WHEREAS, the use of the proceeds of the sale of the General Obligation Bonds and the Assessment Bonds and amounts which will be collected with respect to the O/M Tax in the future is a subject of this Agreement; and

WHEREAS, pursuant to the Act, the District entered into this Agreement with the Owners with respect to the advance of moneys for public infrastructure purposes by the Owners and the repayment of such advances and to obtain credit enhancement for, and process disbursement and investment of proceeds of, the General Obligation Bonds and the Assessment Bonds; and

WHEREAS, specifically, pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable, or such other procedures as the district board of the District provides, assessments of the costs of any public infrastructure purpose on any land in the District may be based on the benefit determined by such board to be received by such land, and, in that respect, the Owners have determined to waive certain matters and agree to certain other matters with respect thereto; and

WHEREAS, prior to the issuance of the Assessment Bonds, the District entered into this Agreement as a written agreement with the Owners as to the manner in which such assessments are to be allocated inasmuch as the portion of the Property upon which they are to be levied is to be divided into more than one parcel and assessments may be prepaid and reallocated; and

WHEREAS, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District and the Municipality entered 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 of certain public infrastructure constructed or acquired by the District;

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

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 Infrastructure*" means that portion of the Infrastructure other than that which is the subject of a request of the Owners and approval of the District Manager described in Section 2.1.

"*Acquisition Project*" means each project which is a part of the Acquisition Infrastructure on a project-by-project basis.

"*Acquisition Project Construction Contract*" means a construction contract for an Acquisition Project.

"*Act*" means Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

Unofficial