

CENTERRACFD RES 08-027

RESOLUTION OF THE BOARD OF DIRECTORS OF CENTERRA COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE AND/OR CONSTRUCT CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS; DETERMINING THAT NOT TO EXCEED \$2,300,000 GENERAL OBLIGATION BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to Section 48-715, Arizona Revised Statutes ("A.R.S."), as amended, the Board of Directors of the Centerra Community Facilities District (City of Goodyear, Arizona) (the "*District*"), has caused a study of the feasibility and benefits of the Project (as such term and all other initially capitalized terms are defined hereinafter) to be prepared, relating to certain public infrastructure provided for in the General Plan of the District and to be financed with the proceeds of the sale of general obligation bonds of the District (the "*Report*"), which Report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Project and a plan for financing the Project, a copy of which is on file with Clerk of the District; and

WHEREAS, pursuant to Section 48-715, A.R.S., as amended, a public hearing on the Report was held on the date hereof, after provision for publication and mailing of notice thereof as provided by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS ("*DISTRICT BOARD*") OF THE CENTERRA COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), that:

Section 1. Definitions. In this resolution, the following terms shall have the following meanings:

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

"*Board*" shall mean this Board of Directors of the District.

"*Bonds*" shall mean the District's General Obligation Bonds, Series 2008.

"*Clerk*" shall mean the Clerk of the District.

"*District*" shall mean the Centerra Community Facilities District (City of Goodyear, Arizona).

"Project" shall mean the acquisition or construction of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition and/or construction by the District of the improvements described on Exhibit A hereto.

"Report" shall mean the Feasibility Report dated _____, 2008, pertaining to the Project on file with the Clerk prior to the date and time hereof, discussing the matters required by A.R.S. Section 48-715, as amended, as such matters relate to the Project.

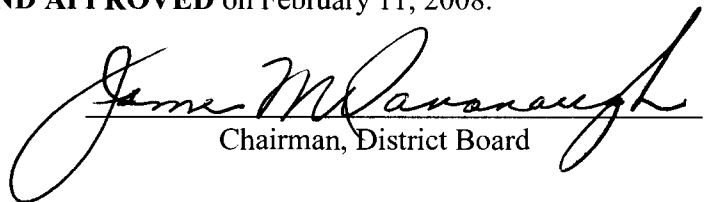
Section 2. Approval of Feasibility Report. Published notice of the public hearing on the Report has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The Clerk has provided the Report and notice of public hearing on the Report to the governing body of the City of Goodyear, Arizona, not less than ten (10) days in advance of the date of the public hearing. Based on the review by the Board and the presentation of the Report at the public hearing on February 11, 2008, the Report is hereby adopted and approved in the form submitted to the Board.

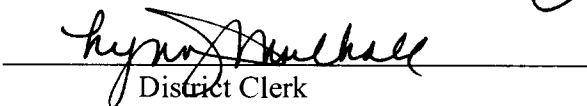
Section 3. Resolution of Intent. This Board hereby identifies the public infrastructure of the Project, the areas benefited, the expected method of financing and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Report, for any and all purposes of the Act. Any portion of the costs of the Project not financed by the proceeds of the Bonds shall remain eligible to be financed through the sale of future bonds of the District.

Section 4. Preliminary Approval to Issue and Sell Bonds. The Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Report and hereby declares its intent to issue not to exceed \$2,300,000 principal amount of Bonds to finance the costs of the Project.

PASSED, ADOPTED AND APPROVED on February 11, 2008.

ATTEST:


Chairman, District Board


District Clerk

APPROVED AS TO FORM:


Bond Counsel

Attachments: Exhibit A - Description of Improvements

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Centerra Community Facilities District (City of Goodyear, Arizona) at a special meeting held on February 11, 2008, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays; 1 did not vote or were absent.



Hyun Mulhall
Clerk

EXHIBIT A

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition by the District of the following, together with all other costs related to the issuance of any Bonds:

<u>Description</u>	<u>Estimate of Total Cost</u>	<u>To be Paid from 2008 Bond Proceeds</u>
Goodyear Boulevard Road Improvements	\$1,003,914	\$1,003,914
Off-site Sewer Improvements	\$924,238	\$924,238
Bullard Wash Improvements	\$126,800	\$126,800
Bullard Wash Improvements (previously approved)	\$104,531	\$104,531

AGENDA ITEM # _____
DATE: February 11, 2008
COAC NUMBER:
CENTERRACFD 08-200

**CITY OF GOODYEAR
CFD BOARD ACTION FORM**

SUBJECT: Centerra Community Facilities District Board to hold Public Hearing, consider CENTERRACFD RES 08-027 approving the feasibility report and CENTERRACFD RES 08-028 authorizing issuance of bonds and approving and authorizing other legal documents

STAFF PRESENTER: Sheila K. Mills,
CFD Administrator
COMPANY
CONTACT: Scott Ruby, Esq. - Gust
Rosenfeld PLC

RECOMMENDATION:

1. The Centerra Community Facilities District Board conduct a Public Hearing for the Feasibility Report submitted in connection with the proposed issuance of general obligation bonds Series 2008 not to exceed \$2,300,000.
 - a. Open Public Hearing
 - b. Staff Presentations
 - c. Receive Public Comment
 - d. Close Public Hearing
2. The Centerra Community Facilities District Board adopt Resolution CENTERRACFD RES 08-027 approving the Feasibility Report for the issuance of general obligation bonds not to exceed \$2,300,000 and declaring its intent to purchase certain infrastructure within the District.
3. The Centerra Community Facilities District Board adopt Resolution CENTERRACFD RES 08-028 approving the issuance of its District General Obligation Bonds, Series 2008; approving the form and authorizing the execution and delivery of an indenture of trust and security agreement, a purchase contract relating to the bonds and certain other documents securing the payment of the bonds; awarding the bonds to the purchaser thereof; ratifying and approving a preliminary limited offering memorandum relating to the bonds; approving a final limited offering memorandum relating to the bonds; levying an ad valorem tax on taxable property in the district and possible releasing or the prior standby contribution agreements.

EXECUTIVE SUMMARY:

A public hearing will be held to receive any comments relating to the issuance of general obligation bonds for certain public infrastructure in the Centerra Community Facilities District. The District Board will consider a resolution to approve the feasibility report

and a resolution authorizing the issuance and sale of general obligation bonds and other legal documents.

COMMUNITY BENEFIT:

Utilization of District financing allows for the continuation of public infrastructure financing in a manner which balances project amenities provides for construction of public infrastructure and assists in the growth of the City's property tax base.

DISCUSSION:

This is the third general obligation bond issue for the Centerra Community Facilities District which was formed on September 10, 2001. An election forming the District and authorizing the sale of bonds was held and approved. The District consists of approximately 296 acres and is located within the City boundaries. Further, the District is generally located east of Estrella Parkway, south of Van Buren Road, north of Yuma Road and west of Bullard Road.

The District was created to provide the vehicle for financing certain public infrastructure necessary for development of the land within the boundaries of the District. The District boundaries are located within a residential and commercial master planned community.

The feasibility report public hearing is required by law and notice of the hearing will be published once in the newspaper no later than January 31, 2008, prior to the hearing to be held on February 11, 2008, allowing the public to comment if desired. Upon completion of the hearing, the District Board will be asked to consider adoption of Resolution CENTERRACFD RES 08-027 approving the feasibility report and Resolution CENTERRACFD RES 08-028 authorizing the issuance and sale of district general obligation bonds not to exceed \$2,300,000 and other matters for this District.

The District Board is being asked to release the Standby Contribution Agreement with respect to the District's General Obligation Bonds, Series 2005 and Series 2006. Under these Agreements, the Developer is responsible for covering any deficit in tax revenues to pay debt service on the Series 2005 and the Series 2006 Bonds so long as the District levies a tax rate of \$2.70. The Agreements may be released upon the satisfaction of certain historical, current and prospective debt service tests. The growth in secondary assessed valuation within the District has allowed the Developer to meet all conditions to release the Standby Contribution Agreements.

Stone & Youngberg LLC, the Bond Underwriter, is seeking an investment grade rating on the Bonds. If successful, the Bonds will be publicly offered and the various transfer restrictions traditionally included in private placements (such as the District's prior bond issues) will not be necessary under the City's CFD Guidelines.

FISCAL IMPACT:

Debt service on the general obligation bonds will be paid by a secondary property tax levy of \$2.70 per \$100 of secondary assessed value which will be levied on all taxable property within the District. The combined tax levy for debt service and operations and maintenance for the District will be \$3.00.

All infrastructure financed by the District has been or will be dedicated to the City. The costs associated with the operations and maintenance of the District which will be provided for from the levy of a \$0.30 tax in the District is included in the \$3.00 tax levy per \$100 of secondary assessed value.

Attachments

CENTERRACFD – Feasibility Report – GO Bond Series 2008 (book)
CENTERRACFD RES 08-027
CENTERRACFD RES 08-028
CENTERRACFD-Notice of Public Hearing.doc
CENTERRACFD-Indenture of Trust and Security Agreement (draft).doc
CENTERRACFD-Purchase Contract (draft).doc
CENTERRACFD-Preliminary Limited Offering Memorandum (draft).doc
CENTERRACFD-Dissemination Agency Agreement (Issuer) (draft).doc
CENTERRACFD-Continuing Disclosure Undertaking (draft).doc

Centerra

FEASIBILITY REPORT

For The Issuance Of

**CENTERRA
COMMUNITY FACILITIES DISTRICT
DISTRICT GENERAL OBLIGATION BONDS
SERIES 2008**

SUBMITTED BY:

**CENTERRA, LLC
AN ARIZONA LIMITED LIABILITY COMPANY
c/o JF PROPERTIES, INC.
6720 NORTH SCOTTSDALE ROAD
SUITE 250
SCOTTSDALE, AZ 85253**

January 25, 2008

Centerra
Community Facilities District
District General Obligation Bonds
Series 2008

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SECTION ONE

**INTRODUCTION; PURPOSE OF
FEASIBILITY REPORT;
GENERAL DESCRIPTION OF DISTRICT; AND
OVERLAPPING TAX RATES**

INTRODUCTION

The Feasibility Report (this “Report”) has been prepared for presentation to the Board of Directors (the “Board”) of the Centerra Community Facilities District (“CFD” or the “District”) in connection with the proposed issuance by the District of District General Obligation Bonds Series 2008 (the “Bonds”) an approximate principal amount not to exceed \$2,300,000 pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes, as amended (“A.R.S.” and collectively, the “Act”).

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of the public infrastructure (as defined in A.R.S. §48-701) to be financed by the Bonds (the “Projects”) and of the plan for financing the Projects in accordance with the provisions of A.R.S. §48-715. Pursuant to A.R.S. §48-715, this Report includes:

Description	Applicable Section
i. A description of the Projects	Two
ii. A map showing, in general, the location of the Projects	Three
iii. The cost to construct the Projects	Four
iv. A schedule of completion for the Projects	Four
v. A map and description of the area to be benefited by the Projects	Five
vi. A plan for financing the Projects	Six

Additionally, this Report includes a legal description of the District [[Appendix A](#)]; a form of disclosure pamphlet [[Appendix B](#)]; a schedule of overlapping tax rates for nearby master planned communities [[Appendix C](#)]; a list of Project costs [[Appendix D](#)]; an analysis of assessed valuation and the effect on the District tax rate [[Appendix E](#)]; and a financial model of the proposed transaction [[Appendix F](#)].

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, engineers, staff of the City of Goodyear, Arizona (“City”), legal counsel and other experts have been consulted as deemed appropriate. **THIS REPORT IS NOT INTENDED TO BE A “FINANCIAL FEASIBILITY REPORT OR STUDY” AS THAT TERM IS CUSTOMARILY USED.**

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City upon the request of Centerra LLC, and Centerra City Center LLC, both Arizona limited liability companies (collectively the “Applicant”) as the owners of all the land within the District upon formation on September 10, 2001. Merchants Mortgage and Trust Corporation LLC (“Merchants”), a Colorado limited liability company, National Bank of Arizona, a national banking association (“National Bank”) and Mortgages Ltd., an Arizona corporation (“Mortgages”), consented to the formation of the District as the holders of lien interests in such land. The District is located within the municipal boundaries of the City. See the maps in Section Three and Section Five, and the legal description found in [Appendix A] of this Report. Concurrent with the formation of the District, a District Development, Financing Participation, Waiver and Intergovernmental Agreement (“CFD Development Agreement”) among the District, the City, and the Applicant was authorized.

This represents the third general obligation bond issuance for the District. The first general obligation bond issuance was the Centerra Community Facilities District General Obligation Bonds Series 2005 (the “Series 2005 Bond”) for \$2,400,000. The second general obligation bond issuance was the Centerra Community Facilities District General Obligation Bonds Series 2006 (the “Series 2006 Bond”) for \$620,000.

This District was created to finance the construction and acquisition of public infrastructure, including particularly the Projects, which are part of the 296-acre development known as Centerra, a residential and commercial master planned community (the “Development”). Although the number of acres devoted to each particular type of land use may ultimately vary from those presented, the build-out of the Development is expected to include the following uses:

Centerra Community Facilities District Land Use Plan	
<u>Type of Development</u>	<u>Acres in District (1)</u>
Residential	147
Court Home	47
Mixed Use	43
Commercial	28
Schools	18
Rights of Way	5
Bullard Wash	<u>8</u>
Total Acreage	<u>296</u>
Footnote:	
(1) Figures represent gross acres and include approximately 44 acres of open space.	

All of the single-family lots have been sold to builders including Richmond American Homes, Standard Pacific Homes, and Santa Anna Homes. All single-family homes have been completed. All homes have been sold at prices ranging from \$160,000 to \$350,000 pursuant to the Assessor's Owner's Report ("Assessor's Report"). As of the most recent certified Maricopa County Assessor figures of August 2007, all 636 homes have received their certificates of occupancy.

As of August 2007, all 28 gross acres of commercial property, and 43 gross acres of mixed-use property (i.e., zoned for office, retail, and multi-family residential uses) have been sold. The court home site has been sold to Richmond American Homes and construction began in late fall of 2007. All commercial parcels are currently undeveloped, while the mixed-use development currently has 500 multi-family units constructed and is expected to be completed by the third quarter of 2008.

Property owners of the Development will be and have been advised of the formation of the District and the proposed issuance of the Bonds by way of a disclosure pamphlet as shown in [Appendix B].

OVERLAPPING TAX RATES

The District has no control over the amount of additional indebtedness payable from ad valorem taxes on property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, Maricopa County, school districts, or other entities having jurisdiction over all or a portion of the land within the District. A summary of the overlapping tax rates of property within the boundaries of the District is shown below.

Centerra Community Facilities District Combined Tax Rate of Overlapping Jurisdictions 2007-2008			
	2007-2008 Primary	2007-2008 Secondary	2007-2008 Combined
<u>Overlapping Municipality</u>	<u>Tax Rate</u>	<u>Tax Rate</u>	<u>Tax Rate</u>
Maricopa County	\$ 1.1046	\$ -	\$ 1.1046
City of Goodyear	0.7321	0.8679	1.6000
Elementary and High School	3.5288	1.5948	5.1236
Maricopa County Community College District	0.8246	0.1514	0.9760
Flood Control District of Maricopa County	-	0.1533	0.1533
Central Arizona Water Conservation District	-	0.1000	0.1000
Overrides	-	1.3062	1.3062
Maricopa County Fire District Assistance	-	0.0053	0.0053
Maricopa County Library District	-	0.0391	0.0391
Maricopa Integrated Health System	-	0.0935	0.0935
Western Maricopa Education Center District 402	-	0.0500	0.0500
Centerra CFD (1)(2)	-	3.0000	3.0000
Total	\$ 6.1901	\$ 7.3615	\$ 13.5516

Footnotes:
Source: Maricopa County Treasurer's Office.
(1) Represents the maximum allowable secondary tax rate related to the Centerra CFD.
(2) The Centerra CFD also lies within the Roosevelt Irrigation District.

The overlapping tax rates for other nearby master planned communities for fiscal year 2007-2008 are shown in [Appendix C].

SECTION TWO

DESCRIPTION OF THE PROJECTS

DESCRIPTION OF THE PROJECTS

It is the Applicant's request that the District utilize Bond proceeds, to the extent available, to acquire the following Projects: (1) Goodyear Boulevard (formerly City Center Loop Road) Improvements, (2) Estrella Parkway and Elwood Street Sewer Improvements, Bullard Wash – South of Tie-In Point Sewer Improvements, Bullard Wash – South of Yuma Sewer Improvements (collectively the "Off-site Sewer Improvements"), (3) Current Bullard Wash Improvements and (3)(A) Previous Bullard Wash Improvements. The Projects are located within the District and are in conformance with the definition of improvements eligible for CFD financing as outlined in the City's CFD Financing Guidelines ("Guidelines").

(1) Goodyear Boulevard Road Improvements

The Goodyear Boulevard Improvements consist of the acquisition of roadway, water, sewer and related improvements, which provide access and services to the Development. The roadway and related improvements are in conformance with the Guidelines.

Goodyear Boulevard Road Improvements	
Roadway Length:	2,400 Linear feet
Roadway Width:	75' Half-roadway
Water Line:	12" Diameter
Sewer Line:	12" Diameter

Costs and expenses were provided by the Applicant for the Goodyear Boulevard Improvements and include grading, water and sewer improvements, concrete, paving, streetlights, landscaping, fees and testing. The costs for the various components are shown below as follows:

Contracts for the Goodyear Boulevard Road Improvements are included in [Appendix D] to this Report and a CFD improvement map showing the project location is filed with and is a part of this report.

Goodyear Boulevard Road Improvements	
Description	Total Cost
Paving, Curb & Gutter	\$ 856,485
12" Water Line (2)	276,806
Sanitary Sewer	109,485
Landscape & Street Lights	237,616
Survey	41,000
Testing & Permits	42,202
Engineering Costs	60,318
Total Improvement Costs	\$ 1,623,912
Portion to be Financed with 2006 Bond Series. (3)	\$ (620,000)
Credits Received for the Cost of the 12" Water Line. (4)	-
Total Improvement Cost After Deductions	\$ 1,003,912

Footnotes:

- (1) All numbers rounded up to the nearest dollar.
- (2) Per the Development Agreement recorded on 03/27/00, the 12" Water Line was to receive 50% of the costs in water fee credits, however the credits were not received and/or realized by the Developer.
- (3) A portion of the costs were approved and are anticipated to be financed through the Series 2006 Bond Proceeds.
- (4) The Developer has not received water resource impact fee credits in the amount of \$323,300 to offset the cost of the 12" water line as indicated in the Development Agreement recorded on 03/27/00.

(2) Off-site Sewer Improvements

The Off-site Sewer Improvements consist of the acquisition of offsite sanitary sewer and related improvements, which provide sewer transmission for the Development and the surrounding area. Twelve-inch (12”) sewer lines would be adequate to service the Centerra Development, however, at the request of the City, the Developer installed over-sized sewer lines as indicated in the table below and increased the sewer line capacity in the vicinity of Estrella Parkway. The costs associated with the over-sizing are included in this Report. The improvements are in conformance with the Guidelines.

Off-site Sewer Improvements		
<u>Bullard Wash - South of Tie-in, N Yuma</u>	<u>Bullard Wash - South of Yuma</u>	<u>Bullard Wash - North of Tie-point</u>
Length: 1,842 Linear feet	Length: 3,054 Linear feet	Length: 2,857 Linear feet
Sewer Line: 27” Diameter	Sewer Line: 33” Diameter	Sewer Line: 27” Diameter
<u>Estrella Parkway Line</u>	<u>Elwood Street Line</u>	
Length: 2,652 Linear feet	Length: 2,416 Linear feet	
Sewer Line: 36” Diameter	Sewer Line: 41” Diameter	

Costs and expenses were provided by the Applicant for the Off-site Sewer Improvements and include the construction costs of the sanitary sewer and related costs as well as testing, permits and fees. The cost of the sewer improvements is as follows:

Contracts for the Off-site Sewer Improvements are included in [Appendix D] to this Report and a CFD improvement map showing the project location is filed with and is a part of this report.

Detailed Sewer Improvements (1)			
Description	Total Cost		Total Costs After Credits
	Before Credits	Fee Credits	
Bullard Wash - South of Tie-in point, North Yuma 27" (2)	\$ 177,128	\$ (132,846)	\$ 44,282
Bullard Wash - South of Yuma 33" (3)	400,519	(348,451)	52,068
Bullard Wash - North of Tie-in point 27" (4)	50,874	(50,874)	-
Estrella Parkway 36" (5)	665,872	(247,128)	418,744
Elwood Street 41" (6)	656,272	(247,128)	409,144
Totals	\$ 1,950,665	\$ (1,026,427)	\$ 924,238
Total Improvement Costs after Fee Credits			\$ 924,238

Footnotes:

(1) All numbers are rounded up to the nearest dollar.

(2) Pursuant to the Development Agreement recorded on 03/27/2000, the infrastructure is eligible for 25% in CFD Proceeds and 75% in Fee Credits. Total Costs \$177,128 - Fee Credits \$132,846 = \$44,282 eligible for CFD Reimbursement.

(3) Pursuant to the Development Agreement recorded on 03/27/2000, the infrastructure is eligible for 13% in CFD Proceeds and 87% in Fee Credits. Total Costs \$400,519 - Fee Credits \$348,451 = \$52,067 eligible for CFD Reimbursement.

(4) Pursuant to the Development Agreement recorded on 03/27/2000, the infrastructure is eligible for 100% in Fee Credits. Total Costs \$50,874 - Fee Credits \$50,874 = \$0.00 eligible for CFD Reimbursement.

(5) Pursuant to the 1st Amendment of the Development Agreement recorded 02/22/2001, the infrastructure is eligible for reimbursement through CFD Proceeds. Total Cost \$665,872 - Fee Credits \$247,128 = \$418,744 eligible for CFD Reimbursement.

(6) Pursuant to the 1st Amendment of the Development Agreement recorded 02/22/2001, the infrastructure is eligible for reimbursement through CFD Proceeds. Total Cost \$656,272 - Fee Credits \$247,128 = \$409,144 eligible for CFD Reimbursement.

3) Bullard Wash Improvements

The Bullard Wash Improvements consist of the landscaped improvements made to the Bullard Wash by the City. The improvements provide open space and recreation areas for the Centerra Development. Pursuant to the Development Agreement recorded March 27, 2000, the Developer was to pay an annual contribution to the City of \$126,800 for a five year period for the Bullard Wash Improvements. The Developer paid the self-imposed improvement costs in the amount of \$634,000 (\$126,000 x 5 years) for the construction of the Bullard Wash Improvements. The improvements are in conformance with the Guidelines.

Costs and expenses of the Bullard Wash Improvements below represent the reimbursement of one installment to the Developer for improvement costs. The Bullard Wash Improvements include grading, landscaping, fees and testing. The costs for the various components are shown below as follows:

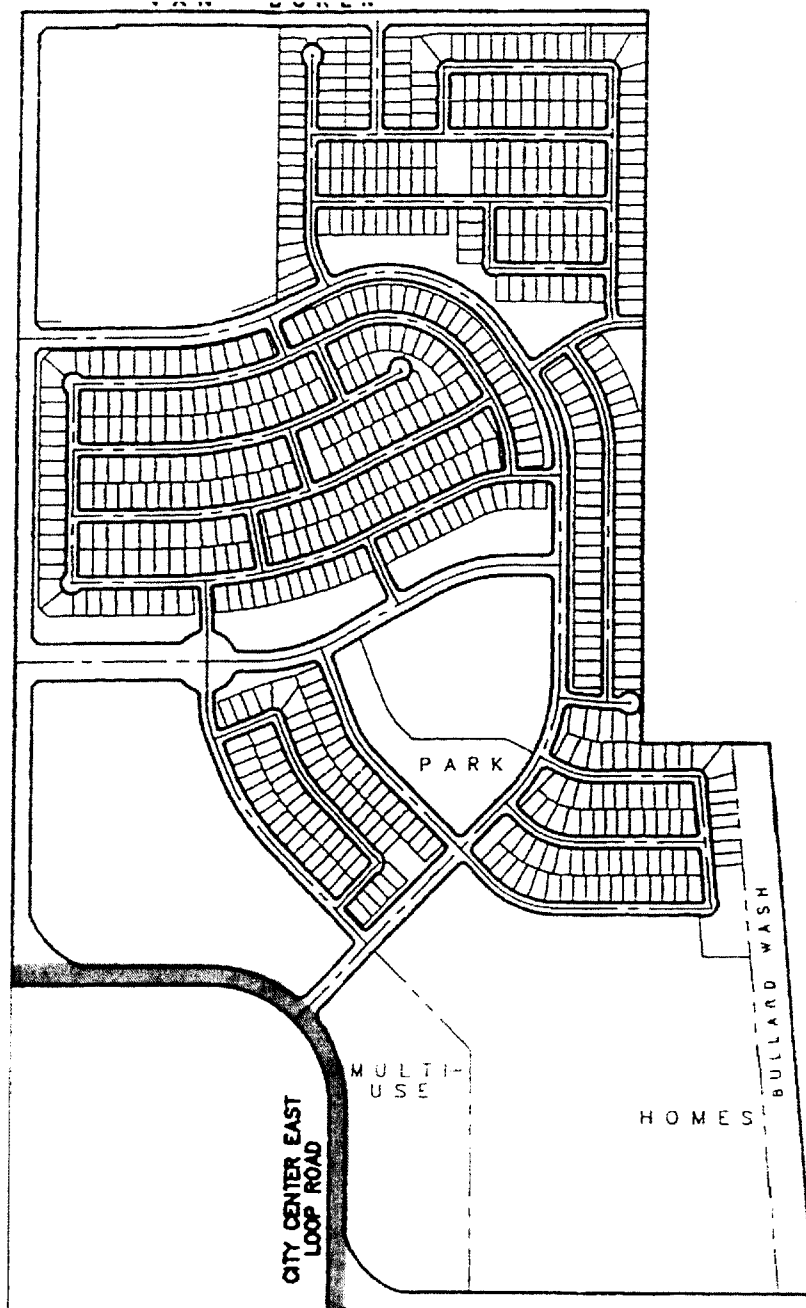
<u>Description</u>	<u>Total Cost</u>
Bullard Wash Improvement Costs (2)	\$ 126,800
Total Bullard Wash	\$ 126,800
Footnotes:	
(1) All numbers are rounded up to the nearest dollar.	
(2) Represents one installment of improvement costs to be financed with the Series 2008 Bond Proceeds.	

3) (A) Bullard Wash Improvements Approved with 2005 Feasibility Report

In 2005 the City approved improvement costs in the amount of \$507,200 (four years of pre-paid improvement costs) to be reimbursed with Bond proceeds, however only \$402,669 was reimbursed with the 2005 Bond Series, leaving \$104,531 (\$507,200 - \$402,669) remaining to be reimbursed. The Bullard Wash Improvements consist of the landscaped improvements made to the Bullard Wash by the City, the improvements provide open space and recreation areas for the Centerra Development. The improvements are in conformance with the Guidelines.

Costs and expenses of the Bullard Wash Improvements include grading, landscaping, fees and testing. The costs for the various components are shown below as follows:

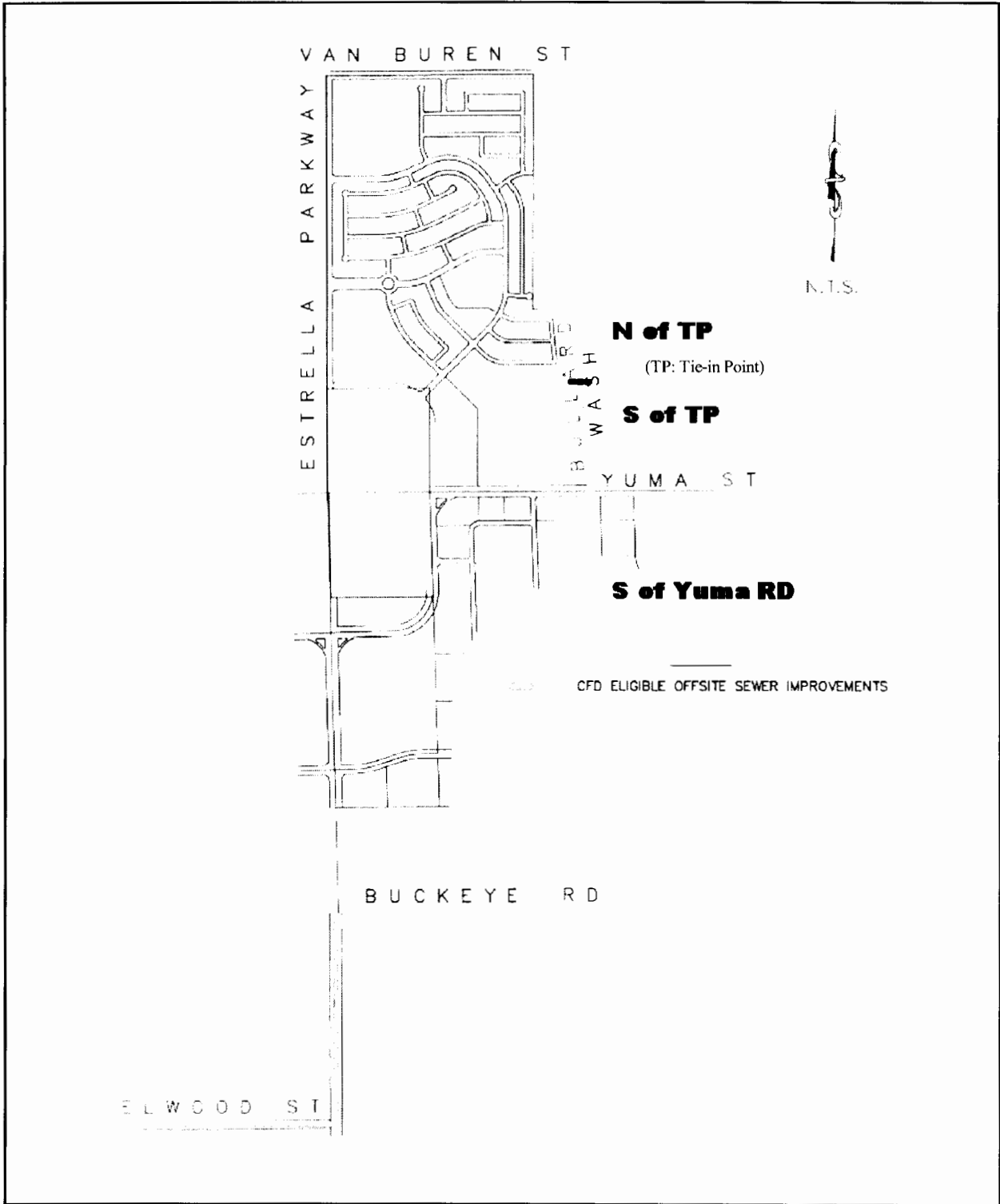
<u>Description</u>	<u>Total Cost</u>
Bullard Wash Improvements Approved with 2005 Feasibility Report (2)	\$ 507,200
Portion Financed with 2005 Bond Series (3)	(402,669)
Total Improvement Costs	\$ 104,531
Footnotes:	
(1) All numbers are rounded up to the nearest dollar.	
(2) Represents four installments of improvement costs that were approved for financing with the 2005 Feasibility Report.	
(3) Only a portion of the costs were financed through the Series 2005 Bond Proceeds.	



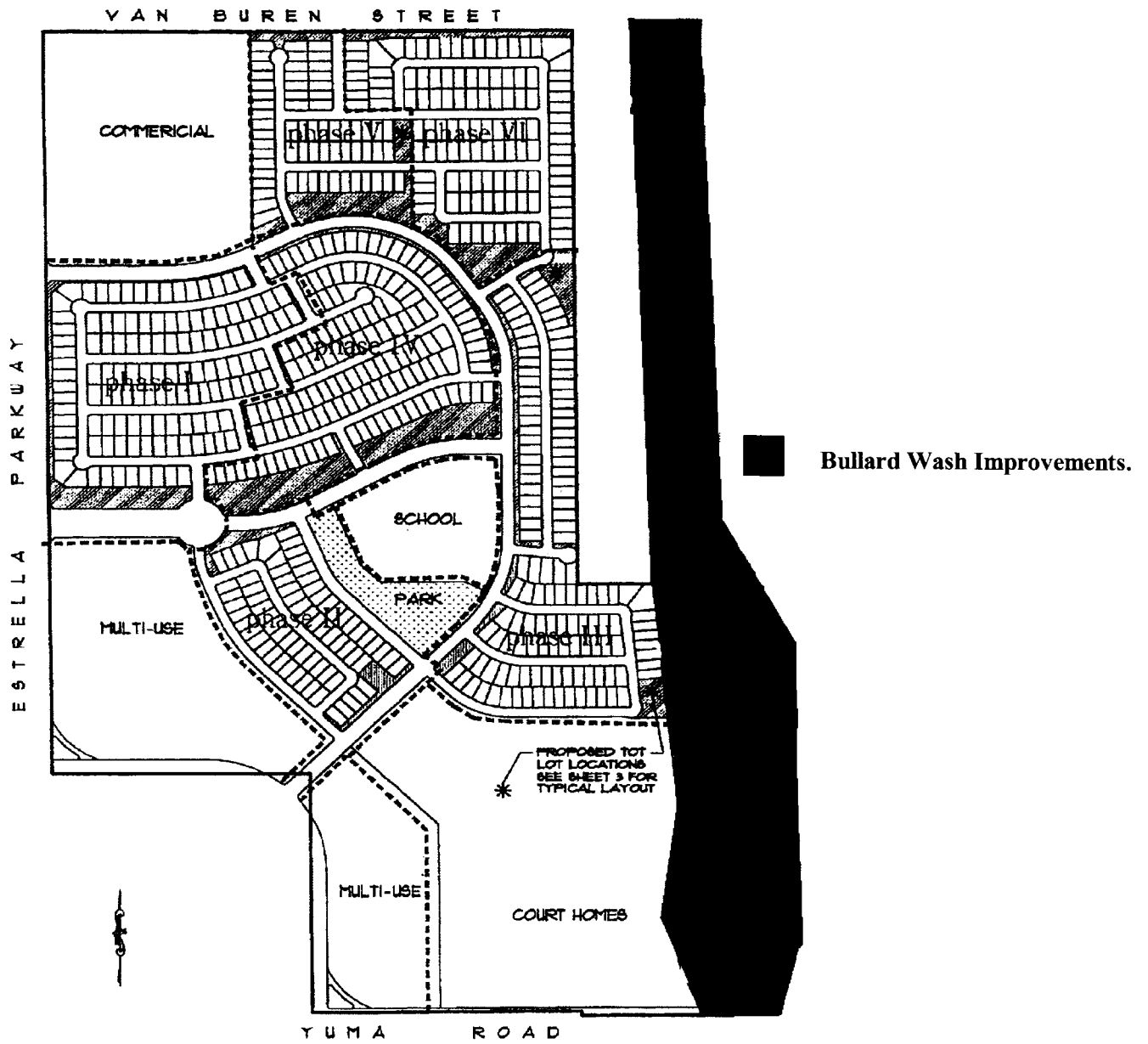
**Goodyear Boulevard
Improvements.**

Note: Goodyear Boulevard was previously City Center Loop Road.

Off-site Sewer Improvements



Bullard Wash Improvements



SECTION FOUR
COST OF THE PROJECTS
AND
SCHEDULE FOR COMPLETION OF THE PROJECTS

COST OF THE PROJECTS

A Project cost summary table is included on the following page. The amounts shown for the Goodyear Boulevard landscape and streetlights are engineer estimates, while the remaining improvement costs are actual contract amounts. Contracts and cost estimates illustrating the various segments comprising each Project are included in [Appendix D] to this Report. All improvement costs are subject to the results of public bidding and review by the District Engineer.

Upon completion and approval of the Projects, the Developer will convey the Projects to the City. Accordingly, the District will have no operating and/or maintenance expenses in conjunction with the Projects. District administrative expenses will be paid as described in the CFD Development Agreement. As the proceeds to be received from the Bonds for the acquisition of eligible Projects will be insufficient to acquire all of the eligible Project costs and expenses illustrated on the following page, the Bond proceeds will only be utilized to acquire completed segments of the Projects in an amount equal to the net Bond proceeds allowable for public improvements. Future bond issues may be utilized at the sole discretion of the District to acquire the remaining segments of the Projects.

03/27/00 Bullard Rd Road Improvements (1)	
Description	Total Cost
Paving, Curb & Gutter	\$ 856,485
12" Water Line (2)	276,806
Sanitary Sewer	109,485
Landscape & Street Lights	237,616
Survey	41,000
Testing & Permits	42,202
Engineering Costs	60,318
Total Improvement Costs	\$ 1,623,912
Portion to be Financed with 2006 Bond Series. (3)	\$ (620,000)
Credits Received for the Cost of the 12" Water Line. (4)	-
Total Improvement Cost After Deductions	\$ 1,003,912

Footnotes:

- (1) All numbers rounded up to the nearest dollar.
- (2) Per the Development Agreement recorded on 03/27/00, the 12" Water Line was to receive 50% of the costs in water fee credits, however the credits were not received and/or realized by the Developer.
- (3) A portion of the costs were approved and are anticipated to be financed through the Series 2006 Bond Proceeds.
- (4) The Developer has not received water resource impact fee credits in the amount of \$323,300 to offset the cost of the 12" water line as indicated in the Development Agreement recorded on 03/27/00.

Description	Total Cost		Total Costs
	Before Credits	Fee Credits	After Credits
Bullard Wash - South of Tie-in point, North Yuma 27" (2)	\$ 177,128	\$ (132,846)	\$ 44,282
Bullard Wash - South of Yuma 33" (3)	400,519	(348,451)	52,068
Bullard Wash - North of Tie-in point 27" (4)	50,874	(50,874)	-
Estrella Parkway 36" (5)	665,872	(247,128)	418,744
Elwood Street 41" (6)	656,272	(247,128)	409,144
Totals	\$ 1,950,665	\$ (1,026,427)	\$ 924,238
Total Improvement Costs after Fee Credits			\$ 924,238

Footnotes:

- (1) All numbers are rounded up to the nearest dollar.
- (2) Pursuant to the Development Agreement recorded on 03/27/2000, the infrastructure is eligible for 25% in CFD Proceeds and 75% in Fee Credits. Total Costs \$177,128 - Fee Credits \$132,846 = \$44,282 eligible for CFD Reimbursement.
- (3) Pursuant to the Development Agreement recorded on 03/27/2000, the infrastructure is eligible for 13% in CFD Proceeds and 87% in Fee Credits. Total Costs \$400,519 - Fee Credits \$348,451 = \$52,067 eligible for CFD Reimbursement.
- (4) Pursuant to the Development Agreement recorded on 03/27/2000, the infrastructure is eligible for 100% in Fee Credits. Total Costs \$50,874 - Fee Credits \$50,874 = \$0.00 eligible for CFD Reimbursement.
- (5) Pursuant to the 1st Amendment of the Development Agreement recorded 02/22/2001, the infrastructure is eligible for reimbursement through CFD Proceeds. Total Cost \$665,872 - Fee Credits \$247,128 = \$418,744 eligible for CFD Reimbursement.
- (6) Pursuant to the 1st Amendment of the Development Agreement recorded 02/22/2001, the infrastructure is eligible for reimbursement through CFD Proceeds. Total Cost \$656,272 - Fee Credits \$247,128 = \$409,144 eligible for CFD Reimbursement.

Description	Total Cost
Bullard Wash Improvement Costs (2)	\$ 126,800
Total Bullard Wash	\$ 126,800

Footnotes:

- (1) All numbers are rounded up to the nearest dollar.
- (2) Represents one installment of improvement costs to be financed with the Series 2008 Bond Proceeds.

Description	Total Cost
Bullard Wash Improvements Approved with 2005 Feasibility Report (2)	\$ 507,200
Portion Financed with 2005 Bond Series (3)	(402,669)
Total Improvement Costs	\$ 104,531

Footnotes:

- (1) All numbers are rounded up to the nearest dollar.
- (2) Represents four installments of improvement costs that were approved for financing with the 2005 Feasibility Report.
- (3) Only a portion of the costs were financed through the Series 2005 Bond Proceeds.

Total Project Costs	\$ 2,159,481
----------------------------	---------------------

In addition to the costs identified on the previous page, we have included a history of infrastructure improvement costs that are eligible to be acquired with CFD Bond proceeds, as well as the amounts that have already been reimbursed with CFD proceeds, and the amounts, which remain to be reimbursed with CFD proceeds at the sole discretion of the District. This table includes any development impact fee credits that the Developer might have already realized.

Project Description	Estimated Total Project Costs '04 Feasibility Report	(A)	(B)	(C)	(D)	(E)	(A+B+C+D+E-F)
		Actual Costs Eligible for CFD Financing as of Jan-08 (2)	Fee Credits Received from the City of Goodyear (3)	Loss Amount Paid from '05 Series OO Bond	Loss Amount to be paid from '06 Series OO Bond	Improvements Included in '08 Feasibility Report Series OO Bond (4)	Total Costs Eligible to be Funded
On-Site Collector Road Improvements	(5) \$ 11,304,482	\$ 2,062,926	\$ -	\$ (1,766,940)	\$ -	\$ -	\$ 295,986
Arterial ROW and Offsite Improvements/Estrella Pkwy	1,537,731	1,537,731	-	-	-	-	\$ 1,537,731
Off-site Sewer Improvements/Other Improvements	2,382,415	2,382,415	(1,026,427)	-	-	(924,238)	\$ 431,750
Van Buren Roadway Improvements	430,242	430,242	-	-	-	-	\$ 430,242
Yuma Roadway Improvements	377,725	377,725	-	-	-	-	\$ 377,725
Goodyear Blvd (City Center Loop) Rd Improvements	(5) 648,283 (6)	1,950,665	-	-	(620,000)	(1,003,912)	\$ 326,753
Engineering & Staking	713,400	489,880	-	(230,391)	-	-	\$ 259,489
Bullard Wash Improvements	634,000	634,000	-	(402,669)	-	(231,331)	\$ -
Totals	\$ 18,028,278	\$ 9,865,584	\$ (1,026,427)	\$ (2,400,000)	\$ (620,000)	\$ (2,159,481)	\$ 3,659,676

Footnotes:

(1) All numbers rounded up to the nearest dollar.
(2) The amounts are pursuant to the results of the public bidding and review by the District Engineer.
(3) The Developer has received \$1,026,427 in sewer impact fee credits from the City of Goodyear.
(4) For the 2008 Bond Series an amount of \$2,159,481 in costs has been identified, however proceeds are anticipated to be approximately \$1,875,000.
(5) On-site collector road improvements include roadway paving and vertical curb, landscaping, street lighting, sidewalks, curb and gutter and transit stops. Goodyear Boulevard road improvements include: water, sewer, roadway paving and vertical curb, landscaping, street lighting, sidewalks, curb and gutter and transit stops.
(6) The amount does not include all estimated costs for all improvements related to the City Center Loop. Additional improvements were added at a later date.

SCHEDULE FOR COMPLETION OF THE PROJECTS

The following table shows the approximate completion dates for the Projects.

Central Community Facilities District Schedule of Completion			
<u>Description</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Completion Status</u>
Goodyear Boulevard Improvements	Q1 2007	Q3 2007	100%
Off-site Sewer Improvements	Q2 2003	Q3 2004	100%
Bullard Wash Improvements	Q2 2003	Q3 2004	100%

SECTION FIVE

DESCRIPTION AND MAPS OF AREAS TO BE BENEFITED

DESCRIPTION OF AREAS TO BE BENEFITED

Goodyear Boulevard Improvements

The Goodyear Boulevard Improvements provide roadway access for all residents of the Centerra Development to Yuma Road, Estrella Parkway and to the future Goodyear City Center complex, and water and sewer transmission services for all residents of the Centerra Development. The benefit area of Goodyear Boulevard includes the entire Centerra Development. See the attached area of benefit map.

Off-site Sewer Improvements

The Off-site Sewer Improvements increased the capacity of the sewer line in the vicinity of Estrella Parkway and transport wastewater from all tracts of the Centerra Development to the City's treatment facilities. The improvements benefit the entire Centerra Development. See the attached area of benefit map.

Bullard Wash Improvements

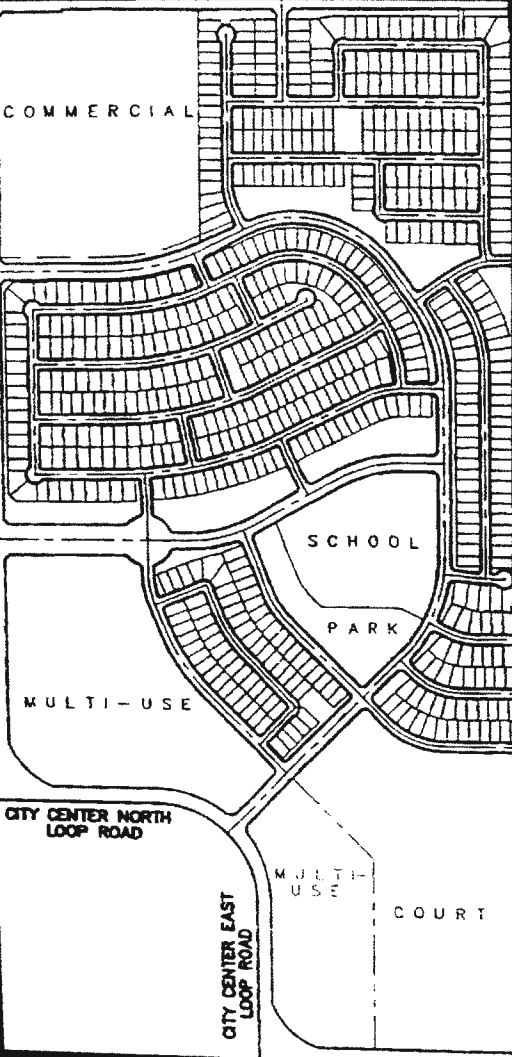
The Bullard Wash Improvements provide landscaping and open space areas for the use and benefit of the residents of the Centerra Development. The improvements benefit the entire Centerra Development. See the attached area of benefit map.

Bullard Wash Improvements Approved with 2005 Feasibility Report

The Bullard Wash Improvements provide landscaping and open space areas for the use and benefit of the residents of the Centerra Development. The improvements benefit the entire Centerra Development. See the attached area of benefit map.

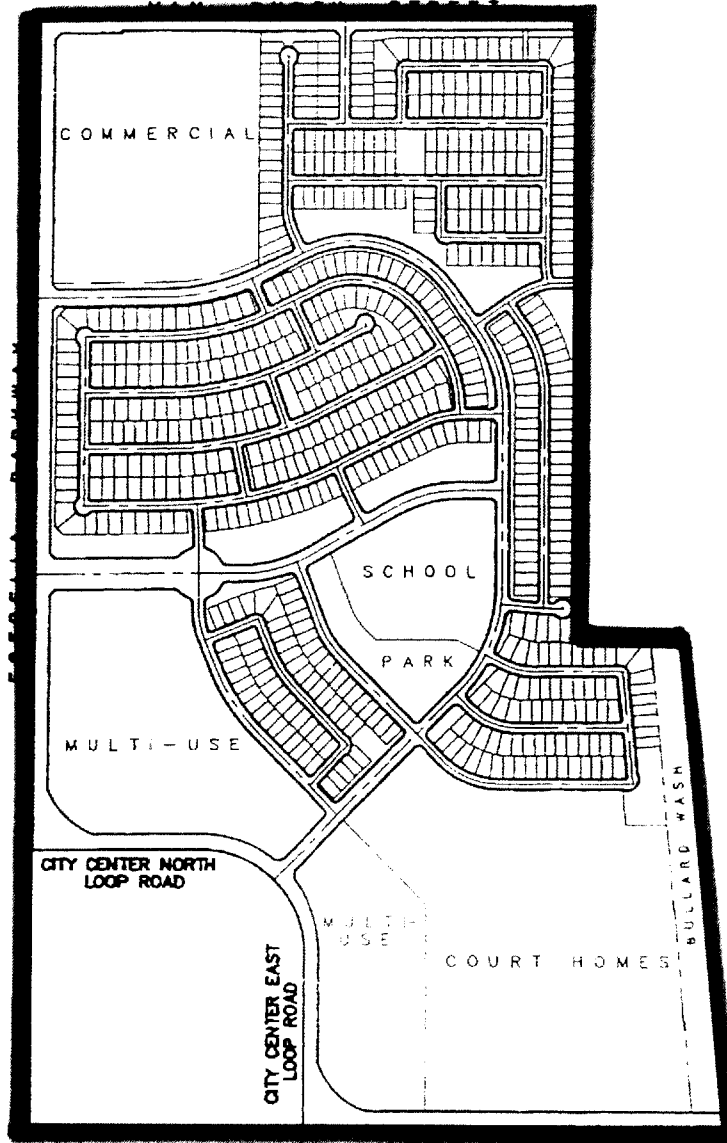
Goodyear Boulevard Improvements

AREA OF BENEF



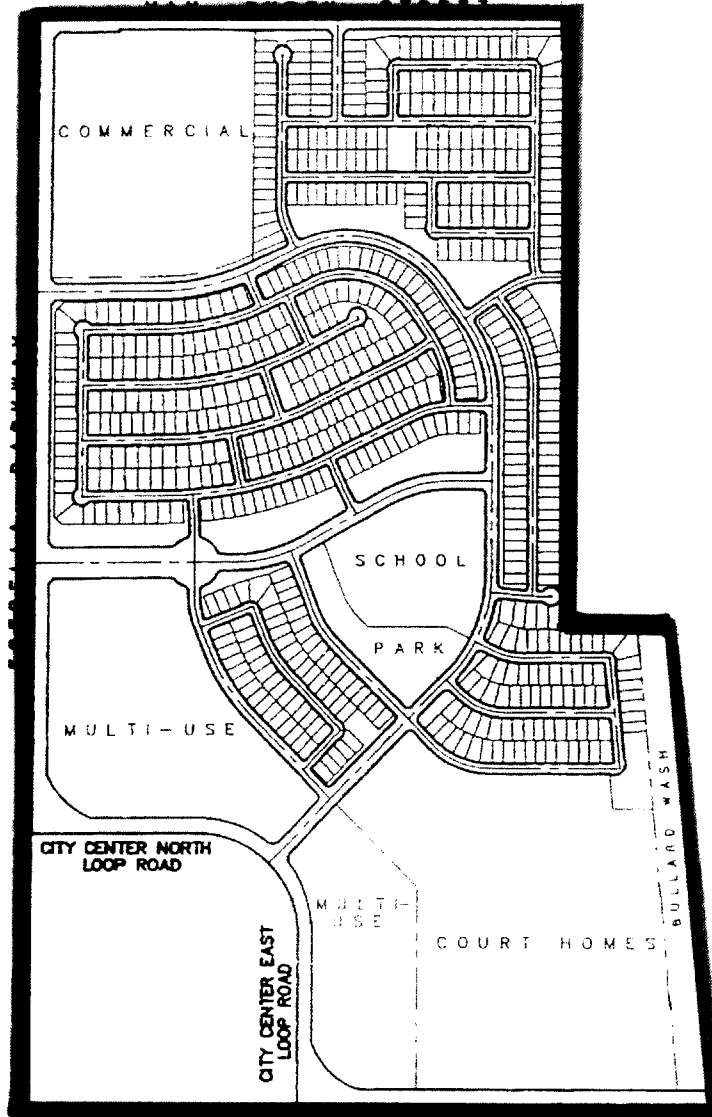
Off-site Sewer Improvements

OFF-SITE SEWER IMPROVEMENTS AREA OF BENEFIT



Bullard Wash Improvements

BULLARD WASH IMPROVEMENTS AREA OF BENEFIT



SECTION SIX
PLAN OF FINANCE

PLAN OF FINANCE

The Projects to be constructed and/or acquired by the District pursuant to the Plan of Finance are described herein. This Plan of Finance is subject to modification to accommodate market conditions and to the extent necessary to comply with State and Federal Law.

- (1) The City Council, in response to a petition from the Applicant as owner of all of the property within the District, adopted a resolution forming the District on September 10, 2001.
- (2) As there were no residents living within the District, the Applicant and Merchants voted on October 8, 2001, to authorize an amount not to exceed \$20,000,000 of general obligation bonds to be issued in series over time by the District.
- (3) This is the third general obligation bond issuance for the District. The first general obligation bond issuance was the Series 2005 Bonds issued in the amount of \$2,400,000. The second general obligation bond issuance was the Series 2006 Bonds issued in the amount of \$620,000.
- (4) Construction contracts for the entire public infrastructure have been bid and awarded pursuant to the public bid process of Title 34 of the Arizona Revised Statutes as well as the City's requirements and administered in conformance to applicable law. When completed, inspected and approved by the District and/or City representatives, the Projects will be conveyed to the City.
- (5) The Series 2008 Bond proceeds will be utilized to fund the eligible Projects (i.e. Goodyear Boulevard Road Improvements, Off-site Sewer Improvements, Bullard Wash Improvements, and Bullard Wash Improvements approved with 2005 Feasibility Report) pursuant to the terms of the CFD Development Agreement. Any costs necessary to complete the Project in excess of the Series 2008 Bond proceeds have been paid by the Applicant who will seek reimbursement for such shortfalls from future bond issues, any such future bond issues will be at the sole discretion of the District.
- (6) The District is requested to issue the Bonds in a par amount not to exceed \$2,300,000 to provide for the Financeable Amount. The Bonds are expected to be issued in the first quarter of 2008.

- (7) The Sources and Uses of Funds from proceeds of the sale of the Bonds (assuming non-rated) is estimated as follows:

Sources and Uses of Funds (1)		
<u>Sources:</u>	<u>Amount</u>	<u>Totals</u>
Series 2008 Bond Issue – Par	\$ 1,875,000	
Developer Contributions to Cost of Issuance	117,500	
Release of the Depository Agreement (2)	246,300	
Total Sources of Funds		\$ 2,238,800
<u>Uses:</u>	<u>Amount</u>	<u>Totals</u>
Public Infrastructure Improvements		\$ 1,875,000
<u>Estimated Costs of Issuance:</u>		
Underwriter Discount	\$ 37,500	
Bond Counsel	40,000	
Underwriter Counsel	15,000	
Trustee & Paying Agent	4,500	
Official Statements	5,500	
CFD Financial Advisor	15,000	
Release of the Depository Agreement (2)	246,300	
Subtotal – Cost of Issuance		\$ 363,800
Total Uses of Funds		\$ 2,238,800
Footnotes:		
(1) All figures are estimates provided by Stone & Youngberg, LLC and are subject to change.		
(2) Release of the Depository Agreement is subject to confirmation that the FY 2008/2009 preliminary secondary assessed valuation exceeds the FY 2007/2008 assessed valuation.		

- (8) For each year until the Bonds are paid or otherwise provided for, the District will cause to be levied a combined ad valorem tax rate for each tax year estimated to be \$3.00 per \$100 of secondary assessed valuation on all taxable property within the boundaries of the District. The estimated \$3.00 per \$100 of secondary assessed valuation tax rate shall be composed of an amount not to exceed \$0.30 per \$100 of secondary assessed valuation for operation and maintenance expenses of the District and the estimated \$2.70 per \$100 of secondary assessed valuation for debt service (“Target Tax Rate”) on the Bonds as well as costs associated with other financial instruments related to the Bonds and/or District.
- (9) The Bonds will be amortized over a 25-year period. The Bonds may receive an investment grade rating. In the event that the Bonds do not have an investment grade rating, the Bonds will be un-rated and will not be credit-enhanced and/or subsidized in any manner. The un-rated Bonds will not be sold in a public offering for purposes of A.R.S. 48-719.

- (10) It is anticipated that the Bonds will bear an interest rate which is based on current market conditions expected by the underwriter, Stone & Youngberg, LLC, to be approximately 6.50%.
- (11) The estimation of the general obligation bond tax levy, which is anticipated to be available for debt service, is based upon information provided in the Maricopa County Assessor's Real Property Annexation Report by Owner dated August 2007 ("Ownership Report"), and is illustrated on the following table. The estimated general obligation tax levy available for the Series 2005, Series 2006 and Series 2008 Bonds debt service as well as the resulting effect on the District's tax rate is illustrated in [Appendix E].

Stone & Community Facilities District Estimated General Obligation Tax Levy Available for Debt Service (1)		
Description		August 2007
Assessed Value Subject to Tax (2)	A	\$ 14,226,243
Assessed Value per \$100	A / \$100 = B	142,262
Target GO Tax Rate	C	2.70
Total GO Tax Levy	B * C = D	384,109
GO Tax Levy Available for Debt Service (3)	D x 95% = E	364,903
Less: Maximum annual debt service (4)	F	221,513
Additional general obligation Tax Levy Available for Debt Service	E - F = G	143,390
Estimated Potential Bonding Capacity (5)	H	\$ 1,875,000

Footnotes

(1) All number rounded up to the nearest dollar.
(2) Provided by Stone & Youngberg, LLC. Assessed value subject to taxation reflects 636 homes currently on the tax rolls.
(3) Represents the tax levy available for debt service on all District GO debt in tax year 2007-2008.
(4) Includes the maximum annual debt service payment from the 2005 and 2006 Series Bonds.
(5) Provided by Stone & Youngberg, LLC. (Amount is rounded up to the nearest one hundred thousand).

Given the levy of the maximum secondary property tax levy of \$2.70 per \$100 of secondary assessed value on all taxable property within the District, assuming a 95% collection rate, the additional ad valorem tax collections are anticipated to be sufficient to meet the debt service obligations related to the 2008 Series Bond.

A schedule of overlapping general obligation bonded indebtedness for the District is shown on the following page and includes a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, net assessed valuation and combined tax rate per \$100 of assessed valuation. The applicable percentage of each jurisdiction's assessed valuation which lies within the District's boundaries is based on the District's secondary assessed valuations for 2007-08 obtained from the Maricopa County Assessor.

Overlapping Jurisdiction	2007 - 2008	Outstanding	Applicable to District	
	Secondary AV	Bonded Debt (1)	Percent (9)	Amount
State of Arizona	\$ 71,852,630,420 (2)	\$ - (4)	0.02%	\$ -
Maricopa County	49,534,573,831 (2)	- (5)	0.03%	-
City of Goodyear	764,237,138 (2)	90,195,000 (2)	1.86%	1,678,976
Avondale ESD no. 44	415,856,897 (2)	7,855,188 (2)	3.42%	268,722
Agua Fria UHSD no. 216	1,286,732,112 (2)	13,023,217 (2)	1.11%	143,986
Maricopa Co.Comm. College Dist.	49,534,573,831 (2)	74,981,944 (2)	0.03%	21,535
Flood Control Dist. of Maricopa Co.	45,937,944,910 (2)	70,422,870 (2)	0.03%	21,809
Central AZ Water Cons. Dist.	49,730,785,225 (2)	49,730,785 (2)	0.03%	14,226
Maricopa Co. Fire District Assist.	49,730,785,225 (2)	2,631,597 (2)	0.03%	753
Maricopa Co. Library District	49,534,573,831 (2)	19,368,018 (2)	0.03%	5,562
Maricopa Co. Integrated Health Sys.	49,534,573,826 (2)	46,310,880 (2)	0.03%	13,300
Centerra CFD (Series 2005)	14,226,243 (3)	2,400,000 (6)	100.00%	2,400,000
Centerra CFD (Series 2006)	14,226,243 (3)	620,000 (7)	100.00%	620,000
Centerra CFD (Series 2008)	14,226,243 (3)	1,875,000 (8)	100.00%	1,875,000
Total				\$ 7,063,869

Footnotes:

(1) Outstanding bonded indebtedness is comprised of GO bonds outstanding and GO bonds scheduled for sale.
(2) Maricopa County 2007 Tax Levies.
(3) Maricopa County Assessor's Office, August 2007.
(4) AZ Department of Revenue, 2007 Report of Indebtedness.
(5) No existing levies based on secondary assessed value.
(6) Centerra Series 2005 par amount.
(7) Centerra Series 2006 par amount.
(8) Represents anticipated bond issue, at par, of Series 2008.
(9) Proportion presented is the CFD's AV as a portion to the overlapping jurisdiction's AV as a percent.

The Financeable Amount proposed is not expected to affect the City's general financing abilities. The City is under no legal requirement to secure any portion of the District's debt service payments.

- (12) A schedule showing the assessed valuation and its effect on the District's tax rate is included as [\[Appendix E\]](#).
- (13) At the \$3.00 level, assuming an average full cash value home price of \$200,000, the tax bill for a homeowner would equal approximately \$41 per month or approximately \$492 annually [\[Appendix B\]](#).
- (14) Detailed financial models prepared by the underwriter, Stone & Youngberg, LLC, have been included under [\[Appendix F\]](#) to this Report.

Appendix A

**Legal Description for the Centerra
Community Facilities District**

LEGAL DESCRIPTION

CENTERRA – TOTAL PROPERTY

FFENG JOB NO. 281-02

NOTE: LEGAL DESCRIPTION PER ALTA SURVEY BY Z & H ENGINEERING, INC., PROJECT NO. 99032 DATED 8/18/99.

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 8 TOWNSHIP 1 NORTH RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, SAID POINT BEING THE CENTERLINE OF THE INTERSECTION OF YUMA ROAD AND ESTRELLA PARKWAY.

THENCE, N 00° 23' 06" W ALONG THE WEST LINE OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF ESTRELLA PARKWAY, A DISTANCE OF 1319.17 FEET TO A POINT;

THENCE, N 89° 43' 50" E, LEAVING SAID WEST SECTION LINE, A DISTANCE OF 75.00 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF ESTRELLA PARKWAY AND THE POINT OF BEGINNING;

THENCE, N 00° 23' 06" W, ALONG SAID EAST RIGHT-OF-WAY LINE AND PARALLEL TO THE WEST SECTION LINE A DISTANCE OF 1319.32 FEET TO A POINT 75 FEET EAST OF THE WEST 1/4 CORNER OF SAID SECTION 8;

THENCE, N 00° 23' 15" W, ALONG SAID EAST RIGHT-OF-WAY LINE AND PARALLEL TO THE WEST SECTION LINE A DISTANCE OF 2583.53 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF VAN BUREN STREET, SAID POINT BEING 55 FEET SOUTH AND 75 FEET EAST OF THE NORTHWEST CORNER OF SECTION 8 TOWNSHIP 1 NORTH RANGE 1 WEST;

THENCE, N 89° 44' 15" E, ALONG THE SOUTH RIGHT-OF-WAY LINE OF VAN BUREN STREET AND PARALLEL TO THE NORTH SECTION LINE OF SAID SECTION 8, A DISTANCE OF 2529.92 FEET TO A POINT, SAID POINT BEING 55 FEET SOUTH OF THE NORTH 1/4 CORNER OF SAID SECTION 8;

THENCE, DEPARTING SAID RIGHT-OF-WAY LINE S 00° 11' 34" E ALONG THE NORTH-SOUTH MIDSECTION LINE A DISTANCE OF 2913.45 FEET TO A POINT;

THENCE, DEPARTING SAID NORTH-SOUTH LINE N 89° 43' 56.5" E, A DISTANCE OF 512.00 FEET TO THE CENTERLINE OF BULLARD WASH;

THENCE, S 05° 30' 36" E, ALONG THE CENTERLINE OF SAID BULLARD WASH, A DISTANCE OF 2284.79 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF YUMA ROAD AND 33 FEET NORTH OF THE SOUTH SECTION LINE OF SECTION 8 TOWNSHIP 1 NORTH RANGE 1 WEST;

THENCE, S 89° 44' 18" W ALONG THE SAID NORTH RIGHT-OF-WAY LINE AND PARALLEL TO THE SOUTH LINE OF SAID SECTION 8, A DISTANCE OF 723.78 FEET TO A POINT 33 FEET NORTH OF THE SOUTH 1/4 CORNER OF SAID SECTION 8;

THENCE, N 00° 16' 16" W, A DISTANCE OF 22.00 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF YUMA ROAD AND 55 FEET NORTH OF THE SOUTH 1/4 CORNER OF SAID SECTION 8;

THENCE, CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE S 89° 43' 44" W A DISTANCE OF 1293.67 FEET TO A POINT;

CONTINUED ON PAGE 2

LEGAL DESCRIPTION
CENTERRA
FFENG JOB NO. 281-02
PAGE 2

THENCE, N 00° 17' 20" W, DEPARTING SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 1264.12 FEET TO A POINT;

THENCE S 89° 43' 50" W A DISTANCE OF 1220.85 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING.

EXCEPT THE FOLLOWING:

FOUR (4) PARCELS OF LAND LYING WITHIN THE FOLLOWING DESCRIBED PARCEL AS RECORDED IN DOCUMENT NO. 93-030878 M.C.R.

THE WEST HALF OF SECTION EIGHT (8), TOWNSHIP ONE (1) NORTH, RANGE ONE (1) WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;



Appendix B

Form of Disclosure Pamphlet

APPENDIX B

FORM OF DISCLOSURE PAMPHLET

CENTERRA COMMUNITY FACILITIES DISTRICT GENERAL OBLIGATION BONDS

Buyer(s): _____
Lot: _____ Parcel: _____ Date of Sale: _____
Homebuilder: _____

The following information has been prepared by Centerra LLC, and Centerra City Center LLC, both Arizona Limited Liability Companies, for the purpose of explaining community facilities districts ("CFDs") in general and specifically the basis for establishing a CFD at the development known as "Centerra". This information also describes financing completed by the CFD at Centerra and the approximate General Obligation liability for each resident of Centerra resulting from inclusion within the CFD at Centerra along with the benefits that each resident will derive because of the CFD.

BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. The Act, which was passed by the State legislature, was created to allow Arizona municipalities to form CFDs for the purpose of, among others, financing certain public infrastructure purposes, including that related to developments such as Centerra.

HOW THE CFD WORKS

On September 10, 2001 the City Council of the City of Goodyear, Arizona (the "City") formed the CFD at Centerra, which includes 296 acres of the residential and commercial area in Centerra. An election was held on October 8, 2001 at which the owners of the property within the CFD voted to authorize \$20,000,000 of ad valorem tax bonds to be issued over time by the CFD to finance the acquisition of public infrastructure including but not limited to, roadway, lighting, drainage, public facilities, public recreational facilities, water, and sewerage improvements. The public infrastructure will be dedicated, as appropriate, to the City of Goodyear, for perpetual operation and maintenance.

WHAT WAS FINANCED?

The CFD at Centerra has been authorized to finance \$20,000,000 in roadways, drainage projects, public buildings, public recreation facilities, water improvements as well as sewer improvements within Centerra including costs related to the financing thereof.

BENEFITS TO RESIDENTS

The Bonds issued by the CFD at Centerra will benefit all residents within Centerra by providing the following infrastructure: arterial roadways, water and sewer mains along with their related improvements, pump stations, drainage improvements, public facilities, public recreational facilities as well as other public facilities. These benefits were taken into account by the developer of Centerra in connection with establishing the price of the lots on which the homes in Centerra are to be constructed. Each resident residing within the boundaries of the CFD at Centerra will participate in the repayment of the Bonds in the form of an addition to his or her annual property tax bill. This added tax is currently deductible for the purpose of calculating Federal and State income taxes.

The obligation to retire the Bonds will become the responsibility of any property owner in the CFD at Centerra through the payment of property taxes collected by Maricopa County Treasurer with all other property tax payments.

Beginning in fiscal year 2005-2006, the CFD caused to be levied a \$3.00 per \$100.00 of secondary assessed valuation tax rate to provide for repayment of the Bonds and the payment of certain administrative expenses associated therewith.

Although the level of the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed \$3.00 (\$2.70 debt service, \$0.30 administration expenses) per \$100.00 of secondary assessed valuation while the Bonds are outstanding.

The following illustrates the additional annual tax liability imposed by the CFD, based on varying residential values within Centerra and a \$3.00 tax rate:

Centerra Community Facilities District Tax Liability	
<u>Market Value of Residence</u>	<u>Estimated Annual Additional Tax Liability (1)</u>
\$200,000	\$492
\$225,000	\$554
\$250,000	\$615
\$275,000	\$677
\$300,000	\$738
\$325,000	\$800
\$350,000	\$861
\$400,000	\$984

Footnote:
 (1) General Obligation Bond debt service only assuming a \$3.00 increase in the ad valorem property tax per \$100 of assessed value. *The estimated annual additional tax liability will vary depending upon the final terms of the General Obligation Bonds.*

If you have any questions regarding this document or about the information provided within, please contact the District directly at (623) 932-3015.

Homeowner's Acknowledgments

Your signature below acknowledges that you have received, read and understood this document at the time you have signed our purchase contract and agree to its terms.

[name]

[name]

[address]

[address]

Date: _____, 200__

Date: _____, 200__

Appendix C

**Overlapping Tax Rates for
Nearby Master Planned Communities**

**Centerra Community Facilities District
Competitive Tax Rates 2007-2008**

	Centerra <i>(Goodyear)</i>	Estrella Mountain Ranch (1) <i>(Goodyear)</i>	Cottonflower <i>(Goodyear)</i>	Community Facilities General District #1 <i>(Goodyear)</i>	Wildflower #1 <i>(Goodyear)</i>	Wildflower #2 <i>(Goodyear)</i>	Cortina <i>(Goodyear)</i>	The Village at Litchfield Park <i>(Litchfield Park)</i>	Verrado District #1 <i>(Buckeye)</i>	Verrado Western Overlay <i>(Buckeye)</i>	Sundance (2) <i>(Buckeye)</i>	Westpark (3) <i>(Buckeye)</i>	Vistancia <i>(Peoria)</i>
Primary													
Maricopa County	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	\$ 1.1046	1.1046	\$ 1.1046	\$ 1.1046
City / Town	0.7321	0.7321	0.7321	0.7321	0.7321	0.7321	0.7321	-	1.0481	1.0481	1.0481	1.0481	0.2400
Elementary and High School	3.5288	4.3398	3.5288	3.4411	3.5288	3.5288	3.5288	3.4411	3.4411	1.0773	6.8599	6.8599	3.8197
Community College District	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246	0.8246
Total Primary	\$ 6.1901	\$ 7.0011	\$ 6.1901	\$ 6.1024	\$ 6.1901	\$ 6.1901	\$ 6.1901	\$ 5.3703	\$ 6.4184	\$ 4.0546	\$ 9.8372	\$ 9.8372	\$ 5.9889
Secondary													
Flood Control District	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533	\$ 0.1533
CAWCD	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Overrides	1.3062	0.9975	1.3062	0.6676	1.3062	1.3062	1.3062	0.6676	0.6676	0.2293	0.8329	0.8329	0.8326
Fire	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053
Library	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391	0.0391
Health Care	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935
City Bond	0.8679	0.8679	0.8679	0.8679	0.8679	0.8679	0.8679	-	0.0940	0.0940	0.0940	0.0940	1.2500
School Bond	1.5948	1.3894	1.5948	1.2458	1.5948	1.5948	1.5948	1.2458	1.2458	0.3579	1.8424	1.8424	1.8902
Community College Bond	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514	0.1514
Total Secondary	\$ 4.3115	\$ 3.7974	\$ 4.3115	\$ 3.3239	\$ 4.3115	\$ 4.3115	\$ 4.3115	\$ 2.4560	\$ 2.5500	\$ 1.2238	\$ 3.3119	\$ 3.3119	\$ 4.5154
Special Districts (4)													
Western Maricopa Education Center District 402	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500	\$ 0.0500
Central Arizona Groundwater Replenishment District	-	-	-	1.0000	-	-	-	1.0000	1.0000	1.0000	1.0000	1.0000	-
Street Light Improvement District	-	-	-	-	-	-	-	0.2696	-	-	-	-	-
Utility District	-	-	-	-	-	-	-	-	-	-	-	-	-
Exempt Equivalent Tax Saddle Mountain Unified District	-	-	-	-	-	-	-	-	-	0.1302	-	-	-
Verrado District #1	-	-	-	-	-	-	-	-	-	3.3000	-	-	-
Community Facilities District (CFD)	3.0000	1.3000	1.7639	0.8040	1.3123	1.4154	2.8500	2.5000	3.3000	3.3000	3.3000	3.3000	2.1000
Total Special Districts	\$ 3.0500	\$ 1.3500	\$ 1.8139	\$ 1.8540	\$ 1.3623	\$ 1.4654	\$ 2.9000	\$ 3.8196	\$ 4.3500	\$ 7.7802	\$ 4.3500	\$ 4.3500	\$ 2.1500
Total Tax Rate	\$ 13.5516	\$ 12.1485	\$ 12.3155	\$ 11.2803	\$ 11.8639	\$ 11.9670	\$ 13.4016	\$ 11.6459	\$ 13.3184	\$ 13.0586	\$ 17.4991	\$ 17.4991	\$ 12.6543
Annual Special Assessment (SA) Obligation	\$ -	\$ 2.2207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.6760	\$ 2.5624	\$ -
Estimated Total Tax and Assessment Lien Burden	\$ 13.5516	\$ 14.3692	\$ 12.3155	\$ 11.2803	\$ 11.8639	\$ 11.9670	\$ 13.4016	\$ 11.6459	\$ 13.3184	\$ 13.0586	\$ 19.1751	\$ 20.0615	\$ 12.6543

Source: Maricopa County Treasurer's Office.

Footnotes:

- (1) Estimation of an equivalent annual SA obligation within the Montecito Assessment District assumes the following: 7.50% interest rate; 24 year amortization period; 1 year of capitalized interest; and an average home price of \$400,000.
- (2) Estimation of an equivalent annual SA obligation assumes the following: 7.50% assumed interest rate; 24 year amortization period; 1 year of capitalized interest; and an average home price of \$265,000.
- (3) District has been formed with the potential to issue both GO and SA bonds. Estimation of an annual SA obligation reflected as an increase in the ad valorem property tax assumes the following: 7.50% interest rate; 24 year amortization period; 1 year of capitalized interest; and an average home price of \$260,000.
- (4) Utility District and Community Facilities District (CFD) includes operations and maintenance up to \$0.30 per Arizona State Statute and the debt service for general obligation bond debt.

Appendix D

Project Costs

Goodyear Boulevard Improvements

Centerra
Goodyear Boulevard Improvements (1)
Completed Q3 of 2007

Description	Amount
Construction Costs	
1 Paving, Curb and Gutter (DCS Construction)	\$ 856,485
1 Water (DCS Construction)	\$ 268,184
1 Sewer (DCS Construction)	\$ 105,173
1 Change Order #1	\$ 14,847
1 Change Order #2	\$ 14,446
Subtotal Construction Cost	\$ 1,259,135
Landscaping and Street Lights	
2 Original Contract Amount (Landscaping) (Estimated)	\$ 190,575
3 Original Contract Amount (Street Lights)	\$ 40,539
4 Original Contract Amount (APS)	\$ 6,502
Subtotal Landscaping and Street Light Cost	\$ 237,616
Survey (DEA)	
5 Original Contract Amount	\$ 41,000
Subtotal Survey Cost	\$ 41,000
Testing (Terracon)	
6 Original Contract Amount	\$ 13,324
6 Change Order #1	\$ 12,519
Subtotal Testing Cost	\$ 25,843
Engineering Cost (Fleet Fisher Engineering)	
7 Original Contract Amount	\$ 60,318
Subtotal Engineering Cost	\$ 60,318
Total Cost Goodyear Boulevard Improvements	\$ 1,623,912
Adjustment due to 2006 Bond Issue (2)	\$ (620,000)
Adjustment due to Fee Credits (3)	\$ -
Total Goodyear Improvement Costs	\$ 1,003,912

Footnotes:

- (1) All numbers are rounded up to the nearest dollar.
- (2) A portion of the costs are anticipated to be financed through the Series 2006 Bond Proceeds.
- (3) The Developer has not received fee credits for the Goodyear Boulevard Improvements as indicated in the Development Agreement.

Centerra
Goodyear Boulevard Improvements
List of Contracts

Contract #1

Contactora	DCS Contracting, Inc.
Date	11/3/2006
Amount	\$ 1,229,842
Change Order	14,847
Change Order	14,446
Total	<u>\$ 1,259,135</u>
Scope of Work	Sewer, Water, Storm Sewer, Earthwork, Concrete, Paving and Curb & Gutter.

Contract #2

Contactora	Urban Graphite
Date	5/1/2007
Amount	\$ 190,575
Scope of Work	Landscape & Irrigation

Contract #3

Contactora	Overhead & Underground Electric Construction, Inc.
Date	11/15/2006
Amount	\$ 40,539
Scope of Work	Streetlights

Contract #4

Contactora	APS
Date	3/20/2007
Amount	\$ 6,502
Scope of Work	Streetlights secondary feed.

Contract #5

Contactora	David Evans & Associates, Inc. (DEA)
Date	11/16/2006
Amount	\$ 41,000
Scope of Work	Construction Staking

Contract #6

Contactora	Terracon / Consulting Engineers & Scientists
Date	10/13/2006
Amount	\$ 13,324
Change Order	\$ 12,519
Total	<u>\$ 25,843</u>
Scope of Work	Construction Materials Testing

Contract #7

Contactora	Fleet Fisher Engineering
Date	4/20/2007 Invoice
Amount	\$ 60,318
Scope of Work	City Loop plans and consulting.

Total Costs \$ 1,623,912

Footnote:

(1) All numbers are rounded up to the nearest dollar.

Centerra - Goodyear Boulevard Improvements
Contract

1 - DCS Contracting, Inc.

AGREEMENT

This Agreement, dated and effective 3 November 2006, by and between **Centerra, LLC**, (hereinafter called Owner) and **DCS Contracting, Inc.** (hereinafter called Contractor);

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

PART 1 - WORK

- A. The Contractor agrees to furnish all necessary labor, materials, equipment, tools, and services necessary to perform in a workman-like manner all Work required by the Specifications and other sections of these Contract Documents.
- B. The Work will be completed within the number of calendar days shown on the Contract Information form as the Contract Time unless the Contract Time is extended by Owner as provided in the Contract Documents.
- C. **Liquidated Damages.** The Owner and Contractor recognize that time is of the essence in this Agreement and that the Owner will suffer financial loss if the Work is not completed within the time specified in paragraph B above, plus any extensions thereof allowed by the Owner. They also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by the Owner if the Work is not completed on time. Accordingly, rather than requiring any such proof, the Owner and the Contractor agree that as liquidated damages for delay (but not as a penalty) the Contractor shall pay the Owner (\$500.00) for each day that expires after the time specified in paragraph B until the Work is complete. It is agreed that this is a reasonable estimate of the damages likely to be suffered by the Owner for late completion of the Work.

PART 2 - CONTRACT PRICE AND PAYMENT

- A. The Owner shall pay the Contractor for performance of the Work in accordance with the Contract Documents the amount or amounts shown on Contractor's Bid Form, not to exceed **One Million Two Hundred Twenty Nine Thousand Eight Hundred Forty Two Dollars and Thirteen Cents.** (\$ **1,229,842.13**).
- B. The basis of bids (lump sum or unit price) is stated on the Contract Information form.
- C. The Owner shall make payments as set forth in Part 11 of the General Conditions.

PART 3 - CONTRACTOR'S REPRESENTATIONS

- A. In order to induce the Owner to enter into this Agreement, the Contractor makes the following representations:

1. The Contractor has familiarized himself with the nature and the extent of the Contract Documents, Work, the locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.
2. Contractor has carefully studied all physical conditions at the site or sites and existing facilities affecting cost, progress or performance of the Work.
3. Contractor has given the Owner written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by the Owner is acceptable to the Contractor.

PART 4 - CONTRACT DOCUMENTS

- A. The Contract Documents, which comprise the entire Agreement between the Owner and the Contractor, are attached to this Agreement and made a part hereof and consist of the following:

Advertisement For Bids
Contract Information Form
Project Directory
Instructions to Bidders (Insurance Requirements)
Instructions to Bidders (General)
Bid Bond
Notice of Award
Agreement
Performance Bond
Payment Bond
Notice to Proceed
General Conditions
Bid Forms
Non-Collusion Affidavit
Addenda (if any)
Specifications
Specials Conditions
Contract Drawings

- B. There are no Contract Documents other than those listed above in this part. The Contract Documents may only be altered, amended or repealed by a modification, in writing.

PART 5 - ENGINEER

The Engineer, for the purposes of the Contract Documents, is identified on the Contract Information form, and may be changed by the Owner, by written notice to Contractor.

PART 6 - ASSIGNMENTS

Except for assignments by Centerra LLC, no assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party thereto without the written consent of the party sought to be bound; and specifically, but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

In witness whereof, the parties hereto have signed this Agreement. Two counterparts have been delivered to the Owner and one counterpart has been delivered to the Contractor. All portions of the Contract Documents have been signed or identified by the Owner and the Contractor.

PART 7 - GOVERNING LAW

This Contract shall be deemed entered into in Maricopa County, Arizona and shall be governed by the laws of the State of Arizona.

Centerra, LLC.

By [Signature]
Title [Signature]

Contractor Name

By [Signature]
Title [Signature]

Attest _____

Attest [Signature]
Tom Siever - Corp Sec.

(SEAL CORPORATE SEAL)

Address for giving notices:

Mr. Mike Melley
Centerra, LLC.
9399 S. Priest Dr.
Tempe, AZ 85284

Address for giving notices:

Matt Johnson
DCS Contracting, Inc
11525 E. Germann Rd.
Chandler, AZ 85249

BID SUBMITTAL FORM
CENTERRA CFD GOODYEAR BOULEVARD PHASES I, II, & III
ISSUED ON SEPTEMBER 19, 2006 AS PART OF BID ADDENDUM #2

ITEM NO.	DESCRIPTION	UNIT	QUAN	UNIT PRICE	TOTAL
1	Mobilization / Demobilization	LS	1	15,000	15,000
2	Traffic Control / Entire Project	LS	1	25,000	25,000

EARTHWORK

3	Clear & Grubb	LS	1	5,000	5,000
4	Demo & Remove Irrigation Structures	LS	1	1,075	1,075
5	Mass Grade	LS	1	55,000	55,000

SUBTOTAL EARTHWORK 61,075

WATER

5	12" DIP Water Line	LF	2,857	44	125,708
6	8" DIP Water Line	LF	218	36	7,776
7	6" Fire Hydrant Complete (G3330)	EA	3	4,440	12,420
8	12" x 18" TS&V (MAG 340) and box (MAG 391-1)	EA	2	4,050	8,100
9	12" x 8" Tee	EA	4	580	2,320
10	Connect to Existing Waterline	EA	3	17,100	51,300
11	Cap Waterline (MAG 390A)	EA	2	245	490
12	Air Release Valve	EA	1	2,835	2,835
13	Curb Stop Detail (MAG 390 A)	EA	4	865	2,595
14	Concrete Encasement (MAG 404-2)	LF	40	115	4,600
15	1" Irrigation Service (COG 3310 & 3312 & 3354)	EA	2	2,075	4,150
16	8" Valve (MAG 391-1A, COG 3321)	EA	4	1,130	4,520
17	12" Valve (MAG 391-1A, COG 3321)	EA	7	1,935	13,545
18	Vertical realignment (COG Dtl G-3301)	EA	5	5,400	27,000

SUBTOTAL WATER \$ 767,359

SANITARY SEWER

19	5' DIA Manhole (MAG 420-1, 420-2, 422 & 422)	EA	3	3,785	11,355
20	8" SDR-35 PVC Sewer pipe	LF	441	54	23,814
21	8" SDR-35 PVC Sewer pipe, stub & cap	LF	2	244	488
22	12" SDR-35 PVC Sewer pipe	LF	255	62	15,810
23	Connect to Existing Sewer	EA	1	1,915	1,915
24	Drop Connection (MAG 426 A)	EA	1	4,700	4,700

SUBTOTAL SANITARY SEWER 56,132

STORM SEWER

25	18" RGRCP Class IV Pipe	LF	290	67	19,430
26	24" RGRCP	LF	80	72	5,760
27	Headwall (MAG 501-1) w/ Handrail	EA	2	3,500	7,000
28	Remove Existing Headwall & Extend 24" Pipe	EA	45	95	4,275
29	Rip-Rap (MAG 555)	SF	916	11	10,076

SUBTOTAL STORM SEWER 47,041

BID SUBMITTAL FORM
CENTERRA CFD GOODYEAR BOULEVARD PHASES I, II, & III
ISSUED ON SEPTEMBER 19, 2006 AS PART OF BID ADDENDUM #2

ITEM NO.	DESCRIPTION	UNIT	QUAN	UNIT PRICE	TOTAL
CONCRETE					
30	Finish Grading	LS	1	6,000 ^{ws}	6,000
31	6" Vertical Curb & Gutter (MAG 220A)	LF	5,587	12 ⁵⁰	69,587 ⁵⁰
32	8' Sidewalk (MAG 230)	SF	25,392	3-	76,176-
33	Sidewalk Ramp (MAG 231A)	EA	3	1575-	4725-
34	7' Valley Gutter	SF	1,087	12-	13,044-
35	Scupper/Spillway/Handrail (MAG 206.1 & 206.2)	EA	3	9,500-	28,500-
36	Catch Basin (COG 3535-1)	EA	1	7250-	7250-

SUBTOTAL CONCRETE 205,282

ASPHALT PAVING

37	Subgrade Preparation	LS	1	22,500-	22,500-
38	Sawcut & Remove AC	SF	879	2-	1,758
39	5.25" AC on 12" ABC	SY	10,667	36-	384,012
40	3 AC on 8" ABC	SY	1,285	22-	28,290-
41	Survey Monument (MAG 120-1A)	EA	5	380-	1,900-
42	Adjust Water Valve (G 3320-1)	EA	17	310-	5,270-
43	Adjust Sewer Manhole (MAG 422)	EA	3	410-	1,230-
44	Hydrant Reflectors	EA	4	25-	100-
45	Install Barricade (MAG 130)	LF	131	65-	8,515-
46	Remove Existing Barricade	LS	1	180-	180-
47	Signal Conduit Trench & Pull Box	LS	1	4,350-	4,350-
48	Striping & Signage	LS	1	16,800	16,800-

SUBTOTAL ASPHALT PAVING 479,025

49	Payment / Performance Bond	LS	1	12,974-	12,974-
50	Sales Tax	LS	1		62,953.63

GRAND TOTAL GOODYEAR BOULEVARD PHASES 1, 2, & 3 1,229,812.63

PROPOSED CONSTRUCTION SCHEDULE & DURATION:

Calendar Days: 172 Company: DLS Contracting, Inc
 Start Date: 10/9/06 Name: Marta Byrne
 Completion Date: 3/30/07 Signature/Date: [Signature] 9/29/06

Centerra - Goodyear Boulevard Improvements
Contract

2 - Urban Graphite

urban • graphite
landscape architecture, llc



May 1, 2007

Mr. Kimo Seymour
Makal Development Services
9399 South Priest Drive
Tempe, Arizona 85284
480.777.7757
480.777.7887 Fax

RE: Project – Goodyear Boulevard Loop Road

CC: file,

Dear Mr. Seymour,

Based on the landscape and irrigation plans, the following items listed below need to be installed in order to complete this project. For bonding purposes, we have assigned a construction estimate for each item. (landscape area = 1.75 acres)

Off Site Landscape Improvements:

A. Landscape	
1. trees/shrubs/groundcover -(76,230 s.f.)	\$95,287.50
B. Irrigation	
1. Irrigation - drip - (76,230 s.f.)	\$90,887.50
3. Water Meter / Backflow Preventers (2-1")	\$2,500.00
4. Irrigation Controllers (2)	\$650.00
5. Power Pedestal(2)	\$1,250.00
Total:	\$190,575.00

If you should have any questions or require additional information, please give me a call.

Sincerely,

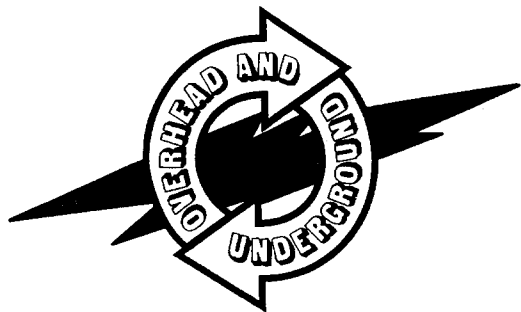

Daniel Erlandson
Registered Landscape Architect



7151 e. 6th avenue scottsdale, arizona 85251
phone: 480.775.3714 fax: 480.990.0754 mail@urbangraphite.com

Centerra - Goodyear Boulevard Improvements
Contract

3 - Overhead & Underground Electric Construction, Inc.



OVERHEAD AND UNDERGROUND ELECTRIC CONSTRUCTION, INC.
 2455 S. 7th Street • Suite 175 • Phoenix, AZ 85034
 Telephone (602) 307-0100 • Fax (602) 307-9631

PROPOSAL

November 15, 2006

Centerra, LLC
 Attn: David Solomon
 9399 S. Priest Drive
 Tempe, AZ 85284

Re: **CENTERRA CFD GOODYEAR BLVD STREETLIGHTS – As per APS plans W313731 dated 7/18/06 and Tor Engineering plans 060506 dated 4/12/06.**

Dear Mr. Solomon:

Overhead & Underground Electric Construction, Inc. (OH&UG), Arizona contractor's license number 096881, is pleased to submit our proposal for furnishing the required labor, equipment and materials necessary to install the APS conduit system and Streetlights as per the above listed plans.

Bid Item	Qty	Unit	Unit Price	Total
Service Trench	2730	LF	3.00	8,190.00
Streetlight J-Box	14	Each	65.00	910.00
Supply & Install 2.5" Service Conduit	3160	L.F.	0.97	3,065.20
Traffic Control	1	L.S.	600.00	600.00
38' DB Square Pole with Single 8'x8' mast arm, 250w Shoebox Fixture	12	Each	1,703.00	20,436.00
38' DB Square Pole with twin 4' mast arm, 150w Shoebox Fixture	2	Each	1,990.50	<u>3,981.00</u>
Subtotal				37,182.20
Sales Tax	1	LS	0.0637	<u>2,368.51</u>
Subtotal				39,550.71
Bond			0 025	<u>988.77</u>
Total Bid				40,539.47

EXCLUSIONS: Plan revisions, engineering reference points, and sales taxes. Permits to be reimbursed at face value.

1. Trench includes electric requirements only.
2. Proposal includes coordinating all pre-jobs, inspections, municipal testing, and maintaining communication between representatives of the Developer and Utility Co. as to project progress.
3. If no curb is present to verify correct pole and j-box grade owner/developer to provide blue-top grade stakes. OH&UG will install poles and j-boxes in reference to blue-tops but assumes no responsibility in regards to correct grade after installation is complete.
4. Bid includes all wiring, grounding, and fusing to meet APS and City of Goodyear requirements.
5. Permits to be reimbursed at face value. OH&UG has included construction water fees, and OH&UG to utilize hydrants and/or water services adjacent to excavations. Bid does not include water pumping, pumping equipment, or other means of water transport.
6. Bid assumes that conduit tie-in points are useable, outside of pavement, and at the proper depth.
7. Native excavated material to be utilized for backfill. Project to be within five-tenths of finish grade and OH&UG to restore grade to within three-tenths of existing grade.
8. Bid includes backfill with water settle compaction.
9. Bid includes full time dust control while our crews are performing dust-generating activities. OH&UG will water spoil piles in an attempt to seal the spoil piles from wind-generated dust.
10. Bid includes providing barricades and shoring to meet all safety requirements. OH&UG to maintain an OSHA certified competent person on-site through backfill operations.
11. OH&UG to be responsible for reasonable storm damage.
12. Bid dry utilities to be installed prior to concrete, paving, block walls, and landscaping. Bid assumes block walls, trees, landscape, and temporary fencing will not be in conflict with trench and that construction equipment will have sufficient right-of-way. Project was inspected on 11/15/06 and no pavement, landscape, etc. was in conflict.
13. OH&UG knows that time is of the essence, and OH&UG to provide sufficient numbers of qualified personnel and equipment to complete project in an expeditious manner. Estimate 30 working days lead time on streetlight poles and fixtures plus 15 working days to complete project.
14. Pricing is confirmed for 60 days from date of proposal.

OH&UG strives to perform our work in as safe and professional manner as possible and we ask that if you ever feel that this is not the case please call the Project Superintendent, Pat Burke at (602) 550-3020. If any additional information or clarification is required, please do not hesitate to call.

Respectfully Submitted,



Patrick H. Burke
President



Rick Eichner
Secretary

**City of Goodyear
Centerra CFD Goodyear Blvd. Streetlights
Proposal Close: November 15, 2006 at 3:30 P.M.**

Non-Collusion Affidavit

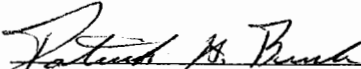
State of Arizona

County of Maricopa

Patrick H. Burke, Affiant, the President of
Overhead & Underground Electric Construction, Inc.

The corporation making the accompanying Proposal, having been duly sworn, deposes
and affirms:

That such proposal is genuine and not a sham or collusive, nor made in the
interest of, or behalf of, any person not herein named, and that the Bidder has not directly
or indirectly induced or solicited any other Bidder to put in a sham bid/proposal or any
other person/firm/corporation/company to refrain from bidding/proposing and that the
bidder/offeror has not in any manner sought by collusion to secure an advantage over any
other bidder/offeror.



Signature



Title

Subscribed and sworn to before me this _____ day of _____, 2006

Signature of Notary Public in and for the County of Maricopa

W/O #: _____

OVERHEAD & UNDERGROUND

Electric Construction, Inc.
2440 S. 11TH Ave., Phoenix, Arizona 85007
ph. 602-307-0100 fx. 602-307-9631

& UG
FOREMAN: _____
JOB NAME: _____
LOCATION: _____
DESCRIPTION OF WORK: _____

CUSTOMER: _____
DATE PERFORMED: _____

	QTY	UNIT TYPE	UNIT COST	LINE TOTAL
Superintendent	_____	Hrs @	55.00	\$ _____
Foreman	_____	Hrs @	40.00	\$ _____
Operator	_____	Hrs @	32.50	\$ _____
Labor	_____	Hrs @	25.00	\$ _____
Dump Truck	_____	Hrs @	60.00	\$ _____
Backhoe	_____	Hrs @	40.00	\$ _____
Cleveland Trencher	_____	Hrs @	80.00	\$ _____
Jetco Trencher	_____	Hrs @	105.00	\$ _____
Dozer	_____	Hrs @	55.00	\$ _____
30,000 lb Excavator	_____	Hrs @	75.00	\$ _____
70,000 lb Excavator	_____	Hrs @	140.00	\$ _____
100,000 lb Excavator . PC400	_____	Hrs @	170.00	\$ _____
Loader	_____	Hrs @	110.00	\$ _____
10 lb Hammer	_____	Hrs @	85.00	\$ _____
,000 lb Hammer	_____	Hrs @	110.00	\$ _____
Boomtruck	_____	Hrs @	61.50	\$ _____
Ditch Witch	_____	Hrs @	37.50	\$ _____
Air Compressor	_____	Hrs @	15.00	\$ _____
Wacker	_____	Hrs @	15.00	\$ _____
Water Truck	_____	Hrs @	52.50	\$ _____
Driver w/CDL	_____	Hrs @	30.00	\$ _____
¾ Ton Truck	_____	Hrs @	25.00	\$ _____
Driver	_____	Hrs @	25.00	\$ _____
PC 160 Excavator	_____	Hrs @	85.00	\$ _____
Bob Cat	_____	Hrs @	30.00	\$ _____

MATERIALS:

_____	_____	@	_____	\$ _____
_____	_____	@	_____	\$ _____
_____	_____	@	_____	\$ _____
_____	_____	@	_____	\$ _____
_____	_____	@	_____	\$ _____
_____	_____	@	_____	\$ _____

Sub-Total: _____
Sales Tax: _____
Total: _____

Overhead & Underground is authorized to proceed with the above-described work at extra cost on a time and materials basis based on the rates listed this sheet. The undersigned acknowledges that this agreement is a binding contract and is sole and separate and supercedes any previous agreement or contracts. The undersigned further agrees that he is authorized to enter into this agreement on behalf of his company and that PAYMENTS WILL BE MADE IN ACCORDANCE WITH THE RATES LISTED ABOVE. Balance unpaid after 30 days from date of invoice are subject to a late charge of 1.5% per month or maximum allowed by law if different together with expenses, incidental to collection, including reasonable attorneys' fees.

**CENTERRA COMMUNITY FACILITIES DISTRICT
GOODYEAR BOULEVARD PHASES I, II & III STREELIGHTS
BID ADDENDUM NO. 1
(6 pages including this sheet)**

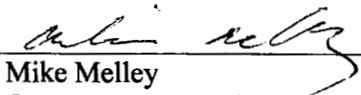
ISSUED THURSDAY, NOVEMBER 9, 2006

DISTRIBUTION LIST:


<u>NAME</u>	<u>COMPANY NAME</u>	<u>FAX NUMBER</u>
Rick Eichner/Bobby Luna	Overhead & Underground	602-307-9631
Kerby Jones	Quality Underground	602-276-4788

1. **Question** – Has APS completed work on this site?
2. **Answer** – APS has existing power (2.5" conduit) along the North East side of Centerra Drive.
 - a. This called out in the APS plans dated 7/18/06, WO# W3131731, sheet 2, as item number five.
 - b. Bidder is responsible for any additional site verification.
3. APS Plans dated 7/18/06, WO# W3131731 (4 sheets) for this project are hereby made part of the bid documents.
4. A copy of the mandatory pre-bid meeting sign in sheet is also attached (1 page).
5. Please submit a copy of this addendum with your bid to serve as evidence of addendum receipt.

END ADDENDUM NO.1

Issued by:  11/9/06
Mike Melley Date
Owner Representative
Centerra LLC

Contractor Acknowledgement of Receipt:

 11/15/06
Signature Date

Print Name: Rick Eichner

Print Company Name: Overhead & Underground
Electric Construction, Inc.

Centerra - Goodyear Boulevard Improvements

Contract

4 - APS



STA. 9996
P.O. BOX 53920
Phoenix, Arizona 85072-3920

SALES INVOICE

X117-02C Rev. 8-05

PLEASE PRINT - USE INK

CUSTOMER NUMBER **214558**

REC TYPE
8,1

OFFICE NO.
031

SALE DATE
MM DD YY
03 20 07

CUSTOMER'S CIS NO. OR P.O. NO.

TAX IDENTIFICATION NO.

ACCOUNT NAME LAST, FIRST, INITIAL
MAKAI DEVELOPMENT SERVICES

DBA OR C/O
MIKE MELLETT

MAILING ADDRESS
4399 SOUTH PRIEST

CITY
TEMPE

ST. ZIP CODE
AZ 85284

CASH PRICE (Total Due)
6502.00

A/C. PHONE NUMBER
480 777-7757

TYPE OF ORDER

- SALE
- NEW INSTALLATION
- RELOCATION
- TEMPORARY ELECTRIC
- OTHER _____

DETACH AND RETURN UPPER PORTION; RETAIN LOWER PORTION FOR YOUR RECORDS

DESCRIPTION	AMOUNT
SLA	
COST FOR ADDITIONAL UNDER GROUND SECONDARY TO FEED NEW STREET LIGHTS SURVEY AND PROJECT MANAGEMENT FEE	
PROMISSORY NOTE	
<p><small>FOR VALUE RECEIVED, the undersigned promises to pay to Arizona Public Service Company ("APS") the amount designated as "Total Due" within thirty (30) days of the "Sale Date" noted above. All charges unpaid after the thirty (30) day period shall bear interest thereafter at the rate per annum of eighteen percent (18%), until the past due charges, including interest accrued thereon, are paid in full. The charging of interest and for the failure of APS to insist upon the payment of any charges when due, shall not be construed to limit or waive any rights or remedies available to APS for such non-payment. The undersigned agrees to pay all costs and expenses of collection of this Promissory Note including reasonable attorney's fees. Time is of the essence of this Sales Invoice.</small></p>	
LABOR	
SUB-TOTAL	6502.00
AMT. SUBJECT TO TAX	
AMOUNT TAX EXEMPT	
CITY SALES TAX	
STATE SALES TAX	
NON-REFUNDABLE CUST. CONTRIB.	
REFUNDABLE CUST. ADVANCE	
TOTAL DUE (-Cash Price Above)	6502.00

Executed this _____ day of _____, 20____.

214558

Signature: _____

Co-Signature: _____

Name - Type or Print: _____

Name - Type or Print: _____

Title: _____

Firm: _____

A corporation incorporated in the State _____

A partnership consisting of _____

Other (identify) _____

ARIZONA PUBLIC SERVICE COMPANY

Signature prepared by: [Signature]

Title: CUSTOMER SERVICE PLANNING Employee No.: 6015145

Authorized by: CHERYL VAROSKY Employee No.: 6015145

Authorized by: _____ Employee No.: _____
(ADDITIONAL AUTHORIZATION IF REQUIRED)

CUSTOMER INVOICE - RETURN UPPER PORTION WITH PAYMENT

Centerra - Goodyear Boulevard Improvements
Contract

5 - David Evans & Associates, Inc. (DEA)

AUTHORIZATION FOR PROFESSIONAL SERVICES

CLIENT: Centerra, L.L.C. DATE: November 16, 2006
ADDRESS: Attn: David Solomon
9399 S. Priest Drive
Tempe, AZ 85281
DEA Contract No.: 208-06-sv

By signing this Agreement, CLIENT authorizes DEA to perform all services described below.

1. **PROJECT:** The services described below are to be provided by DEA in connection with a Project identified as follows:

Construction Staking for Goodyear Boulevard at Centerra in Goodyear, Arizona

2. **SCOPE OF SERVICES:** DEA will perform the following services:

Scope of Services – Attachment A

3. **FEE FOR SERVICES:** The fee to DEA for performing service under this Agreement shall be paid as follows:

- A retainer amount of \$_____ payable at the time this Authorization is signed. This retainer amount shall apply to the fees due under this Agreement at the completion of the services provided by DEA.
- A fixed fee of \$.
- Hourly fees and costs to be paid based on rate schedule attached - Attachment B – T & M NTE: \$41,000.00.
- Other:_____.

4. **EXTRA SERVICES:** DEA will also perform Extra Services (services not specified under Scope of Services), provided DEA and CLIENT have agreed in writing to the scope of and fee for such Extra Services.

5. **ATTACHMENTS:** The following documents, which are attached to this Agreement, are incorporated by this reference and made a part of this Agreement:

- Standard Provisions Personnel Rates and Expenses - Attachment B
 Scope of Services - Attachment A Other: _____

CLIENT and DEA acknowledge that they are in agreement with the terms and conditions as set forth in this Authorization.

**SIGN
HERE**

ACCEPTED FOR CLIENT:
CENTERRA, L.L.C.
9399 S. PRIEST DRIVE
TEMPE, AZ 85281

BY: [Signature]
TITLE: _____
DATE: 11-30-06

ACCEPTED FOR DEA:
DAVID EVANS AND ASSOCIATES, INC.
2141 E. HIGHLAND AVENUE, SUITE 200
PHOENIX, AZ 85016

BY: [Signature]
TITLE: Senior Associate
DATE: November 16, 2006

STANDARD PROVISIONS:

- S-1. **STANDARD OF CARE:** DEA will provide services consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. DEA makes no warranties, expressed or implied, in connection with its services.
- S-2. **TIME PERIOD FOR PERFORMANCE OF SERVICES:** DEA will begin its services within 14 days after receiving the signed Agreement. DEA is not responsible for delays caused by any factors beyond DEA's reasonable control. If delays beyond DEA's reasonable control occur, the rates and amounts of payment provided for in this Agreement may be adjusted by DEA.
- S-3. **TIMES OF PAYMENTS/REMEDIES FOR NONPAYMENT:** On approximately the 10th of each month, DEA will send an invoice to CLIENT for services completed for the previous month. CLIENT agrees to pay the invoiced amounts within 30 days of the date on the invoice. Any payment not received by DEA within 30 days shall be considered delinquent. Delinquent accounts will accrue interest of 1.5% per month until paid. Payments will be credited first to interest and then to principal. If any payments are delinquent, DEA may, without any legal exposure or liability, suspend services until the delinquency is remedied.
- S-4. **TERMINATION:** This Agreement may be terminated upon 7 days written notice by either party without penalty.
- S-5. **PAYMENTS IN EVENT OF TERMINATION:** If this Agreement is terminated, CLIENT agrees to pay DEA for all services performed and expenses incurred to the time of termination together with all costs arising out of the termination.
- S-6. **FURNISHED DATA:** CLIENT will provide to DEA all data in its possession that may in any way relate to DEA's Scope of Services. DEA may reasonably rely upon the accuracy of the information provided by CLIENT.
- S-7. **PROMPT NOTICE:** CLIENT will give prompt notice to DEA whenever CLIENT observes or becomes aware of any development that affects the Scope of Services, or of any defect or nonconformance in DEA's work.
- S-8. **ACCESS TO FACILITIES AND PROPERTY:** CLIENT shall arrange for DEA to enter upon public and private property as required for DEA's services.
- S-9. **HEALTH AND SAFETY:** DEA shall not be responsible for the means or methods used by CLIENT, contractors, subconsultants, or others to ensure their health and safety. CLIENT shall provide a safe and healthy environment for DEA personnel working at the project site.
- S-10. **OPINIONS OF COST ESTIMATES, FINANCIAL CONSIDERATIONS, AND SCHEDULES:** Because of a variety of factors outside of DEA's control affecting price on any given project, DEA makes no warranty that the CLIENT's actual Project costs, financial aspects, economic feasibility, or schedules will not vary from DEA's opinions, analysis, projections, or estimates.
- S-11. **LAWS NOW IN EFFECT:** All estimates made by DEA in connection with this Project are based on the laws, rules and regulations now in effect. Any subsequent change in laws, rules or regulations, including laws relating to taxes or fees, may affect the final cost, schedule, or feasibility of the Project. If a change in a law, rule or regulation increases DEA's costs to complete the project, DEA will be entitled to additional compensation relative to the increase in costs.

S-12. **INSTRUMENTS OF SERVICE:** DEA's performance under this Agreement is a service for CLIENT. All materials prepared by DEA relative to this service are considered part of the service and are not considered products.

S-13. **DEA RETAINS OWNERSHIP OF DOCUMENTS:** DEA owns all materials produced by DEA and its subconsultants in connection with this project. The materials may not be reused, changed, or altered by anyone without the express written permission of DEA. CLIENT shall indemnify and hold harmless DEA from all claims, damages, losses and expenses including attorney's fees arising out of any unauthorized use of any materials prepared by DEA or its subconsultants.

S-14. **CONSEQUENTIAL DAMAGES:** In no event will DEA, its affiliated corporations, officers, employees, or subcontractors be liable for special, indirect, or consequential damages; and in order to protect DEA against indirect liability or third-party proceedings, CLIENT will indemnify DEA for any such loss or damage.

S-15. **LIMITATION OF LIABILITY: THE PARTIES HAVE CAREFULLY EXAMINED THE RISKS AND BENEFITS OF THE PROJECT. BASED ON THAT EXAMINATION, THE PARTIES MUTUALLY AGREE THAT DEA SHALL NOT BE LIABLE TO CLIENT FOR ANY DAMAGES IN EXCESS OF \$ 1,000,000.00. DAMAGES, AS USED IN THIS PROVISION, INCLUDE BUT ARE NOT LIMITED TO, ANY TYPE OF DAMAGES BASED ON ANY LEGAL OR EQUITABLE THEORY INCLUDING TORT, CONTRACT, STRICT LIABILITY AND/OR LIQUIDATED DAMAGES, WHETHER AWARDED BY A COURT OR IN ARBITRATION.**

DEA and CLIENT have carefully considered and actually negotiated this limitation of liability, and as a result, DEA and CLIENT expressly consent to the limitation of liability listed above.

Initials of parties:



S-16. **NO THIRD-PARTY BENEFICIARIES:** This Agreement gives no rights or benefits to anyone other than CLIENT and DEA and has no third-party beneficiaries.

S-17. **WAIVER:** No waiver of a breach of any provision in this Agreement shall be a waiver of any other or subsequent breach of the same or any other provision.

S-18. **SEVERABILITY AND SURVIVAL:** A determination that any provision contained in this Agreement is invalid, illegal, or unenforceable will not affect any other provision, and this Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

S-19. **TIME LIMITS FOR CLAIMS:** Any claim brought by CLIENT against DEA will be brought not later than one year after the date of substantial completion of DEA's services or the expiration of the appropriate statute of limitations, whichever is earlier.

S-20. **ENTIRE AGREEMENT:** This Agreement, including its attachments and schedules, is the entire agreement between CLIENT and DEA and supersedes all prior or contemporaneous oral or written representations or agreements. This Agreement shall not be modified except with written documents signed by both parties.

CONSTRUCTION STAKING SERVICES:

PROJECT UNDERSTANDING

The Client will provide DEA with at least three sets of the approved Construction Documents as well as electronic files (ACAD 2005 or earlier) of Final Plat and/or Map of Dedication and the Engineering Design base files.

This Scope of Services does not include measuring sewer inverts, prior to placing back-fill in sewer trenches and building manholes. It will be the CLIENTS' responsibility to give notification to DEA of when pipe will be ready to measure for record drawings.

The City of Goodyear will require that all water line bends, tees and dips be measured for record drawings, prior to placing backfill in water trenches. It will be the CLIENTS' responsibility to give notification to DEA of when pipe will be ready to measure for record drawings.

This proposal does not include any staking of meandering sidewalk along off-site streets, nor any tot lot, sidewalk or other amenity staking in basins.

All extra work must be authorized by a representative of Makai Development Services prior to proceeding with the work.

The CLIENT will notify DEA at least 48 hours prior to any need for staking or collecting record drawing information.

Should any questions or conflicts be raised regarding the correctness of staking by DEA, the stakes in question must be found, undisturbed, for DEA to be determined to be at fault.

1. Off-site Construction Staking and Monumentation: Time and Material Estimate: \$15,150.00

The fee for this task includes one time staking of the subtasks listed below for Phase 1.

- A. **Control** - horizontal and vertical control will be maintained throughout the construction phase of the Project
- B. **Stake Pregrade:**
 - 1. Offset curb stakes - 2' back of curb at 50' stations marked cut/fill to top of curb
 - 2. Retention basins will be staked every 50' along the top of slope, marked cut/fill (C/F) to top and toe of slope.
- C. **Retention basin Record Drawings** will be collected and volumes calculated. (Additional trips to re-stake or re-collect basin elevations not within specification will be billed as re-staking.
- D. **Stake Sanitary Sewer:**
 - 1. Sewer line and grade - 50' on center marked cut/fill to invert elevation
 - 2. Manhole location and grade marked cut/fill to invert and rim elevations
 - 3. Prepare cut sheets for contractor and owner (if needed).
- E. **Prepare Sanitary Sewer Record Drawings (Field Work):**
DEA will locate and measure the invert elevations for all manholes constructed with this Project.
- F. **Prepare Sanitary Sewer Record Drawings (Office Work):**
DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
- G. **Stake Water:**
 - 1. Waterline 50' on center
 - 2. Prepare cut sheets (if necessary)
 - 3. Service location
 - 4. Hydrant location and grade
- H. **Prepare Water Record Drawings (Field Work):**
DEA will locate all water improvements which are visible above ground.

- I. **Prepare Water Record Drawings (Office Work):**
Record drawings will be prepared on reproducible drawings. DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
- J. **Stake Storm Drain:**
 - 1. Stake and Grade channel @ 50' on center
- K. **Prepare Storm Drain Record Drawings (Field Work):**
DEA will locate and measure the invert elevations for the channel constructed with this Project.
- L. **Prepare Storm Drain Record Drawings (Office Work):**
Record drawings will be prepared on reproducible drawings. DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
- M. **Stake Curb:**
 - 1. Line stakes at 25' on center and grade breaks
 - 2. Cut/fill stakes will be set, as required.
 - 3. Driveway locations will be marked by lath set at centerline of driveway.
- N. **Stake Paving:**
 - 1. Subgrade bluetops at 50' on center (2 rows of stakes)
 - 2. ABC bluetops at 50' on center (2 rows of stakes)
 - 3. Monuments
 - 4. Pavement striping will be marked
- O. **Prepare Paving Record Drawings (Field Work):**
DEA will measure curb, gutter and centerline pavement elevations of all grade breaks beginning and end of curves and curb returns, as shown on construction drawings.
- P. **Prepare Paving Record Drawings (Office Work):**
DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.

2. Off-site Construction Staking and Monumentation: Time and Material Estimate \$12,150.00

The fee for this task includes one time staking of the subtasks listed below for Phase 2.

- A. **Control** - horizontal and vertical control will be maintained throughout the construction phase of the Project
- B. **Stake Pregrade:**
 - 1. Offset curb stakes - 2' back of curb at 50' stations marked cut/fill to top of curb
- C. **Stake Water:**
 - 1. Waterline 50' on center
 - 2. Prepare cut sheets (if necessary)
 - 3. Service location
 - 4. Hydrant location and grade
- D. **Prepare Water Record Drawings (Field Work):**
DEA will locate all water improvements which are visible above ground.

- E. **Prepare Water Record Drawings (Office Work):**
Record drawings will be prepared on reproducible drawings. DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
 - F. **Stake Storm Drain:**
 - 1. Storm drain pipe @ 50' on center
 - G. **Prepare Storm Drain Record Drawings (Field Work):**
DEA will locate and measure the invert elevations for the storm drain constructed with this Project.
 - H. **Prepare Storm Drain Record Drawings (Office Work):**
Record drawings will be prepared on reproducible drawings. DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
 - I. **Stake Curb:**
 - 1. Line stakes at 25' on center and grade breaks
 - 2. Cut/fill stakes will be set, as required.
 - 3. Driveway locations will be marked by lath set at centerline of driveway.
 - J. **Stake Paving:**
 - 1. Subgrade bluetops at 50' on center (2 rows of stakes)
 - 2. ABC bluetops at 50' on center (2 rows of stakes)
 - 3. Monuments
 - 4. Pavement striping will be marked
 - K. **Prepare Paving Record Drawings (Field Work):**
DEA will measure curb, gutter and centerline pavement elevations of all grade breaks beginning and end of curves and curb returns, as shown on construction drawings.
 - L. **Prepare Paving Record Drawings (Office Work):**
DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
3. **Off-site Construction Staking and Monumentation:** Time and Material Estimate: \$13,700.00
- The fee for this task includes one time staking of the subtasks listed below for Phase 3.
- A. **Control** - horizontal and vertical control will be maintained throughout the construction phase of the Project
 - B. **Stake Pregrade:**
 - 3. Offset curb stakes - 2' back of curb at 50' stations marked cut/fill to top of curb
 - 4. Retention basins will be staked every 50' along the top of slope, marked cut/fill (C/F) to top and toe of slope.
 - C. **Retention basin Record Drawings** will be collected and volumes calculated. (Additional trips to e-stake or re-collect basin elevations not within specification will be billed as re-staking.
 - D. **Stake Water:**
 - 1. Waterline 50' on center
 - 2. Prepare cut sheets (if necessary)

3. Service location
 4. Hydrant location and grade
- E. **Prepare Water Record Drawings (Field Work):**
DEA will locate all water improvements which are visible above ground.
- F. **Prepare Water Record Drawings (Office Work):**
Record drawings will be prepared on reproducible drawings. DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
- G. **Stake Storm Drain:**
 1. Stake and Grade channel @ 50' on center
- H. **Prepare Storm Drain Record Drawings (Field Work):**
DEA will locate and measure the invert elevations for the channel constructed with this Project.
- I. **Prepare Storm Drain Record Drawings (Office Work):**
Record drawings will be prepared on reproducible drawings. DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.
- J. **Stake Curb:**
 1. Line stakes at 25' on center and grade breaks
 2. Cut/fill stakes will be set, as required.
 3. Driveway locations will be marked by lath set at centerline of driveway.
- K. **Stake Paving:**
 1. Subgrade bluetops at 50' on center (2 rows of stakes)
 2. ABC bluetops at 50' on center (2 rows of stakes)
 3. Monuments
 4. Pavement striping will be marked
- L. **Prepare Paving Record Drawings (Field Work):**
DEA will measure curb, gutter and centerline pavement elevations of all grade breaks beginning and end of curves and curb returns, as shown on construction drawings.
- M. **Prepare Paving Record Drawings (Office Work):**
DEA will label the above record drawing information on the original construction drawings or a copy, as provided by the CLIENT.

Re-staking required due to destruction or loss of stakes will be an additional expense. DEA will only perform re-staking at the CLIENTS' request. DEA will bill the CLIENT on a "Time and Materials" basis for re-staking in accordance with our current Hourly Rate Schedule. It will be the CLIENT's responsibility to inform DEA if they believe any back-charge is required for re-staking. Re-staking charges will be mutually agreed upon by DEA and CLIENT.

**ATTACHMENT B
FEE SCHEDULE
HOURLY RATES**
Effective November 1, 2006

1. Principal	\$160.00
2. Project Manager/Survey Manager	\$140.00
3. Project Engineer	\$120.00
4. Project Designer	\$100.00
5. Designer	\$90.00
6. Cadd - Engineering/Planning/Survey Tech	\$70.00
7. Project Surveyor	\$120.00
8. Chief of Parties/Sr. Survey Tech	\$95.00
9. GPS Specialist	\$120.00
10. Survey Party Chief	\$85.00
11. Survey Field Technician	\$55.00
12. Survey Crews 2, 3-Man	\$140.00 - \$195.00
13. Construction Observer	\$75.00
14. Principal Planner	\$150.00
15. Senior Planner	\$115.00
16. Project Planner	\$95.00
17. Planning Cad Tech	\$70.00
18. Graphic Designer	\$65.00
19. Planning Tech/Project Coordinator	\$70.00
20. Administrative	\$65.00

SUBJECT TO CHANGE WITHOUT NOTICE

The Rates for Expenses used as a basis for payments are as set forth below:

REIMBURSABLE EXPENSES:

Outside expenses incurred under this agreement for which DEA must pay shall be charged at actual cost plus fifteen (15%) percent. These expenses may include, but shall not be limited to, costs for transportation and subsistence incidental thereto; mapping, photographic or reproduction services; surveying and drafting supplies; equipment rental; fees for permits, filings, applications, bonds and special insurance coverage; long distance telephone charges; services provided by professional firms, outside consultants, and testing firms; postage and freight; etc.

Centerra - Goodyear Boulevard Improvements
Contract

6 - Terracon Consulting Engineers & Scientists



4685 South Ash Avenue, Suite H-4
Tempe, Arizona 85282
Phone 480.897.8200
Fax 480.897.1133
www.terracon.com

May 11, 2006 – Revised October 31, 2006

Centerra, LLC
9399 South Priest Drive
Tempe, Arizona 85284
Phone: 480.777.7757
Fax: 480.777.7887

Attn: David Solomon

**Re: Construction Materials Testing Proposal
Goodyear Boulevard (Phases I, II and III)
N.E.C. Estrella Parkway and Yuma Road
Goodyear, Arizona
Terracon Proposal No. C6506313**

We appreciate this opportunity to provide this proposal for construction quality control testing services for the above referenced project. This proposal includes an outline of the project information, the proposed scope of services, unit rates, and our estimated quantities for these types of services.

GENERAL INFORMATION

Terracon understands that the infrastructure improvement project will primarily consist of concrete and asphalt concrete related enhancements to the area of the site. Terracon has reviewed the plans for the project provided by Centerra, LLC. to assist in the preparation of this proposal. The testing services will be provided in accordance with the Maricopa Association of Governments (MAG) construction standards & City of Goodyear standards.

At the time of this proposal, a construction schedule was not available. Once a construction schedule is made available we can revise our scope of work and/or fee estimate, if necessary. The general services to be provided include the following:

- Miscellaneous Field Density Testing of roadway (subgrade and ABC compaction including laboratory proctors, PI's and sieve analysis tests) and utility trenches;
- Sampling and Testing of Concrete;
- Asphalt Concrete Testing and observation; and,
- Provide a Bound Copy of all Field and Laboratory Test Results.

SCOPE OF WORK AND COMPENSATION

The fee for our services, including all field work, laboratory testing, engineering analyses and report preparation will be based upon the unit costs prepared for this project as shown below. The time required for construction materials testing on the project will be directly related to the schedule and performance of the various contractors on the site. As a result, total fees for the construction materials services will be based upon the applicable unit rates.

Work performed in addition to the below anticipated items will be billed in accordance with Terracon's standard fee schedule. Requirements relative to invoicing must be provided prior to the start of work so that payments to Terracon can be made in the appropriate time frames discussed below.

Terracon can only provide the services discussed below when properly scheduled. Our services will be provided only at the specific starting times scheduled by the contractor. Failure on the contractor's part to notify Terracon of the construction activities which require our involvement could jeopardize our ability to provide the necessary materials testing certification(s) upon completion of the project.

Project Engineering and Project Management

Consultation, Special Inspection certificate, report preparation and/or review, as needed:

Senior Engineer, P.E., Hourly rate.....	\$135.00
Project Manager, Hourly rate.....	85.00
Report Preparation & Dispatch, Hourly rate	55.00

Field and Laboratory Testing Services

1. Miscellaneous Compaction Control Testing

a. Miscellaneous Field Density Testing

Provide Engineering Technician to perform field density tests for asphalt concrete and sidewalk area subgrade and base course materials in an effort to evaluate contractor's conformance to project plans, specifications, and local agency requirements. Additionally, we will sample materials which will require laboratory testing:

Hourly rate, on-site and travel \$48.00
Mileage, per mile 0.55

b. Laboratory Services:

· Maximum density/Optimum moisture (Standard Proctor):

ASTM D698, Method A \$115.00
ASTM D698, Method C 115.00

· Sieve Analysis

Gilson method, ASTM C136, C117 60.00

· Plasticity Index

Dry preparation method, ASTM D4318 45.00

2. Portland Cement Concrete

Field and Laboratory Services:

· Provide Engineering Technician to perform sampling and testing (slump and temperature only) of Portland Cement Concrete. Engineering technician to fabricate sets of up to four (4) concrete compressive strength specimens. Sampling and testing in accordance with the applicable ASTM standards:

Hourly rate, on-site and travel \$48.00
Mileage, per mile 0.55
Compressive Strength Testing, per set 60.00

3. Asphalt Concrete

a. Field Services:

- Provide Engineering technician to perform field density testing of asphalt concrete, obtain samples of hot mix asphalt for delivery to central laboratory, and obtain cores of finished pavement:

Hourly rate, on-site and travel \$48.00
Mileage, per mile 0.55

b. Lab Services:

- Asphalt Content & Gradation:

ARIZ 427 and ASTM C136, C117 \$150.00

- Marshall Density

75 Blow Marshall (ASTM D1559)..... 150.00

- Cores

Bulk Density of Asphalt Concrete Cores (AASHTO T166) 20.00

ESTIMATED QUANTITIES

- 80 Hours for miscellaneous field density testing (asphalt concrete and sidewalk area subgrade and aggregate base coarse)
- 2 Maximum density/optimum moisture tests (proctors)
- 1 Sieve Analyses Tests
- 1 Plasticity Index Tests
- 60 Hours for sampling and testing of concrete (on-site)
- 6 Sets of Concrete Cylinders
- 40 Hours of asphalt concrete testing
- 3 Asphalt Content & Gradation Tests
- 1 Marshall Density of Hot Mix Asphalt
- 4 Bulk Density Tests of asphalt concrete cores
- 1980 Miles for site trips
- 10 Hours of Project Manager
- 20 Hours of report preparation & dispatch
- 2 Hours of Registered Professional Engineer report preparation and review

The scope of services and estimated quantities are based upon our understanding of the project and the typical local requirements. We are available to discuss your quality control plan to develop a scope of service based upon your unique construction schedule. Based on the information reviewed, the fee for the above scope of services is **\$13,324.00**. The actual fee could vary significantly depending on the actual construction schedule and number of trips made to the project site; therefore, our estimate should not be considered a not-to-exceed fee. The actual fee

billed will be determined by the quantity of observation and testing requested and performed. The following assumptions were used in preparing our estimated fee:

1. We have assumed that contractors on the site will work a single shift 5-day per week schedule;
2. A three-hour minimum charge applies to all on-site hourly unit rates;
3. A charge of \$55/hour will be applied for all stand-by time and/or time spent on activities which were not cancelled without prior notice;
4. All work performed between 5pm and 5am, during weekends and holidays, or in excess of 8 hours per day will be billed at 1.5 times the applicable hourly billing rates;
5. Testing and inspection services must be scheduled by the client / contractor with 24 hours notice to our office (480-897-8200). Our services are provided on an on-call, as requested basis. Terracon will not be responsible for scheduling our services and will not be responsible for tests that are not performed due to failure to schedule our services;
6. Terracon's services specifically exclude job site safety responsibility, and our services do not relieve any contractor/subcontractor from complying with project specifications;
7. Invoices for the project will be submitted on a monthly basis;
8. Terracon must be provided with 2 sets of plans and specifications prior to the start of the project to be able to effectively provide the services discussed above; and,
9. Terracon assumes that this proposal and the attached Terms and Conditions will constitute the contract for this work. It is the responsibility of the client to notify Terracon immediately if a different contract will be required. If client does prefer or require their contract to be utilized, Terracon will need approximately 4 to 5 business days to allow our corporate legal department to review the contract and suggest changes. The client must provide the name of the appropriate person for contract negotiation at the earliest available time so that the proposed changes can be evaluated. Client further understands that any contract proposed for use will be modified in some way. Should services be required prior to execution of a signed contract, client understands that by scheduling Terracon for testing and/or inspection services, the Client is amenable to changing their contract.

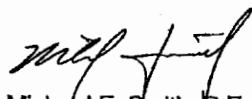
AUTHORIZATION

This proposal may be accepted by executing both originals of the attached Agreement for Services and returning one copy along with this proposal to Terracon. Our fee is due within thirty days following receipt of invoice. This proposal is valid only if authorized within sixty days from the listed proposal date.

We appreciate your consideration of Terracon for this work, and look forward to working as your materials engineering consultant on this and future projects.

Sincerely,

TERRACON CONSULTANTS, INC.



Michael E. Smith, P.E.

Associate Principal

N:\PROPOSALS\CMT\2006\313 Goodyear Blvd.doc

Attachment: Terms and Conditions

Copies: (2) Addressee

BILLING INFORMATION

CLIENT: _____
ADDRESS: _____
PHONE/FAX: _____
REPRESENTATIVE: _____

COPY REPORTS TO:

NAME: _____
COMPANY: _____
ADDRESS: _____
PHONE/FAX: _____

NAME: _____
COMPANY: _____
ADDRESS: _____
PHONE/FAX: _____

AGREEMENT FOR SERVICES

This AGREEMENT, is between _____ ("Client") and Terracon, Inc. ("Consultant") for Services to be provided by Consultant for Client on the _____ project ("Project"), as described in the Project Information section of Consultant's Proposal dated _____ ("Proposal") unless the Project is otherwise described in Exhibit A to this Agreement (which section or Exhibit are incorporated into this Agreement).

- 1. Scope of Services. The scope of Consultant's services are described in the Scope of Services section of the Proposal ("Services"), unless Services are otherwise described in Exhibit B to this Agreement (which section or exhibit are incorporated into this Agreement). Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence. If Services include purchase of software, Client will execute a separate software license agreement. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
2. Acceptance. Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and any additional or conflicting terms it contains are stricken. This Agreement shall not be assigned by either party without prior written consent of the other party.
3. Change Orders. Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Following Client's review, Client shall provide written acceptance. If Client does not follow these procedures, but instead directs, authorizes, or permits Consultant to perform changed or additional work, the Services are changed accordingly and Consultant will be paid for this work according to the fees stated or its current fee schedule. If project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.
4. Compensation and Terms of Payment. Client shall pay compensation for the Services performed at the fees stated in the Compensation section of the Proposal unless fees are otherwise stated in Exhibit C to this Agreement (which section or Exhibit are incorporated into this Agreement). If not stated in either, fees will be according to Consultant's current fee schedule. Fee schedules are valid for the calendar year in which they are issued. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing, at the address below, within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.6% per month, but not exceeding the maximum rate allowed by law, for all unpaid amounts 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney fees. Consultant may suspend Services for lack of timely payment.
5. Third Party Reliance. This Agreement and the Services provided are for Consultant and Client's sole benefit and exclusive use with no third party beneficiaries intended. Reliance upon the Services and any work product is limited to Client, and is not intended for third parties. For a limited time period not to exceed three months from the date of the report, Consultant will issue additional reports to others agreed upon with Client, however Client understands that such additional reports will not be issued until those parties sign and return Consultant's reliance agreement and Consultant receives the agreed-upon reliance fee.
6. LIMITATION OF LIABILITY. CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND EMPLOYEES) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$50,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S CGL POLICY.
7. Indemnity. Consultant and Client shall defend, indemnify, and hold harmless the other, their agents, and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles.
8. Warranty. Consultant will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. CONSULTANT MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
9. Insurance. Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance; (ii) commercial general liability insurance; (iii) automobile liability insurance policies; and (iv) professional liability insurance. Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.

* SEE ADDITIONAL INSURANCE REQUIREMENTS BELOW
Agreement Reference Number (Terracon Proposal or Project Number):

- 1) TERRACON WILL MAINTAIN LIABILITY INSURANCE WITH A MINIMUM OF \$1,000,000
2) THE GENERAL LIABILITY COVERAGE WILL BE MAINTAINED BY TERRACON DURING THE PROJECT
3) ~~TERRACON'S~~ CLIENT WILL BE NAMED AS ADDITIONAL INSURED UNDER TERRACON'S CGL INSURANCE

Page 1 of 24) ~~CLIENT~~ CLIENT WILL BE NOTIFIED AT LEAST 30 DAYS PRIOR TO ANY LAPSE IN TERRACON'S INSURANCE. Rev. 1-03

10. **CONSEQUENTIAL DAMAGES.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS OR REVENUE; LOSS OF USE OR OPPORTUNITY; LOSS OF GOOD WILL; COST OF SUBSTITUTE FACILITIES, GOODS, OR SERVICES; COST OF CAPITAL; OR FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES.
11. **Dispute Resolution.** Client shall not be entitled to assert a Claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion from a registered, independent, and reputable engineer, architect, or geologist that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days, after which Client may pursue its remedies at law. This Agreement shall be governed by and construed according to Arizona law.
12. **Subsurface Explorations.** Subsurface conditions throughout the site may vary from those depicted on logs of discrete borings, test pits, or other exploratory services. Client understands Consultant's layout of boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services.
13. **Testing and Observations.** Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for notifying and scheduling Consultant so Consultant can perform these Services. Consultant shall not be responsible for the quality and completeness of contractor's work or their adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work, or create a warranty or guarantee. Consultant will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.
14. **Sample Disposition, Affected Materials, and Indemnity.** Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Material unless specifically provided in the Services, and that Client is responsible for directing such disposition. In the event that test samples obtained during the performance of Services (i) contain substances hazardous to health, safety, or the environment, or (ii) equipment used during the Services cannot reasonably be decontaminated, Client shall sign documentation (if necessary) required to ensure the equipment and/or samples are transported and disposed of properly, and agrees to pay Consultant the fair market value of this equipment and reasonable disposal costs. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site. Accordingly, Client waives any claim against Consultant and agrees to indemnify and save Consultant, its agents, employees, and related companies harmless from any claim, liability, or defense cost, including attorney and expert fees, for injury or loss sustained by any party from such exposures allegedly arising out of Consultant's non-negligent performance of services hereunder, or for any claims against Consultant as a generator, disposer, or arranger of Affected Materials under federal, state, or local law or ordinance.
15. **Utilities.** Consultant shall utilize a utility locating service for public utilities. Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to subterranean structures or utilities that are not called to Consultant's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans furnished to Consultant.
16. **Site Access and Safety.** Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any other parties, including Client, Client's contractors, subcontractors, or other parties present at the site.
17. **Termination.** Either party may terminate this Agreement or the Services upon written notice to the other. In such case, Consultant shall be paid costs incurred and fees earned to the date of termination plus reasonable costs of closing the project.
18. **Ownership of Documents.** Work product, such as reports, logs, data, notes, or calculations, prepared by Consultant shall remain Consultant's property. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices.

Consultant: Terracon, Inc.
 By: [Signature] Date: 11/15/06
 Name/Title: Michael E. Smith, P.E.
 Address: 4685 S Ash Avenue, Suite H-4
Tempe, Arizona 85282
 Phone: 480.897.8200 Fax: 480.897.1133

Client: [Signature]
 By: [Signature] Date: 11-03-06
 Name/Title: _____
 Address: _____
 Phone: _____ Fax: _____

Agreement Reference Number (Terracon Proposal or Project Number): _____

Fleet Fisher Engineering, Inc.

AR Transaction Record

Reporting Period
As of 4/20/2007

Selection: Project
(Project ID Equal To 0281-013)

Project: 0281-0133
Client: 0281

CENTERRA - CITY LOOP
GATEWAY AMERICAN PROPERTIES L.L.C.

Project Active? Yes

Project Manager: JONES, MICHAEL JONES

Inv Type	Recd	Bill To	Type	Date	Prof. Serv.	Reimb. Exp.	Cont. Serv.	Other	Finance Charges	Taxes	Total Bill	Linked Retainage	Discount	Payments Unrec'd	Balance Due
1060-9512	7823	001	IV	7/31/2005	1,660.00	145.00	592.50	0.00	0.00	0.00	2,397.50				2,397.50
			PAY	10/01/2005									0.00	2,397.50	0.00
Invoice 1060 Totals:					1,660.00	145.00	592.50	0.00	0.00	0.00	2,397.50	0.00	0.00	2,397.50	0.00
10747-9555	7834	001	IV	8/31/2005	20,150.00	126.95	0.00	0.00	0.00	0.00	20,276.95				20,276.95
			PAY	1/28/2006									0.00	20,276.95	0.00
Invoice 10747 Totals:					20,150.00	126.95	0.00	0.00	0.00	0.00	20,276.95	0.00	0.00	20,276.95	0.00
10780-9601	7842	001	IV	9/30/2005	13,000.00	129.42	0.00	0.00	0.00	0.00	13,129.42				13,129.42
			PAY	1/4/2006									0.00	13,129.42	0.00
Invoice 10780 Totals:					13,000.00	129.42	0.00	0.00	0.00	0.00	13,129.42	0.00	0.00	13,129.42	0.00
10791-9618	7877	001	IV	10/31/2005	2,125.00	145.83	0.00	0.00	0.00	0.00	2,270.83				2,270.83
			PAY	1/12/2006									0.00	2,270.83	0.00
Invoice 10791 Totals:					2,125.00	145.83	0.00	0.00	0.00	0.00	2,270.83	0.00	0.00	2,270.83	0.00
11028-9913	8180	001	IV	11/30/2005	675.00	208.23	0.00	0.00	0.00	0.00	883.23				883.23
			PAY	2/22/2006									0.00	883.23	0.00
Invoice 11028 Totals:					675.00	208.23	0.00	0.00	0.00	0.00	883.23	0.00	0.00	883.23	0.00
11058-9979	8160	001	IV	12/31/2005	9,252.50	387.34	0.00	0.00	0.00	0.00	9,639.84				9,639.84
			PAY	3/23/2006									0.00	9,639.84	0.00
Invoice 11058 Totals:					9,252.50	387.34	0.00	0.00	0.00	0.00	9,639.84	0.00	0.00	9,639.84	0.00
11225-10139	8261	001	IV	2/28/2006	592.50	178.77	0.00	0.00	0.00	0.00	771.27				771.27
			PAY	5/2/2006									0.00	771.27	0.00
Invoice 11225 Totals:					592.50	178.77	0.00	0.00	0.00	0.00	771.27	0.00	0.00	771.27	0.00
11225-10266	8201	001	IV	3/21/2006	1,995.00	607.21	1,473.12	0.00	0.00	0.00	4,075.33				4,075.33
			PAY	9/20/2006									0.00	4,075.33	0.00
Invoice 11225 Totals:					1,995.00	607.21	1,473.12	0.00	0.00	0.00	4,075.33	0.00	0.00	4,075.33	0.00
11421-10205	8478	001	IV	4/28/2006	181.50	787.88	2.00	0.00	0.00	0.00	971.38				971.38
			PAY	6/7/2006									0.00	971.38	0.00
Invoice 11421 Totals:					181.50	787.88	2.00	0.00	0.00	0.00	971.38	0.00	0.00	971.38	0.00
11542-10645	8997	001	IV	6/11/2006	202.50	62.41	0.00	0.00	0.00	0.00	264.91				264.91
			PAY	8/27/2006									0.00	264.91	0.00
Invoice 11542 Totals:					202.50	62.41	0.00	0.00	0.00	0.00	264.91	0.00	0.00	264.91	0.00
11618-10524	8597	001	IV	6/30/2006	25.00	10.41	0.00	0.00	0.00	0.00	35.41				35.41
			PAY	1/27/2006									0.00	35.41	0.00
Invoice 11618 Totals:					25.00	10.41	0.00	0.00	0.00	0.00	35.41	0.00	0.00	35.41	0.00
11658-10664	8890	001	IV	7/31/2006	90.00	26.41	0.00	0.00	0.00	0.00	116.41				116.41
			PAY	9/27/2006									0.00	116.41	0.00
Invoice 11658 Totals:					90.00	26.41	0.00	0.00	0.00	0.00	116.41	0.00	0.00	116.41	0.00
11773-10669	8793	001	IV	9/30/2006	15.00	75.24	0.00	0.00	0.00	0.00	90.24				90.24
			PAY	1/24/2007									0.00	90.24	0.00

Transaction Types: IV = Invoice, RG = Reimburse, UN = Debit Memo, CM = Credit Memo, UN = Cancellation, PAY = Payment, RT = Retainer, UC = Uncollectible
 CHX, PAX, KIA, and UCR are cancelled transactions. The cancellation is identified by type CM.
 * - Linked Retainage amount is assigned when an invoice or Debit Memo is created. The amounts in this column are also reflected in the Total Bill column.
 * - Invoice, Retainage, or Debit Memo entry has an Unassigned or Unbalanced status.

002 Main 03/04
 Line 11111111111111111111
 05 07 47 0 0 0
 04 20 2007
 2/3

002 848 9388

Line F1111 180181 LN

01 On 12 p 10 01-20 2007

1.51

Fleet Fisher Engineering, Inc.

AR Transaction Record

Reporting Period
As of 02/20/2007

Selection: IProject
Project ID Req'd. To 0281-0137

Project 0281-013 (Continuous)

Invoice	Head	Bill To	Job	Date	Proj. No.	Inv. No.	Amount	Disc. %	Net Amt	Other	Balance	Due
11433-10756	8973		Invoice 11773 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 53522027	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			PAY 12429377	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
11864-0903	8917		Invoice 11839 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 12812002	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			PAY 20152007	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
11915-0803	8976		Invoice 11504 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 11152215	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			PAY 20152007	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
12024-1108	8975		Invoice 11653 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 22312026	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			PAY 20152007	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
12130-1108	8975		Invoice 12024 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 108315	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			Invoice 2150 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 20282027	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			Invoice 1250 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 11152215	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			PAY 20152007	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
12202-0281-013			Invoice 0281-013 Totals:	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			TY 11152215	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00
			PAY 20152007	10/26/06	197.00	197.00	0.00	197.00	0.00	197.00	0.00	197.00

Amounts Available

Invoice	Amount	Due Date	Days
11433-10756	197.00	10/26/06	0
11864-0903	197.00	10/26/06	0
11915-0803	197.00	10/26/06	0
12024-1108	197.00	10/26/06	0
12130-1108	197.00	10/26/06	0
12202-0281-013	197.00	10/26/06	0

Transaction Types: I - Invoice, R - Receipt, D - Debit Memo, C - Credit Memo, CN - Cancelled Invoice, PA - Payment, RT - Reversal, LC - User Available
 CMA PAYS, RT, and IJC are cancelled transactions. The cancellation is identified by type CN
 * - Linked Receipts should be assigned when an Invoice or Debit Memo is created. The amounts in this column are also reflected in the Total Bill of Materials
 ** - Invoice Receipts or Debit Memos carry less an charged or unbalanced entry

Off-site Sewer Improvements

Centerra
Off-Site Sewer Improvements (1)
Completed Q3 of 2004

Description	Amount
Construction Cost (SJ Louis of Arizona)	
1 Original Contract Amount	\$ 1,185,209
1 Change Order #1	\$ 27,924
1 Change Order #2	\$ 607,435
Subtotal Construction Cost	\$ 1,820,568
Survey Cost (Morrison Maierle)	
2 Original Contract Amount	\$ 9,900
Subtotal Survey Cost	\$ 9,900
Construction Testing Cost (Terracon)	
3 Original Contract Amount	\$ 13,110
3 Change Order #1	\$ 7,745
Subtotal Testing Cost	\$ 20,855
Engineering Cost (Fleet Fisher Engineering)	
4 Original Contract Amount	\$ 96,650
4 Misc. Additions	\$ 2,692
Subtotal Engineering Cost	\$ 99,342
Total Cost Off-site Sewer Improvements Before Credits	\$ 1,950,665
Development Fee Credits to Offset Over-sizing of Sewer Lines and Eligible Infrastructure Portions pursuant to the DA. (2)	\$ (1,026,427)
Total Off-site Sewer Improvement Costs After Credits	\$ 924,238

Footnotes:

- (1) All numbers are rounded up to the nearest dollar.
(2) The Applicant has realized sewer development fee credits in the amount of \$1,026,427.

**Centerra
Off-Site Sewer Improvements
Further Breakdown (1)**

		Costs with Over-sizing		Costs without Over-sizing		
	Qty	Units	Actual Unit Price	Actual Total	12" Unit Price	12" Total
36" Sewerline	2652	LF	\$ 143	\$ 379,600	\$ 48	\$ 127,296
41" Sewerline	2416		\$ 153	\$ 370,000	\$ 53	\$ 128,048
All Other Costs	1	LS	\$ 572,545	\$ 572,545	\$ 572,545	\$ 572,545
Total				\$ 1,322,145		\$ 827,889
100% Fee Credits Amount for Oversizing				\$ (494,256)		
CFD Reimbursement for 12" sewer line needed to serve Centerra				\$ 827,889		

		Actual		Actual		
	Qty	Units	Unit Price	Total		
27" Sewerline	519	LF	\$ 74	\$ 38,406		
All Other Costs	1	LS	\$ 12,468	\$ 12,468		
Total				\$ 50,874		
Eligible for 100% Fee Credits				\$ (50,874)		
CFD Reimbursement for 12" sewer line needed to serve Centerra				\$ -		

		Actual		Actual		
	Qty	Units	Unit Price	Total		
27" Sewerline	1,842	LF	\$ 74	\$ 136,308		
All Other Costs	1	LS	\$ 40,820	\$ 40,820		
Total				\$ 177,128		
Eligible for 75% Fee Credits				\$ (132,846)		
CFD Reimbursement 25% of Total Costs				\$ 44,282		

		Actual		Actual		
	Qty	Units	Unit Price	Total		
33" Sewerline	3,054	LF	\$ 106	\$ 323,724		
All Other Costs	1	LS	\$ 76,795	\$ 76,795		
Total				\$ 400,519		
Eligible for 87% Fee Credits				\$ (348,451)		
CFD Reimbursement 13% of Total Costs				\$ 52,068		
Total Improvement Costs				\$ 924,238		

Footnote:
(1) All numbers are rounded up to the nearest dollar.

Centerra
Off-site Sewer Improvements (1)
List of Contracts

Contract #1

Contactor	SJL Construction of AZ, LLC.
Date	2/23/2004
Amount	\$ 1,185,209
Change Order	\$ 27,924
Change Order	\$ 607,435
Scope of Work	Construction Costs Off-site Sewer Improvements.

Contract #2

Contactor	Morrison-Maierle Arizona, Inc.
Date	2/24/2004
Amount	\$ 9,900
Scope of Work	Surveyor Costs

Contract #3

Contactor	Terracon / Consulting Engineers & Scientists
Date	2/13/2004
Amount	\$ 13,110
Change Order	\$ 7,745
Scope of Work	Construction Materials Testing

Contract #4

Contactor	Fleet Fisher Engineering, Inc.
Date	4/27/2007
Amount	\$ 96,650
Change Order	\$ 2,692
Scope of Work	Offsite Sewer Plans

Total Costs	<u>\$ 1,950,665</u>
--------------------	----------------------------

Footnote:

(1) All numbers are rounded up to the nearest dollar.

Centerra - Off-Site Sewer Improvements
Contract

1 - SLJ Construction of Arizona, LLC.

AGREEMENT

This Agreement, dated and effective this 23rd day of February, 2004, by and between Centerra LLC. (hereinafter called Owner) and S.J.L. Construction of Arizona, LLC (hereinafter called Contractor);

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

PART 1 - WORK

- A. The Contractor agrees to furnish all necessary labor, materials, equipment, tools, and services necessary to perform in a workman like manner all Work required by the Specifications and other sections of these Contract Documents.
- B. The Work will be completed within the number of calendar days shown on the Contract Information form as the Contract Time unless the Contract Time is extended by Owner as provided in the Contract Documents.
- C. Liquidated Damages. The Owner and Contractor recognize that time is of the essence in this Agreement and that the Owner will suffer financial loss if the Work is not substantially completed within the time specified in paragraph B above, plus any extensions thereof allowed by the Owner. They also recognize the delays, expense, and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by the Owner if the Work is not substantially complete on time. Accordingly, rather than requiring any such proof, the Owner and the Contractor agree that as liquidated damages for delay (but not as a penalty) the Contractor shall pay the Owner ***** (\$500.00) for each day that expires after the time specified in paragraph B until the Work is complete. It is agreed that this is a reasonable estimate of the damages likely to be suffered by the Owner for late completion of the Work.

PART 2 - CONTRACT PRICE AND PAYMENT

- A. The Owner shall pay the Contractor for performance of the Work in accordance with the Contract Documents the amount or amounts shown on Contractor's Bid Form, not to exceed ONE MILLION ONE HUNDRED EIGHTY-FIVE THOUSAND TWO HUNDRED AND EIGHT DOLLARS AND EIGHTY-THREE CENTS (\$1,185,208.83).
- B. The basis of bids (lump sum or unit price) is stated on the Contract Information form.
- C. The Owner shall make payments as set forth in Part 11 of the General Conditions.

PART 3 - CONTRACTOR'S REPRESENTATIONS

- A. In order to induce the Owner to enter into this Agreement, the Contractor makes the following representations:
 1. The Contractor has familiarized himself with the nature and the extent of the Contract Documents, Work, the locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress or performance of the Work.

2. Contractor has carefully studied all physical conditions at the site or sites and existing facilities affecting cost, progress or performance of the Work.
3. Contractor has given the Owner written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by the Owner is acceptable to the Contractor.

PART 4 - CONTRACT DOCUMENTS

- A. The Contract Documents, which comprise the entire Agreement between the Owner and the Contractor, are attached to this Agreement and made a part hereof and consist of the following:

Invitation to Bid
Contract Information Form
Project Directory
Instructions to Bidders (Insurance Requirements)
Instructions to Bidders (General)
Bid Bond
Notice of Award
Agreement
Performance Bond
Payment Bond
Notice to Proceed
General Conditions
Bid Forms
Non-Collusion Affidavit
Addenda (if any)
Specifications
Specials Conditions

- B. There are no Contract Documents other than those listed above in this part. The Contract Documents may only be altered, amended or repealed by a modification, in writing.

PART 5 - ENGINEER

The Engineer, for the purposes of the Contract Documents, is identified on the Contract Information form, and may be changed by the Owner, by written notice to Contractor.

PART 6 – ASSIGNMENTS

Except for assignments by Centerra LLC, no assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party thereto without the written consent of the party sought to be bound; and specifically, but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

In witness whereof, the parties hereto have signed this Agreement. Two counterparts have been delivered to the Owner and one counterpart has been delivered to the Contractor. All portions of the Contract Documents have been signed or identified by the Owner and the Contractor.

PART 7 - GOVERNING LAW

This Contract shall be deemed entered into in Maricopa County, Arizona and shall be governed by the laws of the State of Arizona.

(This portion of the page left intentionally blank)
CENTERRA LLC.
By [Signature]
Title MANAGER

CONTRACTOR
By [Signature]
Title V.P.

Attest _____

Attest _____

(SEAL

CORPORATE SEAL)

Address for giving notices:

Mr. David Solomon
Centerra LLC
9399 South Priest Dr.,
Tempe, Arizona 85284

Address for giving notices:

NOTICE TO PROCEED

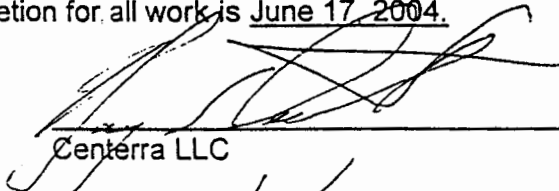
TO: S.J.L. CONSLTRUCTION OF ARIZONA, LLC
4040 E. MAGNOLIA
PHOENIX, ARIZONA 85034

DATE: Tuesday, March 9, 2004

PROJECT: Centerra CFD – Elwood Street and Estrella Parkway Off-Site Sewer
Improvement Project

You are hereby notified to start work in accordance with the Agreement dated February 23, 2004, no later than Thursday, April 1, 2004.

The date for completion for all work is June 17, 2004.



Centerra LLC

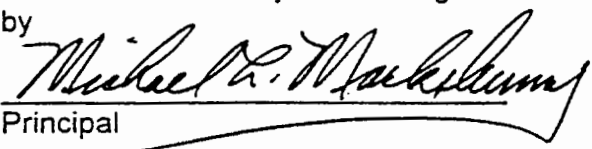
3/9/04

Title

MANAGER

ACKNOWLEDGMENT OF NOTICE:

Receipt of the above NOTICE TO
PROCEED is hereby acknowledged
by



Principal

V.P.

Title

PAYMENT BOND

THE STATE OF ARIZONA) KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF)

S.J.L. Construction of Arizona, LLC

That we, _____ of 4040 East Magnolia Street _____ the City of Phoenix _____ County of Maricopa _____ and State of Arizona _____ (hereinafter called Principal) as Principal, and (hereinafter called Surety) as Surety, authorized under the laws of the State of Arizona to act as surety on bonds for principals, are held and firmly bound unto the Centerra Community Facilities District, Maricopa County, Arizona (hereinafter called Oblige or Owner) and to all sub-Contractors, workmen, laborers, mechanics, and furnishers of material or equipment as their interests may appear, all of whom shall have the right to sue upon this Bond in the penal sum of ** _____ Dollars (\$ 1,185,208.83 _____) in lawful money of the United States of America for payment of which, well and truly made we do hereby bind ourselves and our heirs, executors, administrators, successors, and assigns jointly and severally and firmly by these presents. ** One Million One Hundred Eighty-Five Thousand, Two Hundred and Eight Dollars and 83/100ths

WHEREAS, Principal has by written Agreement dated February 23, 20 04, entered into a Contract with Owner for the project identified at the top of this page, which Contract is by reference made a part hereof and is hereinafter referred to as the Contract;

NOW, THEREFORE, the conditions of this payment bond are such that, if the contractor shall at all times promptly make payments of all amounts lawfully due to all persons supplying or furnishing him or his subcontractors with labor or materials, rental machinery, tools, or equipment used or performed in the prosecution of the work provided for in the contract, and shall indemnify and save harmless the Owner to the extent of any payments in connection with the performance of such contracts that the Owner may be required to make under law, then this obligation shall be null and void; otherwise the surety shall pay the full amount of this penalty bond.

The undersigned surety for value received hereby agrees that no extension of time, change in, addition to, or other modification of the terms of the contract or work to be performed thereunder or of the specifications of the contract documents shall in any way affect its obligation on this bond and the surety does hereby waive notice of any such extension of time, change, addition, or modification.

This Bond is given under and subject to the provisions of A.R.S. 34-222.

Signed and sealed this 12th day of March 2004.

S.J.L. CONSTRUCTION OF ARIZONA, LLC
Principal

Michael B. Markham
By

Witness

Address: 4040 East Magnolia Street, Phoenix, AZ 85034
LIBERTY MUTUAL INSURANCE COMPANY
Surety

Ceresa Hammers
Witness

Gary R. Woodward
By Gary R. Woodward, Attorney-in-Fact

Address: 450 Plymouth Road, Plymouth Meeting, PA 19462-1644
610-832-8240
Surety's Telephone No.

Surety must be named in the current list of "Surety Companies Acceptable on Federal Bonds" as published in Circular 570 by the Financial Management Service, U.S. Treasury Department.

CORPORATE ACKNOWLEDGMENT

STATE OF ARIZONA

COUNTY OF _____

On this 12th day of March, 2004 before me personally appeared _____ to me known, who being by me duly sworn, that he/she is the _____ of the **S.J.L. Construction of Arizona, LLC** the corporation described in and which executed the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order.

Notary Public _____
(Notary Seal)

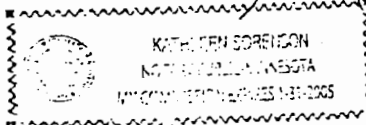
ACKNOWLEDGMENT OF CORPORATE SURETY

STATE OF MINNESOTA

COUNTY OF HENNEPIN

On this 12th day of March, 2004 before me appeared Gary R. Woodward to me known, who being by me duly sworn, did say that he is the aforesaid Attorney-in-Fact of the **Liberty Mutual Insurance Company**, a corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by the aforesaid officer, by authority of its Board of directors; and the aforesaid officer acknowledged said instrument to be the free act and deed of said corporation.

Notary Public, Kathleen E. Larson
(Notary Seal)



THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint **CRAIG REMICK, TONY D. BECKER, NATHAN P. HUGHES, STEVEN C. ARONSON, GARY R. WOODWARD, JANET D. BUERG, BRENDA J. PFEIFER, TERESA HAMMERS, LAURENT R. LAVENTURE, KATHLEEN SORENSON, ALL OF THE CITY OF BLOOMINGTON, STATE OF MINNESOTA**

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding **FIFTY MILLION AND 00/100**..... DOLLARS (\$ **50,000,000.00**.....) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-Laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 11th day of November, 2003.

LIBERTY MUTUAL INSURANCE COMPANY

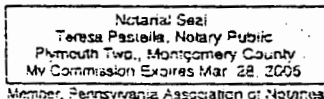


By Garnet W. Elliott
Garnet W. Elliott, Assistant Secretary

MMCMONTGOMERY COUNTY, PENNSYLVANIA ss

On this 11th day of November, 2003, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged to me that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

TESTIMONY
I have written:



By Teresa Pastella
Teresa Pastella, Notary Public

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the above power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the affirmative vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

NOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 12th day of March, 2004.



By David M. Carey
David M. Carey, Assistant Secretary

value guarantees.

currency rate, interest r

To confirm the validity of this Power of Attorney call

Centerra - Off-Site Sewer Improvements
Contract

2 - Morrison-Maierle Arizona, Inc.



MORRISON-MAIERLE ARIZONA, INC.



STANDARD AGREEMENT between OWNER AND SURVEYOR

Project Number 8290.011

THIS IS AN AGREEMENT made as of February 24, 2004 between MORRISON-MAIERLE ARIZONA, INC. (SURVEYOR) and Centerra, LLC, (OWNER). OWNER intends to have construction layout performed for Centerra, for the Elwood sewer line (hereinafter called the Project).

The Scope of Surveying Services shall include: Please see letter dated 01/30/04.

OWNER and SURVEYOR in consideration of their mutual covenants herein agree with respect to the performance of professional surveying services by SURVEYOR and the payment for those services by OWNER as set forth below:

METHOD OF PAYMENT

- Method 1 - HOURLY RATE - Hourly rates as specified in the Special Provisions or attachments hereto, plus an amount equal to SURVEYOR'S actual reimbursable expenses related to the project times a factor of
Method 2 - LUMP SUM - A lump sum fee of \$9,900.00.
Method 3 -

Payment is due upon receipt of SURVEYOR'S statement(s). OWNER agrees to pay interest at the maximum legal rate allowed by law for payments not received within 30 days after receipt of the statement.

SPECIAL PROVISIONS

Please see SOS letter dated 01/30/04 for Hourly Rate Schedule.

IN WITNESS WHEREOF, the parties hereto have made and executed this AGREEMENT as of the day and year first above written.

OWNER

Centerra, LLC

Signature of Owner representative

Title: DIRECTOR OF DEVELOPMENT

Address for giving notices:

9399 South Priest Drive

Tempe, AZ 85284

SURVEYOR

Morrison-Maierle Arizona, Inc.

Signature of Surveyor representative

Title: James G. Spring, P.L.S. VP of Survey Operations

Address for giving notices:

80 E. Rio Salado Parkway

Suite 201

Tempe, AZ 85281

The "General Provisions of Standard Agreement" on the attached pages to this form are a part of this AGREEMENT.



GENERAL PROVISIONS OF STANDARD AGREEMENT

SECTION 1 - BASIC SERVICES OF SURVEYOR

- 1.1 SURVEYOR shall perform professional survey services as set forth in the Scope of Services as described on page one of this AGREEMENT, or as further described in Attachments hereto.
- 1.2 Execution of this AGREEMENT by the OWNER constitutes written authorization for the SURVEYOR to proceed. Following this authorization, the SURVEYOR will consult further with the OWNER to review available data, site conditions and schedule.
- 1.3 SURVEYOR shall advise OWNER as to the necessity of the OWNER providing or obtaining from others data or services required for the Project which are not part of the SURVEYOR'S Scope of Services.
- 1.4 The standard of care for all professional surveying and related services performed or furnished by SURVEYOR under this AGREEMENT will be the care and skill ordinarily used by members of SURVEYOR'S profession practicing under similar conditions at the same time and in the same locality. SURVEYOR makes no warranties, express or implied, under this AGREEMENT or otherwise, in connection with SURVEYOR'S services. The SURVEYOR will be notified of any errors or omissions and will assist in determining corrective action. The SURVEYOR shall not be responsible for damages resulting from the misinterpretation or misuse of survey information by others.
- 1.5 The OWNER, without invalidating this AGREEMENT, may request a change in the scope of services and SURVEYOR shall issue to OWNER a proposal setting forth an adjustment to the fee for services representing the value of the requested change.

SECTION 2 - OWNER'S RESPONSIBILITIES

- 2.1 OWNER shall provide all previous documents relating to the Project, all criteria and full information as to OWNER's requirements for the Project and shall designate a person with the authority to act on OWNER's behalf on all aspects of the Project. OWNER shall give prompt written notice to SURVEYOR whenever he observes or otherwise becomes aware of any defect in the work.
- 2.2 OWNER shall be responsible for the following and pay all costs incident thereto:
- (1) Provide such legal, accounting and other counseling services as may be required for the project.
 - (2) Furnish approvals and permits from all governmental authorities having jurisdiction over the Project.
 - (3) Provide access to the site.
 - (4) Pay all permit, review and filing fees required by governmental agencies.

SECTION 3 - PAYMENT TO SURVEYOR

- 3.1 The SURVEYOR will submit monthly statements requesting payment which shall be based on the amount of services provided and expenses incurred by SURVEYOR during the billing period. Payment is due SURVEYOR upon receipt of statement by OWNER.
- 3.2 If OWNER fails to make any payment due SURVEYOR for services and expenses within thirty (30) days after receipt of SURVEYOR'S statement therefore, the amounts due SURVEYOR shall include an additional charge at the maximum legal rate allowed by law plus reasonable attorney fees, court costs and actual expenses incurred in connection with collection of any past due amount. SURVEYOR may suspend performance of services upon five (5) calendar days notice to the OWNER for failure of payments when due or any other breach of this AGREEMENT.
- 3.3 The type of fee will be specified on page one of this AGREEMENT and shall conform to one of the following methods of payment:
- Method 1 - HOURLY RATES.** OWNER shall pay SURVEYOR at the hourly rates specified on page one of this AGREEMENT or in attachments hereto, for all services rendered by principals, SURVEYORS and employees engaged on the project, plus an amount equal to SURVEYOR'S actual reimbursable costs related to the project times a factor to be specified on page one of this AGREEMENT.
- Method 2 - LUMP SUM.** OWNER shall pay SURVEYOR a lump sum fee for all services furnished by principals, SURVEYOR'S and employees engaged on this project necessary to complete the basic services described herein. Statements will be submitted based on SURVEYOR'S estimate of work completed during each billing period.
- Method 3 - OTHER METHOD.** A method to be agreed upon by OWNER and SURVEYOR and which shall be specified on page one or attachments to this AGREEMENT.



3.4 Reimbursable expenses mean the actual expenses incurred by SURVEYOR or SURVEYOR'S associates or consultants in connection with the Project such as expenses for: transportation, subsistence, telephone calls, postage, reproduction of documents, computer charges, equipment charges and similar project-related items.

SECTION 4 - MISCELLANEOUS

4.1 Reuse of Documents. All documents including field notes, calculations, sketches, drawings and daily logs prepared or furnished by SURVEYOR pursuant to this AGREEMENT are instruments of service in respect of the Project and are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by SURVEYOR for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to SURVEYOR, and OWNER shall indemnify and hold harmless SURVEYOR from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.

4.2 - DELETED

4.3 Conditions Beyond the Control of the SURVEYOR. The OWNER recognizes that in the course of completing the services under this AGREEMENT, the SURVEYOR may encounter conditions, which are beyond the control of the SURVEYOR and thus creating potential for claims and additional costs to the SURVEYOR, which are not covered in fees earned for services provided. This category includes, but is not limited to the following:

- ! Unknown underground utilities or other man-made underground objects not properly located.
- ! Changed codes or standards during the course of the work.
- ! Information provided by others, which is not accurate or complete.
- ! Conditions that may arise and differ significantly from those existing at the beginning of the project.

Should any such condition occur during the performance of this contract, judged to be beyond the control of the SURVEYOR, the OWNER shall waive any claim against the SURVEYOR and agrees to defend, indemnify and hold the SURVEYOR harmless from any claim or liability for injury or loss allegedly arising from the SURVEYOR'S encountering of said conditions. The OWNER agrees to compensate the SURVEYOR for any time spent and expenses incurred by the SURVEYOR in defense of any such claim with such compensation based upon the SURVEYOR'S prevailing fee schedule and expense reimbursement policy.

4.4 Dispute Resolution. In the event that a dispute should arise relating to the performance of the services to be provided under this AGREEMENT, the OWNER and SURVEYOR agree that they shall first submit the matter to mediation by a mutually agreed upon mediator. OWNER and SURVEYOR further agree to include a similar mediation agreement with all contractors, subcontractors, subconsultants, suppliers and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties. The Mediator's fee shall be shared equally by the parties. If the dispute is not resolved by mediation, the matter may then be considered by other methods of dispute resolution. If resulting in litigation, it is agreed that the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, including staff time, court costs, attorney's fees and other claim-related expenses.

4.5 Allocation of Risks - Indemnification. SURVEYOR agrees, to the fullest extent permitted by law, to indemnify and hold harmless OWNER, from and against any and all claims, costs, losses and damages caused solely by the negligent acts, errors or omissions of SURVEYOR in the performance of professional services under this AGREEMENT.

OWNER agrees, to the fullest extent permitted by law, to indemnify and hold harmless SURVEYOR, its officers, employees and consultants from and against any and all claims, costs, losses and damages (including but not limited to all fees and charges of SURVEYOR's, attorneys and other professionals and all court or dispute resolution costs) caused solely by the negligent acts, errors or omissions of OWNER and its officers and employees, agents, contractors and consultants with respect to this AGREEMENT.

4.6 Limitation of Cost. If SURVEYOR has reason to believe that the total cost of services to the OWNER for work under this AGREEMENT shall exceed the budgeted amount, SURVEYOR shall inform OWNER in writing of such and submit a revised estimated project cost for approval. OWNER shall not be obligated to reimburse SURVEYOR for costs incurred in excess of the estimated cost set forth in this AGREEMENT and SURVEYOR shall not be obligated to continue performance under the AGREEMENT or to incur costs in excess of the estimated cost set forth in this AGREEMENT unless and until OWNER has notified SURVEYOR in writing that the amount has been amended and shall have specified in such notice a revised estimated cost which shall thereupon constitute the estimated cost of services under this AGREEMENT.

4.7 Controlling Law. This AGREEMENT is to be governed by the law of the principal place of business of the SURVEYOR.

4.8 Certifications. The SURVEYOR shall not be required to execute any document that would result in its certifying, guaranteeing or warranting the existence of conditions whose existence the SURVEYOR cannot ascertain.



4.9 Termination. The obligation to provide further services under this AGREEMENT may be terminated by either party upon seven days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In the event of any termination, SURVEYOR will be paid for all services rendered and all reimbursable and termination expenses to the date of termination.

4.10 Successors and Assigns. OWNER and SURVEYOR each binds himself and his partners, successors, executors, administrators, assigns, and legal representatives to the other party of this AGREEMENT and to the partners, successors, executors, administrators, assigns and legal representatives of such other party, in respect to all covenants, agreements and obligations of this AGREEMENT. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than OWNER and SURVEYOR.

4.11 Notice of the Right to Claim a Lien. In accordance with the terms of this contract, the SURVEYOR will provide labor and materials for the improvement of the OWNER=s property or property for which the OWNER acts as agent. The terms of this contract also provide for specific payment terms to the SURVEYOR for services rendered. Should the OWNER not comply with these payment terms, the OWNER=s property or the agent-represented property may be subject to a lien against said property for all services and materials furnished for the project. The right to claim a lien is in compliance with the lien laws of the State under jurisdiction.

4.12 No Hire. SURVEYOR and OWNER agree that, without prior consent for the other party, neither will discuss or offer employment with any of the other parties associates or employees until one year after this AGREEMENT is terminated.

January 30, 2004

Mr. Dave Salomon
Centerra LLC
9399 South Priest Drive
Tempe, AZ 85284

Re: Construction Layout for Elwood sewer line.
MMI# 8290.011

Subject: Survey Cost Estimate

Dear Mr. Salomon:

I want to thank you for asking MMI to continue being a part of your team on the Centerra project. Outlined below is our given Scope and Estimated Cost, I ask that you review and comment if changes are required.

SCOPE OF SERVICES

Sewer line Improvements:

- | | | |
|----|--|-------------|
| 1. | Establish horizontal and vertical control points. | \$ 1,250.00 |
| 2. | Sanitary Sewer | |
| | a. Layout Manhole locations for review of Utilities conflicts. | \$ 1,000.00 |
| | b. Set offset line and grade stakes at 50-foot stations for 39/36-inch line. | \$ 3,500.00 |
| | c. Setline and grade stakes for manholes with 2 reference points each. | \$ 1,250.00 |
| | d. As-built survey of final location and grade for manholes. | \$ 1,000.00 |
| 3. | Office calculations and coordination. | \$ 1,900.00 |

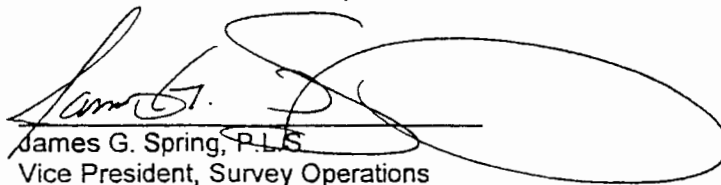
Private Funded Improvements cost, Phase VII: \$ 9,900.00

MMI Hourly Rates for additional staking & re-staking:

T5M/R1 = 2-Man Crew @	\$125.00/Hr.	\$165.00/Hr. OT
T5N/R1 = 3-Man Crew @	\$155.00/Hr.	\$185.00/Hr. OT
T5L/P2P = Office Technician @	\$ 75.00/Hr.	
P6M = PLS Review @	\$115.00/Hr.	

If we can be of further assistance please contact the undersigned.

Sincerely,
Morrison-Maierle Arizona, Inc.


James G. Spring, P.L.S.
Vice President, Survey Operations

Centerra - Off-Site Sewer Improvements
Contract

3 - Terracon Consulting Engineers & Scientists

BY [Signature] DATE [Signature]



4685 South Ash Avenue, Suite H-4
Tempe, Arizona 85282
(480) 897-8200 Fax: (480) 897-1133

February 13, 2004

Centerra, LLC
9399 South Priest Drive
Tempe AZ 85284
Phone: (480) 777-7757

Attn: David Solomon

Fax: (480) 777-7887 (6 pages)

Re: **Proposal for Construction Materials Testing Services
Off-Site Elwood Sewer @ Centerra
NWC Lower Buckeye and Estrella Parkway
Goodyear, Arizona
Terracon Reference No. C6504072**

Terracon is pleased to submit this proposal for providing construction materials testing services for the referenced project. This proposal includes an outline of the project information, proposed scope of services, our estimated fee, and authorization procedures.

PROJECT INFORMATION

Terracon has reviewed project plans and specifications as well as spoke with David Solomon of Centerra, LLC to obtain information about the project. We understand that the project will consist of an approximately 5,300 linear foot off-site sewer line which runs adjacent to Estrella Parkway and Elwood Street near the Centerra development in Goodyear, Arizona. The sewer ranges in size from 8 to 42 inches in diameter.

The project will also include 15-5 foot diameter sewer manholes and approximately 2,500 square feet of pavement replacement. Terracon has prepared this proposal under the assumption that water settling will be performed for compaction of backfill materials so that full-time observation will not be required during the work.

This work will be constructed in accordance with the City of Goodyear requirements, the project specifications, and the latest version of the MAG specifications.

PROPOSED SCOPE OF SERVICES

Our understanding of the required construction materials testing services for this project is based upon our review of the project plans and specifications, our review of the MAG

Arizona ■ Arkansas ■ California ■ Colorado ■ Georgia ■ Idaho ■ Illinois ■ Iowa ■ Kansas ■ Kentucky ■ Minnesota ■ Missouri
Montana ■ Nebraska ■ Nevada ■ New Mexico ■ North Carolina ■ Oklahoma ■ Tennessee ■ Texas ■ Utah ■ Wisconsin ■ Wyoming

Centera, LLC
Terracon Proposal No. C6504072

specifications, and our previous discussions with City of Goodyear personnel regarding construction materials testing requirements.

Miscellaneous Field Density Testing: We will provide a part-time (noncontinuous) Engineering Technician to perform miscellaneous field density testing on the project. The testing will be conducted to determine compliance with the project specifications for preparation of backfill placed in utility trenches. Terracon will complete field density testing of bedding at 400 foot intervals along the sewer. Additionally, Terracon will complete field density test at 400 foot increments along the pipe backfill at the surface and 4 foot depth increments.

Our field-testing will be supported by appropriate laboratory evaluation of soils used in the construction. The laboratory testing will include moisture-density relationships (Proctor tests), and when required, gradation and Plasticity Indices on each type of on-site or imported soil used in the miscellaneous earthwork operations.

Reports: We will prepare reports of all special inspections performed on the project. Field test and laboratory test results will be reported through Terracon's computerized laboratory management system (LMS). All reports will be reviewed by the assigned project manager prior to final submission. We will submit copies of the reports to the parties you designate or as required by the project plans and specifications.

COST OF SERVICES

The cost of our services, including all field work, laboratory testing, project management and report preparation has been estimated on the basis of unit rates especially prepared for this project as shown on the attached cost proposal. Our total estimated cost for provided the scope of work outlined above is \$13,110.

The time required for construction materials testing on the project will be directly related to the schedule and performance of the various contractors on the site. As a result, total fees for construction materials testing services will be based on applicable unit rates. The fees presented include only those services outlined in this proposal and the number of estimated trips to the site to complete the work. Additional services required for testing services beyond the on-site times outlined above will be invoiced at the applicable unit rates.

The following assumptions were used in preparing our scope of services and estimated fees:

- We have assumed that contractors on the site will work a single shift, 5-day per week schedule
- All work performed on Saturdays, Sundays, holidays or in excess of eight (8) hours per day will be billed at 1.5 times the applicable hourly rates;
- Testing and inspection services will be scheduled with 24 hours notice (whenever possible); and,
- Invoices for the project will be submitted on a monthly basis.

Centera, LLC
Terracon Proposal No. C6504072

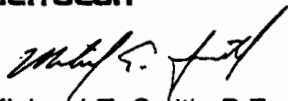
AUTHORIZATION

We appreciate the opportunity to submit this proposal and are available to discuss the details of this proposal with you. Our Terms and Conditions are considered a part of this proposal and have been attached for your review. If the Terms and Conditions are found to be acceptable, this agreement can be executed by forwarding 1 signed copy to our office.

We appreciate your consideration of Terracon for this work, and look forward to working as your construction materials testing consultant on this and future projects.

Sincerely,

Terracon



Michael E. Smith, P.E.
Construction Engineering Manager

Copies to: Addressee (3)

Enclosures: Cost Proposal
Terms and Conditions

Centerra, LLC
Off-Site Sewer Line at Elwood (Centerra)
Terracon Reference No.C6504072

Terracon

	<u>Quantity</u>	<u>Cost Per Unit</u>	<u>Total Cost</u>
• <i>Miscellaneous Field Density Testing</i>			
Engineering Technician hr(s)	210	\$44.00	\$9,240.00
Standard Proctor	3	115.00	345.00
PI and Sieve Analysis	5	125.00	625.00
Project Manager hr(s)	20	85.00	1,700.00
Trip(s)	30	40.00	1,200.00
			<hr/>
	Subtotal:		\$13,110.00
	TOTAL ESTIMATED FEE:		\$13,110.00

AGREEMENT FOR SERVICES

This **AGREEMENT** is between Centerra, LLC ("Client") and Terracon Consultants, Inc. ("Consultant") for Services to be provided by Consultant for Client on the Ellwood Sewer at Centerra Development project ("Project"), as described in the Project Information section of Consultant's Proposal dated February 13, 2004 ("Proposal") unless the Project is otherwise described in Exhibit A to this Agreement (which section or Exhibit are incorporated into this Agreement).

1. **Scope of Services.** The scope of Consultant's services is described in the Scope of Services section of the Proposal ("Services"), unless Services are otherwise described in Exhibit B to this Agreement (which section or exhibit is incorporated into this Agreement). Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence. If Services include purchase of software, Client will execute a separate software license agreement. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
2. **Acceptance.** Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and any additional or conflicting terms it contains are stricken. This Agreement shall not be assigned by either party without prior written consent of the other party.
3. **Change Orders.** Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Following Client's review, Client shall provide written acceptance. If Client does not follow these procedures, but instead directs, authorizes, or permits Consultant to perform changed or additional work, the Services are changed accordingly and Consultant will be paid for this work according to the fees stated or its current fee schedule. If project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.
4. **Compensation and Terms of Payment.** Client shall pay compensation for the Services performed at the fees stated in the Compensation section of the Proposal unless fees are otherwise stated in Exhibit C to this Agreement (which section or Exhibit is incorporated into this Agreement). If not stated in either, fees will be according to Consultant's current fee schedule. Fee schedules are valid for the calendar year in which they are issued. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing, at the address below, within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.5% per month, but not exceeding the maximum rate allowed by law, for an unpaid amount 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney fees. Consultant may suspend Services for lack of timely payment.
5. **Third Party Reliance.** This Agreement and the Services provided are for Consultant and Client's sole benefit and exclusive use with no third party beneficiaries intended. Reliance upon the Services and any work product is limited to Client, and is not intended for third parties. For a limited time period not to exceed three months from the date of the report, Consultant will issue additional reports to others agreed upon with Client, however Client understands that such reliance will not be granted until those parties sign and return Consultant's reliance agreement and Consultant receives the agreed-upon reliance fee.
6. **LIMITATION OF LIABILITY.** CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND EMPLOYEES) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF ~~\$50,000~~ ^{\$1,000,000} OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S COMMERCIAL GENERAL LIABILITY POLICY.
7. **Indemnity.** Consultant and Client shall defend, indemnify, and hold harmless the other, their agents, and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles.
8. **Warranty.** Consultant will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. CONSULTANT MAKES NO WARRANTIES OR GUARANTEE EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
9. **Insurance.** Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance; commercial general liability insurance; (iii) automobile liability insurance policies; and (iv) professional liability insurance. Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.

* SEE ADDITIONAL INSURANCE REQUIREMENTS BELOW

Agreement Reference Number (Terracon Proposal or Project Number): C6504072

- 1) TERRACON WILL MAINTAIN LIABILITY INSURANCE WITH A MINIMUM OF \$1,000,000
- 2) THE GENERAL LIABILITY COVERAGE WILL BE MAINTAINED BY TERRACON DURING THE PROJECT
- 3) CENTERRA LLC WILL BE NAMED AS ADDITIONAL INSURED UNDER TERRACON'S C.G.L. INSURANCE
- 4) CENTERRA LLC WILL BE NOTIFIED AT LEAST 30 DAYS PRIOR TO ANY LAPSE IN

- 10. CONSEQUENTIAL DAMAGES.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS OR REVENUE; LOSS OF USE OR OPPORTUNITY; LOSS OF GOOD WILL; COST OF SUBSTITUTE FACILITIES, GOODS, OR SERVICES; COST OF CAPITAL; OR FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES.
- 11. Dispute Resolution.** Client shall not be entitled to assert a Claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion from a registered, independent, and reputable engineer, architect, or geologist that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days, after which Client may pursue its remedies at law. This Agreement shall be governed by and construed according to Arizona law.
- 12. Subsurface Explorations.** Subsurface conditions throughout the site may vary from those depicted on logs of discrete borings, test pits, or other exploratory services. Client understands Consultant's layout of boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services.
- 13. Testing and Observations.** Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for notifying and scheduling Consultant so Consultant can perform these Services. Consultant shall not be responsible for the quality and completeness of contractor's work or their adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work, or create a warranty or guarantee. Consultant will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.
- 14. Sample Disposition, Affected Materials, and Indemnity.** Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Material unless specifically provided in the Services, and that Client is responsible for directing such disposition. In the event that test samples obtained during the performance of Services (i) contain substances hazardous to health, safety, or the environment, or (ii) equipment used during the Services cannot reasonably be decontaminated, Client shall sign documentation (if necessary) required to ensure the equipment and/or samples are transported and disposed of properly, and agrees to pay Consultant the fair market value of this equipment and reasonable disposal costs. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site. Accordingly, Client waives any claim against Consultant and agrees to indemnify and save Consultant, its agents, employees, and related companies harmless from any claim, liability or defense cost, including attorney and expert fees, for injury or loss sustained by any party from such exposures allegedly arising out of Consultant's non-negligent performance of services hereunder, or for any claims against Consultant as a generator, disposer, or arranger of Affected Materials under federal, state, or local law or ordinance.
- 15. Ownership of Documents.** Work product, such as reports, logs, data, notes, or calculations, prepared by Consultant shall remain Consultant's property. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices.
- 16. Utilities.** Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to subterranean structures or utilities that are not called to Consultant's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans furnished to Consultant.
- 17. Site Access and Safety.** Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any other parties, including Client, Client's contractors, subcontractors, or other parties present at the site.
- 18. Termination.** Either party may terminate this Agreement or the Services upon written notice to the other. In such case, Consultant shall be paid costs incurred and fees earned to the date of termination plus reasonable costs of closing the project.

Consultant: **Terracon Consultants, Inc.**

By: *Michael E. Smith* Date: 2/13/04
Name/Title: Michael E. Smith, P.E. / Dept. Manager
Address: 4685 S Ash Avenue, Suite H-4
Tempe, Arizona 85282
Phone: 480.897.8200 Fax: 480.897.1133

Client: CENTEZA LLC
By: *Thomas J. Di Rito* Date: 2-23-04
Name/Title: THOMAS J. DI RITO DIRECTOR OF DEVELOPMENT
Address: 9145 E. KENNON AVE STE 300 DENVER CO.
80237
Phone: 303-343-9742 Fax: 303-343-0413

Agreement Reference Number (Terracon Proposal or Project Number): C6504072

Centerra - Off-Site Sewer Improvements
Contract

4 - Fleet Fisher Engineering, Inc.

FLEET • FISHER ENGINEERING, INC.

4250 E. CAMELBACK RD. • SUITE 410K • PHOENIX, ARIZONA 85018
PHONE (602) 264-3335 • FAX (602) 840-9368

April 27, 2001

Mr. Tom DiRito
Gateway American
9145 E. Kenyon Avenue
Suite 202
Denver, CO 80237

Re: Centerra – Offsite Sewer Plan
FFENG Job No. 281-06

Dear Tom:

Fleet • Fisher Engineering, Inc. is please to submit this proposal to provide the field survey and engineering services as required to prepare the above referenced plan and obtain the approval of the City of Goodyear and Maricopa County Environmental Services Department for same.

Fleet • Fisher Engineering, Inc., hereby proposes to perform the following services for a lump sum of ~~\$96,650.00~~ for which you will be billed on a monthly percent complete basis per the attached fee schedule.

SCOPE OF WORK

1. Perform preliminary research with City of Goodyear, to determine feasibility, alignment, and size of the proposed sewer. (Time & Materials with an estimated budget). \$ 3,500.00
2. Set ground control for aerial topographic survey based on proposed sewer alignment. \$ 3,400.00
3. Obtain aerial topographic survey of proposed alignment. \$ 8,000.00
4. Prepare construction plans for a 36" (or a size to be determined by the City of Goodyear) diameter sewer line along Estrella Parkway from Yuma Road to Ellwood and a 39" diameter sewer line along Ellwood to an existing manhole near the center of Section 19. \$18,500.00

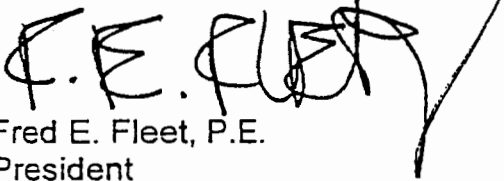
5. Obtain Engineering Design Report, plans, specifications, and cost estimate for a sewer lift station at the intersection of the Bullard Wash an Yuma Road. (T&M with estimated budget)	\$63,250.00
Total	\$96,650.00

The plan is to be prepared at a scale of 1" = 20' horizontally and 1" = 4' vertically as per the City of Goodyear Design Guidelines and will consist of approximately 7 sheets.

This proposal does not include any cost for construction staking, plan review fees or filed supervision and inspection.

If this proposal is acceptable, please sign both copies of the attached "Agreement between Client and Consultant and return one copy to this office such that we may commence our work effort.

Sincerely,
Fleet • Fisher Engineering, Inc.



Fred E. Fleet, P.E.
President

cc: Kimo Seymour

FLEET • FISHER ENGINEERING, INC.

4250 East Camelback Road, Suite 410K
Phoenix, Arizona 85018-2754
Phone (602) 264-3335 FAX (602) 840-9368
(CONSULTANT)

FFEI Job Number: 281-06

Date: April 27, 2001

This is an agreement for services to be performed. Consultant shall have no obligations to perform services hereunder prior to receipt by Consultant of this Agreement signed by Client. Any requested changes to this Agreement must be approved by Consultant. One fully executed copy will be returned to Client upon execution by Consultant. In the event any of the provisions of this Agreement are not agreeable to Client, Client should immediately advise Consultant. Unless signed and returned to Consultant within 60 days from the date first above written, this Agreement shall be null and void.

AGREEMENT BETWEEN CLIENT AND CONSULTANT

Client Name Gateway American
Client Address 9145 E. Kenyon Avenue
Denver, CO 80237

FFENG Project No. 281-06 Client Telephone Number (303) 843-9742 Client Fax Number (303) 943-0143

Project Description: Centerra – Offsite Sewer Plan

In consideration of their mutual promises, Client and Consultant agree as follows:

- A. Consultant agrees to perform the professional services delineated in the proposal letter date 04/27/01 attached hereto and incorporated herein by reference.**
- B. Client agrees to compensate Consultant for such services as delineated in the proposal letter dated 04/27/01 attached hereto and incorporated herein by reference.**
- C. The standard terms and conditions set forth below are a material part of this Agreement and are hereby incorporated herein and made a part of this Agreement.**

**TERMS AND CONDITIONS OF AGREEMENT
BETWEEN CLIENT AND CONSULTANT**

A. CLIENT'S RESPONSIBILITIES

- 1. Client agrees to cooperate in any and every way or manner with Consultant on the project.
- 2. Client shall furnish to Consultant all existing land surveys, soils data (including reports, tests and borings), laboratory tests, governmental permits, preliminary title reports and other information, documents, governmental fees, charges and materials necessary for Consultant to complete the work contemplated by this Agreement.
- 3. Consultant shall not be liable for damages resulting from the actions or inaction's of governmental agencies including, but not limited to, permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, project or plan approvals, and building permits. Client agrees that it is the responsibility of Client to maintain in good standing all government approvals and permits and to apply for any extensions thereof.
- 4. In the event Client discovers or becomes aware of changed field or other conditions which necessitate clarification, adjustments, modifications or other changes during-the construction phase of the project, Client agrees to notify Consultant and engage Consultant to prepare the necessary clarifications, adjustments, modifications or other changes to Consultant's work before construction activities commence or further activity proceeds. Further, Client agrees to have a provision in its construction contracts for the project which requires the contractor to notify Client of any changed field or other conditions so that Client may in turn notify Consultant pursuant to the provisions of this paragraph.

B. COMPENSATION

- 1. Upon acceptance of this agreement by Client, a prepayment of \$ NONE to cover project start-up costs and other working capital requirements will be required to initiate the project.
- 2. Consultant shall submit invoices to Client on a monthly basis. Invoices shall be due and payable upon receipt.
- 3. Client shall promptly review invoices and notify Consultant of any objection thereto. In the event Client does not object to the invoice in writing within ten (10) days of the invoice, the invoice shall be deemed proper and acceptable.
- 4. In the event any invoice is not paid within thirty (30) days after delivery of the invoice to Client, it shall commence bearing interest on the date the invoice was delivered to Client at the lesser of (i) one and one-half percent (1.5%) per

month and (ii) the maximum rate permissible under applicable law, and Client agrees to pay all accrued interest, together with charges for services rendered.

5. Any claim of offset by Client must be made within ten (10) days of the date of discovery. In the event of a claim, the parties hereto will immediately meet and negotiate to resolve the claim. If the claim is not resolved within twenty (20) days from the date of notice, Consultant has the right to stop work and will have no liability for stopping work whether or not the claimed offset is ultimately sustained.

6. In the event any invoice submitted under this Agreement or under any other agreement between Client and Consultant is not paid in full within sixty (60) days after delivery to Client, Client agrees that Consultant shall have the right to consider said default a material breach of this Agreement. Client shall have ten (10) days thereafter in which to cure said default. If said default is not cured by Client within such ten (10) day period, Consultant shall have the right, in addition to all other available rights and remedies, at law or in equity, to terminate this Agreement and all other agreements between Client and Consultant, even if the default is in payment of an invoice submitted under another agreement, and Client shall then promptly pay Consultant all of the fees and charges owing for all of the services performed by Consultant to the date of termination.

7. Client shall pay the cost of all reimbursable items such as checking and inspection fees, zoning and annexation application fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, permits, bond premiums, title company charges, delivery charges, blueprints and reproductions, and all other fees, charges and expenses not specifically covered by the terms of this Agreement. In the event such reimbursable items are paid directly by Consultant, then such charges and expenses shall be invoiced to Client at direct cost plus fifteen percent (15%) for handling.

8. In the event of any increase of costs due to the granting of wage increases and/or other employee benefits under the terms of any new labor agreement during the lifetime of this Agreement, the compensation to be paid to Consultant hereunder shall be adjusted to reflect such increase. Should the work extend beyond one (1) year of the date this Agreement is executed or if at any time change in the scope occurs, this Agreement shall be re-negotiated in order to incorporate any changes in the scope of services or the fees due hereunder. Consultant's fee for all work not performed prior to one (1) year after this Agreement is executed shall be increased by the percentage increase in the Consumer Price Index-All Urban Consumers (1982-84=100) based upon the index most recently published one (1) year after the date of this Agreement and the index published for the same month one (1) year prior (i.e., January to January, February to February, etc.) shall be used for such adjustment.

C. EXTRA SERVICES

1. Any services agreed to be performed by Consultant at the request of Client in addition to those set forth herein shall be paid for by Client as extra work in accordance with Consultant's prevailing hourly rates.

2. If Consultant, pursuant to this Agreement produces plans, specifications or other documents and/or performs field work, and such plans, specifications and other documents and/or field work are required by one or more governmental agency, and one or more such governmental agency changes its ordinances, policies, procedures or requirements after the date of this Agreement, any additional office or field work thereby required shall be paid for by Client as extra work.

3. In the event that any staking is destroyed by an act of God or parties other than Consultant, the cost of restaking shall be paid for by Client as extra work.

D. OWNERSHIP OF DOCUMENTS

All drawings, specifications and other work product of Consultant for this project are instruments of service for this project only and shall become the property of Client when Consultant has been compensated for services rendered except that computer software/models developed by Consultant for general applications and used to produce Consultant's work product for this project shall remain proprietary data of Consultant. Reuse of any of the instruments of service of Consultant by Client on extensions of this project or on any other project (whether or not such instruments are modified or not) without the written permission of Consultant shall be at Client's risk and Client agrees to defend, indemnify and hold Consultant harmless from and against any and all claims, damages, injuries, actions and expenses including attorneys' fees and costs of suit arising out of such unauthorized reuse of Consultant's instruments of service by Client or by others acting through Client. Client acknowledges that its right to utilize the services and work product provided pursuant to this Agreement will continue only so long as Client is not in default pursuant to the terms and conditions of this Agreement and Client has performed all obligations under this Agreement.

E. DATA DISK PROTECTION

Client understands that Consultant shall not deliver digital data as a final output of its work product. Should Client require an electronic format of Consultant's work product for convenience, Client shall execute Consultant's Data Disk Protection Agreement which shall be provided to Client upon Client's request for an electronic format.

F. DELAYS

All agreements on Consultant's part are contingent upon, and subject to, the provision that Consultant shall not be responsible for damages or be in default or to be deemed to be in default by reason of delays in performance by reason

of strikes, lockouts, work slowdown or stoppage, accidents, acts of God, and any other delays or factors or activities beyond Consultant's reasonable control, or due to shortages or unavailability of labor at established area wage rate or delays caused by failure of Client or Client's agents to furnish information or to approve or disapprove Consultant's work promptly, or due to late, slow or faulty performance by Client, or other contractors, or governmental agencies, the performance of whose work is precedent to or concurrent with the performance of Consultant's work. In the event of any such cause of delay, the time of completion shall be extended accordingly.

G. TERMINATION OR SUSPENSION

1. In the event that all of the services required to be performed under this Agreement have not been performed within twelve (12) months from the date hereof for any reason other than a default by Consultant hereunder, Consultant shall have the right, upon giving thirty (30) days written notice to Client, to terminate this Agreement and to be paid to the date of termination for all services rendered and costs incurred hereunder.
2. In the event any or all portions of the work prepared or partially prepared by Consultant are suspended, abandoned or terminated, Client shall pay Consultant for the work performed on an hourly basis not to exceed any maximum contract amount (including amounts due under Section C.1 above). Client acknowledges if the work is suspended and re-starts, there will be additional charges due to suspension of the work which shall be paid for by Client as extra work. Client shall promptly notify Consultant of termination or abandonment of work in writing. In the event this Agreement is terminated before completion of all services hereunder for any reason whatsoever, except Consultant's default hereunder, Consultant is hereby released from all liability for work performed.
3. Consultant shall be entitled to immediately, and without notice, suspend the performance of any and all of its obligations pursuant to this Agreement if Client files a voluntary petition seeking relief under the United States Bankruptcy Code or if there is an involuntary bankruptcy petition filed against the Client in the United States Bankruptcy Court, and that petition is not dismissed within fifteen (15) days of its filing. Any suspension of services made pursuant to the provisions of this paragraph shall continue until such time as this Agreement has been fully and properly assumed in accordance with the applicable provisions of the United States Bankruptcy Code and in compliance with the final order or judgment issued by the Bankruptcy Court.

H. LIMITATION OF LIABILITY

Client agrees to limit Consultant's aggregate liability to Client and to all contractors, subcontractors and suppliers on the project, due to the willful misconduct or the negligent acts, errors or omissions of Consultant to \$100,000.00 (one hundred thousand dollars) or the amount of Consultant's fee received hereunder, whichever is greater.

I. LIEN RIGHTS

The terms and provisions of this Agreement shall not be construed to alter, waive or affect any lien or stop notice rights which Consultant may have for the performance of services under this Agreement. Client agrees to provide Consultant with the present name and address of the record owner of the property on which the project is to be located within five (5) days following execution of this Agreement by Client. Client shall separately provide Consultant with the name and address of the original contractor and the construction lender who are entitled to receive a preliminary notice.

J. ATTORNEYS' FEES AND COSTS

Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, expert fees, court costs and attorneys' fees shall be paid to the prevailing party. In the event that Client institutes a suit against Consultant, either directly by complaint or by way of cross-complaint, including a cross-complaint for indemnity, for alleged negligence, error, omission, or other failure to perform and if Client fails to obtain a judgment in Client's favor, the lawsuit is dismissed, or if judgment is rendered for Consultant, Client agrees to pay Consultant all costs of defense, including attorneys' fees, expert witness fees, court costs, and any and all other expenses of defense. Client agrees such payments shall be made immediately following dismissal of the case or upon entry of judgment.

K. INDEMNIFICATION

Client hereby agrees to indemnify, defend and hold Consultant, its officers, directors, principals, agents and employees harmless from and against any and all claims, damages, injury, actions and expenses (including attorneys' fees and costs of suit) and including claims by Client for indemnification, relating to or in connection with the performance of work on this project or the failure of Client to comply with the terms of this Agreement, excepting only claims, damages, losses and expenses arising from the sole negligence or willful misconduct of Consultant.

L. INSURANCE

Consultant shall maintain in force at all times during the performance of this Agreement the following policy or policies of insurance covering its operation:

1. Commercial General Liability, including contractual liability, business and automobile liability, and products and completed operations, all of which shall include coverage for both bodily injury and property damage, with a combined single limit of \$1,000,000.00 (one million dollars).
2. Worker's Compensation coverage at statutory limits.

M. EQUAL OPPORTUNITY

Consultant shall not discriminate against any employee or applicant for employment because of race/color, sex, religion, age, marital status, national origin ancestry, or physical handicap.

N. GENERAL PROVISIONS

1. Consultant makes no warranty, either express or implied, as to its findings, recommendations, specifications, professional advice or other work except that these were prepared in accordance with generally accepted standards of the profession. Consultant shall have no responsibility or liability for soils and/or subsurface conditions, or discovery of hazardous materials, or for construction procedures and safety precautions, or for contractor performance. Client acknowledges that Consultant's scope of services for this project do not include any work related in any way to asbestos and/or hazardous waste. Should Consultant or any other party encounter such materials on the job site, or should it in any other way become known that such materials are present or may be present on the job site or any adjacent or nearby areas which may affect Consultant's work, Consultant may, at its option, terminate work on the project until such time as Client retains a specialist contractor to abate and/or remove the asbestos and/or hazardous waste materials and warrants that the job site is free from any hazards which may result from the existence of such materials. Client hereby agrees to indemnify, defend and hold Consultant harmless from and against any and all claims, damages, injuries, actions and expenses (including attorneys' fees and costs of suit) and waives all claims and/or liability against Consultant relating to, in any way, soils and/or subsurface conditions, hazardous materials and/or asbestos.
2. Consultant makes no representations concerning soil conditions unless specifically included in writing in this Agreement, and Consultant is not responsible for any liability that may arise out of the making or failure to make soil surveys, or subsurface soil tests, or general soil testing or any other matters relating to soil conditions.
3. Consultant makes no representation concerning the cost figures made in connection with maps, plans, specifications, drawings or estimates of quantity for materials other than that all cost figures and quantities are estimates only, and Consultant shall not be responsible for fluctuations in cost factors or figures.
4. In the event that Client requests a balanced earthwork condition in regard to cut-and-fill requirements on site, Consultant shall endeavor to the best of its professional ability to provide services that approach that requested condition. However, Consultant makes no guaranty, either expressed or implied, as to the final earthwork condition and Consultant has no liability regarding that condition.
5. In the event Consultant is required to perform a grading verification, it is understood that the grading verification is to verify only the items specifically requested by Client and is not a guarantee in any respect that all grading is in complete conformance with grading plans, nor does it release the grading contractor from its responsibility of conforming with the grading plans.
6. Unless this Agreement otherwise specifically provides, Client agrees that Consultant will perform no on-site inspection or construction review for this project, and that inspection services will be provided by Client to ensure compliance with Consultant's plans and specifications. Client hereby agrees to indemnify, defend and hold Consultant, its officers, directors, principals, agents and employees harmless from and against any and all claims, damages, injuries, actions and expenses (including attorneys' fees and costs of suit) and waives all claims and/or liability against Consultant occasioned by others performing site inspection or construction review for this project.
7. Client agrees that the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project, including safety of all persons and property and that this requirement shall be made to apply continuously and not be limited to normal working hours.
8. Client shall require in its Agreement with the general contractor and any subcontractors that Consultant be named as an additional insured on its respective comprehensive general liability policies and, notwithstanding this requirement, the respective insurers will be required to waive their right to subrogate against Consultant in the event of any loss.
9. Client acknowledges that Consultant is not responsible for the performance of work by third parties including, but not limited to, the construction contractor and its subcontractors. Client hereby agrees to indemnify, defend and hold Consultant, its officers, directors, principals, agents and employees harmless from and against any and all claims, damages, injuries, actions and expenses (including attorneys' fees and costs of suit) arising out of or relating to the project or this Agreement, excepting any claims, damages, losses and expenses arising out of or resulting from the sole negligence or willful misconduct of Consultant.
10. In the event that any changes are made in the plans and specifications by Client or persons other than Consultant any and all liability arising out of such changes is waived as against Consultant and Client assumes full responsibility for such changes unless Client has given Consultant prior notice and has received from Consultant written consent for such changes.

11. Upon written request, each of the parties hereto shall execute and deliver, or cause to be executed and delivered, such additional instruments and documents which may be necessary and proper to carry out the terms of this Agreement.

12. One or more waivers of any term, condition or covenant by Consultant shall not constitute a waiver of a subsequent breach of the same or any other term, condition or covenant.

13. In the event any provision of this Agreement shall be held to be invalid or unenforceable, the other provisions of this Agreement shall be valid and binding on the parties hereto.

O. INDEPENDENT CONTRACTOR

Both parties to this Agreement shall be acting in an independent capacity and not as agents, employees, partners or joint venturers with one another.

P. ASSIGNMENT

This Agreement binds Consultant and Client and their heirs, executors, administrators, successors, assigns and partners. Neither party shall assign, sublet or transfer its interests, rights or obligations in this Agreement without the prior written consent of the other party hereto.

Q. ENTIRE AGREEMENT

There are no understandings or agreements except as expressly stated herein. This Agreement contains the entire agreement between Client and Consultant relating to the project and the provision of services to the project. No prior agreements, promises, negotiations or representations shall be valid and binding on Client and/or Consultant unless expressly set forth in this Agreement.

R. GOVERNING LAW

This Agreement shall be construed and enforced in accordance with the laws of the state of Arizona. Client agrees that in the event Client institutes litigation to enforce or interpret the provisions of this Agreement, such litigation is to be brought and adjudicated in the appropriate court in the county in which Consultant's office is located, and Client waives the right to bring, try or remove such litigation to any other county or judicial district.

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this agreement upon the terms, conditions and provisions above stated.

CENTERRA, LLC.
Client
By: [Signature]
Title Manager Date 6/14/01

FLEET • FISHER ENGINEERING, INC.
Consultant
By: [Signature]
Fred E. Fleet, P.E.
Title President Date 27 APR 2001

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Bullard Wash Improvements

**Centerra
Bullard Wash Improvements**

Description	Amount
1 2007 Bullard Wash Improvement Costs	\$ 126,800
Total 2007 Costs Bullard Wash	<u>\$ 126,800</u>
Total Bullard Wash Improvement Costs	<u>\$ 126,800</u>

**Centerra
Bullard Wash Improvements Approved with 2005 Feasibility Report**

Description	Amount
1 Bullard Wash Improvements Approved with 2005 Feasibility Report (1)	\$ 507,200
Total	<u>\$ 507,200</u>
Portion Financed with 2005 Bond Series (2)	<u>\$ (402,669)</u>
Total Bullard Wash Improvement Costs	<u>\$ 104,531</u>
Footnote:	
(1) The total improvement costs were approved with the 2005 Feasibility Report.	
(2) Only a portion of the costs were financed through the Series 2005 Bond Proceeds.	

Appendix E

**Assessed Valuation and the Effect on
the District Tax Rate**

**CENTERRA COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2008**

*Estimated Debt Service Requirements
and Projected Impact on the Secondary Tax Rate*

(1)	(2)	(3)		(4)	(5)		(6)	(7)		(8)
Fiscal Year	Secondary Assessed Valuation (a)	Bonds Outstanding		Secondary Tax Rate (b)	\$1,875,000 Series 2008 Bonds Dated: 3/12/08		Interest (c)	Combined Debt Service		Secondary Tax Rate (b)
		Debt Service	Debt Service		Principal	Debt Service		Debt Service		
2006/07	\$8,646,053	\$220,812		\$2.70				\$220,812		\$2.70
2007/08	14,226,243	217,713		1.61	\$110,000		\$36,901	364,614		2.70
2008/09	14,226,243	219,450		1.62	30,000		114,725	364,175		2.69
2009/10	14,226,243	220,913		1.63	30,000		112,775	363,688		2.69
2010/11	14,226,243	217,100		1.61	35,000		110,825	362,925		2.69
2011/12	14,226,243	218,288		1.62	35,000		108,550	361,838		2.68
2012/13	14,226,243	219,200		1.62	35,000		106,275	360,475		2.67
2013/14	14,226,243	219,838		1.63	40,000		104,000	363,838		2.69
2014/15	14,226,243	220,200		1.63	40,000		101,400	361,600		2.68
2015/16	14,226,243	220,325		1.63	45,000		98,800	364,125		2.69
2016/17	14,226,243	220,175		1.63	45,000		95,875	361,050		2.67
2017/18	14,226,243	219,710		1.63	50,000		92,950	362,660		2.68
2018/19	14,226,243	218,970		1.62	55,000		89,700	363,670		2.69
2019/20	14,226,243	217,955		1.61	60,000		86,125	364,080		2.69
2020/21	14,226,243	216,665		1.60	65,000		82,225	363,890		2.69
2021/22	14,226,243	220,083		1.63	65,000		78,000	363,083		2.69
2022/23	14,226,243	217,968		1.61	70,000		73,775	361,743		2.68
2023/24	14,226,243	220,578		1.63	70,000		69,225	359,803		2.66
2024/25	14,226,243	217,638		1.61	80,000		64,675	362,313		2.68
2025/26	14,226,243	219,423		1.62	85,000		59,475	363,898		2.69
2026/27	14,226,243	220,658		1.63	85,000		53,950	359,608		2.66
2027/28	14,226,243	221,360		1.64	90,000		48,425	359,785		2.66
2028/29	14,226,243	221,513		1.64	100,000		42,575	364,088		2.69
2029/30	14,226,243	221,115		1.64	105,000		36,075	362,190		2.68
2030/31	14,226,243	220,815		1.63	110,000		29,250	360,065		2.66
2031/32	14,226,243				340,000		22,100	362,100		2.68
		<u>\$5,488,460</u>			<u>\$1,875,000</u>					

(a) 2006/07 and 2007/08 are actual and subsequent years assume no growth.

(b) Secondary tax rates are per \$100 of assessed valuation, assume a 5% delinquency in tax collections and do not include the \$0.30 O&M levy.

(c) Interest is estimated at 6.50%.

Appendix F

Financial Model

SOURCES AND USES OF FUNDS

Centerra Community Facilities District
District General Obligation Bonds, Series 2008

Dated Date 03/12/2008
Delivery Date 03/12/2008

Sources:

Bond Proceeds:	
Par Amount	1,875,000.00
Other Sources of Funds:	
Release of the Depository Agreement	246,300.00
Developer's Contribution	117,500.00
	<hr/>
	363,800.00
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	2,238,800.00
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Uses:

Project Fund Deposits:	
Public Infrastructure Improvements	1,875,000.00
Delivery Date Expenses:	
Cost of Issuance	80,000.00
Underwriter's Discount	37,500.00
	<hr/>
	117,500.00
Other Uses of Funds:	
Release of the Depository Agreement	246,300.00
	<hr/>
	2,238,800.00
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BOND DEBT SERVICE

Centerra Community Facilities District
District General Obligation Bonds, Series 2008

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2008	110,000	6.500%	36,901.04	146,901.04	146,901.04
01/01/2009			57,362.50	57,362.50	
07/01/2009	30,000	6.500%	57,362.50	87,362.50	144,725.00
01/01/2010			56,387.50	56,387.50	
07/01/2010	30,000	6.500%	56,387.50	86,387.50	142,775.00
01/01/2011			55,412.50	55,412.50	
07/01/2011	35,000	6.500%	55,412.50	90,412.50	145,825.00
01/01/2012			54,275.00	54,275.00	
07/01/2012	35,000	6.500%	54,275.00	89,275.00	143,550.00
01/01/2013			53,137.50	53,137.50	
07/01/2013	35,000	6.500%	53,137.50	88,137.50	141,275.00
01/01/2014			52,000.00	52,000.00	
07/01/2014	40,000	6.500%	52,000.00	92,000.00	144,000.00
01/01/2015			50,700.00	50,700.00	
07/01/2015	40,000	6.500%	50,700.00	90,700.00	141,400.00
01/01/2016			49,400.00	49,400.00	
07/01/2016	45,000	6.500%	49,400.00	94,400.00	143,800.00
01/01/2017			47,937.50	47,937.50	
07/01/2017	45,000	6.500%	47,937.50	92,937.50	140,875.00
01/01/2018			46,475.00	46,475.00	
07/01/2018	50,000	6.500%	46,475.00	96,475.00	142,950.00
01/01/2019			44,850.00	44,850.00	
07/01/2019	55,000	6.500%	44,850.00	99,850.00	144,700.00
01/01/2020			43,062.50	43,062.50	
07/01/2020	60,000	6.500%	43,062.50	103,062.50	146,125.00
01/01/2021			41,112.50	41,112.50	
07/01/2021	65,000	6.500%	41,112.50	106,112.50	147,225.00
01/01/2022			39,000.00	39,000.00	
07/01/2022	65,000	6.500%	39,000.00	104,000.00	143,000.00
01/01/2023			36,887.50	36,887.50	
07/01/2023	70,000	6.500%	36,887.50	106,887.50	143,775.00
01/01/2024			34,612.50	34,612.50	
07/01/2024	70,000	6.500%	34,612.50	104,612.50	139,225.00
01/01/2025			32,337.50	32,337.50	
07/01/2025	80,000	6.500%	32,337.50	112,337.50	144,675.00
01/01/2026			29,737.50	29,737.50	
07/01/2026	85,000	6.500%	29,737.50	114,737.50	144,475.00
01/01/2027			26,975.00	26,975.00	
07/01/2027	85,000	6.500%	26,975.00	111,975.00	138,950.00
01/01/2028			24,212.50	24,212.50	
07/01/2028	90,000	6.500%	24,212.50	114,212.50	138,425.00
01/01/2029			21,287.50	21,287.50	
07/01/2029	100,000	6.500%	21,287.50	121,287.50	142,575.00
01/01/2030			18,037.50	18,037.50	
07/01/2030	105,000	6.500%	18,037.50	123,037.50	141,075.00
01/01/2031			14,625.00	14,625.00	
07/01/2031	110,000	6.500%	14,625.00	124,625.00	139,250.00
01/01/2032			11,050.00	11,050.00	
07/01/2032	340,000	6.500%	11,050.00	351,050.00	362,100.00
	1,875,000		1,918,651.04	3,793,651.04	3,793,651.04