

PVCFD#3 RES 07-016

RESOLUTION OF THE BOARD OF DIRECTORS OF PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3 (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 \$5,000,000 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 Palm Valley Community Facilities District No. 3 (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 constructed 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 OF THE PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3 (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 2007.

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

"*District*" shall mean the Palm Valley Community Facilities District No. 3 (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 June 25, 2007, 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.

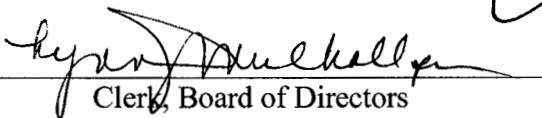
Section 2. Approval of Feasibility Report. Published notice of the public hearing on the Report has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The Clerk has provided the Report 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 June 25, 2007, the Report is hereby adopted and approved in the form submitted to the Board.

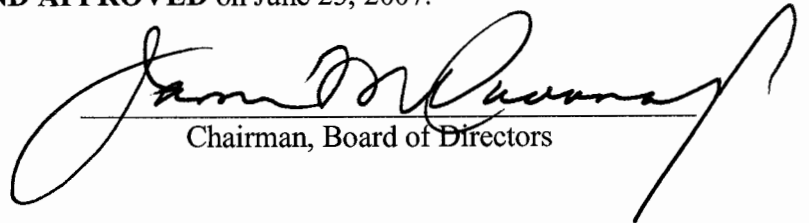
Section 3. Resolution of Intent. This Board hereby identifies the public infrastructure of the Project, the areas benefited, the expected method of financing and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Report, for any and all purposes 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 \$5,000,000 principal amount of Bonds to finance the costs of the Project.

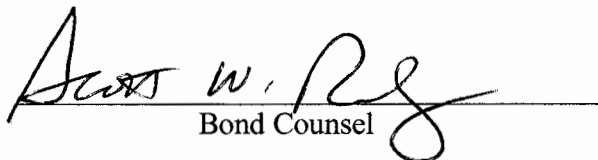
PASSED, ADOPTED AND APPROVED on June 25, 2007.

ATTEST:


Clerk, Board of Directors


Chairman, Board of Directors

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 Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) at a special meeting held on June 25, 2007, 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.

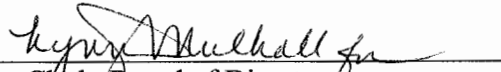

Clerk, Board of Directors

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:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Palm Valley Phase V Improvements</u>	<u>Estimated Costs</u>
1. Camelback Road Channel: 303 Loop to Bullard Drain - Design and construction improvements for this drainage channel.	<u>\$1,130,000</u>
<u>Total Phase V Improvements:</u>	<u>\$1,130,000</u>
 <u>Palm Valley Phase VIII Improvements</u>	
2. Loop Road (Virginia Ave): McDowell Road to PebbleCreek Parkway - Build second half of roadway.	\$2,400,000
3. Monte Vista (South Loop Road) - Design and build a new roadway.	4,900,000
4. 159th Avenue - Design and build a new roadway.	<u>1,300,000</u>
<u>Total Phase VIII Improvements:</u>	<u>\$8,600,000</u>
 <u>Regional Mall Improvements</u>	
5. Bullard Road - Four Lanes (East Half) from I-10 to McDowell - Design and build a new roadway.	<u>\$1,750,000</u>
<u>Total Regional Mall Improvements:</u>	<u>\$1,750,000</u>
<u>Total All Improvements:</u>	<u>\$11,480,000</u>

FEASIBILITY REPORT

For The Issuance of

**Not to Exceed
\$5,000,000 Principal Amount**

OF

**PALM VALLEY
COMMUNITY FACILITIES DISTRICT NO. 3
(CITY OF GOODYEAR, ARIZONA)**

DISTRICT GENERAL OBLIGATION BONDS

SERIES 2007

June 25, 2007

TABLE OF CONTENTS

	<u>SECTION</u>
Introduction; Purpose of Feasibility Report; and General Description of District	ONE
Description of Public Infrastructure	TWO
Map Showing Area to be Benefited	THREE
Estimate of Cost and Timetable for Acquisition of Public Infrastructure	FOUR
Plan of Finance	FIVE
	 <u>APPENDIX</u>
Legal Description for Palm Valley Community Facilities District No. 3 of the City of Goodyear, Arizona	1
An analysis of the impact of the financing on the tax rates or other charges borne by the owners of the Property	2
An analysis of the effect on the City of Goodyear's general financing abilities	3
An analysis of the project infrastructure demand and market absorption	4
Example Homebuyer Disclosure Form	5

SECTION ONE

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

INTRODUCTION

This Feasibility Report (the "Report") has been prepared for presentation to the Board of Directors of the Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) (the "District") in connection with the proposed issuance by the District of its District General Obligation Bonds, Series 2007 (the "Bonds") in an approximate principal amount of not to exceed \$5,000,000, pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (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 and of the plan for financing such Public Infrastructure in accordance with the provisions of A.R.S. 48-715. Pursuant to A.R.S. 48-715, this Report includes (i) a description of the Public Infrastructure to be financed [Section Two]; (ii) a map showing, in general, the area to be benefited by the Public Infrastructure [Section Three]; (iii) an estimate of the cost to acquire, operate and maintain the Public Infrastructure and a timetable for the acquisition of the Public Infrastructure [Section Four]; and (iv) a plan for financing the Public Infrastructure [Section Five].

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

GENERAL DESCRIPTION OF THE DISTRICT

Formation of the District was approved by the City on February 9, 2004 upon the request of SunCor Development Company and an election forming the District and authorizing the issuance of bonds was held and approved. The District consists of approximately 3,110 acres and is located within the City boundaries.

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 the approximately 9,000-acre master planned development known as "Palm Valley" ("Project"). The District will overlap a portion of the existing Community Facilities Utilities District No. 1 (the "Utilities District") that does not include Community Facilities General District No. 1 ("General District") or PebbleCreek, an approximately 2,600-acre age-restricted community. The District allows for the continuation of public infrastructure financing in a manner which balances project amenities and provides for the accelerated construction of public benefits.

A legal description of the District is included in Appendix 1. A map of the District is included in Section Three of this Report. The acquisition of the Public Infrastructure as defined in this Report is consistent with the City of Goodyear approved General Plan of Palm Valley. See Section Five of this Report for detail regarding secondary assessed valuation in the District.

When the District was created, it was an integral component of the various Development Agreements between the City and SunCor. This cooperative agreement permitted the utilization of community facilities district financing by SunCor and the annexation of approximately 7,000 acres of land to the City. The ability to utilize District financing for Public Infrastructure needed for the Project is a core understanding between the City and SunCor. Both SunCor and the City have included CFDs in their respective operating budgets and models for the build-out of the Project.

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

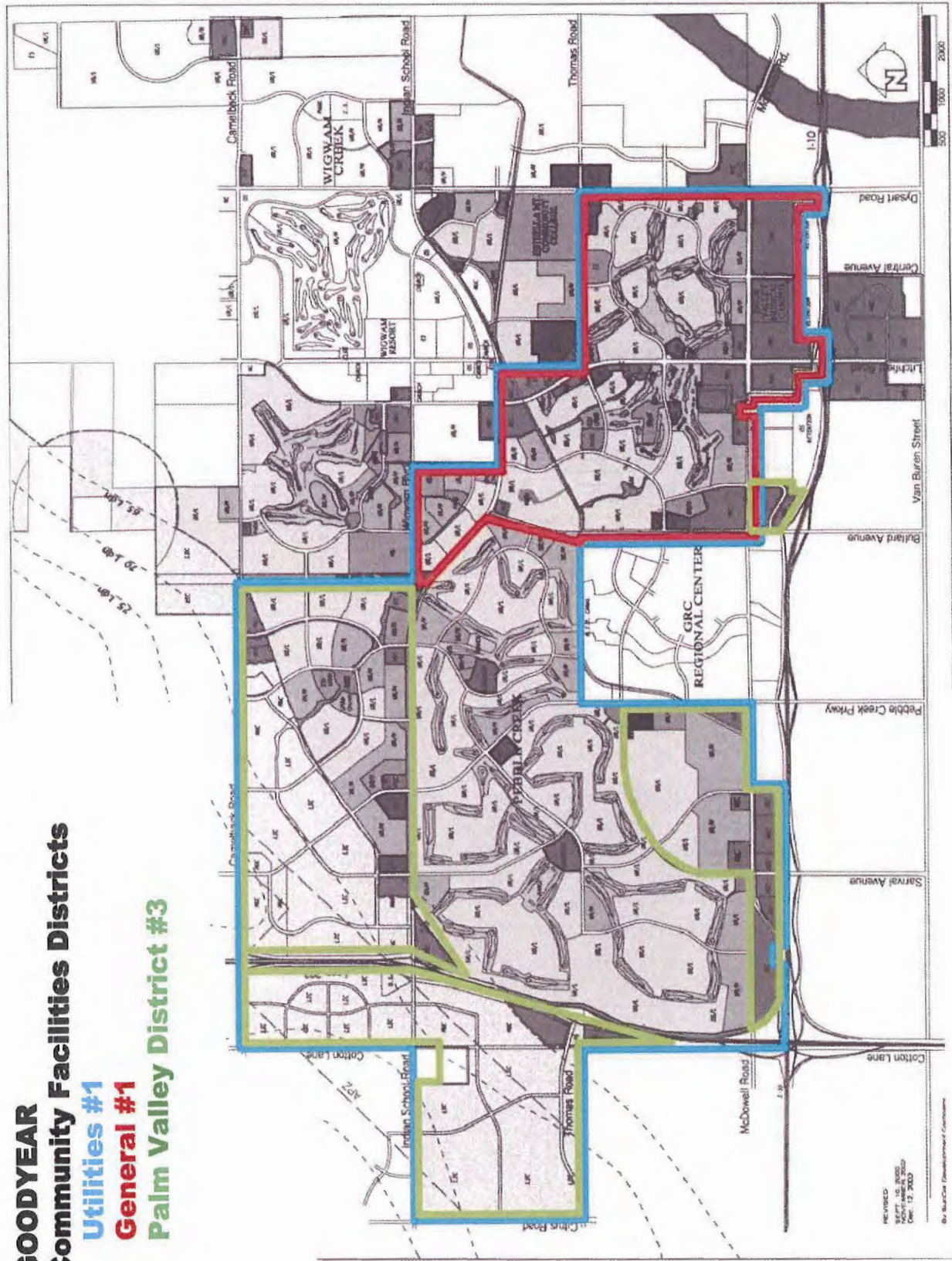
DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Palm Valley Phase V Improvements</u>	Estimated Costs
<p>1. Camelback Road Channel: 303 Loop to Bullard Drain - Design and construct improvements for this drainage channel. The work will include grading, complete drainage structures and landscaping.</p> <p style="margin-left: 40px;">A. Length - 21,120 L.F. +/- B. Width - 250 L.F.</p>	<p>\$1,130,000</p>
<u>Total Phase V Improvements:</u>	<u>\$1,130,000</u>
 <u>Palm Valley Phase VIII Improvements</u>	
<p>2. Loop Road (Virginia Ave): McDowell Road to PebbleCreek Parkway - Build second half of roadway. It will also include sidewalk, curb and gutter, landscape and concrete drainage structure and storm drain system.</p> <p style="margin-left: 40px;">Road Length 7,600 L.F. Road Width 46" +/- Curb Width 2' Sidewalk Width 5' Landscape Parkway Varies</p>	<p>\$2,400,000</p>
<p>3. Monte Vista (South Loop Road) - Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, drainage structure and storm drain system.</p> <p style="margin-left: 40px;">Road Length 5,600 L.F. Road Width 84" +/- Curb Width 2' Sidewalk Width 8' Landscape Parkway Varies</p>	<p>4,900,000</p>
<p>4. 159th Avenue - Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, drainage structure and storm drain system.</p> <p style="margin-left: 40px;">Road Length 850 L.F. Road Width 104' +/- Curb Width 2' Sidewalk Width 8' Landscape Parkway Varies</p>	<p>1,300,000</p>
<u>Total Phase VIII Improvements:</u>	<u>\$8,600,000</u>
 <u>Regional Mall Improvements</u>	
<p>5. Bullard Road - Four Lanes (East Half) from I-10 to McDowell - Design and build a new roadway that will include sidewalk, curb and gutter, landscape and concrete, all utilities except sewer and water, drainage structure and storm drain system. There will also be street lights and 50% of a traffic signal at McDowell.</p> <p style="margin-left: 40px;">Road Length 1,350 L.F. Road Width 150' +/- Curb Width 2' Sidewalk Width 8' Landscape Parkway Varies</p>	<p>1,750,000</p>
<u>Total Regional Mall Improvements:</u>	<u>\$1,750,000</u>
<u>Total All Improvements:</u>	<u>\$11,480,000</u>

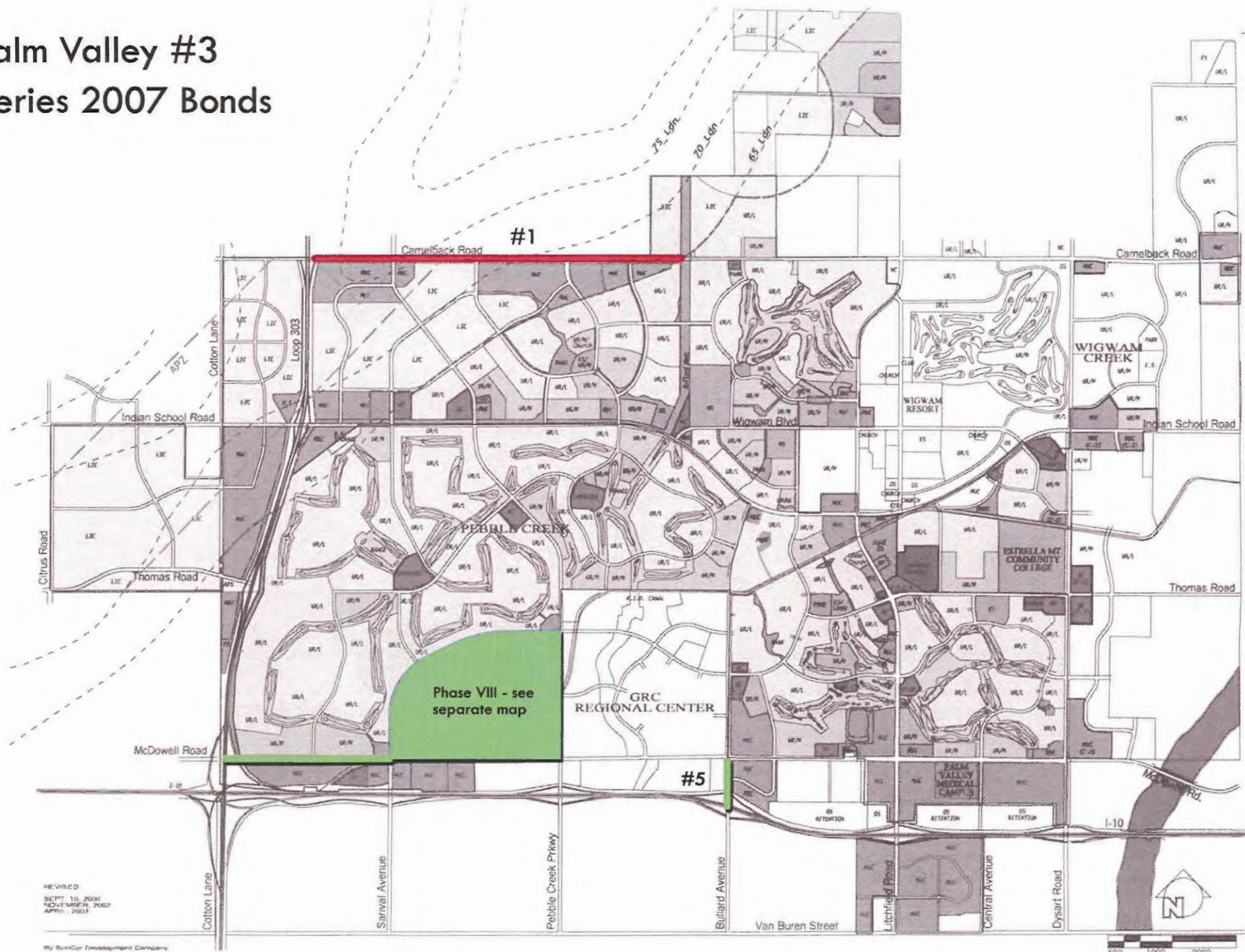
SECTION THREE

MAPS SHOWING AREA TO BE BENEFITED

GOODYEAR
Community Facilities Districts
Utilities #1
General #1
Palm Valley District #3



Palm Valley #3 Series 2007 Bonds



REVISED
SEPT 10, 2000
NOVEMBER 2002
APRIL 2003

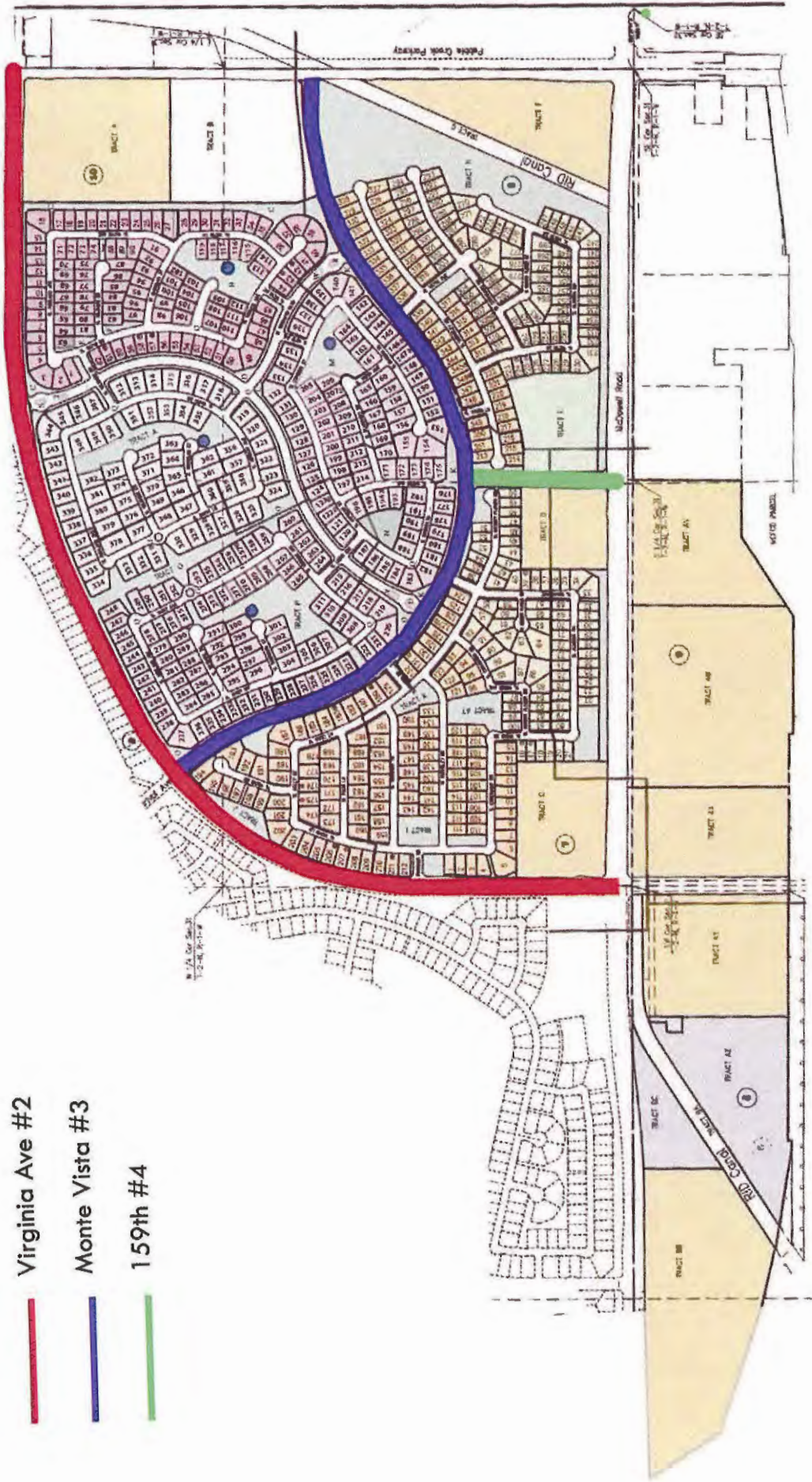
By: BGC Development Company

Palm Valley Phase VIII

Virginia Ave #2

Monte Vista #3

159th #4



SECTION FOUR

**ESTIMATE OF COST AND TIMETABLE FOR
ACQUISITION OF PUBLIC INFRASTRUCTURE**

**ESTIMATE OF COST AND TIMETABLE
FOR ACQUISITION OF PUBLIC INFRASTRUCTURE**

The table below outlines the estimated construction costs of the Public Infrastructure, the estimated completion date, the City's Capital Improvement Plan date ("CIP"), and the CIP code, if applicable.

<u>Projects</u>	<u>Estimated Costs</u>	<u>Completion Date</u>	<u>CIP Date *</u>	<u>CIP Code</u>
<u>Palm Valley Phase V Improvements</u>				
1. Camelback Road Channel - 303 Loop to Bullard Drain	\$1,130,000	Completed	N/A	N/A
Total Phase V Improvements	\$1,130,000			
<u>Palm Valley Phase VIII Improvements</u>				
2. Loop Road (Virginia Ave) - McDowell Rd to PebbleCreek Pkwy	2,400,000	3Q/07	FY99-05	S37, S18
3. Monte Vista (South Loop Road)	4,900,000	3Q/07	NA	NA
4. 159th Ave	1,300,000	3Q/07	NA	NA
Total Phase VIII Improvements	\$8,600,000			
<u>Regional Mall Improvements</u>				
5. Bullard Road - Four Lanes (East Half) from I-10 to McDowell	1,750,000	3Q/07	NA	NA
Total Regional Mall Improvements	\$1,750,000			
Total All Improvements	\$11,480,000			

* Projects not listed in current CIP are shown as N/A.

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

The Public Infrastructure will be acquired by the District by way of a Plan of Finance herein described. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with Federal and State law.

Formation and Authorization

The City Council, in response to a petition from the owners of 100% of the property within the District, adopted a resolution forming the District on February 9, 2004. A bond election was held on November 16, 2004 authorizing \$125,000,000 of District general obligation bonds to be issued over time.

Proposed Bond Sale

It is proposed that the District issue general obligation bonds in a principal amount not to exceed \$5,000,000 to acquire a portion of the Public Infrastructure listed in Section 2. The amount shown on the cover of this report is a not-to-exceed amount and the actual amount of bonds issued may be lower. It is proposed that the Bonds will have a 25-year maturity. (See Table One of this section for an estimated debt service schedule and for a debt service versus projected revenue schedule.)

It is proposed that the Bonds will be unrated and sold through a limited offering ("non-public" offering pursuant to A.R.S. 48-722).

Existing Debt

The District issued \$4,540,000 of general obligation bonds in August 2006, leaving \$120,460,000 principal amount of authorized, but unissued, District general obligation bonds. Subsequent to the sale of the Bonds, the District will have approximately \$115,960,000 principal amount of authorized, but unissued, District general obligation bonds.

The maximum target debt tax rate of the District is \$1.90 per \$100 of secondary assessed value. Given the preliminary secondary assessed value in the District as of August 2007, it is anticipated that the target debt tax rate will not exceed \$1.90 per \$100 of secondary assessed value.

Sources and Uses of Funds

The estimated Sources and Uses of Funds relating to the issuance of the Bonds is shown below:

Sources

Par Amount of Series 2007 General Obligation Bonds	\$4,500,000
Contribution by Developer for Costs of Issuance	<u>254,750</u>
Total	<u>\$4,754,750</u>

Uses

Public Infrastructure	\$4,500,000
Costs of Issuance (Including Underwriter's Discount)*	<u>254,750</u>
Total	<u>\$4,754,750</u>

* Listed on the following page are the estimated Costs of Issuance to be paid by the Developer.

Bond Counsel	\$60,000
Underwriter's Discount	101,250
Financial Advisor	20,000
Underwriter's Counsel	50,000
Limited Offering Memorandum Printing	10,000
Trustee Fees	8,500
Miscellaneous	<u>5,000</u>
Total	<u>\$254,750</u>

District Tax Rate

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 on all taxable property within the boundaries of the District. This tax rate includes a not to exceed amount of \$0.10 per \$100 of secondary assessed valuation for operations and maintenance of the District. It is anticipated that a tax rate of \$1.5295 will be sufficient to pay the debt service on the Bonds.

Existing Standby Contribution Agreement

The District has an existing Standby Contribution Agreement for the benefit of its outstanding Series 2006 General Obligation Bonds. It is anticipated that secondary assessed valuations within the District will have increased to the point that the Standby Contribution Agreement may be released in conjunction with the closing of the Bonds under the historical, current and prospective tests set forth in the Indenture of Trust relating to the Series 2006 Bonds. Secondary assessed valuations within the District are such that a standby contribution agreement will not be required to support the Bonds.

Homeowner's Property Tax Obligation

At the maximum \$2.00 tax rate level, assuming a home price of \$400,000, the District portion of a tax bill for a homeowner would equal approximately \$57 per month or \$680 annually. (See Table Two of this Section for full cash value and secondary assessed valuation history of the District.)

Disclosure of Property Tax Payments

A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the "Public Report"). Each homebuyer must be supplied a Public Report and, prior to home sale, the homebuyer must acknowledge by signature that they have read and accepted the Public Report.

In addition, the homebuilders require the homebuyer to sign an additional form that highlights and discloses the additional property tax payments as a result of any existing District. (See Appendix 5 for an example copy of the SunCor Disclosure Statement.)

TABLE ONE

**PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
(CITY OF GOODYEAR, ARIZONA)**

Projected Tax Rates and Standby Contribution Payment Amounts

Fiscal Year	Net Secondary Assessed Valuation (SAV) (1)	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> \$4,540,000 Series 2006 Dated: 8/30/2006 </div>		<div style="border: 1px solid black; padding: 2px; display: inline-block;"> \$4,500,000 Series 2007 Dated: 9/1/2007 </div>		Total Debt Service	Debt Tax Rate (3)	District Revenues @ \$1.90 Debt Tax Rate (3)
		Principal	Interest	Principal	Interest (2)			
2005-06	\$1,555,000						\$0.0000	\$0
2006-07	18,314,287	\$125,000	\$204,232			\$329,232	1.7977	330,573
2007-08	44,332,804	100,000	228,095	\$110,000	\$206,063	644,158	1.4530	800,207
2008-09	44,332,804	105,000	223,745	90,000	230,475	649,220	1.4644	800,207
2009-10	44,332,804	110,000	219,020	90,000	225,750	644,770	1.4544	800,207
2010-11	44,332,804	115,000	213,960	95,000	221,025	644,985	1.4549	800,207
2011-12	44,332,804	120,000	208,555	100,000	216,038	644,593	1.4540	800,207
2012-13	44,332,804	125,000	202,855	110,000	210,788	648,643	1.4631	800,207
2013-14	44,332,804	130,000	196,793	115,000	205,013	646,805	1.4590	800,207
2014-15	44,332,804	135,000	190,423	120,000	198,975	644,398	1.4535	800,207
2015-16	44,332,804	145,000	183,740	125,000	192,675	646,415	1.4581	800,207
2016-17	44,332,804	150,000	176,490	135,000	186,113	647,603	1.4608	800,207
2017-18	44,332,804	160,000	168,540	140,000	179,025	647,565	1.4607	800,207
2018-19	44,332,804	170,000	160,060	145,000	171,675	646,735	1.4588	800,207
2019-20	44,332,804	175,000	151,050	155,000	164,063	645,113	1.4552	800,207
2020-21	44,332,804	185,000	141,775	165,000	155,925	647,700	1.4610	800,207
2021-22	44,332,804	195,000	131,970	175,000	147,263	649,233	1.4645	800,207
2022-23	44,332,804	205,000	121,635	180,000	138,075	644,710	1.4543	800,207
2023-24	44,332,804	215,000	110,770	190,000	128,625	644,395	1.4535	800,207
2024-25	44,332,804	230,000	99,375	200,000	118,650	648,025	1.4617	800,207
2025-26	44,332,804	240,000	87,185	210,000	108,150	645,335	1.4557	800,207
2026-27	44,332,804	255,000	74,465	220,000	97,125	646,590	1.4585	800,207
2027-28	44,332,804	265,000	60,950	235,000	85,575	646,525	1.4583	800,207
2028-29	44,332,804	280,000	46,905	245,000	73,238	645,143	1.4552	800,207
2029-30	44,332,804	295,000	32,065	260,000	60,375	647,440	1.4604	800,207
2030-31	44,332,804	310,000	16,430	275,000	46,725	648,155	1.4620	800,207
2031-32	44,332,804			615,000	32,288	647,288	1.4601	800,207
		\$4,540,000	\$3,651,082	\$4,500,000	\$3,799,688	\$16,490,769		

- (1) The fiscal year 2006 and 2007 secondary assessed valuation is actual. Fiscal year 2008 is preliminary, as provided by the Maricopa County Assessor's Office. Fiscal year 2008/09 and thereafter assumes no annual growth.
- (2) Interest is estimated at 5.25%.
- (3) Assumes a 95% collection rate of District Revenues. Actual tax rate for fiscal year 2006/07 is \$1.90.

TABLE TWO**PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3***Full Cash and Secondary Assessed Valuation*

<u>Fiscal Year</u>	<u>Full Cash Value</u>	<u>Secondary Assessed Value</u>	<u>SNAV % Change</u>
2005-06	\$7,125,415	\$1,161,269	- %
2006-07	122,757,626	18,314,287	1,477%
2007-08 (a)	344,025,575	44,332,804	142%

Source: Maricopa County Assessor's Office.
(a) Preliminary as of February 2007.

APPENDIX 1

**LEGAL DESCRIPTION FOR PALM VALLEY
COMMUNITY FACILITIES
DISTRICT NO. 3
(CITY OF GOODYEAR, ARIZONA)**

EXHIBIT "A"

Parcel No. 1:

A portion of G.L.O. Lot 3 and G.L.O. Lot 4 and the Northwest quarter of Section 4, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona and more particularly described as follows:

Beginning at the Northwest corner of said Section 4;

thence South 89° 58' 00" East and along the North line of said Section 4, a distance of 94.86 feet;

thence South 0° 02' 00" West, a distance of 55.00 feet to a point on the South line of the North 55.00 feet of said Section 4 and the TRUE POINT OF BEGINNING of the herein described parcel;

thence South 89° 58' 00" East and along said South line, a distance of 1468.89 feet;

thence South 0° 06' 10" West, a distance of 1338.87 feet to a point on the Northerly right of way line of the Phoenix-Ehrenberg Highway (I-10);

thence North 89° 36' 17" West and along said Northerly right of way line, a distance of 255.95 feet;

thence South 0° 07' 47" West and along the Westerly right of way line of said Phoenix-Ehrenberg Highway (I-10), a distance of 434.82 feet;

thence North 70° 28' 04" West and along a Northerly right of way line of said Phoenix-Ehrenberg Highway, a distance of 1353.69 feet to a point 33.00 feet East of the West line of said Section 4;

thence North 0° 11' 00" East parallel to and 33 feet East of the West line of said Section 4, a distance of 1280.23 feet;

thence South 89° 58' 00" East, a distance of 22.00 feet;

thence North 45° 06' 30" East, a distance of 56.64 feet to the TRUE POINT OF BEGINNING.

Parcel No. 2:

That portion of the North half of the Northwest quarter of Section 6, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the North line of the Interstate Highway (I-10) as described in Instrument recorded in Docket 12302, page 1042, records of Maricopa County, Arizona.

Parcel No. 3:

That part of Lots 1 to 4, inclusive of Section 1, Township 1 North, Range 2 West of the Gila and Salt River Base and Meridian Maricopa County, Arizona, lying North of the North right of way line of the Interstate Highway (I-10) as set forth in Docket 12302, page 1042, records of Maricopa County, Arizona;

EXCEPT COMMENCING at a brass cap in a handhole monumenting the Northwest corner of the Northwest quarter of said Section 1;

EXHIBIT "A"
(Continued)

thence South 89° 40' 11" East along the North line of said Northwest quarter a distance of 55.00 feet to a POINT OF BEGINNING;

thence continue South 89° 40' 11" East along the said North line a distance of 335.00 feet;

thence South 00° 10' 45" West 838.77 feet to the North right of way line of Interstate 10;

thence North 82° 46' 28" West along the said North right of way line a distance of 339.71 feet to a line 55.00 feet East of and parallel with the West line of said Northwest quarter;

thence North 00° 19' 57" East along the said parallel line a distance of 797.88 feet to the POINT OF BEGINNING; and also

EXCEPT BEGINNING at the Northwest corner of said Section 1;

thence along the West line of said Section 1, South 0° 03' 11" West 1142.42 feet;

thence South 89° 38' 48" East 1940.70 feet;

thence South 89° 38' 48" East 650.00 feet;

thence North 0° 21' 12" East 154.00 feet to the TRUE POINT OF BEGINNING;

thence continuing North 0° 21' 12" East 100.00 feet;

thence South 89° 38' 48" East 400.00 feet;

thence South 0° 21' 12" West 100.00 feet;

thence North 89° 38' 48" West 400.00 feet to the TRUE POINT OF BEGINNING.

Parcel No. 4:

All of Section 19, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Parcel No. 5:

All of Section 20, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the East half of the East half of said Section 20; and

EXCEPT a portion of the Northwest quarter of said Section 20, more particularly described as follows;

Beginning at the Southwest corner of said Northwest quarter;

thence North 55° 47' 23" East, a distance of 48.99 feet to the TRUE POINT OF BEGINNING of the herein described parcel;

EXHIBIT "A"
(Continued)

thence North 0° 32' 36" East, a distance of 65.57 feet;

thence South 86° 46' 01 " East, a distance of 39.93 feet;

thence South 20° 23' 12" East, a distance of 69.87 feet;

thence North 88° 04' 10" West, a distance of 64.86 feet to the TRUE POINT OF BEGINNING.

Parcel No. 6:

All of Section 31, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT that part of the Southwest quarter more particularly described as follows:

BEGINNING at the Northeast corner of the Southwest quarter of said Section 31;

thence North 89° 23' 23" West along the North line of said Southwest quarter a distance of 40.00 feet to the TRUE POINT OF BEGINNING;

thence South 00° 17' 44" West along a line parallel to and 40.00 feet West of the East line of said Southwest quarter a distance of 2639.88 feet to a point on the South line of said Southwest quarter 40.00 feet West of the Southeast corner of said Southwest quarter;

thence North 89° 21' 31" West a distance of 720.01 feet along the south line of said Southwest quarter;

thence North 00° 17' 44" East a distance of 560.01 feet;

thence South 89° 21' 31" East a distance of 600.01 feet;

thence North 00° 17' 44" East a distance of 2079.80 feet to a point on the North line of said Southwest quarter;

thence South 89° 23' 23" East a distance of 120.00 feet along the North line of said Southwest quarter to the TRUE POINT OF BEGINNING; and

EXCEPT the West 440.00 feet of the East 600.00 feet of the North 720.00 feet of the Southwest quarter of said Section 31 more particularly described as follows:

BEGINNING at a point on the North line of said Southwest quarter which lies 160.00 feet West of the Northeast corner of said Southwest quarter;

thence South 00° 17' 44" West a distance of 720.01 feet;

thence North 89° 23' 23" West a distance of 440.01 feet;

thence North 00° 17' 44" East a distance of 720.01 feet;

thence South 89° 23' 23" East a distance of 440.01 feet to the POINT OF BEGINNING; and

720302281/ PL/

EXHIBIT "A"
(Continued)

EXCEPT any portion of said Section 31 that lies Westerly, Northwesterly and Northerly of the following described line:

Beginning at the Southwest corner of said Section 31;

thence North $0^{\circ} 17' 04''$ East, a distance of 1413.66 feet to a point of a curve, concave Southeasterly, having a radius of 2000.00 feet;

thence Northeasterly, along the arc of said curve, through a central angle of $63^{\circ} 51' 10''$, an arc length of 2228.88 feet;

thence North $64^{\circ} 08' 14''$ East, a distance of 768.30 feet to a point of a curve, concave Southeasterly, having a radius of 4000.00 feet;

thence Northeasterly, along the arc of said curve, through a central angle of $26^{\circ} 12' 00''$, an arc length of 1829.11 feet;

thence South $89^{\circ} 39' 46''$ East, a distance of 1631.38 feet to a point on the East line of said Section 31 and the Terminus Point of said line; and

EXCEPT COMMENCING at the Southeast corner of said Section 31;

thence North $00^{\circ} 03' 59''$ West along the East line of said Section 31 a distance of 1320.66 feet;

thence South $89^{\circ} 56' 01''$ West a distance of 40.00 feet to the POINT OF BEGINNING;

thence continuing South $89^{\circ} 56' 01''$ West a distance of 35.00 feet;

thence South $00^{\circ} 03' 59''$ East, parallel with and 75 feet Westerly from the East line of said Section 31 a distance of 1134.89 feet;

thence South $46^{\circ} 52' 56''$ West a distance of 61.44 feet to the beginning of a non-tangent curve concave Southwesterly;

thence from a local tangent bearing of North $86^{\circ} 16' 57''$ West, Northwesterly along the arc of said curve, having a radius of 11,534.00 feet and a central angle of $03^{\circ} 13' 06''$ for a distance of 647.85 feet to the Southeasterly right-of-way line of the R.I.D. Canal according to Book 247 of Deeds, page 589, records of Maricopa County, Arizona;

thence South $23^{\circ} 33' 46''$ West along said right-of-way a distance of 23.24 feet to the beginning of a tangent curve concave Northwesterly;

thence Southwesterly along the arc of said curve, having a radius of 347.90 feet and a central angle of $00^{\circ} 22' 30''$ for a distance of 2.28 feet to the Northerly right-of way line of McDowell Road according to Book 16 of Road Maps, page 69 records of Maricopa County, Arizona;

thence South $89^{\circ} 41' 44''$ East along said right-of-way a distance of 280.41 feet to the beginning of a tangent curve concave Southwesterly;

EXHIBIT "A"
(Continued)

thence Southeasterly along the arc of said curve, having a radius of 2919.79 feet and a central angle of 08° 00' 00" for a distance of 407.68 feet to a point of tangency;

thence South 81° 41' 44" East along said right-of-way a distance of 16.81 feet;

thence North 44° 52' 45" East, 27.22 feet;

thence North 89° 56' 01" East, 15.00 feet;

thence North 00° 03' 59" West parallel with and 40 feet Westerly from the East line of said Section 31 a distance of 1191.67 feet to the POINT OF BEGINNING,

as set forth in Final Order of Condemnation recorded in Document No. 010359220 and In Document No. Q10539590.

Parcel No. 6-A:

That part of the Southwest quarter of Section 31, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Northeast corner of the Southwest quarter of said Section 31;

Thence North 89 degrees 23 minutes 23 seconds West along the North line of said Southwest quarter a distance of 40.00 feet to the TRUE POINT OF BEGINNING;

thence South 00 degrees 17 minutes 44 seconds West along a line parallel to and 40.00 feet West of the East line of said Southwest quarter a distance of 2639.88 feet to a point on the South line of said Southwest quarter 40.00 feet West of the Southeast corner of said Southwest quarter;

thence North 89 degrees 21 minutes 31 seconds West a distance of 720.01 feet along the South line of said Southwest quarter;

Thence North 00 degrees 17 minutes 44 seconds East a distance of 560.01 feet;

Thence South 89 degrees 21 minutes 31 seconds East a distance of 600.01 feet;

Thence North 00 degrees 17 minutes 44 seconds East a distance of 2079.80 feet to a point on the North line of said Southwest quarter;

Thence South 89 degrees 23 minutes 23 seconds East a distance of 120.00 feet along the North line of said Southwest quarter to the TRUE POINT OF BEGINNING.1

Parcel No. 6-B:

The West 440.00 feet of the East 600.00 feet of the North 720.00 feet of the Southwest quarter of Section 31, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona more particularly described as follows:

EXHIBIT "A"
(Continued)

BEGINNING at a point on the North line of said Southwest quarter which lies 160.00 feet West of the Northeast corner of said Southwest quarter;

thence South $00^{\circ} 17' 44''$ West a distance of 720.01 feet;

thence North $89^{\circ} 23' 23''$ West a distance of 440.01 feet;

thence North $00^{\circ} 17' 44''$ East a distance of 720.01 feet;

thence South $89^{\circ} 23' 23''$ East a distance of 440.01 feet to the POINT OF BEGINNING

Parcel No. 7:

All of Section 24, Township 2 North Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT commencing at a 2 inch open pipe in a handhole monumenting the South quarter corner of said Section 24;

thence North $89^{\circ} 20' 44''$ West along the South line of the Southwest quarter of said Section a distance of 428.37 feet to the point of beginning;

thence continue North $89^{\circ} 20' 44''$ West along said South line a distance of 600.00 feet;

thence North $10^{\circ} 17' 25''$ East 400.00 feet;

thence North $16^{\circ} 12' 30''$ East 1,411.08 feet;

thence North $10^{\circ} 17' 25''$ East 877.82 feet to a point of curvature of a tangent curve concave to the West;

thence Northerly along the arc of said curve, to the left, having a radius of 7,469.44 feet and a central angle of $06^{\circ} 55' 13''$ for an arc distance of 902.15 feet to a non tangent line;

thence North $05^{\circ} 38' 36''$ West, 1,348.23 feet;

thence North $00^{\circ} 13' 05''$ East 400.00 feet to the North line of the Northwest quarter of said section;

thence South $89^{\circ} 38' 56''$ East along said North line a distance of 450.00 feet to a brass cap in a handhole monumenting the North quarter corner of said Section;

thence South $89^{\circ} 38' 27''$ East along the North line of the Northeast quarter of said Section a distance of 150.00 feet;

thence South $00^{\circ} 13' 05''$ West 400.00 feet;

thence South $07^{\circ} 03' 42''$ West 1,365.99 feet to a point on the arc of a non tangent curve concave to the West, having a tangent bearing of South $03^{\circ} 22' 12''$ West;

EXHIBIT "A"
(Continued)

thence Southerly along the arc of said curve, to the right, having a radius of 7,769.44 feet and a central angle of 06° 55' 13" for an arc distance of 938.39 feet to a point of tangency;

thence South 10° 17' 25" West 877.82 feet;

thence South 03° 53' 45" West 1,311.29 feet;

thence South 10° 17' 25" West 400.00 feet to the point of beginning; and

EXCEPT commencing at the Southwest Corner of said Section 24;

thence South 89° 20' 44" East along the South line of said Section 24, a distance of 2268.25 feet;

thence North 00° 39' 16" East, perpendicular to said South Section line, a distance of 33.00 feet to the point of intersection of the North line of the South 33 feet of said Section 24 and the East right-of-way line of State Route 303 Loop as recorded in Document No. 900180719, Maricopa County Records and **THE POINT OF BEGINNING;**

thence North 10° 17' 25" East, a distance of 22.31 feet to a point on a line that is 55 feet North of and parallel with said South Section line;

thence North 89° 20' 44" East along said 55 foot parallel line, a distance of 696.20 feet;

thence South 00° 39' 16" West, a distance of 22.00 feet to a point on a line that is 33 feet North of and parallel with said South Section line;

thence South 89° 20' 44" West along said 33 foot parallel line, a distance of 700.34 feet to **THE POINT OF BEGINNING;** and

EXCEPT commencing at the Southwest Corner of said Section 24;

thence South 89° 20' 44" East along the South line of said Section 24, a distance of 1000.08 feet;

thence North 00° 39' 16" East, a distance of 33.00 feet to **THE POINT OF BEGINNING;**

thence continuing North 00° 39' 16" East, a distance of 22.00 feet to a point on a line that is 55 feet distant from and parallel with said South Section line;

thence North 89° 20' 44" East along said 55 foot parallel line, a distance of 670.20 feet to a point on the West right-of-way line of State Route 303 Loop as recorded in Document No. 90180719, Maricopa County Records;

thence South 10° 17' 25" West along said West right-of-way line, a distance of 22.31 feet to a point on a line that is 33 feet North of and parallel with said South Section line;

thence South 89° 20' 44" West along said 33 foot parallel line, a distance of 666.08 feet to **THE POINT OF BEGINNING,**

as conveyed to Maricopa County in instrument recorded October 3, 2002 in Document No. 021025802, records of Maricopa County, Arizona.

EXHIBIT "A"
(Continued)

Parcel No. 8:

All that portion of Section 25, Township 2 North, Range 2 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, that lies Westerly of the Westerly right of way line of the Estrella Freeway (Loop 303); and

TOGETHER with any portion of said Section 25 that lies South of the North line of said Section 25, and Easterly of the Easterly right of way line of said Estrella Freeway (Loop 303) and Northwesternly of the following described line:

Beginning at the Northeast corner of said Section 25;

thence North 89° 22' 48" West and along the North line of said Section 25, a distance of 1,070.21 feet to the TRUE POINT OF BEGINNING of the herein described line;

thence South 48° 55' 35" West, a distance of 943.07 feet;

thence South 52° 23' 11" West, a distance of 2277.23 feet to a point on the Easterly line of said Estrella Freeway (Loop 303) and the TERMINUS POINT of said line;

EXCEPT Commencing at the Southwest corner of said Section 25;

Thence East (bearing assumed) along the South line of said Section 25, a distance of 33.00 feet;

Thence North 00 degrees 28 minutes West parallel to the West line of said Section 25, a distance of 33.00 feet to the POINT OF BEGINNING;

Thence continuing North 00 degrees 28 minutes West on same line a distance of 200.00 feet;

Thence East parallel to the South line of said Section 25, a distance of 200.00 feet;

Thence South 00 degrees 28 minutes East parallel to the West line of said Section 25, a distance of 200.00 feet to a point;

Thence West parallel to the South line of said Section 25, a distance of 200.00 feet to the POINT OF BEGINNING;

EXCEPT Commencing at the Northwest Corner of said Section 25;

thence South 89° 20' 44" East along the North line of said Section 25, a distance of 2255.72 feet;

thence South 00° 39' 16" West, perpendicular to said North Section line a distance of 33.00 feet to the point of intersection of the South line of the North 33 feet of said Section 25 and the East Right-of-Way line of State Route 303 Loop as recorded in Document No. 90-180719, Maricopa County Records and THE POINT OF BEGINNING;

thence South 10° 17' 25" West, a distance of 22.31 feet to a point on a line that is 55 feet South of and parallel with said North Section line;

thence North 89° 20' 44" East along said 55 foot parallel line, a distance of 717.01 feet;

EXHIBIT "A"
(Continued)

thence North 00° 39' 16" West, a distance of 22.00 feet to a point on a line that is 33 feet South of and parallel with said North Section line;

thence South 89° 20' 44" West along said 33 foot parallel line, a distance of 712.88 feet to THE POINT OF BEGINNING,

as conveyed to Maricopa County in Instrument recorded October 3, 2002 in Document No. 021025802, records of Maricopa County, Arizona; and

EXCEPT commencing at the Northwest Corner of said Section 25;

thence South 89° 20' 44" East along the North line of said Section 25, a distance of 1000.08 feet;

thence South 00° 39' 16" West, perpendicular to said North Section Line, a distance of 33.00 feet to THE POINT OF BEGINNING;

thence North 89° 20' 44" East, a distance of 653.55 feet to a point on the West right-of-way line of State Route 303 Loop as recorded in Document No. 90-180719, Maricopa County Records;

thence South 10° 17' 25" West along said West right-of-way line, a distance of 22.31 feet to a point on a line that is 55 feet South of and parallel with said North Section line;

thence North 89° 20' 44" West along said 55 foot parallel line, a distance of 649.41 feet;

thence North 00° 39' 15" East, a distance of 22.00 feet to THE POINT OF BEGINNING; and

EXCEPT Commencing at the Southwest corner of said Section 25;

thence North 00° 15' 23" East along the West line of said Section 25, a distance of 257.71 feet;

thence South 89° 44' 37" East, perpendicular to said West Section line, a distance of 33.00 feet to THE POINT OF BEGINNING;

thence North 00° 15' 23" East, a distance of 175.31 feet;

thence South 86° 07' 47" East, a distance of 718.04 feet to a point on the Westerly right-of-way line of State Route 303 Loop as recorded in Document No. 90-180719, Maricopa County Records (MCR);

thence South 10° 17' 25" West along said Westerly right-of-way line, a distance of 344.23 feet;

thence North 64° 08' 27" West, a distance of 478.63 feet to the Northwest corner of the property described in Document No. 86-0768396, MCR;

thence North 89° 12' 50" West along the North line of said property, a distance of 225.01 feet to THE POINT OF BEGINNING,

as conveyed to Maricopa County in Instrument recorded October 3, 2002 in Document No. 021025803, records of Maricopa County, Arizona.

EXHIBIT "A"
(Continued)

Parcel No. 9:

All of Section 26, Township 2 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT that part of the Northeast quarter of said Section 26, described as follows:

Commencing at the Northeast corner of said Section 26;

thence South $00^{\circ} 17' 16''$ West and along the East line of said Section 26 a distance of 33.00 feet;

thence North $89^{\circ} 59' 28''$ West a distance of 33.00 feet to the Point of Beginning;

thence South $00^{\circ} 17' 16''$ West parallel to and 33.00 feet West of the East line of said Section 26, distance of 463.40 feet;

thence North $89^{\circ} 59' 28''$ West and parallel to the North line of said Section 26, a distance of 1061.01 feet;

thence North $00^{\circ} 17' 16''$ East and parallel to the East line of said Section 26, a distance of 463.00 feet;

thence South $89^{\circ} 59' 28''$ East parallel to and 33.00 feet South of the North line of said Section 26, a distance of 1061.01 feet to the Point of Beginning; and

EXCEPT a portion of the Northeast quarter of said Section 26, more particularly described as follows:

Beginning at the Northeast corner of said Section 26;

thence South $0^{\circ} 17' 16''$ West and along the East line of said Section 26, a distance of 33.00 feet;

thence North $89^{\circ} 59' 28''$ West, a distance of 33.00 feet;

thence South $0^{\circ} 17' 16''$ West parallel to and 33.00 feet West of the East line of said Section 26, a distance of 821.13 feet to the POINT OF BEGINNING of the herein described parcel;

thence continuing South $0^{\circ} 17' 16''$ West parallel to and 33.00 feet West of the East line of said Section 26, a distance of 821.13 feet;

thence North $89^{\circ} 59' 28''$ West and parallel to the North line of said Section 26, a distance of 1061.01 feet;

thence North $0^{\circ} 17' 16''$ East and parallel to the East line of said Section 26, a distance of 823.13 feet;

thence South $89^{\circ} 59' 28''$ East and parallel to the North line of said Section 26, a distance of 1061.01 feet to the POINT OF BEGINNING; and

EXHIBIT "A"
(Continued)

EXCEPT a portion of the Northeast quarter of said Section 26, more particularly described as follows:

Beginning at the Northeast corner of said Section 26;

thence South 0° 17' 16" West and along the East line of said Section 26, a distance of 33.00 feet;

thence North 89° 59' 28" West, a distance of 33.00 feet;

thence South 0° 17' 16" West parallel to and 33.00 feet West of the East line of said Section 26, a distance of 463.00 feet to the POINT OF BEGINNING of the herein described parcel;

thence continuing South 0° 17' 16" West parallel to and 33.00 feet West of the East line of said Section 26, a distance of 358.13 feet;

thence North 89° 59' 28" West and parallel to the North line of said Section 26, a distance of 1061.01 feet;

thence North 0° 17' 16" East and parallel to the East line of said Section 26, a distance of 358.13;

thence South 89° 59' 28" East and parallel to the North line of said Section 26, a distance of 1061.01 feet to the POINT OF BEGINNING; and

EXCEPT all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizer of every name and description and except all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials whether or not of commercial value, as set forth in §37-231, ARS.

Parcel No. 10:

All that portion of Section 36, Township 2 North, Range 2 West, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying Westerly of the following described line:

COMMENCING at a brass cap in a handhole monumenting the Southwest corner of the Southwest quarter of said Section 36;

thence South 89° 40' 11" East along the South line of said Southwest quarter a distance of 55.00 feet to the point of beginning on a line 55.00 feet East of and parallel with the West line of said Southwest quarter;

thence North 00° 10' 45" East along said parallel line a distance of 971.55 feet;

thence North 08° 44' 27" East 891.09 feet;

thence North 10° 17' 25" East 1792.33 feet;

thence North 04° 55' 58" East 1302.40 feet;

thence North 10° 17' 25" East 400.00 feet to the North line of the Northwest quarter of said Section and the end of this line description;

EXHIBIT "A"
(Continued)

EXCEPT A parcel of land lying within the Southwest quarter of said Section 36 and being more particularly described as follows:

COMMENCING at the Southwest corner of said Section 36;

thence North 00° 10' 49" East along the West line of said Section, a distance of 1,880.11 feet;

thence South 89° 49' 11" East, perpendicular to said West Section line, distance of 33 feet to the POINT OF BEGINNING;

thence South 79° 42' 35" East, a distance of 157.06 feet to a point on the Easterly line of the property described in Document No. 98-0983134, records of Maricopa County, Arizona;

thence South 08° 44' 27" West, along said Easterly property line, a distance of 891.09 feet to a point on a line that is 55 feet distant from and parallel with the West line of said Section 36;

thence North 00° 10' 49" East, parallel with the West line of said Section 36, a distance of 348.47 feet;

thence North 89° 49' 11" West, perpendicular to said West Section line, a distance of 22 feet to a point on a line that is 33 feet distant from and parallel with the West line of said section 36;

thence North 00° 10' 49" East, parallel with the West line of said Section 36, a distance of 560.25 feet to the POINT OF BEGINNING,

as conveyed to Maricopa County in Instrument recorded October 3, 2002 in Document No. 021025803, records of Maricopa County, Arizona.

APPENDIX 2

**AN ANALYSIS OF THE IMPACT OF THE FINANCING
ON THE TAX RATES OR OTHER CHARGES BORNE
BY THE OWNERS OF THE PROPERTY**

APPENDIX 2

Below are summaries of the tax rate for property owners within the District, along with tax rate information for all other taxing entities that overlap the District.

Inside Palm Valley No. 3 and Avondale Elementary School District No. 44

	2006-07 Primary <u>Tax Rate</u>	2006-07 Secondary <u>Tax Rate</u>	2006-07 Combined <u>Tax Rate</u>
<u>Overlapping Municipality</u>			
Maricopa County	\$1.1794	\$0.5006	\$1.6800
Maricopa County Community College District	0.8815	0.1831	1.0646
Avondale Elementary School District No. 44	2.1893	2.0796	4.2689
Agua Fria Union High School District No. 216	2.2412	1.3463	3.5875
City of Goodyear	0.7945	0.7991	1.5936
West-MEC	0.0000	0.0500	0.0500
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Palm Valley Community Facilities District No. 3	<u>0.0000</u>	<u>2.0000</u>	<u>2.0000</u>
Total	\$7.2859	\$7.9587	\$15.2446

Inside Palm Valley No. 3 and Litchfield Elementary School District No. 79

	2006-07 Primary <u>Tax Rate</u>	2006-07 Secondary <u>Tax Rate</u>	2006-07 Combined <u>Tax Rate</u>
<u>Overlapping Municipality</u>			
Maricopa County	\$1.1794	\$0.5006	\$1.6800
Maricopa County Community College District	0.8815	0.1831	1.0646
Litchfield Elementary School District No. 79	2.0284	1.2399	3.2683
Agua Fria Union High School District No. 216	2.2412	1.3463	3.5875
City of Goodyear	0.7945	0.7991	1.5936
West-MEC	0.0000	0.0500	0.0500
Community Facilities Utilities District No. 1	0.0000	1.0000	1.0000
Palm Valley Community Facilities District No. 3	<u>0.0000</u>	<u>2.0000</u>	<u>2.0000</u>
Total	\$7.1250	\$7.1190	\$14.2440

On the following page is a summary of tax rates for other development projects in Maricopa County.

Community Facilities District**Total Tax Rate*****West-Valley Community Facilities Districts:***

Centerra (Goodyear)	\$15.2446
Cottonflower (Goodyear)	15.2446
Estrella Mountain Ranch (Goodyear)	12.9887
Utilities District #1 (Goodyear)	12.2440
General District #1 (Goodyear)	13.2440
Sundance (Buckeye)	17.8916
Tartesso West (Buckeye)	8.7874
The Village at Litchfield Park (Litchfield Park)	12.1504
Verrado Western Overlay (Buckeye)	12.0874
Verrado District 1 (Buckeye)	14.7788
Vistancia (Peoria)	13.9739
Westpark (Buckeye)	18.3537
Marley Park (Surprise)	13.9569
Festival Ranch (Buckeye)	13.1799
Elianto (Buckeye) *	8.7874

Other Communities with CFDs:

DC Ranch (Scottsdale)	9.1766
Eagle Mountain (Fountain Hills)	8.5038
McDowell Mtn. Ranch (Scottsdale)	9.2766
Scottsdale Mountain (Scottsdale)	9.6766
Tatum Ranch (Phoenix)	9.4271

* CFD Debt Tax Rate not yet levied

APPENDIX 3

**AN ANALYSIS OF THE EFFECT ON THE CITY OF
GOODYEAR'S GENERAL FINANCING ABILITIES**

APPENDIX 3

The District's financing is not expected to adversely affect the City of Goodyear's general financing abilities. The Bonds of the District are secured from revenues derived from a tax levied on all taxable property within the District which is applied to pay debt service on the Bonds. The City is under no legal requirement to secure any portion of the financing's debt service payments.

However, because of the location of the District within the City limits, the impact on the City's financing capabilities of a default on the Bonds may be detrimental in the opinion of the financial community.

The following table lists the District's overlapping debt as of the date of this report.

<u>Overlapping Jurisdiction</u>	<u>2006-07 Net Secondary Assessed Valuation</u>	<u>Net Outstanding Bonded Debt</u>	<u>Proportion Applicable to the District</u>	
			<u>Approx. Percent</u>	<u>Amount</u>
State of Arizona	\$54,394,761,521	None	0.00%	None
Maricopa County	36,294,693,601	None	0.00%	None
Maricopa County Community College District	36,294,693,601	\$609,320,000	0.05%	\$304,660
West MEC	12,801,623,379	None	0.14%	None
City of Goodyear	494,913,013	56,270,000	3.70%	2,081,990
Litchfield ESD No. 79	556,867,080	24,350,000	3.29%	801,115
Avondale ESD No. 44	288,744,577	24,335,000	6.34%	1,542,839
Agua Fria UHSD No. 216	845,611,657	64,790,000	2.17%	1,405,943
Community Facilities Utilities District No. 1	200,853,701	53,570,000 *	9.12%	4,885,584 *
Palm Valley Community Facilities District No. 3	18,314,287	9,040,000 *	100.00%	<u>9,040,000 *</u>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$20,062,131</u>

* Includes the Bonds to be issued.

APPENDIX 4

**AN ANALYSIS OF THE PROJECT INFRASTRUCTURE
DEMAND AND MARKET ABSORPTION**

APPENDIX 4

Development within the District is well underway, with major backbone infrastructure in place and home sales underway. To date, SunCor has sold approximately 600 lots to end buyers and other homebuilders. The table below shows the full cash value, parcel count and secondary assessed value for the District for the 2007-08 fiscal year as reported in February 2007 by the County Assessor's office. The value shown below understates the actual level of development within the District since full cash value does not reflect market value.

2007-08 Full Cash Values & Net Secondary Assessed Valuations			
Legal Class	Full Cash Value	Parcels	Net Secondary Assessed Valuation
Utilities/ Commerical	\$2,197,386	8	\$527,372
Vacant Land	185,910,369	1,951	28,221,250
Residential (Owner)	153,701,000	451	15,370,100
Residential (Rental)	2,216,820	162	214,082
	\$344,025,575	2,572	\$44,332,804

APPENDIX 5

EXAMPLE HOMEBUYER CFD DISCLOSURE

**PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
DISCLOSURE STATEMENT - GOODYEAR
(For Properties in the Utilities District No. 1 and Palm Valley District No. 3)**

The Palm Valley property you are purchasing is located within two Community Facilities Districts: Goodyear Community Facilities Utilities District No. 1 and Palm Valley Community Facilities District No. 3 (the "Districts"). The Districts were created pursuant to the provisions of the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes by the developer, with the cooperation and approval of Goodyear, Arizona to finance the acquisition and construction of public infrastructure at Palm Valley. The cost of acquisition and construction of certain improvements has been, and will be paid for by General Obligation property tax assessed against all property within the Districts. The bonds are structured with the expectation that a total annual tax rate for the Districts of not to exceed \$3.00 per \$100 of taxable value will be maintained. To protect the property owner, the developer (SunCor Development Company) has contractual obligations to provide monies to the Districts to maintain a \$3.00 tax rate until such time as monies from the \$3.00 tax levy are sufficient to provide for the debt service of all bonds issued and the administrative costs of the Districts. Payment of the Districts' property taxes will be included as part of the property owner's tax-deductible property taxes.

The 3.00 per \$100 rate corresponds to the following estimated annual tax payments:

<u>Market Value of Home</u>	<u>Estimated Annual District Tax at \$3.00/\$100*</u>
\$100,000	\$255
\$150,000	\$383
\$200,000	\$510
\$250,000	\$638
\$300,000	\$765
\$350,000	\$893
\$400,000	\$1,020

(*) These taxes are in addition to property taxes imposed by other governmental jurisdictions.

Signature below acknowledges that you have read this disclosure document at the time you signed your purchase contract.

Date: _____

Buyer: _____

Buyer: _____

**CITY OF GOODYEAR
CFD BOARD ACTION FORM**

SUBJECT: Palm Valley Community Facilities District #3 District Board conduct a Public Hearing on a Feasibility Report and consider adopting Resolution PVCFD#3 RES 07-016 approving the report and declaring its intent to purchase certain public infrastructure	STAFF PRESENTER: Sheila K. Mills, CFD Administrator COMPANY CONTACT: Scott Ruby, Esq. - Gust Rosenfeld PLC
--	---

RECOMMENDATION:

1. The Palm Valley Community Facilities District #3 Board conduct a Public Hearing for the Feasibility Report submitted in connection with the proposed issuance of General Obligation Bonds Series 2007 not to exceed \$5,000,000.
 - a. Open Public Hearing
 - b. Staff Presentations
 - c. Receive Public Comment
 - d. Close Public Hearing

2. The Palm Valley Community Facilities District #3 Board adopt Resolution PVCFD#3 RES 07-016 approving the Feasibility Report for the issuance of general obligation bonds not to exceed \$5,000,000 and declaring its intent to purchase certain infrastructure within the District.

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:

The feasibility report hearing is required by law and notice of the hearing will be published once in the newspaper no later than June 14, 2007, prior to the hearing, allowing the public to comment if desired. Upon completion of the hearing, the District Board will be requested to consider adoption of Resolution PVCFD#3 RES 07-016 approving the feasibility report for the issuance of general obligation bonds not to exceed \$5,000,000 and declaring its intent to purchase certain infrastructure within the District.

This District is generally located west of 149th Avenue, south of Camelback Road, east of Cotton Lane and north of Indian School Road; and west of Freeway 303, south of Indian School Road, east of Citrus Road and north of Thomas Road; and west of PebbleCreek Parkway, south of Virginia Avenue, west of Cotton Land and north of Interstate 10; and west of 154th Avenue, south of McDowell Road, west of Bullard Avenue and north of Interstate 10.

FISCAL IMPACT:

A combined secondary property tax levy of \$1.6295 (\$1.5295 for debt service and \$0.10 for operations and maintenance) per \$100 of secondary assessed value will be levied on all taxable property within the District with the budget for Fiscal Year 2007-2008.

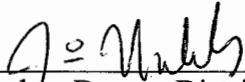
The District will utilize bond proceeds, to the extent available, to acquire completed segments of the following projects which are described in detail in the Feasibility Report:

- Camelback Road Channel: 303 Loop to Bullard Drain
- Loop Road (Virginia Ave): McDowell Road to PebbleCreek Parkway
- Monte Vista (South Loop Road)
- 159th Avenue
- Bullard Road – Four Lanes (East Half) from I-10 to McDowell

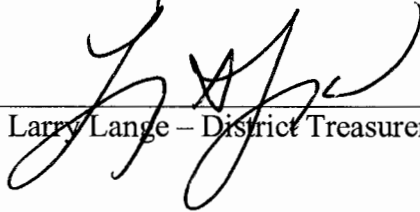
Attachments

Feasibility Report
PVCFD#3 RES 07-016

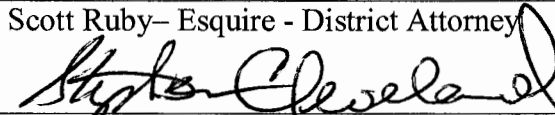
REVIEWED BY:



Jim Nichols – Deputy District Manager

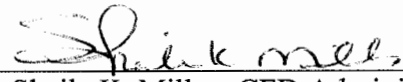


Larry Lange – District Treasurer

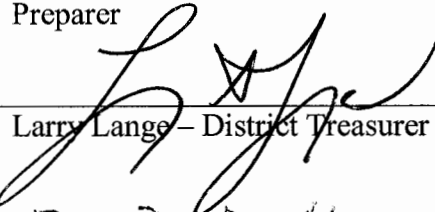
Scott Ruby – Esquire - District Attorney


Stephen Cleveland – District Manager

PREPARED BY:



Sheila K. Mills – CFD Administrator –
Preparer



Larry Lange – District Treasurer



Brian Dalke – Deputy District Manager