

**COMMUNITY FACILITIES DISTRICT INFORMATION
AND DISCLOSURE STATEMENT FOR WESTPARK**

Buyer:

Community: WestPark

Lot: _____

Parcel:

Builder:

WestPark Community Facilities District

This informational handout and disclosure statement has been prepared by the homebuilders and other land owners and developers, in the WestPark master planned community for the purpose of providing you with information about the WestPark Community Facilities District (“WestPark CFD”). Your home is located in the WestPark CFD. This disclosure statement will describe the ad valorem (property) tax and district assessment liability for each residential property owner in the WestPark CFD, along with the benefits that each resident will derive because of the WestPark CFD.

Background

The WestPark CFD is a special district formed for the purpose of financing the acquisition, construction, operation and maintenance of the public infrastructure benefiting the WestPark planned community. Specifically, the WestPark CFD will finance the acquisition, construction, operation and maintenance of various types of public infrastructure including:

<ul style="list-style-type: none">• Roadways and Parking• Public Water Systems• Sewer Systems• Public Parks and Open Space	<ul style="list-style-type: none">• Pedestrian Walkways• Public Landscaping• Public Street Lighting• Traffic Safety
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How the Westpark CFD Works

The WestPark CFD utilizes two types of bonds to finance public infrastructure: district assessment lien bonds and general obligation bonds. District assessment lien bonds are repaid through semi-annual assessment payments made by the property owners within the district. General obligation bonds are repaid by ad valorem, or property taxes on the taxable property within the Westpark CFD.

District Assessments of the WestPark CFD

Assessment bonds are repaid from special assessment payments secured by a lien on each benefited lot within the assessment area. The amount of the district assessment liens may vary depending on the size of the lot within the district assessment area, the benefits estimated to be received by each such lot, the cost of the public improvements to be financed and the financing terms of the applicable district assessment bonds. Twice a year the WestPark CFD will send you bills for the assessment payments, as well as the applicable administrative charges. These bills are different from your regular Maricopa County property tax bill, and failure to pay any installment payment will result in the foreclosure of the assessment lien and the sale of your property.

Ad Valorem (Property Taxes of the CFD)

General obligation bonds and the WestPark CFD’s operation and maintenance expenses are paid from ad valorem (or property) taxes levied against all property within the WestPark CFD. At the time this disclosure statement was prepared

no general obligation bonds had been issued by WestPark CFD, however, it is anticipated that by 2004 and 2005 general obligation bonds will be sold to provide financing for additional public infrastructure. Although the specific amount and the associated financial terms of that future general obligation bond or bonds are unknown, it is anticipated that approximately \$3.00 per \$100 of assessed valuation will be added to the property tax rate to repay the general obligation bonds and \$0.30 levied to pay operation and maintenance expenses. Such adjustment to the tax rate could vary depending upon factors including the amount financed with general obligation bonds, the terms of the financing, and the assessed valuation (i.e. for tax purposes) of property within the Westpark CFD. Your share of general obligation bond payments and expenses are included as part of your regular Maricopa County property tax statement and are separately shown in addition to taxes levied by the Town of Buckeye and other governmental jurisdictions.

Benefits to Residents

All homebuyers in WestPark will benefit from the public infrastructure improvements financed by general obligation bonds of the WestPark CFD. The ad valorem (or property) tax that repays the general obligation bonds will be a part of your property tax bill and both the principal and the interest payments are currently deductible from federal and state taxes. If the developer financed those same public improvements without a CFD, those costs would have been added to the purchase price of the home and the sales price of your home would have been greater. If all of that price increase was financed by a mortgage, only the mortgage interest expense on that incremental portion of you larger home loan (and not the principal) for the cost of those public improvements would be deductible from federal and state taxes. Therefore, because WestPark CFD general obligation bonds were used to finance certain public improvements, the entire cost of these public improvements is currently deductible from federal and state taxes.

Property Owner’s Tax Liability

The obligation to pay the debt service on the general obligation bonds will become the responsibility of all property owners in WestPark. Beginning in the fiscal year 2004-2005, it is anticipated that the district will levy a total CFD tax of \$3.30 per \$100.00 of assessed value to (i) provide for repayment of general obligation bonds and (ii) provide funds for operation and maintenance expenses of the

WestPark CFD. The bonds will be structured with the expectation that the debt portion of the tax rate of \$3.00 will be sufficient to provide for the debt service on the general obligation bonds. However, under current law, there is not limit on what this tax rate may be. To protect the homebuyer and maintain a \$3.00 debt tax rate, the developers have contractual obligations to provide monies to maintain the \$3.00 debt tax rate until such time as monies from the \$3.00 tax levy are sufficient to provide for the debt service on the general obligation bonds.

The following diagram illustrates the additional, projected annual liability imposed by the WestPark CFD, based on varying residential values within WestPark.

	(A)	(B)	(C)
Estimated Home Price	Estimated Annual General Obligation Bonds and Expense Payment (1)	Estimated Annual District Assessment Bond(s) Payment (2)	Total Estimated Annual WestPark CFD Tax and Assessment Payments (3)
\$75,000	\$203	\$328	\$531
\$100,000	\$270	\$328	\$598
\$125,000	\$338	\$328	\$666
\$150,000	\$405	\$328	\$733
\$175,000	\$473	\$328	\$801
\$200,000	\$540	\$328	\$868

Footnotes:

(1) Represents the repayment of the WestPark CFD general obligation bonds and operation and maintenance expenses based upon a tax rate of \$3.30 per \$100 of assessed value.

- (2) Based upon assessment lien of \$3500 per lot. This figure does not include any bond administration charges (estimated at \$25 per year), which will be charged by the WestPark CFD and/or third party administrators.
- (3) All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the other governmental jurisdictions, including the Town of Buckeye and are in addition to any assessments or fees imposed by any homeowners association.

Property Taxes in Westpark

The following table lists the various property tax rates applicable in WestPark (based on the most recent tax bill sent by the Maricopa County Treasurer), as well as the estimated property taxes for a house with a sales price of \$100,000. The various tax rates will change year to year.

<i>Buckeye Property Taxes</i>		
(Assumes: Home Sales Price of \$100,000, Full Cash Value of \$81,820 and Limited Cash Value of \$75,000)		
	WestPark	
	Tax Rate	Taxes
Primary		
State and County	2.6235	\$197
Unified School District	5.9425	\$446
City/Town	.9776	\$73
Total Primary	9.5436	\$716
Secondary		
State and County		\$141
Unified School District		\$120
City/Town	1.0800	\$47
General Obligation Bond	3.3000	\$270
Total Secondary	7.0623	\$578
Total Tax Rate/Taxes		\$1,294

*Does not include District Assessment Bond payments that will total \$328 per year.

Homeowner’s Acknowledgements

By signing this disclosure statement, you as a purchaser of a lot located within the WestPark CFD and the existing District Assessment Area (i) acknowledge receipt of this disclosure; (ii) agree that you have had an opportunity to review the material contained in this Disclosure and ask any questions about the WestPark CFD; and (iii) acknowledge your lot is subject to an assessment lien of \$3,500

and that the lien secures the special assessments due for the District Assessment Area. The Assessment will be paid by you, the owner of the assessed lot, in semiannual payments of the principal and interest over the term of the bond. If any semiannual payment is not paid, the WestPark CFD has the right to institute proceedings to foreclose the assessment lien and sell your lot.

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.

(Buyer)

(Co-Buyer)

(Address)

(Address)

Date _____, 200__

Date _____, 200__