

THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION; WAIVER AND INTERGOVERNMENTAL AGREEMENT (MONTERRA HEIGHTS COMMUNITY FACILITIES DISTRICT), dated as of _____ 1, 200_ (hereinafter referred to as this "Agreement"), by and among the Town of Florence, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "Municipality"); Monterra Heights Community Facilities District, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "District"), and _____ a _____ duly organized and validly existing pursuant to the laws of the State of Arizona and having an interest in certain property in the District (hereinafter referred to as "_____"), and _____, a _____ duly incorporated and validly existing pursuant to the laws of the State of _____ (hereinafter referred to as, collectively, the "Owners");

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), and Section 9-500.05, Arizona Revised Statutes, as amended, the Municipality, the District, certain of the Owners entered 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; and

WHEREAS, with regard to the real property described in Exhibit "A" hereto (hereinafter referred to as the "Property") which makes up the real property included within the District and the Municipality, the District, the Owners determined to specify some of such matters in this Agreement, particularly matters relating to the construction or acquisition of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of the Owners with respect thereto, all pursuant to the Act, such public infrastructure being necessary for the Owners to develop the Property prior to the time at which the District can itself pay for the construction or acquisition thereof; and

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

WHEREAS, pursuant to an election to hereinafter be held in and for the District, questions authorizing the district board of the District (i) to issue certain general obligation bonds of the District, including to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District and in this Agreement (hereinafter referred to as the "General Obligation Bonds") including the levy, assessment and collection of a debt service tax against all real and personal property in the District, unlimited as to rate or amount therefor, and (ii) to levy, assess and collect an operation and maintenance tax in an amount up to \$0.30 per \$100.00 of assessed valuation for all real and personal property in the District (hereinafter referred to as the "O/M Tax") to provide for amounts which become attributable to the operation and maintenance expenses of the District in the future are expected to be approved pursuant to the Act; and

WHEREAS, special assessment lien bonds of the District shall be issued before any of the General Obligation Bonds if certain conditions are met to provide moneys for certain public infrastructure purposes described in such General Plan (herein referred to as the "Assessment Bonds"); and