SAGUARO SPRINGS
COMMUNITY FACILITIES DISTRICT
BOARD OF DIRECTORS
MEETING NOTICE AND AGENDA

11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, May 15, 2018 at or after 6:00 PM

Ed Honea, Chairman
Jon Post, Vice Chair
David Bowen, Board Member
Patti Comerford, Board Member
Herb Kai, Board Member
John Officer, Board Member
Roxanne Ziegler, Board Member

Pursuant to A.R.S. 38-431.02, notice is hereby given to the members of the Saguaro Springs Community Facilities District and to the general public that the Saguaro Springs Community Facilities District will hold a meeting open to the public on May 15, 2018, at 6:00 PM located in the Council Chambers, of the Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona.

ACTION MAY BE TAKEN BY THE SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT BOARD ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*.

As a courtesy to others, please turn off or put in silent mode all pagers and cell phones.

Speaking at Meetings

If you are interested in speaking to the Saguaro Springs CFD Board during the Call to the Public, you must fill out a speaker card located in the lobby outside the municipal complex and deliver it to the Clerk prior to the convening of the meeting.

All persons attending the Saguaro Springs CFD Board meeting, whether speaking or not, are expected to observe the Saguaro Springs CFD Board rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly will be removed from the meeting and will not be allowed to return.

Accessibility
To better serve the citizens of Marana and others attending our meetings, the Council Chambers are wheelchair and handicapped accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk at (520) 382-1999. Requests should be made as early as possible to arrange the accommodation.

Agendas
Copies of the Agenda are available the day of the meeting in the lobby outside the Council Chambers or online at www.maranaAZ.gov, by clicking on Agendas and Minutes. For questions about the board meetings, special services or procedures, please contact the Town Clerk, at 382-1999, Monday through Friday from 8:00 AM to 5:00 PM.

This Notice and Agenda posted no later than 24 hours prior to the meeting, at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaAZ.gov under Agendas and Minutes.

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT BOARD MEETING

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

CALL TO THE PUBLIC

At this time any member of the public is allowed to address the Sagauro Springs CFD Board on any issue within its jurisdiction, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Saguaro Springs CFD Board must complete a speaker card located in the lobby and deliver it to the District Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Saguaro Springs CFD Board may respond to criticism made by those who have addressed the Saguaro Springs CFD Board and may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

BOARD ACTION

A1 Approval of Saguaro Springs Community Facilities District Board of Directors Meeting Minutes from April 3, 2018 (Jocelyn C. Bronson)

A2 Resolution No. SSCFD 2018-01: A Resolution of the District Board of Saguaro Springs Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for fiscal year 2018-2019 pursuant to ARS §48-716; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the district, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the district, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the district; providing for notice of filing the statements and estimates, and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law (Erik Montague)

A3 PUBLIC HEARING: Resolution No. SSCFD 2018-02: A resolution of the District Board of Saguaro Springs Community Facilities District authorizing and ratifying the giving of Notice of Hearing with respect to approving a feasibility report which includes identifying the public infrastructure of the projects, the areas to be benefitted, the expected method of financing and the system of providing revenues to operate and maintain the projects, all as provided in such report; approving such report and resolving the intent therefore; authorizing the sale and issuance of not to exceed $4,000,000 aggregate principal amount of general obligation bonds, Series 2018 of the district; prescribing certain terms and conditions of such bonds including making certain findings, certifications and covenants with respect to such bonds; approving the form and authorizing the execution and delivery of a First Amendment to district development, financing participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), a Series 2018 Bond Registrar and Paying Agent Agreement, a purchase contract, a Series 2018 continuing disclosure undertaking and certain other documents relating to such bonds; awarding such bonds to the purchaser thereof; delegating the determination of certain terms of such bonds and matters related thereto to the District Manager; approving a preliminary official statement relating to such bonds; authorizing the preparation of a final official statement relating to such bonds; authorizing the subsequent levying of an ad valorem property tax with respect to such bonds and adopting post-issuance tax compliance and continuing disclosure compliance procedures in connection with issuance of obligations of the District (Erik Montague)

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Saguaro Springs CFD Board may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Pursuant to A.R.S. § 38-431.03 (A)(3), the Saguaro Springs CFD Board may ask for discussion or consultation for legal advice with the District Counsel concerning any matter listed on this agenda.

ADJOURNMENT

Saguaro Springs Community Facilities District **A1**

Meeting Date: 05/15/2018

Submitted For: Jocelyn C. Bronson, Town Clerk

From: Suzanne Sutherland, Assistant to the Town Clerk

Date: May 15, 2018

Subject: Approval of Saguaro Springs Community Facilities District Board of Directors Meeting Minutes from April 3, 2018 (Jocelyn C. Bronson)

Discussion:
N/A

Financial Impact:
N/A

Staff Recommendation:
N/A

Suggested Motion:
N/A

Attachments

Draft Saguaro Springs CFD Board of Directors Meeting Minutes April 3, 2018

SAGUARO SPRINGS
COMMUNITY FACILITIES DISTRICT
BOARD OF DIRECTORS
MINUTES
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, April 3, 2018 at or after 6:00 PM

Ed Honea, Chairman
Jon Post, Vice Chair
David Bowen, Board Member
Patti Comerford, Board Member
Herb Kai, Board Member
Carol McGorray, Board Member
Roxanne Ziegler, Board Member

CALL TO ORDER AND ROLL CALL. Chairman Honea called the meeting to order at 6:00 p.m. **District Clerk Bronson** called roll. Board Member Kai was excused. There was a quorum present. The seat formerly held by District Member McGorray is vacant.

PLEDGE OF ALLEGIANCE. Dispensed with until the regular meeting.

APPROVAL OF AGENDA. ***Motion to approve by Vice Chair Post, second by Board Member Comerford. Passed 5-0.***

CALL TO THE PUBLIC

At this time any member of the public is allowed to address the Saguaro Springs CFD Board on any issue within its jurisdiction, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Saguaro Springs CFD Board must complete a speaker card located in the lobby and deliver it to the District Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Saguaro Springs CFD Board may respond to criticism made by those who have addressed the Saguaro

Springs CFD Board and may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

PRESENTATIONS

P1 Relating to Saguaro Springs Community Facilities District; presentation regarding the history of the Saguaro Springs CFD, update on overall project development, and discussion and direction regarding financing alternatives for the CFD (Erik Montague).

Mr. Montague opened the discussion by noting that the Saguaro Springs CFD was created in September 2007. Since 2015, D.R. Horton has been the sole developer. He noted that tonight is basically an update on the development as there have been significant changes in the anticipated infrastructure and some of the financing opportunities. The transaction that staff is proposing is significantly different for a number of reasons. One is the amount of development out there now. He then introduced Mark Reader with Stifel, Nicolaus & Company, Inc. Stifel is serving as financial advisor to the district and will be involved in any transaction going forward. No formal action will be taken tonight; it is for information only.

Mr. Reader began by expressing his condolences on the recent passing of Council Member Carol McGorray. He then noted that the study session is in anticipation of the sale of bonds for Saguaro Bloom. He then reviewed the history and summary of the Saguaro Springs CFD which is now called Saguaro Bloom. D.R. Horton is the third developer on the master planned property, and was purchased from Grayhawk in 2015. The property consists of 784 acres and is planned for 2100 residential units. When the district was formed, there was a levy agreement, a secondary property tax levy not to exceed $2.50 not to exceed $100 of assessed value along with a $.30 secondary tax for maintenance and operations. The $.30 has been levied for about 7 or 8 years; it is on the tax rolls and is being paid. The $2.50 for debt service has not been on the tax rolls. To the extent we go forward, it will be on the tax rolls for budget year 2018-2019. When the district was formed, it got $99M in general obligation bond authorization, although we won't need anywhere near that amount.

It is anticipated that the developer will want $15M to be reimbursed, and staff will explain what public infrastructure that will fund. There are currently 443 homes on the tax rolls. This is up 161 from last year. We asked D.R. Horton what they think their absorptions are over the next four years, and they are telling us that in calendar year 2018 they expect to close 175 residential lots. For calendar year 1920-21, they think they will close on 190-200 lots. Currently, 333 lots are being developed and they are about 30 percent built out.

Mr. Reader went over the value history. The five-year average should about a 62 percent growth for full cash value. The county is showing about $108M, which is pretty strong. The taxable assessed value history (tax base) five-year average shows a 48 percent growth. The amount of revenue generated in the district is based on two things. The tax base for purposes of levy and property taxes to pay debt service is currently $10.1M, up from $6.4M last year. So you take your tax base times your tax rate ($2.50) will generate about $250K annually in debt service.

He then reviewed with Council the projects that will be reimbursed to the developer for public infrastructure relative to the forthcoming bond sale that we are working on currently for about $3.3M: Saguaro Peaks/Saguaro Highlands at $4.4M, Lambert Road/Airline Road at $1.7M, well improvements at $500K, town park at $2.5M, Twin Peaks Road at $4.7M and drainage corridors at $1.2M for a total of $15M. He then reviewed the characteristics of general obligation bonds.

This bond issue is a little different than what we have done in the past. We will issue $3.3M in bonds, and we have a tax base now that will generate $250K annually to pay back the bonds, and our risk is that we sell bonds and development stops, and assessed value or the tax base drops thereby requiring us to increase the tax rate beyond the $2.50 public policy tax rate. No one wants that to happen, but he believes there is a conservative way to structure the bond issue that would minimize the risk of that happening in the future. It will all be a function of what the tax base does, and we can't control that. We can only make assumptions at the time of issuance that would limit that exposure. He just wanted to remind Council that we don't have any corporate backing like we do in Gladden Farms because this one we are issuing into existing tax base growth based on residential development.

The average tax value of a $300K home within Saguaro Bloom is about $60 per month. He then reviewed the numbers for the assessed value of 2017-18. If you do a 25-year level debt service amortization on the bonds, and using conservative estimates, you can see that $3.3M will support the current tax base. That is assuming no growth in the tax base. We know we are going to get growth in the tax base because we grew about $4M this year, and given the development progress, we think we will probably grow another $4M the following year - 2019/20 – just based on the current closings. So again, our risk is we sell bonds, we fix the debt service at $2.50, and the tax base goes south on us, resulting in the need to raise that rate.

So working with staff, we ran a report/scenario of a potential worst case that hopefully will give the Board comfort that what we are proposing makes sense to Council and is conservative as we move forward. In that report/scenario we take our $10M currently (from column 2) and look at the next year 2020 it's $12.4M. He got there by taking D.R. Horton's 175 closings that they are going to get in 2018 and he cut it in half. Cut in half at a $300K price, we are going to put $25K per home on the tax rolls. So by cutting it in

half, we get up to $13.5M. We think it will be higher than that, but we just want to be conservative. Then if you look in 2021, he cut it in half again, so we're up to $13.5M in two years, and then the question was asked "how much would the tax base have to drop significantly, assuming we issue no more bonds which we are not proposing at the moment – we will revisit this next year at this time – if we issue no more bonds, our tax base would have to decline by 33 percent and still maintain our $2.50. We tried to give you a conservative projection that if we do move forward we are going to be in pretty good shape going forward. We will sell more bonds as the tax base grows within the confines of our $2.50. As your advisor, I'm very comfortable with this. This is a very common way in which the CFD's are being put together now. Historically, we haven't had any major meltdowns. For a major master planned community with a public homebuilder in a very good location, I think we're going to be in pretty good shape. The last piece of the presentation was setting forth the preliminary financing calendar which indicates that they will probably come back to the Board in May.

Council Member Bowen asked Mr. Reader to talk a little about the market for public bonds. **Mr. Reader** is very enthusiastic about this project because there is so much development progress there. He and town staff are going to be working with the rating agencies, and he thinks there is going to be a very good chance we are going to get to an investment-grade credit rating on this particular issue, and we actually have one of the bond insurers who took a site visit with us who is very excited about progress out there, and there is a very good chance that we might even get a AA rating on an insurance premium. There is a significant demand for tax-exempt municipal bonds to finance public infrastructure. The volume is down this year pretty significantly as a result of the Trump tax reform bill and some other issues going on, so he thinks there will be significant demand for this. **Mayor Honea** asked if the $2.50 rate is set by the Board. **Mr. Montague** stated that we have a CFD policy that sets the tax rate, and that's what we call our target rate. If it moves forward, this will be the first deal that we'll actually issue bonds with homeowners in the home, and we have been acutely concerned about the impact to the homeowners. We are working closely with D.R. Horton who has been a great partner thus far, and they have agreed to host a community meeting for educational purposes which will occur in Council Chambers the week of April 23.

EXECUTIVE SESSIONS

E1 Pursuant to A.R.S. § 38-431.03, the Saguaro Springs CFD Board may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E2 Pursuant to A.R.S. § 38-431.03 (A)(3), the Saguaro Springs CFD Board may ask for discussion or consultation for legal advice with the District Counsel concerning any matter listed on this agenda.

ADJOURNMENT. ***Motion to adjourn at 6:26 p.m. by Board Member Bowen, second by Board Member Comerford. Passed unanimously 5-0.***

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes for the Saguaro Springs Community Facilities District Board of Directors meeting held on April 3, 2018. I further certify that a quorum was present.

_____

Jocelyn C. Bronson, Board Clerk

DRAFT

Saguaro Springs Community Facilities District **A2**

Meeting Date: 05/15/2018

From: Erik Montague, Deputy Town Manager

Date: May 15, 2018

Subject: Resolution No. SSCFD 2018-01: A Resolution of the District Board of Saguaro Springs Community Facilities District, a Community Facilities District of Arizona, approving a tentative budget for fiscal year 2018-2019 pursuant to ARS §48-716; setting a public hearing date on said tentative budget; filing statements and estimates of the operation and maintenance expenses of the district, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the district, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the district; providing for notice of filing the statements and estimates, and notice of a public hearing on the portions of the statements and estimates not relating to debt service on general obligation bonds; and providing that this resolution shall be effective after its passage and approval according to law (Erik Montague)

Discussion:

On or before July 15th, the District Treasurer submits to the District Board a proposed budget for the new fiscal year. The proposed budget includes statements and estimates of the operation and maintenance expenses of the District, the costs of capital improvements to be financed by the voter authorized ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and the amount to be raised to pay the District's bonds, as applicable.

The Treasurer has submitted the budget for FY 2018-2019 and has filed the necessary statements and estimates.

If the District Board approves this tentative budget for FY 2018-2019, the attached notice will be published giving notice of filing the required statements and estimates, and giving notice of a public hearing on June 19, 2018 to receive comment on the tentative budget and, particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds.

After the public hearing, the District Board may adopt a final budget by resolution and may order the fixing, levying and assessment of required ad valorem taxes.

Financial Impact:

Fiscal Year:	Y
Budgeted Y/N:	2019
Amount:	$4,892,000

Establishment of the tentative budget for fiscal year 2018-2019.

Staff Recommendation:

Staff recommends adoption of Resolution No. SSCFD 2018-01, adopting the tentative budget for fiscal year 2018-2019.

Suggested Motion:

I move to adopt Resolution No. SSCFD 2018-01, adopting the tentative budget for fiscal year 2018-2019.

Attachments

Resolution No. SSCFD 2018-01

RESOLUTION NO. SSCFD 2018-01

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

A RESOLUTION OF THE DISTRICT BOARD OF SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA, APPROVING A TENTATIVE BUDGET FOR FISCAL YEAR 2018-2019 PURSUANT TO ARS §48-716; SETTING A PUBLIC HEARING DATE ON SAID TENTATIVE BUDGET; FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE APPROVED AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT, ALL OF WHICH SHALL BE PROVIDED FOR BY THE LEVY AND COLLECTION OF AD VALOREM TAXES ON THE ASSESSED VALUE OF ALL THE REAL AND PERSONAL PROPERTY IN THE DISTRICT; PROVIDING FOR NOTICE OF FILING THE STATEMENTS AND ESTIMATES, AND NOTICE OF A PUBLIC HEARING ON THE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

WHEREAS, on, September 4, 2007, the Mayor and Council of the Town of Marana ("Town") adopted Resolution No. 2007-152 creating, within the Town, Saguaro Springs Community Facilities District ("SSCFD"), a community facilities district in accordance with ARS §48-701 et seq. Arizona Revised Statutes, as amended, as described in Exhibit "A" attached hereto and expressly made a part hereof; and

WHEREAS, SSCFD is 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, and [except as otherwise provided in §48-708(B), as amended] is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Town; and

WHEREAS, a primary purpose for creating SSCFD was to finance construction and maintenance of certain public improvements needed for the "Saguaro Springs" development through assessment of ad valorem taxes on all real and personal property within such development; and

WHEREAS, in accordance with ARS §§48-719 and 48-723, a special election was held on November 21, 2007, wherein the qualified electors of SSCFD voted to issue general obligation bonds in the maximum amount of ninety nine million dollars ($99,000,000) to cover costs of constructing required public improvements, and to levy and collect an annual ad valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars ($100) of assessed valuation for SSCFD operation and maintenance expenses; and

WHEREAS, in accordance with ARS §§48-716 and 48-723, the SSCFD Treasurer has submitted to the SSCFD Board a proposed budget for Fiscal Year 2018-2019 which includes statements and estimates of the operation and maintenance expenses of SSCFD, the costs of capital improvements to be financed by the authorized ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay SSCFD general obligation bonds, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property within SSCFD; and

WHEREAS, the SSCFD Board desires now to approve said tentative budget for Fiscal Year 2018-2019 to publish notice of having filed the required statements and estimates, and to set a date (and publish a notice thereof) for a public hearing to receive comment on the tentative budget and, particularly, on the portions of the statements and estimates not relating to debt service on general obligation bonds; and

WHEREAS, after said public hearing (and on or before October 1), the SSCFD Board expects to adopt a final budget by resolution; and

WHEREAS, on or before the third Monday in August, the SSCFD Board also expects to order the fixing, levying and assessment of required ad valorem taxes and to cause certified copies of the order to be delivered to the Pima County Board of Supervisors and the Arizona Department of Revenue;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

1. That that certain proposed budget prepared by the SSCFD Treasurer for Fiscal Year 2018-2019, attached hereto and expressly made a part hereof as Exhibit "B", is hereby tentatively approved.

2. That the statements and estimates of the operation and maintenance expenses of SSCFD, the costs of capital improvements to be financed by the approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay SSCFD general obligation bonds in Fiscal Year 2018-2019 are hereby filed on forms of the Auditor General in accordance with ARS §§42-17101(3) and 48-723(C), Arizona Revised Statutes, as amended, and are attached hereto and expressly made a part hereof as Exhibit "C".

3. That a public hearing date of Tuesday, June 19, 2018, beginning at or after 6:00 p.m. in the council chambers of the Town of Marana Civic Center located at 11555 W. Civic Center Drive, Town of Marana, Arizona, is hereby set to consider said tentative budget (including, but expressly not limited to, consideration of those portions of the statements and estimates not relating to debt service on SSCFD general obligation bonds), and said notice (attached hereto and expressly made a part hereof as Exhibit "D") shall be published once in The Daily Territorial no later than ten (10) days prior to said hearing date.

4. That if any provision in this Resolution is held invalid by a court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. That this Resolution shall be effective after its passage and approval according to law.

RESOLVED by the District Board of Saguaro Springs Community Facilities District this 15th day of May 2018.

_____
Ed Honea, Chairman
District Board
Saguaro Springs Community Facilities District

ATTEST:

_____
Jocelyn C. Bronson, District Clerk
Saguaro Springs Community Facilities District

APPROVED AS TO FORM:

_____
Frank Cassidy, Legal Counsel
Saguaro Springs Community Facilities District

EXHIBIT "A"

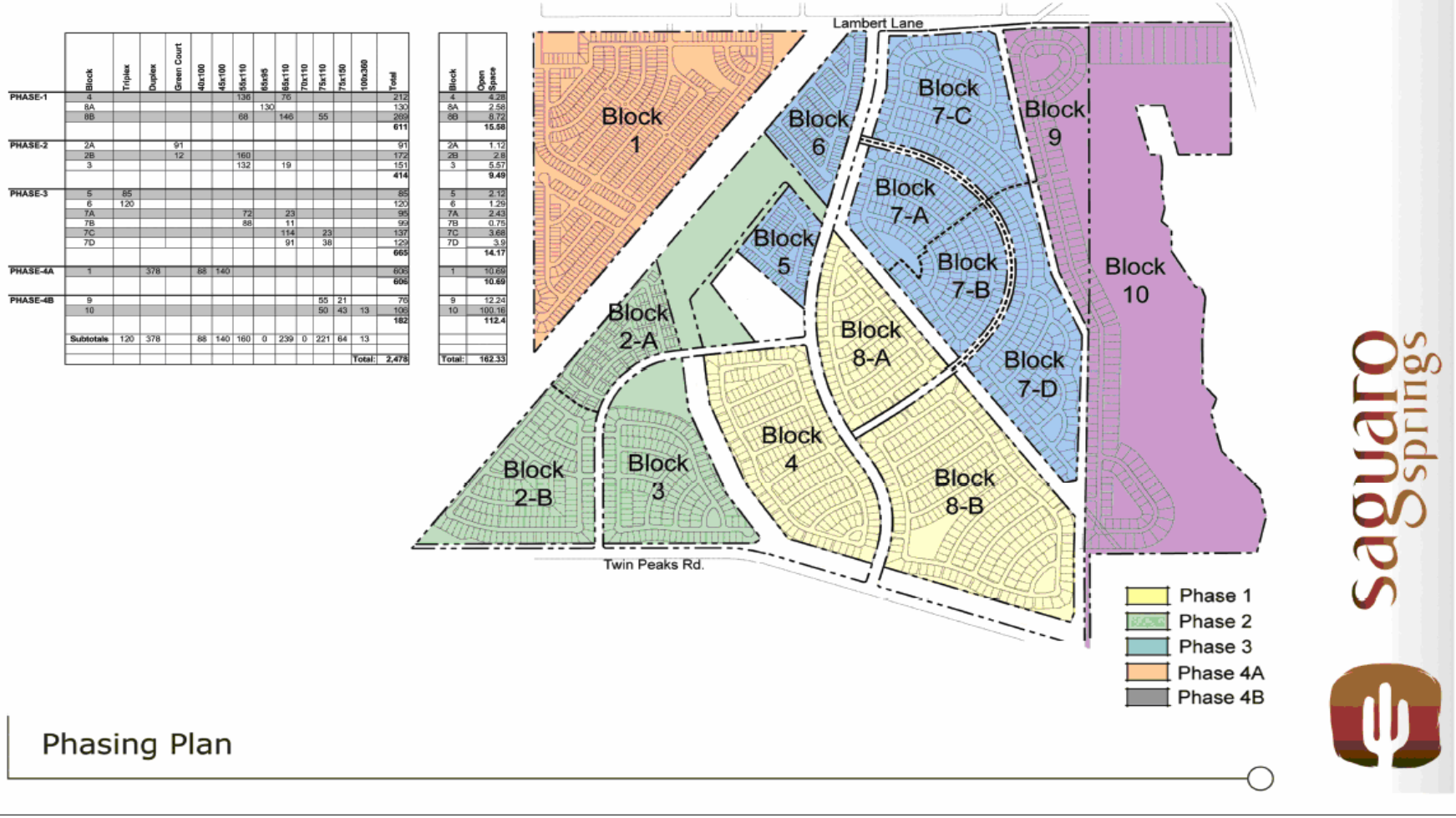
SSCFD Map and Legal Description

SULLIVAN group
Analysis. Answers.

Exhibit I-6
SAGUARO SPRINGS SITE PLAN
Tucson MSA, AZ
December 2006

	Block	Triplex	Duplex	Green Court	40x100	45x100	55x110	65x95	65x110	70x110	75x110	75x150	100x360	Total
PHASE-1	4						136		76					212
	8A							130						130
	8B						68		146		55			269
														611
PHASE-2	2A			91										91
	2B			12			160							172
	3						132		19					151
														414
PHASE-3	5	85												85
	6	120												120
	7A						72		23					95
	7B						88		11					99
	7C								114		23			137
	7D								91		38			129
														665
PHASE-4A	1		378		88	140								606
														606
PHASE-4B	9										55	21		76
	10										50	43	13	106
														182
	Subtotals	120	378		88	140	160	0	239	0	221	64	13	
													Total:	2,478

Block	Open Space
4	4.28
8A	2.58
8B	8.72
	15.58
2A	1.12
2B	2.8
3	5.57
	9.49
5	2.12
6	1.29
7A	2.43
7B	0.75
7C	3.68
7D	3.9
	14.17
1	10.69
	10.69
9	12.24
10	100.16
	112.4
Total:	162.33



Source: Empire Companies

SULLIVAN GROUP REAL ESTATE ADVISORS
AZ387bMaps.xls

Stantec Consulting Inc.
201 North Bonita Avenue Suite 101
Tucson AZ 85745-2999
Tel: (520) 750-7474 Fax: (520) 750-7470
stantec.com

Stantec

PROPERTY DESCRIPTION

SAGUARO SPRINGS

DESCRIPTION of property located in portions of Sections 17, 18 and 19, Township 12 South, Range 12 East and a portion of Section 13, Township 12 South, Range 11 East, Gila and Salt River Meridian, Pima County, Arizona. Said property being more fully described as follows: Blocks 1 thru 10 and A thru D together with Lots 1 thru 9, A and B, as shown on the Block Plat for SAGUARO SPRINGS, recorded in Book 58 of Maps and Plats, Page 23, in the office of the Pima County Recorder, Pima County, Arizona.

Together with:

A portion of said Section 13, as described in Docket 12208, Page 1961, Pima County Records.

Excepting therefrom:

Lot B of said Block Plat

Also excepting therefrom:

That portion of Block 5 of said Block Plat to be dedicated for use as a school site, as recorded in Docket 12711, Page 10927, Pima County Records.

Also excepting therefrom:

That portion of Block 5 of said Block Plat to be dedicated for use as a park site, as recorded in Docket 12755, Page 4378, Pima County Records.

Said parcel containing a total area of 32,839,128 square feet or 753.88 acres of land, more or less.

Disclaimer: Stantec Consulting accepts no liability for this description if it has been modified or reformatted in any way from its original format and content, or used for any purpose other than that for which it was originally intended.

Prepared by Nathan L. Gardner, RLS 36786
Prepared on June 14, 2007
Prepared for and on behalf of Stantec Consulting Inc.
Project Number: 185621935

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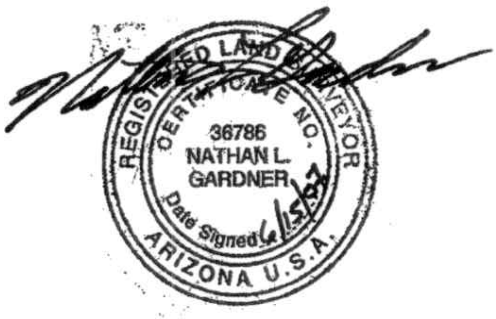


EXHIBIT "B"

FY2018-2019 SSCFD Budget

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT (SSCFD)
TENTATIVE BUDGET AND SUMMARY SCHEDULE OF ESTIMATED REVENUES AND EXPENDITURES
FISCAL YEAR 2018-19

REVENUES	FY 2018 Adopted Budget	FY 2018 Amended Budget	FY 2018 Estimated Actual	FY 2019 Budget
Property Tax - General (Operating)	$ 19,230	$ 19,230	$ 18,653	$ 30,554
Property Tax- Secondary (Debt Service)	-	-	-	254,613
Developer Contributions	384,086	384,086	-	106,833
Total Revenues	403,316	403,316	18,653	392,000
EXPENDITURES				
CFD Administration	10,000	10,000	1,250	10,000
Costs of Issuance	450,000	450,000	300,000	450,000
Accounting/Auditing	2,500	2,500	150	2,500
Public Notification Expenses	2,000	2,000	52	2,000
Consultant Services	15,000	15,000	-	15,000
Outside Legal Counsel	10,000	10,000	-	10,000
Debt Service	250,000	250,000	-	250,000
Trustee Fees	2,500	2,500	-	2,500
Capital Improvements Acquisition	4,000,000	4,000,000	3,000,000	4,000,000
Maintenance and Operation	50,000	50,000	17,201	50,000
Replacement Reserve	100,000	100,000	-	100,000
Total Expenditures	4,892,000	4,892,000	3,318,653	4,892,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,488,684)	(4,488,684)	(3,300,000)	(4,500,000)
Other Financing Sources (Uses)				
Bond Proceeds	4,500,000	4,500,000	3,300,000	4,500,000
Total Other Financing Sources	4,500,000	4,500,000	3,300,000	4,500,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	11,316	11,316	-	-
BEGINNING FUND BALANCE	30,260	30,260	77,487	77,487
ENDING FUND BALANCE	$ 41,576	$ 41,576	$ 77,487	$ 77,487

EXHIBIT "C"

SSCFD Statements and Estimates on Auditor General Forms

OFFICIAL BUDGET FORMS

TOWN OF MARANA

Fiscal Year 2019

TOWN OF MARANA

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Fiscal Year 2019

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TOWN OF MARANA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2019

Fiscal Year		Sch	FUNDS							
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds
2018	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	46,390,546	7,850,924	8,283,441	86,525,471	0	47,129,178	4,214,329	200,393,889
2018	Actual Expenditures/Expenses**	E	37,720,039	5,008,104	7,058,341	41,465,568	0	33,225,739	4,012,191	128,489,982
2019	Fund Balance/Net Position at July 1***		26,262,353	6,081,146	4,168,138	46,020,622		6,837,045	705,226	90,074,530
2019	Primary Property Tax Levy	B	0							0
2019	Secondary Property Tax Levy	B			477,013	355,454				832,467
2019	Estimated Revenues Other than Property Taxes	C	44,956,009	7,658,185	1,992,337	18,658,188	0	18,905,523	4,231,566	96,401,808
2019	Other Financing Sources	D	0	0	0	4,500,000	0	2,000,000	0	6,500,000
2019	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2019	Interfund Transfers In	D	0	100,000	6,105,856	642,183	0	1,040,004	0	7,888,043
2019	Interfund Transfers (Out)	D	3,681,371	0	0	1,398,910	0	2,807,762	0	7,888,043
2019	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:									0
										0
										0
										0
2019	Total Financial Resources Available		67,536,991	13,839,331	12,743,344	68,777,537	0	25,974,810	4,936,792	193,808,805
2019	Budgeted Expenditures/Expenses	E	49,748,942	9,425,279	8,094,144	44,566,574	0	25,603,776	4,231,566	141,670,280

EXPENDITURE LIMITATION COMPARISON	2018	2019
1. Budgeted expenditures/expenses	$ 200,393,889	$ 141,670,280
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	200,393,889	141,670,280
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	$ 200,393,889	$ 141,670,280
6. EEC expenditure limitation	$	$

☐ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

TOWN OF MARANA
Tax Levy and Tax Rate Information
Fiscal Year 2019

	2018	2019
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	$	$
2. Amount received from primary property taxation in the **current year** in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	$	
3. Property tax levy amounts		
A. Primary property taxes	$	$
B. Secondary property taxes	571,672	832,517
C. Total property tax levy amounts	$ 571,672	$ 832,517
4. Property taxes collected*		
A. Primary property taxes		
(1) **Current** year's levy	$ 571,157	
(2) Prior years' levies	515	
(3) Total primary property taxes	$ 571,672	
B. Secondary property taxes		
(1) **Current** year's levy	$	
(2) Prior years' levies		
(3) Total secondary property taxes	$	
C. Total property taxes collected	$ 571,672	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate		
(2) Secondary property tax rate	2.8000	2.8000
(3) Total city/town tax rate	2.8000	2.8000

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating four special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF MARANA
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
GENERAL FUND			
Local taxes			
Sales taxes	$ 25,817,378	$ 25,995,674	$ 26,284,560
Licenses and permits			
Building and development fees	3,459,185	4,138,304	3,768,640
Business and license fees	160,000	150,194	160,000
Animal license fees	85,000	95,735	100,000
Franchise fees	400,000	311,094	489,450
Host Fees	350,000	249,642	300,000
Intergovernmental			
State shared sales taxes	4,077,246	4,085,304	4,314,755
Urban revenue sharing	5,384,087	5,384,669	5,336,906
Auto lieu	2,018,426	1,913,100	2,096,535
Other			
Charges for services			
Charges for services	534,650	618,225	518,637
Fines and forfeits			
Court fines and fees	625,000	557,765	585,000
Interest on investments			
Interest	200,000	237,474	185,000
Contributions			
Voluntary contributions	224,300	218,474	247,757
Miscellaneous			
Other miscellaneous	666,719	590,894	568,769
Total General Fund	$ 44,001,991	$ 44,546,548	$ 44,956,009

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF MARANA
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
SPECIAL REVENUE FUNDS			
Community development block grants	$ 175,000	$ 76,722	$ 150,000
Affordable housing revolving	10,000	15,024	10,000
Other grants and contributions	1,220,593	482,261	2,846,591
RICO	31,615	12,069	34,500
	$ 1,437,208	$ 586,076	$ 3,041,091
Impound	$ 50,000	$ 50,580	$ 40,000
Bed Tax	989,558	973,160	1,088,016
Emergency telecommunications	52,000	52,509	52,000
Local JCEF	15,000	38,131	15,000
	$ 1,106,558	$ 1,114,380	$ 1,195,016
Fill the GAP	$ 6,500	$ 3,824	$ 6,000
Local technology enhancement	130,000	60,533	140,000
Highway user revenue	3,463,025	3,024,897	3,276,078
	$ 3,599,525	$ 3,089,254	$ 3,422,078
Total Special Revenue Funds	$ 6,143,291	$ 4,789,710	$ 7,658,185

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

DEBT SERVICE FUNDS			
Tangerine farms road improvement district	$ 2,251,074	$ 2,357,512	$ 1,992,337
Gladden farms CFD debt	10,229		
	$ 2,261,303	$ 2,357,512	$ 1,992,337
Total Debt Service Funds	$ 2,261,303	$ 2,357,512	$ 1,992,337
CAPITAL PROJECTS FUNDS			
Transportation	$ 7,018,183	$ 6,490,698	$ 5,906,742
One-half cent sales tax	5,579,676	5,277,424	2,952,570
Impact fee funds	2,014,725	2,432,130	1,546,093
Other capital projects	3,946,871	389,716	2,825,812
	$ 18,559,455	$ 14,589,968	$ 13,231,217
Downtown reinvestment	$ 223,600	$ 197,827	$ 223,600
Regional transportation authority	26,911,099	14,074,147	5,069,038
	$ 27,134,699	$ 14,271,974	$ 5,292,638

TOWN OF MARANA
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
Vanderbilt farms CFD capital	29,839		27,500
Saguaro springs CFD capital	384,086		106,833
	$ 413,925	$	$ 134,333
Total Capital Projects Funds	$ 46,108,079	$ 28,861,942	$ 18,658,188

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

ENTERPRISE FUNDS

Water utility	$ 6,555,548	$ 4,795,695	$ 8,614,248
Airport	6,715,540	308,458	6,780,781
Wastewater utility	2,561,506	3,858,579	3,510,494
	$ 15,832,594	$ 8,962,732	$ 18,905,523
Total Enterprise Funds	$ 15,832,594	$ 8,962,732	$ 18,905,523

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

INTERNAL SERVICE FUNDS

Health benefits	$ 3,925,763	$ 3,965,650	$ 3,943,000
Dental benefits	288,566	316,985	288,566
	$ 4,214,329	$ 4,282,635	$ 4,231,566
Total Internal Service Funds	$ 4,214,329	$ 4,282,635	$ 4,231,566
TOTAL ALL FUNDS	$ 118,561,587	$ 93,801,079	$ 96,401,808

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF MARANA
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2019

FUND	OTHER FINANCING 2019 SOURCES	OTHER FINANCING 2019 <USES>	INTERFUND TRANSFERS 2019 IN	INTERFUND TRANSFERS 2019 <OUT>
GENERAL FUND				
Other grants and contributions	$	$	$	$ 100,000
Other capital projects				642,183
2013 debt service				1,256,200
2014 debt service				794,469
2017 debt service				70,883
Airport				817,636
Wastewater utility				
Total General Fund	$	$	$	$ 3,681,371
SPECIAL REVENUE FUNDS				
Other grants and contributions	$	$	$ 100,000	$
Total Special Revenue Funds	$	$	$ 100,000	$
DEBT SERVICE FUNDS				
2013 debt service			3,032,525	$
2014 debt service			794,469	
2016 debt service			2,278,862	
2017 debt service				
Total Debt Service Funds	$	$	$ 6,105,856	$
CAPITAL PROJECTS FUNDS				
Transportation	$	$	$	$ 577,580
Impact fees				821,330
Other capital projects			642,183	
Gladden farms II CFD				
Saguaro springs CFD	4,500,000			
Total Capital Projects Funds	$ 4,500,000	$	$ 642,183	$ 1,398,910
PERMANENT FUNDS				
	$	$	$	$
Total Permanent Funds	$	$	$	$
ENTERPRISE FUNDS				
Airport	$	$	$ 817,636	$
Water utility	2,000,000		222,368	1,515,066
Wastewater utility				1,292,696
Total Enterprise Funds	$ 2,000,000	$	$ 1,040,004	$ 2,807,762
INTERNAL SERVICE FUNDS				
	$	$	$	$
Total Internal Service Funds	$	$	$	$
TOTAL ALL FUNDS	$ 6,500,000	$	$ 7,888,043	$ 7,888,043

TOWN OF MARANA
Expenditures/Expenses by Fund
Fiscal Year 2019

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
GENERAL FUND				
Non-departmental	$ 1,907,251	$ (350,000)	$ 2,257,750	$ 1,935,652
Mayor and council	290,628		268,042	338,036
Town manager	1,727,490		1,582,735	1,898,946
Town clerk	429,193		410,289	583,948
Human resources	869,595		796,026	913,548
Finance	1,197,621		975,147	1,205,031
Legal	847,174		805,201	1,005,575
Technology services	2,664,643		2,474,888	3,452,181
Economic and tourism develop	276,876		243,943	284,506
Development services admin	344,274		152,336	399,354
Development records				
Building safety	1,055,171		837,514	1,182,846
Planning	1,020,554		815,023	935,753
Engineering	2,633,784		2,234,853	2,948,922
Police	13,058,820		13,057,888	13,888,716
Courts	992,929		851,498	1,058,027
Public works	4,348,525		3,367,110	5,109,650
Parks and recreation	4,482,977		4,098,768	4,829,741
Community development	1,042,374		901,516	984,992
Capital outlay	2,550,667		1,589,512	1,793,518
Contingency	5,000,000			5,000,000
Total General Fund	$ 46,740,546	$ (350,000)	$ 37,720,039	$ 49,748,942
SPECIAL REVENUE FUNDS				
Highway user revenue	$ 3,678,138	$	$ 2,995,571	$ 3,901,049
Revolving affordable housing	305,720			50,000
Local JCEF	82,000			72,000
Fill the GAP	34,500			34,500
Local technology	288,191		73,814	289,549
Community development block gran	210,000		76,722	150,000
Bed tax	989,558		927,011	1,088,016
Other grants and contributions	1,135,173		524,727	2,946,591
RICO	1,034,500		312,353	782,574
Impound fees	21,394		25,961	40,000
Emergency telecommunications	71,750		71,945	71,000
Total Special Revenue Funds	$ 7,850,924	$	$ 5,008,104	$ 9,425,279
DEBT SERVICE FUNDS				
Series 2008 debt	$ 1,314,269	$	$	$
Series 2013 debt	3,033,425		3,034,816	3,032,525
Series 2014 debt	533,908		514,071	794,469
Series 2017 debt	649,602		651,246	1,766,300
Tangerine farms ID debt	2,251,074		2,356,952	2,023,837
Gladden farms CFD debt	501,163		501,256	477,013
Saguaro springs CFD debt				
Total Debt Service Funds	$ 8,283,441	$	$ 7,058,341	$ 8,094,144

TOWN OF MARANA
Expenditures/Expenses by Fund
Fiscal Year 2019

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
CAPITAL PROJECTS FUNDS				
Transportation	$ 18,343,837	$	$ 3,041,150	$ 21,476,467
One-half percent sales tax	17,175,455		11,014,963	6,506,233
Impact fee funds	9,819,518		8,247,389	3,043,417
Other capital projects	7,229,076		3,139,717	2,189,827
Downtown reinvestment	223,600	350,000	23,048	830,495
Regional transportation authority	26,911,098		15,973,127	5,069,038
Gladden farms CFD	1,548,480		25,985	528,500
Gladden farms II CFD	213		63	213
Saguaro springs CFD	4,892,000		63	4,892,000
Vanderbilt farms CFD	32,194		63	30,384
Total Capital Projects Funds	$ 86,175,471	$ 350,000	$ 41,465,568	$ 44,566,574
PERMANENT FUNDS				
	$	$	$	$
Total Permanent Funds	$	$	$	$
ENTERPRISE FUNDS				
Water utility	$ 11,825,105	$	$ 8,567,549	$ 11,435,704
Airport	7,752,938		481,954	7,493,416
Wastewater utility	27,551,135		24,176,236	6,674,656
Total Enterprise Funds	$ 47,129,178	$	$ 33,225,739	$ 25,603,776
INTERNAL SERVICE FUNDS				
Health benefits	$ 3,925,763	$	$ 3,819,087	$ 3,943,000
Dental benefits	288,566		193,104	288,566
Total Internal Service Funds	$ 4,214,329	$	$ 4,012,191	$ 4,231,566
TOTAL ALL FUNDS	$ 200,393,889	$	$ 128,489,982	$ 141,670,280

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF MARANA
Expenditures/Expenses by Department
Fiscal Year 2019

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
Town manager:				
General Fund	$ 1,727,490	$	$ 1,582,735	$ 1,898,946
Bed Tax Fund	5,000			
Department Total	$ 1,732,490	$	$ 1,582,735	$ 1,898,946
Economic and tourism development:				
General Fund	$ 276,876	$	$ 243,943	$ 284,506
Bed Tax Fund	309,636		302,540	303,877
Department Total	$ 586,512	$	$ 546,483	$ 588,383
Police:				
General Fund	$ 13,058,820	$	$ 13,057,888	$ 13,888,716
RICO	34,500		312,535	34,500
Impound fees	21,394		25,961	40,000
Other grants	454,384		424,728	421,591
Emergency telecommunications	71,750		71,945	71,000
Department Total	$ 13,640,848	$	$ 13,893,057	$ 14,455,807
Court:				
General Fund	$ 992,929	$	$ 851,498	$ 1,058,027
Local JCEF	72,000			72,000
Fill the GAP	34,500			34,500
Local tech enhancement	288,191		73,814	289,549
Department Total	$ 1,387,620	$	$ 925,312	$ 1,454,076
Public works:				
General Fund	$ 4,287,585	$	$ 3,367,110	$ 5,109,650
Highway user revenue fund	2,894,263		2,995,571	3,065,957
Department Total	$ 7,181,848	$	$ 6,362,681	$ 8,175,607
Community Development:				
General Fund	$ 1,042,374	$	$ 901,516	$ 984,992
CDBG	185,000			150,000
Revolving affordable housing	215,720			50,000
Department Total	$ 1,443,094	$	$ 901,516	$ 1,184,992

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF MARANA
Full-Time Employees and Personnel Compensation
Fiscal Year 2019

FUND	Full-Time Equivalent (FTE) 2019	Employee Salaries and Hourly Costs 2019	Retirement Costs 2019	Healthcare Costs 2019	Other Benefit Costs 2019	Total Estimated Personnel Compensation 2019
GENERAL FUND	326.75	$ 20,523,631	$ 3,524,520	$ 3,738,337	$ 2,135,939	$ 29,922,427
SPECIAL REVENUE FUNDS						
Bed tax	1.00	86,820	10,036	12,690	6,931	116,477
Local technology	1.00	32,822	3,820	11,896	2,561	51,099
Total Special Revenue Funds	2.00	$ 119,642	$ 13,856	$ 24,586	$ 9,492	$ 167,576
ENTERPRISE FUNDS						
Water utility	25.20	$ 1,459,586	$ 166,984	$ 254,735	$ 149,108	$ 2,030,413
Airport	3.00	196,256	22,844	41,319	31,695	292,114
Wastewater utility	7.00	417,687	47,977	89,647	45,900	601,211
Total Enterprise Funds	35.20	$ 2,073,529	$ 237,805	$ 385,701	$ 226,703	$ 2,923,738
TOTAL ALL FUNDS	363.95	$ 22,716,802	$ 3,776,181	$ 4,148,624	$ 2,372,134	$ 33,013,741

EXHIBIT "D"

SSCFD Published Notice

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
NOTICE OF FILING STATEMENTS AND ESTIMATES
AND
NOTICE OF PUBLIC HEARING

NOTICE OF FILING STATEMENTS AND ESTIMATES OF THE OPERATION AND MAINTENANCE EXPENSES OF SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT, THE COSTS OF CAPITAL IMPROVEMENTS TO BE FINANCED BY THE AD VALOREM TAX LEVY, AND THE AMOUNT OF ALL OTHER EXPENDITURES FOR PUBLIC INFRASTRUCTURE AND ENHANCED MUNICIPAL SERVICES PROPOSED TO BE PAID FROM THE TAX LEVY AND OF THE AMOUNT TO BE RAISED TO PAY GENERAL OBLIGATION BONDS OF THE DISTRICT; AND NOTICE OF A PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2018-2019 BUDGET OF THE DISTRICT, INCLUDING A HEARING ON THOSE PORTIONS OF THE STATEMENTS AND ESTIMATES NOT RELATING TO DEBT SERVICE ON GENERAL OBLIGATION BONDS.

Notice is hereby given that statements and estimates have been filed in the Office of the District Clerk of Saguaro Springs Community Facilities District of the operation and maintenance expenses of the District, the costs of capital improvements to be financed by the voter-approved ad valorem tax levy, and the amount of all other expenditures for public infrastructure and enhanced municipal services proposed to be paid from the tax levy and of the amount to be raised to pay general obligation bonds of the District, all of which shall be provided for by the levy and collection of ad valorem taxes on the assessed value of all the real and personal property in the District. Notice is further given of a public hearing on the proposed Fiscal Year 2018-2019 budget of the District, including (but not limited to) a hearing on those portions of the statements and estimates not relating to debt service on general obligation bonds, all pursuant to Arizona Revised Statutes §§48-716 and 48-723. Such hearing will be held by the District Board on Tuesday, June 19, 2018, at or after 6:00 p.m. in the council chambers of the Town of Marana Civic Center, 11555 W. Civic Center Drive, Marana, Arizona. Copies of the budget are available from the Office of the District Treasurer, 11555 W. Civic Center Drive, Town of Marana, Arizona 85653, telephone number: (520) 382-1900.

Dated this _____ day of _____, 2018

/s/ Jamsheed Mehta
……..
District Manager
Saguaro Springs Community Facilities District

Published: _____, 2018

Saguaro Springs Community Facilities District **A3**

Meeting Date: 05/15/2018

From: Erik Montague, Deputy Town Manager

Date: May 15, 2018

Subject: PUBLIC HEARING: Resolution No. SSCFD 2018-02: A resolution of the District Board of Saguaro Springs Community Facilities District authorizing and ratifying the giving of Notice of Hearing with respect to approving a feasibility report which includes identifying the public infrastructure of the projects, the areas to be benefitted, the expected method of financing and the system of providing revenues to operate and maintain the projects, all as provided in such report; approving such report and resolving the intent therefore; authorizing the sale and issuance of not to exceed $4,000,000 aggregate principal amount of general obligation bonds, Series 2018 of the district; prescribing certain terms and conditions of such bonds including making certain findings, certifications and covenants with respect to such bonds; approving the form and authorizing the execution and delivery of a First Amendment to district development, financing participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), a Series 2018 Bond Registrar and Paying Agent Agreement, a purchase contract, a Series 2018 continuing disclosure undertaking and certain other documents relating to such bonds; awarding such bonds to the purchaser thereof; delegating the determination of certain terms of such bonds and matters related thereto to the District Manager; approving a preliminary official statement relating to such bonds; authorizing the preparation of a final official statement relating to such bonds; authorizing the subsequent levying of an ad valorem property tax with respect to such bonds and adopting post-issuance tax compliance and continuing disclosure compliance procedures in connection with issuance of obligations of the District (Erik Montague)

Discussion:

On April 3, 2018, District staff presented a brief history of the Saguaro Springs CFD and an update on overall project development, and discussed financing alternatives.

The Resolution before the Board this evening would authorize the sale of up to (not to exceed) $4M in General Obligation bonds. The final bond sale would be sized to maintain a target ad valorem tax levy of $2.50 per $100 of limited assessed property valuation for all properties located within the District boundaries. The proposed tax levy of $2.50 is strictly for the repayment of the bonds and does not include an operations and maintenance tax of $.30 per $100.

Proceeds from the bond sale will be used to acquire portions of Saguaro Peaks / Saguaro Highlands as well as reimburse the Town for well and reservoir rehab costs.

The bond sale, including the parameters of the bond transaction as described above, is in accordance with a development agreement executed between the District and the developer upon formation of the District, as amended. Additionally, in connection with its consideration of the Bond Resolution, staff included a Preliminary Official Statement. Members of the Board are asked to ensure they pay particular attention to the Preliminary Official Statement.

Further, both Michael Cafiso and Mark Reader are in support of the bond transaction as outlined above. Mr. Cafiso and Mr. Reader are the District's bond counsel and financial adviser, respectively.

Financial Impact:

Fiscal Year:	2018
Budgeted Y/N:	Y
Amount:	$4M (not to exceed)

If approved, the item would authorize the issuance of bonds to fund a partial acquisition of infrastructure as identified in the feasibility report.

Staff Recommendation:

Staff recommends approval of Resolution No. SSCFD 2018-02; approving a feasibility report with regard to projects and resolving intent therefore; authorizing the sale and issuance of general obligation, Series 2016; prescribing certain terms and conditions of such bonds; approving the form and authorizing the execution and delivery of necessary related documents and an official statement; delegating the determination of certain terms of such bonds and matters related thereto to the district chief financial officer and authorizing the

subsequent levying of an ad valorem property tax with respect to such bonds.

Suggested Motion:

I move to adopt Resolution No. SSCFD 2018-02; approving a feasibility report with regard to projects and resolving intent therefor; authorizing the sale and issuance of general obligation and general obligation refunding bonds, Series 2016; prescribing certain terms and conditions of such bonds; approving the form and authorizing the execution and delivery of necessary related documents and an official statement; delegating the determination of certain terms of such bonds and matters related thereto to the district chief financial officer and authorizing the subsequent levying of an ad valorem property tax with respect to such bonds.

Attachments

Resolution No. SSCFD 2018-02
SSCFD 2018 Feasibility Report
Preliminary Saguaro Springs CFD
Bond Purchase Agreement
First Amendment to CFD DA
Bond Registrar and Paying Agent Agreement
Continuing Disclosure Undertaking
Procedures for Compliance
Procedures for Tax-advantaged Obligations

RESOLUTION NO. SSCFD 2018-____

(SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING A FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT; APPROVING SUCH REPORT AND RESOLVING THE INTENT THEREFORE; AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED $4,000,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS, SERIES 2018 OF THE DISTRICT; PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS INCLUDING MAKING CERTAIN FINDINGS, CERTIFICATIONS AND COVENANTS WITH RESPECT TO SUCH BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT), A SERIES 2018 BOND REGISTRAR AND PAYING AGENT AGREEMENT, A PURCHASE CONTRACT, A SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING AND CERTAIN OTHER DOCUMENTS RELATING TO SUCH BONDS; AWARDING SUCH BONDS TO THE PURCHASER THEREOF; DELEGATING THE DETERMINATION OF CERTAIN TERMS OF SUCH BONDS AND MATTERS RELATED THERETO TO THE DISTRICT MANAGER; APPROVING A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING THE PREPARATION OF A FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SUBSEQUENT LEVYING OF AN *AD VALOREM* PROPERTY TAX WITH RESPECT TO SUCH BONDS AND ADOPTING POST-ISSUANCE TAX COMPLIANCE AND CONTINUING DISCLOSURE COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT

BE IT RESOLVED BY THE DISTRICT BOARD OF SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Act"), and Section 9-500.05, Arizona Revised Statutes, the Town of Marana, Arizona (hereinafter called the "Municipality"), Saguaro Springs Community Facilities District (hereinafter called the "District"), Marana 670 Holdings, LLC (hereinafter called the "Owner") and D.R. Horton, Inc. (hereinafter called the "Builder") entered into a District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of June 1, 2013 (hereinafter referred to as the "Original Development Agreement" and, as amended by the hereinafter defined Development Agreement Amendment, as the "Development Agreement") to specify, among other things, conditions, terms, restrictions and requirements for public infrastructure (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

b. With regard to the property which makes up the real property included within the District, the District, the Owner and the Builder specified some of such matters in the Development Agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District, the acceptance by the Municipality or other appropriate political subdivisions, the reimbursement or repayment of the Owner and the Builder with respect thereto, the advance of moneys for public infrastructure purposes and the repayment of such advances and the

obtaining of credit enhancement for, and processing of disbursement and investment of proceeds of, certain bonds, all pursuant to the Act.

c. The Owner and the Builder entered into an Assignment and Assumption of Owners Rights Under District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District) made as of the 18th day of September, 2015, by which, among other things, the Owner granted, transferred, conveyed and assigned to the Builder the Owner's rights, title, interest, privileges, duties, obligations and liabilities as the Owner under the Original Development Agreement and the Builder accepted such assignment and assumption, to which the District consented.

d. This district board of the District (hereinafter called the "District Board") has determined to enter into a First Amendment to the Development Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described First Series of the Bonds (hereinafter referred to as the "Development Agreement Amendment"), with the Builder to provide for certain amendments to the Original Development Agreement.

e. The District is authorized (1) by Section 48-719, Arizona Revised Statutes, to sell and issue general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with The General Plan of Saguaro Springs Community Facilities District (hereinafter referred to as the "General Plan") and (2) by Section 48-709(F), Arizona Revised Statutes, to repay all or part of fees and charges collected from landowners for public

infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by landowners for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Town of Marana, Arizona (hereinafter called the "Municipality"), pursuant to Section 48-709(A)(10), Arizona Revised Statutes.

f. Such bonds may not be issued unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who will be qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes [being, if no person has registered to vote within the area to be included within the boundaries of the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who will be qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes (hereinafter referred to as the "qualified electors"),] the question of authorizing the district board of the District (hereinafter called the "District Board") to issue such bonds (hereinafter referred to as the "Bonds").

g. The District Board deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. SSCFD 2007-01 adopted on October 16, 2007 (hereinafter referred to as the "Organizational Resolution"), which provided that a special election be held on November 21, 2007 (hereinafter referred to as the "Election"), at which time there was submitted to the qualified

electors of the District the questions set forth in the official ballot described in the Organizational Resolution.

h. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the Election and determined (1) that a total of one (1) ballot(s) had been cast in response to the questions submitted, that in answer to the questions submitted, such ballot was marked "Bonds, Yes" and no ballots were marked "Bonds, No" with respect to the issuance of the Bonds; (2) that the Election had been conducted and the returns thereof made as required by law and (3) that only qualified electors were permitted to vote at the Election.

i. Pursuant to Resolution No. SSCFD 2007-02 adopted by the District Board on December 4, 2007, the District Board found and determined that a majority of the votes cast by the qualified electors voting at the Election voted "Bonds, Yes" and that the Bonds in up to and including $99,000,000 aggregate principal amount are therefore authorized to be sold and issued.

j. Pursuant to Section 48-715, Arizona Revised Statutes, and the Organizational Resolution, the District Board has caused a report of the feasibility and benefits of certain projects relating to public infrastructure provided for in the General Plan and to be financed with proceeds of the sale of the First Series of the Bonds (hereinafter referred to as the "First Series of the Bonds") to be prepared, such report having included a description of certain public infrastructure to be acquired and all other information useful

to understand the projects to be acquired with the proceeds of the sale of the First Series of the Bonds, a map showing, in general, the location of such projects, an estimate of the cost to construct, acquire, operate and maintain such projects, an estimated schedule for completion of such projects, a map or description of the area to be benefitted by such projects and a plan for financing such projects (hereinafter referred to as the "Report"). A public hearing on the Report was held immediately preceding the adoption of this Resolution (hereinafter referred to as the "Report Hearing"), after provision for publication of notice thereof as provided by law.

k. It has been requested that the District Board cause the District to acquire certain of the public infrastructure described in the General Plan which was the subject of the Report (hereinafter referred to as the "Projects") described in the Development Agreement, and the District Board hereby determines that the District should acquire the Projects as described in the Development Agreement.

l. Pursuant to Section 48-719, Arizona Revised Statutes, the District Board (1) hereby determines to authorize the sale and issuance of the First Series of the Bonds to provide funds to acquire the Projects, and (2) shall enter in its minutes a record of the First Series of the Bonds sold and their numbers and dates and levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient to pay debt service with respect to the First Series of the Bonds when due.

m. In order to provide for authentication and delivery of the First Series of the Bonds and subsequent matters with respect thereto, the District Board hereby determines to authorize the execution and delivery of a Series 2018 Bond Registrar and Paying Agent Agreement, to be dated as of the first day of the month of the dated date of the First Series of the Bonds (hereinafter referred to as the "Agency Agreement"), by and between the District and bond registrar and paying agent identified as provided herein (hereinafter called the "Bond Registrar and Paying Agent").

n. The District Board hereby also determines to enter into a Series 2018 Continuing Disclosure Undertaking, to be dated even date with the delivery of the First Series of the Bonds (hereinafter referred to as the "Undertaking").

o. Pursuant to the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), and the regulations promulgated thereunder (hereinafter referred to as the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes (hereinafter referred to as "Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations.

p. The District Board hereby determines that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the District comply with the provisions of the

Code and the Regulations (hereinafter referred to as the "Tax Compliance Procedures").

q. Pursuant to Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (hereinafter referred to as the "Rule"), Participating Underwriters (as defined in the Rule) are required to reasonably determine that issuers have entered into written undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule.

r. The District Board hereby determines that procedures should be adopted in order to document practices and describe various procedures for preparing and disseminating such ongoing disclosure for the benefit of the holders of the District's obligations and to assist the Participating Underwriters in complying with the Rule and such written undertakings (together with the Tax Compliance Procedures, hereinafter referred to as the "Procedures").

s. There have been placed on file with the District Clerk of the District and presented to the District Board, in connection with the amendment of the Original Development Agreement, the proposed form of the Development Agreement Amendment, and, in connection with the purposes described in paragraphs 1.j. through r., (1) the proposed form of the Agency Agreement, (2) the proposed form of the Purchase Contract relating to the Bonds, to be dated even date with their sale (hereinafter referred to as the "Purchase Contract"), by and between the District and Hilltop Securities Inc. (hereinafter

referred to as the "Underwriter"), (3) the proposed form of the Undertaking and (4) the proposed form of the Preliminary Official Statement relating to the Bonds, to be dated the date of the mailing thereof (hereinafter referred to as the "Preliminary Official Statement") along with proposed forms of the Procedures. (The documents described in Clauses (1) through (3), both inclusive, are hereinafter referred to, collectively, as the "Bond Documents.")

t. The District Board hereby further determines that (1) the proposed amount of indebtedness evidenced by the First Series of the Bonds will not exceed the estimated cost of the public infrastructure improvements to be financed with the proceeds of the sale thereof plus all costs connected with the public infrastructure purposes related thereto and sale and issuance of the First Series of the Bonds and (2) the total aggregate outstanding amount of the First Series of the Bonds will not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure to be acquired by the District with proceeds of the First Series of the Bonds (based upon information received from the Assessor of Pinal County, Arizona, hereby found and determined to be not less than $6,700,000) all as provided in Section 48-708, Arizona Revised Statutes.

2. a. Authorization and Ratification of Notice of Hearing on Report. Notice of the public hearing on the Report provided by the District Manager and attached as the Exhibit "A"

(hereinafter referred to as the "Notice") is hereby authorized and ratified in all respects as well as the mailing of the Report and the Notice to the governing body of the Municipality. The providing of the Notice as provided by law and as caused by the District Manager is hereby authorized and ratified.

b. Preparation of Report. The preparation of the Report is hereby ratified and confirmed. (Upon completion of a draft of the Report, the Report, marked in a conspicuous fashion "DRAFT," was submitted to the District Board for their review and comment.)

c. Approval of Report and Resolution of Intent. After review of the Report and based on the Report Hearing and the mailing of the Report to the governing body of the Municipality, the Report is hereby approved in the form submitted to the District Board, and the District Board hereby declares its intent as required by Section 48-715, Arizona Revised Statutes, and, subject to the provisions set forth in the Report, to take such reasonable actions as may be necessary to cause the results contemplated by and set forth in the Report, including particularly the acquisition of the Projects for the benefit of the areas described in the Report and the consummation of the expected method of financing, and an appropriate system of providing revenues or other means to maintain, the Projects, all as provided in the Report. The Projects will result in a beneficial use to land within the geographical limits of the District. Such use is principally to such land and, in any case, at a minimum, is proportional. (Based on review of the Report and the Report Hearing, the

District hereby conclusively establishes that the Projects will result in such use.)

3. a. Approval of Sale and Issuance of First Series of the Bonds. The First Series of the Bonds are hereby authorized to be issued as a series of general obligation bonds of the District to be designated "General Obligation Bonds, Series 2018." The District Manager is hereby authorized and directed to determine on behalf of the District: (1) the dated date (but not later than December 1, 2018) and aggregate principal amount (but not to exceed $4,000,000) of the First Series of the Bonds; (2) the final principal and maturity schedule of the First Series of the Bonds (but none of the First Series of the Bonds to mature more than twenty-five (25) years from their date of issuance); (3) the interest rate on each maturity of the First Series of the Bonds and the dates for payment of such interest (hereinafter referred to as "interest payment dates"); (4) the provisions for redemption in advance of maturity of the First Series of the Bonds; (5) the sales date, sales price and other terms of sale of the First Series of the Bonds, (6) the identity of the Bond Registrar and Paying Agent and (7) the provisions for credit enhancement, if any, for the First Series of the Bonds upon the advice of the representative of the Underwriter; provided, however, that the foregoing determinations must result in a yield with respect to the First Series of the Bonds, calculated for federal income tax purposes, of not to exceed five percent (5%). The First Series of the Bonds shall be sold to the Underwriter in accordance with the terms of the Purchase Contract and at a price specified therein with original issue

discount and underwriter's compensation in an amount, in each case, as determined by the District Manager who is hereby authorized and directed to so determine such matters.

b. Forms, Terms and Provisions, and Execution and Delivery, of First Series of the Bonds.

1. The First Series of the Bonds shall be issued in denominations of $5,000 of principal amount and integral multiples thereof and only in fully registered form and shall bear interest from their date to the maturity or prior redemption of each bond of the First Series of the Bonds, payable on the interest payment dates.

2. The principal of, and premium, if any, and interest on, the First Series of the Bonds shall be payable in lawful money of the United States of America. The principal of and premium, if any, on the First Series of the Bonds shall be payable at maturity or prior redemption upon presentation and surrender thereof at the designated corporate trust office of the Bond Registrar and Paying Agent, and interest on the First Series of the Bonds shall be payable by check, dated as of the interest payment date, mailed to the registered owners thereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the first (1st) day of the month next preceding that interest payment date (hereinafter referred to as the "regular record date"). Any such interest on a bond of the First Series of the Bonds which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one

or more predecessor First Series of the Bonds) as of the regular record date, and shall be payable to the registered owner thereof (or of one or more predecessor First Series of the Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of First Series of the Bonds not less than ten (10) days prior thereto.

3. (A) Notice of redemption of any bond of the First Series of the Bonds shall be mailed by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption to the registered owners of the First Series of the Bonds being redeemed at the address shown on the registration books for the First Series of the Bonds maintained by the Bond Registrar and Paying Agent. Failure to properly give such notice of redemption shall not affect the redemption of any bond of the First Series of the Bonds for which notice was properly given.

(B) On the date designated for redemption by notice given as herein provided, the First Series of the Bonds or portions thereof to be redeemed shall become and be due and payable at the redemption price for such First Series of the Bonds or such portions thereof on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such First Series of the Bonds or such portions thereof shall cease to accrue, such First Series of the Bonds

or such portions thereof shall cease to be entitled to any benefit or security hereunder, the registered owners of such First Series of the Bonds or such portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest thereon and such First Series of the Bonds or such portions thereof shall be deemed paid and no longer outstanding.

(C) The District may redeem by random method any amount which is included in a bond of the First Series of the Bonds in the denomination in excess of, but divisible by, $5,000. In that event, the registered owner shall submit such bond for partial redemption, the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

4. (A) The bonds of the First Series of the Bonds (including the form of certificate of authentication and form of assignment therefor) shall be in substantially the form set forth in Exhibit "B" attached hereto. There may be such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Purchase Contract and are approved by those officers executing the bonds of the First Series of the Bonds in such form. Execution thereof by such officers shall constitute conclusive evidence of such approval.

(B) The bonds of the First Series of the Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each bond of the First Series of

the Bonds shall show both the date of the issue and the date of authentication and registration of each Bond.

(C) The bonds of the First Series of the Bonds are prohibited from being converted to coupon or bearer bonds without the consent of the District Board and approval of an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District (hereinafter called "Bond Counsel").

(D) The bonds of the First Series of the Bonds shall be executed for and on behalf of the District by the Chairperson or Vice Chairperson of the District Board and attested by the District Clerk. Such signature may be by mechanical reproduction; however, such officer shall manually sign a certificate adopting as and for such signature on the bonds of the First Series of the Bonds the respective mechanically reproduced signature affixed to such bonds.

(E) If an officer whose signature is on a bond of the First Series of the Bonds no longer holds that office at the time such bond is authenticated and registered, such bond shall nevertheless be valid and binding so long as such bond would otherwise be valid and binding.

(F) A bond of the First Series of the Bonds shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Bond Registrar and Paying Agent. The signature of the authorized representative of the

Bond Registrar and Paying Agent shall be conclusive evidence that such bond has been authenticated and issued pursuant to this Resolution.

5. In case any bond of the First Series of the Bonds becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new bond, of like type, date, maturity and tenor in exchange and substitution for and upon the cancellation of such mutilated bond or in lieu of and in substitution for such bond destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the District in connection therewith and, in the case of a bond destroyed or lost, filing with the Bond Registrar and Paying Agent by the registered owner evidence satisfactory to the Bond Registrar and Paying Agent that such bond was destroyed or lost, and furnishing the Bond Registrar and Paying Agent with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

6. (A) A bond of the First Series of the Bonds may be transferred on the registration books for the First Series of the Bonds upon delivery and surrender of the bond to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of such bond, to be transferred or the attorney-in-fact or legal representative of such owner, containing written instructions as to the details of the transfer of such bond. No transfer of any bond of the First Series of the Bonds shall be effective until entered on the registration books for the First Series of the Bonds.

(B) In the event of the transfer of a bond of the First Series of the Bonds, the Bond Registrar and Paying Agent shall enter the transfer of ownership in the registration books for the First Series of the Bonds and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same maturity and of authorized denominations (except that no bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Resolution.

(C) All costs and expenses of initial registration and payment of the First Series of the Bonds shall be borne by the District, but the District and the Bond Registrar and Paying Agent shall charge the registered owner of such bond for every subsequent transfer of a bond, an amount sufficient to reimburse them for any transfer fee, tax or other governmental charge required to be paid with respect to such transfer and may require that such transfer fee, tax or other charge be paid before any such bond shall be delivered.

(D) The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any bond of the First Series of the Bonds during a period beginning with the opening of business on any regular record date described in the form of such Bond and ending with the close of business on the corresponding interest payment date.

(E) The bonds of the First Series of the Bonds shall be subject to a Book-Entry System (as that term is hereinafter defined) of ownership and transfer, except as provided in Subsection (III) of this Subsection. The general provisions for effecting the Book-Entry System are as follows:

(I) The District hereby designates The Depository Trust Company, as the initial Depository (as that term is hereinafter defined) hereunder.

(II) Notwithstanding the provisions of this Subsection or of the bonds of the First Series of the Bonds to the contrary and so long as the bonds of the First Series of the Bonds are subject to a Book-Entry System, such bonds shall initially be evidenced by one typewritten certificate for each maturity, in an amount equal to the aggregate principal amount thereof. The bonds of the First Series of the Bonds so initially delivered shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company. The bonds of the First Series of the Bonds may not thereafter be transferred or exchanged on the registration books for the First Series of the Bonds maintained by the Bond Registrar and Paying Agent except:

- to any successor Depository designated pursuant to Subsection (III) of this subsection;
- to any successor nominee designated by a Depository or if the District shall elect to discontinue the Book-Entry System pursuant to Subsection (III) of this Subsection, the District shall cause the Bond Regis-

trar and Paying Agent to authenticate and deliver replacement bonds in fully registered form in authorized denominations in the names of the Beneficial Owners (as such term is hereinafter defined) or their nominees, as certified by the Depository, at the expense of the District; thereafter the other applicable provisions of this Resolution regarding registration, transfer and exchange of the bonds of the First Series of the Bonds shall apply.

(III) The Bond Registrar and Paying Agent, pursuant to a request from the District for the removal or replacement of the Depository, and upon thirty (30) days' notice to the Depository, may remove or replace the Depository. The Bond Registrar and Paying Agent shall remove or replace the Depository at any time pursuant to the request of the District. The Depository may determine not to continue to act as Depository for the bonds of the First Series of the Bonds upon thirty (30) days written notice to the District and the Bond Registrar and Paying Agent. If the use of the Book-Entry System is discontinued, then after the Bond Registrar and Paying Agent has made provision for notification of the Beneficial Owners of their book entry interests in the Bonds by appropriate notice to the then Depository, the District and the Bond Registrar and Paying Agent shall permit withdrawal of the bonds of the First Series of the Bonds from the Depository and authenticate and deliver bond certificates in fully registered form and in denominations authorized by this Resolution to the assignees of the Depository or its nominee.

Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement bond certificates) of the District.

(IV) So long as the Book-Entry System is used for the bonds of the First Series of the Bonds, the District and the Bond Registrar and Paying Agent shall give any notice of redemption or any other notices required to be given to registered owners of bonds only to the Depository or its nominee registered as the owner thereof. Any failure of the Depository to advise any of its participants, or of any participant to notify the Beneficial Owner, of any such notice and its content or effect shall not affect the validity of the redemption of the bonds of the First Series of the Bonds to be redeemed or of any other action premised on such notice. Neither the District nor the Bond Registrar and Paying Agent shall be responsible or liable for the failure of the Depository or any participant thereof to make any payment or give any notice to a Beneficial Owner in respect of the bonds of the First Series of the Bonds or any error or delay relating thereto.

(V) Notwithstanding any other provision of this Resolution or of the bonds of the First Series of the Bonds to the contrary, so long as the bonds of the First Series of the Bonds are subject to a Book-Entry System, it shall not be necessary for the registered owner to present the applicable bond for payment of mandatory redemption installments, if any. The mandatory redemption installments may be noted on books for the First Series of the Bonds kept by the Bond Registrar and Paying Agent and the Depository for

such purpose, and the bonds of the First Series of the Bonds shall be tendered to the Bond Registrar and Paying Agent at their maturity.

(VI) For purposes of this subsection, "Beneficial Owners" shall mean actual purchasers of bonds of the First Series of the Bonds whose ownership interest is evidenced only in the Book-Entry System maintained by the Depository; "Book-Entry System" shall mean a system for clearing and settlement of securities transactions among participants of a Depository (and other parties having custodial relationships with such participants) through electronic or manual book-entry changes in accounts of such participants maintained by the Depository hereunder for recording ownership of bonds of the First Series of the Bonds by Beneficial Owners and transfers of ownership interests in bonds of the First Series of the Bonds and "Depository" shall mean The Depository Trust Company, New York, New York or any successor depository designated pursuant to this Section.

c. Forms, Terms and Provisions, and Execution and Delivery, of Bond Documents. The forms, terms and provisions of the Bond Documents in substantially the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution is adopted, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officers authorized to execute the Bond Documents, which approval will be conclusively demonstrated by the execution thereof, and the District Manager and the District Clerk or any of

such officers are hereby authorized to execute and attest and deliver, respectively, the Bond Documents.

d. Authorization to Execute and Deliver. The District Manager is hereby authorized to execute and deliver to the Bond Registrar and Paying Agent the written order of the District for the authentication and delivery of the First Series of the Bonds by the Bond Registrar and Paying Agent.

e. Other Actions Necessary. The District Manager, the District Clerk and the other officers of the District shall retain consultants and counsel necessary to carry out the purposes of this Resolution and shall take all other actions necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents, including without limitation, the closing and other documents required to be delivered in connection with the sale and delivery of the First Series of the Bonds. (The persons who shall so take such actions shall be the persons holding such offices at the time of the initial issuance and delivery of the First Series of the Bonds.)

f. Distribution of Disclosure Documents.

1. The distribution by the Underwriter of the Preliminary Official Statement is hereby authorized and directed, and the District Manager is hereby authorized and directed to prepare, or cause the preparation of, and to execute a "Final Official Statement" for the First Series of the Bonds in substantially the form of the Preliminary Official Statement and reflecting the results of the sale of the First Series of the Bonds, to be dated even date with their

sale, and the distribution of such Final Official Statement by the Underwriter is hereby approved.

2. The District Manager is hereby authorized to deem the Preliminary Official Statement "final" as of its date for purposes of the Rule. In that respect, the District Manager is further authorized to modify, or authorize the modification of, the Preliminary Official Statement.

g. Tax Levy.

1. For each year while any bond of the First Series of the Bonds is outstanding, the District Board shall annually levy and cause to be collected an *ad valorem* tax, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, to pay debt service with respect to the First Series of the Bonds when due.

2. Moneys derived from the levy of the tax provided for in this Section with respect to the First Series of the Bonds when collected constitute funds to pay debt service with respect to the First Series of the Bonds and shall be kept separately from other funds of the District.

3. The District Board shall make annual statements and estimates of the amount to be raised to pay debt service with respect to the First Series of the Bonds. The District Board shall file the annual statements and estimates with the Clerk of the Municipality and shall publish a notice of the filing of the estimate. The District Board, on or before the date set by law for certifying the annual budget of the Municipality, shall fix, levy and assess the

amounts to be raised by *ad valorem* taxes of the District and shall cause certified copies of the order to be delivered to the Board of Supervisors of Pinal County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

4. Any other general obligation bonds of the District hereafter issued will be secured on a parity basis as to the collection and application of property tax revenues of the District with the bonds of the First Series of the Bonds, and such property taxes will be allocated to each such series of general obligation bonds in accordance with any debt service then due, taking into account other funds held by the District for such payment. Property tax revenues allocated for any such series of bonds shall be set aside separately for such series.

h. No Obligation of Municipality. Neither the full faith and credit nor the general taxing power of the Municipality is pledged to the payment of the Bonds. Nothing contained in this Resolution, the Bond Documents or any other instrument related to the Bonds shall be construed as obligating the Municipality or as incurring a charge upon the general credit or any other credit or revenues of the Municipality nor shall the breach of any agreement contained in this Resolution, the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the Municipality.

i. Appointment of Bond Registrar and Paying Agent. The District Manager is hereby authorized to appoint the Bond Registrar and Paying Agent for the purposes of the Agency Agreement as indicated in Section 3a hereof.

j. Use of Proceeds. The proceeds from the sale of the First Series of the Bonds shall be set aside and deposited by the District Treasurer in a separate fund. The proceeds of the sale of the First Series of the Bonds shall be expended only for the purposes set forth in the ballot used at the Election and in the Report and as provided in the District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of June 1, 2013, to which the District is a party.

k. Federal Tax Law Covenants.

1. As provided more specifically in the Certificate as to Federal Income Tax Matters relating to the First Series of the Bonds to be delivered by the District in connection with the original issuance and delivery of the First Series of the Bonds, there shall not be any investment or other use of the proceeds of the First Series of the Bonds which would cause such bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the requirements of such sections of the Code and the Regulations shall be complied with throughout the term of the First Series of the Bonds. (Particularly, the District shall be the owner of the facilities financed with the proceeds of the sale of the First

Series of the Bonds (the "Facilities") for federal income tax purposes. Except as otherwise advised in an opinion signed by Bond Counsel, the District shall not enter into (i) any management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time or (ii) any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities.) Also, the payment of principal and interest with respect to the First Series of the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the First Series of the Bonds, or amounts treated as proceeds of the First Series of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (i) may be so invested for an initial temporary period until needed for the purpose for which the First Series of the Bonds are being issued, (ii) may be so used in making investments of a bona fide debt service fund or (iii) may be invested in obligations issued by the United States Treasury. In consideration of the purchase and acceptance of the First Series of the Bonds by the owners thereof from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, the appropriate officials of the District are hereby directed to take all action required to retain such exclusion and to

refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

2. The procedures required by any arbitrage rebate provision or separate agreement executed in connection with the issuance of the First Series of the Bonds shall be complied with for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the First Series of the Bonds. However, as the District Board hereby represents and warrants that (A) the District has general taxing powers, (B) the First Series of the Bonds are not "private activity bonds" within the meaning of the Code, (C) 95 percent or more of the "net proceeds" of the First Series of the Bonds shall be used for local governmental activities of the District and (D) the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by the District during the 2018 calendar year is not reasonably expected to exceed $5,000,000, there is presently an exception to the need for any such procedures.

3. The First Series of the Bonds are designated as "qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of Section 265(b) of the Code as the District Board hereby represents and warrants that the reasonably anticipated amount of "qualified tax-exempt obligations" (other than private activity bonds within the meaning of the Code) which will be issued by the District during the 2018 calendar year will not exceed $10,000,000.

4. (i) All necessary and desirable steps to comply with the requirements hereunder in order to ensure that interest on the First Series of the Bonds is excluded from gross income for federal income tax purposes under the Code shall be taken; provided, however, that compliance with any such requirement shall not be required in the event the District receives an opinion signed by Bond Counsel that either compliance with such requirement is not required to maintain the exclusion from gross income of interest on the First Series of the Bonds or compliance with some other requirement will meet the requirements of the Code. In the event the District receives such an opinion, this Resolution shall be amended to conform to the requirements set forth in such opinion.

(ii) If for any reason any requirement hereunder is not complied with, all necessary and desirable steps shall be taken to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence, and the District shall pay any required interest or penalty under applicable Treasury Regulations.

5. Written procedures are being established in the form of the applicable portion of the Procedures for the District to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Treasury Regulations and to monitor the requirements of section 148 of the Code relating to arbitrage, with which the District will comply.

1. Matters Relating to Undertaking. Subject to annual appropriation to cover the costs of preparing and mailing as necessary therefor, the District shall comply with and carry out all the provisions of the Undertaking. Notwithstanding any other provision of this Resolution, failure of the District (if obligated pursuant to the Undertaking) to comply with the Undertaking shall not be considered an event of default; however, any Benefitted Owner (as such term is hereinafter defined) may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Subsection. For purposes of this Subsection, "Benefitted Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any bonds of the First Series of the Bonds (including persons holding such bonds through nominees, depositories or other intermediaries), or is treated as the owner of any bonds of the First Series of the Bonds for federal income tax purposes.

4. Adoption of Procedures; Reservation of Rights. The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

5. Repeal of this Resolution; Severability; Effect; Inconsistencies; Effective Date; Ratification.

a. After any of the bonds of the First Series of the Bonds are delivered upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the bonds of the First Series of the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

b. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

c. This Resolution shall constitute a contract between the District and the registered owners of the First Series of the Bonds and shall not be amended in any manner which would impair, impede or lessen the rights of the registered owners of the First Series of the Bonds then outstanding.

d. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

e. This Resolution shall be effective immediately.

f. All actions of the officers and agents of the District including the District Board which conform to the purposes and intent of this Resolution and which further the issuance and sale of the First Series of the Bonds as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Resolution.

[Remainder of page left blank intentionally.]

PASSED by the District Board of Saguaro Springs Community Facilities District this 15th day of May, 2018.

.....
Chairperson, District Board, Saguaro Springs Community Facilities District

ATTEST:

.....
District Clerk, Saguaro Springs Community Facilities District

APPROVED AS TO FORM:

.....
District Counsel, Saguaro Springs Community Facilities District

* * *

ATTACHMENT:

EXHIBIT "A" -- Form of Notice of Hearing on Report
EXHIBIT "B" -- Form of First Series Bond

PHX 332638879v2

EXHIBIT "A"

FORM OF NOTICE OF HEARING ON REPORT

NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-715 ON REPORT OF THE FEASIBILITY AND BENEFITS OF CERTAIN PROJECTS TO BE FINANCED WITH THE PROCEEDS OF THE SALE OF GENERAL OBLIGATION BONDS OF SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

Pursuant to Section 48-715, Arizona Revised Statutes, notice is hereby given that a public hearing on the report of the feasibility and benefits of projects to be financed with the proceeds of the sale of general obligation bonds of Saguaro Springs Community Facilities District shall be held by the District Board on May 15, 2018, at approximately 7:00 p.m. (Arizona time), or immediately preceding the meeting of the Mayor and Council of the Town of Marana, Arizona, on the same date in the Council Chambers, located at 11555 West Civic Center Drive, Marana, Arizona. Such feasibility report and further information relating thereto are on file with the Town Clerk of the Town of Marana, Arizona/District Clerk of Saguaro Springs Community Facilities District, 11555 West Civic Center Drive, Marana, Arizona 85653, telephone number: (520) 382-1900.

Dated this ..... day of ..... , 2018.

/s/ Jamsheed Mehta
.....
District Manager, Saguaro Springs
Community Facilities District

EXHIBIT "B"

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.*

REGISTERED
NO. .....

REGISTERED
$.....

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF PINAL

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BOND,
SERIES 2018

Interest Rate:	Maturity Date:	Dated:	CUSIP:
.....%	July 15, ...	..... , 2018	.....

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: ..... DOLLARS

Saguaro Springs Community Facilities District, a community facilities district duly formed pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "District"), for value received, hereby promises to pay to the aforesaid registered owner, or registered assigns, the aforesaid principal amount on the aforesaid maturity date unless earlier redeemed, and to pay interest on the principal amount from the date as of which this Bond is dated as indicated hereinabove at the aforesaid interest rate on ..... 15, ..., and on each ..... 15 and ..... 15 thereafter (each an "interest payment date") to the maturity or redemption prior to maturity of this Bond. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the designated corporate trust office of ...., as the initial "Bond Registrar

*Insert so long as The Depository Trust Company is the Depository.

and Paying Agent." Interest on the bonds of the issue of which this Bond is one, evidenced by this Bond is payable by check, dated as of the interest payment date, mailed to the registered owner hereof, as shown on the registration books maintained by the Bond Registrar and Paying Agent at the address appearing therein at the close of business on the 1st day of the calendar month next preceding that interest payment date (the "regular record date"). Any such interest on this Bond which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Bond Registrar and Paying Agent whenever moneys become available for payment of that overdue interest, and notice of the special record date shall be given to registered owner of this Bond not less than 10 days prior thereto.

The principal of, and interest and premium, if any, on, this Bond are payable in lawful money of the United States of America, on the respective dates when principal and interest become due.

This Bond is one of a series of bonds indicated above (the "Bonds") in the aggregate principal amount of $.....,000 of like tenor except as to amount, maturity date, redemption feature, rate of interest and number, issued by the District pursuant to a resolution of the Board of the District, duly adopted prior to the issuance hereof, all of the terms of which are hereby incorporated herein (the "Resolution"), and pursuant to the Constitution and laws of the State of Arizona relative to the sale and issuance of general obligation bonds of community facilities districts, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

The Bonds are issuable as fully registered bonds initially only in denominations of $5,000 or principal amount and any integral multiple thereof.

The Bonds are payable, equally and ratably with such other general obligation bonds of the District from the proceeds of an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the District, sufficient to pay debt service on the Bonds when due.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN OF MARANA, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) IS PLEDGED TO THE PAYMENT OF THE BONDS.

The Bonds maturing before and on July 15, ..., are not subject to redemption prior to maturity. The Bonds maturing on and after July 15, ..., are subject to redemption prior to maturity, in whole or in part, on July 15, ..., or any date thereafter, by the

payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

Redemption Dates	Premium
July 15, ..., and January 15, ...	...%
July 15, ..., and January 15, ...	...
July 15, ..., and thereafter	0.0

The Bonds maturing on July 15, ..., shall be redeemed prior to maturity on July 15, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

Year	Amount
	$

A remaining principal amount of $.....,000 of Bonds maturing on July 15, ..., shall mature on July 15, ...

Not more than seventy-five (75) nor less than sixty (60) days prior to the mandatory redemption date for the Bonds maturing on July 15, ..., the Bond Registrar and Paying Agent shall proceed to select for redemption (by lot in such manner as the Bond Registrar and Paying Agent may determine) from all the Bonds maturing on July 15, ..., outstanding a principal amount of the Bonds maturing on July 15, ..., equal to the aggregate principal amount of the Bonds maturing on July 15, ..., to be redeemed and shall redeem such Bonds maturing on July 15, ..., on the next July 15 and give notice of such redemption.

Notice of redemption of any such Bond will be mailed by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date set for redemption to the registered owner of such Bond or Bonds being redeemed at the address shown on the registration books for the Bonds maintained by the Bond Registrar and Paying Agent. Failure to give properly such notice of redemption shall not affect the redemption of any such Bond for which notice was properly given.

The Bond Registrar and Paying Agent shall maintain the registration books of the District for the registration of ownership of each Bond as provided in the Resolution. (The Bond Registrar and Paying Agent may be changed without notice or consent.)

This Bond may be transferred on the registration books upon delivery and surrender hereof to the Bond Registrar and Paying Agent at its designated corporate trust office, accompanied by a written instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar and Paying Agent, duly executed by the registered owner of this Bond or his or her attorney-in-fact or legal representative, containing written instructions as to the details of the transfer. No transfer of this Bond shall be effective until entered on the registration books.

In all cases upon the transfer of this Bond, the Bond Registrar and Paying Agent shall transfer the ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denominations (except that no Bond shall be issued which relates to more than a single principal maturity) for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time in accordance with the provisions of the Resolution. The District and the Bond Registrar and Paying Agent shall charge the owner of such Bond, for every transfer of a Bond, an amount sufficient to reimburse them for any transfer fee, tax or other charge required to be paid with respect to such transfer, and may require that such transfer fee, tax or other charge be paid before any such new Bond shall be delivered.

The District and the Bond Registrar and Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the opening of business on a regular record date and ending with the close of business on the corresponding interest payment date.

This Bond shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar and Paying Agent.

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation and (iii) that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon taxable property within the District, over and above all other taxes authorized or

limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

IN WITNESS WHEREOF, SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT, has caused this Bond to be executed in the name of the District by the facsimile signature of the ..... of the District Board of the District.

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

By.....
.....

ATTEST:

.....
.....

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018 described in the within mentioned Resolution.

Date of Authentication: .....

.....,
as Bond Registrar and Paying Agent

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto .....
(Name and Address of Transferee)
the within Bond and irrevocably constitutes and appoints .... attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ....
Signature

Signature Guaranteed:

....
Signature

[Insert proper legend]

Note: The signature(s) on this assignment must correspond with the name(s) as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - ..... Custodian .....
(Cust) (Minor)

under Uniform Gifts to Minors Act .....
(State)

Additional abbreviations may also be used though not included in the above list.

ALL FEES AND COSTS OF TRANSFER
SHALL BE PAID BY THE TRANSFEROR

* * *

FEASIBILITY REPORT

For The Issuance of

Not To Exceed
$4,000,000 Principal Amount

of

SAGUARO SPRINGS
COMMUNITY FACILITIES DISTRICT

(MARANA, ARIZONA)

GENERAL OBLIGATION BONDS,

SERIES 2018

May 15, 2018

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SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT; AND GENERAL DESCRIPTION OF DISTRICT

INTRODUCTION

This Feasibility Report (this "Report") has been prepared for presentation to the Board of Directors (the "Board") of Saguaro Springs Community Facilities District (the "District") in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2018 (the "Bonds") in a principal amount of not to exceed $4,000,000 pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act"), specifically in accordance with the provisions of A.R.S. 48-715 with respect to the feasibility report and benefits of certain "public infrastructure" (as defined in A.R.S. 48-701) described herein (the "Public Infrastructure") and the plan for financing the costs of the Public Infrastructure with proceeds of the sale of the Bonds. The District is authorized to issue up to $99,000,000 in principal amount of general obligation bonds.

The District, D.R. Horton, Inc. (the "Developer") and other parties have entered into a District Development, Financing Participation and Intergovernmental Agreement dated as of June 1, 2013 (the "Development Agreement") which provides for the financing of the costs of certain portions of the Public Infrastructure necessary for the development of Saguaro Bloom, a master planned, mixed use development (the "Project"), being developed by the Developer.

PURPOSE OF FEASIBILITY REPORT

Pursuant to the Act, this Report includes (i) a description of the Public Infrastructure to be acquired and an estimate of the costs to construct, acquire, operate and maintain the Public Infrastructure [Section Two]; (ii) maps showing, in general, the location of the Public Infrastructure and the area to be benefited by the Public Infrastructure [Section Three]; (iii) an estimated schedule for the completion of the Public Infrastructure [Section Four]; and (iv) a plan for financing the Public Infrastructure [Section Five].

This Report has been prepared for the Board's exclusive consideration. It is not intended or anticipated that this Report will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Report does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds. In preparing this Report, financial advisors, appraisers, counsel, engineers, staff of the Town of Marana, Arizona (the "Town") and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

The Town approved formation of the District on September 4, 2007, upon the request of the original owners of what is now the Project. By operation of assignments and assumptions, the Developer succeeded ultimately to the interests of the original owners in September 2015. The District is located within the limits of the Town and comprises approximately 784 acres that will include approximately 2,100 single-family homes at build-out of the Project and approximately 10 acres for a school site.

The District was created to finance and acquire a portion of public infrastructure within the District that is part of the Project. A map of the location of the Project within the Town is included in Section Three of this Report. A legal description of the property within the District is included as Appendix A to this Report.

SECTION TWO

DESCRIPTION AND ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

DESCRIPTION AND ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

Listed below is a detailed description of the Public Infrastructure which is to be acquired by the District with the proceeds of the sale of the Bonds. All Public Infrastructure segments have been completed and will result in beneficial use to land within the geographical limits of the District. Such use is principally to such land and in any case, at a minimum, is proportional.

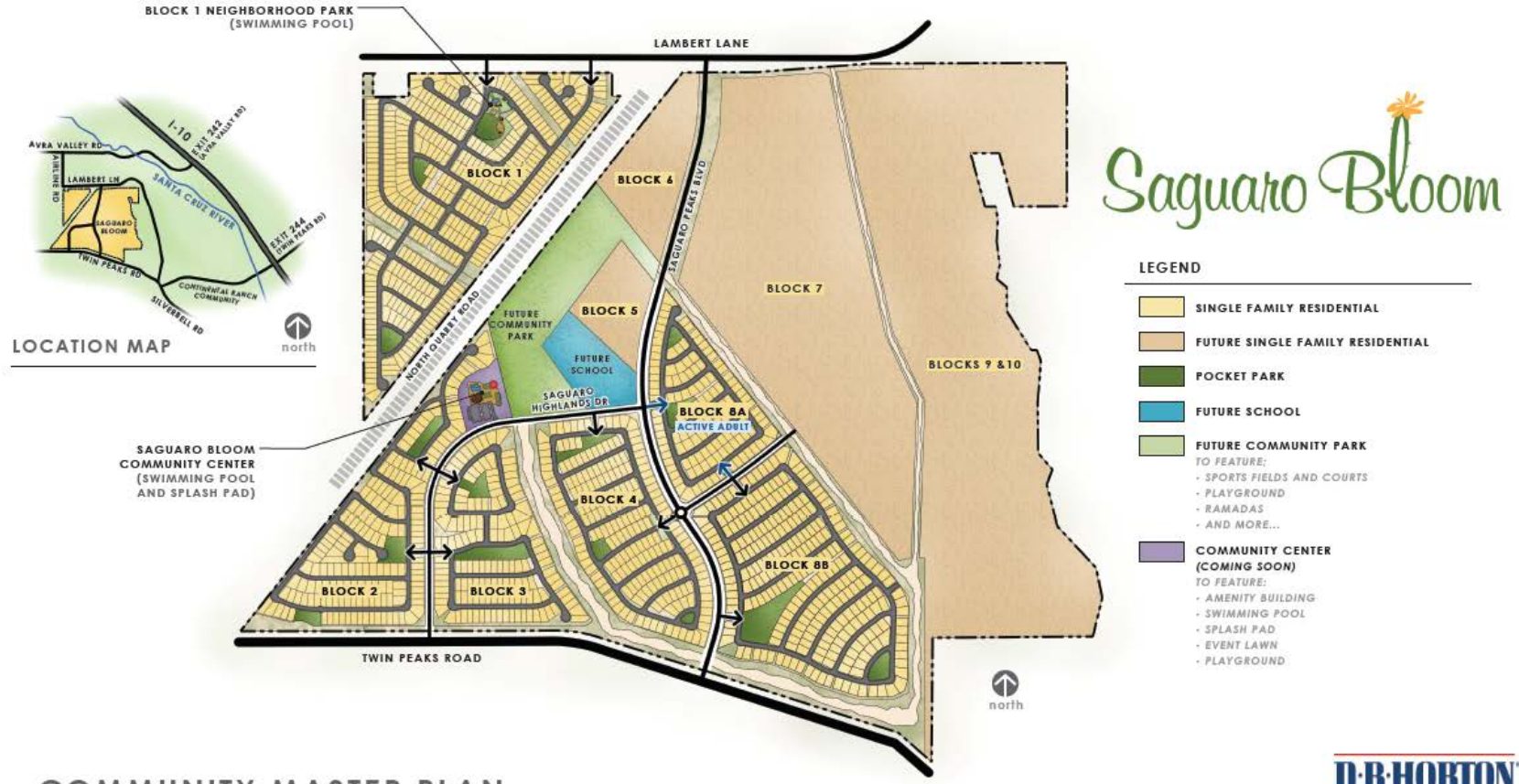
Project Descriptions	Original Estimated Costs	Paid By Series 2018 Bonds	Paid By Future Sales
1. **Water Utility Improvements** – The onsite water system includes rehabbing an existing well in block 2. This well was drilled in the 1960s and has been used mostly for irrigation. The costs will include appropriate casings, pumps, and electrical facilities. This site will be enclosed with gates and landscaping. The 12" fill line has been installed but requires testing and repairs as necessary. This work is anticipated to start in late 2018.	$500,000		$500,000
2. **Saguaro Peaks and Highlands Remediation** – This project includes removal and replacement of the existing spine roads to current standards. The work includes approximately 1.54 miles of two lane roads with medians, including removal and replacement of curbing, ADA access ramps, asphalt, subgrade, drainage facilities, sidewalks, signage, and striping. It also includes all costs relating to the engineering, design, survey, and construction observation associated with the project. This work has been completed.	4,400,000	3,500,000	900,000
3. **Drainage Improvements** – Drainage and Trail improvements located around blocks 2, 3, 7, and 8A. This will include concrete sidewalks and landscape to complete the trail system throughout the community. This work is anticipated to start in 2019	1,200,000		1,200,000

	Project Descriptions	Original Estimated Costs	Paid By Series 2018 Bonds	Paid By Future Sales
4.	**Lambert Lane and Airline Improvements** – This project consists of the roadway improvements to include parkway grading, roadway widening and pavement replacement, driveway paving and replacement, guardrail installation, striping, and signage. Engineering, survey, landscaping, and construction observation are included with this project. This project has been awarded and is scheduled to begin in May 2018.	1,700,000		1,700,000
5.	**Marana Park Improvements** – This park is centrally located within Saguaro Bloom. Conceptual plans will depict site elements such as playgrounds, sports fields, turf areas, trails/paths, restrooms, ramadas/picnic areas, ball courts, accessory amenities, rough grading, parking, access and circulation to adjacent future school site. This project is anticipated to start in 2019.	2,500,000		2,500,000
6.	**Twin Peaks Improvements –** The project is to construct one-half of the four-land arterial road cross section from the west property boundary to the east property boundary. Installation of a traffic signal at the intersection of Twin Peaks Road and Saguaro Peaks Boulevard will be included in these costs. This project will include the installation of westbound right-turn lanes and eastbound left turn lanes at the Twin Peaks Road intersection with Saguaro Peaks Boulevard and Saguaro Highlands Drive. This project is anticipated to start in late 2020 or early 2021.	4,700,000		4,700,000
	Total Estimated Bond Project	**$15,000,000**	**$3,500,000**	**$11,500,000**

Upon completion of such acquisition, the District will dedicate or otherwise transfer all interests in the Public Infrastructure acquired from the Developer to the Town and the costs to operate and maintain the same, if any, may be paid as necessary from the $0.30 per $100 secondary assessed valuation ad valorem property tax levied by the District for such purpose or subsidized by the Developer pursuant to the Development Agreement or otherwise.

SECTION THREE

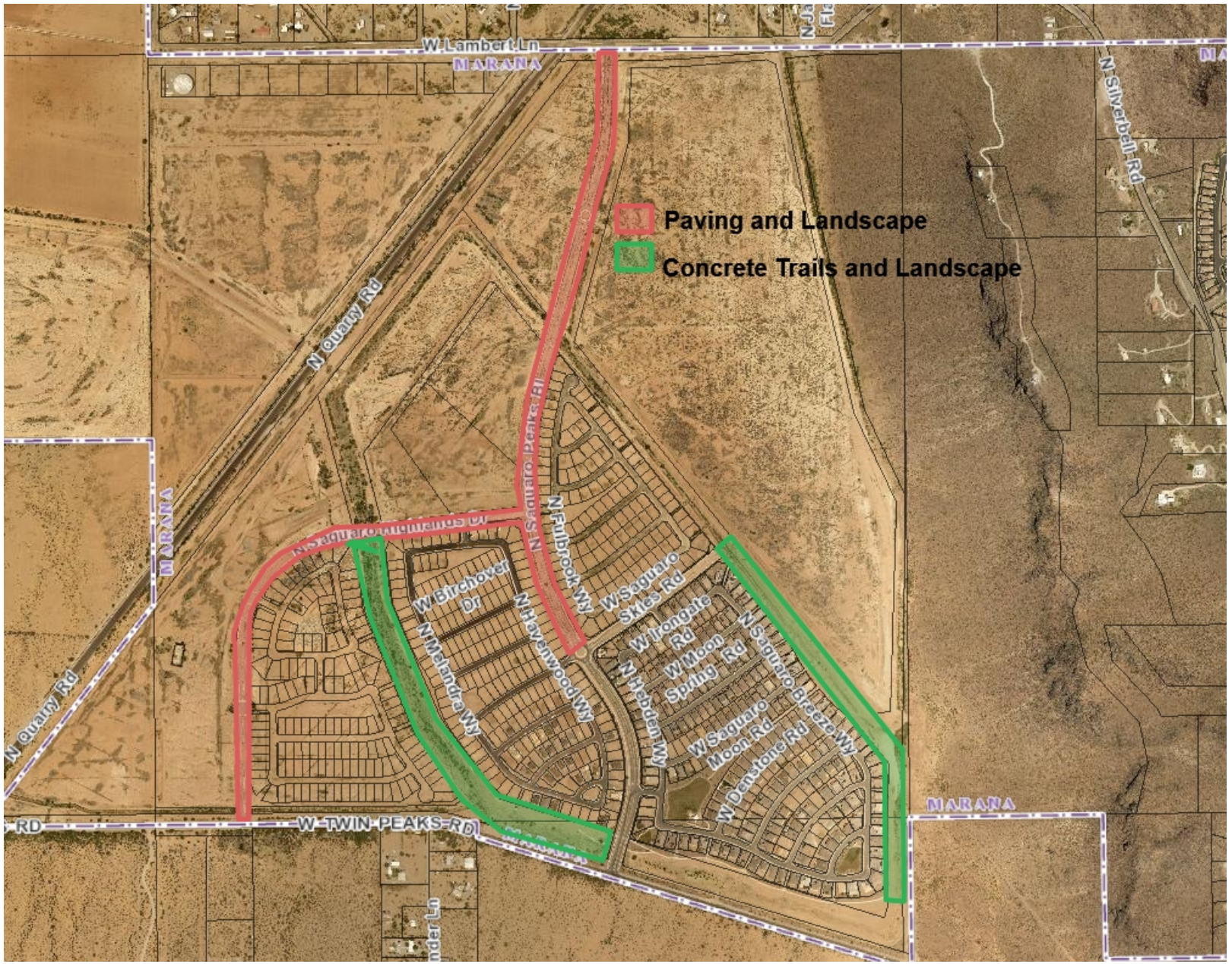
MAP SHOWING DISTRICT BOUNDARIES, LOCATION OF PUBLIC INFRASTRUCTURE AND AREA TO BE BENEFITTED



COMMUNITY MASTER PLAN

D·R·HORTON
America's Builder

PimaMaps Print



Legend

☐ Parcels



Notes:

2,000.0 0 1,000.00

Feet

Saguaro Springs CFD Board of Directors Meeting 05/15/2018

Pima County GIS

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map are subject to Pima County's ITD GIS disclaimer and use restrictions.

 10/18/2017

SECTION FOUR

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

TIMETABLE FOR
COMPLETION OF PUBLIC INFRASTRUCTURE

Construction of the Public Infrastructure has been completed. The District will acquire the Public Infrastructure at the latter of date of issuance of the Bonds or when ready for acceptance by the Town.

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

The Bonds represent the first/initial sale of bonds for the District. At an election held on November 21, 2007, the District received authority to issue $99,000,000 of general obligations bonds. After the sale of the Bonds, the District will have not less than $95,000,000 of remaining authorization.

The District will issue the Bonds in a principal amount of not to exceed $4,000,000 to acquire the Public infrastructure shown in Section Two. This is a not-to-exceed amount and the actual amount of Bonds issued may be lower.

It is anticipated that the Bonds will be issued on or around June 14, 2018. It is currently estimated that the Bonds will have a final maturity of approximately 25-years and be structured with approximately level debt service. Please refer to Table One of this section for an estimated debt service schedule and impact on the secondary tax rate.

Given the estimated net limited assessed property value of taxable property in the District for fiscal year 2018-19, the targeted secondary tax rate associated with the debt service on the Bonds is expected to be set at $2.50 per $100 of assessed valuation (not including the $0.30 per $100 of net limited assessed property valuation tax levy for operation and maintenance described in Section 2, for a total of $2.80 per $100 of secondary assessed valuation.

The estimated sources and uses of funds related to the sale of the Bonds are shown below:

Sources:	
Principal of General Obligation Bonds, Series 2018	$3,380,000
Total	$3,380,000
Uses:	
Cost of Public Infrastructure	$3,090,000
Underwriting Fee	40,000
Costs of Issuance	250,000
Total	$3,380,000

At the $2.50 tax rate level, assuming an average $300,000 home price, the District portion of a tax bill for a homeowner is approximately $60.00 per month or $714 annually. A.R.S. Section 32-2181et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Subdivsion Public Report. Prior to each initial home sale by a homebuilder, each homebuyer must be supplied a Subdivision Public Report, and the homebuyer must acknowledge by signature that they have read and accepted the Subdivision Public Report. In addition, each homebuyer will receive a form detailing the existence of the District, the tax rate and its financial impact and receipt of this form will be acknowledged in writing by the homebuyer, and a signed copy will be kept on file with the Town Clerk.

Summary of Full Cash and Net Limited Assessed Property Values (a)

The full cash value and secondary assessed value for the District for fiscal years 2012/13 through 2018/19 are listed in the following table:

Fiscal Year	Net Limited Assessed Property Value	Estimated Full Cash Value	Net Full Cash Assessed
2018/19 *(b)*	$10,184,506	$108,521,368	
2017/18	6,409,935	64,578,699	
2016/17	4,050,013	41,569,732	
2015/16	2,638,041	25,350,919	
2014/15		11,713,062	$1,687,896
2013/14		9,231,805	1,476,754

(a) Primary taxes are levied against net limited assessed property value (as defined herein). Net limited assessed property value is determined by excluding the value of property exempt from taxation from limited assessed property value of locally assessed property and from full cash assessed value of centrally valued property and combining the resulting two amounts. Like primary taxes, secondary taxes are also levied against net limited assessed property value. (Prior to tax year 2015, secondary taxes were levied against net full cash assessed value which is determined by excluding the value of property exempt from taxation from full Cash assessed value of both locally assessed and centrally valued property and combining the resulting two amounts.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments.

(b) Fiscal year 2018/19 values are preliminary. The values are subject to positive or negative adjustments until approved by the Board of Supervisors of Pima County on or before August 20, 2018.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and Assessor of the County.

Overlapping Tax Rate and Comparative Tax Rates

Shown in the table below is the District's overlapping general obligation bonded indebtedness including a breakdown of each overlapping jurisdictions applicable general obligation bonded indebtedness, net assessed valuation and combined tax rate per $100 assessed valuation.

Overlapping Jurisdiction	2017/18 Net Limited Assessed Property Value	Net General Obligation Outstanding Bonded Debt *(b)*	Proportion Applicable to the District *(a)*		2017/18 Combined Primary and Secondary Tax Rates per $100 Net Limited Assessed Property Value
			Approximate Percent	Net Amount	
State of Arizona	$59,406,279,473	None	0.03%	None	None
Pima County	8,074,957,717	$321,285,000	0.08	$257,028	$ 5.6471*(c)*
Pima County Community College District	8,074,957,717	None	0.08	None	1.3890
Pima County Fire District Assistance Tax	8,074,957,717	None	0.08	None	0.0459
Pima County Library District	8,074,957,717	None	0.08	None	0.5053
Pima County Flood Control District *(d)*	7,373,372,757	None	0.09	None	0.3135
Central Arizona Water Conservation District	8,074,957,717	None	0.08	None	0.1400
Northwest Fire District	1,080,073,267	35,190,000	0.59	208,846	3.0734
Town of Marana	505,088,721	None	1.27	None	0.0000
Pima County Joint Technical Education District	7,935,836,277	None	0.08	None	0.0500
Marana Unified School District No. 6	802,296,626	108,980,000	0.80	870,706	6.2334
Saguaro Springs Community Facilities District *(e)*	**6,409,935**	**3,380,000***	**100.00%**	**3,380,000***	**0.3000**
Total Net Direct and Overlapping General Obligation Bonded Debt and Tax Rate				**$4,716,580***	**$17.6976**

* *Subject to change.*

(a) *The combined tax rate includes the tax rate for debt service payments, which is based on the net limited assessed property value of the entity, and the tax rate of all other purposes such as maintenance and operation and capital outlay, which generally is based on the primary assessed valuation of jurisdictions other than special district and on the net limited assessed property value of special districts such as the District.*

(b) *Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at $0.4875 per $100 Net Limited Assessed Property Value for fiscal year 2017/18. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.*

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and the Treasurer of the County.

APPENDIX A

Legal Description for Saguaro Springs Community Facilities District of Marana, Arizona

APPENDIX "A"
(Legal Description)

Stantec Consulting Inc.
201 North Bonita Avenue Suite 101
Tucson AZ 85745-2999
Tel: (520) 750-7474 Fax: (520) 750-7470
stantec.com

Stantec

PROPERTY DESCRIPTION

SAGUARO SPRINGS

DESCRIPTION of property located in portions of Sections 17, 18 and 19, Township 12 South, Range 12 East and a portion of Section 13, Township 12 South, Range 11 East, Gila and Salt River Meridian, Pima County, Arizona. Said property being more fully described as follows: Blocks 1 thru 10 and A thru D together with Lots 1 thru 9, A and B, as shown on the Block Plat for SAGUARO SPRINGS, recorded in Book 58 of Maps and Plats, Page 23, in the office of the Pima County Recorder, Pima County, Arizona.

Together with:

A portion of said Section 13, as described in Docket 12208, Page 1961, Pima County Records.

Excepting therefrom:

Lot B of said Block Plat

Also excepting therefrom:

That portion of Block 5 of said Block Plat to be dedicated for use as a school site, as recorded in Docket 12711, Page 10927, Pima County Records.

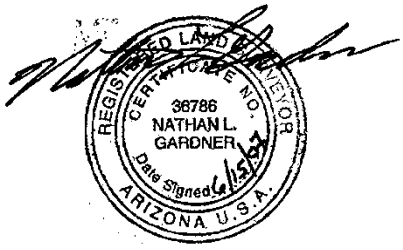
Also excepting therefrom:

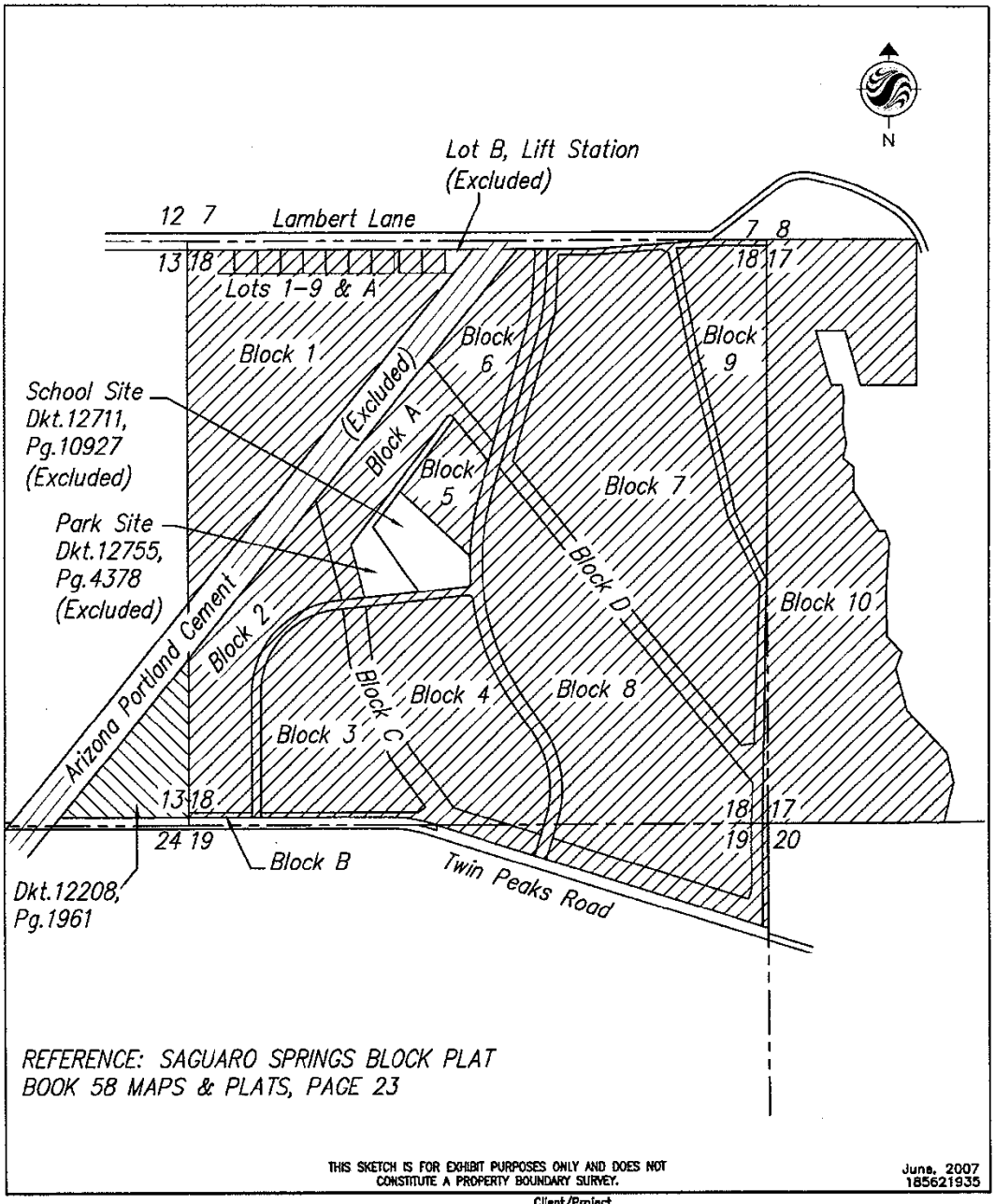
That portion of Block 5 of said Block Plat to be dedicated for use as a park site, as recorded in Docket 12755, Page 4378, Pima County Records.

Said parcel containing a total area of 32,839,128 square feet or 753.88 acres of land, more or less.

Disclaimer: Stantec Consulting accepts no liability for this description if it has been modified or reformatted in any way from its original format and content, or used for any purpose other than that for which it was originally intended.

Prepared by Nathan L. Gardner, RLS 36786
Prepared on June 14, 2007
Prepared for and on behalf of Stantec Consulting Inc.
Project Number: 185621935
w:\active\185621935\lots\21935_property_owned_by_empire_070614.doc





Stantec Consulting
201 North Bonita Ave
Tucson AZ U.S.A.
85745-2999
Tel. 520.750.7474
Fax. 520.750.7470
www.stantec.com

Client/Project
SAGUARO RESERVE
T 12 S, R 12 E, SECTIONS 17, 18 & 19
T 12 S, R 11 E, SECTION 13, PIMA COUNTY, AZ

Figure No.
1.0

Title
Saguaro Springs
Description Exhibit

APPENDIX B

Property Tax Disclosure Form

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
DISCLOSURE STATEMENT

A community facilities district ("CFD") has been established at the development known as "Saguaro Springs" (the development is currently commonly known as "Saguaro Bloom"). The CFD will finance, certain public infrastructure improvements, which will result in a property tax liability for each property owner of Saguaro Bloom resulting from being in the CFD.

BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona municipalities to form CFDs for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

HOW THE CFD WORKS

On September 4, 2007, the Mayor and Council of the Town of Marana, Arizona (the "Town"), formed the CFD which includes all of the property in Saguaro Bloom. An election was held on November 21, 2007, at which time the owners of the property within the CFD voted to authorize up to $99,000,000 of *ad valorem* tax bonds to be issued over time by the CFD to finance the acquisition or construction of water, sewer, road, park and other public infrastructure improvements. The improvements have been or will be dedicated to the Town after acquisition or construction of such public infrastructure by the CFD. The Town will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance up to $99,000,000 in public infrastructure improvements within or benefiting Saguaro Bloom including financing costs related to such improvements. The initial bond issue is expected to be approximately $500,000. The proceeds of this bond issue are currently expected to be utilized to finance the engineering, design and construction of a portion of the water campus improvements for Saguaro Bloom. In addition, it is anticipated that approximately $20,000,000 in bonds will be issued over the next approximately 8 years for future phases of infrastructure at Saguaro Bloom. Thereafter, any remaining bond authorization would be available for issuance to finance other improvements.

AD VALOREM TAXES OF THE CFD

General obligation bonds and the CFD's operation and maintenance expenses are paid from *ad valorem* taxes levied against all property within the CFD. Your share of general obligation bond payments and expenses are included as part of your regular Pima County property tax statement and are separately shown in addition to taxes levied by the Town of Marana and other political subdivisions.

BENEFITS TO RESIDENTS

General obligation bonds issued by the CFD will benefit all residents within Saguaro Bloom by providing public roadway, utility, drainage, park and recreation and other public infrastructure improvements. This benefit was taken into account by the homebuilder in connection with establishing the price of the lot on which your home is to be located. Each resident of the CFD will participate in the repayment of the bonds in the form of an additional property tax to the current property taxes assessed by other governmental entities. This added tax is currently deductible for purpose of calculating federal and state income taxes.

PROPERTY OWNERS' TAX LIABILITY

The obligation to pay the debt service on the general obligation bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Pima County Treasurer in addition to all other property tax payments. **(PLEASE NOTE THAT AT THIS TIME, OTHER THAN GLADDEN FARMS COMMUNITY FACILITIES DISTRICT AND GLADDEN FARMS PHASE II COMMUNITY FACILITIES DISTRICT, NO OTHER AREA WITHIN THE BOUNDARIES OF THE TOWN IS SUBJECT TO A PROPERTY TAX LEVIED BY ANY OTHER COMMUNITY FACILITIES DISTRICT.)** Beginning in fiscal year 2015 (*i.e.*, July 1, 2014), the CFD will levy a not to exceed $2.80 per $100.00 of secondary assessed valuation tax rate to provide for repayment of the general obligation bonds and the payment of certain administrative expenses associated therewith and to provide for the expenses of the CFD and of operating and maintaining the infrastructure the CFD finances.

Although the level of the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed $2.80 per $100.00 of secondary assessed valuation for as long as general obligation bonds are outstanding.

IMPACT OF ADDITIONAL CFD PROPERTY TAX

The following shows the total annual District taxes including the District operational and maintenance tax, for repayment of expected District general obligation bonds.

Market Value of Residence(1)	Estimated Total Annual CFD Tax Liability (2)(3)
$200,000	$476
225,000	536
250,000	595
275,000	655
300,000	714
325,000	774
350,000	833
375,000	893
400,000	952

Footnotes

(1) Market value is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.

(2) General obligation bond debt service and operations and maintenance expenses assuming a $2.80 increase in the *ad valorem* property tax rate per $100 of assessed value. The estimated annual additional tax liability will vary depending upon the final terms of the General Obligation Bonds.

(3) All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the Town of Marana or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

*Assumptions:

A. Assumes residential property assessment ratio will remain at 10%.

B. Tax amount is computed by multiplying the tax rate per $100 of assessed value by full cash value times the assessment ratio.

Additional information regarding the description of 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 Town of Marana Town Clerk's office.

Your signature below acknowledges that you have read this disclosure document at the time you made your decision to purchase property at Saguaro Bloom and you signed your purchase contract and that you understand the property you are purchasing will be taxed to pay the CFD general obligation bonds described above.

SUBDIVISION: **«PROJECT-NAME»** LOT NUMBER: **«LOT-NUMBER»**

«BUYER-SIGNATURE-LINE-BELOW-BLOCK»
«COBUYERS-SIGNATURE-LINES-BELOW-BLOCK»

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE – BOOK-ENTRY-ONLY **RATING: See "RATING" herein.**
INSURANCE: See "BOND INSURANCE AND RELATED RISK FACTORS" herein.

In the opinion of Bond Counsel, assuming continuing compliance with certain tax covenants by the District and relying on certain representations of D.R. Horton, Inc., a Delaware corporation, with respect to the development of the property within the District, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) exempt from income taxation under the laws of the State of Arizona. Further, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. See "TAX EXEMPTION" herein for a description of the federal alternative minimum tax, including the federal alternative minimum tax on corporations for taxable years beginning before January 1, 2018, and certain other federal tax consequences of ownership of the Bonds.

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

DRAFT III
5-4-18

$3,380,000*
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018
(BANK QUALIFIED)

Dated: Date of Delivery **Due: July 15 as shown on inside front cover page.**

The Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018 (the "Bonds") are authorized pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes and an election held on November 21, 2007, in and for Saguaro Springs Community Facilities District (the "District"), a community facilities district formed within the boundaries of the Town of Marana, Arizona (the "Town"), and will be issued pursuant to a resolution of the board of directors of the District. The Bonds will be payable as to both principal and interest from ad valorem taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein. Interest will accrue from the date of delivery and be payable on January 15, 2019* and on each July 15 and January 15 thereafter, until maturity or prior redemption.

The Bonds will be registered only in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), for purposes of the book-entry only system described herein. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Bonds and the method of transfer of the Bonds. DTC will be responsible for distributing the principal and interest payments to the DTC Participants (defined herein) which will, in turn, be responsible for distribution of such amounts to the beneficial owners of the Bonds (the "Beneficial Owners"). As they will be in book-entry-only form, purchasers will not receive definitive certificates with respect to the Bonds. Beneficial ownership interests in the Bonds may be purchased through the facilities of DTC in amounts of $5,000 of principal due on a specific maturity date and integral multiples thereof. So long as any purchaser is the Beneficial Owner of a Bond, such purchaser must maintain an account with a broker or a dealer which is, or acts through, a DTC Participant to receive payment of principal of and interest on such Bond. See APPENDIX D – "BOOK-ENTRY-ONLY SYSTEM."

SEE BOND MATURITY PAYMENT SCHEDULE ON INSIDE FRONT COVER PAGE

The Bonds will be subject to redemption by the District prior to maturity as described under "THE BONDS – Redemption Provisions" herein.*

Proceeds of the sale of the Bonds will be used to pay (i) costs of acquisition of certain public infrastructure benefiting the District and (ii) costs of issuance relating to the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN, THE STATE OF ARIZONA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE TOWN, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

*The Bonds are offered when, as and if issued and subject to the approval of Greenberg Traurig, LLP, Bond Counsel. Certain matters will be passed upon for the Underwriter identified below by its counsel, Squire Patton Boggs (US) LLP and for D.R. Horton, Inc. by Fennemore Craig, P.C.. It is expected that delivery of the Bonds in book-entry-only form will be made through the facilities of DTC on or about _____, 2018.**

* *Subject to change.*

$3,380,000*
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018
(BANK QUALIFIED)

Base CUSIP®[(1)] No. _____

MATURITY SCHEDULE*

Maturity Date (July 15)	Principal Amount	Interest Rate	Price or Yield	CUSIP®[(1)] No. _____
	$	%	%	

$_____ ___% Term Bond Due _____, Price ___% CUSIP ____

* *Subject to change.*

[(1)] *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.*

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

DISTRICT BOARD

Ed Honea, *Chairperson*

John Post, *Vice Chairperson*

Dave Bowen, *Member*

Patti Comerford, *Member*

Herb Kai, *Member*

John Officer, *Member*

Roxanne Ziegler *Member*

DISTRICT ADMINISTRATIVE STAFF

Jamsheed Mehta
District Manager

Erik Montague, CPA
District Treasurer

[_____
District Chief Financial Officer]

Frank Cassidy, Esq.
District Counsel

Jocelyn C. Bronson
District Clerk

Keith Brann, P.E.
District Engineer

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

BOND COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

_____

_____

REGARDING THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of the Bonds, the Bond Resolution, the security for the Bonds, the District, the Developer and the Public Infrastructure (as such terms are defined herein) and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution and any documents are qualified in their entirety by reference to such documents, copies which may be obtained from Hilltop Securities Inc. (the "Underwriter"), at 2398 East Camelback Road, Suite 340, Phoenix, AZ 85016.

No dealer, broker, salesperson or other person has been authorized by the District, the Underwriter or Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor"), to give information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District, the Underwriter or the Financial Advisor.

The information set forth herein, has been obtained from the District, the Developer and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District, the Financial Advisor or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information nor links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the caption "CONTINUING DISCLOSURE" and in APPENDIX C – "FORM OF SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN

MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

A wide variety of information, including financial information, concerning the District is available from publications and websites of the District and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

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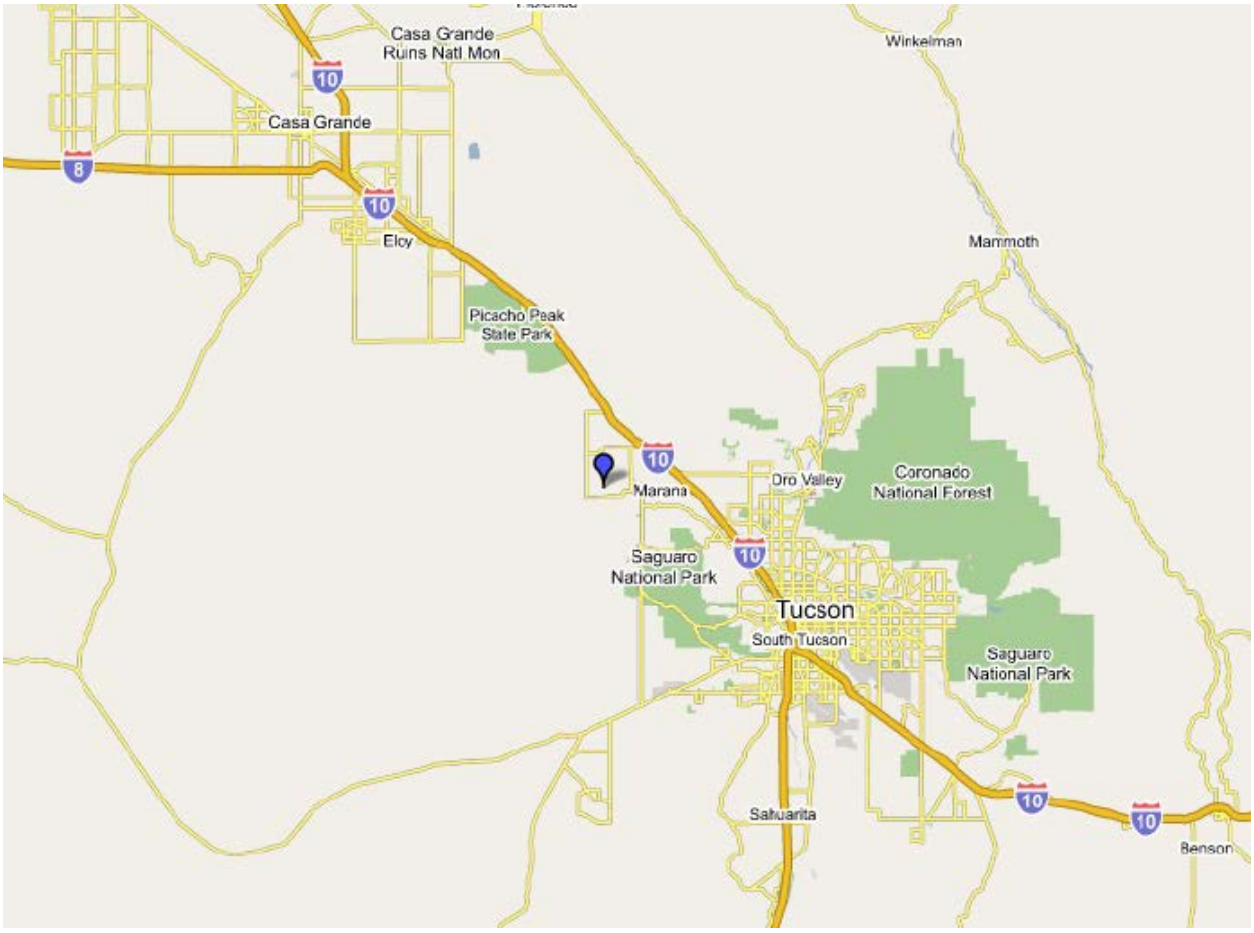
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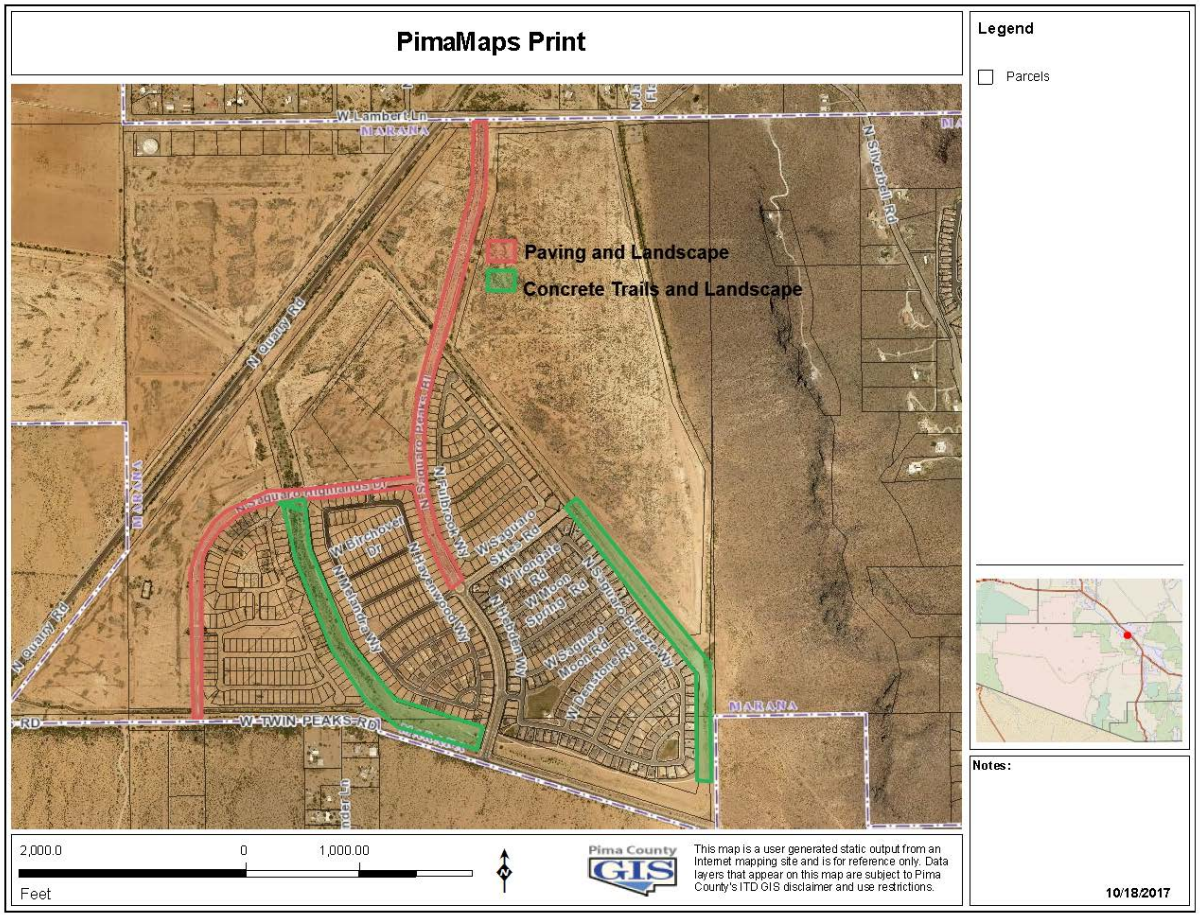
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MAP SHOWING LOCATION OF DISTRICT IN CONTEXT OF SURROUNDING AREA



MAP SHOWING DETAILS OF THE SAGUARO SPRINGS COMMUNITY





COMMUNITY MASTER PLAN

D·R·HORTON
America's Builder

OFFICIAL STATEMENT

$3,380,000*
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018
(BANK QUALIFIED)

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018 (the "Bonds"), in the aggregate principal amount of $3,380,000*.

The Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act"), was enacted to provide a method of financing (including through the issuance by the District (defined below) of general obligation bonds) certain "public infrastructure purposes" (as such term is defined in the Enabling Act) relating to a community facilities district. As provided by, and with the limitations set forth in, the Enabling Act, once formed, a community facilities district is a legally constituted municipal corporation and political subdivision within defined boundaries.

Pursuant to the Enabling Act and in response to a petition by all of the then owners of land therein, the Council (the "Town Council") of the Town of Marana, Arizona (the "Town"), formed Saguaro Springs Community Facilities District (the "District") on September 4, 2007. The District encompasses approximately 784 acres (the "District Land") located in the northern portion of the Town. The Town is located in the northwestern portion of the Tucson, Arizona metropolitan area in Pima County (the "County") in southern Arizona. See APPENDIX A – "INFORMATION REGARDING THE TOWN OF MARANA, ARIZONA," which includes certain information about the Town and surrounding area, and, generally, the maps on pages (v) and (vi).

The District is a special purpose, tax levying public improvement district for certain constitutional purposes and a municipal corporation for certain other statutory purposes. The District has the power to implement the District's general plan for public infrastructure primarily through the issuance of general obligation, special assessment or revenue bonds. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District – General Obligation Bonded Indebtedness to be Outstanding" and "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Other Debt of the District." (The District has no current plans to issue special assessment revenue bonds.)

The Town Council serves as the district board of directors of the District (the "Board"). Additionally, the Board has appointed the Town Manager as the District Manager, the Town Treasurer as the District Treasurer, the Town Finance Director as the District Chief Financial Officer, the Town Attorney as the District Counsel, and the Town Clerk as the District Clerk.

The District Land is being developed pursuant to a District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of June 1, 2013, among the Town, the District, Marana 670 Holdings LLC, an Arizona limited liability company ("Marana 670") and D.R. Horton, Inc. (the "Developer") (the "Original Development Agreement"). At the time of execution of the Original Development Agreement, Marana 670 and the Developer owned the real property within the District. On September 15, 2015, Marana 670 conveyed to the Developer its District Land and assigned all of its rights, title, interest, privileges, duties, obligations and liabilities under the Original Development Agreement. In connection with the adoption of the Bond Resolution and the issuance of the Bonds, the District and the Developer executed and

* *Subject to change.*

delivered a First Amendment to Development Agreement, dated as of May 1, 2018 (the "First Amendment" and, together with the Original Development Agreement, the "Development Agreement") between the District and the Developer.

See "LAND DEVELOPMENT – The Developer" for certain information about D.R. Horton, Inc. and see "PUBLIC INFRASTRUCTURE" for information regarding the acquisition of certain public infrastructure (including the hereinafter described Public Infrastructure) necessary for development of the land within the boundaries of the District.

Pursuant to the results of the Election (defined below under "THE BONDS – Authorization and Purpose"), the District has the authority to issue general obligation bonds in an aggregate principal amount of not to exceed $99,000,000, in one or more series, payable from ad valorem taxes (without limitation as to rate or amount) levied on all taxable property within the boundaries of the District. To date, the District has not issued any general obligation bonds.

The Bonds are being issued to finance a portion of the costs of acquiring certain public infrastructure within the boundaries of the District necessary for development of public roadways within the District, including portions of Saguaro Peaks Boulevard (collectively, the "Public Infrastructure").

Upon issuance of the Bonds, the Board will annually levy, and cause to be collected, an ad valorem tax, at the same time and in the same manner as other such taxes are levied and collected, on all taxable property in the District, sufficient to pay interest on and principal of the Bonds ("Debt Service"), as the same becomes due, whether at maturity or upon mandatory redemption. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District" and "RISK FACTORS."

In addition to the levy of ad valorem property taxes for the payment of Debt Service on the Bonds, pursuant to the results of the Election, the District also is authorized to levy and collect an ad valorem tax at a tax rate of not to exceed $0.30 per $100 of Net Limited Assessed Property Value (as such term is hereinafter defined) on all taxable property within the boundaries of the District for operation and maintenance expenses of the District (the "Operation and Maintenance Tax"). The District is currently levying and collecting the Operation and Maintenance Tax at a rate of $0.30 per $100 of Net Limited Assessed Property Value.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN, THE STATE OF ARIZONA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE TOWN, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

THE BONDS

Authorization and Purpose

The Bonds are authorized pursuant to the Enabling Act and a vote of the owners of land in the District at a special bond election held in and for the District on November 21, 2007 (the "Election"), pursuant to which the District has been authorized to incur general obligation bonded indebtedness in an amount not to exceed $99,000,000 in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds, and will be issued pursuant to a resolution adopted by the Board on May 15, 2018 (the "Bond Resolution"). The Bonds represent the first series issued pursuant to the authorization approved by the Election, and, after issuance of the Bonds, $95,620,000* aggregate principal amount of bonds will remain authorized but unissued. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Ad Valorem

* *Subject to change*.

Property Taxation in the District", "ESTIMATED DEBT SERVICE REQUIREMENTS" and "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District." Additional amounts of general obligation bonds payable from the same source as the Bonds may be authorized at future elections held in and for the District.

Terms of the Bonds – Generally

The Bonds will be dated as of the date of initial delivery and will be registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), under the book-entry-only system described herein (the "Book-Entry-Only System"). See APPENDIX D – "BOOK-ENTRY-ONLY SYSTEM." The Bonds will mature on the dates and in the principal amounts and will bear interest at the rates set forth on the inside front cover page of this Official Statement. Beneficial ownership interests in the Bonds may be purchased in amounts of $5,000 of principal due on a specific maturity date or integral multiples thereof. Interest on the Bonds will accrue from their dated date and be payable semiannually commencing on January 15, 2019*, and on each July 15 and January 15 thereafter (each an "interest payment date") until maturity or prior redemption. (The District has chosen the first day of the month preceding an interest payment date as the "record date" for the Bonds.)

See "TAX EXEMPTION" herein for a discussion of the treatment of interest on the Bonds for federal or State income tax purposes.

Bond Registrar and Paying Agent

_____ will serve as the initial bond registrar, transfer agent and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds maturing on or before July 15, 20__, will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 15, 20__, will be subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 15, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without a premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years (the "Term Bonds") will be subject to mandatory redemption and will be redeemed on July 15 of the respective years set forth below and in the principal amounts set forth below, by payment of a redemption price of the principal amount of such Bonds called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Maturing in 20__	
20__	$ _____
20__	_____
20__ (maturity)	_____

Whenever Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable provided, however, that each remaining mandatory payment shall be in an amount of at least $5,000 of principal.

Notice of Redemption. So long as the Bonds are in book-entry-only form, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX D – "BOOK-ENTRY-ONLY SYSTEM."

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* *Subject to change.*

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if moneys for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be

entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding.

Any amount included in a Bond subject to prior redemption may be redeemed in a denomination equal to or in excess of, but divisible by, $5,000.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

The Board will, for the first time starting in fiscal year 2018/19 and then thereafter, annually levy, and cause to be collected, an ad valorem tax, at the same time and in the same manner as other such taxes are levied and collected, on all taxable property in the District, sufficient to pay Debt Service, whether at maturity or upon mandatory redemption. Amounts derived from the levy of such tax when collected constitute funds to pay Debt Service and will be kept separately from other funds of the District. With respect to such ad valorem property taxes, the Bonds will be payable from such taxes on the same basis as issues of general obligation bonds of the District that may be issued in the future. Any other general obligation bonds of the District hereafter issued will be payable on a parity basis with respect to the collection and application of such and taxes will be allocated to each series of general obligation bonds in accordance with any debt service then due and, in any case, taking into account other funds held by the District for such payment. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District -- General Obligation Bonded Indebtedness to be Outstanding" and "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Additional General Obligation Bonded Indebtedness of the District."

In addition to the levy of ad valorem property taxes for the payment of Debt Service on the Bonds, the Board also levies an additional ad valorem tax of $0.30 per $100 of net limited assessed property value which amount is used for operation and maintenance expenses of the District. (This tax has been levied since fiscal year 2009/10.) See TABLE 2.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "RISK FACTORS."

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE TOWN, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

Defeasance

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America ("Defeasance Obligations") or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. Any Bonds so provided for will no longer be outstanding under the Bonds Resolution or payable from ad valorem taxes on taxable property in the District, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

Ad Valorem Property Taxation in the District

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, and community college districts are "primary taxes." Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides and the maintenance and operation of special service districts such as the District, sanitary, fire, road improvement and joint technological education districts are "secondary taxes." See "Primary Taxes" and "Secondary Taxes" below.

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue (the "Department of Revenue"). Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: Full Cash Value and Limited Property Value (both as defined herein). Centrally valued property is assigned one value: Full Cash Value.

Full Cash Value

In the context of a specific property parcel, full cash value ("Full Cash Value") is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach. Full Cash Value is used as the ceiling for determining Limited Property Value. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

In the context of a specific property parcel, limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year for such specific property parcel. Prior to 2015, Limited Property Value for a specific property parcel in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, increased by the greater of either 10% of the prior year's Limited Property Value or 25% of the difference between the prior year's Limited Property Value and the current year's Full Cash Value. A separate Limited Property Value was not and is not provided for centrally valued property.

Full Cash Value and Limited Property Value for Taxing Jurisdictions

The Full Cash Value in the context of a taxing jurisdiction is the sum of the Full Cash Value associated with each parcel of property in the jurisdiction. Full Cash Value of the jurisdiction is the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona, including the District.

The Limited Property Value in the context of a taxing jurisdiction is the sum of the Limited Property Value associated with each parcel of locally assessed property within the jurisdiction plus the sum of the Full Cash Value associated with each parcel of centrally valued property within the jurisdiction. Limited Property Value of the jurisdiction is used as the basis for levying both primary and secondary taxes.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification *(a)*	2014	2015	2016	2017	2018
Mining, utilities, commercial and industrial	19%	18.5%	18%	18%	18%
Agriculture and vacant land	16	16	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property *(b)*	16	15	14	15	14

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Primary Taxes

Primary taxes are levied against Net Limited Assessed Property Value (as defined herein). "Net Limited Assessed Property Value" is determined by excluding the value of property exempt from taxation from Limited Assessed Property Value of locally assessed property and from Full Cash Assessed Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid.

Secondary Taxes

Like primary taxes, secondary taxes are also levied against Net Limited Assessed Property Value. (Prior to tax year 2015, secondary taxes were levied against "Net Full Cash Assessed Value" which is determined by excluding the value of property exempt from taxation from Full Cash Assessed Value of both locally assessed and centrally valued property and combining the resulting two amounts.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. **As Net Full Cash Assessed Value was used as the basis for levying taxes for payment of bonds like the Bonds in fiscal years prior to fiscal year 2015/16, this Official Statement compares Net Limited Assessed Property Value with Net Full Cash Assessed Value in applicable years below.**

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons reduces the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 2

Real and Secured Property Taxes Levied and Collected *(a)*
Saguaro Springs Community Facilities District

			Collected to June 30th of Initial Fiscal Year		Cumulative Collections to March 22, 2018	
Fiscal Year	District Tax Rate *(b)*	District Tax Levy	Amount	% of Levy	Amount	% of Levy
2017/18	0.30	$ 19,231	*(c)*	*(c)*	$ 10,300	53.56%
2016/17	0.30	12,152	$ 12,074	99.36%	12,152	100.00
2015/16	0.30	7,914	7,873	99.48	7,914	100.00
2014/15	0.30	5,064	5,031	99.35	5,064	100.00
2013/14	0.30	4,430	4,245	95.82	4,245	95.82
2012/13	0.30	5,245	4,453	84.90	4,244	80.92

(a) *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *Does not include tax rate related to Debt Service which will be levied for the first time in fiscal year 2018/19.*

(c) *2017/18 taxes in course of collection:*
First installment due 10-01-17; delinquent 11-01-17
Second installment due 03-01-18; delinquent 05-01-18

Source: Office of the Treasurer of the County.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter (as defined herein) or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

TABLE 3A

Net Limited Assessed Property Value by Property Classification *(a)*
Saguaro Springs Community Facilities District

Class	2018/19 *(b)*	2017/18	2016/17	2015/16
Commercial, Industrial, Utilities & Mines	$ 108,863	$ 499	$ 492	$ -
Agricultural and Vacant	730,968	847,603	1,019,869	1,206,285
Residential (owner occupied)	8,068,893	4,623,000	2,299,758	664,019
Residential (rental)	1,275,782	938,833	729,894	767,737
Totals *(c)*	$ 10,184,506	$ 6,409,935	$ 4,050,013	$ 2,638,041

(a) Determined by Net Limited Assessed Property Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Limited Assessed Property Value for fiscal years 2015/16 and thereafter.

(b) Values shown are preliminary. The values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on August 20, 2018.

(c) Totals may not add up due to rounding.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

See also in this respect the discussion under the subheading "PUBLIC INFRASTRUCTURE."

TABLE 3B

Net Full Cash Assessed Value by Property Classification (a)
Saguaro Springs Community Facilities District

Class	2014/15	2013/14
Agricultural and Vacant	$ 1,377,472	$ 1,476,154
Residential (owner occupied)	-	-
Residential (rental)	310,424	600
Totals *(b)*	$ 1,687,896	$ 1,476,754

(a) Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.

(b) Totals may not add up due to rounding.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

TABLE 4

Net Limited Assessed Property Value of Major Taxpayers
Saguaro Springs Community Facilities District

Title Security Agency of Arizona Trust 201434-T for which D.R. Horton, Inc. is the sole beneficiary, owns 11.99% of the net limited assessed property value of property in the District. See "LAND DEVELOPMENT – The Developer." Other major taxpayers are individual residential property owners.

Source: The Assessor of the County.

TABLE 5A

Comparative Net Limited Assessed Property Values *(a)*
Saguaro Springs Community Facilities District

Fiscal Year	Saguaro Springs Community Facilities District	Town of Marana	Pima County	State of Arizona
2018/19 *(b)*	$ 10,184,506	$ 535,042,025	$ 8,333,898,309	*(c)*
2017/18	6,409,935	505,088,721	8,074,957,717	59,404,007,785
2016/17	4,050,013	476,076,903	7,816,826,920	56,589,592,481
2015/16	2,638,041	445,006,942	7,620,360,873	54,838,548,829

(a) *Determined by Net Limited Assessed Property Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Limited Assessed Property Value for fiscal years 2015/16 and thereafter.*

(b) *Values shown are preliminary. The values are subject to positive or negative adjustments until approved by the Board of Supervisors of the County on or before August 20, 2018.*

(c) *Not yet available.*

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

TABLE 5B

Comparative Net Full Cash Assessed Values *(a)*
Saguaro Springs Community Facilities District

Fiscal Year	Saguaro Springs Community Facilities District	Town of Marana	Pima County	State of Arizona
2014/15	$ 1,687,896	$ 431,118,714	$ 7,579,898,868	$ 55,352,051,074
2013/14	1,476,754	413,392,695	7,623,691,280	52,594,377,492

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

TABLE 6

Estimated Net Full Cash Value History
Saguaro Springs Community Facilities District

Fiscal Year	Estimated Net Full Cash Value *(a)*
2017/18	$ 194,283,142
2016/17	186,469,544
2015/16	171,941,204
2014/15	125,696,520
2013/14	105,895,587

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue.

Direct General Obligation Bonded Debt Outstanding and to be Outstanding
Saguaro Springs Community Facilities District

TABLE 7

Total General Obligation Bonded Debt Outstanding	None
Plus: The Bonds *(a)*	$3,380,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding	$3,380,000*

* *Subject to change.*

SOURCES AND USES OF FUNDS

Sources

Principal Amount	$3,380,000.00*
[Net] Original Issue Premium *(a)*	
Total Sources of Funds	$

Uses

Costs of Acquisition	$
Payment of Costs of Issuance *(b)*	
Total Uses of Funds	$

* *Subject to change.*

(a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*

(b) *Will include bond insurance premium, if any, compensation and costs of the Underwriter and Bond Counsel's fees and costs with respect to the Bonds.*

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table illustrates the estimated annual debt service on the Bonds.

TABLE 8

Maturity Date July 15	The Bonds* Principal	The Bonds* Estimated Interest *(b)*	Total Estimated Annual Debt Service Requirements*
2019	$65,000	185,900 *(c)*	250,900
2020	70,000	182,325	252,325
2021	75,000	178,475	253,475
2022	80,000	174,350	254,350
2023	80,000	169,950	249,950
2024	85,000	165,550	250,550
2025	90,000	160,875	250,875
2026	95,000	155,925	250,925
2027	100,000	150,700	250,700
2028	105,000	145,200	250,200
2029	115,000	139,425	254,425
2030	120,000	133,100	253,100
2031	125,000	126,500	251,500
2032	130,000	119,625	249,625
2033	140,000	112,475	252,475
2034	145,000	104,775	249,775
2035	155,000	96,800	251,800
2036	165,000	88,275	253,275
2037	175,000	79,200	254,200
2038	185,000	69,575	254,575
2039	195,000	59,400	254,400
2040	205,000	48,675	253,675
2041	215,000	37,400	252,400
2042	225,000	25,575	250,575
2043	240,000	13,200	253,200
	$3,380,000		

* *Subject to change.*

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Financial Advisor").

(b) Interest is estimated.

(c) The first interest payment on the Bonds will be due on January 15, 2019. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption.*

OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, Net Limited Assessed Property Value and combined tax rate per $100 Net Limited Assessed Property Value. The applicable percentage of each jurisdiction's Net Limited Assessed Property Value which lies within the District's boundaries was derived from information obtained from the County Assessor. **See "RISK FACTORS - Direct and Overlapping Indebtedness."**

TABLE 9

Overlapping Jurisdiction	2017/18 Net Limited Assessed Property Value	Net General Obligation Outstanding Bonded Debt *(b)*	Proportion Applicable to the District *(a)*		2017/18 Combined Primary and Secondary Tax Rates per $100 Net Limited Assessed Property Value
			Approximate Percent	Net Amount	
State of Arizona	$59,406,279,473	None	0.03%	None	None
Pima County	8,074,957,717	$321,285,000	0.08	$257,028	$ 5.6471*(c)*
Pima County Community College District	8,074,957,717	None	0.08	None	1.3890
Pima County Fire District Assistance Tax	8,074,957,717	None	0.08	None	0.0459
Pima County Library District	8,074,957,717	None	0.08	None	0.5053
Pima County Flood Control District *(d)*	7,373,372,757	None	0.09	None	0.3135
Central Arizona Water Conservation District	8,074,957,717	None	0.08	None	0.1400
Northwest Fire District	1,080,073,267	35,190,000	0.59	208,846	3.0734
Town of Marana	505,088,721	None	1.27	None	0.0000
Pima County Joint Technical Education District	7,935,836,277	None	0.08	None	0.0500
Marana Unified School District No. 6	802,296,626	108,980,000	0.80	870,706	6.2334
Saguaro Springs Community Facilities District *(e)*	**6,409,935**	**3,380,000***	**100.00%**	**3,380,000***	**0.3000**
Total Net Direct and Overlapping General Obligation Bonded Debt and Tax Rate				**$4,716,580***	**$17.6976**

* *Subject to change.*

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for fiscal year 2017/18.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various special assessment bonds, as those bonds are presently being paid from special assessments against property for such purpose.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Pima County	*$25,681,000*
Northwest Fire District	*9,500,000*
Marana Unified School District No. 6	*45,000,000*
The District (e)	*95,620,000**

** Subject to change.*

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages are fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

(c) Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at $0.4875 per $100 Net Limited Assessed Property Value for fiscal year 2017/18. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.

(d) The assessed value of the Pima County Flood Control District does not include any personal property assessed valuation of the County.

(e) Includes the Bonds.

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue and the Treasurer of the County.

Additional General Obligation Bonded Indebtedness of the District

In addition to the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of bonds payable from *ad valorem* taxes. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District -- General Obligation Bonded Indebtedness to be Outstanding." **See also "RISK FACTORS - Direct and Overlapping Indebtedness."**

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the Full Cash Value of the District as reported by the County Assessor, the Board has determined that issuance of the Bonds will meet the test set forth above. See "SECURITY FOR AND SOURCES OF PAYMENT - Ad Valorem Property Taxation in the District -- Full Cash Value.")

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed $99,000,000 and will have $95,620,000* of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from ad valorem taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the Town, Pima County, Arizona, Marana Unified School District No. 6 of Pima County Arizona, Pima County Community College District, Pima County Flood Control District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. **See "RISK FACTORS - Direct and Overlapping Indebtedness."**

Other Debt of the District

The District does not have any outstanding obligations.

LAND DEVELOPMENT

The information contained in the following section relates to and has been obtained from D.R. Horton, Inc., unless otherwise sourced or noted, and neither the District nor the Underwriter has made any independent investigation regarding the accuracy or completeness thereof.

The District

General. The Town Council of the Town formed the District in September 4, 2007. The District encompasses approximately 784 acres (the "District Land") located in the southern portion of the Town. The Town is located in the northwestern portion of the Tucson, Arizona metropolitan area, in Pima County (the "County") in southern Arizona. See APPENDIX A – "INFORMATION REGARDING THE TOWN OF MARANA, ARIZONA," which includes certain information about the Town and surrounding area, and, generally, the maps on pages (v) and (vi).

The District is a special purpose, tax levying public improvement district for certain constitutional purposes and a municipal corporation for certain other statutory purposes. The District has the power to implement the District's general plan for public infrastructure primarily through the issuance of general obligation, special assessment or revenue bonds. (The District has no current plans to issue special assessment or revenue bonds.)

The Town Council serves as the District's board of directors. Additionally, the Board has appointed the Town Manager as the District Manager, the Town Treasurer as the District Treasurer, the Town Finance Director as the District Chief Financial Officer, the Town Attorney as the District Counsel, and the Town Clerk as the District Clerk.

The Development Agreement

The District Land is being developed pursuant to the Development Agreement. The Development Agreement places certain burdens on the Developer and the District Land and also obliges the Town with respect to entitlements pertaining to the District Land. The District Land is being developed as a master planned, mixed use development known as "Saguaro Springs" (the "Project"). The maximum allowable residential build-out of the Project is approximately _____ units; however, the Developer's current plan for the Project contain approximately 2,100 units.

Saguaro Springs

Saguaro Springs is an approximately 784 acre master planned community featuring a range of low to medium-high density neighborhood housing. The development includes a 29-acre community park, a 10 acre future school site, and a 5-acre community center. A trail network connecting the lineal park system to open spaces and community parks are part of the Open Space System within Saguaro Springs**.** Approximately 310 acres has been set aside for open space purposes. Future marketing studies will determine the targeted demographic population for specific neighborhoods, but Saguaro Springs is anticipated to be a diverse residential community to serve both families and active adults. As of March 31, 2018, D. R. Horton has closed 496 residential homes within Saguaro Springs. [Indicate what has been completed and what is planned.]

Although the number of acres devoted to each particular land use may ultimately vary, the land uses and approximate acreages associated with Saguaro Springs are as follows:

TABLE 10

PROPOSED LAND USES WITHIN SAGUARO SPRINGS

Type of Development	Approximate Acres of Saguaro Springs (aka Saguaro Bloom)
Residential	330
Commercial/Light Industrial	0
Open Space/Parks	310
Schools	10
Golf Courses	0
Worship Sites	0
Police/Fire	0
Roadways/Right of Way	134
Medical	0
Total	784

As of December 31, 2017, the Developer has spent approximately $ 4.3 million to construct and install water, sewer, streets, curbs, gutters, and other public facilities at Saguaro Springs, including approximately 1.8 miles of infrastructure roads. The Developer and its predecessor have also spent approximately $13 million to build approximately 7 miles of local residential streets with all utilities installed. The Developer is currently constructing approximately 3 additional miles of local residential streets with all utilities installed at an estimated cost of approximately $10 million. In addition to the development costs, the Developer has spent approximately $2.7 million on numerous community amenities constructed over the last five years, including approximately 25 acres of parks with multiple tot lots and ramadas within the community.

Saguaro Springs is being developed with both a family-oriented community and an active adult community (Freedom Homes, with housing designed for those 55 and over). Saguaro Springs is expected to include (i) an amenity center with resort-style pool and splash pad, fully equipped gym, and kitchen, bocce ball courts, and horseshoe pits, (ii) a community park with basketball courts, pickleball courts, sand volleyball, lighted ball fields, and a dog park, and (iii) landscaped open areas with tot lots, ramadas, and seating within completed subdivisions. The Saguaro Bloom Community Association (the "Association") is responsible for the continued maintenance of the community amenities and costs for the continued maintenance are included in Association assessments. The Association may charge use and consumption fees for services and facilities provided by or through the Association.

Sales of homes within Saguaro Springs, are set forth in Table 8 below. The price range on home closings was from [$250,000] to [$400,000].

TABLE 11

SINGLE-FAMILY HOME CLOSINGS *(a)*

Calendar Year	Saguaro Springs
2013	2
2014	67
2015	103
2016	128
2017	152
2018 *(3/31/18)*	44
Total	496

(a) The earliest close date shown is December 12, 2013 and the latest is March 31, 2018.

TABLE 12

SINGLE-FAMILY HOMES UNDER CONSTRUCTION *(b)*

	Number of Homes
Saguaro Springs	93

(b) As of March 31, 2018.

Source: The Developer.

The educational needs of the children living in Saguaro Springs are served by Marana Unified School District No. 6 of Pima County, Arizona. An elementary school serving Saguaro Springs has been open since the inception of the community. A charter school offering grades kindergarten through 8, Lehman Academy, is completed and has commenced operations.

Completed commercial development within the area, but outside the District, consists of the following retail establishments: Safeway (grocery store), U.S. Bank, the Tucson Premium Outlet Mall, and various smaller businesses. Northwest Hospital serves as a full emergency care center and has been open since the inception of Saguaro Springs.

Development within Saguaro Springs is subject to certain agreements with the Town and certain master plan and zoning approvals. Such agreements provide, among other things, the Town's contributions to, and reimbursements for, infrastructure, the processing of permits, payment for Town services, and other matters generally provided for in similar agreements within the State.

Municipal Services and Utilities

Municipal services within Saguaro Springs, including police protection and water and sewer services, are provided to residents of the District in the normal course of operations by the Town. Fire protection is provided by the Northwest Fire District of Pima County, a separate political subdivision which encompasses the District. Electric power is provided by Tucson Electric Power Company, natural gas is provided by Southwest Gas Co. and cable television and telephone service is provided by Comcast Corporation and CenturyLink, respectively.

Work Related to Drainage Easement across Quarry Road

CalPortland Company ("CPC") and the Developer entered into a Settlement Agreement and Release of Claims on or about September 22, 2017, relating to drainage across Quarry Road, which bisects the northwestern portion of the Property, as shown on the map appearing on page (vi) of this Official Statement, and is owned by CPC. Under the terms of the Settlement Agreement, the Developer agreed to undertake certain corrective work to replace a portion of the existing wall along the road, repair portions of the existing wall along the road, and install access gates. The corrective work is substantially completed and upon approval of the corrective work by a third party inspector, CPC will grant Developer a new easement agreement for drainage across Quarry Road.

The Developer

D. R. Horton, Inc., a Delaware corporation, is a public company whose common stock is traded on the New York Stock Exchange under the symbol "DHI." Founded in 1978 and headquartered in Arlington, Texas, D. R. Horton, Inc. constructs and sells homes in 27 states and 79 metropolitan markets of the United States under the names of D. R. Horton, America's Builder, Express Homes, Emerald Homes, Freedom Homes, and Pacific Ridge Homes.

D. R. Horton, Inc. is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities Exchange Commission ("SEC"). Such filings, particularly, D. R. Horton, Inc.'s Annual Report on Form 10-K for the fiscal year ended September 30, 2017, as filed by D. R. Horton, Inc. with the SEC on November 15, 2017, and D. R. Horton, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2017, as filed by D. R. Horton, Inc. with the SEC on February 8, 2018, set forth certain data relative to the consolidated results of operations and financial position of D. R. Horton, Inc. and its subsidiaries, as of such dates.

The SEC maintains an Internet website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including D. R. Horton, Inc. The address of such Internet website is www.sec.gov. In addition, the aforementioned material may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. All documents subsequently filed by D. R. Horton, Inc. pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes.

Copies of D. R. Horton, Inc.'s Annual Report and each of its other quarterly and current reports, including any amendments, are available from D. R. Horton, Inc.'s website at www.drhorton.com.

The foregoing Internet addresses and references to filings with the SEC are included for reference only, and the information on these Internet websites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such Internet websites. Investors should not rely on the information and financial statements contained on these websites in evaluating whether to buy, hold or sell the Bonds.

PUBLIC INFRASTRUCTURE

The information contained in the following section relates to and has been obtained from the Developer, unless otherwise sourced or noted, and neither the District, the Financial Advisor nor the Underwriter has made any independent investigation regarding the accuracy or completeness thereof.

Description and Estimate of Cost of Public Infrastructure

Project Descriptions	Original Estimated Costs	Paid By Series 2018 Bonds	Paid By Future Sales
1. Water Utility Improvements – The onsite water system includes rehabbing an existing well in block 2. This well was drilled in the 1960s and has been used mostly for irrigation. The costs will include appropriate casings, pumps, and electrical facilities. This site will be enclosed with gates and landscaping. The 12" fill line has been installed but requires testing and repairs as necessary. This work is anticipated to start in late 2018.	$500,000		$500,000
2. Saguaro Peaks and Highlands Remediation – This project includes removal and replacement of the existing spine roads to current standards. The work includes approximately 1.54 miles of two lane roads with medians, including removal and replacement of curbing, ADA access ramps, asphalt, subgrade, drainage facilities, sidewalks, signage, and striping. It also includes all costs relating to the engineering, design, survey, and construction observation associated with the project. This work has been completed.	4,400,000	3,500,000	900,000
3. Drainage Improvements – Drainage and Trail improvements located around blocks 2, 3, 7, and 8A. This will include concrete sidewalks and landscape to complete the trail system throughout the community. This work is anticipated to start in 2019	1,200,000		1,200,000
4. Lambert Lane and Airline Improvements – This project consists of the roadway improvements to include parkway grading, roadway widening and pavement replacement, driveway paving and replacement, guardrail installation, striping, and signage. Engineering, survey, landscaping, and construction observation are included with this project. This project has been awarded and is scheduled to begin in May 2018.	1,700,000		1,700,000

Project Descriptions	Original Estimated Costs	Paid By Series 2018 Bonds	Paid By Future Sales
5. Marana Park Improvements – This park is centrally located within Saguaro Bloom. Conceptual plans will depict site elements such as playgrounds, sports fields, turf areas, trails/paths, restrooms, ramadas/picnic areas, ball courts, accessory amenities, rough grading, parking, access and circulation to adjacent future school site. This project is anticipated to start in 2019.	2,500,000		2,500,000
6. Twin Peaks Improvements – The project is to construct one-half of the four-land arterial road cross section from the west property boundary to the east property boundary. Installation of a traffic signal at the intersection of Twin Peaks Road and Saguaro Peaks Boulevard will be included in these costs. This project will include the installation of westbound right-turn lanes and eastbound left turn lanes at the Twin Peaks Road intersection with Saguaro Peaks Boulevard and Saguaro Highlands Drive. This project is anticipated to start in _____.	4,700,000		4,700,000
Total Estimated Bond Project	**$15,000,000**	**$3,500,000**	**$11,500,000**

Upon completion of such acquisition, the District will dedicate or otherwise transfer all interests in the Public Infrastructure acquired from the Developer to the Town and the costs to operate and maintain the same, if any, may be paid as necessary from the $0.30 per $100 secondary assessed valuation ad valorem property tax levied by the District for such purpose or subsidized by the Developer pursuant to the Development Agreement or otherwise.

RISK FACTORS

THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District will be subject to the risks generally incident to real estate investments and development including those described herein.

Construction of houses on the remaining lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate;

changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the development must come from the Town and other governmental authorities, over which the District has no control.)

Development requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate development and construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

Competition from Other Developments

The residential development business, particularly with respect to communities such as Saguaro Springs, is highly competitive in the County area. The business of homebuilding by the Developer in the District will face competition from a number of competitors in the Town and other developments throughout the surrounding area, many of which offer or intend to offer lots and parcels to a similar target market.

Assessed Valuation of Property

The District's ability to retire the indebtedness evidenced by the Bonds solely from ad valorem property taxes is dependent upon the development and maintenance of an adequate tax base from which the District may collect revenues. The District's ability to achieve a tax base adequate to generate ad valorem property tax revenues for timely payment of the Bonds will depend upon the continued and successful development of Saguaro Springs. The District faces competition from other residential developments in surrounding areas. Such competition may adversely affect the rate of development within the District. Many unpredictable factors could influence the actual rate of construction within the District, including the prevailing interest rates, availability of funds, market and economic conditions generally, supply of housing in the greater Tucson metropolitan area, construction costs, labor conditions, access to building supplies, availability of water and water taps, availability and costs of fuel and transportation costs, among other things.

It is anticipated that the assessed valuation of the land in the District will increase if and as the development of the Project continues. However, changes in the future assessed valuation of the land in the District may reduce the willingness of landowners to pay the ad valorem property taxes securing the Bonds or adversely affect the interest of potential buyers of such property. See also "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District."

Concentration of Ownership; Subsequent Transfers

The Developer currently owns 11.99% of the taxable property within the District and is responsible for paying the ad valorem property taxes on its District Land. In addition, the Developer currently still owns District Land for the remaining approximately 1,500 residential lots currently expected to be ultimately developed as part of the Project. There is no other homebuilder that owns land in Saguaro Springs. There can be no assurance that the Developer or future developers or homebuilders will have the financial capability to continue and complete development of Saguaro Springs. None of the District, the Underwriter or the Town has reviewed the financial resources or development capabilities of the Developer to develop its property or sell it to others for development, or the capability of the Developer to pay ad valorem property taxes as they come due. No assurances can be given that the Developer or any subsequent District property owner will have the necessary financial resources to pay ad valorem property taxes as they come due. See "LAND DEVELOPMENT."

Failure or Inability to Complete Proposed Project

The continuing development and successful completion of the Project is contingent upon construction or acquisition of major public improvements, such as arterial streets, water distribution facilities, wastewater collection and transmission facilities, drainage facilities, telephone and electrical facilities, recreational facilities and street lighting, as well as local in-tract improvements. If the Developer or other developers or, as applicable, the Town are unable to complete these additional improvements, the ability to sell homes in the Project would be affected adversely.

No assurances can be given that the homebuilder will be able to obtain on a continuing basis the financing necessary to pay for required development costs. Cash generated from the sale of land within the District is expected to fund a substantial portion of the costs of the development. However, the cost of these additional improvements plus the public and private in-tract, on-site and off-site improvements would increase the public and private debt for which all or portions of the District Land is security. See "-- Direct and Overlapping Indebtedness" below.

The Project may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, increases in development costs and other similar factors as well as availability of utilities and the development of environmental problems with such land. See "LAND DEVELOPMENT" above. *While the Developer has in place a development agreement with the Town, addressing, among other things, the vesting of zoning approvals necessary to develop the Project, development within the District could nevertheless be affected by changes in governmental policies and laws, including, but not limited to, governmental policies and laws to restrict or control development. (Any approvals needed in the future for the development of the Project must come from the Town or other governmental authorities, over which the District has no control.) Land development within the District also could be affected by competition from other residential developments in surrounding areas. A slowdown of the development process and the related absorption rate within the Project because of any or all of the foregoing could affect adversely land values and impair the developers' ability to finance the costs of development. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF LANDOWNERS TO PAY AD VALOREM PROPERTY TAXES AND COULD GREATLY REDUCE THE VALUE OF SUCH PROPERTY IN THE EVENT IT HAS TO BE FORECLOSED UPON.*

A majority of the District Land is currently undeveloped and, if any or all of the foregoing occurs, may continue as such. Vacant land provides less security to the holders of the Bonds should it be necessary for the District to foreclose due to non-payment of ad valorem property taxes. An inability to develop the remaining land within the District will likely reduce the diversity of ownership on land within the District, making the owners of the Bonds more dependent upon timely payment of the ad valorem property taxes levied on the vacant property.

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District." Such valuation and particularly decreases therein may reduce the willingness of landowners to pay the ad valorem taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Issuance of the Bonds Will Require Levy of New Ad Valorem Property Taxes

The District has no outstanding general obligation bonds and, as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," the Board of the District currently levies only an ad valorem tax of $0.30 per $100 of net limited assessed property value which amount is used for operation and maintenance expenses of the District. The issuance of the Bonds will require the Board to levy an additional ad valorem tax on all taxable property within the District sufficient to pay Debt Service on the Bonds. Neither the District nor the Developer is able to assess whether the required payment of such additional ad valorem tax will have a material adverse impact on the interest or demand by purchasers for homes within the District or the re-sale value of existing homes.

Direct and Overlapping Indebtedness

The willingness or ability of owners of land in the District to pay their ad valorem taxes could be affected by the existence of other taxes and assessments imposed upon the property. The District and other political subdivisions, such as the State, the County, the Town, Pima County Community College District, Northwest Fire District, Pima County Joint Technical Education District and Marana Unified School District No. 6 of Pima County, Arizona, etc., whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS" above). The lien created on the property within the District by the levy of additional ad valorem taxes would be on a parity with the lien for the ad valorem taxes securing the Bonds.

The imposition of additional parity liens, or junior liens in the case of, for instance, special assessments, may reduce the ability or willingness of the landowners to pay the ad valorem taxes securing the Bonds as well as, in the case of failure of payment thereof, the existence of buyers of such property at any foreclosure sale for purposes of paying such taxes. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District."

From time to time, there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which ad valorem taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes that various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, they would affect the Bonds or other obligations issued prior to their enactment.

Bankruptcy and Foreclosure Delays

The payment of the ad valorem taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, ad valorem taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the ad valorem taxes securing the Bonds, bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District -- Delinquent Tax Procedures."

It should be noted that in the event of a bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pendency of the bankruptcy proceedings. Such taxes might constitute an unsecured and possible non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on a pro rata basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact the bankruptcy of a property owner might have on the ability of the District to collect ad valorem taxes levied on that property before or during the bankruptcy proceedings. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover any claim against the debtor or its estate that arose before the commencement of the bankruptcy is automatically stayed pursuant to the Bankruptcy Code. While the stay may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor in bankruptcy would be subject to the stay of bankruptcy court. Furthermore, "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections becomes uncertain.

In the event none of the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. Neither the District, the Financial Advisor, the Underwriter, the Developer, or their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

In addition, the various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Cancellation of Contracts

The State, its political subdivisions, including the District, or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions, including the District or any of the departments or agencies of either is, while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. While neither the District nor the Developer knows of any facts or circumstances currently in effect which would entitle the District to cancel any contracts entered into in connection with the organization and development of the District, nevertheless the cancellation of any material contracts entered into by the District and the Developer may adversely affect the Bonds.

Tax Risks

As discussed under "TAX EXEMPTION" below, interest on the Bonds could become includable in gross income of the owners thereof for purposes of federal income taxation retroactive to the date the Bonds were issued if the District acts or fails to act in a manner which violates its covenants in the Bond Resolution. In that event, the Bonds are not subject to special redemption and will remain outstanding on a taxable basis until maturity or until redeemed in accordance with the redemption provisions contained in the Bond Resolution.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Official Statement may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the property within the District is in the early phases. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, the Developer anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, the Developer does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered

on the site and the possibility of a decline in property values resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. Liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act. In addition, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

Projections

Included in this Official Statement are various projections. The projections are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which are believed to be significant and which are not within the control of the District or the Developer may also exist. There are usually differences between projections for lot closings, completion dates, completion costs and other items and actual lot closings, completion dates, completion costs and other items, because the lot closings, completion dates, completion costs and other items frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Official Statement can be achieved.

Forward-Looking Statements

This Official Statement contains certain "forward-looking" statements, including information about property values that are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements should be considered in light of the information provided under this section and in the other portions of this Official Statement. Although it is believed that the forward-looking statements are reasonable they could prove to be inaccurate.

The Underwriter makes no representation as to the accuracy of the projections contained herein nor as to the assumptions on which the projections are based.

The Bonds will be secured solely by ad valorem property taxes generated within the District. Anyone considering investing in the Bonds should carefully examine this Official Statement, including the Appendices hereto.

LITIGATION

At the time of delivery and payment for the Bonds, appropriate representatives of the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, overtly threatened against the District affecting the existence of the District, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Resolution, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, any action of the District contemplated by any of the said documents, or the collection or application of the revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code"), as the Board does not reasonably anticipate that the aggregate amount of qualified tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2018 will exceed $10,000,000.

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the District must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The District's failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The District has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the District and continuing compliance by the District with the tax covenants referred to above and relying upon certain representation of D.R. Horton, Inc. with respect to development of the District land, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Federal legislation enacted in 2017 eliminates the federal alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018, corporations should consult their tax advisors regarding the federal alternative minimum tax implications of owning the Bonds. Bond Counsel is further of the opinion that the interest on the Bonds is exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct

and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned the rating of "___" to the Bonds. Such rating reflects only the view of S&P. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, CA 94111. Such rating may be revised downward or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Bonds. The District has covenanted in its continuing disclosure certificate that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX C – "FORM OF SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING" herein.

BOND INSURANCE AND RELATED RISK FACTORS

The District intends to apply, or has applied, to bond insurance companies (each a "Bond Insurer") for a municipal bond insurance policy (the "Policy") for the Bonds to guarantee the scheduled payments of principal of and interest on the Bonds. A commitment to provide the Policy has not been issued, and representatives of the District have yet to determine whether, if such commitment is issued, the Policy will be purchased. If the Policy is purchased, the following are risk factors relating to bond insurance generally.

If the District ultimately determines to obtain the Policy for the Bonds, in the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter, or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, a form of which is included herein as APPENDIX B. See "TAX EXEMPTION." Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds. Certain legal matters will be passed upon with respect to the District by Greenberg Traurig, LLP, Phoenix, Arizona; for the Underwriter by its counsel, Squire Patton Boggs (US) LLP; and for D.R. Horton, Inc. by Fennemore Craig, P.C., Phoenix, Arizona.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issue explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer of guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds will be purchased by Hilltop Securities Inc. (the "Underwriter") at an aggregate purchase price of $_____, pursuant to a purchase contract (the "Purchase Contract") entered into by and between the District and the Underwriter. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter's compensation will be $_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter.

FINANCIAL ADVISOR

The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor has not verified, and does not assume any responsibility for, the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: "The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information."

NO AUDITED FINANCIAL STATEMENT OF DISTRICT

The District is not required to, nor does it currently prepare, financial statements that are separately audited. However, as a "blended component unit" of the Town, certain information regarding the District is contained in the Town's comprehensive annual financial reports. The Town's comprehensive annual financial report for fiscal year ended June 30, 2017 is publically available and is available upon request from the District Treasurer. Beginning with fiscal year ended June 30, 2018, the District expects to commence preparation of financial statements that are separately audited. Should the District commence preparation of financial statements that are separately audited, the District's undertaking, described under the heading "CONTINUING DISCLOSURE," requires such audited financial statements to be filed with the Municipal Securities Rulemaking Board through EMMA (as defined below).

RELATIONSHIP AMONG PARTIES

Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, and Squire Patton Boggs (US) LLP, counsel to the Underwriter, have each acted as bond counsel in other transactions underwritten by the Underwriter and have each acted as Underwriter's counsel to the Underwriter in other transactions. Greenberg Traurig, LLP and Squire Patton Boggs (US) LLP have also acted as bond counsel and/or underwriter's counsel with respect to bonds issued by the Town and other overlapping political subdivisions.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 of each year, commencing February 1, 2019 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The method of filing of, and specific nature of the information to be contained in, the Annual Reports and in the Notices of Listed Events are set forth herein in APPENDIX C - "FORM OF SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING" which includes the form of undertaking which will be executed by the District with respect to the Bonds.

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. The ability of the District to comply with such covenants will be subject to the annual appropriation of funds, sufficient to provide for the costs of compliance for such covenants. Should the District not comply with such covenants, it has covenanted to provide notice of such fact as it would for a Notice of Listed Event. A failure to provide continuing disclosure may adversely affect the transferability and liquidity of the Bonds and their market price.

The District will enter into its first continuing disclosure undertaking pursuant to the Rule in connection with the execution and delivery of the Bonds. The District will implement procedures to facilitate compliance with the Continuing Disclosure Undertaking related to the Bonds and future similar undertakings.

CONCERNING THE OFFICIAL STATEMENT

Documents delivered with respect to the Bonds will include a certificate to the effect that, to the knowledge of the District after appropriate review, the descriptions and statements contained in this Official Statement were, at the date of this Official Statement and at the time of the initial delivery of the Bonds, true, correct and complete in all material respects and did not contain any untrue statements of material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading and that no event has occurred since the date of this Official Statement that should be described herein for the purpose for which this Official Statement is to be used or which it is necessary to disclose herein in order to make the statements and information herein not misleading in any material respect.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All financial and other information in this Official Statement has been derived by the District from official records and other sources and is believed by the District to be accurate and reliable. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

By_____
Chairperson, District Board

APPENDIX A

INFORMATION REGARDING THE TOWN OF MARANA, ARIZONA

The following information regarding the Town is provided for reference only. No attempt has been made to determine what part, if any, of the data presented is applicable to the District, and consequently no representation is made as to the relevance of the data to the District or to the repayment of the Bonds. THE BONDS ARE NOT OBLIGATIONS OF THE TOWN. The Bonds are direct obligations of the District, payable solely from ad valorem taxes levied against all taxable property in the District, as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" in this Official Statement.

General

The Town is located one mile north of the border of the City of Tucson, Arizona ("Tucson"), and on the north extends from northern Pima County, Arizona (the "County") into southern Pinal County, Arizona. The Town encompasses an approximate area of 300 square miles and sits at an elevation of 2,055 feet above sea level. The Town was incorporated in 1977.

POPULATION STATISTICS

	Town of Marana	Pima County	State of Arizona
2017 Estimate *(a)*	45,378	1,026,099	6,965,897
2010 Census	34,961	980,263	6,392,017
2000 Census	13,556	843,746	5,130,632
1990 Census	2,187	666,957	3,665,339
1980 Census	1,674	531,443	2,716,546
1970 Census	1,154	351,667	1,775,399

(a) Estimate as of July 1, 2017, (data released in December 2017.)

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Municipal Government and Organization

The Town operates under the Council-Manager form of government. The Mayor and six council members are elected at large for staggered four-year terms. The Town Council appoints a Town Manager who has full responsibility for carrying out council policies and administering Town operations. Functions of government and operation are provided by a staff of approximately 365 full-time employees. The Town provides police services and water to its residents.

Tucson Electric Power Corporation and Trico Electric Cooperative provide electricity to the Town's residents. Southwest Gas Corporation provides natural gas. Water is provided by the Town, as well as certain public and private providers. Sewer services are provided by the County. Telephone services are provided by CenturyLink. Waste disposal and sanitation services are provided by various private disposal companies.

Economy

The economy of the Town and the area surrounding the Town has historically been dominated by agricultural activities. Though agriculture is still a large contributor to the economy, commercial, retail and industrial elements are becoming large contributors. The Town's agricultural elements include a variety of irrigated crops.

The commercial elements of the economy have developed due to the growth of the Town and the growth of Tucson. The Town has become a retail trade center for suburban northern Tucson and the rural outlying areas surrounding the Town. Also, the Town's proximity between Phoenix and Tucson has attracted business. Many residents commute from the Town to the Tucson metropolitan area for employment as well.

The following table is a partial list of major employers within the Town.

MAJOR EMPLOYERS
Town of Marana, Arizona

Employer	Description	Approximate Number of Employees
Marana Unified School District No. 6	Education	1,404
Wal-Mart	Retail	484
Marana Health Center	Health	356
Town of Marana	Government	347
The Ritz Carlton, Dove Mountain	Hotel	320
Fry's Food & Drug	Grocery	315
Sargent Aerospace & Defense	Aerospace manufacturing	313
Tucson Hauling and Transfer	Waste removal	300
Costco	Retail	250
FLSmidth Krebs	Separation equipment and manufacturing	239
Northwest Fire District	Government	230
Coca-Cola Enterprises	Distribution	185
Home Depot	Retail	180
Target	Retail	175
Cal Portland	Construction building materials	160

Source: Town of Marana, Arizona Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

The following table illustrates the unemployment averages for the Town, the County, the State and the United States.

UNEMPLOYMENT AVERAGES *(a)*

Calendar Year	Town of Marana	Pima County	State of Arizona	United States of America
2018 *(b)*	3.7%	4.7%	5.1%	4.5%
2017	3.6	4.5	4.9	4.4
2016	3.8	4.9	5.4	4.9
2015	4.4	5.5	6.1	5.3
2014	4.8	6.1	6.7	6.2
2013	5.1	6.7	7.5	7.4

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through February 2018.

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The Town is home to numerous retail establishments that accommodate the needs of the Town's growing population, especially due to the recent influx of residential and commercial developments that have occurred in the location between Phoenix and Tucson along Interstate 10 and the Union Pacific Railroad.

Education

Primary education in the Town is provided by the Marana Unified School District's 11 public elementary schools, one intermediate school, two junior high schools and three high schools. Pima Community College and The University of Arizona offer undergraduate education and graduate programs.

Transportation

Industry, business and residents benefit from the transportation provided by Interstate 10, linking the Town with Tucson and the City of Phoenix, Arizona. The Marana Northwest Regional Airport and the Pinal Air Park each have two runways and are within close proximity to the Town. Residents have access to the Tucson International Airport located in Tucson for international, national, regional and local air service. Within Tucson are also passenger bus lines traveling national, regional and local routes.

Tourism

Many recreational opportunities are within an hour's drive of the Town. Picacho Peak State Park, site of Arizona's only Civil War battle, is 15 miles north. The Town's camping, picnic areas and nature trails are noted for colorful spring wildflowers. In the Santa Catalina Mountains is Catalina State Park, 20 miles east of the Town. Saguaro National Monument (west portion) is a few miles south of the Town. Within the monument is the world famous Arizona - Sonora Desert Museum with native wildlife exhibits and Old Tucson Studios. Other attractions include Biosphere II, Kitt Peak, Pima Air Museum, and the San Xavier Mission.

APPENDIX B

FORM OF LEGAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

Board of Directors
Saguaro Springs Community Facilities District
c/o Town of Marana, Arizona
11555 West Civic Center Drive
Marana, Arizona 85653

Re: Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018

We have acted as Bond Counsel in connection with the issuance by Saguaro Springs Community Facilities District (hereinafter referred to as the "Issuer") of bonds designated "General Obligation Bonds, Series 2018" (hereinafter referred to as the "Bonds"). The Bonds are dated the date hereof, mature on July 15 of the following years in the following respective principal amounts, bear interest from the date hereof, or from the most recent interest payment date to which interest has been paid or duly provided for, until maturity or prior redemption, at the following respective interest rates, payable on January 15, 2019*, and each July 15 and January 15 thereafter and are subject to redemption as described therein:

Year of Maturity	Principal Amount Due	Interest Rate

We have examined, and in rendering the opinions herein have relied upon, original or certified copies of the proceedings had in connection with issuance of the Bonds; certifications made by officers of the Issuer relating to, among other things, the expected use of proceeds of the sale of the Bonds and certain other funds of the Issuer and to certain other facts within the knowledge and control of such officers; representations made by the officers of D.R. Horton, Inc. (hereinafter referred to as "Horton"), as to plans to develop land owned within the boundaries of the Issuer and such other material and matters of law as we deem relevant to the matters discussed herein below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies and the accuracy of the statements contained in such certifications and representations. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings, certifications, representations, material and matters.

We are of the opinion, based upon such examination and subject to the reliances, assumptions and exceptions hereinabove and hereinafter set forth, that, under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

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* *Subject to change.*

1. The Bonds are valid and legally binding obligations of the Issuer payable from the sources, and enforceable in accordance with the terms and conditions, described therein, except to the

extent that the enforceability thereof and provisions for the security therefor may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

2. The Issuer is to annually levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property within the boundaries of the Issuer, sufficient, together with any moneys from the sources described in Section 48-717, Arizona Revised Statutes, as amended, to pay debt service on the Bonds when due.

3. Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the last sentence of this paragraph, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. For corporations, tax legislation enacted in 2017 eliminated the federal alternative minimum tax for taxable years beginning after December 31, 2017; no opinion is being provided with respect to the federal alternative minimum tax imposed on corporations for taxable years beginning before January 1, 2018. (We express no opinion regarding other federal and State tax consequences resulting from the receipt or accrual of interest on, or ownership or disposition of, the Bonds.) The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Issuer and Horton must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the Issuer or Horton to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. Officers of the Issuer and Horton have either indicated their compliance with, or covenanted to take the actions required by, applicable provisions of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In rendering the opinion expressed hereinabove, we have relied on certifications of officers of the Issuer and Horton with respect to certain matters necessary for, and have assumed continuing compliance with certain covenants by the Issuer and Horton included in, respectively, the resolution authorizing the issuance of the Bonds and a District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of June 1, 2013, by and among the Issuer, the Town of Marana, Arizona and D.R. Horton, Inc. (which are, as to their enforceability, subject to the same exceptions described in paragraph 1 hereinabove) that must be met after the issuance of the Bonds in order that, interest on the Bonds not be included in gross income for federal tax purposes.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligations to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

FORM OF SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING

$3,380,000*
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018

SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING

This Undertaking is executed and delivered by Saguaro Springs Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Annual Report" shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

"Dissemination Agent" shall mean any agent that has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

"EMMA" shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at http://emma.msrb.org/submission.

"Listed Events" shall mean any of the events listed in Section 3(a).

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Notice of Listed Event" shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

"Resolution" shall mean the resolution of the board of directors of the Issuer authorizing the issuance of the Securities.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

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* *Subject to change.*

Section 2. Contents and Provision of Annual Reports.

(a) (i) SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2019, PROVIDE TO THE MSRB THROUGH EMMA AN ANNUAL REPORT THAT IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.

(ii) IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION AND SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE TO THE MSRB THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information or operating data of the type in TABLES 2 (Real and Secured Property Taxes Levied and Collected), 3A (Net Limited Assessed Property Value by Property Classification), 4 (Net Limited Assessed Property Value of Major Taxpayers), and 5A (Comparative Net Limited Assessed Property Values) (but as to any valuations required, only the actual amount of the current valuation) of the Official Statement, dated _____, 2018, with respect to the Securities.

(B) Audited financial statements of the Issuer for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently prepare audited financial statements, and execution of this Undertaking shall not obligate the Issuer to prepare audited financial statements for any fiscal year.) IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN AN ANNUAL REPORT AND THEREAFTER THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final official statements of debt issues of the Issuer or related public entities that have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) If audited financial statements are being prepared and will be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than 30 days) after such audited financial statements become available, the audited financial statements shall be provided to the MSRB through EMMA.

Section 3. Reporting of Listed Events and Failure to Provide Annual Report.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities.

(vii) Modifications to rights of holders, if material.

(viii) Bond calls, if material, or tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Securities, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(xiii) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material.

(xv) Notice of a failure of the Issuer to provide or cause to be provided required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(d) SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS AFTER THE OCCURRENCE OF A LISTED EVENT, FILE A NOTICE OF LISTED EVENT TO THE MSRB THROUGH EMMA.

Section 4. Termination of Reporting Obligation.

The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION TO THE MSRB THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Resolution at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN AN ANNUAL REPORT AND THEREAFTER THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Resolution, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Owner hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities that the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

[Remainder of page intentionally left blank]

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Registrar and Paying Agent for DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the

Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but none the District, the Developer, Bond Counsel, the Financial Advisor, the Underwriter or counsel to any of them takes no responsibility for the accuracy thereof.

$_____
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018

BOND PURCHASE AGREEMENT

_____, 2018

SAGUARO SPRINGS COMMUNITY
FACILITIES DISTRICT
c/o Town of Marana, Arizona
11555 W. Civic Center Drive
Marana, Arizona 85653

The undersigned, Hilltop Securities Inc., acting on its own behalf (the "Underwriter"), offers to enter into the following agreement with the Saguaro Springs Community Facilities District (the "Issuer"), which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer's written acceptance hereof on or before 11:59 p.m., Arizona time, on the date first written above, and, if not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. The offer of the Underwriter is made by signing the signature line provided and delivering the signed page to the Issuer. The acceptance is made by the Issuer signing the signature line provided and delivering the signed page to the Underwriter. Delivery includes sending in the form of a facsimile or telecopy or via the internet as a portable document format (PDF) file or other replicating image attached to an electronic message. Terms not otherwise defined in this Bond Purchase Agreement (this "Agreement") shall have the same meanings set forth in the Bond Resolution or the Official Statement (both as defined herein).

In addition to acceptance of this Agreement by the Issuer, as provided above, the obligations of the Underwriter under this Agreement shall be conditioned on receipt of a fully-executed Indemnity Letter (the "Indemnity Letter"), dated the date hereof, from D.R. Horton, Inc. (the "Owner"), the form of which is attached hereto as Attachment I.

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer's General Obligation Bonds, Series 2018 (the "Bonds"). The Bonds shall be as described in, and shall be issued under a resolution adopted by

the District Board (the "Board") on May 15, 2018 (the "Bond Resolution"), under authority of Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act").

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that (i) the Underwriter is not acting as an agent or fiduciary of the Issuer, but rather is acting solely in its capacity as underwriter for itself and its own account; (ii) the transaction contemplated by this Agreement is an "arm's length," commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

The principal amount, the maturities, the redemption provisions and the interest rates per annum and resulting yields for the Bonds are set forth in the Schedule hereto.

The Bonds will be dated as of the date of the initial authentication and delivery thereof.

The Bonds will be purchased by the Underwriter at the net purchase price of $_____, consisting of the par amount of the Bonds, plus [net] original issue premium of $_____ and less the Underwriter's discount of $_____. [For convenience, the Underwriter shall pay by the Closing (as defined herein), on behalf of the Issuer, $_____ from the proceeds of the Bonds to the Insurer (as such term is hereinafter defined) as payment of the bond insurance premium for the Policy (as such term is hereinafter defined).]

2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the inside front cover page of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower or higher than the public offering price stated on the inside front cover page of the Official Statement.

(a) *Establishment of Issue Price.*

(1) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel (defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. [All actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the

Issuer's financial advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's financial advisor.]

(2) [Except as otherwise set forth in Schedule I attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(3) [The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(A) the close of the fifth (5th) business day after the sale date; or

(B) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.]

(4) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at

which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(5) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(A) "public" means any person other than an underwriter or a related party,

(B) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(C) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the

other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(D) "sale date" means the date of execution of this Purchase Contract by all parties.

3. The Official Statement.

(a) The Preliminary Official Statement, dated _____, 2018 (including the cover page, the inside front cover page and Appendices thereto, the "Preliminary Official Statement"), of the Issuer relating to the Bonds, as to be subsequently revised to reflect the changes resulting from the sale of the Bonds and including amendments or supplements thereto, is hereinafter called the "Official Statement."

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds by the Underwriter. The Issuer hereby deems the Preliminary Official Statement "final" as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(c) The Issuer represents that the Board has reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the

Issuer or the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the Closing Date (as defined herein).

4. Representations, Warranties, and Covenants of the Issuer. The undersigned, on behalf of the Issuer, but not individually, hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a community facilities district duly organized and validly existing pursuant to the Enabling Act, and has full legal right, power and authority under the Enabling Act and the Bond Resolution to (i) authorize, execute, deliver and issue, as applicable (A) this Agreement, (B) the Bonds, and (C) an Undertaking which satisfies the requirements of Section (b)(5)(i) of the Rule (the "Undertaking" and, together with this Agreement, the "Issuer Documents"), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein and; (iii) to carry out and consummate the transactions contemplated by the Bond Resolution, the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Enabling Act, the Bond Resolution and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and, in the case of the

Undertaking, annual appropriation of amounts to pay for compliance therewith, and the Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Agreement, will constitute legal, valid and binding general obligations of the Issuer, entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights and all actions necessary to create a legal, valid and binding levy on all of the taxable property in the Issuer of a direct, annual, ad valorem tax, unlimited as to rate, sufficient to pay all the principal of and interest on the Bonds as the same become due;

(d) The Issuer is not in material breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State of Arizona (the "State") or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing, and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Bond Resolution, and compliance with the provisions on the Issuer's part contained therein, will not conflict materially with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Bond Resolution, the Issuer Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the "blue sky" or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds, the Bond Resolution and the application of the proceeds of the sale of the Bonds conform to the descriptions thereof contained in the Official Statement under the caption ["THE BONDS"] and the Undertaking conforms to the description thereof contained in the Official Statement under the caption ["CONTINUING DISCLOSURE"];

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levying, assessment or collection of the property taxes for the payment of the Bonds pursuant to the Bond Resolution or in any way contesting or affecting the adoption of the Bond Resolution or the validity or enforceability

of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that, as to information provided by the Owner relating to the Owner or the Project (as defined in the Official Statement), the Issuer is relying solely on the information provided;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, provided that, as to information provided by the Owner relating to the Owner or the Project, the Issuer is relying solely on the information provided;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading, provided that, as to information provided by the Owner relating to the Owner or the Project, the Issuer is relying solely on the information provided;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or State income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment

under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The Issuer has fully submitted the information required with respect to previous issuances of bonds, securities and lease-purchase agreements of the Issuer pursuant to Section 35-501(B), Arizona Revised Statutes, as amended, and will file the information relating to the Bonds required to be submitted to the Arizona Department of Administration pursuant thereto within 60 days of the Closing Date;

(n) The Issuer has executed and delivered or shall execute and deliver prior to the Closing, and in time for the Closing to occur at its specified time, the documents required to cause the Bonds to be eligible for deposit with DTC (as herein defined) or other securities depositories;

(o) Except as otherwise indicated in the Official Statement, the Issuer has been and is in material compliance during the previous five years with the terms of all continuing disclosure undertakings previously executed by the Issuer pursuant to the Rule;

(p) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, in each case payable from the same source as the Bonds, without the prior approval of the Underwriter; and

(q) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

5. Closing.

(a) Before 10:00 a.m., Arizona time, on _____, 2018 (the "Closing Date"), or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by wire transfer payable in immediately available funds to the order of the Issuer (the "Closing"). Payment for the Bonds as aforesaid shall be made at the offices of Greenberg Traurig, LLP ("Bond Counsel") or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made through the facilities of The Depository Trust Company, New York, New York ("DTC"), or, in the case of a "Fast Automated

Securities Transfer" with the bond registrar and paying agent for purposes of the Bond Registrar and Paying Agent Agreement or by such other means as shall have been mutually agreed upon by the Issuer and the Underwriter. The Bonds shall be prepared in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Resolution, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

6. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein and of the Owner contained in the Indemnity Letter, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and by the Owner of its obligations pursuant to the Indemnity Letter and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein and the representations and warranties of the Owner in the Indemnity Letter shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Bond Resolution, the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and counsel to the Underwriter to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds, the Bond Resolution and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the registrar for the Bonds shall have duly authenticated the Bonds;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or operations of the Issuer or the Owner from that set forth in the Official Statement that, in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, executed on behalf of the Issuer by the Chairman of the Board or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Resolution with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The Issuer Documents;

(4) the approving opinion of Bond Counsel, dated the Closing Date, with respect to the Bonds, in substantially the form attached to the Official Statement along with a reliance letter with respect thereto, dated the Closing Date and addressed to the Underwriter;

(5) a supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriter and in substantially the form attached hereto as Exhibit A;

(6) An opinion of Fennemore Craig P.C., as counsel to the Owner, dated the Closing Date, addressed to the Underwriter and the Issuer and in substantially the form attached hereto as Exhibit B;

(7) An opinion of counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter and in substantially the form attached hereto as Exhibit C;

(8) A certificate from the Owner, dated the Closing Date, signed by an authorized official of the Owner and in substantially the form attached hereto as Exhibit E;

(9) A certificate, dated the Closing Date, of appropriate representatives of the Issuer substantially to the effect that:

(i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date;

(ii) no litigation or proceeding against it is pending or, to the best of such representatives' knowledge, threatened in any court or administrative body which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and levying, assessing and collecting the property taxes from which the Bonds are payable pursuant to the Bond Resolution, nor, to the best of such representatives' knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially, adversely affect the validity or enforceability of the Bonds or the Issuer Documents or have a material, adverse effect on the financial condition of the Issuer;

(iii) the Bond Resolution has been duly adopted by the Board of Directors of the Issuer, is in full force and effect and has not been modified, amended or repealed;

(iv) to the best of such representative's knowledge and belief, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading in any material respect, provided that, as to information provided by the Owner relating to the Owner or the Project, the Issuer is relying solely on the information provided.

(10) A certificate, dated the Closing Date, of appropriate representatives of the Issuer in form and substance satisfactory to Bond Counsel (i) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and

any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (ii) certifying that to the best of their knowledge and belief, there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(11) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;

(12) [Evidence that _____ (the "Insurer") has issued its municipal bond insurance policy (the "Policy") with respect to the Bonds as well as appropriate opinions and certifications from the Insurer relating to the Policy;]

(13) Letters from S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, confirming that the Bonds have been assigned (i) an underlying rating of "__", [and (ii) a rating of "__", based on issuance of the Policy], which ratings shall be in effect on the date of Closing;

(14) The filing copy of the Information Return Form 8038-G (IRS) for the Bonds;

(15) The filing copy of the Report of Bond and Security Issuance for the Arizona Department of Administration pursuant to Section 35-501(B), Arizona Revised Statutes, as amended, and

(16) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations and warranties of the Issuer and the Owner, contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer and the Owner on or prior to the Closing Date of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer and the Owner, respectively.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Issuer or the Owner shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 4 and 8(c) hereof shall continue in full force and effect.

7. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon income of the general character to be derived by the Issuer pursuant to the Bond Resolution, or upon interest received on obligations of the general character of the Bonds or, with respect to State taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state "blue sky" or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property or income securities (or interest thereon);

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer or the Owner;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations; and

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

8. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of the preparation and printing of the Bond Resolution, the Issuer Documents, the Preliminary Official Statement and the Official Statement (including any amendments or supplements thereto); (ii) the cost of preparation and printing of the Bonds, (iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer and (v) the fees for bond ratings and credit enhancement fees or premiums, if any. The Issuer shall also pay for any expenses (included in the

expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Agreement, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs.

(b) The Underwriter shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the fees and disbursements of counsel to the Underwriter; and (iii) all other expenses incurred by it in connection with the public offering of the Bonds.

(c) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all "out-of-pocket" expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

(d) The Issuer acknowledges that it has had an opportunity to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

9. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the address set forth on the first page of this Agreement, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Hilltop Securities Inc., 2398 East Camelback Road, Suite 340, Phoenix, AZ 85016, Attention: Larry Given.

10. Parties in Interest. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement and (iii) any termination of this Agreement.

11. Effectiveness. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. Choice of Law. This Agreement shall be governed by and construed in accordance with the law of the State.

13. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. Business Day. For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. Notice Concerning Cancellation of Contracts. To the extent applicable by provision of law, the parties hereto acknowledge that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes.

[Remainder of page left blank intentionally]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

HILLTOP SECURITIES INC., as Underwriter

By_____
Authorized Officer

ACCEPTED AND AGREED AT
__:__ _.M., M.S.T., THIS ___ DAY
OF _____, 2018:

SAGUARO SPRINGS COMMUNITY
FACILITIES DISTRICT

By_____
District Manager

[Signature page of Bond Purchase Agreement]

Saguaro Springs Community Facilities District, General Obligation Bonds, Series 2018

SCHEDULE

$_____
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018

DATED DATE: CLOSING DATE

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield
	$	%	%

* Yield calculated to first optional redemption date.

Redemption

Optional Redemption. The Bonds maturing on or before July 15, 20__ will not be subject to redemption prior to their stated maturity date. The Bonds maturing on and after July 15, 20__ will be subject to optional redemption prior to maturity, at the direction of the Issuer, in whole or in part in denominations of $5,000 or integral multiples thereof from maturities selected by the Issuer, on July 15, 20__ and on any date thereafter, at a redemption price equal to the principal amount of Bonds being redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed from funds of the Issuer prior to maturity on the following redemption dates and in the following amounts, upon payment of the Redemption Price which consists of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the redemption date, but without premium:

Term Bond Maturing July 15, 20__

Redemption Date (July 15)	Principal Amount Redeemed
	$

(maturity)

Term Bond Maturing July 15, 20__

Redemption Date (July 15)	Principal Amount Redeemed
	$

(maturity)

ATTACHMENT I

INDEMNITY LETTER

_____, 2018

Hilltop Securities Inc.
as Underwriter
2398 East Camelback Rd., Ste. 340
Phoenix, AZ 85016

Saguaro Springs Community Facilities District
c/o Town of Marana, Arizona
11555 W. Civic Center Drive
Marana, Arizona 85653

Re: $_____ Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018

This Indemnity Letter is delivered by D.R. Horton, Inc., a Delaware corporation (the "Owner"), in order to induce Hilltop Securities Inc. (the "Underwriter") and Saguaro Springs Community Facilities District (the "District") to enter into the Bond Purchase Agreement, dated _____, 2018 (the "Bond Purchase Agreement"), related to the purchase by the Underwriter of the captioned bonds (the "Bonds"). Terms that are defined in the Bond Purchase Agreement have the meanings ascribed to them therein when used herein.

1. In consideration of the execution and delivery of the Bond Purchase Agreement, the Owner represents and warrants to the Underwriter and the District that:

(a) The Owner is a duly incorporated corporation, validly existing and in good standing under the laws of the State of Delaware and is qualified to transact business in the State of Arizona.

(b) As of the date of the Official Statement, the information in the Official Statement with respect to the Bonds and the Owner under the headings "LAND DEVELOPMENT" (except the information under the subheading "The District as to which no view is expressed) and "RISK FACTORS," taken as a whole, is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter, the Undertaking, to be dated as of the date of initial delivery of the Bonds, the District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities

District), dated June 1, 2013, as amended, including as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated _____ 1, 2018 (as so amended, the "Development Agreement," and collectively with the Indemnity Letter and the Undertaking, the "Documents"), nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of, or compliance with, the terms hereof or thereof, shall contravene the organizational documents of the Owner or conflict with or result in a breach by the Owner of any of the terms, conditions or provisions of, or constitute a default by the Owner under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which the Owner is a party or by which it is or may be bound or to which any of the property or assets of the Owner is or may be subject, or any law or any order, rule or regulation applicable to the Owner of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over the Owner or any of its properties or operations, or (except as contemplated by the Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Owner under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending and served or, to the best knowledge of the Owner, threatened against the Owner wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of the Owner, or materially and adversely affect the properties (taken as a whole) of the Owner, and that has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Bond Purchase Agreement or the Documents or (iii) adversely affect the validity or enforceability of the Documents against the Owner..

(e) The Owner has the full power and authority to execute and deliver the Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Bond Purchase Agreement and the Documents, and the Documents have been duly authorized by the Owner and, when executed by all applicable parties thereto will constitute valid, binding and enforceable obligations of the Owner except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and/or by general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required by Owner for the consummation by the Owner of the transactions contemplated by the Bond Purchase Agreement and the Documents, provided that no representation is made as to such approvals, consents and orders as may be required under federal securities laws or the "blue sky" or securities laws of any jurisdiction in connection with the offering and sale of the Bonds.

2. To the extent permitted by law, the Owner shall indemnify and hold harmless the Underwriter and the District and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the Underwriter within the

meaning of the Securities Act of 1933, as amended (the "Securities Act") (any such person being herein sometimes called an "Indemnified Party"), for, from and against any and all losses, claims, damages or liabilities (i) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in the sections identified in Section 1(b) above in the Official Statement or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such section(s) or that is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading in any material respect, except such indemnification shall not extend to any other statements in the Official Statement and (ii) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Owner (which consent shall not be unreasonably withheld).

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Owner, notify the Owner in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of the Owner by the amount of damages attributable to the failure of the Indemnified Party to give such notice to the Owner but the omission to notify the Owner of any such action shall not relieve the Owner 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 Owner of the commencement thereof, the Owner may, or if so requested by such Indemnified Party shall, participate therein or assume the defenses thereof, with counsel reasonably satisfactory to such Indemnified Party and the Owner (it being understood that, except as hereinafter provided, the Owner shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Owner to such Indemnified Party of an election so to assume the defenses thereof, the Owner will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Owner assumes the defense of any such action at the request of such Indemnified Party, the Owner shall have the right to participate at its own expense in the defense of any such action. If within a reasonable time after receipt of notice of any such action the Owner shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded (and shall have notified the Owner) that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Owner (in which case the Owner shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Owner.

3. All of the representations, warranties, and agreements of the Owner contained in the Documents shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, any controlling person referred to in paragraph 2 hereof or the Owner or (ii) delivery of and payment for the Bonds.

4. This letter is solely for the benefit of the Underwriter, the District and their successors or assigns, and, to the extent provided in paragraph 2 hereof, each Indemnified Party, and no other person shall acquire or have any right under or by virtue hereof. The terms "successors" and "assigns" as used in this letter shall not include any purchaser, as such purchaser, from the Underwriter of the Bonds.

5. This letter shall be governed by the laws of the State of Arizona.

6. The Owner consents to the references to the Owner in the Official Statement.

7. The Owner shall pay all costs and expenses of its counsel with respect to the issuance and delivery of the Bonds.

[Remainder of page intentionally left blank.]

Respectfully submitted,

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

By:_____
Printed Name:_____
Title: Authorized Agent

Attachment I, Page 1

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG LLP]

_____, 2018

Hilltop Securities Inc.
2398 East Camelback Rd., Ste. 340
Phoenix, AZ 85016

Re: $_____ Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018

This supplemental opinion is rendered pursuant to Section 6(i)(5) of the Bond Purchase Agreement, dated _____, 2018 (the "Bond Purchase Agreement"), between Saguaro Springs Community Facilities District (the "Issuer") and Hilltop Securities Inc., as underwriter (the "Underwriter"), and is given in connection with the issuance on this date by the Issuer of bonds designated its General Obligation Bonds, Series 2018, in the aggregate principal amount of $_____ (the "Bonds"). The Bonds are authorized and issued under a resolution adopted by the governing board of the Issuer on May 15, 2018 (the "Resolution"), are the subject of an Official Statement, dated _____, 2018 (the "Official Statement"), and are being sold pursuant to the Bond Purchase Agreement, in each case in accordance with the Resolution. In connection with the issuance and sale of the Bonds, the Issuer will execute and deliver a Series 2018 Continuing Disclosure Undertaking, dated of even date herewith (the "Undertaking"). (The Resolution, the Bond Purchase Agreement and the Undertaking are hereinafter collectively referred to as the "Issuer Documents"). (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

In connection with such issuance, we have examined and relied upon:

(i) An executed copy of the Resolution;

(ii) An executed copy of the Official Statement;

(iii) An executed copy of the Bond Purchase Agreement;

(iv) An executed copy of the Undertaking;

(v) Such other agreements, certificates (including particularly, but not by way of limitation, a certificate of D.R. Horton, Inc. (the "Owner"), dated of even date herewith, opinions, letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set

forth herein; and

(vi) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer, we have also participated in conferences from time to time with representatives of and counsel to the Issuer, the Underwriter, the Owner and the Trustee relating to the Issuer Documents.

We are of the opinion, based upon the foregoing and subject to the reliance hereinabove indicated and the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Issuer is a duly organized and validly existing special purpose district, a tax levying public improvement district and a municipal corporation for purposes set forth in Section 48-708(B), Arizona Revised Statutes, pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to cause the adoption of the Resolution, (b) to authorize, execute, deliver and issue, as applicable, the Issuer Documents and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement, dated _____, 2018 (the "Preliminary Official Statement"), with respect to the Bonds), and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Resolution, the Issuer Documents and the Bonds (including performing the applicable obligations thereunder).

2. To our actual knowledge, adoption of the Resolution; authorization, execution, delivery and issuance, as applicable, of, and the due performance of the obligations of the Issuer under, the Issuer Documents and the Bonds and the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or of any existing law, ordinance, administration regulation, court order or consent decree to which the Issuer is subject.

3. To our actual knowledge, no consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Bonds), is required in connection with the adoption by the Issuer of the Resolution or the authorization,

execution, delivery, issuance and performance, as applicable, by the Issuer of the Issuer Documents and the Bonds and the consummation of the transactions contemplated by the Official Statement.

4. The Issuer has duly (a) caused the adoption of the Resolution and (b) authorized (i) the authorization, execution, delivery and issuance, as applicable of, and the performance of its obligations under, the Issuer Documents and the Bonds and (ii) the taking of the actions required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Resolution, the Issuer Documents and the Bonds. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents.

5. The Issuer Documents have been duly authorized, executed and delivered by the Issuer and, in the case of the Bond Purchase Agreement, assuming due and valid authorization, execution and delivery by the other party thereto, and, in the case of the Undertaking, subject to annual appropriation to cover the costs of compliance therewith, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms.

6. Based solely upon a search of the computerized docket records available for review on _____, 2018, in the office of the Maricopa County Superior Court and U.S. District Court, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) that in any way questions the powers of the Issuer referred hereinabove or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Resolution, the Issuer Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Resolution, the Issuer Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby or by the Official Statement), (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (iv) that questions the right of the Issuer to levy, receive and pledge special assessments or taxes, nor lawsuits pending or overtly threatened against the Issuer that, if decided adversely to the Issuer, would, individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Resolution, the Issuer Documents or the Bonds.

7. The information contained in the Official Statement under the headings "THE BONDS" (except the information incorporated by reference to other headings or the appendices not otherwise included hereinbelow as to which we express no opinion), "SECURITY FOR AND SOURCES OF PAYMENT OF

THE BONDS" (except under the subheading "Ad Valorem Taxation in the District" as to which we express no opinion), "TAX MATTERS" and "CONTINUING DISCLOSURE" (but only as it relates to the Issuer and except for the information incorporated by reference to the appendices and the status of the Issuer with respect to compliance with its previous undertakings as to which we express no opinion) therein and in Appendix B - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" and Appendix C - "FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL" fairly summarizes the information that it purports to summarize. Otherwise, we have not undertaken to determine independently the accuracy, completeness or fairness of the information contained in the Official Statement, and the knowledge available to us is such that we are unable to assume, and do no assume, any responsibility for the accuracy, completeness, or fairness of such information.

8. It is not necessary in connection with the issuance and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution under the Trust Indenture Act of 1939, as amended.

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the Issuer Documents is dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the Issuer Documents by the other party or parties thereto and to the extent that the enforceability of the Issuer Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to grant certain equitable remedies such as specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the Issuer Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help, subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets, or (iv) purporting to grant to the owners of the Bonds or to any party to the Issuer Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This opinion may be relied upon only by you and by persons to whom we grant written permission to do so.

Respectfully submitted,

EXHIBIT B

FORM OF OPINION OF COUNSEL TO OWNER

[LETTERHEAD OF FENNEMORE CRAIG P.C.]

[Closing Date]

Hilltop Securities Inc.
as Underwriter
2398 East Camelback Rd., Ste. 340
Phoenix, AZ 85016

Saguaro Springs Community Facilities District
c/o Town of Marana, Arizona
11555 W. Civic Center Drive
Marana, Arizona 85653

[Name of Insurer]
New York, New York

Re: $_____ Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018 (the "Bonds")

Ladies and Gentlemen:

We have acted as counsel to D. R. Horton, Inc., a Delaware corporation (the "Owner"), particularly in connection with the transactions provided for by the documents referred to herein (collectively, the "Transaction"), including the issuance and sale of the Bonds, sold pursuant to a Bond Purchase Agreement, dated _____, 2018 (the "Bond Purchase Agreement"), by and between Hilltop Securities Inc. (the "Underwriter"), and Saguaro Springs Community Facilities District (the "District"). Any capitalized term used and not defined herein will have the meaning assigned to it in the Bond Purchase Agreement.

As such counsel, we have reviewed the following documents, each of which is dated as of the date hereof unless otherwise indicated (collectively, the "Documents"):

1. District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated June 1, 2013, executed by the Town of Marana, Arizona (the "Town"), the District, Marana 670 Holdings LLC, and the Owner, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated _____ 1, 2018 (as so amended, the "Development Agreement"), executed by the Town, the District, and the Owner.

2. Assignment and Assumption of Owner Rights Under District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated September 18, 2015, between Marana 670 Holdings LLC and the Owner.

3. Official Statement, dated _____, 2018 (the "Official Statement"), executed by the District.

4. Indemnity Letter, dated as of _____, 2018, by the Owner to the Underwriter and the District (together with the Development Agreement, the "Owner Bond Documents").

5. Articles of Incorporation of D. R. Horton, Inc., filed with the Delaware Secretary of State, Division of Corporations, on _____ (the "Owner Certificate of Formation").

6. Bylaws of D. R. Horton, Inc. dated _____ __, ____, as amended.

7. Certificate of Good Standing of Owner, dated _____ __, 2018, issued by the Delaware Secretary of State.

8. Certificate of Good Standing of Owner, dated _____ __, 2018, issued by the Arizona Corporation Commission.

9. Officer's Certificate, dated _____ __, 2018.

10. Closing Certificate of Owner, dated _____, 2018.

The documents listed in items 5 through 10 are sometimes hereinafter referred to collectively as the "Owner Organizational Documents". We have relied upon the above-referenced certificates of public officials and of the Owner with respect to the accuracy of material or factual matters contained in such certificates, which were not independently established.

In rendering this opinion, we have assumed that:

(a) (i) Each of the other parties to the Owner Bond Documents (the "Other Parties") is duly formed and validly existing under the laws of its state of organization; (ii) the execution, delivery and performance of the Owner Bond Documents by each of the applicable Other Parties has been duly authorized by all corporate, limited liability company, or partnership action required of such Other Party, and the Owner Bond Documents have been duly executed and delivered by each of the applicable Other Parties; (iii) each of the Other Parties has obtained all necessary governmental consents, authorizations, approvals, permits or certificates that are required as a condition to the execution and delivery of the Owner Bond Documents by such Other Party and to the consummation of the Transaction; (iv) the Owner Bond Documents constitute legal, valid, binding and enforceable obligations of each of the Other Parties under federal law, the laws of the State of Arizona, and the laws of any other applicable jurisdiction; (v) except for the Owner Bond Documents, there are no other documents or agreements between any of the Other Parties and others that would expand or otherwise modify the obligations of the parties under the Owner Bond Documents; (vi) each of the Other Parties has the power and authority under applicable laws and regulations to enter into and perform the Transaction and has complied in all material respects with all applicable laws and regulations with respect thereto; and (vii) each of

the Other Parties will at all times during the term of the Owner Bond Documents act in good faith and only in a manner that under the circumstances is commercially reasonable.

(b) The Owner Bond Documents accurately and completely describe and contain the parties' mutual intent, understanding and business purposes, and there are no oral or written statements, agreements, understandings or negotiations, nor any usage of trade or counsel of prior dealing among the Other Parties that directly or indirectly modify, define, amend, supplement, or vary or purport to modify, define, amend, supplement or vary any of the terms of the Owner Bond Documents or any of the parties' rights or obligations thereunder by waiver or otherwise, and there are no facts or events (such as fraud or duress) that have occurred in connection with the execution, acknowledgment and delivery of the Owner Bond Documents that would impair their enforceability.

(c) No fraud, misrepresentation, unilateral mistake or concealment has occurred in connection with the Owner Bond Documents or any aspect of the Transaction.

(d) The opinion recipient has complied with any requirement of good faith, fair dealing, and conscionability and has acted in good faith and without notice of any defense against enforcement of any rights created by, or any adverse claim to any property transferred as a part of or contemplated by, the Owner Bond Documents.

(e) The parties' representations and warranties contained in the Owner Bond Documents are truthful and accurate.

(f) The Owner Bond Documents to the extent required to be executed, ratified, notarized, filed, recorded or indexed to be effective (and any UCC-1 or other financing statements required to perfect same) have been or will be timely and properly executed, ratified, notarized, filed, recorded or indexed in the appropriate governmental offices and the filing party will timely file any and all necessary continuation statements, and that all fees, charges, and taxes due and owing as of this date have been paid.

(g) No interest, fees, charges or other benefits or compensation in the nature of interest will be collected with respect to the Transaction that are not clearly specified in the Owner Bond Documents and that are not permitted by applicable law.

(h) At the time any of the Other Parties seeks to enforce its rights under the Owner Bond Documents, such Other Party will not be in breach thereof, the document will still be in force, and no applicable statute of limitations will have expired.

(i) Each of the Other Parties will diligently and timely pursue its rights and remedies under the Owner Bond Documents in a commercially reasonable manner and in accordance with the law, and the required standards of good faith and fair dealing.

(j) All consents, approvals, licenses or authorizations by, and all notifications of and filings with, any court, governmental body or other person required to be obtained or made in connection with the Owner Bond Documents and the Transaction have been so obtained or made; provided, however, that the foregoing does not limit the opinions expressed herein as they relate to the Owner.

(k) Without investigation the completeness, genuineness and authenticity of any document submitted to us as an original, the conformity to the original of any document submitted to us as a copy, the authenticity of the original of such latter documents, the conformity to the executed document of any document submitted to us as the form to be executed, the genuineness of all signatures, and the legal competency and capacity of natural persons. We have assumed without investigation that any certificate, representation (oral or otherwise), telegram, telex, telecopy, email or other document on which we have relied, whether or not given or dated earlier than the date hereof, is authentic and remains accurate insofar as relevant to this opinion from such earlier date through and including the date hereof, and we are not aware of any facts inconsistent with this assumption.

(l) The Owner holds the requisite title and rights to any real or personal property involved in the Transactions or otherwise purported to be owned by it.

(m) All reports and other documents prepared by third party consultants relating to the Transaction or any of the property within the District are true and accurate.

(n) The result of the application of Arizona law as specified in the Owner Bond Documents will not be contrary to a fundamental policy of the law of any other state with which the parties may have material or relevant contact in connection with the Transaction and as to which there is a materially greater interest in determining an issue of choice of law.

Based on the foregoing, and subject to the limitations, qualifications and assumptions set forth herein, it is our opinion that:

1. The Owner is a corporation duly incorporated and validly existing under the laws of the State of Delaware and qualified to do business in the State of Arizona.

2. The Owner has the requisite corporate power and corporate authority under the laws of the State of Delaware: (i) to carry out the terms and conditions applicable to it under the Owner Bond Documents; (ii) to own and operate its properties and assets as described in the Official Statement, and (iii) to carry out its business as such business is currently being conducted as described in the Official Statement.

3. The execution, delivery and performance of the Owner Bond Documents by the Owner and the carrying out, giving effect to and consummation of the Transaction contemplated thereby have been duly authorized by all necessary corporate action on the part of the Owner, and the Owner Bond Documents have been duly executed and delivered by or on behalf of the Owner.

4. The Owner Bond Documents constitute valid and binding obligations of the Owner.

5. The execution and delivery of the Owner Bond Documents by Owner, and the consummation of the Transaction by Owner thereunder, do not and will not violate the Owner Organizational Documents.

6. To our actual knowledge, the execution and delivery of the Owner Bond Documents by the Owner will not cause a breach or default of (i) any material contract, indenture, instrument or other agreement to which the Owner is a party or by which it or its properties are

bound, or (ii) the laws of the State of Arizona or any court order by which the Owner or its properties are bound.

7. To our actual knowledge, no consent, approval, authorization, or other action by, or filing with, any federal, State, or local governmental authority is required in connection with the execution and delivery by the Owner of the Owner Bond Documents, or the consummation of the Transaction contemplated thereby by Owner, and, to our actual knowledge, the Owner has obtained all consents, approvals and authorizations, and has made all filings, required by applicable federal, State and/or local governmental authorities as of the date hereof in order to own and operate its properties and assets as described in the Official Statement and to carry out its business as such business is currently being conducted as described in the Official Statement.

8. We have no actual knowledge that the Owner is in violation of any provision of, or in default under, the Owner Organizational Documents or any other agreement or instrument, the violation of which or default under which would materially and adversely affect the execution, delivery and/or performance of the agreements and obligations of the Owner under the Owner Bond Documents.

9. We have no actual knowledge of any federal, State, or local legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authority against Owner or to which the Owner is a party or of which any property of the Owner is subject, which would materially and adversely affect (i) the execution, delivery and/or performance of the agreements and obligations of the Owner under the Owner Bond Documents, or (ii) the financial condition or operations of the Owner as described in the Official Statement.

10. To our actual knowledge, the information contained in the Official Statement under the headings "LAND DEVELOPMENT" (except the information under the subheading "The District" as to which no opinion is expressed) and "RISK FACTORS", taken as a whole and to the extent applicable to Owner, does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading. In connection with our review of the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such review, we have acquired no actual knowledge that the information contained in the Official Statement (except for the financial information and notes thereto and the schedules and other financial or statistical data included therein or in any appendix thereto, as to which we express no opinion) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The opinions expressed in this letter are subject to the following qualifications, limitations and exceptions:

(i) Our opinions are limited by the internal laws of the State of Arizona (notwithstanding Arizona choice-of-law rules), the corporate laws of the State of Delaware, and applicable federal law. Accordingly, we express no opinion as to the possible impact upon the matters of the laws, orders or judgments of any jurisdiction other than the local laws of the State of Arizona (notwithstanding Arizona choice-of-law rules), the corporate laws of the State of Delaware, and applicable federal law.

(ii) We express no opinion concerning the legal validity and sufficiency of the acts of any of the Other Parties.

(iii) The opinions herein are based upon and limited to the laws and facts now in effect, and we assume no obligation to update, revise or supplement the opinion.

(iv) Our opinion is limited to the matters set forth herein and to the date hereof. No opinion may be inferred or implied beyond the matters expressly stated herein. Our opinion is applicable only to the addressees of this opinion and will not be applicable to any other person. Further, nothing in this letter is intended to and shall not be deemed to undertake or assume any responsibility or obligation to file or record any documents, file any continuation statements, prepare or file any amendments or modifications, or take any other steps or actions whatsoever after the date of this letter.

(v) The enforceability of the Owner Bond Documents is subject to:

(1) Bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, arrangement, receivership, conservatorship, moratorium and other similar laws now or hereafter enacted affecting the enforcement of creditors' and property rights generally.

(2) The doctrines of waiver, estoppel, election of remedies or commercial reasonableness, the implied covenant of good faith and fair dealing, or by the application of other equitable principles, whether remedies are sought in equity or at law.

(3) The qualification that certain waivers, procedures, remedies, indemnities, consents to jurisdiction and other provisions of the Owner Bond Documents may be unenforceable under or limited by the law of the State of Arizona; provided, however, such possible unenforceability or limitations will not render the Owner Bond Documents invalid as a whole or substantially prevent the practical realization of the principal benefits intended by the Owner Bond Documents, except for the economic consequences of any procedural delay, and except that the application of the principles of guaranty and suretyship to the Owner Bond Documents may, under certain circumstances, prevent the practical realization of the benefits intended by the Owner Bond Documents against the Owner through a release or discharge of Owner.

(vi) We express no opinion as to the enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner.

(vii) We express no opinion as to the enforceability of any indemnity or contribution provision with respect to any claims or other matters relating to or arising under federal or state securities laws, as they may be held to violate public policy.

(viii) We express no opinion as to the compliance of the Owner Bond Documents or the offer and sale of the Bonds with any securities law or regulation.

(ix) Any opinion as to the enforceability of the Owner Bond Documents is limited to enforceability as between the original parties thereto.

(x) We express no opinion as to the effect on enforceability of the Owner Bond Documents of any covenants that might be implied under the doctrine of good faith and fair dealing.

The phrase "to our actual knowledge", or words of similar import, means the actual knowledge of the Fennemore Craig attorneys that have provided substantive services in connection with this Transaction ascertained solely from a review of our internal files relating to Owner and the certificates and Owner authority documents listed above, nor have we consulted with any federal, state or local government, commission, bureau, agency, court or licensing authority, except as listed above. The phrase "consummation of the Transaction" means the closing of the transaction and the performance of obligations to be performed prior to the closing of the transaction, but does not include performance of obligations or compliance with terms and conditions of the Owner Bond Documents after the closing of the transaction.

We are furnishing this letter of opinion to you solely for your benefit and may be relied on by you only for the purpose contemplated in the Transaction. Our opinion is not to be reproduced or filed publicly, or used or relied on by, or quoted or delivered to any other person or entity, or used or relied upon for any purpose other than the purpose contemplated in the Transaction without, in each instance, our prior written consent.

Very truly yours,

FENNEMORE CRAIG P.C.

EXHIBIT C

FORM OF OPINION OF COUNSEL TO UNDERWRITER

[LETTERHEAD OF SQUIRE PATTON BOGGS (US) LLP]

[Closing Date]

Hilltop Securities Inc.
as Underwriter
2398 East Camelback Rd., Ste. 340
Phoenix, AZ 85016

Ladies and Gentlemen:

We have served as counsel to you (the "Underwriter") in connection with your purchase from Saguaro Springs Community Facilities District (the "Issuer") of its $_____ General Obligation Bonds, Series 2018 (the "Bonds"), dated the date of this letter, pursuant to the Bond Purchase Agreement, dated _____, 2018 (the "Purchase Contract"), between you and the Issuer. This letter is provided pursuant to Section 6(i)(7) of the Purchase Contract. Capitalized terms not otherwise defined in this letter are used as defined in the Purchase Contract.

In accordance with the terms of our engagement, certain of our lawyers reviewed (a) the Preliminary Official Statement dated _____, 2018 (the "Preliminary Official Statement"), and (b) the Official Statement dated _____, 2018 (the "Official Statement"), in each case relating to the Bonds, and participated in discussions with representatives of the Issuer, bond counsel, and others, regarding those documents, the information contained therein, and related matters.

The purpose of our professional engagement in that regard was not to establish or to confirm factual matters set forth in the Preliminary Official Statement or the Official Statement, and we have not undertaken to verify independently any of those factual matters. Many of the determinations required to be made in the preparation of the Preliminary Official Statement and the Official Statement involve matters of a non-legal nature.

Subject to the foregoing, on the basis of the information gained by our lawyers involved in the review and discussions referred to above, we confirm to you that nothing came to the attention of those lawyers that caused them to believe that (1) the Preliminary Official Statement, as of its date and as of _____, 2018, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (2) the Official Statement, as of its date and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained

in the Preliminary Official Statement or the Official Statement, and we do not express any belief with respect to any financial, technical, statistical, accounting or demographic data or forecasts, or any information about the book-entry system and The Depository Trust Company, the information under the heading "TAX MATTERS" and in Appendix B – "FORM OF LEGAL OPINION OF BOND COUNSEL" contained in the Preliminary Official Statement or the Official Statement. In addition to the review and discussions referred to above, we have also examined an executed counterpart of the Purchase Contract and such other proceedings, documents, matters and law as we deem necessary to render the opinions set forth below.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

2. The Continuing Disclosure Agreement satisfies the requirement of paragraph (b)(5) of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "Rule"), that you obtain an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

The legal opinions stated immediately above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by and the valid, binding and enforceable nature of those documents upon the parties thereto.

This letter is being furnished only to you for your use solely in connection with the transaction described herein and may not be relied upon by anyone else or for any other purpose without our prior written consent. No statements of belief or opinions other than those expressly stated herein shall be implied or inferred as a result of anything contained in or omitted from this letter. The statements of belief and opinions expressed in this letter are stated only as of the time of its delivery and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

EXHIBIT D

FORM OF ISSUE PRICE CERTIFICATE

$_____
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018

Hilltop Securities Inc. ("Hilltop"), as Underwriter for the General Obligation Bonds, Series 2018 (the "Obligations") executed and delivered on behalf of the Saguaro Springs Community Facilities District (the "District"), based on its knowledge regarding the sale of the Bonds, certifies as of this date as follows:

(1) **Issue Price**.

[If the issue price is determined using only the general rule (actual sales of at least 10%) in Regulations § 1.148-1(f)(2)(i):

(A) As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in the final Official Statement, dated [_____], for the Bonds (the "Sale Price" as applicable to respective Maturities). The aggregate of the Sale Prices of each Maturity is $[_____] (the "Issue Price").]

[If the issue price is determined using a combination of actual sales (Regulations § 1.148-1(f)(2)(i)) and hold-the-offering-price (Regulations § 1.148-1(f)(2)(ii)):

(A) As of the date of this certificate, for each Maturity listed on Schedule A as the "General Rule Maturities," the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A (the "Sale Price" as applicable to each Maturity of the General Rule Maturities).

(B) On or before the Sale Date, Hilltop offered the Maturities listed on Schedule A as the "Hold-the-Offering-Price Maturities" to the Public for purchase at the respective initial offering prices listed in the final Official Statement, dated [_____], for the Bonds (the "Initial Offering Prices" as applicable to each Maturity of the Hold-the-Offering-Price Maturities). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(C) As set forth in the Purchase Contract, Hilltop has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-

offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(D) The aggregate of the Sale Prices of the General Rule Maturities and the Initial Offering Prices of the Hold-the-Offering-Price Maturities is $[_____] (the "Issue Price").]

[If the issue price is determined using only the hold-the-offering-price rule in Regulations § 1.148-1(f)(2)(ii):

(A) Hilltop offered, on or before the Sale Date, each Maturity of the Obligations to the Public for purchase at the respective initial offering prices listed in the final Official Statement, dated [_____], for the Bonds (the "Initial Offering Prices"). A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule A. The aggregate of the Initial Offering Prices of each Maturity is $[_____] (the "Issue Price").

(B) As set forth in the Purchase Contract, Hilltop has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any portion of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

[(B),(E), or (C)] Definitions. [NOTE: If issue price is determined using only the general rule (actual sales of 10%), delete the definitions of "Holding Period" and "Sale Date."]

["Holding Period" means, for each Hold-the-Offering-Price Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Hilltop has sold at least 10% of such Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price for such Maturity.]

"Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

["Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Issue is [DATE].]

"Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

All capitalized terms not defined in this Certificate have the meaning set forth in the District's Certificate Relating To Federal Tax Matters.

The signer is an officer of Hilltop and duly authorized to execute and deliver this Certificate of Hilltop. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Hilltop's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Certificate Relating To Federal Tax Matters and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

Dated: _____, 2018

HILLTOP SECURITIES INC.

By:_____

Title:_____

$_____

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018

CLOSING CERTIFICATE OF
D.R. HORTON, INC.

The undersigned, _____, [a Vice President] of D. R. Horton, Inc., a Delaware corporation (the "Corporation"), acting for and on behalf of the Corporation, HEREBY CERTIFIES as follows:

1. That he is duly qualified and acting for and on behalf of the Corporation and as such is familiar with the books and corporate records of the Corporation.

2. That the Corporation is duly incorporated and validly existing under the laws of the State of Delaware, and is authorized to transact business in the State of Arizona. The Corporation has no proceedings pending or contemplated with a view to liquidation or dissolution.

3. The Corporation has the power and authority to execute and deliver the following documents (collectively, the "Documents") or, to the extent that any of the Documents were executed and delivered in the past, the Corporation had such power and authority, and that as executed and delivered by the duly authorized representative of the Corporation were approved or the execution and delivery thereof was authorized by the Corporation, such approvals and authorizations remain in full force and effect and have not been repealed, revoked or rescinded and, except as noted below, such Documents have not been modified or amended:

   (a) The District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of June 1, 2013 (the "Original Development Agreement"), executed by the Town of Marana, Arizona, Saguaro Springs Community Facilities District (the "District"), Marana 670 Holding, LLC, and the Corporation, as amended by the First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of _____ 1, 2018 (the "First Amendment" and together with the Original Development Agreement, the "Development Agreement"), executed by the Town of Marana, Arizona, the District and the Corporation; and

(b) The Indemnity Letter dated as of _____, 2018 (the "Indemnity Letter") from the Corporation to the District and Hilltop Securities Inc. (the "Underwriter").

4. That the officer(s) executing and delivering the Documents had the authority to execute and deliver the Documents.

5. That the undersigned and the persons named in the Documents were on the date or dates of the execution or acceptance of the Documents, the duly qualified and acting incumbents of the offices of the Corporation appearing therein. The undersigned is on the date hereof, the duly qualified and acting incumbent of the office set forth below his signature and the signature appearing above his name is the genuine official signature of said officer, and that he is qualified as [a Vice President] of the Corporation, and he is duly empowered and authorized to execute the First Amendment and the Indemnity Letter for the Corporation.

6. Neither the existence of the Documents, nor the consummation of the transactions contemplated by the Documents, nor compliance by the Corporation with the provisions thereof will result in any breach of any of the terms, conditions or provisions of, or constitute a default under, any material indenture, agreement or other instrument to which the Corporation is a party or by which the Corporation may be bound, which would materially adversely affect the business, properties, assets, liabilities or conditions (financial or otherwise) of the Corporation taken as a whole.

7. That the Corporation is not in default in the payment of principal of or interest on any of its indebtedness for borrowed money and is not in default under any instruments or agreements under or subject to which any indebtedness for borrowed money has been incurred and no event has occurred and is continuing under the provisions of any such instrument or agreement which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder and which would materially adversely affect the business, properties, assets, liabilities or conditions (financial or otherwise) of the Corporation taken as a whole.

8. No material consent, approval, authorization or other action by, or filing with, any federal, State or local government authority is required in connection with the execution, delivery and performance by the Corporation of the obligations of the Corporation under the Documents or to conduct the business of the Corporation as presently being conducted.

9. As of the date hereof, the information pertaining to the Company in the Official Statement under the headings "MAPS SHOWING DETAILS OF THE SAGUAROS SPRINGS COMMUNITY," "LAND DEVELOPMENT" (except the information under the subheading "The District" as to which no view is expressed) and "RISK FACTORS," is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not

include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

10. No litigation or administrative action or proceeding is pending and served on the Corporation or, to the knowledge of the undersigned, threatened against the Corporation, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness or validity of any proceeding relating to the formation of the district, or the issuance of the Bonds or the Documents or the performance by the Corporation of its obligations set forth in the Documents or contesting or questioning the proceedings and authority under which the Documents have been authorized and are delivered and executed.

11. Attached hereto as Exhibit A is a true, complete and correct copy of a Certificate of Good Standing as to the Corporation issued by the State of Delaware dated _____, 2018. Nothing has occurred since the date of the Certificate of Good Standing that would cause the Corporation to no longer be in good standing.

12. Attached hereto as Exhibit B is a true, complete and correct copy of a Certificate of Good Standing as to the Corporation issued by the Arizona Corporation Commission dated _____, 2018. Nothing has occurred since the date of the Certificate of Good Standing that would cause the Corporation to no longer be in good standing.

13. All of the representations and warranties of the Corporation made and contained in the Original Development Agreement (which representations and warranties are hereby incorporated and stated herein by reference as fully and with the same effect as if set forth at length herein) were true and correct as of the date made, and are true and correct as of the date hereof.

14. All of the representations and warranties of the Corporation made and contained in the First Amendment and Indemnity Letter (which representations and warranties are hereby incorporated and stated herein by reference as fully and with the same effect as if set forth at length herein) were true and correct as of the date made, and are true and correct as of the date hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on _____, 2018.

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

By:_____
Name:_____
Title:_____

ATTACHMENTS
Exhibit A – Certificate of Good Standing – Delaware
Exhibit B – Certificate of Good Standing – Arizona

Exhibit D, Page 4

DRAFT
04/12/18
05/04/18

When recorded, return to:

Michael Cafiso, Esq.
Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

Amends Pima
County Recorder
Sequence 20131580460,
Recorded at 12:04 PM
on June 6, 2013

FIRST AMENDMENT
TO
DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND
INTERGOVERNMENTAL AGREEMENT
(SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT)

THIS FIRST AMENDMENT, dated as of _____ 1, 2018 (hereinafter referred to as this "Amendment"), TO DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT), dated as of June 1, 2013 (hereinafter referred to as the "Agreement"), by and among Saguaro Springs Community Facilities District, a community facilities district formed by the Town of Marana, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"), and D. R. Horton, Inc., a corporation duly organized and validly existing pursuant to the laws of the State of Delaware, and having an interest in certain property

within the boundaries of the District (hereinafter referred to as the "Builder" or the "Guarantor", as applicable);

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, the Town of Marana, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"), the District, ; Marana 670 Holdings, LLC, a limited liability company duly incorporated and validly existing pursuant to the laws of the State of Arizona, and having an interest in certain property within the boundaries of the District (hereinafter referred to as the "Owner"), and the Builder entered into a District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District, dated as of June 1, 2013 (hereinafter referred to as the "*Agreement*"), as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time; and

WHEREAS, with regard to the real property described in the Exhibit hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District, some of such matters are specified in the Agreement, particularly matters relating to the acquisition of certain public infrastructure by the District, the acceptance thereof and the reimbursement or repayment with respect

thereto, all pursuant to the Act, such public infrastructure being necessary to develop the Property prior to the time at which the District can itself pay for the construction or acquisition thereof; and

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

WHEREAS, Section 6.3 of the Agreement provides as follows [defined terms used therein having the meanings ascribed to them in the Agreement]:

> The District Board shall not be required to take any action to sell and issue the Developer Bonds unless and until the District, in its reasonable discretion, has approved a creditworthy person or entity to be the "Guarantor" under this Agreement, and the Guarantor has executed and delivered such documents, agreement, instruments, financial information and other materials as the District shall reasonably require as a condition to the District's approval of such person or entity as the "Guarantor" under this Agreement.

and; WHEREAS, the Owner and the Builder entered into an Assignment and Assumption of Owners Rights Under District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District) made as of the 18th day of September, 2015 (Pima County Recorder Sequence 20152820342, recorded

at 12:50 on October 9, 2015), by which, among things, the Owner granted, transferred, conveyed and assigned to the Builder all of the Owner's rights, title, interest, privileges, duties, obligations and liabilities as the Owner under the Agreement and the Builder accepted such assignment and assumption, to which the District consented, which had the effect, for purposes of Section 6.3 of the Agreement, of the District approving the Builder as the "Guarantor" for purposes of the Agreement and being all that is required of the District as a condition to the approval of the District of such entity as the Guarantor under the 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:

Section 1. All references in the Agreement to "secondary assessed valuation" shall instead be to "net limited assessed property valuation" for all purposes.

Section 2. The provisions of the Agreement are otherwise hereby ratified and confirmed in all respects, in particular the indemnification provided by Article VIII thereof being effective in all respects as it relates to this Amendment and the addition of the Guarantor.

Section 3. This Amendment shall be binding upon and shall inure to the benefit of the parties to this Amendment and their respective legal representatives, successors and assigns; provided,

however, that none of the parties hereto shall be entitled to assign its right hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Amendment, which consent shall not be unreasonably withheld.

Section 4. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Amendment.

Section 5. This Amendment sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Amendment is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Amendment is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party.

Section 6. This Amendment shall be governed by and interpreted in accordance with the laws of the State of Arizona.

Section 7. The waiver by any party hereto of any right granted to it under this Amendment shall not be deemed to be a waiver of any other right granted in this Amendment nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Amendment.

Section 8. This Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be

deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 9. (a) The District may, within three years after its execution, cancel this Amendment, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Amendment on behalf of the District is, at any time while this Amendment is in effect, an employee or agent of the Owner or the Builder in any capacity or a consultant to any other party of this Amendment with respect to the subject matter of this Amendment and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Amendment on behalf of the District from the Owner or the Builder arising as the result of this Amendment. The Owner, the Builder and the Guarantor have not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Owner or the Builder in any capacity or a consultant to any party to this Amendment with respect to the subject matter of this Amendment.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Owner or the Builder shall comply with all federal immigration laws and regulations that relate to their employees and their compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by either of them of the foregoing shall be deemed a material breach of the Agreement and may result in the termination of their services. The

District retains the legal right to randomly inspect the papers and records of the Owner and the Builder to ensure that the Owner and the Builder are complying with the foregoing. The Owner and the Builder shall keep such papers and records open for random inspection during normal business hours by the District. The Owner and the Builder shall cooperate with the random inspections by the District including granting the District entry rights onto their property to perform such random inspections and waiving their respective rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393 et seq., Arizona Revised Statutes, the Owner and the Builder hereby certify that they are not currently engaged in, and for the duration of this Amendment shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the District determines that certification of the Owner and the Builder above is false or has been breached, the District may impose remedies as provided by law.

Section 10. The term of this Amendment shall be as of the date of the execution and delivery of this Amendment by each of the parties thereto and shall expire upon the earlier of the agreement of the District, the Municipality, the Owner, the Builder and the Guarantor to the termination of the Agreement, June 1, 2063, and the date on which all of the Bonds (as such term is defined in the Agreement) are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 11. If any provision of this Amendment shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 12. No later than ten (10) days after this Amendment is executed and delivered by each of the parties hereto, the Builder shall on behalf of the District record a copy of this Amendment with the County Recorder of Pima County, Arizona.

Section 13. Unless otherwise expressly provided, the agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

* * *

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

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

By.....
Ed Honea, Chairperson, District Board

ATTEST:

.....
Jocelyn C. Bronson, District Clerk

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

.....
Frank Cassidy, District Counsel

STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me on this ..... day of ....., 2018, by Ed Honea, as Chairperson of the District Board of Saguaro Springs Community Facilities District, an Arizona community facilities district.

.....
Notary Public

My commission expires:

.....

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

By.....
Printed Name:.....
Title:.....

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ....., 2018, by ....., as ..... of .....

.....
Notary Public

My Commission Expires:

.....

CONSENT AND AGREEMENT

Reference is made to that certain First Amendment, dated as of _____ 1, 2018, to District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of June 1, 2013, by and among the Town of Marana, Arizona, Saguaro Springs Community Facilities District, Marana 670 Holdings, LLC, and D.R. Horton, Inc., to which this Consent and Agreement is attached (the "Development Agreement Amendment"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in this Development Agreement Amendment. The undersigned having an interest in real property within the District, hereby consents to the Development Agreement Amendment, acknowledges that the Development Agreement Amendment shall bind all real property in which the undersigned has an interest within the District, and authorizes the recordation of the Development Agreement Amendment with respect to all such real property. In no event, however, shall anything in this Consent and Agreement constitute a personal assumption by the undersigned of the obligations of the Owner under the Development Agreement Amendment.

TITLE SECURITY AGENCY OF ARIZONA, LLC, A DELAWARE LIMITED LIABILITY COMPANY, DBA TITLE SECURITY AGENCY, LLC, ONLY IN ITS CAPACITY AS TRUSTEE OF TRUST NO. 201434-T, AND NOT IN ITS PROPRIETARY CORPORATE CAPACITY NOR AS TRUSTEE OF ANY OTHER TRUST

By.....
Printed Name:.....
Title:.....

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ....., 2018, by ....., as ..... of Title Security Agency of Arizona, LLC, a Delaware limited liability company, dba Title Security Agency, LLC, only in its capacity as Trustee of Trust No. 201434-T, and not in its proprietary corporate capacity nor as Trustee of any other trust.

.....
Notary Public

My Commission Expires:

.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Saguaro Springs First Amendment to District Development, Financing Participation and Intergovernmental Agreement (Saguaro Springs Community Facilities District), dated as of _____ 1, 2018, executed by Saguaro Springs Community Facilities District, an Arizona community facilities district, Marana 670 Holdings, LLC and D.R. Horton, Inc. (the "Notarized Document"). The Notarized Document contains a total of ..... pages.

ATTACHMENTS:

EXHIBIT -- Legal Description Of The Property

PHX 332693704v2

EXHIBIT

LEGAL DESCRIPTION OF THE PROPERTY

Stantec Consulting Inc.
201 North Bonita Avenue Suite 101
Tucson AZ 85745-2999
Tel: (520) 750-7474 Fax: (520) 750-7470
stantec.com

Stantec

PROPERTY DESCRIPTION
SAGUARO SPRINGS

DESCRIPTION of property located in portions of Sections 17, 18 and 19, Township 12 South, Range 12 East and a portion of Section 13, Township 12 South, Range 11 East, Gila and Salt River Meridian, Pima County, Arizona. Said property being more fully described as follows: Blocks 1 thru 10 and A thru D together with Lots 1 thru 9, A and B, as shown on the Block Plat for SAGUARO SPRINGS, recorded in Book 58 of Maps and Plats, Page 23, in the office of the Pima County Recorder, Pima County, Arizona.

Together with:

A portion of said Section 13, as described in Docket 12208, Page 1961, Pima County Records.

Excepting therefrom:

Lot B of said Block Plat

Also excepting therefrom:

That portion of Block 5 of said Block Plat to be dedicated for use as a school site, as recorded in Docket 12711, Page 10927, Pima County Records.

Also excepting therefrom:

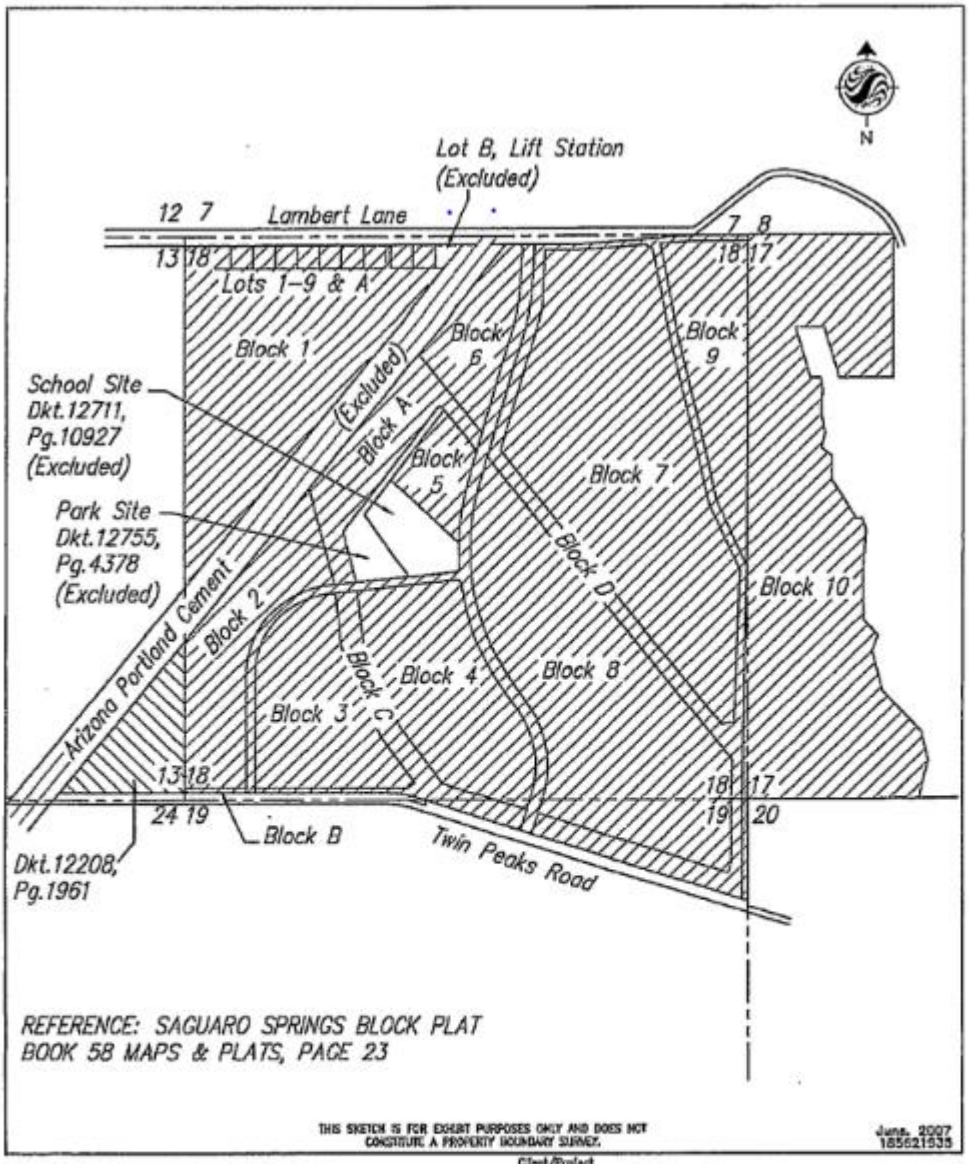
That portion of Block 5 of said Block Plat to be dedicated for use as a park site, as recorded in Docket 12755, Page 4378, Pima County Records.

Said parcel containing a total area of 32,839,128 square feet or 753.88 acres of land, more or less.

Disclaimer: Stantec Consulting accepts no liability for this description if it has been modified or reformatted in any way from its original format and content, or used for any purpose other than that for which it was originally intended.

Prepared by Nathan L. Gardner, RLS 36786
Prepared on June 14, 2007
Prepared for and on behalf of Stantec Consulting Inc.
Project Number: 185621935
w:\active\185621935\lots\21935_property_owned_by_empire_070614.doc





Stantec Consulting
201 North Bonita Ave
Tucson AZ U.S.A.
85745-2999
Tel. 520.750.7474
Fax. 520.750.7470
www.stantec.com

Client/Project
SAGUARO RESERVE
T 12 S, R 12 E, SECTIONS 17, 18 & 19
T 12 S, R 11 E, SECTION 13, PIMA COUNTY, AZ

Figure No.
1.0

Title
Saguaro Springs
Description Exhibit

DRAFT
04/12/18
05/03/18

SERIES 2018
BOND REGISTRAR AND PAYING AGENT AGREEMENT

$_____,000
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2018

THIS SERIES 2018 BOND REGISTRAR AND PAYING AGENT AGREEMENT, dated as of June 1, 2018 (this "Agreement"), by and between _____ (the "Bond Registrar and Paying Agent") and SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT (the "District");

W I T N E S S E T H:

WHEREAS, pursuant to a resolution duly adopted by the District Board (the "Board") of the District on May 15, 2018 (the "Bond Resolution"), the Board authorized the issuance and sale of $_____,000 principal amount of Saguaro Springs Community Facilities District (Marana, Arizona) General Obligation Bonds, Series 2018 (the "Bonds"); and

WHEREAS, by the Bond Resolution, the Board appointed the Bond Registrar and Paying Agent as the agent of the District, to act as authenticating agent, bond registrar, transfer agent and paying agent for and in connection with the Bonds and has authorized and directed the Bond Registrar and Paying Agent to keep all the books and records necessary for registration, transfer or exchange of the Bonds (the "Register");

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the District and the Bond Registrar and Paying Agent agree as follows:

Section 1. At the time and place for the original delivery of the Bonds (the "Closing"), the District shall deliver to the Bond Registrar and Paying Agent the duly executed Bonds and any other information needed to complete the Bonds at the Closing. The Bond Registrar and Paying Agent, through a duly authorized representative or representatives, shall (i) coordinate the completion of the Bonds to be delivered at the Closing; (ii) record the names and addresses of the registered owners in, and otherwise complete the Register and (iii) sign the Certificate of Authentication on the Bonds, all so as to permit delivery of the Bonds at the Closing. These procedures shall also be used, as appropriate, for the completion and authentica-

tion of any Bond to be delivered to the Bond Registrar and Paying Agent for transfer as provided herein.

Section 2. The Bond Registrar and Paying Agent shall keep and maintain the Register at its designated corporate trust office so long as any Bond remains outstanding and shall perform, without limitation, authentication, transfer, registration and paying agent functions, and related mechanical, clerical and record or bookkeeping functions, in connection with the Bonds in accordance with this Agreement, the Bond Resolution, and any applicable requirements of Section 149(a) of the Internal Revenue Code of 1986, as amended, and applicable regulations, proposed regulations (if they are proposed to take effect retrospectively) and rulings thereunder.

Section 3. In accordance with the Bond Resolution, the Bond Registrar and Paying Agent shall:

(i) Subject to the restrictions included in the form thereof, transfer any Bond upon presentation and surrender thereof at the office of the Bond Registrar and Paying Agent, together with a request for an assignment, signed by the registered owner or by a person authorized by the registered owner to do so by a power of attorney in a form satisfactory to the Bond Registrar and Paying Agent, and the other documents as are required in the legend of the Bonds at the head thereof in connection with transfer thereof, and shall complete, authenticate and deliver the new Bonds to the registered owner or the registered owner of the transferred Bonds in a denomination or denominations equal in the aggregate to the unmatured and unredeemed principal amount of the Bonds surrendered, bearing interest at the same rate and maturing on the same date.

(ii) Record the transfer of any Bond on the Register.

(iii) Complete the transfer, completion, authentication and delivery of the new Bonds within the time required by then applicable rules and regulations.

Section 4. (A) The fee of the Bond Registrar and Paying Agent for the remainder of the current fiscal year, estimated to be $_____, shall be paid from the proceeds of the sale of the Bonds.

(B) Subsequent payments_____ per year while any of the Bonds are outstanding shall be paid by the District.

(C) The Bond Registrar and Paying Agent shall charge the registered owner of any transferred Bond an amount sufficient to reimburse it for any fee, tax or other charge required to be paid with respect to the transfer. The Bond Registrar and Paying Agent may require that those charges be paid before it begins the procedure for the transfer.

Section 5. The Bond Registrar and Paying Agent shall complete, authenticate, deliver and register the new Bonds to replace any Bond lost, stolen, destroyed, or mutilated, upon receipt by the Bond Registrar and Paying Agent of evidence satisfactory to it of the loss, theft, destruction or mutilation of any Bond and of indemnity satisfactory to it.

Section 6. The Bond Registrar and Paying Agent shall cancel any Bond surrendered to it pursuant to the Bond Resolution for payment or retirement or for replacement or transfer. The cancelled Bonds shall be destroyed by the Bond Registrar and Paying Agent and a record of such destruction and the number and amount of Bonds destroyed shall be kept by the Bond Registrar and Paying Agent and upon request of the District, furnished by the Bond Registrar and Paying Agent to the District.

Section 7. The Bond Registrar and Paying Agent shall retain and store the Register for seven (7) years after full payment of the Bonds. At any time and upon request by an authorized representative of the District, the Bond Registrar and Paying Agent shall permit such representative to inspect the Register and shall provide such representative with a copy of the Register. In the event of a request to the Bond Registrar and Paying Agent by any person other than such representative of the District for inspection of the Register, the Bond Registrar and Paying Agent shall notify the District and shall not permit that inspection unless it is approved by such representative of the District, except that the Bond Registrar and Paying Agent may permit an inspection pursuant to an order of a court of competent jurisdiction.

Section 8. The Bond Registrar and Paying Agent shall pay the principal of and interest on the Bonds and shall redeem Bonds in accordance with the Bond Resolution, but only from moneys deposited with the Bond Registrar and Paying Agent by the District for that purpose. The District shall cause funds to be on deposit with the Bond Registrar and Paying Agent in an amount sufficient and available to pay the interest, or principal and interest, then to be due on the day prior to the day on which that payment is to be made. The Bond Registrar and Paying Agent shall pledge assets to secure the deposits made for the purpose of paying either principal or interest or both principal and interest on the Bonds.

Section 9. In the event any check for payment of interest on a Bond is returned to the Bond Registrar and Paying Agent unendorsed or is not presented for payment within two (2) years from its payment date or any Bond is not presented for payment of principal due at the maturity or redemption date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to the Bond Registrar and Paying Agent for the benefit of the registered owner thereof, it shall be the duty of the Bond Registrar and Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the registered owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim

of whatever nature relating to such Bond or amounts due thereunder. The obligation of the Bond Registrar and Paying Agent to hold such funds shall continue for two (2) years and six (6) months following the date on which such interest or principal amount became due, whether at maturity, or at the date fixed for redemption, or otherwise, at which time the Bond Registrar and Paying Agent shall surrender such unclaimed funds so held to the District, whereupon any claim of whatever nature by the registered owner of such Bond arising under such Bond shall be made upon the District.

Section 10. In the absence of bad faith on its part in the performance of its services under this Agreement, the Bond Registrar and Paying Agent shall be protected in acting upon any notice, request, certificate, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper party or parties.

Section 11. (A) The Bond Registrar and Paying Agent may resign as Bond Registrar and Paying Agent at any time by giving thirty (30) days' written notice of resignation to an authorized representative of the District. The Bond Registrar and Paying Agent may be removed at any time by written notice signed by such authorized representative and delivered to the Bond Registrar and Paying Agent. Upon the effectiveness of the resignation or termination, the Bond Registrar and Paying Agent shall deliver the Register and all other records (or copies of those records) pertaining to the Bonds and all forms of Bond to the District.

(B) Every successor Bond Registrar and Paying Agent appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Arizona, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than $50,000,000.

(C) Any bank, trust company or national banking association into which the Bond Registrar and Paying Agent or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business shall be the successor of the Bond Registrar and Paying Agent under this Bond Registrar and Paying Agent Agreement with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 12. Notice shall be sufficient hereunder if it is contained in a writing sent to the District at 11555 West Civic Center Drive, Marana, Arizona 85653, Attention: District Manager, and to the Bond Registrar and Paying Agent at _____, _____, _____ _____, Attention: Corporate Trust Services, or any other address which may be designated from time to time by either party in

writing delivered to the District or the Bond Registrar and Paying Agent, as applicable.

Section 13. Neither this Agreement nor any provision hereof may be changed, revised or amended, except by a writing signed by the District and the Bond Registrar and Paying Agent.

Section 14. In case any section or provision of this Agreement, or any agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder of this Agreement or any other section or provision of this Agreement or any other agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein. Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, agreement, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into, done or taken in the manner and to the full extent permitted by law from time to time.

Section 15. (A) To the extent applicable by provision of law, the Bond Registrar and Paying Agent acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that the District may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by the District if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the District is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

(B) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Bond Registrar and Paying Agent shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Bond Registrar and Paying Agent of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of the Bond Registrar and Paying Agent by the District. The District retains the legal right to randomly inspect the papers and records of the Bond Registrar and Paying Agent to ensure that the Bond Registrar and Paying Agent is complying with the foregoing. The Bond Registrar and Paying Agent shall keep such papers and records open for random inspection during normal business hours by the District. The Bond Registrar and Paying Agent shall cooperate with the random inspections by the District

including granting the District entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(C) Pursuant to Section 35-393, et seq., Arizona Revised Statutes, the Bond Registrar and Paying Agent hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the District determines that the Bond Registrar and Paying Agent's certification above is false or that it has breached such agreement, the District may impose remedies as provided by law.

Section 16. This Agreement shall for all purposes be governed by and construed in accordance with the laws of the State of Arizona. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Bond Registrar and Paying Agent Agreement as of the day and year first above written.

_____

By.....
Authorized Officer

SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT

By.....
District Manager

ATTEST:

.....
District Clerk

PHX 332638804v2

$_____
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT
(MARANA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2018

SERIES 2018 CONTINUING DISCLOSURE UNDERTAKING

This Undertaking is executed and delivered by Saguaro Springs Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Annual Report" shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

"Dissemination Agent" shall mean any agent that has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

"EMMA" shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at http://emma.msrb.org/submission.

"Listed Events" shall mean any of the events listed in Section 3(a).

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Notice of Listed Event" shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

"Resolution" shall mean the resolution of the board of directors of the Issuer authorizing the issuance of the Securities.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2019, PROVIDE

TO THE MSRB THROUGH EMMA AN ANNUAL REPORT THAT IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.

(ii) IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION AND SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE TO THE MSRB THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information or operating data of the type in TABLES 2 (Real and Secured Property Taxes Levied and Collected), 3A (Net Limited Assessed Property Value by Property Classification), 4 (Net Limited Assessed Property Value of Major Taxpayers), and 5A (Comparative Net Limited Assessed Property Values) (but as to any valuations required, only the actual amount of the current valuation) of the Official Statement, dated _____, 2018, with respect to the Securities.

(B) Audited financial statements of the Issuer for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently prepare audited financial statements, and execution of this Undertaking shall not obligate the Issuer to prepare audited financial statements for any fiscal year.) IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN AN ANNUAL REPORT AND THEREAFTER THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final official statements of debt issues of the Issuer or related public entities that have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) If audited financial statements are being prepared and will be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than 30

days) after such audited financial statements become available, the audited financial statements shall be provided to the MSRB through EMMA.

Section 3. Reporting of Listed Events and Failure to Provide Annual Report.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities.

(vii) Modifications to rights of holders, if material.

(viii) Bond calls, if material, or tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Securities, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(xiii) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material.

(xv) Notice of a failure of the Issuer to provide or cause to be provided required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(d) SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS AFTER THE OCCURRENCE OF A LISTED EVENT, FILE A NOTICE OF LISTED EVENT TO THE MSRB THROUGH EMMA.

Section 4. Termination of Reporting Obligation.

The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. SUBJECT TO ANNUAL APPROPRIATION OF FUNDS SUFFICIENT TO PROVIDE FOR THE COSTS THEREOF, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION TO THE MSRB THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or

waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Resolution at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. IF AUDITED FINANCIAL STATEMENTS ARE PREPARED AND INCLUDED IN AN ANNUAL REPORT AND THEREAFTER THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Resolution, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Owner hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking

and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities that the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

[Remainder of page intentionally left blank]

Dated: October 6, 2018

SAGUARO SPRINGS COMMUNITY
FACILITIES DISTRICT

By_____
Chairperson, District Board

ATTEST:

_____
District Clerk

APPROVED AS TO FORM:

_____
District Counsel

[Signature Page to Saguaro Springs Community Facilities District
Series 2018 Continuing Disclosure Undertaking]

PROCEDURES FOR COMPLIANCE WITH OBLIGATIONS UNDER CONTINUING DISCLOSURE UNDERTAKINGS

These Procedures for Compliance with Obligations under Continuing Disclosure Undertakings (these "Procedures") are established as of May 15, 2018, and set forth specific procedures of Saguaro Springs Community Facilities District (the "Issuer"), designed to assist in compliance with applicable requirements set forth in undertakings ("Continuing Disclosure Undertakings") providing for ongoing disclosure in connection with the offering of obligations to investors for obligations (whether or not tax-exempt/tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

These Procedures document practices and describe various procedures for preparing and disseminating related reports and information and reporting "listed events" for the benefit of the holders of the Issuer's obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule and the Continuing Disclosure Undertaking.

The Issuer recognizes that compliance with pertinent law is an ongoing process; necessary during the entire term of any obligations issued by the Issuer, and is an integral component of the Issuer's debt management. Accordingly, implementation of these Procedures will require ongoing monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

1. The District Manager (the "Compliance Officer") shall be responsible for monitoring post-issuance compliance issues.

2. The Compliance Officer will coordinate procedures for record retention and review of such records.

3. All documents and other records relating to obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer.

4. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

5. The Compliance Officer will review the annual information required to be filed pursuant to each Continuing Disclosure Undertaking.

Continuing Disclosure

Under the provisions of the Rule, Participating Underwriters are required to reasonably determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, a Continuing Disclosure Undertaking executed by the Issuer will be required.

In order to monitor compliance by the Issuer with its Continuing Disclosure Undertakings, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Undertakings. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Undertakings

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Undertakings of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective obligation issue. Continuing Disclosure Undertakings are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Undertakings) for so long as the obligations to which they relate are outstanding. As obligations are completely repaid or redeemed, the Compliance Officer shall remove the related Continuing Disclosure Undertakings from the set of Currently Effective Continuing Disclosure Undertakings.

B. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Undertakings annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Undertaking may differ from the financial information and operating data required to be reported under another Continuing Disclosure Undertaking; and

- The timing requirements for reporting under a particular Continuing Disclosure Undertaking may differ from the timing requirements for filing under another Continuing Disclosure Undertaking.

C. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall also subscribe to notification services made available through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

D. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) shall file the missing information.

E. Monitoring of Listed events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Undertakings and shall provide notice of the same in the required manner and by the relevant reporting deadline (generally within 10 days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations;
- Modification to rights of holders of the Issuer's obligations, if material;
- Calls of the Issuer's obligations, if material, and tender offers;
- Defeasances of the Issuer's obligations;
- Release, substitution or sale of property securing repayment of the Issuer's obligations, if material;
- Rating changes;

- Bankruptcy, insolvency, receivership or similar event of the Issuer;

- The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

F. Review of Official Statements

The Compliance Officer shall review drafts of any offering document for a new offering of obligations, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the offering document accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its offering documents.

G. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer's annual reviews and its reviews of offering documents in connection with new offerings as set forth above. This Issuer shall retain this documentation, for each Continuing Disclosure Undertaking, for the period that the related obligations are outstanding.

H. Annual Review Checklist

The Compliance Officer may (or may not) choose to use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. Fiscal Year Ending: _____

2. Compliance Officer: _____

3. Checklist Completion Date: _____

4. Obligations for which there are Currently Effective Continuing Disclosure Undertakings - <u>Attach Agreements</u>:

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

$_____, _____, dated _____, 20___

5. Have any new Obligations subject to Continuing Disclosure Been Issued this Year?

_____ No

_____ Yes (Add Agreement to Currently Effective Continuing Disclosure Undertakings) If Yes, did the Compliance Officer review the Offering Document's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years?
Circle: Y/ N (If N, review and discuss any issues with counsel.)

6. Have any Obligations subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Currently Effective Continuing Disclosure Undertakings)

7. (a) Has the Compliance Officer Reviewed the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

	Checked?
Different Continuing Disclosure Undertakings may require different information to be file (so check each one)	Y / N
Different Continuing Disclosure Undertakings may have different filing timing requirements (so check each one).	Y / N

Have any of the Following Events Occurred this Year?

	Event	**Circle**
1.	Principal and interest payment delinquencies	Y / N
2.	Non-payment related defaults, if material	Y / N
3.	Unscheduled draws on debt service reserves reflecting financial difficulties	Y / N
4.	Unscheduled draws on credit enhancements reflecting financial difficulties	Y / N
5.	Substitution of credit or liquidity providers, or their failure to perform	Y / N
6.	Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations	Y / N
7.	Modification to rights of holders of the Issuer's obligations, if material	Y / N
8.	Calls of the Issuer's obligations, if material, and tender offers	Y / N
9.	Defeasances of the Issuer's obligations	Y / N
10.	Release, substitution or sale of property securing repayment of the Issuer's obligations, if material	Y / N
11.	Rating changes	Y / N
12.	Bankruptcy, insolvency, receivership or similar event of the Issuer	Y / N
13.	The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material	Y / N
14.	Appointment of a successor or additional trustee or the change of name of a trustee, if material	Y / N

If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

_____ Yes: Name/Contact: _____

_____ No

PHX 332638828v1

WRITTEN POLICIES AND PROCEDURES
FOR TAX-ADVANTAGED OBLIGATIONS

Saguaro Springs Community Facilities District (the "Issuer"), has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, "tax-advantaged obligations") that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer has established the policies and procedures contained herein (the "Procedures") as of May 15, 2018, in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the "Tax Certificate") executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The District Manager of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the "Responsible Officer").

2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.

3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)

    a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.

    b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all Procedures have been appropriately assigned.

4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code

applicable to each tax-advantaged obligation, identification of all tax-advantaged obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.

5. Periodic Review

. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the "remedial action" regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service ("IRS") (or successor guidance). Such periodic review shall occur at least annually.

6. Change in Terms

. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.

B. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS From 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section G.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

C. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:

1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.

2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.

3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.

4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.

5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of "direct tracing" is often made to reduce the private business use of bond proceeds that would otherwise result from "direct tracing" of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.

6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section H. below.

D. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:

1. Identify Financed Facilities. Identify or "map" which outstanding issues financed which facilities and in what amounts.

2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the financed facilities which could result in private business use of the facilities:

   a. Sales of financed facilities;

   b. Leases of financed facilities;

   c. Management or service contracts relating to financed facilities;

   d. Research contracts under which a private person sponsors research in financed facilities; and

e. Any other contracts involving "special legal entitlements" (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.

3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond counsel to review such amendment or agreement to determine whether it results in private business use.

4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.

5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of "unrelated or disproportionate" private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.

6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.

7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section H. below.

E. LOAN OF BOND PROCEEDS. Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.

F. ARBITRAGE AND REBATE COMPLIANCE. The Responsible Officer or other responsible person shall:

1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.

2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.

3. Temporary Periods. Review the Tax Certificate to determine the "temporary periods" for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.

4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.

5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of proceeds and to avoid "hedge bond" status.

6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.

7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.

8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.

9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects

(or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.

10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a "bona fide debt service fund," i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal amount of the issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.

12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.

    a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.

    b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.

    c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.

d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.

e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).

13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions for the period indicated in Section H. below.

G. RECORD RETENTION. The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.

ATTACHMENT I TO
WRITTEN PROCEDURES

REMEDIAL ACTION PROCEDURES

Capitalized terms used herein but not defined have the meaning assigned thereto in Section 5 below and in the Written Policies and Procedures for Tax-Advantaged Obligations to which these Remedial Action Procedures are attached. This attachment describes written procedures that may be required to be taken by, or on behalf of, an issuer of Obligations.

1. **Background**. The maintenance of the tax status of the Obligations (*e.g.*, as tax-exempt obligations under federal tax law) depends on the compliance with the requirements set forth in the Internal Revenue Code of 1986, as amended (the "Code"). *The purpose of this attachment is to set forth written procedures to be used in the event that any deliberate actions are taken that are not in compliance with the tax requirements of the Code (each, a "Deliberate Action") with respect to the Obligations, the proceeds thereof, or the property financed or refinanced by the Obligations (the "Financed Property").*

2. **Consultation with bond counsel**. If a Deliberate Action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations, then the Town must consult with Greenberg Traurig, LLP or other nationally recognized bond counsel ("bond counsel") regarding permissible Remedial Actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Note that remedial actions or corrective actions other than those described in this attachment may be available with respect to the Obligations and the Financed Property, including remedial actions or corrective actions that may be permitted by the Commissioner through the voluntary closing agreement programs (VCAP) provided by the Internal Revenue Service from time to time.

3. **Conditions to Availability of Remedial Actions**. None of the Remedial Actions described in this attachment are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(a) The issuer of the Obligations reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the Private Business Tests nor the Private Loan Financing Test of Section 141 of the Code and the Treasury Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

(b) The weighted average maturity of the Obligations did not, as of such date, exceed 120 percent of the Average Economic Life of the Financed Property;

(c) Unless otherwise excepted under the Treasury Regulations, the Town delivers a certificate, instrument, or other written records satisfactory to bond counsel

demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is *bona fide* and arm's-length, and that the non-exempt Person using either the Financed Property or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(d) Any disposition must be made at fair market value and any Disposition Proceeds actually or constructively received by the Town as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield on the Obligations subsequent to the date of the Deliberate Action; and

(e) Proceeds of the Obligations affected by the Remedial Action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in Section 4(A) below).

4. **Types of Remedial Action**. Subject to the conditions described above, and only if the Town obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not affect the federal tax status of the Obligations, the following types of Remedial Actions may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(a) Redemption or Defeasance of Obligations.

(i) If the Deliberate Action causing either the Private Business Use Test or the Private Loan Financing Test to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the Town may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations pro rata across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Town may (subject generally to the limitations described in (iii) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(ii) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the Town may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from the gross income of the registered owners thereof for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance

Escrow within 90 days of the date of the Deliberate Action for all of the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(iii) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings, or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this attachment is for general information only, and bond counsel must be contacted to discuss other available options.

(b) Alternative Use of Disposition Proceeds. Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(i) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(ii) the Town reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(iii) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the Private Activity Bond Tests;

(iv) no action is taken after the date of the Deliberate Action to cause the Private Activity Bond Tests to be satisfied with respect to the Obligations, the Financed Property, or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Treasury Regulations);

(v) Disposition Proceeds used in a manner that satisfies the Private Activity Bond Tests or that are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in Section 4(a) hereof; and

(c) Alternative Use of Financed Property. The Town may be considered to have taken sufficient Remedial Actions to cause the Obligations to continue their

applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(i) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(ii) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from the gross income of the registered owners thereof under Section 103 of the Code for purposes of federal income taxation or an obligation described in Sections 54A-54F, 54AA, or 6431 of the Code; and

(iii) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield on the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the Private Security or Payment Test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

5. **Additional Defined Terms**. For purposes of this attachment, the following terms have the following meanings:

"*Commissioner*" means the Commissioner of Internal Revenue, including any successor person or body.

"*Defeasance Escrow*" means an irrevocable escrow established to redeem obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay the entire principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

"*Deliberate Action*" means any action, occurrence, or omission by the Town (or, if applicable, by a conduit borrower) that is within the control of the Town (or, if applicable, by such conduit borrower) that causes either (1) the Private Business Use Test to be satisfied with respect to the Obligations or the Financed Property (without regard to the Private Security or Payment Test), or (2) the Private Loan Financing Test to be satisfied with respect to the

Obligations or the proceeds thereof. An action, occurrence, or omission is not a Deliberate Action if (1) the action, occurrence, or omission would be treated as an involuntary or compulsory conversion under Section 1033 of the Code, or (2) the action, occurrence, or omission is in response to a regulatory directive made by the government of the United States.

"*Disposition Proceeds*" means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange, or other disposition of property (other than Investments) financed with the proceeds of the Obligations.

"*Nonqualified Obligations*" means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the Private Business Use Test or the Private Loan Financing Test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

"*Private Activity Bond Test*s" means, collectively, the Private Business Use Test, the Private Security or Payment Test, and the Private Loan Financing Test.

"*Private Business Tests*" means the Private Business Use Test and the Private Security or Payment Test.

"*Private Business Use Test*" has the meaning set forth in Section 141(b)(1) of the Code.

"*Private Loan Financing Test*" has the meaning set forth in Section 141(c) of the Code.

"*Private Security or Payment Test*" has the meaning set forth in Section 141(b)(2) of the Code.

"*Remedial Action*" means any of the applicable actions described in Section 4 hereof, or such other actions as may be prescribed from time to time by the Department of the Treasury or the Internal Revenue Service, which generally have the effect of rectifying noncompliance by the Town with certain provisions of Section 141 of the Code and the Regulations thereunder and are undertaken by the Town to maintain the federal tax status of the Obligations.

6. **Change in Law**. This attachment is based on law in effect as of this date. Statutory or regulatory changes, including but not limited to clarifying Treasury Regulations, may affect the matters set forth in this attachment.