agreement and comply with Section 5.3 (including the costs of the review of such design by the District Engineer); (2) construction of the Project pursuant to the Construction Contract for such Project (such amount to be equal to the contract amount plus any increases to such contract amount approved as described in Section 3.5 less any change orders decreasing the contract amount); (3) independent third party inspection and

supervision of performance under such Construction Contract; and (4) other miscellaneous or incidental costs for such Project attributable to construction of the Project approved by the District Engineer and as certified in the Certificate of the Engineers for that Project.

“*Construction Project*” means each Project which is a part of Infrastructure constructed by the District as described in Section 2.1.

“*Conveyance*” means a conveyance for a Segment in substantially the form of Exhibit D hereto.

“*days*” means Justinian calendar twenty-four hour periods.

“*Developer*” means D.R. Horton, Inc., a Delaware corporation.

“*Developer’s Engineer*” means any firm of professional engineers procured using Public Procurement Requirements and hired by the Developer after approval thereof by the District Manager to perform the services required therefrom for the purposes hereof.

“*Disclosure Statement*” means the disclosure statement substantially in the form of Exhibit E hereto or such other form agreed to by the Developer and the Municipality.

“*District*” means Superstition Vistas Community Facilities District No. 2, a community facilities district formed by the Municipality, and organized and existing, pursuant to the laws of the State.

“*District Board*” means the board of directors for the District.

“*District Budget*” means the annual budget of the District adopted by the District Board for each Fiscal Year.

“*District Consulting Costs*” means the costs and expenses incurred by the District as described in Section 1.3 of this Agreement.

“*District Engineer*” means such engineer as is appointed or designated, from time to time, on behalf of the District by the District Manager.

“*District Expenses*” means the expenses and costs of the operation and administration of the District including, without limitation, the expenses and costs billed to the District by the Municipality for services relating directly or indirectly to the District, including but not limited to: overhead incurred by the Municipality in providing services to the District and the operation and maintenance of the District’s website including searchable electronic records database pursuant to A.R.S. § 48-727; the expenses and costs of administering and operating the District, including the District Consulting Costs, District Insurance Expense and the costs, time and expenses of staff and overhead incurred by the District; the costs of issuance and administration of Bonds not paid with the proceeds of Bonds; and Initial Expenses not paid pursuant to Section 9.3 of this Agreement.

“District Indemnified Party” means the Municipality and each council member, director, trustee, member, officer, official, agent or employee thereof or of the District.

“District Insurance Expense” means the annual or semi-annual premium costs and expenses incurred in obtaining a policy or policies of insurance in the form and coverage amounts described in Section 8.3(a) or as otherwise determined by the District Manager exercising his or her sole and absolute discretion, providing for commercial general liability coverage for, from and against the Municipality and the District, its directors, officers, agents and employees against any losses, claims, damages or liabilities, directly or indirectly, arising from or related to activities or administration of the District, including but not limited to, any losses, claims, damages or liabilities related to the offer and sale of the Bonds. District Insurance Expense also includes, to the extent necessary as a result of application to claims under such insurance, amounts to pay the deductible described in Section 8.3(a).

“District Manager” means the City Manager, or designee, serving independently from the Municipality as the manager of the District.

“Engineers” means, collectively, the Developer’s Engineer (as applicable) and the District Engineer.

“Estimate” means the estimate of the Financeable Amount indicated in the Report.

“Financeable Amount” means, with regard to any Project, the total of amounts necessary to pay: (1) the total of all Construction Costs or Segment Prices due pursuant to Construction Contracts for any such Project; and (2) (i) all other amounts indicated in this Agreement (including the cost of Plans and Specifications); (ii) all relevant issuance costs related to any Bonds; (iii) capitalized interest for a period not in excess of that permitted by the Act and federal law; and (iv) if requested by the Developer and approved by the District Board, in its sole discretion, an amount necessary to fund a debt service reserve fund in an amount not in excess of that permitted by the Act and federal law as described elsewhere herein.

“Fiscal Year” means the twelve (12) month period beginning on July 1 of any year and ending on June 30 of the following year.

“Force Majeure” means any condition or event not within the control of a party obligated to perform hereunder, including, without limitation, “acts of God”; strikes, lock-outs, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any state thereof or any of their departments, agencies, or officials, or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; pandemics; quarantines; curfews; federal, State or local executive orders mandating public obedience to government emergency order mandates; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosion; and partial or entire failure of utilities. Failure to settle strikes, lock-outs and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either

case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its commercially reasonable efforts to remedy such a condition or event.

“*General Obligation Bonds*” means any series of general obligation bonds of the District authorized to be sold and issued by the District.

“*General Plan of the District*” means the General Plan submitted by the Developer in connection with the petition for formation of the District in accordance with the Act.

“*IGA*” means the Intergovernmental Agreement by and among the Apache Junction Water Utilities Community Facilities District, the Superstition Mountains Community Facilities District No. 1, the Superstition Vistas Community Facilities District No. 1 and the Superstition Vistas Community Facilities District No. 2 Pertaining to Community Facilities District Operations, Infrastructure and Financings, dated as of ____, 2021 and recorded ____, 2021, in the Official Records of the Pinal County Recorder as Instrument No. _____.

“*Indemnified Party*” means the Municipality and the District and each council member, legislator, director, trustee, partner, member, officer, official, independent contractor, agent or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act. Indemnified Party further includes SMCFD and WUCFD and each director, trustee, partner, member, officer, official, independent contractor, agent or employee thereof, but only in connection with any Infrastructure accepted by SMCFD or WUCFD, respectively.

“*Infrastructure*” means, collectively, the public infrastructure and public infrastructure purposes described in Exhibit B hereto and described in the General Plan of the District to be the subject of a Report.

“*Initial Expenses*” means, the expenses and costs incurred by the District and the Municipality in connection with the formation and initial operation of the District and budgeted District Expenses specifically allocated to the Initial Expenses.

“*Intergovernmental Agreement Act*” means Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended.

“*Land Development Agreement*” means the Development Agreement for Superstition Vistas dated October 5, 2021, between the Municipality and the Developer and recorded on ____, 2021, in the Official Records of Pinal County as Instrument No. ____, as the same may be amended from time to time as expressly provided in Section 2.1 of this Agreement.

“*Municipality*” means the City of Apache Junction, Arizona, an Arizona municipal corporation.

“*Necessary Public Property*” has the meaning ascribed in Section 2.5.

“*O/M Expenses*” means any and all expenses and costs of the operation and maintenance of any Project and accumulating a Replacement Reserve Amount with respect to the Projects including any overhead incurred by the Municipality, or other governmental entity, with respect thereto and specifically allocated to the O/M Expenses.

“*O/M Reserve*” has the meaning ascribed in Section 9.4.

“*O/M Tax*” means an ad valorem tax levied at the rate of not to exceed \$0.30 per \$100.00 of net assessed limited property valuation against all real and personal taxable property in the District; provided that such O/M Tax rate may be increased in accordance with the Act.

“*Participation Contract*” means the Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190, executed on November 12, 2020, between ASLD and the Developer.

“*Patented*” has the meaning ascribed in the Participation Contract.

“*Plans and Specifications*” means the plans and specifications for a Project which, if the District acquires, shall be prepared and reviewed in accordance with the same standards and requirements for plans and specifications for construction projects of the Municipality, or other governmental entity, similar to the Project or the Acquisition Project, as applicable.

“*Project*” means each component or element which is a part of the Infrastructure on an individual basis and includes both Acquisition Projects and Construction Projects which are the subject of a Construction Contract in the name of the District.

“*Property*” means the real property described in Exhibit A to this Agreement.

“*Public Procurement Requirements*” means the public procurement and award processes established pursuant to A.R.S. Title 34, as amended from time to time, and the procurement policies of the Municipality, or other governmental entity, pertaining to projects of the Municipality, or other governmental entity, similar to the Infrastructure.

“*Replacement Reserve Amount*” means an amount calculated using generally acceptable accounting practices based on the useful life of the various assets comprising the Projects established by the Internal Revenue Code of 1986, as amended, to be used to replace such assets.

“*Report*” means the study of the feasibility and benefits required by the Act for each applicable Project or Acquisition Project.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Segment*” means a completed, discrete, functional portion of a Project as determined by the District Engineer and the District Manager, in their sole discretion.

“*Segment Price*” means an amount equal to the sum of the amounts paid by the Developer or the District for: (1) the Plans and Specifications for the Segment if approved by the

District Board as described in Section 2.6 and Section 5.3 of this Agreement, (including the costs of the review of such design by the District Engineer); (2) construction of the Segment pursuant to the Construction Contract for such Segment (such amount to be equal to the contract amount plus any increases to such contract amount approved as described in Section 3.5 less any change orders decreasing the contract amount); (3) independent third party inspection and supervision of performance under such Construction Contract; (4) the fair market value of any real property required for public purposes, other than right-of-way, utility, access easements or other land typically required to be dedicated by developers of infrastructure similar to the Project, if included in a Report approved by the District Board, in its sole discretion; and (5) other miscellaneous or incidental costs for such Segment attributable to design and construction of the Segment approved by the District Engineer and as certified in the Certificate of the Engineers for that Segment.

“*Shortfall*” has the meaning ascribed in Section 9.2(b).

“*SMCFD*” means Superstition Mountains Community Facilities District No. 1, a municipal corporation and political subdivision of the State.

“*State*” means the State of Arizona.

“*Work*” means the portion of the Infrastructure described in the resolution of intention pertaining to the formation of an Assessment District.

“*Work Plans and Specifications*” means, the descriptions of the Infrastructure in the Report and the Plans and Specifications for the corresponding Projects, which shall comprise the Work.

“*WUCFD*” means Apache Junction Water Utilities Community Facilities District, a municipal corporation and political subdivision of the State.

(b) All references in this Agreement to designated “Exhibits,” “Articles,” “Sections” and other subdivisions are to the designated Exhibits, Articles, Sections and other subdivisions of this Agreement as originally executed.

(c) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or other subdivision.

Section 1.2. Except as otherwise specifically provided in this Agreement, the District shall be subject to and governed by the terms and provisions of this Agreement and the applicable terms and provisions of the Land Development Agreement, Community Plan and the CFD Guidelines, as the same may be amended from time to time; provided, in the event of a conflict between the Land Development Agreement, Community Plan, this Agreement and the CFD Guidelines, the Land Development Agreement, Community Plan and this Agreement shall control; provided, further, in the event of a conflict between the Land Development Agreement and Community Plan and this Agreement, the Land Development Agreement and Community Plan shall control.

Section 1.3. The District may retain an independent financial advisor, legal counsel, bond counsel, underwriter, engineer and such other advisors and consultants as the District determines are necessary to assist in its operations, including but not limited to evaluating budgets, reports, financing documents, District construction documents and similar matters. District Consulting Costs shall be included as District Expenses, provided, however, all or certain District Consulting Costs may, if approved by the District Board, be paid with the proceeds of Bonds.

Section 1.4. The District shall maintain its records and conduct its affairs in accordance with the Act, the laws of the State, and this Agreement.

Section 1.5. The Municipality shall be paid by the District for costs and expenses relating to the District and the Infrastructure financed by the District, provided, however, in no event shall the Municipality be paid less than fifteen thousand (\$15,000.00) per fiscal year. The Municipality may request the District to allocate all or any portion of such amount to SMCFD and WUCFD in accordance with the IGA. Upon request of the Developer, the Municipality will provide the District and the District will provide the Developer with an invoice for the Municipality's costs and expenses.

Section 1.6. (a) All Infrastructure described in the District's General Plan (as defined in the Act) that is or expected to be financed with District moneys or proceeds of District Bonds: (i) shall be public infrastructure as described in the Act; and (ii) shall be publicly procured and awarded pursuant to the Public Procurement Requirements.

(b) The form of Notice Inviting Bids shall be in such form as agreed to by the Engineers and approved by the Municipality.

(c) Compliance with the Public Procurement Requirements shall be evidenced by the Certificate of the Engineers.

(d) All Construction Contracts relating to Infrastructure shall provide that the respective contractors or vendors shall not have recourse, directly or indirectly, against the Municipality or other governmental entity, as applicable. In the case of any initial financing provided by the Developer of any Construction Contract relating to Infrastructure for which reimbursement is expected, such Construction Contract shall provide that the respective contractors or vendors shall not have recourse, directly or indirectly, against the District for the payment of any costs under such contract or any liability, claim or expense arising therefrom and that the Developer shall have sole liability for payment under such Construction Contract of all such amounts.

Section 1.7. (a) The Developer, or, after the end of the Developer's Exclusive Period (as defined herein), the District or the Municipality or, if applicable, any third party owning real property within the District, shall have the right to submit to the District Board one or more Reports pertaining to the issuance of Bonds to finance the construction, acquisition or installation of all or a part of the Infrastructure described in the General Plan. The District Board, exercising its sole discretion, may thereafter approve or reject the Report and approve or reject the issuance of District Bonds. With respect to the issuance of Bonds, the District Board

may consider Reports submitted by: (1) the District or the Municipality and issue Bonds upon (and only upon) the earliest to occur of: (i) the twenty-fifth (25th) anniversary of the formation of the District, (ii) the date on which the District has issued seventy percent (70%) or more of the General Obligation Bonds authorized at the election referenced in the Recitals hereto, or (iii) the date on which the undeveloped property then owned (including ownership rights under the Participation Contract) by the Developer within the District represents less than fifteen percent (15%) of the land within the District; provided, further in any such event the District may consider Reports submitted for Assessment Bonds by parties other than the Developer only if no portion of the assessment to be levied to secure the Assessment Bonds will be levied on property owned by the Developer; or (2) parties other than Developer upon (and only upon) the earliest to occur of: (i) the twenty-fifth (25th) anniversary of the formation of the District, or (ii) the date on which undeveloped property then owned (including ownership rights under the Participation Contract) by the Developer within the District represents less than fifteen percent (15%) of the land within the District (the foregoing periods described in clauses (1) and (2) are collectively referred to herein as the “*Developer’s Exclusive Period*”). Any District financing not initiated by the Developer shall be in accordance with the CFD Guidelines and as otherwise approved by the District Board.

(b) Notwithstanding the provisions set forth above in paragraph (a) of this Section, the District Board, at any time, may approve a Report and authorize the issuance and sale of Bonds, notwithstanding whether the Report was submitted by the District or the Municipality, if the proceeds of such Bonds are necessary to: (1) alleviate or otherwise contain bona fide threats, as determined by the District Engineer (provided, however, the Developer may appeal such determination to the District Board and the District Board’s determination shall be conclusive), to public health and safety within the District; (2) construct Infrastructure required to be constructed by the Developer and the Developer has failed to construct such Infrastructure after a written request has been presented by the Municipality or other governmental entity; or (3) to repair or replace Infrastructure which the Municipality, or other applicable governmental entity, is responsible to maintain and which was not installed pursuant to or in conformance with approved plans or specifications or which the District Engineer and Developer’s Engineer mutually agree has failed prior to its expected useful life, as such useful life is established by usual and customary engineering principles, except if such failure is attributable to the failure of the Municipality, or other governmental entity, to maintain such Infrastructure to applicable standards.

(c) The Developer acknowledges and agrees as follows: (1) the approval of any Report, the issuance and sale of Bonds or the District’s levy of taxes, assessments, fees or charges are subject to the sole, absolute and unfettered discretion of the District and District Board; (2) nothing contained in this Agreement or any action or continued actions taken or not taken pursuant to this Agreement shall create any obligation, express or implied, of the District to issue or continue to issue Bonds of any type or amount or levy or continue to levy any tax or assessment of any type or amount; (3) the Developer has no rights and expressly waives any and all future rights, claims or causes of action, express or implied, created by this Agreement for any action or continued actions taken or not taken pursuant to this Agreement or under any other agreement with the District or the Municipality that would create any obligation of the District to issue or continue to issue Bonds of any type or amount or levy or continue to levy any tax or assessment (except as necessary to pay debt service on outstanding Bonds of the District); (4) the

Developer is not relying now or shall not rely in the future on Bonds, taxes, assessments, fees or other District actions for the development of the Property; and (5) upon expiration of the Developer's Exclusive Period, as referenced in Section 1.7(a), or the occurrence of an event described in Section 1.7(b), as applicable, the District may issue Bonds or levy taxes, assessments, fees or charges for purposes other than payment to the Developer for Acquisition Projects then eligible for financing pursuant to Article III of this Agreement. The District shall review submitted Reports in accordance with the time periods described in A.R.S. § 48-715.

Section 1.8. Notwithstanding Section 1.7 above, the Developer shall be permitted to withdraw any Report submitted by the Developer from consideration by the District at any time before the conclusion of the hearing thereon. In the event of such a withdrawal, the District Board shall not approve the Report or adopt any resolution which would effect an implementation of any part of the transaction described in such Report. The Developer shall be permitted to resubmit any such withdrawn Report or any Report which has been rejected by the District Board and then amended by the Developer, at such time as the Developer may, in its sole discretion, deem advisable. The Developer is responsible for the costs incurred prior to the withdrawal, including consultant fees.

ARTICLE II

CONSTRUCTION OF PROJECTS BY THE DISTRICT; ACQUISITION OF PLANS AND SPECIFICATIONS

Section 2.1. Upon a written request of the Developer and after approval by the District Board, exercising its sole discretion, the District may enter into a Construction Contract to construct a portion of the Infrastructure. The District may cause any portion of the Infrastructure to be constructed pursuant to the Plans and Specifications which, in the discretion of the District Manager, allows for development of the Property to proceed in accordance with the terms of the Participation Contract and the Land Development Agreement and any amendment thereto. The District shall not enter into a Construction Contract unless all Necessary Public Property has been conveyed to the Municipality or, if applicable, to the District or other governmental entity pursuant to Section 2.5 of this Agreement.

Section 2.2. (a) The procurement and preparation of the Plans and Specifications and the procurement of the contractor for a Construction Contract for Infrastructure shall be procured and awarded pursuant to the Public Procurement Requirements. The Infrastructure shall be designed and constructed in accordance with the requirements for constructing projects of the Municipality, or other applicable governmental entity, similar to the Projects.

(b) The Infrastructure (or any Project which is a part thereof) shall be procured in one or more parts by and in the name of the District, and Construction Contracts shall be entered into with the respondent selected in accordance with the requirements for awarding contracts pursuant to the Public Procurement Requirements and the requirements of the Municipality, or other applicable governmental entity, pertaining to projects of the Municipality or governmental entity similar to the Construction Contracts.

Section 2.3. None of the Developer or any corporation, partnership or other business entity that owns or controls, is owned or controlled by, or is under common ownership or control with Developer, have been or shall be compensated by any of the Municipality, another governmental entity, or the District for any costs of any Project except as provided herein.

Section 2.4. The public procurement of a Project or, at the sole discretion of the District Board, the award of a Construction Contract in the name of the District, shall occur only after the sale and delivery of the Bonds in an amount sufficient to produce Bond proceeds, together with any cash collections of Assessments or other lawfully available monies, to pay all the applicable Financeable Amounts.

Section 2.5. Unless the District Board, in its sole discretion, agrees such real property is to be acquired by the District as part of the construction of the Project, prior to publicly procuring any Construction Contract for the construction of a Project under this Article II, or at such other time as approved by the District Board or District Manager, in its or his discretion, the Developer or other landowner shall dedicate to the District or the Municipality, as directed by the District Manager, or, if directed by the District Manager, to such other governmental entity (as applicable), without cost, all necessary real property required for the construction, ownership and operation of the Project (the “*Necessary Public Property*”). The type, size and terms of the Necessary Public Property required for the Project shall be as provided for in the Participation Contract, Land Development Agreement and Community Plan, as applicable, and otherwise shall be in compliance with the requirements for public infrastructure projects of, as applicable, the Municipality, or other applicable governmental entity, similar to the Project. In addition, any such dedication to the District, the Municipality, or other governmental entity, as applicable, shall occur after receipt by the District Manager of the following with respect to such Necessary Public Property, in form and substance reasonably satisfactory to the District Manager:

(i) special warranty deed, easement or other conveyance instrument acceptable in form and substance to the Municipality (or other governmental entity) from the Developer or the applicable landowner for such Necessary Public Property executed by an authorized officer of the Developer or other landowner (as applicable),

(ii) such environmental assessments or other evidence satisfactory to the District Manager that such Necessary Public Property does not contain environmental contaminants, historical sites, burial grounds or other conditions which make such Necessary Public Property unsuitable for its intended use or to the extent such conditions are present, a plan satisfactory to the District Manager which sets forth the process by which such Necessary Public Property will be made suitable for its intended use, a plan for remediation of such conditions, if required by the District Manager and the sources of funds necessary to accomplish such purpose, and

(iii) such other documents, instruments, approvals or opinions as the District, Municipality, or other governmental entity, as applicable, may reasonably request including title reports, insurance, findings of no significant impact, etc.

Section 2.6. Plans and Specifications for the Projects which pertain to possible Construction Contracts to be entered into by the District pursuant to this Article II or to possible Acquisition Projects to be acquired pursuant to Article III shall be procured utilizing Public Procurement Requirements. The District shall not be liable for any payment or repayment to the Developer with respect to the Plans and Specifications except as provided by this Agreement.

ARTICLE III

CONSTRUCTION OF ACQUISITION PROJECTS BY THE DEVELOPER; CERTAIN MATTERS RELATED TO PLANS AND SPECIFICATIONS AND CHANGE ORDERS

Section 3.1. Subject to the terms of this Agreement including the obligation of the District under the circumstances described herein to pay the Segment Price for a Segment or the Construction Cost of any Acquisition Project as hereinafter provided, the Developer shall, at the sole cost and expense of the Developer, cause the Infrastructure (other than Infrastructure constructed by the District pursuant to Article II of this Agreement) to be constructed pursuant to the Plans and Specifications, in a fashion which allows for development of the Property to proceed in accordance with the terms of, and the timing provided by, the Community Plan and the Land Development Agreement on real property in which the Developer has an interest.

Section 3.2. (a) The procurement and preparation of the Plans and Specifications and the procurement of a contractor for the construction of an Acquisition Project shall be procured and awarded pursuant to the Public Procurement Requirements applicable to such Project. Construction Contracts and the construction of the Acquisition Project related thereto shall be in accordance with the requirements for constructing projects of the Municipality, or other applicable governmental entity, similar to the Acquisition Project.

(b) The Municipality, the District, or other applicable governmental entity shall not bear any risks, liabilities, obligations or responsibilities under any contract to prepare the Plans and Specifications, under any Construction Contract for Acquisition Projects, or any risk of loss of or damage to any Acquisition Project (or any part thereof) occurring prior to the later of: the time of acceptance or the time of acquisition of such Acquisition Project (or part thereof) pursuant to Article IV.

(c) The Municipality and the District shall each be named as an additional insured party on any and all insurance policies required under the bid specifications for procurement of the Plans and Specifications or the procurement and contract terms of a Construction Contract for any Acquisition Project and as a third party beneficiary with respect to all bonds, warranties and guarantees with respect thereto.

(d) Evidence of final payment, lien releases, assignments and such other documents as required by the District Manager or District Engineer shall be provided by the Developer to the District before any acquisition pursuant to Article IV. If any liens are placed on any portion of an Acquisition Project which is the subject of a Construction Contract or if litigation ensues between the Developer and any contractor or other person with respect to an Acquisition Project or Construction Contract pertaining to an Acquisition Project, the District

shall not acquire the Acquisition Project or any portion thereof until such liens are removed or such litigation is resolved.

Section 3.3. (a) Any advertisement for bids and a Construction Contract for any Acquisition Project or any advertisement for bids and a contract for services relating to the preparation of any Plans and Specifications for any Acquisition Project shall clearly indicate that the Developer will be the “OWNER” for purposes of the Construction Contract or contract for such Plans and Specifications and shall include the following language: **“THE WORK WHICH IS THE SUBJECT OF THE BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION, WAIVER AND INTERGOVERNMENTAL AGREEMENT AMONG DEVELOPER, THE CITY OF APACHE JUNCTION, ARIZONA, AND SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2 PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED FROM OWNER BY SUCH COMMUNITY FACILITIES DISTRICT. THE SUCCESSFUL BIDDER WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH CITY OR COMMUNITY FACILITIES DISTRICT FOR ANY COSTS UNDER ANY CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM.”**

(b) Each Construction Contract or contract for such Plans and Specifications shall provide that the respective contractors shall not have recourse, directly or indirectly, against the Municipality, the District, or other applicable governmental entity, for the payment of any costs pursuant to such Construction Contract or contract for such Plans and Specifications or any liability, claim or expense arising therefrom and that the Developer shall have sole liability therefor. Notwithstanding the foregoing, each Construction Contract or contract for Plans and Specifications shall provide for the assignment of all insurance, warranties, guarantees and owner’s rights to the District, the Municipality or other governmental entity, as directed by the District Manager or designee, upon acquisition of the Acquisition Project.

Section 3.4. The Developer shall provide for inspection of Work performed under any Construction Contract by the Engineers and, if applicable the Municipality or other applicable governmental entity. The District and, if applicable, the Municipality, shall comply with the inspection review time periods described in A.R.S. § 48-728. In accordance with the IGA, to the extent applicable, SMCFD and WUCFD have agreed to comply with A.R.S. § 48-728.

Section 3.5. Any change order to any Construction Contract or contract for Plans and Specifications shall be subject to approval by the Engineers (which approval shall not be unreasonably withheld or delayed) and shall be certified to in the applicable Certificate of the Engineers; provided, however, that any change order or the aggregate of any change order and all previously approved change orders: (i) expected to increase the contract amount of a Construction Contract in excess of ten percent (10%); (ii) for work not reasonably related to the scope of work in the Construction Contract; or (iii) constituting a material change to the scope of the Project shall be the subject of the same approval requirements that a change order to a construction contract of, as applicable, the Municipality or other applicable governmental entity

would be subject unless modified by action of the District Board and, specifically, the approval of the District Manager.

ARTICLE IV

ACQUISITION OF ACQUISITION PROJECTS FROM THE DEVELOPER

Section 4.1. (a) Subject to the other terms of this Agreement and after the District Board, exercising its sole discretion, approves a Report, the Developer shall sell to the District, and the District shall acquire from the Developer, the Acquisition Project or Segments thereof, together with (if not previously conveyed or dedicated) the Necessary Public Property, for the Construction Costs or Segment Prices, as applicable.

(b) Acquisition of an Acquisition Project or a Segment shall be financed only pursuant to Section 5.2 hereof.

(c) None of the District, the Municipality, or other applicable governmental entity, shall be liable for any payment or repayment to the Developer with respect to the Acquisition Project except as provided by this Agreement.

Section 4.2. Unless the District, in its sole discretion, agrees such real property is to be acquired as part of the Project, the Developer or other landowner, as applicable, shall dedicate to the District or the Municipality, as directed by the District Manager, or if directed by the District Manager, to such other governmental entity (as applicable), without cost, all Necessary Public Property required for the Acquisition Project or the Segment, as applicable. The type, size and terms of such Necessary Public Property required for the Acquisition Project shall be in accordance with the Participation Contract, the Land Development Agreement and the Community Plan, as applicable, and otherwise shall be in compliance with the requirements for public infrastructure projects of the Municipality, or other governmental entity, similar to the Project. Following the conveyance or dedication of Necessary Public Property to the District, the Municipality or other governmental entity, the District, the Municipality or other governmental entity, as applicable, shall provide any required license or other use right in respect of the Necessary Public Property conveyed or dedicated, as necessary to permit the construction of all or any remaining portion of the Acquisition Project (including performing required warranty work).

Section 4.3. The District shall pay the Construction Cost or Segment Price, as applicable, and acquire from the Developer, and the Developer shall accept the Construction Cost or Segment Price for and sell to the District, the applicable Acquisition Project or Segment described in the approved Report as provided in Section 4.1 within sixty (60) days after receipt by the District Manager of the following with respect to such Acquisition Project or Segment, in form and substance reasonably satisfactory to the District Manager:

- (a) the Certificate of the Engineers;
- (b) the Conveyance;

(c) special warranty deed, easement, map of dedication, plat or other conveyance instrument for all Necessary Public Property, executed by an authorized officer of the Developer or other landowner, or, if applicable, evidence that all Necessary Public Property pertaining to the Segment or the Acquisition Project, as applicable, has been conveyed to the District or dedicated to the Municipality or other governmental entity, as applicable, pursuant to Section 2.5 of this Agreement;

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

(e) a letter of acceptance issued by the Municipality, or other governmental entity, and by its terms subject specifically to recordation of the Conveyance which is the subject of such letter;

(f) if applicable, executed agreements pertaining to the Developer's maintenance obligation for such Acquisition Project or Segment; and

(g) such other documents, instruments, insurance, warranties or approvals as may reasonably be requested by the District Manager, or as may be required by the Municipality (if such requirements are consistent with the Land Development Agreement), or other governmental entity, for projects similar to the Acquisition Project, including, with respect to any real property related to the Acquisition Project or Segment, title reports and evidence satisfactory to the District Manager that such real property does not contain environmental contaminants, historical sites, burial grounds or other conditions which make such real property unsuitable for its intended use or, to the extent such conditions are present, a plan satisfactory to the District Manager which sets forth the process by which such real property will be made suitable for its intended use and the sources of funds necessary to accomplish such purpose.

ARTICLE V

FINANCING OF COSTS OF PROJECTS AND PLANS AND SPECIFICATIONS

Section 5.1. (a) Any amounts due pursuant to a Construction Contract wherein the District is the "owner" for purposes of such Construction Contract shall comply with the provisions of Article II of this Agreement.

(b) For any Construction Contract wherein the District is the "owner" for purposes thereof, until the requirements set forth in Article II of this Agreement are satisfied, the District shall not have any obligation to pay any amounts pertaining to any Work or Construction Contract or Plans and Specifications relating thereto.

Section 5.2. (a) To provide for the financing of the acquisition of an Acquisition Project or a Segment thereof as described in Article III of this Agreement, the Developer shall submit a Report pertaining to such Acquisition Project or Segment to the District Board for its approval, which Report the District Board may approve or reject, exercising its sole discretion. If the Report is rejected, explanations for the rejection shall be provided and the

Developer will be given the opportunity to address the District Board's concerns and resubmit the Report for the District Board's consideration. Notwithstanding the approval of the Report, the issuance of Bonds or the District's levy of taxes or assessments shall require District Board approval, which approval or denial may be exercised by the District Board in its sole discretion. Prior to the sale of the Bonds, the Segment Price of that Acquisition Project or Segment shall be paid by the Developer subject to the payment terms of this Agreement.

(b) If the District's issuance of Bonds for the financing of the acquisition of an Acquisition Project is approved, as soon as possible after the sale and delivery of the Bonds, the amount advanced by the Developer for the Construction Cost or Segment Price of an Acquisition Project or a Segment thereof shall, subject to the requirements of Sections 4.2 and 4.3, be paid to the Developer from, and only from, the available, unrestricted proceeds of the sale of the Bonds to the extent only of the remaining amounts thereof (and, if applicable, cash collections, if any, from the Assessments). The District, the Municipality, or, as applicable, other governmental entity, shall not be liable to the Developer or any other landowner (or any contractor or assigns under any Construction Contract) for payment of any Construction Cost or Segment Price except to the extent available, unrestricted proceeds of the sale of the Bonds (and, if applicable, cash collections, if any, from the Assessments) are available for such purpose, and no representation or warranty is given that Bonds will be issued, can be sold or that sufficient available, unrestricted proceeds from the sale of the Bonds shall be available to pay any Construction Cost or Segment Price. In the event there are not sufficient Bond proceeds to pay all of the Construction Cost or Segment Price, nothing contained herein shall preclude the Developer from including the unpaid portion in a future Report or preclude the District from including the unpaid portion in a future Bond financing.

Section 5.3. The costs of any Plans and Specifications for a Project to be constructed by the District pursuant to Article II of this Agreement or for an Acquisition Project pursuant to Article III of this Agreement, and the Construction Costs of any Acquisition Project or Segment Price of a Segment may be paid only after: (i) the District Board's approval of a Report submitted by the Developer, which Report the District Board may approve or reject exercising its sole discretion; (ii) the issuance, sale and delivery of the Bonds (and while there are remaining, available, unrestricted proceeds of the sale of the Bonds) produces Bond proceeds sufficient to pay all Construction Costs or Segment Prices; and (iii) the receipt by the District Manager of reasonable evidence of ownership of the Plans and Specifications including architectural or design materials (including memorandums, notes and preliminary and final drawings) and the related intellectual property rights (including copyright, if any) related to such Plans and Specifications, in all media, including electronic.

Section 5.4. The District, the Municipality or, as applicable, other governmental entity shall not be liable to the Developer or any other landowner (or any contractor or assigns under any Construction Contract) for payment of any Construction Costs or Segment Price or for the costs of Plans and Specifications except to the extent available, unrestricted proceeds of the sale of the Bonds (and, if applicable, cash collections, if any, from the Assessments) are available for such purpose, and no representation or warranty is given that the Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Bonds shall be available to pay such Construction Costs or Segment Price or the costs of such Plans and Specifications. In the event there are not sufficient Bond proceeds to pay all of the

Construction Costs or Segment Price, or the costs of such Plans and Specifications, nothing contained herein shall preclude the Developer from including the unpaid portion in a future Report or preclude the District from including the unpaid portion in a future Bond financing.

Section 5.5. If any cost component described in a Segment Price is procured or otherwise determined with reference to the Project of which the Segment is a part, without reference to particular Segments (e.g., Plans and Specifications), such cost shall be proportionately allocated among the Segments comprising the Project in a manner approved by the District Manager for purposes of determining the applicable Segment Price.

ARTICLE VI

MATTERS RELATING TO THE ASSESSMENT BONDS AND THE GENERAL OBLIGATION BONDS AND OTHER OBLIGATIONS OF THE DISTRICT

Section 6.1. (a) Upon dates established by the District Manager in his or her sole discretion at the request of the Developer and in accordance with the Act, the District Board shall consider Reports submitted by the Developer and if the District Board, exercising its sole discretion, approves such Report, the District Board, in its sole discretion, may take all such reasonable action necessary for the District to issue and sell, pursuant to the provisions of the Act, the Bonds in accordance with the expected method of financing, including the nature and timing of the issuance of the Bonds set forth in the Report.

(b) If the Assessment Bonds or the General Obligation Bonds, as applicable, are not issued or if the available, unrestricted proceeds of the sale of the Assessment Bonds or the General Obligation Bonds are insufficient to pay any or all of the amounts due described in Sections 5.1(a), or 5.2(b), there shall be no recourse against the District, the Municipality or other governmental entity for, and none of the District, the Municipality or other governmental entity shall have liability with respect to, such amounts so due or the Construction Costs or Segment Prices for the Acquisition Project, except from the available, unrestricted proceeds of the sale of the Bonds, if any and as applicable. In the event there are not sufficient Bond proceeds to pay all of the Construction Cost or Segment Price, nothing contained herein shall preclude the Developer from including the unpaid portion in a future Report or preclude the District from including the unpaid portion in a future Bond financing. Notwithstanding anything contained in this Agreement, any Report or the Land Development Agreement, Bonds shall not be issued to pay the Financeable Amount of any Project that does not meet the reimbursement eligibility requirements set forth in Section 7.1.

(c) The District Board shall, in its sole and absolute discretion, determine on a series by series basis the method of sale of the Bonds. The District will consider factors such as investment grade ratings (as assigned by a nationally recognized bond rating agency), public sale or placement and transfer restrictions, if any, at the time each series of Bonds is sold.

(d) All costs of issuance related to the issuance, sale and delivery of the General Obligation Bonds and the Assessment Bonds shall be paid by Developer, unless

otherwise approved by the District Board, in its sole and absolute discretion. On a case by case basis, the District Board may require the Developer to pay an additional amount related to an Assessment Bond or General Obligation Bond transaction for District staff time to process the transaction.

(e) The District may enter into agreements with the Treasurer of Pinal County, Arizona, for the collection of ad valorem property taxes, Assessment installment payments, and other fees and charges imposed by the District. The Developer shall consent, as applicable, to the modification of any Assessment Bond or General Obligation Bond financing transaction structure as necessary to comply with such collection agreement between the Treasurer of Pinal County, Arizona, and the District, including, without limitation, agreeing to the application of proceeds of the General Obligation Bonds and the Assessment Bonds to capitalized interest.

(f) The District shall only levy Assessments on such portion of the Property that is Patented in accordance with the Participation Contract.

Section 6.2. (a) The total aggregate principal amount of all of the series of the General Obligation Bonds shall not exceed \$400,000,000, during the term of this Agreement. The General Obligation Bond authorization shall not expire, but the Developer's ability to request reimbursement from proceeds of the sale of General Obligation Bonds is limited as described in Article VII.

(b) A series of the General Obligation Bonds shall only be issued if the debt service therefor is reasonably projected to be amortized from amounts generated by a tax rate of not to exceed \$3.85 per one hundred dollars (\$100.00) of net assessed limited property valuation of taxable property within the boundaries of the District as indicated on the certified tax roll for the current tax year; provided, however, and notwithstanding the foregoing, General Obligation Bonds may be issued if authorized by the District Board, in its sole discretion, where a tax rate greater than \$3.85 is necessary to pay the combined debt service of a proposed and any outstanding General Obligation Bonds if other financial assurances, sources of revenue or security acceptable to the District Board, in its sole discretion, are provided to secure the payment of debt service on the General Obligation Bonds.

(c) For purposes of the foregoing, a delinquency factor for tax collections equal to the greater of five percent (5%) or the historic, average, annual, percentage delinquency factor for the District calculated at or near the time of the issuance of the General Obligation Bonds shall be assumed; all property in the District owned by the Developer (including any ownership interest pursuant to the Participation Contract) or any entity owned or controlled (as such term is used in the Securities Act) by the Developer shall be assigned the last certified assessed value such property had when categorized as "vacant" for purposes of net assessed limited property valuation and the debt service for any outstanding series of the General Obligation Bonds theretofore issued shall be taken into account in determining whether such tax rate will produce adequate debt service tax collections; provided, however, and without limiting the District's sole discretion pertaining to a decision whether to issue Bonds, the District and the Developer shall use their best efforts to issue the first series of the General Obligation Bonds no later than necessary to have the debt service tax rate of \$3.85 appear on the first tax bill

applicable to any single family residential dwelling unit to be located within the boundaries of the District to be owned by other than the Developer or any entity owned or controlled (as such term is used in the Securities Act) by the Developer or any homebuilder to whom the Developer or any entity owned or controlled (as such term is used in the Securities Act) by the Developer sells property within the boundaries of the District.

(d) If requested in the Report or determined to be necessary in the sole discretion of the District Board, the “sale proceeds” of the sale of such series of General Obligation Bonds shall include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on that series of the General Obligation Bonds, in an amount not to exceed the maximum amount permitted by the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto.

(e) At the sole discretion of the District Board, until such time as all of the Property is Patented pursuant to the Participation Contract, in connection with the issuance of any series of General Obligation Bonds requested in a Report submitted by the Developer, the District Board may require any such series of General Obligation Bonds to have redemption features or final maturity dates as determined appropriate by the District Board in its sole and absolute discretion, and further the District Board may require the projected debt service of any such series of General Obligation Bonds to be calculated using a net assessed limited property valuation which excludes any portion of the Property that is not Patented.

Section 6.3. (a) The District Board shall, from time to time and in its sole discretion, take all such reasonable action necessary for the District to levy Assessments and to issue and sell, pursuant to the provisions of the Act, the CFD Guidelines, and this Agreement, Assessment Bonds, in an amount not to exceed the Financeable Amount. The Developer and any landowners shall consent to and assist with necessary actions for the District to levy Assessments and issue and sell Assessment Bonds, including, without limitation, entering into waiver and development agreements pertaining to formation of assessment districts and levying Assessments. The Developer’s ability to request reimbursement from proceeds of the Assessment Bonds is limited as described in Article VII. Assessments shall only be levied on portions of the Property that have been Patented pursuant to the Participation Contract.

(b) (1) The Assessments shall be levied based on the Financeable Amount, but in any case shall, subject to Section 6.3(d), not exceed \$5,000 per single family residential lot. Upon the request of the District, the Developer shall submit data and other information pertaining to the expected average full cash value of the improved residential parcel, such as comparable sales prices, per foot construction costs, or independent estimates or appraisals.

(2) The Assessments may be levied pursuant to the procedures prescribed by A.R.S. §§ 48-576 through 48-589, as amended, as nearly as practicable and except as otherwise provided herein, upon all of the Assessed Property in an amount equal to the Financeable Amount based on the benefits to be received by and as allocated to the Assessed Property and shall be collected pursuant to the procedures prescribed by A.R.S. §§ 48-599 and 48-600 as nearly as practicable.

(3) The Developer and any other landowners shall accept the Assessments which are in an amount not more than the Financeable Amount against the Assessed Property and have the Assessments allocated and recorded against the Assessed Property; provided, however, that the District Board may modify the Assessments after the Assessments have been assessed to correspond to subsequent changes, modifications or subdividing of the Assessed Property but in no case shall the aggregate total of all Assessments be reduced below a total necessary to provide for debt service for the corresponding Assessment Bonds.

(4) In the event of nonpayment of any of the Assessments, the procedures for collection thereof and sale of the applicable portion of the Assessed Property prescribed by A.R.S. §§ 48-601 through 48-607 shall apply, as nearly as practicable, except that pursuant to A.R.S. § 48-721 neither the District nor the Municipality is required to purchase any of the Assessed Property at the sale if there is no other purchaser.

(5) Assessments on single family residential lots may be prepaid at any time and the Assessment Bonds secured by such Assessments shall provide for redemption on any interest payment date, without penalty or premium, unless the District approves different prepayment terms, such approval shall be deemed granted if different prepayment terms are set forth in approved bond proceedings. To prepay in whole or in part the applicable portion of any of the Assessments, the following shall be paid in cash to the District: (I) the interest on such portion to the next date Bonds may be redeemed plus (II) the unpaid principal amount of such portion rounded up to the next highest multiple of \$1,000 plus (III) any premium due on such redemption date with respect to such portion plus (IV) any administrative, engineering or other fees charged by the District with respect thereto.

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

(c) (1) This Agreement shall be construed to be an express consent by the Developer and all landowners that with respect to the issuance of any Assessment Bonds that: (I) the District may, with respect to the Assessed Property, incur costs and expenses necessary to complete the Work and (II) the District may levy and collect the Assessments in amounts sufficient to pay the Financeable Amount, including the Work, but not in excess of the Financeable Amount.

(2) The mailing to the governing body of the Municipality of the Estimate and the Plans and Specifications in the form of the Report pursuant to A.R.S. § 48-715, shall satisfy the filing requirements of A.R.S. § 48-577.

(d) At the time of a limited or a private sale of the Assessment Bonds, an appraisal prepared by an MAI appraiser must show that the bulk, wholesale value of each parcel comprising the Assessed Property with all of the Infrastructure described in the Report, and to be financed by the Assessment Bonds and/or for which performance bonds have been

obtained, in place as of the date of valuation has a value to lien ratio at least four (4) times as much as the principal amount of the Assessment Bonds assessed to such parcel. In the case of a public sale of Assessment Bonds, an appraisal prepared by an MAI appraiser must show that the bulk, wholesale value of each parcel comprising the Assessed Property with all of the Infrastructure described in the Report, and to be financed by the Assessment Bonds and/or for which performance bonds have been obtained, in place as of the date of valuation has a value to lien ratio at least six (6) times as much as the principal amount of the Assessment Bonds assessed to such parcel.

(e) If requested in the Report or determined to be necessary in the sole discretion of the District Board, the proceeds of the Assessment Bonds shall include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on the Assessment Bonds, in an amount not to exceed the maximum amount permitted by the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto. Payment from such reserve shall not effect a reduction in the amount of the Assessments, and any amount collected with respect to the Assessments thereafter shall be deposited to such reserve to the extent the Assessments are so paid therefrom.

(f) The proceeds of the sale of the Assessment Bonds may include an amount sufficient to fund interest accruing on such series of the Bonds in accordance with the Act.

Section 6.4. In the event any portion of the Property is not eligible for an Assessment for any reason, including, without limitation, a determination by the District Board in its sole and absolute discretion, the Developer shall not assess fees or other costs against any of the Property as an alternative to, or in lieu of, the Assessments that would otherwise be paid by owners of the Property related to Bonds without the prior written approval of the District Board, in its sole and absolute discretion. Provided, however, that if the fees or other costs assessed by the Developer as an alternative to, or in lieu of, the Assessments does not exceed the Assessments for other comparable property within the applicable Assessment District, then the District Manager, in his or her sole and absolute discretion, may approve such fees or costs without action by the District Board.

Section 6.5. Other than (1) this Agreement, (2) the Assessment Bonds and the General Obligation Bonds and (3) any obligations necessary in connection with either of the foregoing, the District shall not incur, or otherwise become obligated with respect to, any other obligations.

ARTICLE VII

ACCEPTANCE BY THE MUNICIPALITY AND REIMBURSEMENT ELIGIBILITY

Section 7.1. Upon satisfaction of the terms for acceptance of the Infrastructure established by the Municipality or other applicable governmental entity and compliance with the provisions set forth in this Agreement and in the Land Development Agreement, the Municipality, or as applicable, other governmental entity, shall accept such Infrastructure. Unless previously paid by the proceeds of the District's Bonds, if sufficient Bond proceeds are

available, the District shall, simultaneously with the acceptance, pay the related Project Construction Cost or Segment Price. If sufficient Bond proceeds are not available, the Municipality or, as applicable, other governmental entity, shall accept such Infrastructure, subject to the right of the Developer within the immediately succeeding ten (10) years from the date of acceptance to seek reimbursement from the District for the advance of Project Construction Costs and/or Segment Prices made by the Developer for the benefit of the District from future Bond proceeds; provided, if the Developer seeks reimbursement there shall be deducted from the reimbursement amount the amount, if any, expended by the Municipality, the District or, as applicable, the other governmental entity, for the purposes described in Section 1.7(b)(3). The Project shall be accepted by the Municipality or, as applicable, other governmental entity, subject to the conditions pursuant to which facilities such as the Projects so constructed are typically accepted by the Municipality or, as applicable, other governmental entity, including for purposes of the maintenance and operation thereof, except as otherwise provided in the Land Development Agreement, and all warranties. Unless previously dedicated and approved for public use by the Municipality or, as applicable, other governmental entity, after acceptance the Project or Segment shall be made available for use by the general public.

ARTICLE VIII

INDEMNIFICATION AND INSURANCE

Section 8.1. (a) The Developer (1) shall indemnify and hold harmless each Indemnified Party for, from and against any and all losses, claims, damages or liabilities, joint or several, arising from any challenge or matter relating to the formation, activities or administration of the District (including the establishment of the Assessed Property), or the carrying out of the provisions of this Agreement (but not for any matters which are related to infrastructure which is not part of the Infrastructure), including particularly but not by way of limitation for any losses, claims or damages or liabilities (A) related to the levy or collection of any tax or assessment which pays or secures any Bonds; (B) 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 any offering document relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statement therein, in light of the circumstances in which they were made, not misleading in any material respect; (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Developer (which consent shall not be unreasonably withheld); and (D) related to any Construction Contract or Project constructed pursuant to a Construction Contract, including claims of any contractor, vendor, subcontractor or supplier and (2) shall reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however that the foregoing shall not apply to any loss, claim, damage or liability to the extent arising from the activities or administration of

the District with respect to any portion of the Infrastructure that has been accepted by the Municipality, or, as applicable, other governmental entity, pursuant to Section 7.1.

(b) Section 8.1(a) shall, however, not be applicable to any of the following:

(1) to the extent matters involve any gross negligence or willful misconduct of any Indemnified Party,

(2) subject to Section 8.3(c), to the extent any loss, claim, damage or liability for which and to the extent there is insurance coverage, procured for the benefit of the District (excluding any self-insurance or coverage provided pursuant to any insurance contracts obtained by the Municipality in the course of its normal business and not specifically for community facilities district purposes) which names the District as an insured or beneficiary, in order to provide insurance against the errors and omissions of the District Board or the other representatives, agents or employees of the District and, subject to Section 8.3(c), to the extent any loss, claim, damage or liability that is covered by any commercial general liability insurance policy or other financial security instrument actually procured which names the District as an insured or beneficiary. In the event that the insurance available to the Indemnified Party is insufficient to reimburse the Indemnified Party for its actual losses, claims, damages or liabilities, then the Indemnified Party has a right to indemnification from the Developer, but only to the extent that indemnification by the Developer will be secondary to, and in excess of, the insurance available pursuant to this Section 8.1(b)(2) of the Indemnified Party; provided, however, that indemnification by the Developer will not be secondary to any available insurance procured pursuant to Section 8.3(c) or in the event the District is otherwise unable to procure insurance because of a breach by the Developer to pay amounts due pursuant to Section 9.2 or Section 9.3,

(3) to the extent any loss, claim, damage or liability arises from or relates to defects in any Infrastructure (i) not constructed by the Developer, or (ii) constructed by the Developer that are not known to the Developer and are discovered after any applicable warranty period following acceptance thereof by the Municipality or, if applicable, other governmental entity, pursuant to Section 7.1,

(4) matters arising from or involving any material breach of this Agreement by the District or any other Indemnified Party,

(5) the activities or administration of the District with respect to Bonds or Infrastructure that is not the result of a Report submitted by the Developer,

(6) the levy and collection of any tax or assessment in order to pay O/M Expenses which the Developer is not obligated to pay or any such levy and collection in order to provide for the payment of Bonds which were not issued and sold as the result of a Report submitted by the Developer,

(7) the offer or sale of any Bonds which are not the result of a Report submitted by the Developer, or

(8) the claims of any contractor, vendor, subcontractor or supplier under any Acquisition Project Construction Contract or Construction Contract which is not initiated by, or is not the subject of an approved Report submitted by, the Developer.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Developer, notify the Developer in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified Party. Failure of the Indemnified Party to give such notice shall reduce the liability of the Developer by the amount of damages attributable to the failure of the Indemnified Party to give such notice to the Developer but the omission to notify the Developer of any such action shall not relieve the Developer from any liability that it may have to such Indemnified Party otherwise than under this section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Developer of the commencement thereof, the Developer may, or if so requested by such Indemnified Party shall, participate therein or defend the Indemnified Party therein, with counsel satisfactory to such Indemnified Party and 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 defense thereof, the Developer shall not be liable to such Indemnified Party under this section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, subject to the Developer's obligations under Section 8.1(a) of this Agreement; provided, however, that unless and until the Developer defends any such action at the request of such Indemnified Party, the Developer shall have the right to participate at its own expense in the defense of any such action. If the Developer shall not have employed counsel to defend any such action within a reasonable period of time after receipt of written notice of such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Developer (in which case the Developer shall not have the right to direct the defense of such action on behalf of such Indemnified Party, which right may be exercised by an Indemnified Party) or to other Indemnified Parties, the legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Developer.

Section 8.2. To the extent permitted by applicable law, the District shall indemnify, defend and hold harmless each Indemnified Party who is not an independent contractor for, from and against any and all liabilities, claims or demands for injury or death to persons or damage to property arising from in connection with, or relating to the performance of this Agreement by the District and any of its officials, officers, employees and agents. The District shall not, however, be obligated to indemnify the District Indemnified Parties with respect to damages caused by the negligence or willful misconduct of the District Indemnified Parties. The District shall not indemnify, defend and hold harmless the Municipality or any other governmental entity with respect to matters relating to public infrastructure owned by the Municipality or any other governmental entity.

Section 8.3. (a) The District shall procure and maintain general liability and public official liability insurance for the District and each member of the District Board with

limits of \$1,000,000 per occurrence or claim, an annual aggregate liability of \$3,000,000, with defense costs not included in the limits, and terms and conditions acceptable to the Developer in its reasonable discretion. The District shall maintain an additional \$2,000,000 of excess insurance above such primary underlying limits. The deductible associated with the insurance obtained for the District and the members of the District Board shall not be more than \$25,000 per occurrence or claim (provided that if such insurance is obtained in accordance with Section 8.3(c), the deductible associated with the insurance shall not be more than \$75,000 per occurrence). Otherwise, such insurance shall be procured in accordance with the CFD Guidelines and may include different terms than described in this Section if approved by the District Manager in his or her sole discretion.

(b) Subject to the provisions of Section 8.3(c), the insurance required by Section 8.3(a) shall be primary to, and will not seek contribution from, any insurance available to the District as an additional insured pursuant to Section 8.4. Any insurance benefit of the District as an additional insured pursuant to Section 8.4 shall be in excess of any insurance required by Section 8.3(a). Subject to the provisions of Section 8.3(c), if any of the Municipality, or other applicable governmental entities expected to accept Infrastructure, qualify as an insured under the insurances required by Section 8.3(a), then the insurances described in Section 8.3(a) shall be primary to, and will not seek contribution from, any insurance that is available to the Municipality or other applicable governmental entities, as an additional insured pursuant to Section 8.4, and any insurance for the benefit of the Municipality or other applicable governmental entity as an additional insured pursuant to Section 8.4 shall be excess of any insurance required by Section 8.3(a). The District shall obtain all endorsements to its policies of insurance that are needed to cause its policies to comply with this requirement.

(c) At any time when the Developer is in breach of its payment obligations pursuant to Section 9.2 or Section 9.3, or at any time when no Bonds that are the result of a Report submitted by the Developer are outstanding, the District Manager, in his or her sole discretion, may obtain the insurance required by Section 8.3(a) through a risk retention pool available to certain political subdivisions of the State. If the District obtains insurance through a risk retention pool, then, so long as such insurance is provided by a risk retention pool, Section 8.3(b) shall be of no force and effect and in no event shall any insurance coverage provided by such risk retention pool be primary to the insurance available to the District pursuant to Section 8.4 or the indemnification available to the District pursuant to Section 8.1.

Section 8.4. The Developer, in connection with its development activities and operation for development of the Property pursuant to the Participation Contract, the Land Development Agreement, the Community Plan and this Agreement, and at its own expense, shall maintain “occurrence” form commercial general liability insurance which names the District, the Municipality, and other governmental entities anticipated to accept Infrastructure, with limits of not less than \$1,000,000 for each occurrence, \$2,000,000 products and completed operations aggregate, and \$2,000,000 general aggregate. Proof of such insurance shall be provided to the District Manager annually by July 1 of each calendar year as long as development activities and operations for development of the Property pursuant to the Participation Contract, the Land Development Agreement, the Community Plan and this Agreement are, from time to time, occurring. In no event shall the Developer be required to maintain insurance specified in this

Section 8.4 after the District has acquired from the Developer public infrastructure from proceeds of the sale of the General Obligation Bonds in the amount of \$350,000,000.

ARTICLE IX

PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 9.1. (a) To provide for expenses and costs required to administer the General Obligation Bonds and the levy and collection of ad valorem taxes for payment of the debt service for any General Obligation Bonds and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and may be paid from amounts available from the tax levy described in Section 6.2(b).

(b) To provide for the payment of expenses and costs required to administer the Assessment Bonds and the levy and collection of the Assessments and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and may be paid from amounts collected for such purposes as a portion of the interest portion of the installments due with respect to the Assessments.

Section 9.2. (a) To provide for the payment of the District Expenses and the O/M Expenses, the District Board shall levy all or a portion of the O/M Tax and shall apply the collections of the O/M Tax *first* to pay the District Expenses and *second* to pay any remaining O/M Expenses.

(b) Provided the District has levied or will levy in the Fiscal Year the maximum authorized tax rate for the O/M Tax, and to the extent the collections of the O/M Tax are not sufficient to pay the District Expenses, the Developer or, if approved by the District Manager in his or her sole discretion, in lieu of the Developer, a homeowners' association, property owners' association or similar association (an "*HOA*"), shall be liable and obligated to pay to the District on May 1 of each year of the District the amount of any shortfall indicated in the District Budget for the next Fiscal Year between the projected O/M Tax revenues for the Fiscal Year and the aggregate amount of the District Expenses for such Fiscal Year (the "*Shortfall*"), including any amount required because of any Shortfall in the prior Fiscal Year as provided in such District Budget and no matter how such Shortfall was otherwise funded. The obligation of the Developer or HOA to pay the Shortfall pursuant to this Section shall only be effective until May 1 after the levy of the O/M Tax at \$0.30 per \$100.00 of net assessed limited property value results in actual collections equal to or greater than \$250,000 for three consecutive Fiscal Years, and such collections are sufficient to pay all District Expenses reflected in the respective District Budget for such three consecutive Fiscal Years. The District shall only levy the O/M Tax in an amount necessary for the District Expenses and the O/M Expenses reflected in the District Budget for the applicable Fiscal Year of the District and only in reasonable amounts therefor.

Section 9.3. The Developer shall be obligated to promptly deposit with the District such amounts and, at such times as are required by the CFD Guidelines (for example, without limitation, a \$60,000 initial deposit, additional \$25,000 deposits (or such other additional deposit amount approved by the District Manager or designee not less than \$5,000) from time to time, and at no time shall the balance fall below \$25,000, all as further described in the CFD Guidelines), provided, in no event shall the Developer be required, after the second full Fiscal Year in which the O/M Tax is levied, to deposit amounts in excess of the estimated Shortfall, or portion thereof, which the Developer is obligated to pay for the next succeeding Fiscal Year. The District shall provide written notice to the Developer when additional deposits are required. Upon the request of the Developer, an accounting will be made to the Developer of all amounts spent for the Initial Expenses, to date. Amounts paid pursuant to this Section by the Developer which may be reimbursed under applicable law to the Developer from the proceeds of the sale of Bonds shall, at the request of the Developer and to the extent of available amounts therefor, be included as part of the uses of the Bond proceeds.

Section 9.4. (a) Within twenty (20) days of formation of the District, the Developer shall be obligated to deposit \$100,000 with the District (the “*O/M Reserve*”). The District shall maintain the O/M Reserve in a non-interest bearing account separate from the general operating accounts of the District.

(b) In the event the Developer fails to pay the amounts to the District required by Section 9.2(b) or Section 9.3, the District may apply the O/M Reserve to Initial Expenses and District Expenses, as applicable. If the Participation Contract is terminated, or if at any time the District applies any portion of the O/M Reserve to Initial Expenses or District Expenses due to the Developer’s nonpayment described in the preceding sentence, then (i) Section 9.4(c) shall not apply, (ii) the District shall transfer any unspent balance of the O/M Reserve to the general operating accounts of the District and (iii) close the separate non-interest bearing account.

(c) Not later than 180 days after all Property has been Patented in accordance with the Participation Contract and receipt by the District of a written request from the Developer, the District shall disburse \$100,000 to the Developer.

(d) The O/M Reserve may not be used for the payment of principal or interest on the District’s Bonds, and is not a reserve or replacement fund for federal tax law purposes.

ARTICLE X

MISCELLANEOUS

Section 10.1. Federal Tax Law Compliance. The Municipality, the District and the Developer shall not knowingly take, or cause to be taken, any action which would cause interest on any Bond to be includable in gross income for federal income tax purposes of the Internal Revenue Code of 1986, as amended.

Section 10.2. **Disclosure Statement.** (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Bonds may be then or in the future be outstanding, the Disclosure Statement shall be produced by the Developer or each homebuilder to whom the Developer has sold land and signed by each subsequent owner of real property in the District, and such executed Disclosure Statement shall be provided to the District as set forth below; provided, however, that the Disclosure Statement may be modified as necessary in the future to adequately describe the District and the Bonds and source of payment for debt service therefor as agreed by the District Manager and the Developer or any homebuilder to whom the Developer has sold land. The failure to provide any subsequent owner of real property in the District the Disclosure Statement will not relieve the Developer or any other owner of real property in the District from the payment of any District tax, assessment, fee or charge.

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

(1) cause any purchaser of land to sign the Disclosure Statement upon entering into a contract for purchasing such land;

(2) provide a copy of each fully executed Disclosure Statement to be filed with the District Manager; and

(3) provide such information and documents, including audited financial statements, to any necessary repository or depository, but only to the extent necessary for the underwriters of the Bonds to comply with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

(c) Any seller of a property in the District who is otherwise required to obtain a subdivision public report as prescribed by A.R.S. § 32-2183 shall disclose to a prospective purchaser the existence of the District, the purpose for which the District was formed as set forth in the resolution forming the District, the estimated tax rate and the estimated annual tax amount that is based on applying that tax rate to a hypothetical residential property.

Section 10.3. **Binding Effect.** (a) Subject to Section 10.3(b), this Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns and the rights, title, interest, duties, liabilities and obligations under this Agreement are attached to and run with the Property; provided, however, that except as provided in Section 10.3(c), none of the parties hereto shall be entitled to assign its rights and obligations hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Agreement, which consent shall not be unreasonably withheld.

(b) In the event of the Developer's default and forfeiture of its interest under the Certificate of Purchase prior to the Developer acquiring all of the Property in accordance with the Certificate of Purchase, the Developer shall, if so directed by ASLD and without any consent or approval required from the Municipality or the District, concurrently

relinquish and assign to ASLD, coupled with an appointment of ASLD as Developer's attorney-in-fact for such purpose, all right and interest of the Developer under this Agreement and with respect to the District, and shall execute and deliver such further consents and documents as ASLD may request to evidence such relinquishment and assignment. Upon Developer's relinquishment and assignment of all right and interest of the Developer under this Agreement and with respect to the District, Developer will be relieved of all duties, obligations, and liabilities arising after the effective date of such relinquishment and assignment, except for any continuing or future obligations and liabilities with respect to Bonds issued, or Projects or Infrastructure acquired, by the District pursuant to a Report submitted by D.R. Horton, Inc. to the District Board, and including the activities or administration of the District related thereto. The Municipality and the District each hereby agree, in respect of ASLD's and the Developer's rights and obligations under this Section to take all steps necessary to accommodate the assignment and relinquishment by the Developer. Prior to, or promptly after, such relinquishment and assignment, D.R. Horton, Inc. shall prepare a list of Acquisition Projects or Segments thereof that are eligible for acquisition by the District in accordance with Article IV and Article VII, and submit such list to the District and ASLD (the "*Horton Residual Project List*"). Following the relinquishment and assignment described above, D.R. Horton, Inc. may submit Reports to the District Board pertaining to Projects described in the Horton Residual Project List, and the District may, in its sole discretion, issue Assessment Bonds or General Obligation Bonds to finance the acquisition of such Projects (and any Projects that were the subject of Reports submitted by the Developer to the District Board prior to the relinquishment and assignment described above) in accordance with Section 5.2; provided that the proceeds of any General Obligation Bonds shall be equitably allocated, in accordance with Section 2.7 of the Participation Contract, between D.R. Horton, Inc. and any other party or parties eligible to receive proceeds of the General Obligation Bonds. Notwithstanding the foregoing, the District shall not issue Bonds pertaining to Reports submitted by or on behalf of D.R. Horton, Inc. related to Projects included in the Horton Residual Project List (or Projects that were the subject of Reports submitted by the Developer to the District Board prior to the relinquishment and assignment described above) unless D.R. Horton, Inc. has provided financial assurances and indemnifications to the District substantially similar to the financial assurances and indemnifications required from the Developer under this Agreement. This Section 10.3(b) shall survive the termination of this Agreement and may not be amended, modified, supplemented, restated, replaced, or terminated without the prior written consent of the District, the Municipality, ASLD, and D.R. Horton, Inc., and, upon execution and delivery by Brookfield Homes Holdings LLC, a California limited liability company ("*Brookfield*"), of the Assignment and Assumption Agreement referenced in Section 10.3(c) below, Brookfield, which consent may be given or withheld in such party's sole and absolute discretion.

(c) Notwithstanding the foregoing, if (i) Developer and ASLD execute an amendment to the Participation Contract allowing Developer to convey the Property to a third party and (ii) Developer enters into a purchase agreement to convey the Property to Brookfield, as evidenced by a recorded memorandum thereof (the "*Purchase Agreement*"), Developer shall have the right, without further approvals, to assign all of its rights and obligations under this Agreement to Brookfield, and Developer, Brookfield, the District and the Municipality shall execute an amendment, assignment, and assumption of this Agreement, a form of which is attached as Exhibit F (the "*Assignment and Assumption*"). Upon the effective date of the Assignment and Assumption, Developer will be relieved of all duties, obligations, and liabilities

arising after the effective date of the Assignment and Assumption, except for any continuing or future obligations and liabilities with respect to Bonds issued, or Projects or Infrastructure acquired by the District pursuant to a Report submitted by D.R. Horton, Inc. to the District Board, and including the activities or administration of the District related thereto.

(d) In the event the Purchase Agreement is terminated due to a default by Brookfield, Brookfield shall, if so directed by Developer, assign all of its rights and obligations under this Agreement to Developer, and Developer, Brookfield, the District and the Municipality shall execute an amendment, assignment, and assumption of this Agreement. Upon the effective date of such assignment, Brookfield will be relieved of all duties, obligations, and liabilities arising after the effective date of such assignment, except for any continuing or future obligations and liabilities with respect to Bonds issued, or Projects or Infrastructure acquired, by the District pursuant to a Report submitted by Brookfield to the District Board, and including the activities or administration of the District related thereto.

(e) To the extent applicable and subject to the Participation Contract and Section 10.3(b), upon any bankruptcy or dissolution of the Developer, the Developer's interest herein may be assigned by a bankruptcy judge or other court of competent jurisdiction to a subsequent purchaser, receiver or trustee, who shall have the ability to seek reimbursement from the District's Bonds as otherwise described herein.

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

Section 10.5. Entire Agreement; No Exception to Title. This Agreement sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto; provided, however, that an amendment signed by only the Developer and the District shall be effective against the Developer and the District only if such amendment does not amend any right, benefit or obligation of the Municipality and an amendment signed by the Developer, the District and the Municipality shall be effective against the Developer, the District and the Municipality, as applicable, with respect to any amendment that does amend the Municipality's rights, benefits or obligations under this Agreement. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party. This Agreement shall not create conditions or exceptions to title to or, except with regard to waivers, consents and other matters relating to Assessments, covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this Section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. For this section "lot" shall be any lot upon which a home or commercial building has been completely constructed and approved to be occupied that is contained in a recorded subdivision plat that been approved by the Municipality or any parcel of land conveyed to a public entity, such as a school district or fire district.

Section 10.6. Diminution in Value and Land Use Laws Waiver; Development Not Dependent on CFD Financing. (a) The Developer on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the agreements and waivers described in this Section 10.6. The Developer hereby waives and releases the District and the Municipality from any and all claims under A.R.S. § 12-1134, *et seq.*, including any right to compensation for reduction to the fair market value to the Property, as a result of the approval of this Agreement by the Municipality or the District. The terms of this waiver shall run with the land and shall be binding upon all subsequent landowners and shall survive the expiration or earlier termination of this Agreement.

(b) The Developer acknowledges and agrees that Developer's development of the Property is not dependent upon the formation of the District or District financing. The Developer is not in any manner relying, to its detriment or otherwise, on the Municipality forming the District or, if the District is formed, to issue Bonds or, if Bonds are issued, issue any additional series of Bonds, levy any tax or assessment, or otherwise in any manner finance the costs of any Project.

Section 10.7. Applicable Law; Venue and Jurisdiction. The terms and conditions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. Any action at law or in equity brought by the parties hereto for the purpose of enforcing a right or rights provided for in this Agreement shall be tried in a court of competent jurisdiction in Pinal County, Arizona. The parties hereto hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event a party brings suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including reasonable attorneys' fees, court costs, expert witness fees, and other litigation related expenses to be determined by the court in such action.

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

Section 10.9. Counterpart Executions. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

Section 10.10. Cancellation Due To Conflict of Interest. The Municipality and the District may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, is, at any time while this Agreement is in effect, an employee or agent of the Developer in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of

this Agreement and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, from the Developer arising as the result of this Agreement. The Developer has not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Developer in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

Section 10.11. Term; Expiration. The term of this Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of the agreement of the District, the Municipality and the Developer to the termination hereof, December 31, 2056, or the date on which all of the Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 10.12. Notices. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality: City of Apache Junction, Arizona
Attn: City Manager
300 E. Superstition Boulevard
Apache Junction, Arizona 85119

If to the District: Superstition Vistas Community Facilities District No. 2
c/o City of Apache Junction, Arizona
Attn: City Manager
300 E. Superstition Boulevard
Apache Junction, Arizona 85119

If to Developer: D.R. Horton, Inc.
Attn: Legal Department
20410 N. 19th Avenue, Suite 100
Phoenix, Arizona 85027

With a copy to: Dana Stagg Belknap, Esq.
Gallagher & Kennedy, P.A.
2575 East Camelback Road
Phoenix, Arizona 85016

If to ASLD: Arizona State Land Department
Attn: State Land Commissioner
1616 W. Adams
Phoenix, Arizona 85007

With a copy to: Arizona Attorney General
Attn: Natural Resources Division
2005 N. Central Avenue
Phoenix, Arizona 85004

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

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

Section 10.14. Headings. The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

Section 10.15. Governing Terms. This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law; provided, further, the provisions of this Agreement shall be subject to and governed by the terms and provisions of the terms and provisions of this Agreement and the applicable terms and provisions of the Land Development Agreement, Community Plan and the CFD Guidelines, as provided in Section 1.2 hereof.

Section 10.16. Recording. No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Municipality shall record a copy of this Agreement with the County Recorder of Pinal County, Arizona. Furthermore, the Municipality shall, on behalf of the Developer and the District, file a copy of the recorded Agreement that contains thereon the Pinal County Recorder's Office recording information with ASLD.

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

Section 10.18. Force Majeure. No party hereto shall be considered not to have performed its obligations under this Agreement in the event of enforced delay (an “Enforced Delay”) due to causes beyond its control and without its fault or negligence or failure to comply with applicable laws, including, but not restricted to, acts of God, fires, floods, epidemics, pandemics, quarantines, governor’s executive orders, restrictions, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, acts of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain of any governmental body on behalf of any public entity, or a declaration of moratorium or similar hiatus (whether permanent or temporary) by any public entity directly affecting the obligations under this Agreement. In no event will an Enforced Delay include any delay resulting from unavailability for any reason of labor shortages, or the unavailability for any reason of particular contractors, subcontractors, vendors or investors desired by the Developer in connection with the obligations under this Agreement. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the party claiming delay shall be extended for a period of the Enforced Delay; provided, however, that the party seeking the benefit of the provisions of this Section shall, within thirty (30) calendar days after such party knows or should know of any such Enforced Delay, first notify the other parties of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; and provided further that in no event shall a period of an Enforced Delay exceed ninety (90) calendar days.

Section 10.19. Consent. Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed unless specifically otherwise limited as provided herein.

Section 10.20. City Council/District Board Final Actions; Remedies and Arbitration. (a) Notwithstanding any provision of this Agreement to the contrary, no act, requirement, payment, or other agreed upon action to be done or performed by the Municipality or the District shall be required to be done or performed by the Municipality or the District, respectively, unless and until said formal action of the City Council and the District Board, respectively, has been taken and completed. This Agreement in no way acquiesces to or obligates the Municipality or the District to perform a legislative act.

(b) Failure or unreasonable delay by any party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (hereinafter referred to as the “*Cure Period*”) after written notice thereof from any other party, shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within said thirty (30) day period and diligently proceeds to complete such performance or fulfill such obligation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, any non-defaulting party shall have all rights and remedies that are set forth in the next subsection.

(c) Except as provided in subsection (b), the parties shall be limited to the remedies and the dispute resolution procedure set forth in this subsection and subsection (d). Any decision rendered by the Panel (as hereinafter defined) pursuant to the provisions of subsection (d) shall be binding on the parties unless and until a court of competent jurisdiction renders its final decision on the disputed issue, and if any party does not abide by the decision rendered by the Panel during the pendency of an action before the court of competent jurisdiction or otherwise (if no court action), any other party may institute an action for money damages on the issues that were the subject of the Panel's decision and/or any other relief as may be permitted by law.

(d) (1) If an event of default is not cured within the Cure Period, any non-defaulting party may institute the dispute resolution process set forth in this subsection (hereinafter referred to as the "*Process*") by providing written notice initiating the Process (hereinafter referred to as the "*Initiation Notice*") to the defaulting party.

(2) Within fifteen (15) days after delivery of the Initiation Notice, each involved party shall appoint one person to serve on an arbitration panel (herein referred to as the "*Panel*"). Within twenty-five (25) days after delivery of the Initiation Notice, the persons appointed to serve on the Panel shall themselves appoint a separate neutral person to serve as a member of the Panel. Such person shall function as the chairman of the Panel.

(3) The remedies available for award by the Panel shall be limited to specific performance, declaratory relief and injunctive relief.

(4) Any party can petition the Panel for an expedited hearing if circumstances justify it. Such circumstances shall be similar to what a court would view as appropriate for injunctive relief or temporary restraining orders. In any event, the hearing of any dispute not expedited shall commence as soon as practicable, but in no event later than forty-five (45) days after selection of the chairman of the Panel. This deadline can be extended only with the consent of all parties to the dispute or by decision of the Panel upon a showing of emergency circumstances.

(5) The chairman of the Panel shall conduct the hearing pursuant to the Center For Public Resources' Rules for Non-Administered Arbitration of Business Disputes then in effect. The chairman of the Panel shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence, consistent with the deadlines provided herein, and the parties' objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The chairman of the Panel upon proper application shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Pinal County Superior Court (hereinafter referred to as the "*Court*") to have a protective order entered as may be appropriate to confirm such orders of the chairman of the Panel.

(6) The hearing, once commenced, shall proceed from business day to business day until concluded, absent a showing of emergency circumstances. Except as

otherwise provided herein, the Process shall be governed by the Uniform Arbitration Act as enacted in the State.

(7) The Panel shall, within fifteen (15) days from the conclusion of any hearing, issue its decision. The decision shall be rendered in accordance with this Agreement and the laws of the State.

(8) Any involved party may appeal the decision of the Panel to the Court for a *de novo* review of the issues decided by the Panel, if such appeal is made within thirty (30) days after the Panel issues its decision. The remedies available for award by the Court shall be limited to specific performance, declaratory relief and injunctive relief. The decision of the Panel shall be binding on both parties until the Court renders a binding decision. If a non-prevailing party in the Process fails to appeal to the Court within the time frame set forth herein, the decision of the Panel shall be final and binding. If one party does not comply with the decision of the Panel during the pendency of the action before the Court or otherwise, then another party shall be entitled to exercise all rights and remedies that may be available under law or equity, including without limitation the right to institute an action for money damages related to the default that was the subject of the Panel's decision and the provisions of this subsection shall not apply to such an exercise of rights and remedies.

(9) All fees and costs associated with the Process before the Panel, including without limitation the fees of the Panel, other fees, and the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party or parties. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Panel. Similarly, all fees and costs associated with an appeal to the Court or any appellate court thereafter, including without limitation, the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Court.

Section 10.21. No Boycott of Israel. To the extent applicable, the Developer certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in § 35-393, Arizona Revised Statutes, of Israel.

Section 10.22. E-verify Compliance. To the extent applicable under A.R.S. § 41-4401, the Developer and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. § 23-214(A). The Developer's or its subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the District.

Section 10.23. SMCFD and WUCFD. (a) The parties to this Agreement anticipate that certain Projects will be accepted by SMCFD (generally, sewer Projects) or WUCFD (generally, potable and non-potable water Projects) (the "Utility Projects" or "Utility Acquisition Project"), and not accepted by the Municipality. In connection with such Utility Projects:

(1) SMCFD or WUCFD, as applicable, will review any Plans and Specifications for the Utility Projects.

(2) The Utility Projects will be subject to the Public Procurement Requirements, including the procurement policies of SMCFD or WUCFD, as applicable, pertaining to projects similar to the Utility Projects. Construction Contracts shall be entered into with the respondent selected in accordance with the requirements of awarding contracts pursuant to the Public Procurement Requirements and the requirements of SMCFD or WUCFD, as applicable.

(3) The District Manager may appoint an engineer of SMCFD or WUCFD as the District Engineer in connection with such Utility Projects.

(4) Construction Contracts relating to such Utility Projects shall provide that the respective contractors or vendors shall not have recourse, directly or indirectly, to SMCFD or WUCFD, as applicable. Construction Contracts and the construction of Utility Projects shall be in accordance with the requirements for constructing projects of SMCFD or WUCFD, as applicable. Neither SMCFD nor WUCFD will bear any risks, liabilities, obligations or responsibilities under any contract to prepare Plans and Specifications, under any Construction Contract for Utility Projects, or any risk of loss of or damage to any Utility Project (or any part thereof) occurring prior to the later of: the time of acceptance by SMCFD or WUCFD, as applicable, or the time of acquisition by the District of such Utility Project (or part thereof) pursuant to Article IV.

(5) With respect to any Utility Project, SMCFD or WUCFD, as applicable, shall be named as an insured on any and all insurance policies required under the bid specifications for procurement of the pertinent Plans and Specifications or the procurement and contract terms of a Construction Contract, and as a third party beneficiary with respect to all bonds, warranties and guarantees with respect to the Utility Projects. The District Manager shall direct that any Construction Contract or Plans and Specifications for Utility Projects shall provide for the assignment of all insurance, warranties, guarantees and owner's rights to SMCFD or WUCFD, as applicable, upon the District's acquisition of the Utility Projects.

(6) With respect to any change order described in Section 3.5 pertaining to a Utility Project, the District Manager shall confirm compliance with the requirements of SMCFD or WUCFD, as applicable, prior to approving such change order.

(7) With respect to the acquisition of any Necessary Public Property in connection with Utility Projects, the type, size and terms of the Necessary Public Property shall be in compliance with the requirements for public infrastructure projects of SMCFD or WUCFD similar to the Utility Project. Prior to any conveyance or dedication of Necessary Public Property to SMCFD or WUCFD, the District Manager shall confirm with SMCFD or WUCFD as to the sufficiency of the materials received pursuant to Section 2.5. Prior to the District Manager directing the conveyance or dedication of any Necessary Public Property in accordance with Sections 4.2 and 4.3 pertaining to any Utility Acquisition Projects, the

District Manager shall confirm with SMCFD or WUCFD, as applicable, as to the fulfillment of any requirements of SMCFD or WUCFD for such conveyance or dedication.

(8) Prior to the District paying the Construction Cost or Segment Price, as applicable, and acquiring a Utility Acquisition Project or Segment, the District Manager shall confirm fulfillment of the requirements in Section 4.3 to the satisfaction of SMCFD or WUCFD, as applicable.

(9) For any Utility Projects to be accepted by either of SMCFD or WUCFD, the District Manager shall, in accordance with the provisions of Section 7.1, receive confirmation from SMCFD or WUCFD, as applicable, as to acceptance of the Utility Projects before such Utility Projects are eligible for reimbursement from proceeds of the District's Bonds.

(b) For purposes of Article VIII, each of SMCFD and WUCFD are anticipated to accept Infrastructure and should be named as additional insureds pursuant to Sections 8.3 and 8.4 in connection with Utility Projects.

(c) Each of SMCFD and WUCFD shall be third-party beneficiaries of the provisions hereof which grant rights and obligations to them.

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

[Signature Pages to Follow]

CITY OF APACHE JUNCTION, ARIZONA,
a municipal corporation

By: _____
Walter "Chip" Wilson, Mayor

STATE OF ARIZONA)
)ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Walter "Chip" Wilson, as Mayor of the City of Apache Junction, Arizona, a municipal corporation under the laws of the State of Arizona.

Notary Public

(Affix Seal Here)

ATTEST:

Jennifer Pena, City Clerk

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

Richard Joel Stern, City Attorney

**SUPERSTITION VISTAS COMMUNITY
FACILITIES DISTRICT NO. 2**

By: _____
Walter "Chip" Wilson, Chairman, District
Board

STATE OF ARIZONA)
)ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Walter "Chip" Wilson, as Chairman of the Board of Directors of Superstition Vistas Community Facilities District No. 2, an Arizona community facilities district.

Notary Public

(Affix Seal Here)

ATTEST:

Jennifer Pena, District Clerk

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

Richard Joel Stern, District Counsel

[Signature Page to Superstition Vistas Community Facilities District No. 2
District Development, Financing Participation,
Waiver and Intergovernmental Agreement]

DEVELOPER:

D.R. HORTON, INC., a
Delaware corporation

By: _____
Name: _____
Its: _____

CORPORATE APPROVAL:

D.R. HORTON, INC., a Delaware corporation

By: _____
Name: _____
Its: _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, the _____ of D.R. Horton, Inc., a Delaware corporation.

(Seal and Expiration Date)

Notary Public in and for the State of _____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, the _____ of D.R. Horton, Inc., a Delaware corporation.

(Seal and Expiration Date)

Notary Public in and for the State of _____

ACKNOWLEDGMENT AND CONSENT OF SMCFD AND WUCFD

Reference is made to that certain District Development, Financing Participation, Waiver and Intergovernmental Agreement, dated as of _____, 2021 (the “*CFD Development Agreement*”), by and among the City of Apache Junction, Arizona (the “*Municipality*”), Superstition Vistas Community Facilities District No. 2 (the “*District*”), and D.R. Horton, Inc. (the “*Developer*”), to which this Acknowledgment and Consent (this “*Acknowledgment and Consent*”) is attached. All capitalized terms used and not otherwise defined in this Acknowledgment and Consent shall have the meanings set forth in the CFD Development Agreement, or, as applicable, the Intergovernmental Agreement by and among the Apache Junction Water Utilities Community Facilities District, the Superstition Mountains Community Facilities District No. 1, the Superstition Vistas Community Facilities District No. 1 and the Superstition Vistas Community Facilities District No. 2 Pertaining to Community Facilities District Operations, Infrastructure and Financings, dated as of [REDACTED], 2021 and recorded [REDACTED], 2021, in the Official Records of the Pinal County Recorder as Instrument No. [REDACTED] (the “*IGA*”). The undersigned representatives of SMCFD and WUCFD have had the opportunity and right to review the terms and provisions of the CFD Development Agreement and the General Plan of the District, and, in accordance with the IGA, SMCFD and WUCFD each hereby acknowledges and consents to the terms of Section 10.23 of the CFD Development Agreement, including, without limitation, accepting Infrastructure acquired by the District in accordance with the CFD Development Agreement and A.R.S. Title 48, Chapter 4, Article 6, as amended.

Dated: _____, 2021

**APACHE JUNCTION WATER UTILITIES
COMMUNITY FACILITIES DISTRICT,**
an Arizona community facilities district

By: _____
Walter "Chip" Wilson, Chairman, Board of
Directors

STATE OF ARIZONA)
)ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Walter "Chip" Wilson, as Chairman of the Board of Directors of the Apache Junction Water Utilities Community Facilities District, an Arizona community facilities district.

Notary Public

ATTEST:

Jennifer Pena, District Clerk

**SUPERSTITION MOUNTAINS COMMUNITY
FACILITIES DISTRICT NO. 1,**
an Arizona community facilities district

By: _____
Kathleen Waldron, Chairperson,
Board of Directors

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Kathleen Waldron, as the Chairperson of the Board of Directors of Superstition Mountains Community Facilities District No. 1, an Arizona community facilities district.

Notary Public

ATTACHMENTS TO DISTRICT DEVELOPMENT, FINANCING PARTICIPATION,
WAIVER AND INTERGOVERNMENTAL AGREEMENT:

- EXHIBIT A - Legal Description Of The Property To Be Included in the District
- EXHIBIT B - Description Of Infrastructure
- EXHIBIT C - Form Of Certificate Of Engineers For Conveyance Of Acquisition Project
or Segment Of Project
- EXHIBIT D - Form Of Conveyance Of Acquisition Project or Segment Of Project
- EXHIBIT E - Form Of Disclosure Statement

EXHIBIT A

**LEGAL DESCRIPTION OF THE PROPERTY
TO BE INCLUDED IN THE DISTRICT**

PARCEL DESCRIPTION
Superstition Vistas
Brookfield Parcel

Sections 17 and 20, a portion of General Land Office (GLO) Lot 12 and a portion of the east half of Section 18, a portion of GLO Lots 1 and 2 and a portion of the east half of Section 19, Township 1 South, Range 8 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the northwest corner of said Section 17, a 3-inch Pinal County brass cap in handhole, from which the north quarter corner of said Section 17, a 2 1/2-inch GLO brass cap in concrete, bears North 89°45'04" East (basis of bearing), a distance of 2642.33 feet;
THENCE along the north line of said Section 17, North 89°45'04" East, a distance of 2642.33 feet, to said north quarter corner;
THENCE North 89°47'06" East, a distance of 2643.88 feet, to the northeast corner of said Section 17;
THENCE leaving said north line, along the east line of said Section 17, South 00°17'17" East, a distance of 2641.26 feet, to the east quarter corner of said Section 17;
THENCE South 00°17'39" East, a distance of 2641.38 feet, to the northeast corner of said Section 20;
THENCE leaving said east line, along the east line of said Section 20, South 00°16'25" East, a distance of 2640.88 feet, to the east quarter corner of said Section 20;
THENCE South 00°15'30" East, a distance of 2641.53 feet, to the southeast corner of said Section 20;
THENCE leaving said east line, along the south line of said Section 20, South 89°46'59" West, a distance of 2643.36 feet, to the south quarter corner of said Section 20;
THENCE South 89°48'18" West, a distance of 2643.78 feet, to the southwest corner of said Section 20;
THENCE leaving said south line, along the west line of said Section 20, North 00°17'01" West, a distance of 2640.28 feet, to the west quarter corner of said Section 20;
THENCE North 00°17'35" West, a distance of 2641.12 feet, to the northeast corner of said Section 19;
THENCE leaving said west line, along the north line of said Section 19, South 89°46'31" West, a distance of 500.00 feet, to the beginning of a curve;
THENCE leaving said north line, westerly along said curve to the left, having a radius of 2500.00 feet, concave southerly, through a central angle of 22°55'06", a distance of 1000.00 feet, to the curves end;
THENCE South 66°51'25" West, a distance of 540.51 feet, to the beginning of a curve;
THENCE westerly along said curve to the right, having a radius of 3000.00 feet, concave northerly, through a central angle of 30°39'58", a distance of 1605.68 feet, to the curves end;

**Legal Description
Superstition Vistas
Brookfield Parcel**

January 8, 2021
WP# 205166.01
Page 2 of 4
See Exhibit "A"

THENCE North 82°28'36" West, a distance of 583.29 feet, to the northerly line of that certain Maricopa County Flood Control District Easement, recorded in Document 2011-0619607, Pinal County Records (PCR);

THENCE along said northerly line, North 53°29'13" East, a distance of 910.07 feet, to said north line of Section 19;

THENCE leaving said north line, North 53°29'26" East, a distance of 4200.33 feet, to the west line of said Section 17;

THENCE leaving said northerly line, along said west line, North 00°17'10" West, a distance of 155.64 feet, to the west quarter corner of said Section 17;

THENCE North 00°13'51" West, a distance of 2639.88 feet, to the **POINT OF BEGINNING**.

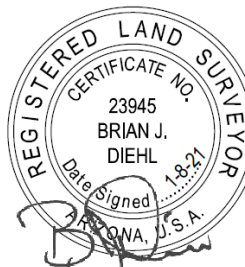
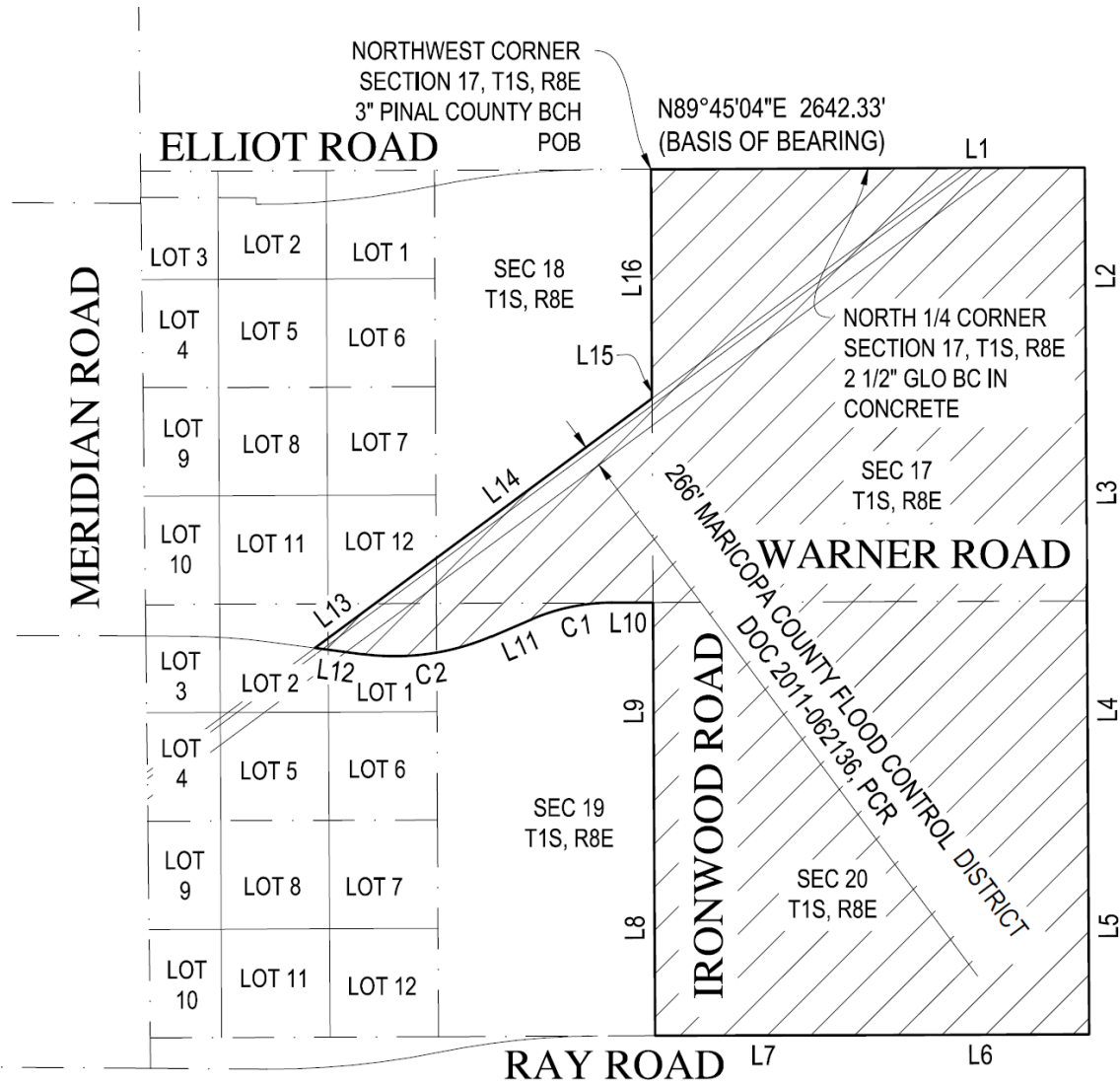
Containing 61,348,819 square feet or 1,408.3751 acres, more or less.

Subject to existing right-of-ways and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of December, 2020. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2020\205166.01 Superstition Vistas Brookfield Parcel L02 01-08-21.docx





EXPIRES 09-30-23

EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 3 OF 4
 NOT TO SCALE

Z:\2020\205166\Survey\Legal\5166-L02.dwg

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N89°47'06"E	2643.88'
L2	S00°17'17"E	2641.26'
L3	S00°17'39"E	2641.38'
L4	S00°16'25"E	2640.88'
L5	S00°15'30"E	2641.53'
L6	S89°46'59"W	2643.36'
L7	S89°48'18"W	2643.78'
L8	N00°17'01"W	2640.28'
L9	N00°17'35"W	2641.12'
L10	S89°46'31"W	500.00'
L11	S66°51'25"W	540.51'
L12	N82°28'36"W	583.29'
L13	N53°29'13"E	910.07'
L14	N53°29'26"E	4200.33'
L15	N00°17'10"W	155.64'
L16	N00°13'51"W	2639.88'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	22°55'06"	2500.00'	1000.00'
C2	30°39'58"	3000.00'	1605.68'

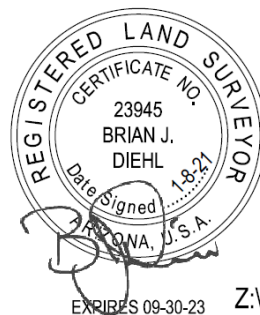


EXHIBIT "A"
 SUPERSTITION VISTAS
 BROOKFIELD PARCEL
 01/08/2021
 WP #205166.01
 PAGE 4 OF 4
 NOT TO SCALE

EXPIRES 09-30-23

Z:\2020\205166\Survey\Legal\5166-L02.dwg

EXHIBIT B

DESCRIPTION OF INFRASTRUCTURE

- (a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge.
- (b) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge.
- (c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes, including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for the repair or replacement of existing facilities when required by other improvements permitted by A.R.S. Title 48, Chapter 4, Article 6.
- (d) Highways, streets, roadways and parking facilities, including all areas for vehicular use for travel, ingress, egress and parking.
- (e) Areas for pedestrian, equestrian, bicycle or other nonmotor vehicle use for travel, ingress, egress and parking.
- (f) Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly and recreation.
- (g) Landscaping, including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems.
- (h) Public buildings, public safety facilities and fire protection facilities.
- (i) Lighting systems.
- (j) Traffic control systems and devices, including signals, controls, markings and signage.
- (k) Equipment, vehicles, furnishings and other personalty related to the items listed in this Exhibit B.
- (l) Any other public infrastructure now or hereafter included in the definition of “Public Infrastructure” in A.R.S. Title 48, Chapter 4, Article 6.
- (m) Operation and maintenance of the items listed in clauses (a) through and including (l) above.

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

(insert description of Acquisition Project/Segment)

We the undersigned, being Registered Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for Superstition Vistas Community Facilities District No. 2 (the “District”), and the engineer employed by D.R. Horton, Inc. (hereinafter referred to as the “Developer”), each hereby certify for purposes of the District Development, Financing Participation, Waiver and Intergovernmental Agreement, dated as of _____, 2021 (the “Development Agreement”), by and among the District, the City of Apache Junction, Arizona, and D.R. Horton, Inc., a Delaware corporation, as the Developer, that:

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

Acquisition Project or Segment with the District Engineer and the Municipality or other governmental entity, as applicable.

5. The Developer obtained and has supplied to the District evidence of good and sufficient performance and payment bonds or such other equivalent payment and performance financial guarantees acceptable to the District Manager and the District Engineer in connection with such Acquisition Project or Contract.

DATED AND SEALED THIS ____ DAY OF _____, 20__.

By _____
District Engineer

[P.E. SEAL]

[P.E. SEAL]

By _____
Engineer for the Developer

[Confirmed for purposes of Section 3.5 of the
Development Agreement by

District Manager for Superstition Vistas
Community Facilities District No. 2¹]

***[THIS WILL BE REQUIRED
FOR EVERY SEGMENT ACQUIRED
WITH PROCEEDS OF THE
SALE OF THE BONDS]***

¹ To be inserted if the provisions of Section 3.5 of the Development Agreement are applicable to the respective Segment of the Project.

EXHIBIT D

FORM OF CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(Insert description of Acquisition Project/Segment)

STATE OF ARIZONA)
COUNTY OF PINAL)
CITY OF APACHE JUNCTION) ss.
SUPERSTITION VISTAS)
COMMUNITY FACILITIES)
DISTRICT NO. 2)

KNOW ALL MEN BY THESE PRESENTS THAT:

D.R. Horton, Inc. (the “Developer”), in consideration of the promise to pay [INSERT ACQUISITION PROJECT CONSTRUCTION COST OR SEGMENT PRICE, AS APPLICABLE] to the Developer by Superstition Vistas Community Facilities District No. 2, a community facilities district formed by the City of Apache Junction, Arizona (the “Municipality”), and duly organized and validly existing pursuant to the laws of the State of Arizona (the “District”), such amount in accordance with the hereinafter described Development Agreement, does by these presents grant, bargain, sell and convey to the District, its successors and assigns or, at the request of the District, to the Municipality (or other governmental entity), all right, title and interest in and to the following described property, being the subject of a District Development, Financing Participation, Waiver and Intergovernmental Agreement, dated as of _____, 2021 (the “Development Agreement”), by and among D.R. Horton, Inc., a Delaware corporation, as the Developer, the Municipality and the District, as follows:

[Insert description of Acquisition Project/Segment]

together with any and all benefits, including warranties and performance and payment bonds, under the Acquisition Project Construction Contract (as such terms are defined in such Development Agreement) or relating thereto, all of which are or shall be located within public rights-of-way, public utility or other public easements dedicated or dedicated by map of dedication, 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 Agreement²], but subject to all reservations in patents, all easements, rights-of-way, encumbrances, liens, covenants, conditions and restrictions to which reference is made in the

² Insert with respect to any acquisition financed pursuant to Section 5.2(a) of the Development Agreement.

public record including all obligations, leases, liabilities and other matters of record or as set forth on Schedule 1 hereto (collectively, the “Property”).

TO HAVE AND TO HOLD the Property, as described above, unto the Municipality [or other governmental entity], its successors and assigns forever; and the Developer does hereby bind itself and its successors and assigns to forever warrant and defend the title against the acts of the Developer and no others, subject to the matters set forth above.

The Developer further binds itself and its successors and assigns to execute and deliver at the request of the District such other or additional instruments of transfer, bills of sale, conveyances or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the conveyance to the District of the Property as described above, subject to the matters set forth above.

This Conveyance is made pursuant to such Development Agreement and the Developer hereby agrees that the amounts specified above and paid [or promised to be paid³] to the Developer hereunder satisfy in full the obligations of the District under such Development Agreement and hereby releases the District from any further responsibility to make payment to the Developer under such Development Agreement except as above provided.

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

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

³ Insert with respect to any acquisition financed pursuant to Section 5.2(a) of the Development Agreement.

IN WITNESS WHEREOF, the Developer has caused this Conveyance to be executed and delivered this ____ day of _____, 20__.

By _____

Title _____

STATE OF ARIZONA)
) ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____, 20__ by _____, of _____, a _____, on behalf of said corporation.

Notary Public

Typed/Printed Name of Notary

(Affix Seal Here)

EXHIBIT E

FORM OF DISCLOSURE STATEMENT

SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2

DISCLOSURE STATEMENT

D.R. Horton, Inc., a Delaware corporation (“**Developer**”), in conjunction with the City of Apache Junction, Arizona (the “**City**”), have established a community facilities district (the “**CFD**”) within the planned community development known as Superstition Vistas. The CFD has financed and, in the future, will finance certain public infrastructure improvements, which will result in a property tax liability and a separate special assessment lien liability for each residential property owner in Superstition Vistas.

HOW THE CFD WORKS

On October 5, 2021, the Mayor and Council of the City formed the CFD consisting of approximately 1,408 acres of land. An election was held on ____, 2021, at which time the owners of the property within the CFD voted to authorize up to \$400,000,000 of ad valorem tax bonds to be issued over time by the CFD to finance the acquisition or construction of public infrastructure improvements benefitting principally land within the CFD. The proceeds of separate special assessment revenue bonds will be used to finance acquisition or construction of public infrastructure improvements benefitting principally designated areas within the CFD. Such improvements have been or will be dedicated to the City or other governmental entity upon acquisition or construction of such public infrastructure by the CFD. The City or other governmental entity will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance, at the request of Developer, not more than \$350,000,000 in public infrastructure improvements within the CFD, including financing costs related to such improvements, through ad valorem tax bonds to be issued to finance the acquisition and construction of public infrastructure benefitting principally land within the CFD. [The CFD issued \$____,000 of its General Obligation Bonds, Series 20__ on _____, 20__.

In addition, a special assessment bond has been issued in the amount of \$____,000 to finance the acquisition of completed public infrastructure, consisting of roadway, sewer, water, storm drain, signage, street light, landscape and related improvements benefitting principally the land area depicted on Attachment 1 hereto (“**Assessment District** ____”). The lot and residence for which this Disclosure Statement is provided is located in Assessment District ____.

Developer may be reimbursed from CFD bond proceeds for eligible public infrastructure improvements for up to ten (10) years after the date of acceptance of such infrastructure by the City or other governmental entity.

PROPERTY OWNERS' TAX AND ASSESSMENT LIABILITY

The obligation to retire the ad valorem tax bonds will become the responsibility of all property owners in the CFD through the payment of ad valorem property taxes collected by the Pinal County Treasurer in addition to all other property tax payments. The CFD has levied a \$_.__ per \$100.00 of net assessed limited property value tax rate for the District's current fiscal year 20__ - 20__ to provide for repayment of the ad valorem tax bonds. The CFD has also levied up to a \$0.30 per \$100.00 of net assessed limited property value tax rate to provide for the payment of certain administrative expenses and operation and maintenance of the public infrastructure improvements financed by the CFD ("O/M Tax").

Although the ad valorem tax rate levied by the CFD to retire the ad valorem tax bonds is not limited by law, beginning this fiscal year, the rate of the ad valorem tax is not expected to exceed a rate of \$3.85 per \$100.00 of net assessed limited property value for as long as any ad valorem tax bonds are outstanding. However, in the event of declining assessed values or significant delinquencies in the collection of ad valorem taxes, the ad valorem tax rate could increase above the rate that would generate the same levy as would have been generated under a rate of \$3.85 per \$100.00 of net assessed limited property value. **Accordingly, there can be no guarantee ad valorem tax rates will not be increased, and may be increased significantly, to provide for repayment of such ad valorem tax bonds in the future. Developer is acquiring certain land within the boundaries of the District from the Arizona State Land Department. Should Developer default on its obligations to the Arizona State Land Department in connection with such land acquisition, portions of the property within the District may revert to the Arizona State Land Department and no longer be subject to ad valorem taxes. In such situation, the ad valorem taxes levied on taxable property within the District, including the lot which is the subject of this Disclosure Statement, may increase significantly above a rate of \$3.85 per \$100 of net assessed limited property value.**

The obligation to retire the special assessment bonds issued to finance the acquisition of the completed public infrastructure benefitting principally Assessment District __ will be the responsibility of all property owners in Assessment District __ through the collection of installments of assessment liens of \$__,_00 per lot levied by the CFD. It is anticipated that such assessment lien installment payments will be collected by the Pinal County Treasurer through its standard ad valorem property tax collection process.

IMPACT OF ADDITIONAL CFD PROPERTY TAX AND ASSESSMENTS

The following illustrates the estimated additional annual ad valorem tax liability imposed by the CFD, based on a range of residential values within Superstition Vistas and a combined \$4.15 tax rate for the current fiscal year 20__ -20__ (the \$3.85 tax rate to retire the ad valorem tax bonds plus the \$0.30 O/M Tax rate):

**Assumed Value
of Residence**

**Estimated Annual
Additional CFD Tax Liability***

\$ __,000
\$ __,000
\$ __,000
\$ __,000
\$ __,000
\$ __,000
\$ __,000

\$

**Assumptions:*

1. *Improved residential property assessment ratio will remain at 10%.*
2. *The estimated total ad valorem tax amount is computed by multiplying the \$4.15 per \$100 of assessed limited property value times the estimated limited tax rate of property value times the improved residential property assessment ratio. The actual limited property value is determined by the Pinal County Assessor.*

The estimated annual assessment lien liability imposed by the CFD in Assessment District __, in addition to the ad valorem tax liability described above, is \$__.

Additional information regarding the description of public infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Apache Junction City Clerk's office.

Your signature below acknowledges that you have read this Disclosure Statement at the time you made your decision to purchase property at Superstition Vistas and signed your purchase contract and that you understand the property you are purchasing will be taxed and separately assessed to pay the CFD bonds described above and issued in the future and taxed to pay the CFD operation, administration and maintenance expenses.

Home Buyer Signature/Date

Home Buyer Printed Name

IF PURCHASING JOINTLY OR OTHERWISE WITH ANOTHER PARTY:

Home Buyer Signature/Date

Home Buyer Printed Name

Builder Name: _____

Parcel No. _____

Lot No. _____

**UPON EXECUTION, MAIL DIRECTLY
TO: CFD DISTRICT CLERK,
CITY OF APACHE JUNCTION
300 E. SUPERSTITION BLVD
APACHE JUNCTION, AZ 85119**

EXHIBIT F

**FORM OF AMENDMENT, ASSIGNMENT, AND ASSUMPTION OF DISTRICT
DEVELOPMENT, FINANCING PARTICIPATION, WAIVER AND
INTERGOVERNMENTAL AGREEMENT**

WHEN RECORDED, RETURN TO:

**ASSIGNMENT AND ASSUMPTION OF
DISTRICT DEVELOPMENT, FINANCING PARTICIPATION, WAIVER, AND
INTERGOVERNMENTAL AGREEMENT
(SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2)**

**THIS ASSIGNMENT AND ASSUMPTION OF DISTRICT DEVELOPMENT,
FINANCING PARTICIPATION, WAIVER, AND INTERGOVERNMENTAL
AGREEMENT (SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO.
2)** (this “Assignment”) is made as of this _____ day of _____, 202__ (the
“Effective Date”) by and between **D.R. HORTON, INC.**, a Delaware corporation (“Assignor”),
and **BROOKFIELD HOMES HOLDINGS LLC**, a California limited liability company
(“Assignee”).

RECITALS:

A. Assignor is the “Developer” under that certain District Development, Financing Participation, Waiver, and Intergovernmental Agreement, dated as of _____, 202__, and recorded as Fee No. 202__ - _____, Records of Pinal County, Arizona, (the “CFD Development Agreement”).

B. Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor, all of the Developer’s rights, title, interest, duties, obligations, and liabilities under the CFD Development arising after the Effective Date.

C. Section 10.3 of the CFD Development Agreement provides, among other things, that upon the occurrence of certain events that have occurred, Assignor shall have the right, without further approvals, to assign all of its rights and obligations under the CFD Development Agreement to Assignee and upon Assignee’s execution and delivery of this Assignment, Assignor will be relieved of all duties, obligations, and liabilities arising after the Effective Date of this Assignment.

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee, intending to be legally bound, for themselves and their successors and assigns, agree as follows:

1. Definitions; Recitals. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings given in the CFD Development Agreement. The Recitals set forth above are true and correct and incorporated herein by this reference.

2. Assignment. Assignor hereby assigns to Assignee, without representation or warranty, all of Assignor's right, title, and interest as the "Developer" in, to, and under the CFD Development Agreement.

3. Assumption. Assignee hereby accepts such assignment and agrees to be bound by all of the terms and provisions of the CFD Development Agreement, and assumes and agrees to perform all of the Developer's duties, obligations, and liabilities under the CFD Development Agreement to the extent arising or occurring from and after the Effective Date, including, without limitation, Developer's indemnification obligations under Article VIII of the CFD Development Agreement for matters arising or occurring from and after the Effective Date.

4. Notice of Assignment and Assumption. Assignee shall promptly deliver a copy of this Assignment to the Municipality and the District, and Assignee will deliver a copy of this Assignment to ASLD to be filed in the official records of ASLD.

5. CFD Development Agreement Notices. For purposes of Section 10.12 of the CFD Development Agreement, Assignee's notice address is as follows:

Brookfield Homes Holdings LLC
14646 N. Kierland Rd., Ste. 270
Scottsdale, AZ 85254
Attn: John Bradley

With copies to:

Brookfield Homes Holdings LLC
3200 Park Center Drive, Suite 1000
Costa Mesa, CA 92626
Attn: Ted McKibben

and

Snell & Wilmer L.L.P.
One Arizona Center
400 E. Van Buren
Phoenix, AZ 85020
Attn: Jody K. Pokorski

6. Binding Effect. This Assignment shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

7. Governing Law. This Assignment shall be construed in accordance with and governed by the laws of the State of Arizona.

8. Additional Agreements. Assignor and Assignee, at no cost or liability to such party, shall promptly upon the request of the other party, have acknowledged and delivered to the other party any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Assignment.

9. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original instrument, but all of which when taken together shall constitute one and the same instrument.

[Signatures on following pages]

IN WITNESS WHEREOF, this Assignment is executed as of the day and year first above written.

ASSIGNOR:

D.R. HORTON, INC., a Delaware corporation

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)

) §§

County of Maricopa)

The foregoing instrument was acknowledged before me, the undersigned Notary Public, this _____ day of _____, 202__ by _____, the _____ of **D.R. HORTON, INC.**, a Delaware corporation, on behalf thereof.

Notary Public

(Seal)

IN WITNESS WHEREOF, this Assignment is executed as of the day and year first above written.

ASSIGNEE:

BROOKFIELD HOMES HOLDINGS LLC, a
California limited liability company

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
) §§
County of Maricopa)

The foregoing instrument was acknowledged before me, the undersigned Notary Public, this _____ day of _____, 202__ by _____, the _____ of **BROOKFIELD HOMES HOLDINGS LLC**, a California limited liability company, on behalf thereof.

Notary Public

(Seal)

STATE OF ARIZONA)
) §§
County of Maricopa)

The foregoing instrument was acknowledged before me, the undersigned Notary Public, this _____ day of _____, 202__ by _____, the _____ of **BROOKFIELD HOMES HOLDINGS LLC**, a California limited liability company, on behalf thereof.

Notary Public

(Seal)

ACKNOWLEDGEMENT

The undersigned hereby acknowledges to the assignment and assumption of all of the Developer's rights, title, interest, duties, obligations, and liabilities under the CFD Development Agreement arising after the Effective Date, as more particularly described in the Assignment to which this Acknowledgement is attached. The undersigned hereby releases and relieves Assignor of all duties, obligations, and liabilities arising after the Effective Date of the attached Assignment.

CITY OF APACHE JUNCTION, ARIZONA,
a municipal corporation

By: _____
Walter “Chip” Wilson, Mayor

[illegible]

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Walter “Chip” Wilson, as Mayor of the City of Apache Junction, Arizona, a municipal corporation under the laws of the State of Arizona.

Notary Public

(Affix Seal Here)

ATTEST:

Jennifer Pena, City Clerk

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

Richard Joel Stern, City Attorney

CONSENT

The undersigned hereby consents to the assignment and assumption of all of the Developer's rights, title, interest, duties, obligations, and liabilities under the CFD Development arising after the Effective Date, as more particularly described in the attached Assignment. The undersigned hereby releases and relieves Assignor of all duties, obligations, and liabilities arising after the Effective Date of the attached Assignment.

SUPERSTITION VISTAS COMMUNITY FACILITIES DISTRICT NO. 2

By: _____
Walter "Chip" Wilson, Chairman, District
Board

STATE OF ARIZONA)
)ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this ____ day of _____, 202__, by Walter "Chip" Wilson, as Chairman of the Board of Directors of Superstition Vistas Community Facilities District No. 2, an Arizona community facilities district.

Notary Public

(Affix Seal Here)

ATTEST:

Jennifer Pena, District Clerk

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

Richard Joel Stern, District Counsel