



Community Facilities District Disclosure Statement

Marley Park LLC, an Arizona limited liability company (the “Developer”), in conjunction with the City of Surprise, Arizona (the “City”), have established a community facilities district (“CFD”) at the development known as “Marley Park.” The CFD will finance certain public infrastructure improvements, which will result in a property tax liability for each property owner of Marley Park resulting from being in the CFD.

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

How the CFD Works. On February 12, 2004, the Mayor and Council of the City approved the formation of the CFD, which includes all the residential and commercial property in Marley Park. An election was held on December 7, 2004, at which time the owners of the property within the CFD voted to authorize up to \$80,000,000 of general obligation bonds (“GO Bonds”) to be issued over time by the CFD to finance the acquisition or construction of public improvements. The improvements are dedicated or transferred to the City, which will operate and maintain such improvements.

What Will be Financed? The CFD was formed to finance, initially, the improvement of certain public amenity improvements, including Heritage Park, as well as roads and related improvements benefiting from Marley Park and its residents. The land required for these improvements is provided by the Developer or, in the case of Heritage Park, donated by the Marley family. The initial GO Bonds, in the amount of \$1,365,000, were issued in 2006. In 2007, the amount of GO Bonds issued was \$3,950,000, and in 2008, the amount was \$3,300,000. Over time, up to \$40,000,000 of GO Bonds will be issued for these improvements.

Benefits to Residents. The use of a CFD allows property owners within Marley Park to enjoy both a higher level of public improvements (for example, Heritage Park) and have those improvements early in the life cycle of the community. Additionally, CFD property- similar to the balance of each property owner’s remaining property tax liability- are currently deductible for purposes of calculating federal and state income taxes.

Property Owners Tax Liability. The obligation to repay the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Maricopa County Treasurer in conjunction with other property tax payments.

Beginning in fiscal year 2004-05, the CFD levied a property tax not to exceed \$.30 per \$100.00 of secondary assessed valuation to cover CFD operational expenses the (“O/M Tax”). Beginning in fiscal year 2006-07, the CFD levied a property tax of \$3.00 per \$100.00 of secondary assessed valuation to pay debt service on the bonds that have been issued by the CFD (“the Debt Service Tax”).

Impact of Additional CFD Property Tax. The following illustrates the additional annual tax liability to be imposed by the CFD, in the future, based on varying residential values within Marley Park and a combined \$3.30 O/M Tax and Debt Service Tax rate:

Market Value of Residence	Estimated Annual Additional Tax Liability*
\$100,000	\$281
150,000	421
200,000	561
250,000	701
300,000	842
350,000	982
400,000	1,122
450,000	1,262
500,000	1,402
550,000	1,543
600,000	1,683
650,000	1,823
700,000	1,964
750,000	2,104

*Assumptions:

1. Market value is not necessarily the same as full cash value, as reported by the County Assessor. Full cash value historically has been approximately 85% of market value.
2. Assumes improved residential property assessment ratio will remain at 10%.
3. Tax amount is computed by multiplying the tax rate per \$100 of assessed value by full cash value times the assessment ratio.

The information in this publication is current as of February 2011. Additional information regarding the description of infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Surprise Town Clerk's office.

 Signature of Buyer(s)

 Printed Name(s) of Buyer(s)

 Date

Marley Park Street address:

 Parcel No. _____ Lot No. _____