

*District Disclosure Statement
Marley Park Community Facilities District*

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 has financed and 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 Has Been 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 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, in 2008 the amount was \$3,395,000, in 2016 the amount was \$4,800,000, and in 2017 an additional \$3,000,000 was issued. 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 taxes - 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 and Assessment 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 of assessed value to cover CFD operational expenses the (“O/M Tax”). For fiscal year 2018-2019, the O/M Tax is unchanged at \$0.30 per \$100 of assessed value and the Debt Service Tax also remained at \$3.64 per \$100 of assessed value. The combined property tax rate is \$3.94 per \$100 of assessed value. The Debt Service Tax rate is subject to change on an annual basis depending on market conditions.

Impact of Additional CFD Property Tax and Assessment. The following illustrates the estimated annual additional CFD tax liability to be imposed by the CFD, in the future, based on varying residential values within Marley Park and a combined \$3.94 per \$100 O/M Tax and Debt Service Tax rate:

Value of Residence	Estimated Annual Additional CFD Tax Liability*
\$100,000	\$394
200,000	\$787
300,000	\$1,181
400,000	\$1,575

*Assumptions:

1. Improved residential property assessment ratio will remain at 10%.
2. Tax amount is computed by multiplying the tax rate per \$100 of Value of Residence times the assessment ratio.

The information in this publication is current as of July 1, 2018. 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 - City Clerk's office (623) 222-1200.

Your signature below acknowledges that you have read the above disclosure at the time you made your decision to purchase property within Marley Park and signed your purchase contract, and that you understand the property you are purchasing will be taxed to pay the District's general obligation bonds described above and issued in the future and the District's operation, administrative and maintenance expenses.

Signature(s) of Buyer(s):

Print Name(s) of Buyer(s):

Date: _____, 20__

IF PURCHASING JOINTLY OR OTHERWISE WITH ANOTHER PARTY:

Signature(s) of Buyer(s):

Print Name(s) of Buyer(s):

Date: _____, 20__

Current Address of Buyer(s):

Marley Park Street Address:

Surprise, Arizona _____

Parcel No. _____ Lot No. _____

UPON EXECUTION, MAIL TO:

City Clerk's Office
 CITY OF SURPRISE
 16000 N. Civic Center Plaza
 Surprise, AZ 85374