

**SR-007 – ST. ROSE SEWER SPECIAL REFUNDING AREA AGREEMENT BETWEEN  
PULTE HOMES, SOUTH EDGE, LLC AND THE CITY OF HENDERSON  
FOR THE ST. ROSE SEWER, GENERALLY FROM EXECUTIVE AIRPORT DRIVE TO THE CITY  
OF HENDERSON SATELLITE WATER RECLAMATION FACILITY (SWRF)**

THIS AGREEMENT made and entered into this 4<sup>th</sup> day of December, 2008, by and between the CITY OF HENDERSON, a Nevada Municipal Corporation, hereinafter referred to as CITY, and PULTE HOMES, INC., 8345 W. SUNSET ROAD, LAS VEGAS, NEVADA, 89113, and SOUTH EDGE, LLC, 3455 CLIFF SHADOWS PARKWAY, SUITE 220, LAS VEGAS, NEVADA, 89129, hereinafter referred to as OWNER (S).

WHEREAS, OWNER(S) in accordance with and pursuant to Henderson Municipal Code have constructed and/or installed APPROXIMATELY 18,584 LINEAL FEET OF SEWER KNOWN AS THE ST. ROSE SEWER, generally located from Executive Airport Drive to the City of Henderson's Southwest Water Reclamation Facility (SWRF) in the City of Henderson, Nevada; and

WHEREAS, the CITY pursuant to said Henderson Municipal Code, has agreed to refund the cost of certain eligible portions of the construction of said facilities to the extent allowed and as provided in said Henderson Municipal Code; and

WHEREAS, OWNER(S) are willing to and does hereby dedicate said improvement(s) to the City of Henderson, Nevada; and

WHEREAS, OWNER(S) has complied with the provisions of Henderson Municipal Code and has sought at least three (3) bids for the project and the CITY has determined that the actual audited cost of \$12,791,847.83 represents a reasonable value of the costs of construction;

In consideration of the foregoing dedication, it is hereby agreed as follows:

W I T N E S S E T H:

The CITY shall refund to OWNER(S) the eligible costs of construction as follows:

1. Over a twenty (20) year period up to a maximum equivalent residential unit (ERU) of 58,061.92. Said ERU amount shall be paid only from participation and refunding fees collected by the CITY from other third party developments participating in the SR-007 – St. Rose Sewer Special Refunding Area except for those developments that the CITY has prepaid to the OWNER(S). Under no circumstances shall the CITY be

CITY be required to refund any amount except out of fees collected from other developers and participants in the St. Rose Sewer Special Refunding Area.

OWNER(S) acknowledges and agrees that if for any reason whatsoever the CITY is unable to collect said refunding fees from said developments, then upon the expiration of the twenty (20) year period, the refund set forth herein is extinguished.

OWNER(S) acknowledges the fees and expenses due and owing the CITY prior to the execution of this document; and that collection and reimbursement fees will be withheld pursuant to Henderson Municipal Code as amended. Currently:

A. Initiation, Engineering, and Auditing Expenses and Fees

- (1) An initiation fee of \$950.00 for the administrative, legal, utility services and financial departments to review and set up the agreement and administer it.
- (2) An engineering review and auditing fee, *excluding services covered by plan checking and inspection fees*, of \$14,286.00. These amounts will be collected prior to the execution of this agreement. Any additional fees required to cover the actual cost of the agreement or audit will be deducted from any future refunds.

B. Collection and Reimbursement Expenses and Fees

- (1) A \$50.00 collection fee will be charged for each collection transaction processed and the fee will be withheld from reimbursements under the agreement to cover collection and reimbursement costs of the CITY.

C. Additional Matters

- (1) All the above fixed monetary amounts shall be indexed to the calendar year gross national product implicit price deflator and shall be adjusted each July 1st to maintain fee equity through the years.
- (2) All fees and expenses shall be added to the basic refunding amount to permit the OWNER(S) to have an opportunity to be reimbursed for all costs and fees.
- (3) CITY administrative fees and expense are charged on a time and material basis. CITY

staff time will be valued at 150% of the CITY employees' hourly earnings.

2. The amount refundable shall be paid quarterly from fees collected by the CITY from properties participating in the St. Rose Sewer Special Refunding Area, subject of this Agreement and the exception set forth in paragraph 1 above, until the total amount refundable has been paid or for a period of twenty (20) years, whichever occurs first. The twenty (20) year period during which refunds are due shall commence on the date that the infrastructure covered by the Agreement is completed and accepted by the CITY, which is agreed to be December 4, 2007.
3. In the event any expense is incurred by the CITY due to defective materials or workmanship on any improvement installed by the OWNER(S) within a period of one (1) year after completion of such improvement, the amount of such expense shall be deducted from any refunds which may become due thereafter.
4. Benefit areas and improvement locations are described and delineated on the attached Exhibit 1.
5. Table 1 identifies the various costs incurred by the OWNER(S). Table 2 identifies the available ERUs per sewer segment. Table 3 identifies the cost per ERU per sub-area. Only said costs not a part of any Local Improvement District, or any other refunding agreement presently in place with the CITY, are eligible for refunding. The OWNER(S) acknowledges that these tables represent the audited costs associated with this project.
  - A. Included with this agreement is Evaluation Audit and Summary of Costs Eligible for Refunding by City of Henderson, Title 14, Section 16 (Ordinance 1440), St. Rose Sewer Special Refunding Area SR-0007, Summary Copy – Final Audit Report dated April 15, 2008, prepared by Gomez Consulting Group.

END OF TEXT

IN WITNESS WHEREOF, the CITY and OWNER(S) have executed or caused to be executed by their duly authorized representatives, this Agreement, in duplicate, the day and year first above written:

OWNER (S):

[Signature]  
Jeff Deason  
PULTE HOMES, INC.

[Signature]  
Thomas J. DeVore *for Holdings Manager*, LLC  
SOUTH EDGE, LLC

On this 17<sup>TH</sup> day June of, 2008, before me personally appeared Jeff Deason whose identity was proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is (are) subscribed in this instrument, and acknowledged that he (she) executed the same.

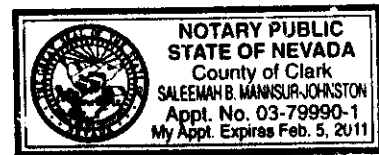
[Signature] (SEAL)  
Annette M. Watkins  
Notary Public  
My Commission Expires on 3-19-11



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On this 13<sup>th</sup> day August of, 2008, before me personally appeared Thomas J. DeVore whose identity was proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is (are) subscribed in this instrument, and acknowledged that he (she) executed the same.

[Signature] (SEAL)  
Saleemah B. Mansur-Johnston  
Notary Public  
My Commission Expires on 2-5-2011



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CITY OF HENDERSON, NEVADA:  
[Signature]  
Mary Kay Peck, FAICP  
City Manager

ATTEST:  
[Signature]  
Monica Martinez Simmons, MMC  
City Clerk

COUNCIL ACTION  
DEC 4 2007

APPROVED AS TO AMOUNT:  
[Signature]  
Dennis B. Porter, P.E.  
Director of Utility Services

APPROVED AS TO FORM:  
[Signature]  
Shauna Hughes, Esq.  
City Attorney

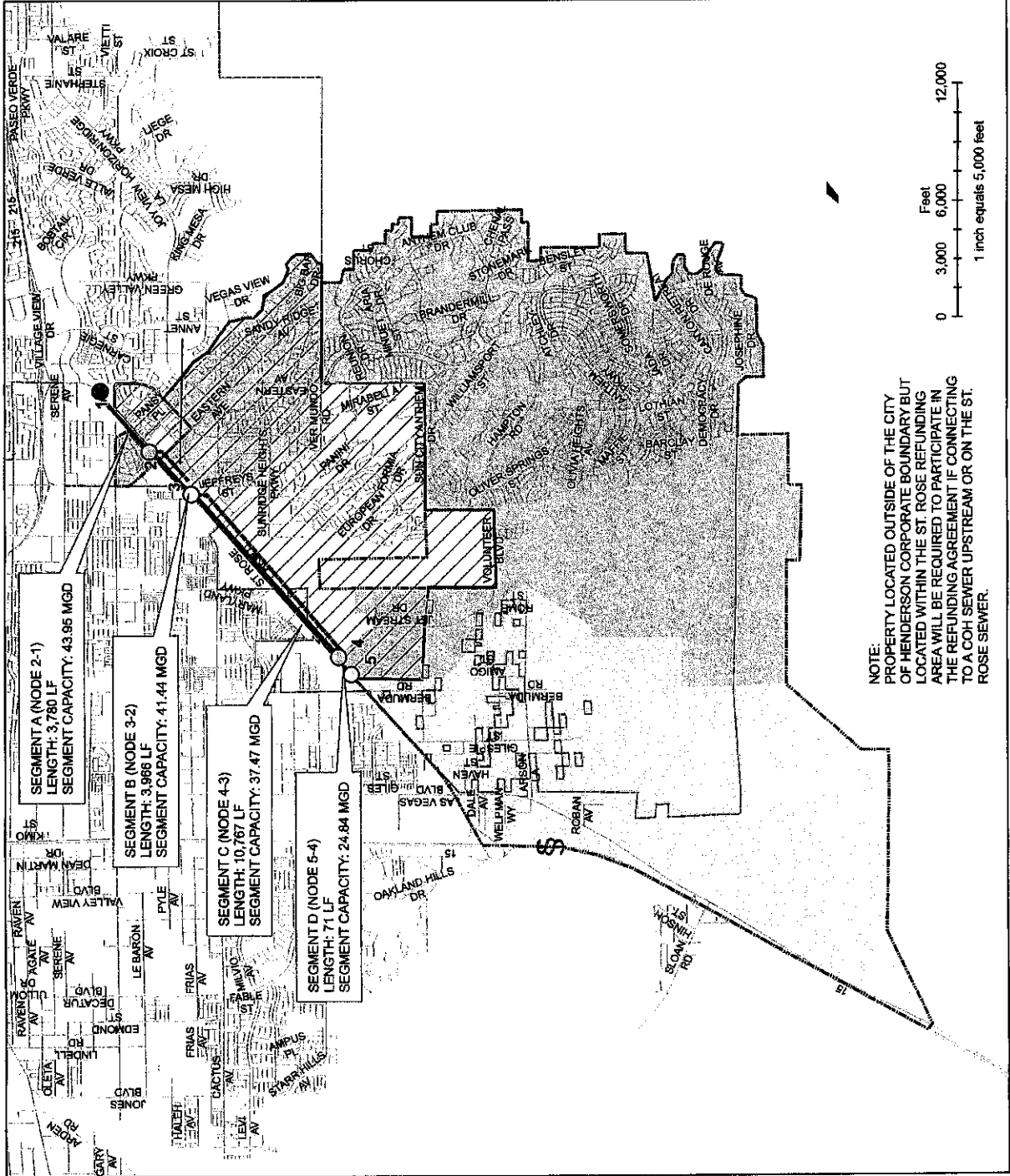
**Exhibit 1**



**REFUNDING REPORT FOR  
ST. ROSE SEWER SPECIAL  
REFUNDING AREA**

**LEGEND**

- ST ROSE SEWER SPECIAL REFUNDING AREA
- ST. ROSE SEWER (PROJECT)
- EXISTING BACKBONE INFRASTRUCTURE
- SUB AREA A
- SUB AREA B
- SUB AREA C
- SUB AREA D
- NODE (POINT AT WHICH SUB-AREA FLOWS ENTER SYSTEM)
- HENDERSON CORPORATE BOUNDARY
- PREVIOUSLY SOUTH WEST REFUNDING AREA



**EXHIBIT I  
ST. ROSE SEWER  
SPECIAL REFUNDING AGREEMENT**



**G. C. WALLACE COMPANIES**  
ENGINEERS PLANNERS SURVEYORS  
G:\PROJECTS\devp\st-rose\st-rose.dwg

**Table 1**

**Facility Costs Sharing  
St. Rose Sewer Project**

<b>PROJECT</b>	<b>DESIGN</b>	<b>CONSTRUCTION COST</b>	<b>RELATED COST</b>	<b>PROJECT COST</b>
Segment A (Actual)	\$211,790.52	\$2,539,408.81	\$200,622.04	\$2,951,821.37
Segment B (Actual)	\$173,907.31	\$3,135,664.78	\$108,837.61	\$3,418,409.70
Segment C (Actual)	\$576,998.23	\$5,624,603.90	\$182,814.43	\$6,384,416.56
Segment D (Actual)	\$4,010.53	\$31,794.51	\$1,395.15	\$37,200.19
<b>TOTALS</b>	<b>\$966,706.60</b>	<b>\$11,331,472.00</b>	<b>\$493,669.23</b>	<b>\$12,791,847.83</b>
<b>Pulte Contribution</b>	<b>\$688,312.05</b>	<b>\$7,403,372.20</b>	<b>\$216,857.49</b>	<b>\$8,308,541.74</b>
<b>South Edge Contribution</b>	<b>\$278,394.55</b>	<b>\$3,928,099.80</b>	<b>\$276,811.74</b>	<b>\$4,483,306.09</b>

**Table 2**

**Equivalent Residential Units (ERUs) Per Segment  
St. Rose Sewer Project**

<b>SEGMENT</b>	<b>SEGMENT CAPACITY (ERU's)</b>	<b>PULTE CONTRIBUTIONS (ERU's)</b>	<b>SOUTH EDGE CONTRIBUTIONS (ERU's)</b>	<b>REMAINING ERUs ELIGIBLE FOR REFUNDING (ERU's)</b>
A	90,459.63	16,666.00	15,760.00	58,033.63
B	84,756.92	10,935.00	15,760.00	58,061.92
C	75,828.60	10,935.00	15,760.00	49,133.60
D	48,132.48	0	0	48,132.48



**Table 3**

**Cost Per Equivalent Residential Unit (ERU) Per Sub-Area  
St. Rose Sewer Project**

NODES	2-1	3-2	4-3	5-4
SEGMENT/SUB-AREA	A	B	C	D
SEGMENT COST	\$2,951,821.37	\$3,418,409.70	\$6,384,416.56	\$37,200.19
ESTIMATED SEGMENT'S AVAILABLE ERU's	90,459.63	84,756.92	75,828.60	48,132.48
COST PER ERU	\$32.63	\$40.33	\$84.20	\$0.77
<b>COST PER ERU PER SUB-AREA</b>	<b>\$32.63</b>	<b>\$72.96</b>	<b>\$157.16</b>	<b>\$157.93</b>