

Community Facilities District

Goodyear Municipal Court and Council Chambers
14455 W. Van Buren St., Suite B101
Goodyear, AZ 85338



Monday, August 30, 2021	5:50 p.m.	Meeting Agenda
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COMMUNITY FACILITIES DISTRICTS - CITY OF GOODYEAR, ARIZONA

- 1. COMMUNITY FACILITIES GENERAL DISTRICT NO. 1**
- 2. PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3**
- 3. COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1**
- 4. WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT**
- 5. WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2**
- 6. COTTONFLOWER COMMUNITY FACILITIES DISTRICT**
- 7. ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT**
- 8. KING RANCH COMMUNITY FACILITIES DISTRICT**
- 9. CENTERRA COMMUNITY FACILITIES DISTRICT**
- 10. CORTINA COMMUNITY FACILITIES DISTRICT**

Board members of the ten above mentioned Community Facilities Districts will attend either in person or by telephone conference call or video communications.

CALL TO ORDER

ROLL CALL

CITIZEN COMMENTS

Non-Agenda items: This is the time for citizens who would like to address the District Board on any non-agenda item within the jurisdiction of the Goodyear Community Facilities District Board. Please complete a speaker card and give it to the Secretary. Each speaker is limited to three (3) minutes. Before you begin to speak, identify yourself by clearly stating for the record your name and whether you are a Goodyear resident. The Board will listen to comments and may take any one of the following actions:

- Respond to criticism
- Request that staff investigate and report on the matter
- Request that the matter be scheduled for on a future agenda.

Agenda items: The Chairman will call for public comments as each agenda item is up for discussion. Please complete a speaker card for the Secretary, listing the agenda item on which you would like to speak. Each speaker is limited to three (3) minutes. Before you begin to speak, identify yourself by clearly stating for the record your name and whether you are a Goodyear resident.

CONSENT

The Community Facilities District Board may vote upon all matters contained within the consent agenda by a unanimous single vote of all those present at the meeting entitled to vote. Any matter may be removed from the consent agenda and considered as a singular item upon the request of any member of the District Board or any member of the public in attendance at the meeting.

1. **APPROVAL OF MINUTES**

Recommendation

Approve draft minutes from a Community Facilities District Meeting held on June 21, 2021, and August 23, 2021. (Darcie McCracken, City Clerk)

PUBLIC HEARINGS

The following actions will take place for each public hearing item:

- A. Open the Public Hearing
- B. Staff Presentation
- C. Applicant Presentation (if applicable)
- D. Receive Public Comment
- E. Close the Public Hearing

2. **HEARING FOR THE FINAL ASSESSMENT FOR THE MONTECITO #3 ASSESSMENT DISTRICT WITHIN THE ESTRELLA MOUNTAIN RANCH CFD**

Recommendation

Hold a public hearing on the Final Assessment for the Montecito #3 Assessment District within the Estrella Mountain Ranch CFD. (Jared Askelson, Deputy Finance Director)

BUSINESS

3. **EMRCFD MONTECITO #3 ASSESSMENT DISTRICT ORDERING THE COLLECTION OF ASSESSMENT**

Recommendation

ADOPT RESOLUTION NO. EMRCFD RES 2021-144, APPROVING THE ASSESSMENT AND THE PROCEEDINGS HERETOFORE HAD AND TAKEN FOR THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) MONTECITO ASSESSMENT DISTRICT NO. 3; DETERMINING THE WORK HAS BEEN COMPLETED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS; AND ORDERING THE COLLECTION OF THE AMOUNT ASSESSED. (Jared Askelson, Deputy Finance Director)

4. **EMRCFD MONTECITO #3 ASSESSMENT DISTRICT BOND ISSUANCE**

Recommendation

ADOPT RESOLUTION NO. EMRCFD RES 2021-145, AUTHORIZING THE ISSUANCE OF ITS MONTECITO ASSESSMENT DISTRICT NO. 3 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$598,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT, A PURCHASE CONTRACT RELATING TO THE BONDS, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; RATIFYING AND APPROVING A PRELIMINARY OFFICIAL STATEMENT RELATING

TO THE BONDS; APPROVING A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; APPOINTING A REGISTRAR, TRANSFER AGENT AND PAYING AGENT FOR THE BONDS; AND TAKING OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS. (Jared Askelson, Deputy Finance Director)

ADJOURNMENT

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the District Board of the Community Facilities Districts and to the general public that the Board will hold a meeting open to the public. Public body members of the city of Goodyear will attend either in person or by telephone conference call and/or video communication.

THE CITY OF GOODYEAR ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (623) 882-7830 or Arizona Relay (TDD) 7-1-1 to request an accommodation to participate in this public meeting.

LA CIUDAD DE GOODYEAR PROCURA HACER TODA JUNTA PUBLICA ACCESIBLE A PERSONAS CON DISCAPACIDADES. Con un aviso de 48 horas por adelantado se puede proveer asistencia especial a personas con discapacidades visuales o auditivas durante la junta. Se harán adaptaciones razonables con previa solicitud para personas con discapacidades o para residentes que no hablan inglés. Favor de llamar a la Secretaria Municipal al (623) 882-7830 o Retransmisión de Arizona (TDD) 7-1-1 para solicitar adaptaciones para participar en la junta pública.

POSTING VERIFICATION

This agenda was posted on August 25, 2021 at 3:47 p.m. by GM.

ITEM #: 1.
DATE: 08/30/2021
AI #:457



APPROVAL OF MINUTES

SUBJECT

APPROVAL OF MINUTES

Recommendation

Approve draft minutes from a Community Facilities District Meeting held on June 21, 2021, and August 23, 2021. (Darcie McCracken, City Clerk)

Attachments

062121 Draft CFD Minutes

082321 Draft CFD Minutes

Community Facilities District

Goodyear Municipal Court and Council Chambers
14455 W. Van Buren St., Suite B101
Goodyear, AZ 85338



Monday, June 21, 2021 **6:00 p.m.** **Meeting Minutes**

COMMUNITY FACILITIES DISTRICTS - CITY OF GOODYEAR, ARIZONA

- 1. COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
- 2. PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
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- 8. KING RANCH COMMUNITY FACILITIES DISTRICT
- 9. CENTERRA COMMUNITY FACILITIES DISTRICT
- 10. CORTINA COMMUNITY FACILITIES DISTRICT

Board members of the ten above mentioned Community Facilities Districts will attend either in person or by telephone conference call or video communications.

CALL TO ORDER

Chairman Lord called the Community Facilities Districts meeting to order at 7:28 p.m.

ROLL CALL

Present: Chairman Georgia Lord; Vice Chairman Brannon Hampton; Board Member Joe Pizzillo; Board Member Sheri Lauritano; Board Member Wally Campbell; Board Member Bill Stipp; Board Member Laura Kaino

Staff District Manager Julie Karins; District Clerk Darcie McCracken

Present:

PUBLIC COMMENTS

There were no public comments.

CONSENT

MOTION BY Board Member Bill Stipp, **SECONDED BY** Board Member Joe Pizzillo to APPROVE Consent Agenda Items 1 through 12. The motion carried by the following vote:

AYE: Chairman Georgia Lord, Vice Chairman Brannon Hampton, Board Member Joe Pizzillo, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Bill Stipp, Board Member Laura Kaino

Passed - Unanimously

1. **APPROVAL OF MINUTES**

Recommendation

Approve draft minutes from the Joint Community Facilities District Regular and Special Meetings held on June 7, 2021. (Darcie McCracken, City Clerk)

2. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION CFGD#1 RES 2021-190 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

3. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION PVCFD#3 RES 2021-066 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

4. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION CFUD#1 RES 2021-117 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

5. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION WFRCFD RES 2021-080 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

6. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION WFRCFD#2 RES 2021-075 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

7. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION CTTNFLWRCFD RES 2021-073 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

8. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION EMRCFD RES 2021-138 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

9. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION KRCFD RES 2021-048 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

10. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION CENTERRACFD RES 2021-074 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

11. **APPROVE THE PROPERTY TAX LEVY FOR FISCAL YEAR 2022**

Recommendation

ADOPT RESOLUTION CORTINACFD RES 2021-068 LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH \$100.00 OF ASSESSED VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET; ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2022. (Jared Askelson, Deputy Finance Director)

12. **ESTRELLA MOUNTAIN RANCH CFD MONTECITO #2 ASSESSMENT MODIFICATION**

Recommendation

ADOPT RESOLUTION EMRCFD RES 2021-139 APPROVING THE MODIFICATION OF ASSESSMENTS IN ASSESSMENT NUMBER 005-02-043 WITHIN THE MONTECITO ASSESSMENT DISTRICT NO. 2. (Jared Askelson, Deputy Finance Director)

BUSINESS

PRESENTATION FOR ITEMS 13 THROUGH 19

Deputy Finance Director Jared Askelson presented information on the debt prepayments within seven Community Facilities Districts (CFD). The prepayments would be expensed during Fiscal Year 2021 so that the City could meet Arizona State Statutes on the City's debt service fund balance limits that were put in place in March 2021. Mr. Askelson reviewed the process of making direct payments or defeasance payments on bonds as well as the amounts of the prepayments for each CFD.

MOTION BY Board Member Joe Pizzillo, **SECONDED BY** Vice Chairman Brannon Hampton to APPROVE Business Items 13 through 19. The motion carried by the following vote:

AYE: Chairman Georgia Lord, Vice Chairman Brannon Hampton, Board Member Joe Pizzillo, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Bill Stipp, Board Member Laura Kaino

Passed - Unanimously

13. **PREPAYMENT OF DEBT WITHIN THE COMMUNITY FACILITIES GENERAL DISTRICT #1**

Recommendation

ADOPT RESOLUTION CFGD#1 RES 2021-191 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013, THE DIRECT PAYMENT, OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

14. **PREPAYMENT OF DEBT WITHIN THE PALM VALLEY CFD #3**

Recommendation

ADOPT RESOLUTION PVCFD#3 RES 2021-067 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016, THE DIRECT PAYMENT, OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

15. **PREPAYMENT OF DEBT WITHIN THE COMMUNITY FACILITIES UTILITIES DISTRICT #1**

Recommendation

ADOPT RESOLUTION CFUD #1 RES 2021-118 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016, THE DIRECT PAYMENT, OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING

AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

16. PREPAYMENT OF DEBT WITHIN THE WILDFLOWER RANCH CFD

Recommendation

ADOPT RESOLUTION WFRCFD RES 2021-081 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION BONDS, SERIES 1998, THE DIRECT PAYMENT, OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

17. PREPAYMENT OF DEBT WITHIN THE WILDFLOWER RANCH CFD #2

Recommendation

ADOPT RESOLUTION WFRCFD#2 RES 2021-076 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION BONDS, SERIES 2001, THE DIRECT PAYMENT, OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

18. PREPAYMENT OF DEBT WITHIN THE ESTRELLA MOUNTAIN RANCH CFD

Recommendation

ADOPT RESOLUTION EMRCFD RES 2021-140 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017, THE DIRECT PAYMENT, OR THE

EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

19. **PREPAYMENT OF DEBT WITHIN THE CENTERRA CFD**

Recommendation

ADOPT RESOLUTION CENTERRACFD RES 2021-075 AUTHORIZING AND PROVIDING FOR THE TRANSFER OF AVAILABLE DISTRICT FUNDS TO DEFEASE AND REDEEM A PORTION OF ITS OUTSTANDING DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016, THE DIRECT PAYMENT, OR THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING, OF MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; APPROVING THE FORM OF CERTAIN DOCUMENTS AND AUTHORIZING COMPLETION, EXECUTION AND DELIVERY THEREOF; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION. (Jared Askelson, Deputy Finance Director)

INFORMATION ITEMS

There were no information items.

ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Community Facilities Districts Meeting at 7:36 p.m.

Darcie McCracken, District Clerk

Georgia Lord, District Chairman

Date: _____

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the JOINT COMMUNITY FACILITIES DISTRICT MEETING of the city of Goodyear, Arizona, held on June 21, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2021.

Darcie McCracken, District Clerk

Community Facilities District

Goodyear Municipal Court and Council Chambers
14455 W. Van Buren St., Suite B101
Goodyear, AZ 85338



Monday, August 23, 2021

5:50 p.m.

Meeting Minutes

COMMUNITY FACILITIES DISTRICTS - CITY OF GOODYEAR, ARIZONA

1. COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
2. PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
3. COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
4. WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT
5. WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2
6. COTTONFLOWER COMMUNITY FACILITIES DISTRICT
7. ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
8. KING RANCH COMMUNITY FACILITIES DISTRICT
9. CENTERRA COMMUNITY FACILITIES DISTRICT
10. CORTINA COMMUNITY FACILITIES DISTRICT

Board members of the ten above mentioned Community Facilities Districts will attend either in person or by telephone conference call or video communications.

CALL TO ORDER

Chairman Lord called the meeting to order at 5:50 p.m.

ROLL CALL

Present: Chairman Georgia Lord; Vice Chairman Brannon Hampton; Board Member Joe Pizzillo; Board Member Sheri Lauritano; Board Member Wally Campbell; Board Member Bill Stipp; Board Member Laura Kaino

Staff District Manager Julie Karins; District Clerk Darcie McCracken

Present:

Boardmember Campbell attended the meeting via telephone.

CITIZEN COMMENTS

There were no citizen comments.

PUBLIC HEARINGS

1. **HEARING FOR THE FEASIBILITY REPORT FOR THE MONTECITO #3 ASSESSMENT DISTRICT WITHIN THE ESTRELLA MOUNTAIN RANCH CFD**

Chairman Lord opened the public hearing at 5:51 p.m.

Deputy Finance Director Jared Askelson presented information regarding the formation of a new Special Assessment District which constructs or acquires infrastructure, issues bonds to pay for infrastructure and levies assessments to pay for bonds. He spoke about the feasibility report for the issuance of bonds for the Montecito Assessment District #3 which contained the location of the new special assessment district and the project that would be funded. He added that the feasibility report also addressed the financing plan with a total amount of \$778,000 with \$598,000 coming from the assessment and the builder paying \$180,000. Mr. Askelson stated that the assessment would be approximately \$8,200 per lot.

Chairman Lord closed the public hearing at 5:55 p.m.

BUSINESS

2. **EMRCFD MONTECITO #3 ASSESSMENT DISTRICT FEASIBILITY REPORT APPROVAL**

MOTION BY Board Member Laura Kaino, **SECONDED BY** Board Member Sheri Lauritano **to ADOPT RESOLUTION EMRCFD RES 2021-141, APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITTING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE CERTAIN IMPROVEMENTS DESCRIBED IN THE FEASIBILITY REPORT; FORMING MONTECITO ASSESSMENT DISTRICT NO. 3; DETERMINING THAT SPECIAL ASSESSMENT REVENUE BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF AND DECLARING THE IMPROVEMENTS TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT AND THAT THE COSTS OF SAID IMPROVEMENTS WILL BE ASSESSED UPON THE ASSESSMENT DISTRICT; PROVIDING THAT THE PROPOSED IMPROVEMENTS WILL BE PERFORMED AND DISTRICT SPECIAL ASSESSMENT REVENUE BONDS ISSUED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO; AND RATIFYING ALL PRIOR ACTS INCLUDING THE EXECUTION AND DELIVERY OF A WAIVER AND DEVELOPMENT AGREEMENT. The motion carried as follows:**

AYE: Chairman Georgia Lord, Vice Chairman Brannon Hampton, Board Member Joe Pizzillo, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Bill Stipp, Board Member Laura Kaino

Passed - Unanimously

Council inquired if the buyers would be notified of the special district assessment and if the \$8,200 would be spread out over multiple years. Mr. Askelson responded that buyers would be informed and the assessment would be spread out over 20 years.

3. **EMRCFD MONTECITO #3 ASSESSMENT DISTRICT ORDERING THE PUBLIC INFRASTRUCTURE**

MOTION BY Board Member Bill Stipp, **SECONDED BY** Board Member Sheri Lauritano **to ADOPT RESOLUTION EMRCFD RES 2021-142 ORDERING THE PUBLIC INFRASTRUCTURE PROJECT PERFORMED AS DESCRIBED IN EMRCFD RES 2021-141. The motion carried as follows:**

AYE: Chairman Georgia Lord, Vice Chairman Brannon Hampton, Board Member Joe Pizzillo, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Bill Stipp, Board Member Laura Kaino

Passed - Unanimously

4. **EMRCFD MONTECITO #3 ASSESSMENT DISTRICT APPROVING THE LEVYING OF ASSESSMENT**

MOTION BY Board Member Joe Pizzillo, **SECONDED BY** Vice Chairman Brannon Hampton **to ADOPT RESOLUTION EMRCFD RES 2021-143 APPROVING THE LEVYING OF AN ASSESSMENT FOR THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA). The motion carried as follows:**

AYE: Chairman Georgia Lord, Vice Chairman Brannon Hampton, Board Member Joe Pizzillo, Board Member Sheri Lauritano, Board Member Wally Campbell, Board Member Bill Stipp, Board Member Laura Kaino

Passed - Unanimously

ADJOURNMENT

There being no further business to discuss, Chairman Lord adjourned the CFD Meeting at 6:00 p.m.

Darcie McCracken, District Clerk

Georgia Lord, District Chairman

Date: _____

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the JOINT COMMUNITY FACILITIES DISTRICT MEETING of the city of Goodyear, Arizona, held on August 23, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2021.

SEAL:

Darcie McCracken, District Clerk

ITEM #: 2.
DATE: 08/30/2021
AI #:399



COMMUNITY FACILITIES DISTRICT REPORT

SUBJECT: HEARING FOR THE FINAL ASSESSMENT FOR THE MONTECITO #3 ASSESSMENT DISTRICT WITHIN THE ESTRELLA MOUNTAIN RANCH CFD

STAFF PRESENTER(S): Jared Askelson, Deputy Finance Director

SUMMARY

The District Engineer has determined the public infrastructure benefiting the assessed residential lots is complete. No objections to the assessment or to the Project (as defined in EMRCFD RES 2021-141) have been submitted to the District. The Board will hold a public hearing regarding the assessment. Following the public hearing, the Board will consider resolution EMRCFD RES 2021-144, which is the final step in the procedures necessary to form the Montecito No. 3 Assessment District (the "Assessment District") and to provide for assessments to pay the debt service on special assessment revenue bonds.

Recommendation

Hold a public hearing on the Final Assessment for the Montecito #3 Assessment District within the Estrella Mountain Ranch CFD. (Jared Askelson, Deputy Finance Director)

FISCAL IMPACT

There is no direct fiscal impact of this action, however, it is a required step for the special assessment district to potentially issue revenue bonds in the principal amount of up to \$598,000. These bonds will acquire the infrastructure, pay appropriate capitalized interest, establish a reserve fund, and pay for costs of issuance of the bonds. Property owners within the Assessment District will pay the annual debt service payments for the special assessment revenue bonds. The intention is to have the annual debt service payment collected by the Maricopa County Treasurer by adding the amount due from each property owner on their annual property tax bill. The 73 single family detached lots are requested to be assessed approximately \$8,191.78.

BACKGROUND AND PREVIOUS ACTIONS

NNP III – Estrella Mountain Ranch, LLC ("Developer"), the sole landowner of the property, submitted a request to form Montecito Assessment District No. 3. The proposed district will create 73 individual assessments of \$8,191.78 to acquire Calistoga Drive and associated engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt pavement, landscaping, and streetlights from approximately 184th Lane west to 186th Avenue. On August 23, 2021, the District Board conducted a public hearing and adopted a resolution relating to the feasibility report for the Assessment District. The feasibility outlined the location, associated projects, and the financing plan. On that date, the District Board also ordered the work for Calistoga Drive and approved the assessments on the District based on the approved feasibility report.

The District Engineer completed a review of the work related to the public infrastructure and public infrastructure purposes to be financed by the special assessment revenue bonds. The District Engineer has determined that the work is complete, benefits the lots within the District, and is assessed to each lot in proportion to the benefits. No landowners objected to the formation of the Assessment District, the work or the assessment.

STAFF ANALYSIS

District staff has reviewed the District Engineer's certificate regarding the work and has determined that it is proper for the District Board to hold a hearing on the assessment, and thereafter to consider EMRCFD RES 2021-144, completing the final step in the procedures necessary to form the Assessment District and to provide for assessments to pay the debt service on special assessment revenue bonds.

Attachments

Assessment Methodology
Engineer's Estimated Costs
Hearing Notice
Presentation

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

**SPECIAL ASSESSMENT REVENUE BONDS SERIES 2021
MONTECITO ASSESSMENT DISTRICT No. 3**

ASSESSMENT METHODOLOGY

Prepared by:

**WILLDAN
1440 East Missouri Ave Suite 170C
Phoenix, Arizona 85014
(602) 870-7600**

Dated August 9, 2021

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
CITY OF GOODYEAR, ARIZONA
SPECIAL ASSESSMENT REVENUE BONDS (SERIES 2021)
MONTECITO ASSESSMENT DISTRICT No. 3**

ASSESSMENT METHODOLOGY

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 Apportionment 4

 Estimated Special Assessment Liens Per Lot 4

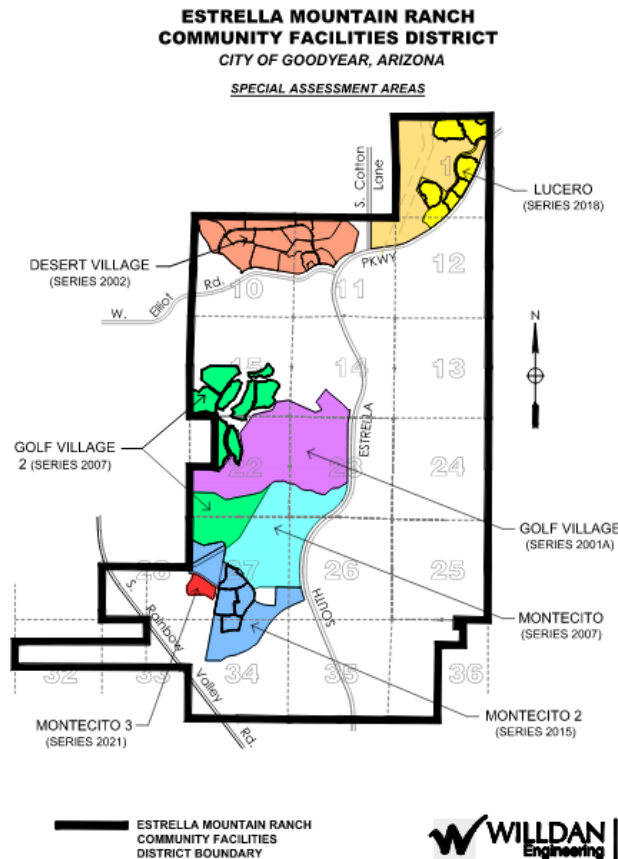
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**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
CITY OF GOODYEAR, ARIZONA
SPECIAL ASSESSMENT REVENUE BONDS (SERIES 2021)
MONTECITO ASSESSMENT DISTRICT No.3**

Willdan, the District Engineer for the Estrella Mountain Ranch Community Facilities District (“Estrella Mountain Ranch CFD”), makes this report of benefit as directed by City staff in support of the *Feasibility Report for the Issuance of Estrella Mountain Ranch Community Facilities District Special Assessment Revenue Bonds Series 2021 Montecito Assessment District No.3*, prepared by NNP III-Estrella Mountain Ranch, LLC and dated April 2, 2021 (“Feasibility Report”).

Project Description

The Estrella Mountain Ranch master planned community (“Development”) consists of 9,771 acres and is located in Goodyear, Arizona. On November 22, 1999 the Estrella Mountain Ranch Community Facilities District was established to finance the construction and/or acquisition of public infrastructure that are part of the Development. Montecito Assessment District Number 3 consists of an estimated 25.64 gross acres within the larger 9,771acre Development. The Montecito Assessment District Number 3 Special Assessment Bonds (Series 2021) (“Bond Issue”) relates to the acquisition of public infrastructure that will benefit development of Montecito Assessment District No. 3. Details related to the project area, infrastructure improvements, costs, and land use can be found in the Feasibility Report.



**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
CITY OF GOODYEAR, ARIZONA
SPECIAL ASSESSMENT REVENUE BONDS (SERIES 2021)
MONTECITO ASSESSMENT DISTRICT No.3**

Description of Improvements

The improvements that will be funded by the Bond Issue and are the subject of this report will be constructed and acquired public infrastructure that are eligible for funding according to Arizona Revised Statutes Title 48 Community Facilities Act of 1989. The improvements are more fully described in Section 2 of the Feasibility Study. Briefly, the improvements are described as follows:

Street Improvements

The design and construction of certain grading, trenching, staking, paving, concrete, base, intersection work, enhanced landscaping, storm drains, street lighting, signing and striping, sidewalks, curbs and gutters, parkways, medians, landscaping, permits and fees, together with appurtenances and appurtenant work and an allowance for contingencies for the following arterial roadways:

- Calistoga Drive Phase 3-1 – approximately 1,401 lineal feet

Preliminary Cost Estimate

The Bond Issue secured by remaining unpaid assessments is proposed to be issued in accordance with the Arizona Revised Statutes, the City of Goodyear, Arizona Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts, Development, Financing Participation and Intergovernmental Agreement No. 1 (Estrella Mountain Ranch Community Facilities District), and the Estrella Mountain Ranch Community Facilities District Waiver and Development Agreement.

The District's acquisition of Projects, the District will dedicate the Projects to the City. Accordingly, the District will have no operating or maintenance expenses in connection with the projects. Net Bond Proceeds (par amount of the Bonds less reserve fund) in the amount of \$531,102 are expected to fund infrastructure improvements. Costs are approximately 50 percent of the overall total Projects' cost. Calistoga Drive 3-1 construction is completed and was accepted by the City of Goodyear in January 2019.

A summary of the public infrastructure to be financed through the Bond Issue includes the following:

ESTIMATED COST ESTIMATE

<u>Improvement Projects</u>	<u>Estimated Costs Funded Through Bond Issue</u>
STREET IMPROVEMENT	
Calistoga Drive	\$ <u>531,102</u>
Total	\$ 531,102

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
CITY OF GOODYEAR, ARIZONA
SPECIAL ASSESSMENT REVENUE BONDS (SERIES 2021)
MONTECITO ASSESSMENT DISTRICT No.3**

TOTAL COSTS AND INCIDENTALS TO BE REIMBURSED (Total Improvements plus the Reserve Fund)	<u>\$ 531,102.00</u>
 COSTS OF ISSUANCE	
Debt Service Reserve Fund	\$ 39,562.50
Total Incidental Costs	\$ 180,965.01
Capitalized Interest	\$ 14,370.49
Bond Fund (Prepayment Account)	\$ 12,000.00
Less Developer Contribution	<u>\$ (180,000.00)</u>
 GRAND TOTAL	 \$ 598,000.00

*\$180,000 paid from funds contributed by the developer of the land within the Assessment District, \$965.01 paid from bond proceeds.

Assessment Methodology

The State of Arizona Revised Statutes provides that assessments be allocated in proportion to the benefits received by each lot from the improvements. For purposes of the Estrella Mountain Ranch Community Facilities District Montecito Assessment District No. 3 Bonds Special Assessment Bonds (Series 2021), the original assessed amount (prior to cash payments) and consequently the remaining assessments securing the proposed assessment bond amount not to exceed of \$620,000 is allocated to the lots within Montecito Special Assessment District 3 based upon the following benefit methodology.

Introduction

The works of improvement to be financed by the Bond Issue consist of backbone facilities that provide roadway improvements for all lots within Montecito Assessment District No. 3. The improvements, which are more fully described in Section Two of the Feasibility Report, fall into the following categories:

- Roadway improvements

Roadway Improvements

The street related improvements to be installed within Calistoga Drive 3-1 consist of new roadway construction providing access to the residential and multi-family areas located within Special Assessment are known as Montecito Assessment District No. 3. The roadway improvements provide a direct and special benefit to the developable parcels to be assessed, in that direct ingress and egress is made available to all lots within the Montecito Assessment District No. 3 area. The cost estimate excludes ineligible costs such as dry utilities and monument structures.

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
CITY OF GOODYEAR, ARIZONA
SPECIAL ASSESSMENT REVENUE BONDS (SERIES 2021)
MONTECITO ASSESSMENT DISTRICT No.3**

The construction of collector roadways provides an area-wide system of streets to serve the developable properties within Montecito Assessment District No. 3 and serve as primary and/or secondary ingress/egress to the parcels providing access for properties within the Montecito Assessment District No. 3 area and allowing travel to areas outside of the boundaries of the assessment area. The specific alignment of the collector street has been determined and approved by the City. This portion of Calistoga Drive is completed. Therefore, the construction of Calistoga Drive is a direct and special benefit to the properties addressed in this report.

The benefit of roadway improvements to properties within Montecito Assessment District No. 3 will be allocated to the respective properties based on a per lot basis.

In apportioning the benefit of roadway improvements to properties within the Montecito Assessment District No. 3 area, was based on a per lot equal benefit. Therefore, within each single-family residential tract, each lot will receive an equal assessment.

In the event development occurs differently than currently projected, the assessment liens at the planning area level can be adjusted to meet the intent of this benefit analysis. However, in the event an assessment lien has been allocated to a final residential lot, the lien may not be increased as a result of changes in development.

Project Incidentals and Bond Issuance Costs

These costs increase the assessments for each assessment area in proportion to the special assessments allocated thereto for the improvement construction costs. This is deemed an appropriate charge related to the Community Facilities District. Therefore, Project Incidentals and Bond Issuance Costs are allocated to each parcel based on construction costs.

Apportionment

25.64 gross acres within the Montecito Assessment District No. 3 consist subdivided acreage, which is being developed in conformance with the Estrella Mountain Ranch Vesting Tentative Tract Maps. The final plat of the acreage has been recorded in Book 1549 Page 30 Maricopa County Recorder's office.

The number of lots and the assessments to each lot within Montecito Assessment District No. 3 are fixed.

Estimated Special Assessment Liens

Based upon the information presented above, the estimates of the assessment to be placed upon each of the lots located within the Montecito Assessment District No. 3 and where the final plat has been recorded in Book 1549 Page 30 Maricopa County Recorder's office. The assessments have been allocated as follows:

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
CITY OF GOODYEAR, ARIZONA
SPECIAL ASSESSMENT REVENUE BONDS (SERIES 2021)
MONTECITO ASSESSMENT DISTRICT No.3**

**MONTECITO ASSESSMENT DISTRICT NO. 3
ASSESSMENT PER LOT**

ASSESSMENT NUMBER	LOT NUMBER	GROSS ACRES	ASSESSMENT BY LOT
001-01-001 through 073	1-73	25.64	\$ 8,191.78

Footnotes

- (1) Special assessment liens will not be placed upon common areas, areas owned by the homeowner's associations, public rights-of-way, property owned by the District, or other governmental/public entities.
- (2) Final Plat for the parcel has been recorded, Book 1549 Page 30 M.C.R.

CONCLUSION

Based upon the information presented herein, it is our opinion that the special assessment allocation methodology results in assessments being allocated in proportion to the benefits received by each lot or parcel therein for the improvements to be provided thereby.



Grant I. Anderson, P.E., District Engineer

EXHIBIT C

ENGINEER'S ESTIMATED COSTS

DATE: August 5, 2021

TO: Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)

Improvements to the following streets located within Montecito Assessment District No. 3 in the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) have been constructed. Streets improved include Calistoga Drive Phase 3-1: This project begins at the current terminus of Calistoga Drive Phase 2-1, continues westward approximately 1,401 LF and stops at the west ingress/egress street into Parcel 9.43. Costs include engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt pavement, landscaping and street lights. Calistoga Drive Phase 3-1 construction is complete and was accepted by the City in January 2019. In compliance with the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments and supplements thereto, we hereby estimate the costs and expenses of said improvement to be as follows:

Acquisition Costs	\$531,102.00
Incidental Expenses	
Underwriter's Discount*	\$35,000.00
Costs of Issuance*	145,965.01
Debt Service Reserve Fund	39,562.50
Bond Fund (Capitalized Interest)	14,370.49
Bond Fund (Prepayment Account)	12,000.00
TOTAL COSTS	<u>\$778,000.00</u>

*\$180,000 paid from funds contributed by the developer of the land within the Assessment District, \$965.01 paid from bond proceeds.

Respectfully submitted,

By _____
District Engineer

ACCEPTED:

Superintendent of Streets

NOTICE OF PUBLIC HEARING

TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA):

NOTICE IS HEREBY GIVEN that the Board of Directors of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) will meet on August 30, 2021, commencing immediately following the regularly scheduled meeting of the Mayor and Council of the City of Goodyear, which meeting will begin at 5:50 p.m. and will be held in the Goodyear Municipal Court and Council Chambers, 14455 W. Van Buren Street, Suite B-101, Goodyear, Arizona 85338, to conduct a public hearing on and to consider and review assessment and issuance of special assessment bonds of the Estrella Mountain Ranch Community Facilities District (Montecito Assessment District No. 3). A copy of the feasibility report may be reviewed at the office of the District Clerk, 190 N. Litchfield Road, Goodyear, Arizona 85338.

Publish: Southwest Valley Republic – August 18, 2021 and August 20, 2021



Montecito #3 Special Assessment District

**District Board Meeting
August 30, 2021**

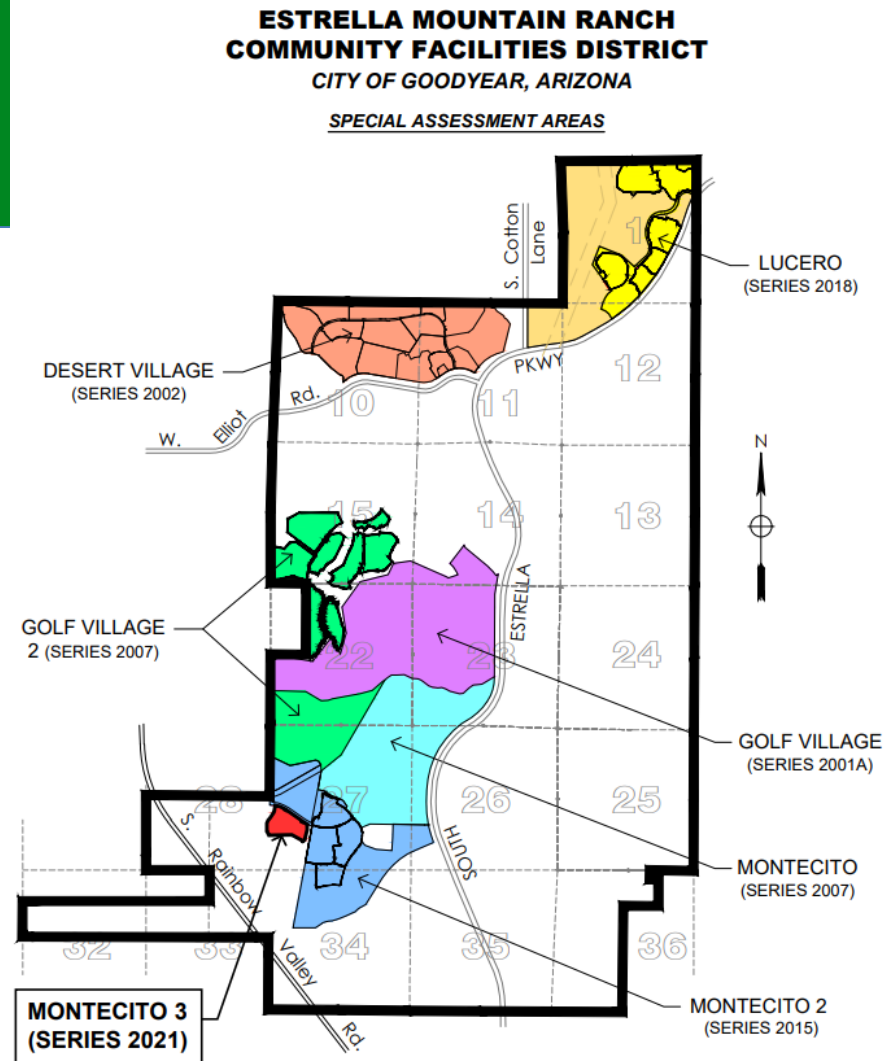
August 23rd Actions

- Public hearing on feasibility report
- Approved the feasibility report
- Ordered the work to be completed
- Levied the assessment

Montecito #3

Location

- Seventh district within Estrella Mountain Ranch
- 27 acres
- 73 single family lots

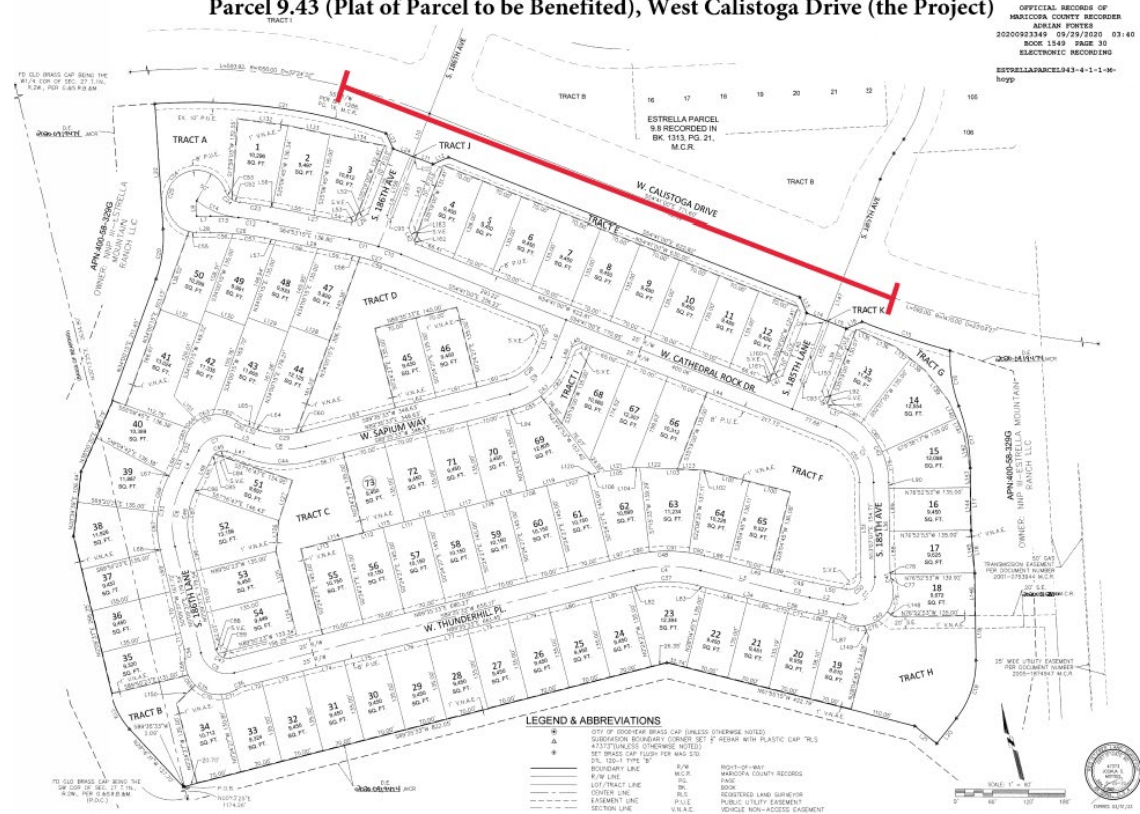


Montecito #3

Project

- Calistoga Drive
- 1,401 linear feet
- West of 184th Lane
- Completed January 2019

Parcel 9.43 (Plat of Parcel to be Benefited), West Calistoga Drive (the Project)



OFFICIAL RECORDS OF
MARIPOSA COUNTY RECORDER
ARIAN FORTES
20200923349 09/29/2020 03:40
BOOK 1349 PAGE 30
ELECTRONIC RECORDING
ESTRELLAPARCEL943-4-1-1-06-
hoyp

Montecito #3

Financing Plan

Uses of Funds	Amount
Project Acquisition	\$ 531,102
Reserve and Interest	66,764
Cost of Issuance and Underwriting	180,134
Total	\$ 778,000

Montecito #3

Financing Plan

Source of Funds	Amount
Bond Proceeds	\$ 598,000
Developer Contribution	180,000
Total	\$ 778,000

Montecito #3

Financing Plan

Bond Proceeds		Number of Assessments		Amount per Assessment
\$ 598,000	/	73	=	\$ 8,191,78

Montecito #3

- District Engineer has determined:
 - Work is complete
 - Work benefits the District
 - Assessments are in proportion to the benefit

Tonight's District Items

- Public hearing on assessment district
- Action on ordering collection of assessments
- Action on issuing bonds

Conduct Public Hearing

ITEM #: 3.
DATE: 08/30/2021
AI #:465



COMMUNITY FACILITIES DISTRICT REPORT

SUBJECT: EMRCFD MONTECITO #3 ASSESSMENT DISTRICT ORDERING THE COLLECTION OF ASSESSMENT

STAFF PRESENTER(S): Jared Askelson, Deputy Finance Director

SUMMARY

The District Engineer has determined the public infrastructure benefiting the assessed residential lots is complete. No objections to the assessment or to the Project (as defined in EMRCFD RES 2021-141) have been submitted to the District. The Board will hold a public hearing regarding the assessment. Following the public hearing, the Board will consider resolution EMRCFD RES 2021-144, which is the final step in the procedures necessary to form the Montecito No. 3 Assessment District (the "Assessment District") and to provide for assessments to pay the debt service on special assessment revenue bonds.

Recommendation

ADOPT RESOLUTION NO. EMRCFD RES 2021-144, APPROVING THE ASSESSMENT AND THE PROCEEDINGS HERETOFORE HAD AND TAKEN FOR THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) MONTECITO ASSESSMENT DISTRICT NO. 3; DETERMINING THE WORK HAS BEEN COMPLETED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS; AND ORDERING THE COLLECTION OF THE AMOUNT ASSESSED. (Jared Askelson, Deputy Finance Director)

FISCAL IMPACT

There is no direct fiscal impact of this action, however, it is a required step for the special assessment district to potentially issue revenue bonds in the principal amount of up to \$598,000. These bonds will acquire the infrastructure, pay appropriate capitalized interest, establish a reserve fund, and pay for costs of issuance of the bonds. Property owners within the Assessment District will pay the annual debt service payments for the special assessment revenue bonds. The intention is to have the annual debt service payment collected by Maricopa County Treasurer by adding the amount due from each property owner on their annual property tax bill. The 73 single family detached lots are requested to be assessed approximately \$8,191.78.

BACKGROUND AND PREVIOUS ACTIONS

NNP III – Estrella Mountain Ranch, LLC ("Developer"), the sole landowner of the property, submitted a request to form Montecito Assessment District No. 3. The proposed district will create 73 individual assessments of \$8,191.78 to acquire Calistoga Drive and associated engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt pavement, landscaping, and streetlights from approximately 184th Lane west to 186th Avenue. On August 23, 2021, the District Board conducted a public hearing and adopted a resolution relating to the feasibility report for the Assessment District. The feasibility outlined the location, associated projects, and the financing plan. On that date, the District Board also ordered the

work for Calistoga Drive and approved the assessments on the District based on the approved feasibility report.

The District Engineer completed a review of the work related to the public infrastructure and public infrastructure purposes to be financed by the special assessment revenue bonds. The District Engineer has determined that the work is complete, benefits the lots within the District, and is assessed to each lot in proportion to the benefits. No landowners objected to the formation of the Assessment District, the work or the assessment.

STAFF ANALYSIS

District staff has reviewed the District Engineer's certificate regarding the work and has determined that, following the hearing on the assessment, it is proper for the Board to adopt EMRCFD RES 2021-144, completing the final step in the procedures necessary to form the Assessment District and to provide for assessments to pay the debt service on special assessment revenue bonds.

Attachments

Resolution
Engineer's Certificate

RESOLUTION NO. EMRCFD 2021-144

RESOLUTION OF THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) APPROVING THE ASSESSMENT AND THE PROCEEDINGS HERETOFORE HAD AND TAKEN FOR THE ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) MONTECITO ASSESSMENT DISTRICT NO. 3; DETERMINING THE WORK HAS BEEN COMPLETED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS; AND ORDERING THE COLLECTION OF THE AMOUNT ASSESSED.

WHEREAS, the Board of Directors (the “*District Board*”) of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “*District*”), (i) initiated the establishment of Montecito Assessment District No. 3 (the “*Assessment District*”), (ii) initiated the acquisition and/or construction of certain public infrastructure improvements and purposes (the “*Project*”) as described in Resolution EMRCFD RES 2021-141 (Estrella Mountain Ranch) (the “*Resolution of Intention*”) adopted by the District Board on August 23, 2021, (iii) initiated the financing of said Project, including capitalized interest, a debt service reserve fund and other necessary Incidental Expenses (as defined in the Resolution of Intention) with the District’s special assessment revenue bonds, and (iv) ordered, pursuant to Resolution EMRCFD RED 2021-142, the acquisition of such Project as contemplated by the Resolution of Intention; and

WHEREAS, pursuant to the Waiver Agreement (as defined in the Resolution of Intention), the owners of all of the real property within the Assessment District consented to the inclusion of all of the real property in the Assessment District, subject to later deletions of real property relating to non-developable and publicly-owned land and other modifications, and acknowledged the levy of an assessment, as provided by law, in an amount not to exceed \$598,000 for the purpose of financing the Project and Incidental Expenses; and

WHEREAS, an assessment in the amount of \$598,000 was prepared, which resulted in a total assessment certified to bond in the amount of \$598,000 (the “*Assessment*”) and a warrant has been prepared as provided by law and the District’s Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021, in the amount of \$598,000, have been or shall be issued and sold; and

WHEREAS, the District Engineer (as defined in the Resolution of Intention) has reported to this District Board that all work relating to the Project has been completed in accordance with the approved plans and specifications; and

WHEREAS, a hearing was set for the consideration of the Assessment and notice of such hearing on the Assessment has been given to all persons owning real property in the Assessment District as the names appear upon the tax roll and such hearing has been held; and

WHEREAS, no objections to the District Engineer’s determination that all work relating to the Project has been completed in accordance with the plans and specifications have been filed or presented at the hearing; and

WHEREAS, the District Engineer has caused to be prepared an estimate of all costs anticipated to be incurred in connection with the acquisition of the Project, including capitalized interest, debt service reserve fund and the costs of certain Incidental Expenses related thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) as follows:

Section 1. The work relating to the Project as described in the Resolution of Intention has been completed in accordance with the approved plans and specifications and is hereby accepted as complete.

Section 2. Any and all objections to the Assessment, the legality of the Assessment and the legality of all proceedings related to the Assessment District are hereby overruled. The Assessment in the amount of \$598,000 as so made is hereby fully and finally confirmed and approved.

Section 3. All acts of the District Clerk, the Superintendent of Streets and any person acting for such officials in setting the date for the hearing on the Assessment and causing notice thereof to be mailed is hereby ratified and confirmed.

Section 4. The Superintendent of Streets is hereby directed to request the Treasurer of the District to collect the Assessment that has been levied against the real property in the Assessment District for an amount not greater than the grand total of costs set forth in the Assessment.

Section 5. With respect to any Assessment that bonds are issued against, the Treasurer of the District shall cause the Assessment to be billed and collected in installment payments sufficient to pay the amounts due on any bonds that are secured by such Assessment. The Assessment shall be collected and, if necessary, foreclosed in accordance with Arizona Revised Statutes Sections 48-601 through 48-607, inclusive, as amended, and in accordance with the Waiver Agreement.

Section 6. All acts of the District Clerk, the Treasurer of the District, the District Manager, the District Engineer and the Superintendent of Streets, and any person acting for such officials in furtherance of this resolution or in the collection of the Assessment are hereby approved, ratified and confirmed.

[Signature Page to Follow]

PASSED AND ADOPTED by the Board of Directors of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) on August 30, 2021, with a vote of _____.

ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)

Georgia Lord, District Chair

ATTEST:

District Clerk

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C.

District Bond Counsel

\$598,000
ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

CERTIFICATE OF DISTRICT ENGINEER

Willdan is the District Engineer (the “District Engineer”) for Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “District”). All terms used but not otherwise defined herein shall have the meanings assigned in EMRCFD RES 2021-141, adopted by the Board of Directors (the “District Board”) of the District on August 23, 2021. The undersigned, an authorized representative acting for and on behalf of the District Engineer, hereby certifies as follows:

(1) The District Engineer has completed a review of costs incurred for the work relating to the Project as provided by NNP III - Estrella Mountain Ranch, LLC (the “Developer”). The District Engineer has taken no responsibility to audit or otherwise independently verify the Developer’s reported costs incurred.

(2) The District Engineer has reviewed the work relating to the Project solely to confirm and approve the Assessment.

(3) Based on the District Engineer’s review of the Project and review of the Developer’s reported costs incurred, the District Engineer has determined:

(i) The Project has been constructed in accordance with the Plans.

(ii) The Project benefits all of the residential lots within the Assessment District subject to the Assessment.

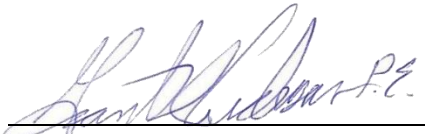
(iii) Based on the Developer’s reported costs incurred, as of the date of the District Engineer’s review of the Project, the amount of the Assessment for each residential lot is in proportion to the benefit received.

(iv) The work relating to the Project is complete to the extent applicable for purposes of the District Board’s final and conclusive confirmation and approval of the Assessment.

(4) The District Engineer’s review of the Project and review of the Developer’s reported costs incurred is not a determination of substantial completion or final acceptance of the Project. The City Engineer of the City of Goodyear, Arizona, is solely authorized to make such determinations of substantial completion and final acceptance of the Project.

Dated: August 16, 2021.

WILLDAN

By:  P.E.
Authorized Representative

[Signature Page to Certificate of District Engineer]

ITEM #: 4.
DATE: 08/30/2021
AI #:466



COMMUNITY FACILITIES DISTRICT REPORT

SUBJECT: EMRCFD MONTECITO #3 ASSESSMENT DISTRICT BOND ISSUANCE

STAFF PRESENTER(S): Jared Askelson, Deputy Finance Director

SUMMARY

Approval of resolution EMRCFD RES 2021-145 will authorize the sale, issuance, and delivery of special assessment revenue bonds of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3, in an amount not to exceed \$598,000.

Recommendation

ADOPT RESOLUTION NO. EMRCFD RES 2021-145, AUTHORIZING THE ISSUANCE OF ITS MONTECITO ASSESSMENT DISTRICT NO. 3 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$598,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT, A PURCHASE CONTRACT RELATING TO THE BONDS, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; RATIFYING AND APPROVING A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; APPROVING A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; APPOINTING A REGISTRAR, TRANSFER AGENT AND PAYING AGENT FOR THE BONDS; AND TAKING OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS. (Jared Askelson, Deputy Finance Director)

FISCAL IMPACT

This action authorizes the issuance of revenue bonds in the principal amount of up to \$598,000. These bonds will acquire the infrastructure, pay appropriate capitalized interest, establish a reserve fund, and pay for costs of issuance of the bonds. Property owners within the Assessment District will pay the annual debt service payments for the special assessment revenue bonds. The intention is to have the annual debt service payment collected by Maricopa County Treasurer by adding the amount due from each property owner on their annual property tax bill. The 73 single family detached lots are requested to be assessed approximately \$8,191.78.

BACKGROUND AND PREVIOUS ACTIONS

NNP III – Estrella Mountain Ranch, LLC (“Developer”), the sole landowner of the property, submitted a request to form Montecito Assessment District No. 3. The proposed district will create 73 individual assessments of \$8,191.78 to acquire Calistoga Drive and associated engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt pavement, landscaping, and streetlights from approximately 184th Lane west to 186th Avenue. On August 23, 2021, the District Board conducted a public hearing and adopted a resolution relating to the feasibility report for the Assessment District. The feasibility outlined the location, associated projects, and the financing plan. On that date, the District Board also ordered the

work for Calistoga Drive and approved the assessments on the District based on the approved feasibility report.

On August 30, 2021, the District Board will conduct a public hearing and approve the assessments based on the approved feasibility report. These actions will complete the establishment of the Assessment District and will levy the assessments on the lots within the District.

STAFF ANALYSIS

District staff has reviewed the foregoing proceedings and has determined it is proper for the Board to adopt EMRCFD RES 2021-145 authorizing the sale, issuance, and delivery of special assessment revenue bonds of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3, in an amount not to exceed \$598,000.

Attachments

Resolution

Draft Bond Registrar Contract

Draft Purchase Agreement

Draft Continuing Disclosure Undertaking

Draft Preliminary Official Statement

Appraisal

EMRCFD RES 2021-145

A RESOLUTION OF THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA) AUTHORIZING THE ISSUANCE OF ITS MONTECITO ASSESSMENT DISTRICT NO. 3 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$598,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT, A PURCHASE CONTRACT RELATING TO THE BONDS, A CONTINUING DISCLOSURE UNDERTAKING, AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; RATIFYING AND APPROVING A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; APPROVING A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; APPOINTING A REGISTRAR, TRANSFER AGENT AND PAYING AGENT FOR THE BONDS; AND TAKING OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA), as follows:

Section 1. Findings.

(a) Pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, as amended (the “*Enabling Act*”), the Waiver and Development Agreement described below and Resolution EMRCFD RES 2021-141 adopted on August 23, 2021 (the “*Resolution of Intention*”), the Board of Directors (the “*District Board*”) of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “*District*”) has formed Montecito Assessment District No. 3 (the “*Assessment District No. 3*”), approved an assessment diagram and its recording in the Office of the Superintendent of Streets of the District (the “*Superintendent*”) and declared its intention to: (i) acquire certain public infrastructure and pay costs and expenses related thereto, including funding capitalized interest and a debt service reserve fund (the “*Project*”); (ii) assess the costs and expenses of the Project upon certain benefited real property within the boundaries of the District as described in the Resolution of Intention; (iii) issue the District’s special assessment revenue bonds (the “*Bonds*”) to finance the Project; and (iv) order the public infrastructure projects performed as described in the Resolution of Intention.

(b) Pursuant to the terms and provisions of the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Waiver and Development Agreement recorded with the Maricopa County, Arizona, Recorder at Docket 2021-0874486 (the “*Waiver Agreement*”), NNPIII – Estrella Mountain Ranch, LLC (“*NNP III*”) and the other persons who have an interest in all the real property to be assessed (collectively with NNP III, the “*Owner*”) have waived, among other things, certain requirements relating to the notices, protests and

hearings relating to, among other things, the formation of the Assessment District No. 3, levying of the Assessments (as hereinafter defined), and the time period for cash payments.

(c) The District Board has caused a report of the feasibility and benefits of the Project to be prepared, such report included a description of certain public infrastructure to be acquired and all other information useful to understand the Project, a map showing, in general, the location of 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 (the "*Report*"). A public hearing on the Report was held August 23, 2021, as provided by law, and, pursuant to the Enabling Act and the Resolution of Intention, the Report was ratified and approved in all respects.

(d) Pursuant to and in reliance upon the Waiver Agreement, the Board adopted Resolution EMRCFD RES 2021-142 on August 23, 2021, ordering the public infrastructure projects performed as described in the Resolution of Intention.

(e) Pursuant to and in reliance upon the Waiver Agreement, the District Board adopted Resolution EMRCFD RES 2021-143 on August 23, 2021, approving the levying of an assessment (the "*Assessment*" or the "*Assessments*") against the real property in the Assessment District No. 3. Pursuant to the Waiver Agreement and other agreements by the Owner, the Owner waived the requirement for notices of cash demands, the opportunity to make cash payments and requested the unpaid Assessments go to bond.

(f) Pursuant to the terms and provisions of the Waiver Agreement, the Owner, among other things, approved the: (i) proceedings relating to the Assessment and the Bonds, (ii) Assessment and assessment diagram, (iii) assessment methodology, (iv) method of collection and foreclosure of Assessments and (v) terms of the Bonds.

(g) The District Board has determined to authorize the issuance of the Bonds described herein to provide funds for the Project and any and all of the public infrastructure purposes provided for in the Enabling Act and the General Plan of the District.

(h) Pursuant to the Enabling Act, the District has also determined to enter into a Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of October 1, 2021, or such other date as set forth in the hereinafter defined Purchase Contract for the sale of the Bonds (the "*Registrar/Paying Agent Contract*"), between the District and U.S. Bank National Association, as bond registrar, transfer agent and paying agent (the "*Registrar*" and "*Paying Agent*" as the case may be), to process the issuance, registration, transfer and payment of, the Bonds. The District Board has determined by this Resolution to authorize the issuance of the Bonds and, in order to provide terms for, to provide for authentication and delivery of the Bonds by the Registrar, to authorize the execution and delivery of the Registrar/Paying Agent Contract.

(i) There have been placed on file with the District Clerk and presented in connection herewith (i) the proposed form of the Registrar/Paying Agent Contract, (ii) the proposed form of the Purchase Contract relating to the Bonds (the "*Purchase Contract*"), by and between the District and Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*"), (iii) the Preliminary Official Statement relating to the Bonds, dated the date thereof (the "*Preliminary Official Statement*"), and which, with such completions and changes as may be necessary will

constitute the form of the Final Official Statement for the Bonds (the “*Final Official Statement*”), and (iv) the proposed form of Continuing Disclosure Undertaking relating to the Bonds, to be dated the date of delivery thereof. The documents described in Clauses (i) through (iv) of this paragraph are hereinafter referred to, collectively, as the “*Bond Documents*.”

(j) The District Board hereby finds and determines that: (i) the amount of the Bonds does not exceed the estimated cost of the Project plus all costs connected with the public infrastructure purposes, capitalized interest, a debt service reserve fund and issuance and sale of the Bonds to be financed therewith (collectively the “*Costs*”); (ii) the Costs are less than or equal to the benefits derived from the Project; and (iii) based upon an appraisal completed by Wayne Harding & Associates, dated July 20, 2021, the wholesale (bulk) value of each of the assessed parcels comprising the Assessment District No. 3 is at least six times the principal amount of the Bonds allocated to each such assessed parcel.

Section 2. Approval of Issuance and Sale of Bonds; Payment of Bonds.

(a) The Bonds are hereby authorized to be issued as a series of tax-exempt assessment bonds of the District to be designated “*Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021*.” The Bonds shall be issued and delivered in an aggregate principal amount of not to exceed \$598,000, shall be in fully registered form only, shall be dated as of their date of initial issuance, shall bear interest at the rate or rates set forth in the Purchase Contract (not to exceed 5%) from their date and shall mature on July 1 in some or all of the years 2022 through 2046, inclusive (each, a “*Principal Payment Date*”). Interest will be payable semiannually, commencing on January 1, 2022 (or on such other date as set forth in the Purchase Contract), and on each succeeding January 1 and July 1 (each such date shall be referred to as an “*Interest Payment Date*”) during the term of the Bonds. As initially issued, the Bonds shall be in the Book-Entry-Only System described herein and in the denomination of \$5,000 each or integral multiples of \$1,000 in excess thereof and shall be in fully registered form. If necessary, to accommodate a special redemption of Bonds pursuant to Section 3(a) hereof, Bonds may be in the denomination of less than \$5,000 in integral multiples of \$1,000. Costs of issuance shall be paid by the Owner.

(b) The principal of and premium, if any, on the Bonds shall be payable upon surrender thereof at the principal corporate trust office of the Paying Agent. Interest due on the Bonds on each Interest Payment Date shall be payable by check mailed, when due, to the persons (the “*Bondholders*”) in whose names the Bonds are registered by the Registrar at the close of business on the fifteenth day of the calendar month (other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally (a “*Business Day*”)) next preceding the applicable Interest Payment Date; if such day is not a Business Day, then the previous Business Day (the “*Record Date*”).

(c) In the event that interest is not paid on an Interest Payment Date, the Registrar shall establish a special record date for the payment of such interest, if and when funds for the payment of such interest have been received. Notice of the special record date and of the scheduled payment date of the past due interest will be sent at least 10 days prior to the special record date, to the address of each Bondholder appearing on the Register (as such term is hereafter defined).

(d) Reserved.

(e) The Bonds shall have such additional terms and provisions as are set forth in the Purchase Contract and in the form of Bond attached hereto as Exhibit A, which is a part of this Resolution.

Section 3. Prior Redemption.

(a) Special Redemption. All Bonds are subject to redemption prior to their stated maturity, at random, at the option of the District, on any Interest Payment Date, from proceeds received by the District from: (i) if and to the extent on or after the completion of the Project, upon direction given to the Registrar by the District, amounts transferred from the Acquisition Fund for such purpose; (ii) the prepayment of any assessment by the owner of any assessed real property plus amounts in the hereinafter defined Debt Service Reserve Fund in excess of the hereinafter defined Reserve Fund Requirement as a result of such prepayment and which are available for such purpose or (iii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment, to the extent such foreclosure sale proceeds are not used to replenish the Debt Service Reserve Fund to an amount equal to the Reserve Fund Requirement. Such proceeds shall be deposited with the Bond Registrar and Paying Agent at least two business days prior to the date of redemption. The special redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

(b) Optional Redemption. The Bonds shall be subject to call for redemption prior to their stated maturity dates, at the option of the District, on such dates and at such price (the "*Redemption Price*") as are set forth in the Purchase Contract.

(c) Mandatory Redemption. The Bonds shall be subject to mandatory redemption prior to their stated maturity dates, by lottery, at a Redemption Price of par plus interest accrued to the date of redemption, but without premium, on such dates and in such amounts as are set forth in the Purchase Contract. Whenever Bonds which are subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or are delivered by the District to the Registrar for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against any mandatory redemption requirements for the Bonds for such years as the District may direct.

(d) Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System described below, notices of redemption will be sent to The Depository Trust Company ("*DTC*") in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the registrar not more than 60 nor less than 30 days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally-accepted by the respective securities depository. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

(e) MSRB Notice. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the “MSRB”), currently through the MSRB’s Electronic Municipal Market Access system, in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above. If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the District, or a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

(f) Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds on such date, and, if moneys for payment of the Redemption Price are held in separate accounts by the Paying Agent, interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the Bondholders shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and such Bonds shall be deemed paid and no longer outstanding.

(g) Redemption of Less Than All of a Bond. The District may redeem an amount which is included in a Bond in the denomination in excess of \$5,000, but divisible by, \$1,000. However, in order to accommodate a special redemption of Bonds pursuant to Section 3(a) hereof, Bonds may be in a denomination of less than \$5,000 in integral multiples of \$1,000. In that event, the registered Bondholder shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered Bondholder thereof.

Section 4. Form of Bonds. The Bonds shall be in substantially the form of *Exhibit A*, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Purchase Contract and are approved by those officers executing the Bonds and execution thereof by such officers shall constitute conclusive evidence of such approval. The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall be dated the date of its authentication and registration.

Section 5. Execution of Bonds and Other Documents.

(a) Execution of Bonds. The Bonds shall be executed for and on behalf of the District by the Chair of the District Board (the “Chair”) and attested by the Clerk of the District Board (the “District Clerk”) by their manual or facsimile signatures. If the signatures are affixed or imprinted by facsimile, the Chair and the District Clerk shall execute a certificate adopting as their signatures the facsimile signatures appearing on the Bonds. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid. A Bond shall not be valid or binding until authenticated by the manual signature of an authorized officer of the Registrar. The signature shall be conclusive evidence that the Bond has been authenticated and issued under this Resolution.

(b) Other Documents. The District Board hereby approves the form and orders and directs the execution of the Bond Documents, each in substantially the form presented to the District Board. The Treasurer of the District (the “*District Treasurer*”) is authorized and directed to determine and approve the actual dated date, maturity dates and amounts, interest rates, redemption provisions and the purchase price to be paid by the Underwriter, and the Chair and the District Treasurer are authorized to execute and deliver the Bond Documents in substantially the form presented to this District Board with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing such agreements on behalf of the District. Execution of the documents by the Chair or the District Treasurer shall be conclusive evidence of such approval. The District Clerk is authorized and directed to attest such signatures. Where applicable, any of the foregoing officers may affix their signatures by manual, mechanical or photographic means.

Section 6. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered Bondholder’s paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond destroyed or lost, filing with the District Clerk by the registered Bondholder evidence satisfactory to the District that such Bond was destroyed or lost, and furnishing the District with a sufficient indemnity bond pursuant to A.R.S. § 47-8405, as amended.

Section 7. Acceptance of Proposal. The Bonds are hereby sold to the Underwriter in accordance with the terms of the Purchase Contract. The Underwriter has agreed to sell the Bonds in a public offering. The actual terms of the Bonds and the Purchase Contract shall be reviewed and approved by the District Treasurer (which approval shall be deemed conclusive by the execution and delivery of the Purchase Contract by the Chair, any member of the District Board or the District Treasurer). The District Treasurer is hereby authorized and directed to cause the Bonds to be delivered to or upon the order of the Underwriter upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale and to indicate how such proceeds and the Owner contribution (as described in the hereinafter defined Tax Certificate) shall be deposited in the funds described in Section 8 hereof.

Section 8. Funds and Accounts. The District Treasurer shall create the following funds and accounts which shall be held separate and apart from other funds and accounts of the District and used only as provided herein:

- (a) “Bond Fund”, as described in Section 9 hereof, which shall include:
 - (i) Principal Account
 - (ii) Interest Account
 - (iii) Prepayment Account
- (b) “Acquisition Fund”, as described in Section 10 hereof.
- (c) “Issuance and Expenses Fund”, as described in Section 11 hereof.

(d) "Debt Service Reserve Fund", as described in Section 12 hereof.

The money deposited to the various funds and accounts created hereby, together with all investments thereof and investment income therefrom, shall be held in trust by the District and applied solely as provided herein.

Section 9. Deposits to and Application of Bond Fund.

(a) The District shall deposit or shall cause, at the applicable times set forth below, to be immediately deposited to the Bond Fund to the credit of the applicable accounts:

(i) to the Principal and Interest Accounts, as applicable, upon receipt, all amounts collected by or remitted to the District from the collections of the installments of principal and interest, respectively, on the Assessments;

(ii) to the Prepayment Account, upon receipt (A) those amounts designated for deposit to the Prepayment Account from proceeds of the Bonds upon closing and (B) all amounts remitted to the District as prepayments of the Assessments;

(iii) to the Prepayment Account, upon receipt, all amounts remitted to the District as proceeds from any foreclosure sale of any assessed real property and not used to replenish the Reserve Fund to an amount equal to the lesser of: (A) 10% of the outstanding principal amount of the Bonds to be outstanding after redemption from such account; (B) an amount equal to, at the time of computation, the greatest annual payment of principal and interest of the Bonds to be outstanding after redemption from such account occurring in the then-current, or any subsequent, fiscal year (the "*Maximum Annual Debt Service*"); or (C) such amount as required by the Internal Revenue Code of 1986, as amended (the "*Code*"), to obtain or maintain the exclusion of interest from gross income for federal income tax purposes for the Bonds, pursuant to an opinion of bond counsel (the "*Reserve Fund Requirement*");

(iv) to the Prepayment Account, amounts transferred from the Acquisition Fund to the extent hereinafter provided;

(v) to the Principal and Interest Accounts, as the case may be, amounts transferred from the Debt Service Reserve Fund as hereinafter provided pursuant to Section 12(b), (d) and (f);

(vi) to the Prepayment Account, any amounts transferred from the Debt Service Reserve Fund as hereinafter provided pursuant to Section 12(e); and

(vii) such other funds as the District shall, from time to time, at its option deem advisable.

(b) The Principal, Interest and Prepayment Accounts of the Bond Fund shall be applied solely to pay principal of (including any mandatory redemption amount then due), interest on and the Redemption Price with respect to the Bonds, respectively.

Section 10. Acquisition Fund.

(a) The District shall deposit to the Acquisition Fund Bond proceeds in the amount provided in the District's Tax Certificate relating to the Bonds (the "*Tax Certificate*").

(b) The date of completion of the Project (the "*Completion Date*") shall be evidenced to the District by a certificate signed by NNP III stating that:

(i) The Project has been completed in accordance with the plans and specifications therefor (such certification can rely upon the opinion of an inspector or consultant retained by NNP III), and all labor, services, materials and supplies used in the Project have been paid for and acknowledgments of such payments have been obtained from all contractors and suppliers; and

(ii) All other facilities necessary in connection with the Project have been constructed, acquired and installed in accordance with the plans and specifications therefor (such certification can rely upon the opinion of an inspector or consultant retained by NNP III), and all costs of acquisition of the Project have been paid.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being. Within 10 days following the Completion Date, the District shall transfer any balance in the Acquisition Fund (except moneys retained for expenses not yet due and payable) into the Prepayment Account in the Bond Fund for application to the redemption of Bonds.

Notwithstanding anything contained in this Section 10, on December 1, 2021, any amounts remaining in the Acquisition Fund shall be transferred to the Prepayment Account of the Bond Fund and applied to the redemption of Bonds.

Section 11. Issuance and Expenses Fund. The money deposited to the Issuance and Expenses Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the District. The District shall deposit to the Issuance and Expenses Fund Bond proceeds and an Owner contribution in the amounts provided in the Tax Certificate. Upon a request for disbursement, amounts on deposit in the Issuance and Expenses Fund shall be applied to pay all costs of the issuance and sale of the Bonds identified in a request signed by either the Chair, the District Manager or the District Treasurer. On February 1, 2022, the District shall transfer any moneys in the Issuance and Expenses Fund to the Prepayment Account of the Bond Fund for application to the redemption of the Bonds.

Section 12. Debt Service Reserve Fund.

(a) The District shall deposit to the Debt Service Reserve Fund Bond proceeds in the amount of the Reserve Fund Requirement as provided in the Tax Certificate.

(b) On, or, if either day is not a Business Day, before December 30, 2021, and before June 29 and December 30 each year thereafter, the District shall, to the extent the moneys in the Debt Service Reserve Fund exceed the Reserve Fund Requirement, transfer from the Reserve Fund to the Principal and Interest Accounts of the Bond Fund the difference between the amount in

the Bond Fund on such date and the amount necessary to pay the principal of and interest, respectively, on the Bonds on the next succeeding July 1 or January 1, as the case may be.

(c) If, after a Debt Service Reserve Fund withdrawal, the Debt Service Reserve Fund is less than the Reserve Fund Requirement, the District shall reimburse the Debt Service Reserve Fund, to the extent moneys are realized, from either: (i) the proceeds from the sale of delinquent Assessments, which sales are conducted in the manner described in A.R.S. §§ 48-601 through 48-607, inclusive, as amended from time to time; provided, however, A.R.S. § 48-607 is revised to require the sales proceeds to be deposited to the Debt Service Reserve Fund and neither the District nor the City of Goodyear, Arizona (the “City”) shall be required under any circumstances to purchase, or make any payment for the purchase of the delinquent Assessment and corresponding assessed parcel or lot; or (ii) from all future installment payments on the Assessments; provided, however, only to the extent that such portion of such installment payments is not required for the timely payment of principal of and interest on the Bonds.

(d) Any investment profits realized from the investment of moneys in the Debt Service Reserve Fund shall remain in and be part of the Debt Service Reserve Fund; provided, however, if moneys in the Debt Service Reserve Fund are in excess of the Reserve Fund Requirement, such excess amount attributed to investment earnings shall be transferred to the Interest Account of the Bond Fund and applied from time to time pursuant to Section 9 hereof.

(e) If the amount held in the Debt Service Reserve Fund, together with the amount held in the Bond Fund, is sufficient to pay the principal amount of all Outstanding Bonds on a Redemption Date, together with the interest accrued on such Bonds as of such Redemption Date, the moneys shall be transferred to the Prepayment Account of the Bond Fund and thereafter used to redeem all Bonds as of such Redemption Date.

(f) On, or, if either day is not a Business Day, before December 30, 2021, and before June 29 and December 30 each year thereafter, the District shall, to the extent the moneys in either the Principal Account or Interest Account are insufficient to pay the principal of or interest on the Bonds on the next succeeding Interest Payment Date or Principal Payment Date, as applicable, after any transfer required pursuant to Section 12(b) hereof, transfer from the Debt Service Reserve Fund to the Principal and Interest Accounts of the Bond Fund the difference between the amount in the Bond Fund on such date and the amount necessary to pay the principal of and interest, respectively, on the Bonds on the next succeeding Interest Payment Date or Principal Payment Date, as the case may be.

Section 13. Investment of and Security for Funds. Money held for the credit of any fund or account herein created shall be invested pursuant to A.R.S. § 35-323.

Section 14. Registrar and Paying Agent. Pursuant to the Registrar/Paying Agent Contract, the Registrar will maintain an office or agency where Bonds may be presented for registration of transfer and the Paying Agent will maintain an office or agency where Bonds may be presented for payment. The District may appoint one or more co-registrars or one or more additional paying agents. The Registrar and the Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the Bondholders.

(a) Initially, U.S. Bank National Association, Phoenix, Arizona, will act as Registrar and Paying Agent with respect to the Bonds. The District may change the Registrar or Paying Agent without notice to or consent of the Bondholders and the District may act in any such capacity.

(b) Each Paying Agent will be required to agree in writing that the Paying Agent will hold in trust for the benefit of the Bondholders all moneys held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds.

(c) The Registrar may appoint an authenticating agent acceptable to the District to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Registrar may do so. Each reference herein to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

(d) The Registrar shall keep a register of the Bonds (the "*Register*"), the registered Bondholders and of transfer of the Bonds. When Bonds are presented to the Registrar or a co-registrar with a request to register transfer, the Registrar will register the transfer on the registration books if its requirements for transfer are met and will authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee, but the interest payment will be made to the registered Bondholders shown on the books of the Registrar as of the close of business on the Record Date.

(e) The Registrar may, but need not, register the transfer of a Bond that has been selected for redemption and need not register the transfer of any Bond for a period of 15 days before a selection of Bonds to be redeemed; if the transfer of any Bond that has been called or selected for call for redemption in whole or in part is registered, any notice of redemption that has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the Bond or Bonds.

(f) The Registrar shall authenticate Bonds for original issue up to \$598,000 in aggregate principal amount upon the written request of the District Treasurer. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the District are met.

(g) The amounts that are segregated by the District or deposited with the Paying Agent to pay the principal of or interest on any Bonds becoming due on any due date shall be held in trust for the benefit of the owner of such Bonds. Amounts so segregated or deposited and held in trust shall constitute a separate trust fund for the benefit of the owner of such Bonds entitled to such principal or interest, as the case may be. Amounts held by the District or Paying Agent for the payment of the principal of (and premium, if any) or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

(h) The District may at any time direct any Paying Agent to pay to the District all money held by such Paying Agent, such amounts to be held by the District upon the same

trusts as those upon which such money was held by such Paying Agent, and, upon such payment by any Paying Agent to the District, such Paying Agent shall be released from all further liability with respect to such money.

(i) In the event any check for payment of interest on a Bond is returned to any Paying Agent unendorsed or is not presented for payment within two years from its payment date or any Bond is not presented for payment of principal at maturity or redemption date, if amounts sufficient to pay such interest or principal due upon such Bond shall have been made available to such Paying Agent for the benefit of the Bondholder thereof, it shall be the duty of such Paying Agent to hold such funds or invest the same in Governmental Obligations (as defined herein), without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. Such obligation of the Paying Agent to hold such funds shall continue for two years and six months following the date on which such interest or principal payment became due, whether at maturity or stated maturity, or at the redemption date, or otherwise, at which time such Paying Agent shall surrender such unclaimed funds so held to the District, whereupon any claim of whatever nature by the owner of such Bond arising under such Bond shall be made upon the District.

(j) So long as the Bonds are administered under DTC's Book-Entry-Only System of registration of the Bonds with DTC as securities depository for the Bonds described herein, interest payments and principal payments that are part of periodic principal and interest payments shall be paid to Cede & Co. or its registered assigns in same-day funds no later than the time of payment established by DTC on each interest or principal payment date (or in accordance with then existing arrangements between the District and DTC). The District has entered into an agreement (the "*Letter of Representations*") with DTC in connection with the issuance of its bonds and, while the Letter of Representations is in effect, the procedures established therein shall apply to the Bonds.

(k) If the Book-Entry-Only System is discontinued, the Registrar's registration books will show the registered Bondholders. While the Bonds are subject to the Book-Entry-Only System, the Bonds shall be registered in the name of Cede & Co., or its registered assigns. The Bonds will be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds.

(l) If the Book-Entry-Only System is discontinued, interest on the Bonds will be payable on each Interest Payment Date by check mailed to the Bondholder thereof at the Bondholder's address all as shown on the registration books maintained by the Registrar as of the close of business of the Registrar on the Record Date.

(m) If the Book-Entry-Only System is discontinued, principal of the Bonds will be payable, when due, only upon presentation and surrender of the Bond at the designated corporate trust office of the Paying Agent. Upon written request of a registered Bondholder of at least \$100,000 in principal amount of Bonds not less than 20 days prior to an Interest Payment Date, all payments of interest and, if adequate provision for surrender is made, principal shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Bondholder.

(n) Notwithstanding any other provision of this Resolution, payment of principal of and interest on any Bond that is held by a securities depository or Bonds subject to a Book-Entry-Only System may be paid by the Paying Agent by wire transfer in “same day funds”.

(o) Reserved.

Section 15. Other Actions Necessary. The Chair (or any other member of the District Board in the event the Chair is absent or unable to take the desired action), the District Manager, the District Treasurer, the District Clerk and the officers of the District shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents and the Final Official Statement, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Bonds.

Section 16. Distribution of Disclosure Documents. The District hereby approves, ratifies and authorizes the use by the Underwriter of copies of the Preliminary Official Statement and the Final Official Statement, which shall be in substantially the form of the Preliminary Official Statement presented at the meeting at which this Resolution was adopted, with such completions and changes as may be acceptable to the District Manager or District Treasurer as are necessary in connection with the offering and sale of the Bonds. The District hereby authorizes the Chair, the District Manager and the District Treasurer to execute the instruments deeming the Preliminary Official Statement as “final” as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The Chair, the District Manager and the District Treasurer are hereby authorized and directed to execute, when completed, the Final Official Statement.

Section 17. Assessment Levy and Procedures.

(a) An Assessment has been levied and recorded in the office of the Superintendent against each lot comprising the parcels of real property in the Assessment District No. 3 and described in the Resolution of Intention. The Assessment levied and recorded may hereafter be reduced to the actual principal amount of Bonds issued and any such reduction is hereby approved by the District Board.

(b) For each year while any Bond is outstanding, the District Board shall semiannually cause to be collected such portion of the Assessment, sufficient, together with any moneys from any sources in the Enabling Act, to pay principal and interest on the Bonds when due. Moneys received from the collection of the Assessment when collected constitute funds to pay principal and interest on the Bonds when due and shall be kept separately from other funds in the Bond Fund of the District. The amounts due pursuant to the Assessment and unpaid are and shall be a first lien on the property so assessed in the Assessment District No. 3, subject only to general property taxes and prior special assessments and shall be collected as prescribed by A.R.S. §§ 48-599 and 600, as amended, as nearly as practicable or such other procedures as the District Board may prescribe. Notwithstanding the foregoing, the Assessments may be collected by the Maricopa County Treasurer in a similar manner and together with the collection of real property taxes, should the District Treasurer of the District so direct. In the event of nonpayment of amounts due pursuant to the Assessment, the procedures for collection of delinquent amounts

and sale of delinquent property prescribed by A.R.S. §§ 48-601 through 48-607, as amended, apply, as nearly as practicable, except that neither the District nor the City is required to purchase the delinquent land at the sale if there is no other purchaser.

(c) Pursuant to A.R.S. § 48-721, the provisions and procedures pertaining to the prepayment of Assessments, the payment of Assessments and the reallocation and modification of Assessments among the assessed parcels as development occurs, set forth in this Resolution are hereby approved and adopted.

(d) If any Assessment is either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District is satisfied that any such Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District omitted to make such Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Assessment to be made for the whole or any part of a Project or against any property benefited by said Project, or (ii) in its sole discretion, request Owner to make up the amount of such Assessment, which moneys is deposited into the Bond Fund, as applicable. In case such second Assessment is annulled, the District shall obtain and make other Assessments until a valid Assessment is made.

Section 18. No Obligation of City. Nothing contained in this Resolution, the Bond Documents or any other instrument shall be construed as obligating the City or the State of Arizona (the “State”) or any political subdivision of either (other than the District) or as incurring a charge upon the general credit of the City and the State nor shall the breach of any agreement contained herein, the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the City and the State.

Section 19. Repeal of Resolution. After any of the Bonds are delivered by the District to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, canceled and discharged.

Section 20. Severability. If any section, paragraph, clause or provision of this Resolution is, for any reason, held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 21. Ratification of Prior Acts. All acts of the District Chair, District Engineer, the Superintendent of Streets, and any person acting for such official, in furtherance of this Resolution are hereby ratified and confirmed, including the splitting of certain parcels within the District in compliance with A.R.S. § 48-272.

Section 22. Compliance with Federal Law.

(a) The District recognizes that the purchasers of the Bonds will have accepted them on, and paid therefore a price which reflects, the understanding that interest thereon is excludable from gross income of the Bondholder thereof for federal income tax purposes under laws in force at the time the Bonds are delivered. In this connection the District

agrees that it shall take no action that may render the interest on any of the Bonds to be includable in gross income for federal income tax purposes. The District agrees that, to the extent possible under State law, it will comply with whatever federal law is now in effect or which is adopted in the future that applies to the Bonds and is necessary to prevent interest on the Bonds from becoming included as gross income for purposes of calculating federal income taxes.

(b) The District authorizes the creation of a fund which is hereinafter referred to as the “*Rebate Fund*”. The District will comply with the rebate requirement (“*Rebate*”) set forth in the certificate as to tax matters delivered in connection with the delivery of the Bonds.

(c) The Chair or her designee is hereby authorized to make certain truthful certifications, representations, agreements and elections as required by law to assure the purchasers and Owner of the Bonds that the proceeds of the Bonds will not be used in a manner that would or might result in the Bonds being “arbitrage bonds” under Section 148 of the Code or the regulations of the United States Treasury Department currently in effect or proposed. The certifications, representations and agreements of the District may be made by executing and delivering certificates and agreements required by the District’s bond counsel, Gust Rosenfeld P.L.C. The certificates and agreements shall constitute an agreement of the District to follow covenants and requirements set forth therein that may require the District to take certain actions (including the payment of certain amounts to the United States Treasury) or that may prohibit certain actions (including the establishment of certain funds) under certain conditions.

(d) The District further recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order for interest thereon to be excludable from gross income for purpose of federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Bonds to be included in gross income for federal income tax purposes.

Section 23. Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The Chair, any member of the District Board, the District Manager or the District Treasurer shall certify in the closing certificates that it is reasonably anticipated that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3)(B) of the Code) which shall be issued for or by the District in 2021 shall not exceed \$10,000,000.

Section 24. Defeasance.

(a) Any Bond shall be deemed to be no longer outstanding when payment of the principal of such Bond, plus interest thereon to the maturity thereof (whether such maturity be by reason of the stated maturity thereof or call for redemption, if notice of such call has been given or waived or irrevocable arrangements therefor satisfactory to the Registrar have been made) have been provided for by depositing for such payment from funds of the District under the terms provided in this Section (i) money sufficient to make such payment or (ii) money and direct or indirect obligations of the United States of America (as approved by the District’s bond counsel) (“*Government Obligations*”) certified by an independent accountant of national reputation to mature as to principal and interest in such amounts and at such times as shall,

without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient to make such payment, provided that all necessary and proper fees, compensation, and expenses of the Registrar and Paying Agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Registrar. Any such deposit shall be made either with the Paying Agent or, if notice of such deposit is given to the Registrar and Paying Agent, with a state or nationally chartered bank with a minimum combined capital and surplus of \$50,000,000, as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Registrar or the Paying Agent in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the maturity thereof and of such interest or the stated maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then outstanding, the outstanding Bonds shall be selected in the same manner as provided in Section 14 for the selection of Bonds to be redeemed.

(b) Notwithstanding anything herein to the contrary however, no such deposit shall have the effect hereinabove described (i) if made during the existence of default hereunder unless made with respect to all of the Bonds then outstanding and (ii) unless there shall be delivered to the Registrar an opinion of counsel to the effect that such deposit shall not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Paying Agent for such purpose shall be held by the Paying Agent in a segregated account in trust for the Bondholders with respect to which such deposit is made and together with any investment income therefrom, shall be disbursed solely to pay the principal of and interest on the Bonds when due. No money or Governmental Obligations so deposited pursuant to this Section shall be invested or reinvested unless in Governmental Obligations and unless such money not invested, such Governmental Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Resolution, except for purposes of any such payment from such money or Governmental Obligations.

Section 25. Resolution a Contract. This resolution shall constitute a contract between the District and the registered Bondholders and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the Bondholders of the Bonds then outstanding.

Section 26. Effective Date. This Resolution shall be effective immediately.

[Signature Page to Follow]

PASSED AND ADOPTED by the Board of Directors of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) on August 30, 2021, with a vote of _____.

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

District Chair

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Attorney/Bond Counsel

EXHIBIT A

[FORM OF BOND]

REGISTERED

No. R-___

REGISTERED

\$ _____

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (“DTC”) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF ARIZONA

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2021**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP No.</u>
_____%	July 1, 20__	_____, 2021	29758R __

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS (\$ _____)

Estrella Mountain Ranch Community Facilities District, a community facilities district formed by the City of Goodyear, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the “*Issuer*”), for value received, hereby promises to pay to the “Registered Owner” specified above or registered assigns (herein referred to as the “*Holder*”), on the “*Maturity Date*” specified above, the “*Principal Amount*” specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the “*Original Issue Date*” specified above, or from the most recent “*Interest Payment Date*” (as such term is hereinafter defined) to which interest has been paid or duly provided for, until paid or the payment thereof is duly provided for at Maturity, semiannually on each January 1 and July 1, commencing January 1, 2022 (each an “*Interest Payment Date*”), at the per annum “*Interest Rate*” specified above.

As provided in the Issuer’s Resolution EMRCFD RES 2021-145, adopted on August 30, 2021 (the “*Bond Resolution*”), the interest, principal and Redemption Price (as such term and all other terms used herein and not defined are defined in the Bond Resolution) payable on the Bonds shall be paid to CEDE & Co. or its registered assigns in same-day funds no later than the time established by DTC on the date due (or in accordance with then existing arrangements between the Issuer and DTC).

If the specified date for any such payment is not a business day, then such payment may be made on the next succeeding day which is a business day without additional interest and with the same force and effect as if made on the specified date for such payment, except that in the event of a moratorium for

banking institutions generally, such payment may be made on such next succeeding day except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

Neither the full faith and credit nor the general taxing power of the Issuer, the City of Goodyear, Arizona, Maricopa County, Arizona or the State of Arizona or any political subdivision thereof is pledged to the payment of the Bonds.

Unless the Certificate of Authentication hereon has been executed by the Registrar, by manual signature, this Bond shall not be entitled to any benefit under the Bond Resolution or be valid or obligatory for any purpose.

This Bond is one of a duly authorized issue of assessment revenue bonds of the Issuer having the designation specified in its title (herein referred to as the "*Bonds*"), issued in one series, with the limitations described herein, pursuant the Bond Resolution to which Bond Resolution reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the registered owner (the "*Bondholder*") of the Bonds and the Issuer, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each Bondholder of this Bond hereby consents. All Bonds issued under the Bond Resolution are equally and ratably secured by the amounts thereby pledged and assigned. Pursuant to the Bond Resolution, the District Board of the Issuer authorized the issuance and sale of not to exceed \$598,000 aggregate principal amount of Bonds for the purpose of financing the costs of acquiring certain public infrastructure, including particularly the acquisition by the Issuer of the improvements and public infrastructure purposes (the "*Improvements*") described in Resolution EMRCFD RES 2021-141 which was adopted by the District Board of the Issuer on August 23, 2021.

The Bonds are limited obligations of the Issuer payable only out of the special fund to be collected from a special assessment (the "*Assessment*") levied only against the lots or parcels of land fronting on or benefited by the Improvements (the "*Assessed Property*") and from amounts held by the Issuer in the Reserve Fund (the "*Debt Service Reserve Fund*"). The Assessed Property represents approximately 73 residential lots over 27 acres of land within the District. Said special fund is set apart in accordance with the laws of the state and pursuant to the Bond Resolution for the payment of the Bonds and can be used for no other purpose.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond have been performed, exist, and have been done, in regular and due time, form, and manner as required by law, and that the Assessments from which said Bonds are to be paid are first liens on the Assessed Property, subject only to the lien for general taxes and prior special assessments. For the levy of the Assessment, collection and payment of said Assessments, the full faith and diligence of the Issuer are hereby irrevocably pledged. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona.

The amount required to be held in the Debt Service Reserve Fund (the "*Reserve Fund Requirement*") may be reduced from time to time if Maximum Annual Debt Service on the Bonds is reduced. Any amount held in the Debt Service Reserve Fund in excess of the Reserve Fund Requirement may be transferred to the Bond Fund and used to make payment of principal and interest on the Bonds either at stated Maturity or prior redemption.

Investment earnings on the Debt Service Reserve Fund, to the extent not needed to return the Debt Service Reserve Fund to the Reserve Fund Requirement, to pay debt service on the Bonds, or to pay rebate to the United States, will be deposited into the Bond Fund.

The Bonds are issuable as fully registered bonds only in the denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof. However, in order to accommodate a special redemption of the Bonds, Bonds may be in a denomination of less than \$5,000 in integral multiples of \$1,000.

Notwithstanding any provision hereof or of the Bond Resolution, the obligation of the District to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect obligations of the United States of America (such obligations to be approved by the District's bond counsel) sufficient for such purposes, as described in the Bond Resolution.

The Bonds are subject to special redemption prior to maturity, in whole or in part, on any Interest Payment Date upon payment of the applicable Redemption Price which shall consist of the principal amount of the Bonds so redeemed, without premium, plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date from proceeds received by the District from: (i) if and to the extent on or after the completion of the Project, upon direction given to the Registrar by the District, amounts transferred from the Acquisition Fund for such purpose; (ii) the prepayment of any assessment by the owner of any assessed real property plus amounts in the Debt Service Reserve Fund in excess of the Reserve Fund Requirement as a result of such prepayment and that are available for such purpose or (iii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment, to the extent such foreclosure sale proceeds are not used to replenish the Debt Service Reserve Fund to an amount equal to the Reserve Fund Requirement.

The Bonds maturing on or after July 1, 20__ are subject to optional redemption on or after July 1, 20__, at the option of the Issuer, in whole on any date or in part on any Interest Payment Date, upon payment of the Redemption Price of 100% of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the redemption date, without premium.

The Bonds will be subject to mandatory sinking fund redemption as randomly determined by the Registrar on the following redemption dates and in the following amounts upon payment of the Redemption Price, which will consist of the principal amount of the Bonds so redeemed plus accrued interest on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date but without premium.

Redemption Date (<u>July 1</u>)	Principal <u>Amount</u>
20____ Term Bond	
20_	\$
20_	
20_ (maturity)	

Whenever Bonds of such maturity are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the Issuer to the Registrar for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited on a *pro rata* basis against the remaining mandatory redemption requirements for the Bonds of such maturity.

Notice of redemption shall be mailed not less than 30 nor more than 60 days prior to the date fixed for redemption to each Bondholder of Bonds to be redeemed, at the address appearing in the Bond Register.

Bonds may be redeemed in integral multiples of \$5,000 or, in the event of a special redemption based upon a prepayment of an assessment or from the proceeds of a foreclosure sale, in integral multiples of \$1,000. Bonds (or portions thereof) for whose redemption and payment provision is made in accordance with the Bond Resolution shall thereupon cease to be entitled to the benefits of the Bond Resolution and shall cease to bear interest from and after the date fixed for redemption.

The Bonds shall initially be issued as a single fully-registered bond for each Maturity and so long as the ownership of the Bonds is maintained in book-entry form by DTC or a nominee thereof, this Bond may be transferred in whole but not in part only to DTC or a nominee thereof or to a successor to DTC or its nominee.

The Issuer will not have any responsibility or obligation to any direct participant, indirect participant or any beneficial owner or any other person not shown on the registration books of the Registrar as being a Bondholder with respect to: (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any direct participant or indirect participant; (iii) the timely or ultimate payment by DTC or any direct participant or indirect participant of any amount due to any beneficial owner in respect of the principal or Redemption Price of or interest on the Bonds; (iv) the delivery by any direct participant or indirect participant of any notice to any beneficial owner which is required or permitted under the terms of the Bond Resolution to be given to the Bondholders; (v) the selection of the beneficial owner to receive payment in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC as the Bondholder.

If Ownership of this Bond is not maintained in book-entry form, as provided in the Bond Resolution and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the place of payment duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered Bondholder hereof or such Bondholder's attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of authorized denominations and for the same aggregate principal amount shall be issued to the designated transferee or transferees.

If Ownership of this Bond is not maintained in book-entry form, as provided in the Bond Resolution and subject to certain limitations therein set forth, Bonds are exchangeable for a like aggregate principal amount of Bonds in authorized denominations, as requested by the Bondholder, upon surrender of the Bonds to be exchanged to the Paying Agent at the place of payment. The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The Issuer, the Registrar, the Paying Agent, and any agent of any of them may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Registrar, the Paying Agent, and any such agent shall be affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the Assessments from which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining

provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

**ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)**

By _____
District Chair

ATTEST:

District Clerk

Dated: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Bond Resolution.

_____, as Registrar

By _____
Authorized Representative

DATE: _____

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANSMIN ACT _____
(Cust.)
Custodian for _____ (Minor)
Under Uniform Gifts/Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)

(Print or typewrite Social Security or other identifying number of transferee: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print or typewrite name of attorney) _____, attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Registrar

NOTICE: The signature(s) on this assignment must correspond with the name(s) of the registered owner(s) appearing on the face of the within Bond in every particular

FEDERAL TAXPAYER I.D. NO. 86-0977650

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT FOR BONDS OF ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA)

This Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of October 1, 2021 (the “*Contract*”), is made and entered into between the **ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT (CITY OF GOODYEAR, ARIZONA)** (hereinafter called the “*District*”), and **U.S. BANK NATIONAL ASSOCIATION**, Phoenix, Arizona (hereinafter called the “*Bank*”), and witnesseth as follows:

Pursuant to Resolution EMRCFD RES 2021-145 (the “*Bond Resolution*”), the District will issue its Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 (the “*Bonds*”) in the aggregate principal amount of \$598,000. The Board of Directors of the District has determined that the services of a bond registrar, transfer agent and paying agent are necessary and in the best interests of the District. Initially, the Bonds will be issued in book-entry-only form through The Depository Trust Company (“*DTC*”) and, so long as the book-entry-only system (the “*Book-Entry-Only System*”) is in effect, the Bonds will be registered in the name of Cede & Co., the nominee of DTC.

The Bank desires to perform bond registrar, transfer agent and paying agent services during the life of the Bonds.

For and in consideration of the mutual promises, covenants, conditions and agreements hereinafter set forth, the parties do agree as follows:

1. **Services**. The Bank hereby agrees to provide the following services:

A. Bond Registrar services, which shall include, but not be limited to: (i) initial authentication and verification of the Bonds to persons or entities meeting the qualifications set forth in the Bond Resolution; (ii) keeping registration books sufficient to comply with Section 149 of the Internal Revenue Code of 1986, as amended (the “*Code*”); (iii) recording transfers of ownership of the Bonds promptly as such transfers occur; (iv) protecting against double or overissuance; (v) authenticating new Bonds prepared for issuance to transferees of original and subsequent purchasers; (vi) informing the District of the need for additional printings of the Bonds should the forms printed prior to initial delivery prove inadequate; and (vii) lodging with the District the signatures of the persons authorized and designated from time to time to authenticate the Bonds upon request.

B. Transfer agent services, which shall include, but not be limited to: (i) receiving and verifying all Bonds tendered for transfer; (ii) preparing new Bonds for delivery to transferees and delivering same either by delivery or by mail, as the case may be; (iii) destroying Bonds submitted for transfer; and (iv) providing proper information for recordation in the registration books.

C. Paying agent services, which shall include, but not be limited to: (i) providing a billing to the District at least 30 days prior to a Bond interest payment date setting forth the amount

of principal and interest due on such date; (ii) preparing, executing, wiring or mailing all interest payments to each registered owner of the Bonds on or before the scheduled payment date and in no event later than the time established by DTC, on the date such payments are due (unless sufficient funds have not been received by the Bank); (iii) verifying all matured Bonds upon their surrender; (iv) paying or causing to be paid all principal and premium, if any, due upon the Bonds as they are properly surrendered therefor to the Bank; (v) preparing a semiannual reconciliation showing all principal and interest paid during the period and providing copies thereof to the District; (vi) inventorying all documentation of payments made, including the amount, payee and wire confirmation or imaged information, for six years after payment; and (vii) making proof of such payments available to the District or any owner or former owner.

2. **Record Date.** The “*Record Date*” for the payment of interest will be the close of business on the 15th day of the calendar month (other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally (a “*Business Day*”)) next preceding the applicable Interest Payment Date; if such day is not a Business Day, then on the previous Business Day. Normal transfer activities will continue after the Record Date but the interest payments will be mailed to the registered owners of Bonds as shown on the registration books of the Bank on the close of business on the Record Date. Principal (and premium, if any) shall be paid only on surrender of the particular Bond at or after its maturity or prior redemption date, if applicable.

3. **Redemption Notices.** The Bank agrees to provide certain notices to the Bond owners as required to be provided by the Bank in, and upon being provided with a copy of, the resolution of the District approving the issuance, sale and delivery of the Bonds. So long as the Book-Entry-Only System is in effect, the Bank shall send notices of redemption to DTC in the manner required by DTC. If the Book-Entry-Only System is discontinued, the Bank shall mail notice of redemption of any Bond to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the registrar not more than 60 nor less than 30 days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

The Bank also agrees to send notice of any redemption to the Municipal Securities Rulemaking Board (the “*MSRB*”), currently through the MSRB’s Electronic Municipal Market Access system, in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the District or by a paying agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Each redemption notice must contain, at a minimum, the complete official name of the issue with series designation, CUSIP number, certificate numbers, amount of each Bond called (for partial calls), date of issue, interest rate, maturity date, publication date (date of release to the general public, or the date of general mailing of notices to Bond owners and information services), redemption date,

redemption price, redemption agent and the name and address of the place where the Bonds are to be tendered, including the name and phone number of the contact person. Such redemption notices may contain a statement that no representation is made as to the accuracy of the CUSIP numbers printed therein or on the Bonds.

4. **Issuance and Transfer of Bonds.** The Bank will issue the Bonds to registered owners, require the Bonds to be surrendered and cancelled and new Bonds issued upon transfer, and maintain a set of registration books showing the names and addresses of the owners from time to time of the Bonds. The Bank shall promptly record in the registration books all changes in ownership of the Bonds.

5. **Payment Deposit.** The District will transfer immediately available funds to the Bank no later than one Business Day prior to or, if agreed to by the parties hereto, on the date on which the interest, principal and premium payments (if any) are due on the Bonds, but in no event later than the time established by the DTC, on the date such payments are due. The Bank shall not be responsible for payments to Bond owners from any source other than moneys transferred, or caused to be transferred, to it by the District.

6. **Collateral.** The Bank shall collateralize the funds on deposit at the Bank in accordance with A.R.S. §§ 35-323 and 35-491.

7. **Turnaround Time.** The Bank will comply with the three Business Day turnaround time required by Securities and Exchange Commission Rule 17Ad-2 on routine transfer items.

8. **Fee Schedule; Initial Fee.** For its services under this Contract, the District will pay the Bank in accordance with the fee schedule set forth in the attached Exhibit A, which is incorporated herein by reference. The fee for the Bank's initial services hereunder and services to be rendered until the end of the District's current fiscal year is [\$_____], and shall be billed by the Bank to the District after closing and paid by the District at the initial delivery of the Bonds solely from proceeds of the Bonds. Subsequent payments shall be made in accordance with this Contract.

9. **Fees for Services in Subsequent Fiscal Years.** The Bank will bill the District for the next upcoming fiscal year prior to June 1, 2022, and prior to each June 1 thereafter for each subsequent fiscal year.

10. **Costs and Expenses.** The District hereby agrees to pay all costs and expenses of the Bank pursuant hereto. If, for any reason, the amounts the District agrees to pay herein may not be paid from the annual tax levy for debt service on the Bonds, such costs shall be paid by the District from any funds lawfully available therefor and the District agrees to take all actions necessary to budget for and authorize expenditure of such amounts.

11. **Hold Harmless.** The Bank shall indemnify and hold harmless the District, its District Board, the Treasurer of the District and all boards, commissions, officials, officers and employees of the District, individually and collectively, for claims determined by a court of competent jurisdiction to have directly resulted from the Bank's failure to perform to its standard of care as herein stated; provided that the District shall be requested to deliver to the Bank written notice of any such claim within 30 calendar days of the District becoming aware of such claim.

12. **Standard of Care Required.** In the absence of bad faith on its part in the performance of its services under this Contract, the Bank shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted to be taken by it in good faith and in accordance with advice of counsel, and shall not be liable for any mistakes of fact or errors of judgment or for any actions or omissions of any kind unless caused by its own willful misconduct or negligence.

13. **Entire Contract.** This Contract and Exhibit A attached hereto contain the entire understanding of the parties with respect to the subject matter hereof, and no waiver, alteration or modification of any of the provisions hereof, shall be binding unless in writing and signed by a duly authorized representative of all parties hereto.

14. **Amendment.** The Bank and the District each reserves the right to amend any individual service set forth herein or all of the services upon providing a 60 day prior written notice. Any corporation, association or agency into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from such conversion, sale merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor bond registrar, transfer agent and paying agent under this Contract and vested with all of the same rights, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. **Resignation or Replacement.** The Bank may resign or the District may replace the Bank as bond registrar, transfer agent and paying agent at any time by giving 30 days' written notice of resignation or replacement to the District or to the Bank, as applicable. The resignation shall take effect upon the appointment of a successor bond registrar, transfer agent and paying agent. A successor bond registrar, transfer agent and paying agent will be appointed by the District; provided, that if a successor bond registrar, transfer agent and paying agent is not so appointed within 10 days after a notice of resignation is received by the District, the Bank may apply to any court of competent jurisdiction to appoint a successor bond registrar, transfer agent and paying agent.

In the event the Bank resigns or is replaced, the District reserves the right to appoint a successor registrar, transfer agent and paying agent who may qualify pursuant to A.R.S. § 35-491, et seq., or any subsequent statute pertaining to the registration, transfer and payment of bonds. In such event the provisions hereof with respect to payment by the District shall remain in full force and effect, but the District shall then be authorized to use the funds collected for payment of the costs and expenses of the Bank hereunder to pay the successor registrar, transfer agent and paying agent or as reimbursement if the District acts as registrar, transfer agent and paying agent. Any resignation or replacement of the Bank pursuant to this section shall be without cost to the District.

16. **Reports to Arizona Department of Administration.** The Bank shall make such reports to the Arizona Department of Administration (the "*Department*") or any other party designated to receive such reports pursuant to the applicable laws of the State (as defined herein) pertaining to the retirement of any Bonds and of all payments of interest thereon within 30 days of a request therefor, from the Department or the District, or agents of either, to comply with the requirements of the Department (or any other party designated in the applicable State law) pursuant to A.R.S. § 35-502.

17. **Form of Records.** The Bank's records shall be kept in compliance with standards as have been or may be issued from time to time by the Securities and Exchange Commission, the MSRB, the requirements of the Code and any other securities industry standard. The Bank shall retain such records in accordance with the applicable record keeping standard of the Internal Revenue Service.

18. **Advice of Counsel and Special Consultants.** When the Bank deems it necessary or reasonable, it may apply to Gust Rosenfeld P.L.C. or such other law firm or attorney approved by the District for instructions or advice. Any fees and costs incurred shall be added to the next fiscal year's fees, costs and expenses to be paid to the Bank.

19. **Examination of Records.** The District, or its duly authorized agents may examine the records relating to the Bonds at the office of the Bank where such records are kept at reasonable times as agreed upon with the Bank and such records shall be subject to audit from time to time at the request of the District, the Bank or the Auditor General of the State of Arizona (the "State").

20. **Payment of Unclaimed Amounts.** In the event any check for payment of interest on a Bond is returned to the Bank unendorsed or is not presented for payment within two years from its payment date, or any Bond is not presented for payment of principal at the maturity or redemption date, if applicable, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to the Bank for the benefit of the owners thereof, it shall be the duty of the Bank to hold such funds, without liability for interest thereon, for the benefit of the owners of such Bonds who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. The Bank's obligation to hold such funds shall continue for two years and six months (subject to applicable escheat or unclaimed property law) following the date on which such interest or principal payment became due, whether at maturity or at the date fixed for redemption, or otherwise, at which time the Bank shall surrender such unclaimed funds so held to the District, whereupon any claim of whatever nature by the owner of such Bonds arising under such Bond shall be made upon the District.

21. **Invalid Provisions.** If any provision hereof is held to be illegal, invalid or unenforceable under present or future laws, this Contract shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision.

22. **Mutilated, Lost or Destroyed Bonds.** With respect to Bonds which are mutilated, lost or destroyed, the Bank shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond lost or destroyed, upon the registered owner's paying the reasonable expenses and charges in connection therewith and, in the case of any Bond destroyed or lost, filing by the registered owner with the Bank and the District of evidence satisfactory to the Bank and the District that such Bond was destroyed or lost, and furnishing the Bank and the District with a sufficient indemnity bond pursuant to A.R.S. § 47-8405.

23. **Conflict of Interest.** Each party gives notice to the other parties that A.R.S. § 38-511 provides that the State, its political subdivisions or any department or agency of either, may within three years after its execution cancel any contract without penalty or further obligation made

by the State, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

24. **Covenants**. The District has agreed in its authorizing resolution to take all necessary actions required to preserve the tax-exempt status of the Bonds. Such actions may require the calculation of amounts of arbitrage rebate which may be due and owing to the United States. The calculation of such rebate amount may be performed by an individual or firm qualified to perform such calculations and who or which may be selected and paid by the District. If the District does not retain a consultant to do the required calculations concerning arbitrage rebate and if, in the sole discretion of the District, a rebate calculation is required to permit interest on the District's Bonds to be and remain exempt from gross income for federal income tax purposes, the District may include, in addition to all other bills payable under this Contract, the costs and expenses and fees of an arbitrage consultant. The Bank may contract with a consultant to perform such arbitrage calculations as are necessary to meet the requirements of the Code. All fees, costs and expenses so paid may be deducted from moneys of the District or from tax levies made to pay the interest on the Bonds. Such costs, fees and expenses shall be considered as interest payable on the Bonds. This Contract shall be full authority for the District to cause to be levied and collected such amounts as may be necessary to make all rebates to the United States of America.

25. **Levy for Expenses**. Except for the initial fiscal year's costs and expenses, all costs and expenses incurred with respect to services for registration, transfer and payment of the Bonds and, if applicable, for costs and expenses in connection with the calculation of arbitrage rebate shall be treated as interest on the Bonds and the District agrees to include the same in the assessments levied for interest debt service during each of the ensuing fiscal years.

26. **Waiver of Trial by Jury**. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Contract, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

27. **Governing Law**. The Contract is governed by the laws of the State.

28. **Transfer Expenses**. The transferor of any Bond will be responsible for all fees and costs relating to such transfer of ownership.

29. **E-verify requirements**. To the extent applicable under A.R.S. § 41-4401, the Bank and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). The Bank's, or a subcontractor's, breach of the above-mentioned warranty shall be deemed a material breach of this Contract and may result in the termination of this Contract by the District. The District retains the legal right to randomly inspect the papers and records of the Bank and its subcontractors who work on the Contract to ensure that the Bank and its subcontractors are complying with the above-mentioned warranty.

The Bank and its subcontractors warrant to keep the papers, information and records as necessary to verify compliance with the above-mentioned warranty (collectively, the "Information") open for random inspection by the District during normal business hours. The Bank and its subcontractors shall cooperate with the District's random inspections, including (A) granting the District entry rights onto its property to perform the random inspections, (B) granting the District access to, and use of, the Information, provided that the District agrees it will use the Information solely for the purpose of verifying compliance with the E-verify requirements and the warranty of this section and, subject to the requirements of law, including the public records laws of the State, the District will preserve the confidentiality of any Information the District views, accesses, or otherwise obtains during any and every such random inspection, and (C) waiving its respective rights to keep such papers and records confidential.

30. **Electronic Storage.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproduction of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law

31. **No Boycott of Israel.** To the extent A.R.S. § 35-393 through § 35-393.03 are applicable, the Bank hereby certifies that it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a "boycott" of goods or services from Israel, as that term is defined in A.R.S. § 35-393

32. **Counterparts.** This Contract may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

(Signatures on following page.)

This Contract is dated and effective as of October 1, 2021.

**ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

By _____
Chair, District Board

ATTEST:

District Clerk

[Signature page of District to Bond Registrar, Transfer Agent and Paying Agent Contract]

This Contract is dated and effective as of October 1, 2021.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Representative

Attach as Exhibit A the fee schedule of the Registrar.

[Signature page of Registrar to Bond Registrar, Transfer Agent and Paying Agent Contract]

Exhibit A

Fee Schedule

\$____,000
**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021**

PURCHASE CONTRACT

_____, 2021

Board of Directors
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
c/o City of Goodyear, Arizona
190 North Litchfield Road
Goodyear, Arizona 85338

Attention: District Treasurer

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), offers to enter into the following purchase contract (this “Contract”) with Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “Issuer”), which, upon the Issuer’s written acceptance of such offer, will be binding upon the Issuer and upon the Underwriter. Such offer is made subject to the Issuer’s written acceptance hereof on or before 11:59 p.m., Arizona Time, on the date indicated above, and, if not so accepted, shall be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Contract shall have the same meanings set forth in the Official Statement and the Bond Resolution (each as defined herein).

In addition to acceptance of this Contract by the Issuer as provided hereinabove, the obligations of the Underwriter under this Contract shall be conditioned on the execution and

delivery of the Indemnity Letter, dated the date hereof (the “Indemnity Letter”), by [NNP III – Estrella Mountain Ranch, LLC] (the “Major Landowner”) attached as the Attachment hereto.

The purchase and sale of the herein defined Bonds pursuant to this Contract is an “arm’s-length,” commercial transaction between the Issuer and the Underwriter. In connection therewith and with the discussions, undertakings and proceedings leading up to the consummation of such transaction, the Underwriter is and has been acting for and on behalf of itself, solely as a principal for its own account and is not acting as the agent or fiduciary of the Issuer or as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended). The Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters). The Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Contract and Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”). The Underwriter has financial and other interests that differ from those of the Issuer. The Underwriter has provided to the Issuer prior disclosures under MSRB Rule G-17, which have been received by the Issuer. The Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

1. Purchase and Sale of the Bonds. (a) Subject to the terms and conditions and in reliance upon the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 (the “Bonds”).

(b) The principal amount, maturities, redemption provisions and interest rates per annum effecting yields with respect to the Bonds are set forth in the Schedule attached hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of, the resolution adopted by the Board of Directors of the Issuer (the “District Board”) on August 30, 2021 (the “Bond Resolution”).

(c) The purchase price for the Bonds shall be \$_____, representing the principal amount of the Bonds, less underwriting compensation of \$_____ (paid from amounts contributed by the Major Landowner).

2. Public Offering; Establishment of Issue Price. (a) The Underwriter intends to make an initial *bona fide* public offering of all of the Bonds at not in excess of the public offering prices (or not less than the yields) set forth on the Schedule attached hereto and on the inside front cover page of the Official Statement and may subsequently change such offering prices (or yields). The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices (or higher than the yields) set forth on the Schedule attached hereto and on the inside front cover page of the Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a

level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

(b) (i) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer on the Closing Date (as defined herein), an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached as Exhibit A hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Gust Rosenfeld P.L.C. (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(ii) [Except as otherwise set forth in the Schedule attached hereto,] the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Contract, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel.] For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(iii) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the Schedule attached hereto, except as otherwise set forth therein. The Schedule attached hereto also sets forth, as of the date of this Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (I) the close of the fifth (5th) business day after the sale date; or

(II) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(iv) The Underwriter confirms that:

(I) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

1) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

2) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

3) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(II) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price

rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(v) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(vi) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(I) “public” means any person other than an underwriter or a related party,

(II) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(III) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the

capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(IV) “sale date” means the date of execution of this Contract by all parties.

(c) The undersigned, on behalf of the Underwriter, but not individually, hereby represents and warrants that:

(i) the Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(ii) this Contract has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Contract may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, “Creditors’ Rights Laws”);

(iii) the Underwriter is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer; and

(iv) by entering into this Contract, the Underwriter certifies that it and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, and for the duration of this Contract will not engage in, a boycott of goods or services from the State of Israel, companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel. The Underwriter understands that “boycott” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

3. The Official Statement.

(a) The Issuer has caused the Preliminary Official Statement, dated _____, 2021 (the “Preliminary Official Statement”), relating to the Bonds to be prepared for use in connection with the public offering, sale and distribution of the Bonds by the Underwriter. An authorized officer of the Issuer, acting for and on behalf of the Issuer, deemed the Preliminary Official Statement to be “final” as of its date for all purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”), by execution of the Certificate Deeming the Preliminary Official Statement Final, except for the omission of such information which is

dependent upon the final pricing of the Bonds for completion as permitted to be excluded by paragraph (b)(1) of the Rule.

(b) The Issuer hereby authorizes the preparation of the Official Statement, to be dated of even date herewith (the "Official Statement"), of the Issuer relating to the Bonds and the use of the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. WHILE THE UNDERWRITER HAS PARTICIPATED AND WILL PARTICIPATE WITH THE ISSUER IN THE PREPARATION AND ASSEMBLAGE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT, RESPECTIVELY, THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CONTENT OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Contract (but, in any event, not later than seven business days after the Issuer's acceptance of this Contract and in sufficient time to accompany any confirmation that requests payment from any customer) copies (including electronic copies) of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with paragraph (b)(4) of the Rule and the rules of the MSRB.

(c) If, after the date of this Contract to and including the date the Underwriter is no longer required to provide the Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer shall notify the Underwriter (and provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement, as so amended and supplemented, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement shall comply with law. If such notification shall be subsequent to the Closing Date, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(d) Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the Closing Date.

4. Representations, Warranties, and Covenants of the Issuer. The undersigned, on behalf of the Issuer, hereby represents and warrants to, and the Issuer hereby covenants with, as applicable, the Underwriter that:

(a) The Issuer is a community facilities district of the State of Arizona (the “State”), duly created, organized and existing under the laws of the State, specifically Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Act”) and has full legal right, power and authority under the Act, and at the Closing Date shall have full legal right, power and authority under the Act and the Bond Resolution (i) to adopt, enter into, execute and deliver, as applicable, this Contract, the Bond Resolution, the Bond Registrar, Transfer Agent and Paying Agent Contract, to be dated as of _____ 1, 2021 (the “Paying Agent/Registrar Agreement”), by and between the Issuer and U.S. Bank National Association, as paying agent and registrar (the “Paying Agent/Registrar”), a written undertaking by the Issuer to provide certain continuing disclosure for the benefit of certain beneficial owners of the Bonds as required under paragraph (b)(5) of the Rule in form and substance satisfactory to the Underwriter which shall be substantially in the form set forth in the Official Statement with such changes as may be agreed in writing by the Underwriter (the “Undertaking”), the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Waiver and Development Agreement Pertaining to the To Be Formed Montecito Assessment District No. 3, recorded on _____, 2021, at File _____ of the Maricopa County Recorder by the Issuer and as consented to by certain other interested parties (the “Waiver Agreement”), the Assessment Collection Agreement, dated as of July 10, 2019 (the “Collection Agreement”), by and between the Issuer and the Maricopa County Treasurer, the Letter of Representations (the “Letter”), by and between the Issuer and The Depository Trust Company (“DTC”) and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Contract, the Bond Resolution, the Paying Agent/Registrar Agreement, the Undertaking, the Waiver Agreement, the Collection Agreement, the Letter and the other documents referred to in this clause (i), collectively, the “Issuer Documents”); (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein; (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement; and (iv) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement), and the Issuer has complied, and shall on the Closing Date be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all

necessary action to be taken by it for (i) the adoption of the Bond Resolution and the sale and issuance of the Bonds; (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents; and (iii) the consummation by it of all other transactions contemplated by the Preliminary Official Statement and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Bond Resolution (i) authorizes the authorization, execution, delivery and issuance, as applicable, of the Issuer Documents and the Bonds as well as the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) and the selling of the Bonds to the Underwriter; (ii) has been duly and validly adopted by the Issuer; and (iii) is in full force and effect;

(d) The Issuer Documents shall constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to Creditors' Rights Laws; the Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Contract, shall constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to Creditors' Rights Laws and upon the issuance, authentication and delivery of the Bonds as aforesaid and the Bond Resolution shall provide, for the benefit of the registered owners, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth therein;

(e) The Issuer is not in breach of or default in any respect under any applicable constitutional provision, statute or administrative rule or regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer's part contained therein shall not conflict with or constitute a breach of or default under any constitutional provision, statute, administrative rule or regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor shall any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to

secure the Bonds or under the terms of any such statute, rule or regulation or instrument, except as provided by the Bond Resolution;

(f) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the “blue sky” or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(g) The Bonds and the Issuer Documents conform to the descriptions thereof contained in the Official Statement, and the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement;

(h) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or overtly threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levy or collection of the Special Assessments from which principal of and interest on the Bonds are to be paid pursuant to the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or, when finalized, the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially, adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(i) The Preliminary Official Statement did not and, as of the date hereof, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) At the time of the Issuer’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 3 of this Contract) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement shall not contain any untrue statement of a material fact or omit to state any material fact required to be

stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 3 of this Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement, as so supplemented or amended, shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(l) The Issuer shall apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and shall not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal or State income tax purposes of the interest on the Bonds;

(m) The Issuer shall furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (i) to (A) qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (B) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (ii) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer shall not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and shall advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The financial information regarding the Issuer in the Preliminary Official Statement fairly presents, and in the Official Statement shall fairly present, the financial position and results of the Issuer as of the dates and for the periods therein set forth, and, prior to the Closing Date, there shall be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer;

(o) The Issuer is not a party to any litigation or other proceeding pending or overtly threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer, and except as disclosed in the Official Statement, the Issuer is not a party to any contract or agreement or subject to any restriction, the performance of or compliance with which may have a material adverse effect on the financial

condition, operations or prospects of the Issuer or ability of the Issuer to materially comply with all the requirements set forth in the Official Statement, the Issuer Documents and the Bonds;

(p) Prior to the Closing Date, the Issuer shall not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter;

(q) The Issuer has fully submitted the information required with respect to previous issuances of bonds, securities and lease-purchase agreements of the Issuer pursuant to Section 35-501(B), Arizona Revised Statutes, and will file the information relating to the Bonds required to be submitted pursuant thereto within sixty (60) days of the Closing Date, and, except as otherwise indicated in the Official Statement, the Issuer has been and is in full compliance with the terms of all continuing disclosure undertakings previously executed by the Issuer pursuant to the Rule; and

(r) The officers and officials of the Issuer executing the Official Statement, the Issuer Documents and the Bonds and the officers and officials of the Issuer listed on the certificate of the Issuer to be delivered on the Closing Date have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the Issuer, and any certificate signed by any officer or official of the Issuer authorized to do so in connection with the transactions contemplated by this Contract shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

5. Closing. (a) At 9:00 a.m., Phoenix, Arizona Time, on _____, 2021, or at such other time or on such other date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing Date"), the Issuer shall, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter shall, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Contract by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made through the facilities of DTC in New York City, New York, or, if by the means of a "Fast Automated Securities Transfer," with the Paying Agent/Registrar. The Bonds shall be printed or lithographed, shall be prepared and delivered as fully registered bonds, one Bond for the full amount maturing on each maturity date, and shall be registered in the name of "Cede & Co." and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

6. Closing Conditions. The Underwriter has entered into this Contract in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein and of the Major Landowner contained in the Indemnity Letter and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Issuer of its obligations hereunder and by the Major Landowner of its obligations pursuant to the Indemnity Letter, both as of the date hereof and on the Closing Date. Accordingly, the Underwriter's obligations under this Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and by the Major Landowner of its obligations pursuant to the Indemnity Letter and under such documents and instruments on or prior to the Closing Date and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein and of the Major Landowner contained in the Indemnity Letter shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) The Issuer shall have performed and complied with all covenants and agreements required by this Contract to be performed or complied with by it prior to or on the Closing Date;

(c) On the Closing Date, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Counsel to the Underwriter (as defined herein) to deliver their respective opinions referred to hereinafter;

(d) On the Closing Date, all official action of the Issuer relating to the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented;

(e) Prior to or on the Closing Date, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered, and the Paying Agent/Registrar shall have duly authenticated, the Bonds;

(f) Prior to or on the Closing Date, no "event of default" shall have occurred or be existing under this Contract nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an event of default under this Contract;

(g) Prior to or on the Closing Date, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer or the Major Landowner, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(h) Prior to or on the Closing Date, the Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(i) Prior to or on the Closing Date, all steps to be taken and all instruments and other documents to be executed and all other legal matters in connection with the transactions contemplated by this Contract shall be reasonably satisfactory in legal form and effect to the Underwriter; and

(j) Prior to or on the Closing Date, the Underwriter shall have received an electronic copy of the transcript of all proceedings of the Issuer relating to the authorization and issuance of the Bonds, certified, as necessary, by appropriate officials of the Issuer, including, but not limited to, the following documents:

(i) An unqualified approving opinion of Bond Counsel, as to the Bonds, dated the Closing Date, addressed to the Issuer and substantially in the form included in the Official Statement;

(ii) The supplemental opinion of Bond Counsel, as Bond Counsel and Counsel to the Issuer, dated the Closing Date, addressed to the Underwriter and substantially in the form attached hereto as Exhibit B;

(iii) The opinion of Berens Blonstein PLC, Counsel to the Major Landowner, dated the Closing Date, addressed to the Underwriter and the Issuer and substantially in the form attached hereto as Exhibit C;

(iv) The opinion of Greenberg Traurig, LLP, Counsel to the Underwriter, dated the Closing Date, addressed to the Underwriter and substantially in the form attached hereto as Exhibit D;

(v) A consent of Harding & Associates, dated the Closing Date, addressed to the Underwriter and substantially in the form attached hereto as Exhibit E;

(vi) A certificate from the Major Landowner, dated the Closing Date, signed by an authorized official of the Major Landowner and in form and substance satisfactory to the Issuer and the Underwriter, to the effect that the representations and warranties contained in the Indemnity

Letter and in the documents executed by the Major Landowner in connection with the issuance of the Bonds are true and correct in all material respects as of the Closing Date;

(vii) A certificate or certificates of the Issuer, dated the Closing Date, signed by an authorized official or officials of the Issuer and in form and substance satisfactory to the Underwriter, in which such official states that:

(I) the representations and warranties contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(II) except as described in the Official Statement, no litigation is pending or overtly threatened before any judicial, quasi-judicial or administrative forum (A) to restrain or enjoin the issuance or delivery of the Bonds, the application of the proceeds thereof or the performance by the Issuer of the provisions of the Issuer Documents or the levy and collection of the Special Assessments for payment of the Bonds; (B) in any way contesting or affecting the authority for, or the validity of, this Contract or the application of the proceeds of the Bonds or (C) in any way contesting the existence or powers of the Issuer;

(III) no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Bonds has been filed with or received by any of the signors;

(IV) the Issuer has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied prior to or on the Closing Date; and

(V) the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, are true, correct and complete in all material respects and do not include any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which such statements were made, not misleading, and no event has occurred since the respective dates of the Preliminary Official Statement and the Official Statement which should be disclosed therein which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect, provided that, as to information related to DTC and its book-entry

only system, the Issuer relies solely on the information so provided by DTC;

(viii) A specimen of the Bonds;

(ix) A certified copy of the Bond Resolution;

(x) A counterpart original of the Official Statement manually executed on behalf of the Issuer by the Chairman of the District Board;

(xi) A non-arbitrage certificate of the Issuer, in form and substance satisfactory to Bond Counsel;

(xii) The filing copy of the Information Return Form 8038-G (IRS) and of the Report of Bond and Security Issuance pursuant to Section 35-501(B), Arizona Revised Statutes;

(xiii) An executed copy of each of the Issuer Documents; and

(xiv) Such additional opinions, letters, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to satisfy conditions to the issuance of the Bonds required by the Bond Resolution, to evidence the truth and accuracy on the Closing Date, or prior to such date, of the representations and warranties of the Issuer and the Major Landowner and the due performance or satisfaction by the Issuer and the Major Landowner of all agreements and covenants then to be performed and all conditions then to be satisfied by the Issuer and the Major Landowner.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter.

If the Issuer and the Major Landowner shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Section 8(c) hereof shall continue in full force and effect.

7. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Contract by written notice to the Issuer if, at any time after the execution of this Contract to and including the Closing Date, in the Underwriter's sole and reasonable judgment, any of the following events shall occur:

(a) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(i) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(ii) there shall have occurred (a) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (b) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis, (c) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, or (d) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 500,000; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission ("SEC") or any other governmental authority having jurisdiction; or

(iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the

general character of the Bonds or the Bond Resolution, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Issuer or the Major Landowner shall have occurred; or

(vi) any rating on bonds of the Issuer is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as

amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended.

8. Expenses. (a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay or cause to be paid from the proceeds of the sale of the Bonds or amounts contributed by the Major Landowner for such purpose, the expenses incident to the performance of the Issuer's obligations hereunder, including but not limited to: (1) the cost of printing, engraving or typewriting and mailing or delivering the definitive Bonds, the Preliminary Official Statement, the Official Statement and the Issuer Documents in reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby; (2) the fees and disbursements of the Paying Agent/Registrar in connection with the issuance of the Bonds; (3) the fees and disbursements of Bond Counsel and Counsel to the Underwriter in connection with the issuance of the Bonds; (4) the fees and disbursements of any other experts or consultants retained by the Issuer in connection with the transactions contemplated hereby; and (5) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses (including, but not limited to, meals, transportation and lodging) incurred by the Underwriter in connection with the sale and issuance of the Bonds. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(b) The Underwriter shall pay: (i) the cost of preparation and printing of this Contract; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by the Underwriter in connection with the public offering of the Bonds.

(c) If this Contract shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Contract, or if for any reason the Issuer shall be unable to perform its obligations under this Contract, the Issuer will reimburse the Underwriter for all "out-of-pocket" expenses (including the fees and disbursements of Counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Contract or the offering contemplated hereunder.

9. (a) Notices. Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same to the address set forth on the first page of this Contract, and any notice or other communication to be given to the Underwriter pursuant to this Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, Suite 300, 2801 East Camelback Road, Phoenix, Arizona 85016, Attention: Mr. Robert A. Casillas, Managing Director.

(b) Parties in Interest. This Contract as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof. This Contract may not be assigned by the Issuer. All of the Issuer's representations, warranties, covenants and agreements contained in

this Contract shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Contract and (iii) any termination of this Contract.

(c) Effectiveness. This Contract shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

(d) Choice of Law. This Contract shall be governed by and construed in accordance with the law of the State.

(e) Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Contract invalid, inoperative or unenforceable to any extent whatever.

(f) Business Day. For purposes of this Contract, “business day” means any day on which the New York Stock Exchange is open for trading.

(g) Section Headings. Section headings have been inserted in this Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Contract and will not be used in the interpretation of any provisions of this Contract.

(h) Counterparts. This Contract may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

10. Notice Concerning Cancellation of Contracts. As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the State, its political subdivisions (including the Issuer) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political

subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section 10 is not intended to expand or enlarge the rights of the Issuer hereunder except as required by Section 38-511, Arizona Revised Statutes. Each of the parties hereto hereby certifies that it is not presently aware of any violation of Section 38-511, Arizona Revised Statutes, which would adversely affect the enforceability of this Contract and covenants that it shall take no action which would result in a violation of Section 38-511, Arizona Revised Statutes.

11. Electronic Signature. The electronic signature of a party to this Contract shall be as valid as an original signature of such party and shall be effective to bind such party to this Contract. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“PDF”) or other replicating image attached to an electronic mail or internet message.

[Signature page follows.]

If you agree with the foregoing, please sign the enclosed counterpart of this Contract and return it to the Underwriter. This Contract shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:
Robert A. Casillas, Managing Director

Accepted at:.....m., Phoenix, Arizona Time,
on, 2021

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By.....
Its District Treasurer

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C., Attorney
for the Issuer

.....

SCHEDULE

\$____,000

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021**

Aggregate Principal Amount: \$____,000

Interest Payment Dates: January 1, 2022, and each July 1 and January 1 thereafter

Maturity Schedule:

Maturity Date (July 1)	Principal Amount	Per Annum Interest Rate	Yield
---------------------------	---------------------	----------------------------	-------

Redemption Provisions:

Special Optional Redemption. The Bonds will be redeemed at the option of the Issuer in whole or in part on any Interest Payment Date, upon not more than sixty (60) nor less than thirty (30) days' prior notice, upon payment of the applicable redemption price which shall consist of the principal amount of the Bonds so redeemed, plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium (i) if and to the extent on or after the completion of the Public Infrastructure amounts are transferred from the Acquisition Fund for such purpose, (ii) from the prepayment of any Special Assessment by the owner of any Assessed Lot, or (iii) from the proceeds from the sale of any delinquent Special Assessments, to the extent such proceeds are not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement.

Optional Redemption. The Bonds maturing on or after July 1, 20__, will also be redeemable, on or after July 1, 20__, at the option of the Issuer prior to the applicable maturity in whole on any date or, from time to time, in part on any Interest Payment Date as randomly determined by the Paying Agent/Registrar within the applicable maturity upon not more than sixty (60) nor less than thirty (30) days' prior notice, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any,

on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium.

Mandatory Redemption. The Bonds maturing on July 1 of the following years will be redeemed from funds of the Issuer, including amounts deposited in the Prepayment Account at Closing, prior to the applicable maturity on the following redemption dates and in the following (sinking fund) amounts upon not more than sixty (60) nor less than thirty (30) days' prior notice, upon payment of the applicable redemption price which consists of the principal amount of the Bonds so redeemed, without premium, plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date:

Redemption Date (July 1)	Principal Amount
Bonds Maturing in 20__	

*

* Maturity

Bonds Maturing in 20__

*

* Maturity

Bonds Maturing in 20__

*

* Maturity

Whenever Bonds of such maturity are purchased, redeemed (other than pursuant to a mandatory redemption) or delivered by the Issuer to the Paying Agent/Registrar for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited on a *pro-rata* basis against the remaining mandatory redemption requirements for the Bonds of such maturity.

EXHIBIT A

FORM OF UNDERWRITER'S CERTIFICATE

\$____,000

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021**

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. Purchase Contract. On _____, 20__ (the "Sale Date"), Stifel and Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the "Issuer") executed a Purchase Contract (the "Purchase Contract") in connection with the sale of the Bonds. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. Price.

(a) As of the date of this Certificate, for each [Maturity] [of the _____ Maturities] of the Bonds, the first price or prices at which at least 10% of [each] such Maturity of the Bonds was sold to the Public (the "10% Test") are the respective prices listed in Schedule A attached hereto.

(b) **[To be used if not using Hold-the-Offering-Price Rule and 10% was not sold for all Maturities]** [** With respect to each of the _____ Maturities of the Bonds:

(i) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any price or prices.

(ii) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached Schedule A as the "Reasonably Expected Sale Prices for Undersold Maturities."

(iii) Stifel will provide actual sales information (substantially similar to the information contained on Schedule B) as to the price or prices at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.

(iv) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as Schedule C with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

(b) [To be used if using Hold-the-Offering-Price Rule] [Alternative 1 - All Maturities Use Hold-the-Offering-Price Rule: Stifel offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

[Alternative 1 - All Maturities use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. Defined Terms.

- (a) [*Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]
- (b) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]
- (c) *Issuer* means Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona).

- (d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [_____, 2021].
- (g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Exemption Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gust Rosenfeld P.L.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
[banker]

By: _____
[underwriter]

Dated: [Closing Date]

SCHEDULE A

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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**]

SCHEDULE B

[Actual Sales for Undersold Maturities as of the Closing Date

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]

(Attached)

[SCHEDULE C

SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER

\$____,000

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021**

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. *Issue Price.*

(a) Stifel sold at least 10% of the _____ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the _____ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).

(b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on Exhibit A attached hereto.

2. *Defined Terms.*

(a) “Issuer” means Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona).

(b) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [closing date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gust Rosenfeld P.L.C., Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
[banker]

By: _____
[underwriter]

Dated: _____

EXHIBIT A
TO
SUPPLEMENTAL ISSUE PRICE CERTIFICATE**]

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[TO BE PROVIDED BY BOND COUNSEL]

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE MAJOR LANDOWNER

[TO BE PROVIDED BY COUNSEL TO MAJOR LANDOWNER]

EXHIBIT D

FORM OF OPINION OF COUNSEL TO THE UNDERWRITER

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016

Re: Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021

We have acted as counsel to you in connection with the purchase by you of the captioned Bonds (the "Bonds"). This opinion is rendered pursuant to the Purchase Contract, dated _____, 2021 (the "Purchase Contract"), between you and Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Contract.

As your counsel, we have examined the Preliminary Official Statement, the Official Statement, the Bond Resolution, the Undertaking, the Securities Act of 1933, as amended (the "1933 Act"), the Trust Indenture Act of 1939, as amended (the "1939 Act"), the rules, regulations and interpretations under the 1933 Act and the 1939 Act, and Rule 15c2-12 (the "Rule") prescribed under the Securities Exchange Act of 1934, as amended (the "Act"). In addition, we have examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and other documents.

In providing the statement of belief set forth in the paragraph immediately below, reference is made to the Preliminary Official Statement and the Official Statement. As your counsel, we reviewed the Preliminary Official Statement and the Official Statement and participated in conferences in which the contents of the Preliminary Official Statement and the

Official Statement and other matters were discussed. The purpose of our professional engagement was not to establish or to confirm factual matters set forth in the Preliminary Official Statement or in the Official Statement, and we have not undertaken to verify independently any of such factual matters.

Subject to the foregoing, and on the basis of the information we gained in the course of performing the services referred to above, we confirm to you that no facts have come to the attention of the attorneys in our firm rendering legal services in connection with this matter that cause them to believe that the Preliminary Official Statement, as of its date or as of the date of the Purchase Contract, or the Official Statement, as of its date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, nor do we express any belief with respect to any financial and statistical data and forecasts, projections, numbers, estimates, assumptions, and expressions of opinion, information concerning The Depository Trust Company and the book-entry system for the Bonds, and information under the heading "TAX EXEMPTION" and in APPENDIX B – "FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL," APPENDIX C – "APPRAISAL," APPENDIX E – "BOOK-ENTRY-ONLY SYSTEM" and APPENDIX F – "CERTAIN STATUTORY PROVISIONS APPLICABLE TO THE FORECLOSURE PROCESS" contained or incorporated by reference in the Preliminary Official Statement or the Official Statement and its Appendices, which we expressly exclude from the scope of this paragraph.

We also have rendered legal advice and assistance to you as to the requirements of the Rule prescribed under the Act, in connection with your review, for purposes of the Rule, of the Undertaking. Based upon our examination of the items referenced in this letter, including the Undertaking and the Rule, and subject to the limitations expressed above, we are of the opinion that, under existing law, the Undertaking satisfies paragraph (b)(5)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

Based upon our examination of the items referenced in this letter, we are further of the opinion that it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the 1933 Act or to qualify the Bond Resolution under the 1939 Act. For purposes of rendering such opinion, we have relied on the legal conclusions expressed by Gust Rosenfeld P.L.C., as Bond Counsel, as to the validity of the Bonds and the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

We have not investigated independently the accuracy of any legal conclusions upon which we have relied that are expressed by other counsel; however, attorneys in our firm

rendering legal services in connection with this matter are not presently aware of any information that leads us to believe that it would be unreasonable to rely upon those legal conclusions.

References in this letter to “attorneys in our firm rendering legal services in connection with this matter” refer only to those attorneys now with this firm who rendered legal services in connection with our representation of you in this matter.

Our engagement with respect to the matters addressed in this letter is concluded upon the delivery of this letter. The views expressed in this letter are as of, and are based upon the law in effect on, the date of this letter. Those views may be affected by actions taken or omitted or events occurring after the date of this letter, and we assume no obligation to revise or supplement this letter or to determine or to inform any person if such law changes or if any such actions are taken or omitted or any such events occur.

This letter is furnished solely for your benefit in connection with your purchase of the Bonds, and this letter may not, without our prior express consent, be used, circulated, quoted or otherwise referred to (except in lists or sets of closing documents), or be relied upon by any other person or for any other purpose.

Respectfully submitted,

EXHIBIT E

FORM OF CONSENT OF HARDING & ASSOCIATES

CONSENT OF HARDING & ASSOCIATES

Harding & Associates hereby consents to the inclusion in the Preliminary Official Statement and the Official Statement related to the sale of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 of the Appraisal prepared by Wayne Harding & Associates and addressed to City of Goodyear, Arizona/Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), dated August 4, 2021 (the "Appraisal"), and further represents and warrants that, as of the date of the Preliminary Official Statement and as of _____, 2021, and, as of the date of the Official Statement and as of the date hereof, the Appraisal is true and correct in all respects and does not include any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which such statements were made, not misleading, and, to the best of our knowledge, as of the date of the Preliminary Official Statement and as of _____, 2021, and as of the date of the Official Statement and as of the date hereof, no event affecting the Appraisal has occurred which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

HARDING & ASSOCIATES

By.....

Dated: [Closing Date]

ATTACHMENT

INDEMNITY LETTER
FOR
NOT TO EXCEED \$____,000
ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

_____, 2021

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016

Board of Directors
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
c/o City of Goodyear, Arizona
190 North Litchfield Road
Goodyear, Arizona 85338

Attention: District Treasurer

Re: Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021

This Indemnity Letter is delivered by NNP III – Estrella Mountain Ranch, LLC, a limited liability company organized and existing pursuant to the laws of the State of Delaware (hereinafter referred to as “Major Landowner”), in order to induce Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the “Underwriter”), and Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona), a community facilities district organized and existing pursuant to the laws of the State of Arizona (the “District”), to enter into the Purchase Contract, dated even date herewith (hereinafter referred to as the “Purchase Contract”) related to the purchase by the Underwriter and sale by the District of the captioned Bonds (hereinafter referred to as the “Bonds”). Terms which are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

Stifel, Nicolaus & Company, Incorporated
District Board
Estrella Mountain Ranch Community Facilities
District (City of Goodyear, Arizona)

1. In consideration of the execution and delivery of the Purchase Contract, Major Landowner represents and warrants to the Underwriter and the District that:

(a) Major Landowner is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to transact business in the State of Arizona.

(b) As of the date of the Official Statement, the information in the Official Statement pertaining to Major Landowner, its affiliates and the Project (as defined in the Official Statement) under the headings “INTRODUCTION,” “THE PUBLIC INFRASTRUCTURE,” “THE ASSESSMENT AREA,” “LAND DEVELOPMENT” and “RISK FACTORS” and in Appendix C – “APPRAISAL” (but not the other information, opinions, assumptions or projections contained therein) is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter or the Waiver Agreement (hereinafter referred to, together, as the “Major Landowner Documents”) nor the consummation of any other of the transactions herein contemplated, nor the fulfillment of, or compliance with, the terms hereof, shall contravene the organizational documents of Major Landowner or conflict with or result in a breach by Major Landowner of any of the terms, conditions or provisions of, or constitute a default by Major Landowner under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Major Landowner is a party or by which it is bound or to which any of the property or assets of Major Landowner is subject, or any law or any order, rule or regulation applicable to Major Landowner of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Major Landowner or any of the properties or operations of Major Landowner, or (except as contemplated by the Major Landowner Documents) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Major Landowner under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of Major Landowner, threatened against Major Landowner wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Major Landowner, or which would materially and adversely affect the properties (taken as a whole) of Major Landowner, and which has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions

Stifel, Nicolaus & Company, Incorporated
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Estrella Mountain Ranch Community Facilities
District (City of Goodyear, Arizona)

contemplated by the Purchase Contract or the Major Landowner Documents or (iii) adversely affect the validity or enforceability of the Major Landowner Documents.

(e) Major Landowner has the full power and authority to execute and deliver the Major Landowner Documents and perform its obligations hereunder and engage in the transactions contemplated by the Purchase Contract and the Major Landowner Documents, and the Major Landowner Documents has been duly authorized by Major Landowner and, when executed and delivered by the respective parties thereto, will constitute a valid, binding and enforceable obligation of Major Landowner except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation by Major Landowner of the transactions contemplated by the Purchase Contract and the Major Landowner Documents.

2. Major Landowner shall indemnify and hold harmless the Underwriter, the District, the Financial Advisor and, as applicable each director, trustee, partner, member, officer, official, legal counsel, independent contractor or employee thereof and each person, if any, who controls the Underwriter, the District or the Financial Advisor within the meaning of the Securities Act of 1933, as amended (any such person being herein sometimes called an "Indemnified Party"), for, from and against any and all losses, claims, damages or liabilities, joint or several, (i) to which an Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, to the extent, and only to the extent, such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact pertaining to Major Landowner or the Project set forth in the sections identified in the Official Statement in Section 1(b) above or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact pertaining to Major Landowner or the Project required to be stated in such section(s) or which is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading in any material respect, except such indemnification shall not extend to any other statements in the Official Statement and (ii) with respect to an Indemnified Party only, to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from, and only to the extent of, a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission pertaining to Major Landowner or the Project, the indemnity provided by Major Landowner shall only apply if such settlement is effected with the written consent of Major Landowner (which consent shall not be unreasonably withheld). The indemnification obligation of Major Landowner hereunder (and/or any defense obligation) shall not extend to any other statements in the Official Statement or to claims based upon the action of any other parties,

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including the Indemnified Parties, or to such losses, claims, damages or liabilities or defense costs that arise from such other statements in the Official Statement or to claims based upon the action of any other parties, including the Indemnified Parties.

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be due from Major Landowner, notify Major Landowner in writing of the commencement thereof. Failure of the Indemnified Party to give such notice shall reduce the liability of Major Landowner by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Major Landowner, but the omission to notify Major Landowner of any such action shall not relieve Major Landowner from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify Major Landowner of the commencement thereof, Major Landowner may, or, if so requested by such Indemnified Party, shall, participate therein or assume the defenses thereof (to the extent of Major Landowner's portion of such claims, if additional claims are made beyond those for which indemnity is provided hereunder), with counsel satisfactory to such Indemnified Party and Major Landowner (it being understood that, except as hereinafter provided, Major Landowner shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action or for the cost of the portion of any defense of any additional claims beyond those for which indemnity is provided hereunder), and after notice from Major Landowner to such Indemnified Party of an election so to assume the defenses thereof, Major Landowner shall not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until Major Landowner assumes the defense of any such action at the request of such Indemnified Party, Major Landowner shall have the right to participate at its own expense in the defense of any such action. If Major Landowner shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Major Landowner (in which case Major Landowner shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Major Landowner, but only if and to the extent liability is found or based upon a matter for which Major Landowner is liable hereunder.

3. All of the representations, warranties, and agreements of Major Landowner contained in the Major Landowner Documents shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, the

Stifel, Nicolaus & Company, Incorporated
District Board
Estrella Mountain Ranch Community Facilities
District (City of Goodyear, Arizona)

District, the Financial Advisor, any controlling person referred to in paragraph 2 hereof or Major Landowner or (ii) delivery of and payment for the Bonds.

4. This letter is solely for the benefit of the Underwriter, the District, the Financial Advisor and their successors or assigns, and, to the extent provided in paragraph 2 hereof, each Indemnified Party, and no other person shall acquire or have any right under or by virtue hereof. The terms “successors” and “assigns” as used in this letter shall not include any purchaser, as such purchaser, from the Underwriter of the Bonds.

5. Major Landowner shall pay all costs with respect to the issuance and delivery of the Bonds.

6. Major Landowner consents to the references to Major Landowner in the Official Statement.

7. The letter shall be governed by, and construed in accordance with, the laws of the State of Arizona.

Respectfully submitted,

NNP III – ESTRELLA MOUNTAIN RANCH, LLC,
a Delaware limited liability company

By.....

Printed Name:

Title:

CONTINUING DISCLOSURE UNDERTAKING

\$____,000

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(CUSIP BASE NUMBER 29758R)

This Undertaking is executed and delivered by Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the "Issuer") in connection with the issuance of the captioned municipal securities (the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Annual Report" shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

"Authorizing Documents" shall mean, collectively, the resolutions authorizing the issuance of the Securities.

"Dissemination Agent" shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

"EMMA" shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 3(a).

"Notice of Listed Event" shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) **THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2022, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.**

(ii) **IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.**

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information with respect to status of amounts of delinquencies and parcels delinquent (including amount of penalties and interest) and status of foreclosure sales by tax parcel identification number as such matters relate to the “Special Assessments” which are the subject of TABLE ___ of the Official Statement, dated _____, 2021; provided, however, if there are no such delinquencies nothing need be included in the Annual Report.

(B) Current balances in the funds held pursuant to the “Reserve Fund” described in the Official Statement.

(C) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. **IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.**

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final offering documents of debt issues of the Issuer or related public entities which have been submitted to the Municipal Securities Rulemaking Board. If the document incorporated by reference is a final offering document, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) **If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of**

the Annual Report and after such audited financial statements become available, the audited financial statements shall be provided through EMMA within 30 days of receipt thereof by the District.

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (vii) Modifications to rights of security holders, if material.
- (viii) Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the securities, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar events of the obligated person, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation

by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change of the name of the trustee, if material.

(xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(xvii) Notice of a failure of the obligated person to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

(c) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the

identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Documents at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Documents, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer

hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

[Signature page follows.]

Dated: _____, 2021

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By.....
Chairperson, Board of Directors

PRELIMINARY OFFICIAL STATEMENT, DATED _____, 2021**NEW ISSUE - BOOK-ENTRY-ONLY FORM****NOT RATED**

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX EXEMPTION" herein.

The Board of Directors of the District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct the interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board of Directors of the District will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2021 will exceed \$10,000,000.

\$598,000*

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021**

DATED: Date of Initial Delivery**DUE: July 1, as shown on inside front cover page**

The Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 (the "Bonds"), will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers under the book-entry-only system maintained by DTC in minimum denominations of \$5,000 of principal amount due on a specified maturity date or \$1,000 integral multiples in excess thereof. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on January 1 and July 1 of each year, commencing January 1, 2022*. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants who will remit such payments to the beneficial owners of the Bonds. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

See Inside Front Cover Page for Maturity Schedule

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and will be issued pursuant to a resolution of the Board of Directors of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the "District"). The Bonds will be payable solely from and secured by a special, separate fund maintained by the District which fund will contain installments due with respect to certain special assessments levied and assessed by the District on single family housing lots within the District in accordance with a method of apportionment based on the benefit received by such lots from public infrastructure acquired with the proceeds of the sale of the Bonds and agreed to by the owners of such lots, each of which assessments constitutes a first lien on the lot against which it is assessed and levied, subject only to general property taxes and prior special assessments. **(THERE ARE SUCH GENERAL PROPERTY TAXES (BUT NOT PRIOR SPECIAL ASSESSMENTS) IN THE CASE OF THE BONDS. SEE "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES" HEREIN.)** The lien for such assessments will not be extinguished as a result of enforcement of the lien for general property taxes. Any such lot will be offered for sale for nonpayment of the special assessment levied and assessed by the District on such lot and, if sold, the proceeds thereof deposited in such special fund. The rights and obligations of the District relating to collection and payment of assessments and the enforcement of remedies against delinquent assessments may be subject to bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights and may be subject to judicial discretion in accordance with general principles of equity. **SEE "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" AND "RISK FACTORS" HEREIN.**

THE BONDS WILL BE SUBJECT TO SPECIAL OPTIONAL, OPTIONAL AND MANDATORY REDEMPTION BY THE DISTRICT PRIOR TO MATURITY AS DESCRIBED HEREIN UNDER THE HEADING "THE BONDS - REDEMPTION PROVISIONS." PLEASE NOTE SPECIFICALLY THAT, PURSUANT TO SUCH SPECIAL OPTIONAL REDEMPTION UNDER CERTAIN CIRCUMSTANCES, THE BONDS WILL BE SUBJECT TO REDEMPTION IN WHOLE OR IN PART ON ANY INTEREST PAYMENT DATE.

Proceeds of the sale of the Bonds will be used to (i) pay a portion of the costs of acquisition of certain public infrastructure, (ii) pay capitalized interest on the Bonds through July 1, 2022, (iii) fund a debt service reserve fund for the Bonds, and (iv) pay costs of issuance relating to the Bonds. See "THE PUBLIC INFRASTRUCTURE" and "SOURCES AND APPLICATIONS OF FUNDS" herein.

PLEASE BE ADVISED THAT AN INVESTMENT IN THE BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND IS SPECULATIVE IN NATURE AS DESCRIBED UNDER "RISK FACTORS" AND UNDER OTHER SECTIONS IN THIS OFFICIAL STATEMENT. THIS ISSUE IS NOT RATED AND SHOULD NOT BE DEEMED TO BE INVESTMENT GRADE. THE "RISK FACTORS" SECTION OF THIS OFFICIAL STATEMENT SHOULD BE REVIEWED PRIOR TO MAKING ANY INVESTMENT DECISION IN THE BONDS.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE DISTRICT, THE CITY OF GOODYEAR, ARIZONA, THE STATE OF ARIZONA, ANY POLITICAL SUBDIVISION THEREOF, NOR THE CREDIT OF THE MAJOR LANDOWNER (AS DEFINED HEREIN), WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE HEREIN-DESCRIBED SPECIAL ASSESSMENTS AND AMOUNTS HELD IN THE HEREIN-DESCRIBED RESERVE FUND.

The Bonds are offered when, as and if issued by the District and subject to the approval of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Gust Rosenfeld, P.L.C., Phoenix, Arizona, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, for certain homebuilders by their respective counsel, and for the Major Landowner and its affiliates by their counsel, Berens Blonstein PLC, Scottsdale, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about _____, 2021*.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

STIFEL

* Subject to change.

\$598,000*
ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

MATURITY SCHEDULE*
Base CUSIP®⁽¹⁾ No. 29758R

Maturity Date (July 1)	Amount	Rate	Yield	CUSIP® ⁽¹⁾ No.
2022	\$12,000	%	%	
2023	16,000			
2024	15,000			
2025	15,000			
2026	20,000			
2027	20,000			
2028	20,000			
2029	20,000			
2030	20,000			
2031	20,000			
2032	20,000			
2033	20,000			
2034	25,000			
2035	25,000			
2036	25,000			
2037	25,000			
2038	25,000			
2039	30,000			
2040	30,000			
2041	30,000			
2042	30,000			
2043	30,000			
2044	35,000			
2045	35,000			
2046	35,000			

* Subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright©2021 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Underwriter, the Financial Advisor (each as defined herein) or their agents or counsel assume responsibility for the accuracy of such numbers.

**ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)**

DISTRICT BOARD

Georgia Lord, *District Chairperson*
Bill Stipp, *District Vice Chairperson*
Joe Pizzillo, *District Board Member*
Sheri Lauritano, *District Board Member*
Wally Campbell, *District Board Member*
Brannon Hampton, *District Board Member*
Laura Kaino, *District Board Member*

DISTRICT STAFF

Julie Karins, *District Manager*
Doug Sandstrom, *District Treasurer*
Darcie McCracken, *District Clerk*

FINANCIAL ADVISOR

Hilltop Securities Inc.
Phoenix, Arizona

DISTRICT ENGINEER

Willdan Engineering
Goodyear, Arizona

APPRAISER

Wayne Harding & Associates
Scottsdale, Arizona

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

U.S. Bank National Association
Phoenix, Arizona

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of the Bonds, the Bond Resolution (each as defined herein), the Appraisal, the security for the Bonds, the District, the development of land within the District and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution, the Appraisal and other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), at 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016.

No dealer, broker, salesperson or other person has been authorized by the District, the Underwriter or Hilltop Securities Inc. (the “Financial Advisor”), to give information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District, the Underwriter or the Financial Advisor.

The information set forth herein has been obtained from the District, the Developer and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter, is not guaranteed as to accuracy or completeness, and is not to be construed as the promise or guarantee of the District, the Financial Advisor or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.”

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are “forward looking statements” that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission (the “Commission”) nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the caption “CONTINUING DISCLOSURE” and in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” all pursuant to Rule 15c2-12 of the Commission.

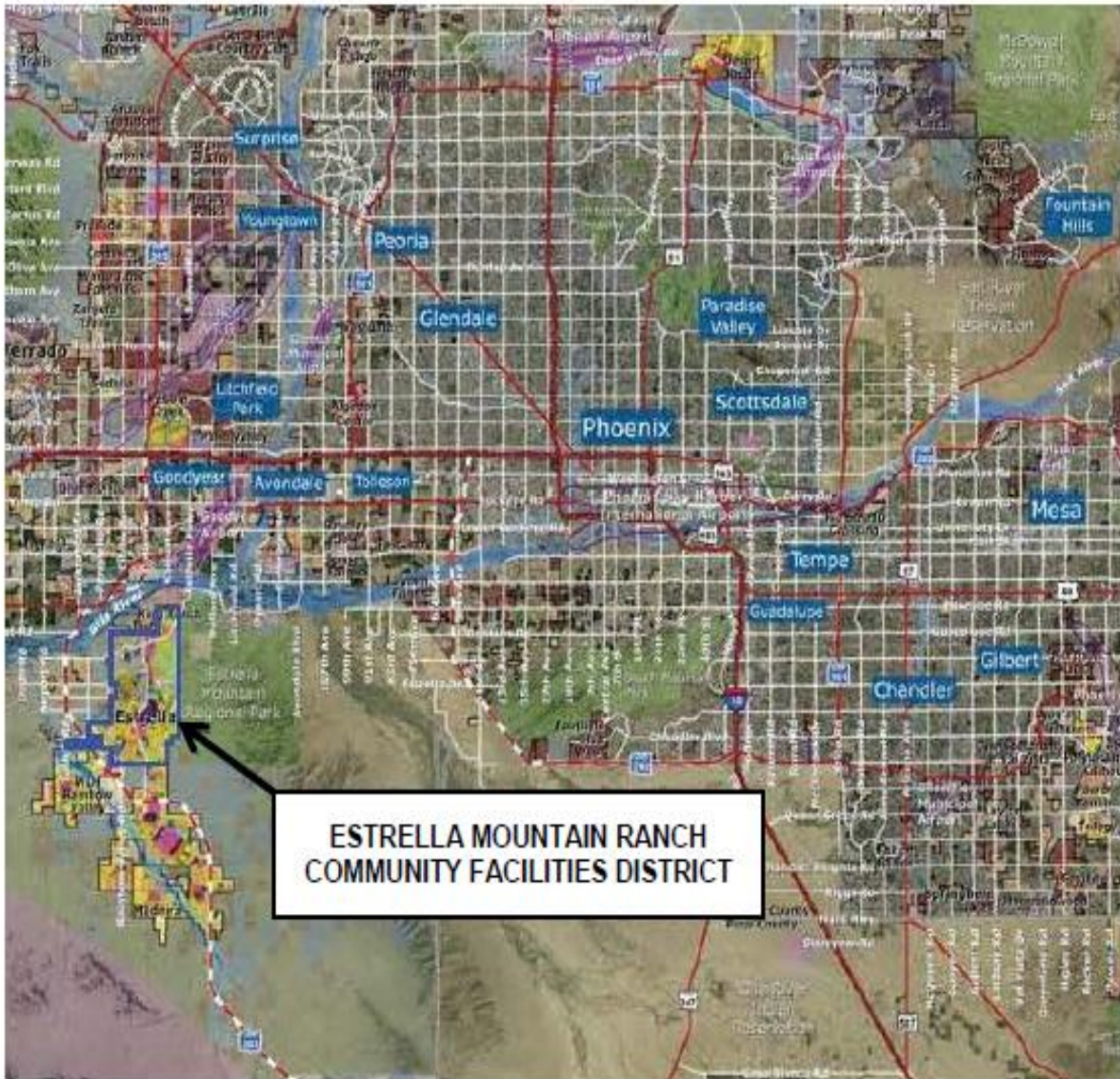
IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE

UNDERWRITER MAY OVER-ALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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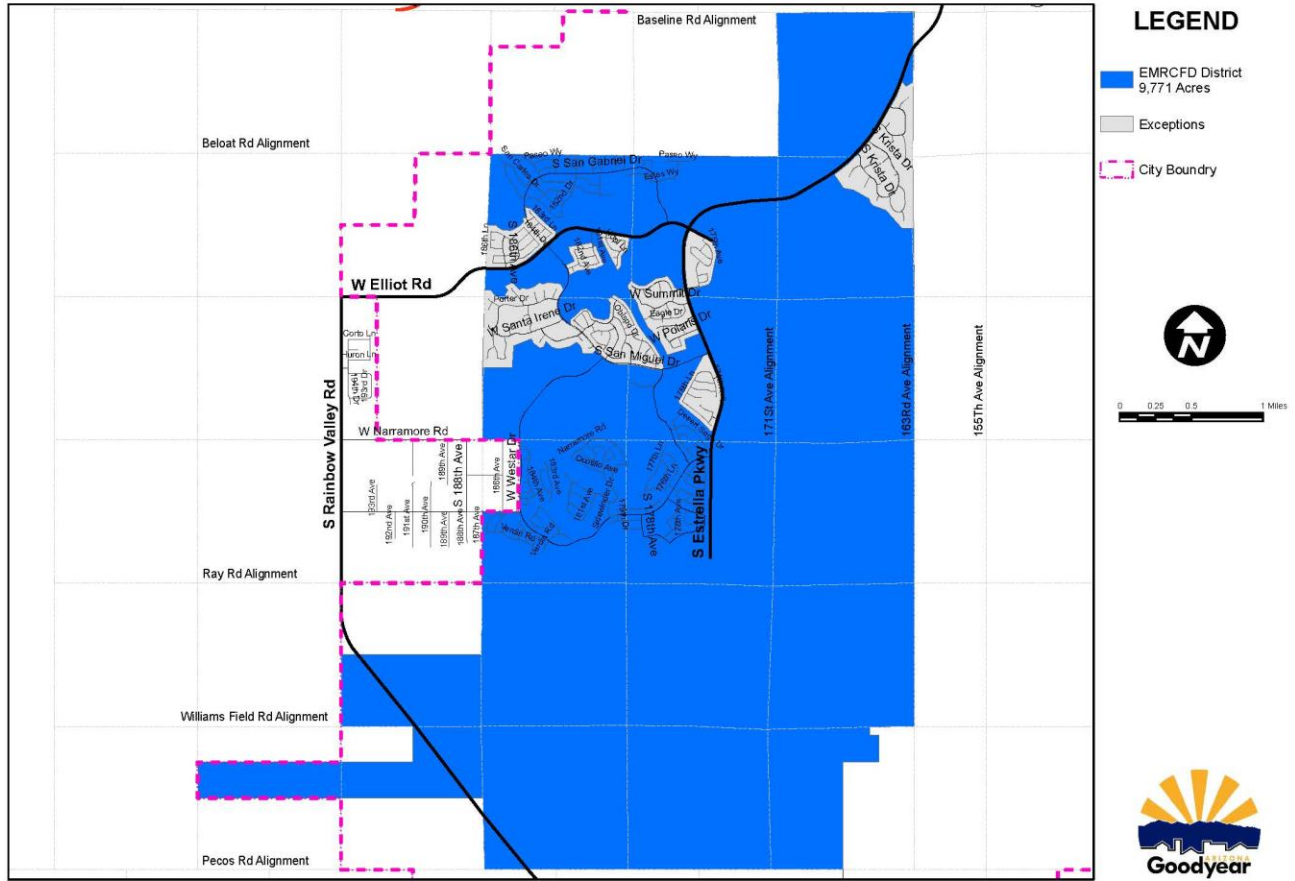
**MAP SHOWING LOCATION OF THE DISTRICT
WITHIN METROPOLITAN PHOENIX AREA**



MAP SHOWING LOCATION OF THE DISTRICT

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT

Formed November 22, 1999



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FROM THE CITY OF GOODYEAR GIS

APRIL 2006

**AERIAL PHOTOGRAPH SHOWING LOCATION OF THE ASSESSMENT DISTRICT AND
IN THE CONTEXT OF THE DISTRICT AND FUTURE DEVELOPMENT**

[AERIAL PHOTOGRAPH PROVIDED BY LYNDSEY OCONNELL ON 7/8
TO BE INCLUDED PRIOR TO POSTING – OMITTED DUE TO FILE SIZE]

\$598,000*
ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto (this “Official Statement”), provides certain information concerning the issuance of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 (the “Bonds”), in the aggregate principal amount of \$598,000*. Copies of any of the documents referenced herein are available upon request to the Underwriter (as defined herein) at: Stifel, Nicolaus & Company, Incorporated, 2801 East Camelback Road, Suite 300, Phoenix, Arizona 85016.

INTRODUCTION

General

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Act”), and in response to a petition by SunChase Estrella Limited Partnership, a Delaware limited partnership (“SunChase”), the Mayor and Council (the “City Council”) of the City of Goodyear, Arizona (the “City”), adopted a resolution on November 22, 1999, which formed Estrella Mountain Ranch Community Facilities District (the “District”). See APPENDIX A - “INFORMATION REGARDING THE CITY OF GOODYEAR, ARIZONA” hereto for information about the City.

The District encompasses approximately 9,771 acres within the City and is located generally south of the Gila River, approximately six miles south of Interstate 10 (the “District Land”). See the map on page (ii) with respect to the location of the District and the aerial photograph of the District on page (vi). The boundaries of the District are shown on the map on page (iii).

See “LAND DEVELOPMENT – Current Project Ownership” for a discussion of the disposition of the District Land since 1999 and a description of the current ownership of the District Land, particularly with respect to NNP III – Estrella Mountain Ranch, LLC, a Delaware limited liability company (the “Major Landowner”). As described under “LAND DEVELOPMENT – Potential Change in Project Ownership” herein, the Major Landowner and certain affiliates have entered an agreement to sell the remaining land within the Project, including all remaining District Land.

The District is a special purpose, tax levying public improvement district for purposes of the constitution of the State of Arizona (the “State” or “Arizona”) and a municipal corporation for certain purposes of the laws of the State. Except as otherwise provided in the Act, the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. Members of the City Council serve, ex officio, as members of the Board of Directors of the District (the “Board”), and the City Manager of the City serves as the District Manager.

The District has provided, pursuant to the terms of certain development agreements among the City, the District and certain of the owners of land within the District and certain related entities, financing for the acquisition of certain public infrastructure necessary for development of the land within the boundaries of the District. See “LAND DEVELOPMENT.” The District has the authority to issue general obligation bonds payable from *ad valorem* taxes levied on all taxable property within the boundaries of the District, without limitation as to rate or amount, to finance, among other things, the acquisition costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds. The District also levies an *ad valorem* property tax of \$0.30 per \$100 of net limited assessed property value, the proceeds of which are used to pay a portion of the operation and maintenance expenses of the District and of the public infrastructure financed by the District (the “Maintenance and Operations Tax”).

* *Subject to change.*

Assessment Area

On August 23, 2021*, the Board adopted a resolution approving a feasibility report relating to the financing of a portion of the costs of certain public infrastructure described under the heading “THE PUBLIC INFRASTRUCTURE” (collectively, the “Public Infrastructure”), to be acquired by the District and thereafter transferred to the City and declaring its intent to acquire the Public Infrastructure and to pay the costs thereof. On August 23, 2021*, the Board adopted a resolution levying special assessments (collectively, the “Special Assessments” and, individually, as the Special Assessments relate to a particular lot, a “Special Assessment”) on certain single family housing lots within the District (collectively, the “Assessed Lots” and, individually, each an “Assessed Lot”) based on the benefit to be received by the Assessed Lots. See the maps on pages (iii) and (iv). **The Assessed Lots make up only a portion of the District.** See “LAND DEVELOPMENT – Assessment Area.”

There are 73 Assessed Lots, all of which have been established by the final plat approved by the City. See “THE ASSESSMENT AREA” and, particularly, TABLE 5 thereunder, as well as the maps on pages (iii) and (iv) with respect to the location of the District and the area encompassing the Assessed Lots. **The Major Landowner currently owns all of the Assessed Lots, provided, however, all the Assessed Lots are under contract to be sold to the hereinafter defined Homebuilder, and it is likely several of the Assessed Lots to be used for model homes, will actually have been sold prior to the issuance of the Bonds.**

THE BONDS

Authorization and Purpose

The Bonds are authorized pursuant to the Act and will be issued, sold and delivered pursuant to a resolution adopted by the Board on August 30, 2021* (the “Bond Resolution”). Proceeds of the Bonds will be used to (i) pay a portion of the costs of the Public Infrastructure, (ii) pay capitalized interest on the Bonds through July 1, 2022, (iii) fund a debt service reserve fund for the Bonds (the “Reserve Fund”), and (iv) pay costs of issuance relating to the Bonds. See “SOURCES AND APPLICATIONS OF FUNDS.”

General Description

The Bonds will be dated the date of their initial delivery, and will mature and bear interest as set forth on the inside front cover page of this Official Statement.

Interest on the Bonds will be paid semiannually on January 1 and July 1 of each year, commencing January 1, 2022* (each such date being referred to herein as an “Interest Payment Date”). The Bonds will bear interest from the most recent Interest Payment Date on which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months. The District has chosen the fifteenth (15th) day of the calendar month (other than a Saturday, a Sunday, or a legal holiday or equivalent (other than a moratorium) for banking institutions generally (a “Business Day”)) next preceding the applicable Interest Payment Date or, if such day is not a Business Day, then the previous Business Day, as the “Record Date” for the Bonds.

Beneficial ownership interests may be purchased through the facilities of The Depository Trust Company, New York, New York, in the book-entry-only form described herein in minimum denominations of \$5,000 of principal amount due on a specified maturity date or \$1,000 integral multiples in excess thereof. See APPENDIX E - “BOOK-ENTRY-ONLY SYSTEM.”

* *Subject to change.*

Bond Registrar and Paying Agent

U.S. Bank National Association, will serve as the initial bond registrar, transfer agent and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Special Optional Redemption. The Bonds will be redeemed at the option of the District in whole or in part on any Interest Payment Date, upon not more than 60 nor less than 30 days prior notice, upon payment of the applicable redemption price, which will consist of the principal amount of the Bonds so redeemed, plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium (i) if and to the extent on or after the completion of the Public Infrastructure amounts are transferred from the Acquisition Fund (as defined in the Bond Resolution) for such purpose, (ii) from the prepayment of any Special Assessment by the owner of any Assessed Lot, and (iii) from the proceeds from the sale of any delinquent Special Assessments, to the extent such proceeds are not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement (as defined herein).

Optional Redemption. The Bonds maturing on or after July 1, 20__, will also be redeemable, on or after July 1, 20__, at the option of the District in whole on any date or, from time to time, in part on any Interest Payment Date, upon not more than 60 nor less than 30 days prior notice, upon payment of the applicable redemption price, which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

Mandatory Redemption. The Bonds maturing in the following years will be redeemed on the following redemption dates and in the following amounts upon not more than 60 nor less than 30 days prior notice, upon payment of the applicable redemption price, which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium:

Redemption Date <u>(July 1)</u>	Principal <u>Amount</u>
<u>20__ Term Bond</u>	
20__	\$
20__	
20__ (maturity)	

Whenever Bonds of such maturity are purchased, redeemed (other than pursuant to a mandatory redemption) or delivered by the District to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited on a *pro-rata* basis against the remaining mandatory redemption requirements for the Bonds of such maturity.

Effect of Redemption. Pursuant to the Bond Resolution, if on the date of redemption of Bonds sufficient monies for payment of the redemption price and accrued interest are held by the Bond Registrar and Paying Agent, interest on the portion of the Bonds to be redeemed will cease to accrue and such portion of the Bonds will cease to be entitled to any benefit or security under the Bond Resolution except the right to receive payment from the monies held for such portion of the Bonds by the Bond Registrar and Paying Agent.

* *Subject to change.*

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table sets forth the estimated debt service requirements for the Bonds.

Schedule of Estimated Annual Debt Service Requirements* (a)

Fiscal Year	The Bonds		Total Annual Debt Service Requirements
	Principal	Interest (b)	
2022	\$12,000	\$ 14,944 (c)	\$ 26,944
2023	16,000	20,454	36,454
2024	15,000	20,118	35,118
2025	15,000	19,780	34,780
2026	20,000	19,420	39,420
2027	20,000	18,900	38,900
2028	20,000	18,300	38,300
2029	20,000	17,700	37,700
2030	20,000	17,100	37,100
2031	20,000	16,500	36,500
2032	20,000	15,750	35,750
2033	20,000	15,000	35,000
2034	25,000	14,250	39,250
2035	25,000	13,313	38,313
2036	25,000	12,375	37,375
2037	25,000	11,438	36,438
2038	25,000	10,500	35,500
2039	30,000	9,563	39,563
2040	30,000	8,438	38,438
2041	30,000	7,313	37,313
2042	30,000	6,188	36,188
2043	30,000	5,063	35,063
2044	35,000	3,938	38,938
2045	35,000	2,625	37,625
2046	35,000	1,313	36,313
	\$598,000		

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) Interest is estimated.

(c) The first interest payment on the Bonds will be due on January 1, 2022*. Thereafter, interest payments will be made semiannually on July 1 and January 1 until maturity or prior redemption.

* Subject to change.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

Bond Fund and Special Assessments

The Bonds will be payable solely from and secured by a special, separate fund established pursuant to the Bond Resolution and maintained by the District (the "Bond Fund") which will contain the installments collected with respect to the Special Assessments and, initially, a portion of the proceeds of the Bonds representing capitalized interest and a deposit to the prepayment account for the July 1, 2022, principal payment. (The remaining land in the District does not represent security for the Bonds.) The Bonds will, under certain circumstances, also be payable from amounts available from time to time in the Reserve Fund. The Board has levied the Special Assessments based on the benefit determined by the Board to be received by the corresponding Assessed Lots from the Public Infrastructure. Pursuant to an agreement entered into between the District and the Treasurer of Maricopa County, Arizona (the "Treasurer"), the District may, in each year, determine to have the Treasurer collect some or all of that year's installment payments collected with respect to the Special Assessments as part of, and pursuant to the procedures for collection of, general property taxes. (See "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES - Introduction.") In the event of nonpayment of a current year installment that is collected by the Treasurer, such installment will no longer be collected under the Foreclosure Process (as defined and described below) but will instead be collected in the same manner as general property taxes. However, it is the intent of the District to collect the remaining installments of that Special Assessment pursuant to the Foreclosure Process. Collection of a delinquent installment by the Treasurer with other delinquent general property taxes may result in a delay in the ultimate collection of such installment.

The Special Assessments are a first lien on the Assessed Lots subject only to, notwithstanding any such agreement with the Treasurer, general property taxes and prior special assessments. **(THERE ARE SUCH GENERAL PROPERTY TAXES IN THE CASE OF THE BONDS; HOWEVER, THERE ARE NO PRIOR SPECIAL ASSESSMENTS. SEE "OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES.")** *Failure to pay such general property taxes and subsequent foreclosure of the related lien does not extinguish a Special Assessment. Neither the current owners nor any subsequent owners of any Assessed Lot are obligated to pay the Special Assessments or the Bonds, and the assets of the current owners or any subsequent owners, other than the Assessed Lots, do not secure such payment. The Special Assessments and the Bonds will be secured only by the Assessed Lots. The Special Assessments are not cross-defaulted.*

In the event of nonpayment of amounts due with respect to a Special Assessment, the procedures for collection of delinquent assessments and sale of delinquent property prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes (the "Foreclosure Process"), apply, as nearly as practicable, **except that none of the District, the City or owners of land in the District (including the Major Landowner) is required to purchase the Assessed Lots subject to delinquency at the sale even if there is no other purchaser.** See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Foreclosure Process," "RISK FACTORS - Non-Payment of Assessments" and APPENDIX F - "CERTAIN STATUTORY PROVISIONS APPLICABLE TO THE FORECLOSURE PROCESS." Any Assessed Lot will be offered for sale pursuant to the Foreclosure Process for nonpayment of the Special Assessment on such Assessed Lot and, if sold, the proceeds thereof will be deposited in the Bond Fund or will be used to replenish the Reserve Fund. The rights and obligations of the District relating to collection and payment of the Special Assessments and the enforcement of remedies against delinquent Special Assessments (including the Foreclosure Process) may be subject to bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights and may be subject to judicial discretion in accordance with general principles of equity.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE DISTRICT, THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, NOR THE CREDIT OF THE MAJOR LANDOWNER, WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL NOT BE GENERAL OBLIGATIONS OF THE DISTRICT BUT WILL BE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SPECIAL ASSESSMENTS AND AMOUNTS HELD IN THE RESERVE FUND.

Reserve Fund

As indicated in "SOURCES AND APPLICATIONS OF FUNDS," \$_____ * of the proceeds of the sale of the Bonds will be deposited in the Reserve Fund. The amount in the Reserve Fund shall be not more than the lesser of: (i) 10% of the outstanding principal amount of the Bonds; (ii) an amount equal to the maximum debt service payments due on the Bonds in any year; or (iii) 125% of the average annual debt service on the Bonds outstanding, or such amount as required by the Internal Revenue Code of 1986, as amended (the "Code") to obtain or maintain the tax-exempt status of the Bonds (the "Reserve Fund Requirement"). To the extent income from investments of the Reserve Fund causes the Reserve Fund to exceed the Reserve Fund Requirement, such investment income will be transferred to the Bond Fund and used to pay semiannual interest on the Bonds.

If at any time it appears that the collection of installments of the Special Assessments will not raise money sufficient to pay the then forthcoming principal or interest payment on the Bonds, any or all investments in the Reserve Fund may be liquidated and such amounts transferred to the Bond Fund as is necessary to make timely payments of principal of and interest on the Bonds, as applicable. The Reserve Fund will be reimbursed from either: (i) the proceeds from the sale of delinquent Special Assessments pursuant to the Foreclosure Process or (ii) excess amounts from installments on the Special Assessments, if any, provided, however, only to the extent that such excess portion of such installments is not required for the payment of principal of and interest on the Bonds.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund is sufficient to pay the principal amount of all the Bonds outstanding on a redemption date, together with the interest accrued on such Bonds as of such redemption date, the monies shall be transferred to the Prepayment Account of the Bond Fund and thereafter used to redeem all Bonds on such redemption date.

Foreclosure Process

The Foreclosure Process is provided by the Bond Resolution (by reference to waiver agreements applicable to the Assessed Lots) which states that certain sections of the "General Public Improvements and Improvement Bonds Law" of the Arizona Revised Statutes are applicable. APPENDIX F - "CERTAIN STATUTORY PROVISIONS APPLICABLE TO THE FORECLOSURE PROCESS" includes portions of certain sections of such law. Generally, a representative of the District is required, within 20 days from the date any installment is due on the Special Assessments, to begin publication of the list of the Special Assessments on which any installment is delinquent. Such representative also is required to append to and publish with the list a notice that unless each delinquent installment, together with the penalty and costs thereon, is paid, the whole amount of the Special Assessment will be declared due, and the corresponding Assessed Lot upon which the Special Assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The notice of the delinquent Special Assessments is required to be published and circulated in the District for a period of 10 days in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated. Before the date fixed for the sale or the date to which the sale has been postponed, the representative is required to obtain a record search that shows the names and addresses of all lien claimants on, and other persons with an interest in, the Assessed Lots on which an installment of the Special Assessment is delinquent. At least 10 days before the sale date or the date to which the sale has been postponed, the representative is required to mail notice of the sale to the owner and to each of the lien claimants and other interested persons. A final sale may not be held unless the representative has mailed such notice. The time of sale shall not be less than five days after the last publication, and the place of sale shall be in or in front of the office of such representative, or in front of the usual place of meeting of the Board. The sale may be postponed. **To comply with certain notice requirements, it may be necessary to postpone or continue such sales from time to time until such requirements are satisfied.**

On the day fixed for the sale, the representative of the District shall, at 10:00 a.m., or at a time thereafter to which the sale may be adjourned, begin the sale of the Assessed Lots advertised, commencing at the head of the list and continuing in the numerical order of lots, until all are sold. The sale may be postponed or continued from day to day until all the property is sold. Each Assessed Lot shall be offered for sale separately. The sale shall be for the entire

* *Subject to change.*

Special Assessment including the delinquent installments, and the person who will take the Assessed Lot and then and there pay the amount of the Special Assessment, penalty and costs due, including 50 cents to the representative of the District for a certificate of sale, shall become the purchaser.

None of the District, the City or owners of land in the District (including the Major Landowner) are required to purchase delinquent land at any sale, even if there is no other purchaser.

Special Assessment Amounts and Land Values

Special Assessment Amounts. The Special Assessments have been levied based on the benefit to be received by the Assessed Lots from the Public Infrastructure. See TABLE 5. The amounts of the Special Assessments have been agreed to pursuant to waiver agreements which are applicable to all of the Assessed Lots; such waiver agreements are recorded in the real property records against the Assessed Lots.

Appraisal Values. An appraisal report, dated August 4, 2021 (the “Appraisal”), was prepared by Wayne Harding & Associates, Scottsdale, Arizona (the “Appraiser”), at the request of the District for the purpose of determining, subject to the limitations, terms and conditions thereof, the “market value” and “disposition value” of the Assessed Lots as security for the Special Assessments as of the valuation date of July 7, 2021. **THE FULL TEXT OF THE APPRAISAL IS INCLUDED AS APPENDIX C AND SHOULD BE REVIEWED IN ITS ENTIRETY.** See TABLE 5.

The Appraisal provides an “as is” market value and an “as complete” market value of the Assessed Lots.

“Market value” is defined in the Appraisal as the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in an open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adopted and for which it was capable.

The Appraisal also provides an “as is” disposition value and an “as complete” disposition value of the Assessed Lots. These values are based on a marketing time of six months or less. These “disposition values” are discounted from the market values by 5% to reflect the reduced marketing period.

“Disposition value” is defined in the Appraisal as the most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale will occur within a specified time, which is shorter than the typical exposure time for such a property in the market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The value conclusions in the Appraisal are made subject to the hypothetical conditions that the improvements to be financed with proceeds of the Bonds are completed and all lot and subdivision improvements are complete.

The sales comparison approach was utilized to value the Assessed Lots. As described in the Appraisal, the sales comparison approach is a method of estimating value that examines transfers of land that are similar to a subject site, both physically and in terms of utility and highest and best use. By comparing the sales on a common unit basis, a trend in values can usually be identified. By analyzing the most similar sales and making adjustments for factors that

affect value, a value is indicated from each. Because these are the most likely alternative sites that would be considered by a potential buyer of the subject site, they are the most logical indications of its market value. The value indications are then reconciled into a single value estimate based upon the relative strengths of each adjusted sale. The process is applied to each of the subject properties in order to arrive at an opinion of market value.

The fee simple estate of each Assessed Lot is appraised, which is defined in the Appraisal as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

As described in the Appraisal, the appraisal process involved the following steps: (i) inspection of each subject property to identify the physical, locational and economic characteristics of the property relative to competing properties; (ii) research and investigation of public records relating to the property and competing properties to identify legally permitted uses and availability of public amenities; (iii) performing a search of public records to identify sales of competing property in the market; (iv) analysis of the sales data to identify the sales most similar to the subject property; (v) formulating an opinion of the highest and best use of each of the subject parcels; and (vi) analysis of the sales comparison approach as it applies to each of the subject parcels.

As indicated in TABLE 5 herein, each of the Assessed Lots has an overall as is lot value to assessment lien ratio of not less than 19:1 as of the valuation date of the Appraisal. See **“RISK FACTORS - Failure or Inability to Complete Proposed Development” and “- Completion of the Public Infrastructure and the Other Infrastructure.”**

There can be no assurance that the values described in the Appraisal are accurate or that the assumptions relied upon in the Appraisal were accurate. There can be no assurance that the values determined in the Appraisal are related in any way to future value or the value as of the date of any default under the Bonds. See “RISK FACTORS - Appraised Value.”

Full Cash Values. It is estimated that the “full cash value” for tax year 2021 as determined by the County Assessor of Maricopa County, Arizona (the “Assessor”) for all of the Assessed Lots is much less than the total of the values shown in the Appraisal. (Estimated “full cash value” is statutorily defined to mean “that value determined as prescribed by statute” or if no statutory method is prescribed it is “synonymous with market value” which means that estimate of value that is derived annually by using standard appraisal methods and techniques. The Assessor generally uses a market approach to value residential property such as the Assessed Lots. In determining full cash value of the Assessed Lots, the property generally was valued as “agricultural and vacant land” by the Assessor.

OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES

Introduction

The District has no control over the amount of additional indebtedness or other amounts payable from ad valorem property taxes or assessments on all or a portion of the property within the District or the area that encompasses the Assessed Lots that may be issued or levied in the future by other governmental entities or political subdivisions, including but not limited to the City, Maricopa County, Arizona (the “County”), school districts, certain other special districts or other entities having jurisdiction over all or a portion of the land within the District or such area. To the extent such indebtedness is payable from general property taxes or taxes are levied for other purposes, such taxes will have a lien on the property within the District paramount and superior to the lien of the Special Assessments. Under current law, any special assessment lien securing indebtedness issued after the Bonds by any such entity would be subordinate and subject to the lien of the Special Assessments. See “Other Debt of the District” in this section. Currently, there are no prior special assessment liens in the area that encompasses the Assessed Lots. **SEE ALSO, “RISK FACTORS - Direct and Overlapping Indebtedness and Taxes” FOR A DISCUSSION ABOUT THE IMPACT OF SUCH LIENS, EVEN IF SUCH LIENS ARE SUBORDINATE LIENS.**

For tax purposes in Arizona, real property is either valued by the assessor of the county in which such property is located or the Arizona Department of Revenue. Property valued by the Arizona Department of Revenue is referred to as “centrally valued” property and is generally owned by large mine and utility entities. Property valued by the assessor of the county in which such property is located is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, “limited property value” and “full cash value,” only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. The limited property value of real property and improvements, including mobile homes, used for all *ad valorem* property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

All property both real and personal is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the limited property value or full cash value of the property, as applicable, to obtain the limited assessed property value and the full cash assessed value, respectively. The assessment ratio for agricultural and vacant land is currently 15%; the assessment ratio for owner-occupied residential property is currently 10%. Net assessed limited property value (“Net Assessed Limited Property Value”) is determined by excluding the value of property exempt from taxation from limited assessed property value and from full cash assessed value of centrally valued property and combining the resulting two amounts.

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable value multiplied by the appropriate assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year’s levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts. Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Taxes levied for debt retirement, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property as described above. There is no constitutional or statutory limitation on annual levies for secondary taxes for voter-approved bond indebtedness or special district assessments.

All taxes become a lien upon the property assessed (they are not a personal obligation of the property owner), attaching on the first day of January of each tax year. Generally, a tax lien is not satisfied or removed until the taxes are paid or the property is finally vested in a purchaser under a tax lien sale as hereinafter described. An *ad valorem* property tax lien is prior and superior to all the liens and encumbrances on the property, except liens and encumbrances held by the State.

If the *ad valorem* property taxes are not paid when due, the Treasurer is required to secure a payment through the sale of the tax lien. Not later than December 31 of each year, the Treasurer must prepare a list of all real property upon which the *ad valorem* property taxes for prior years were unpaid and delinquent. The property so listed is advertised for sale, and the sale of the tax lien for delinquent *ad valorem* property taxes must be held by the Treasurer in February of the calendar year immediately following the publication of notice of the tax lien sale. The Treasurer will offer at the sale a tax lien on each delinquent property at a price equal to the amount of taxes, interest and penalties due on the property to the bidder willing to accept the lowest rate of interest on the amount paid by the bidder for the tax lien. If no bidder is willing to accept 16% per annum or less, the lien is assigned to the State and held for subsequent resale. If a tax lien is sold, the bidder is required to pay in cash at the time of sale a purchase price equal to the amount of taxes, interest and penalties due on the property. If the lien is assigned to the State, the *ad valorem* property taxes due will remain unpaid until subsequent resale or redemption of the property.

Accordingly, delinquent *ad valorem* property taxes should, if the assessed property has sufficient value to attract bidders at the tax lien sale, be recovered within 15 months after the end of the calendar year in which such taxes were levied and assessed.

The holder of a tax lien is entitled to foreclose the right to redeem the tax lien by judicial sale after the third anniversary of the tax lien sale.

Existing, Overlapping, Superior, General Obligation Bonded Indebtedness and Taxes

Overlapping, general obligation bonded indebtedness and tax levies for other purposes with respect to land which encompasses the District, the lien for which is paramount and superior to that of the Bonds, is shown below including a breakdown of each overlapping jurisdiction’s applicable general obligation bonded debt, Net Assessed Limited Property Value and combined tax rate per \$100 of Net Assessed Limited Property Value. **(While such indebtedness and tax levies also encompass Assessed Lots, comparable information for the Assessed Lots based on the Net Assessed Limited Property Value is not yet available. See footnote (c) to TABLE 1.)** The District has authorized the issuance of up to \$200,000,000 principal amount of general obligation bonds, of which \$18,105,000 has been sold and issued. In addition, certain amounts of net premium on the District’s future issues of general obligation bonds may reduce the voter authorized but unissued amount of District general obligation bonds. See “Overlapping, Superior, General Obligation Bonded Indebtedness and Maintenance and Operations Tax of the District.”

OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

TABLE 1 [TO BE UPDATED]

Direct and Overlapping Jurisdiction	2020/21 Net Limited Assessed Property Value	Net Outstanding General Obligation Bonded Debt (a)	Proportion Applicable to the District (c)		2020/21 Combined Primary and Secondary Tax Rates Per \$100 Net Limited Assessed Property Value
			Approximate Percent	Net Amount	
State of Arizona	\$ 69,914,763,468	None	0.17	None	None
Maricopa County	45,704,969,813	None	0.26	None	\$ 2.2273 (b)
Maricopa County Community College District	45,704,969,813	\$ 184,715,000	0.26	\$ 480,219	1.2881
Maricopa County Special Health Care District	45,704,969,813	640,695,000	0.26	1,665,669	0.3046
City of Goodyear	1,026,917,731	134,805,000	11.57	15,598,079	1.7335
Buckeye Union High School District No. 201	815,567,619	68,495,000	14.57	9,979,291	3.1728
West Maricopa Education Center	16,868,540,100	144,220,000	0.70	1,015,895	0.1655
Liberty Elementary School District No. 25	305,237,516	39,170,000	38.93	15,248,125	3.9299
Estrella Mountain Ranch Community Facilities District	118,823,073	10,450,000	100.00	10,450,000	1.3000 (d)
				<u>\$54,437,278</u>	

(a) *Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed. Does not include outstanding principal amounts of various county and city improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts.*

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in TABLE 2. Authorized but unissued amounts in TABLE 2 may be subject to additional reductions based on net premium amounts of future bond sales. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Also does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States Department of the Interior (the “Department of the Interior”), for repayment of certain capital costs for construction of the Central Arizona Project (“CAP”), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD’s obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre-feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona’s Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD’s boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of Net Limited Assessed Property Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract. This table does also does not include the obligation of the Flood Control District of Maricopa County (the “County Flood Control District”) to contribute \$80 million to the CAP. The County Flood Control District’s sole source of revenue to pay the contribution will be raised from the levy of ad valorem taxes on real property and improvements.

- (b) The County’s tax rate includes the \$0.13459 tax rate of CAWCD, the \$0.1792 tax rate of the County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District and the \$0.0086 tax rate of the Maricopa County Fire District contribution. Includes the “State Equalization Assistance Property Tax” which is levied by the County and has been set at \$0.4263 per \$100 of net limited assessed property value for fiscal year 2021/22. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes. It should be noted that the County Flood Control District does not levy taxes on personal property.
- (c) Proportion applicable to the Assessed Lots is not available. Proportion applicable to the District was used instead. Because the area that encompasses the Assessed Lots only encompasses the area shown on the map at page (iv), which is a smaller area than the area of the District, these amounts are greater than what actually overlaps such area. If the assessed value within the District increases at a faster rate than the overlapping jurisdictions, the amount of overlapping debt allocated for payment within the District will increase. Does not include special assessment revenue bonds outstanding in the aggregate principal amount described in TABLE 3 herein.
- (d) Includes \$0.30 Maintenance and Operations Tax of the District for maintenance and operations expenses.

Source: The various entities, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and the Treasurer of the County.

Overlapping, Superior, General Obligation Bonded Indebtedness and Maintenance and Operations Tax of the District

Pursuant to an election held on December 13, 1999, the District is authorized to incur general obligation bonded indebtedness in an amount not to exceed \$200,000,000 in principal amount, of which \$181,895,000 remains authorized but unissued, payable from *ad valorem* property taxes levied on all taxable property within the District without limit as to rate or amount. Such remaining authorized but unissued amount may be subject to further reduction based on the amount of net premium on the future issues of general obligation bonds of the District. Such bonds may be issued

over time in order to finance, among other things, the costs of public infrastructure within the District, including incidental costs and the costs of issuing bonds. (Additional bonds payable from such source could be authorized by elections in the future.) The District also levies the Maintenance and Operations Tax. The lien for taxes for both purposes would be superior and paramount to that for the Special Assessments with respect to the Bonds. **See “RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.”**

Other Additional, Overlapping, Superior, General Obligation Bonded Indebtedness and Taxes

As noted above, the District has no control over the amount of additional debt payable from taxes or tax levies for other purposes on all or a portion of the property within the District that may be issued or levied in the future by other political subdivisions, including but not limited to the City, the County, school districts, certain other special districts or other entities having jurisdiction over all or a portion of the land within the District. To the extent such obligations are payable from general property taxes, such taxes will have a lien on the taxable property within the District superior and paramount to that for the Special Assessments with respect to the Bonds. Additional indebtedness or tax levies for other purposes could be authorized for such overlapping jurisdictions in the future. **See “RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.”**

TABLE 2

Authorized but Unissued General Obligation Bonds

<u>Overlapping Jurisdiction</u>	<u>General Obligation Bonds Authorized but Unissued</u>
<i>City of Goodyear, Arizona</i>	\$70,486,616
<i>Western Maricopa Education Center District No. 402</i>	19,000,000
<i>The District</i>	181,895,000

Source: Overlapping jurisdictions.

Other Debt of the District

To finance costs to acquire certain public infrastructure for development of land in the District, the District has issued special assessment revenue bonds as described in the table below. See the map on page (iv) for the location of the areas assessed. All of the infrastructure financed with such bonds has been or will be dedicated to the City.

**TABLE 3
OTHER ASSESSMENT DISTRICT DEBT OF THE DISTRICT**

Series Designation	Original Principal Amount	Date Issued	Assessment District	Final Maturity Dates	Total Outstanding
2015	\$4,980,000	3/19/2015	Montecito AD No. 2	7/1/2039	\$4,150,000
2018	1,785,000	1/25/2018	Golf Village AD No. 1	7/1/2024	794,000
2018	1,985,000	1/25/2018	Desert Village	7/1/2026	1,274,000
2018	5,329,000	1/25/2018	Montecito AD No. 1	7/1/2031	4,152,000
2018	4,789,000	1/25/2018	Golf Village AD No. 2	7/1/2030	3,653,000
2019	6,913,000	4/26/2019	Lucero AD No. 1	7/1/2043	6,627,000

Other series of special assessment revenue bonds payable solely from and secured by special, separate funds established and maintained by the District from installments due with respect to certain other special assessments may be issued by the District in the future. If a lot owner fails to pay an assessment installment when due, the lot can be offered for sale by the District for the amount of the assessment together with interest, costs and penalties. None of

the Major Landowner, the District or the City is obligated to bid at the sale. The lien for such assessments is not extinguished by foreclosure with regard to taxes. There can be no assurance that additional amounts of such bonds payable from special assessments will not be issued in the future, increasing the amount of liens on property in the District for such purposes. **SEE “RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.”**

SOURCES AND APPLICATIONS OF FUNDS

TABLE 4

Sources

Par Amount of Bonds	\$598,000.00*
Major Landowner Contribution	_____
Total	= \$

Applications

Deposit to Acquisition Fund	\$
Deposit to Bond Fund (representing capitalized interest)	
Deposit to Reserve Fund	
Deposit to Bond Fund (Prepayment Account)	
Payment of Costs of Issuance (a)	_____
Total	= \$

(a) *To be paid by a contribution from the Major Landowner. Includes compensation and costs of the Underwriter with respect to the Bonds.*

* *Subject to change.*

THE PUBLIC INFRASTRUCTURE

The information contained in this section relates to and has been obtained from the Major Landowner and none of the District, the Underwriter or the Financial Advisor assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Proceeds of the Bonds will be used to finance portions of the Public Infrastructure, as described below. Such Public Infrastructure is complete and has been accepted by the City. Fifty percent of the total estimated cost of such Public Infrastructure is eligible to be paid from proceeds of the sale of the Bonds; the balance of the cost of such Public Infrastructure has been or will be paid by the Major Landowner. The remaining fifty percent of the unreimbursed costs of such Public Infrastructure may be eligible to be reimbursed by the sale of bonds by the District in the future should the District elect to issue such additional bonds.

The Public Infrastructure was publicly bid in compliance with the process required by State law and the District; completion bonds have been obtained to secure completion of the Public Infrastructure described below. The Public Infrastructure was constructed or will be constructed by the Major Landowner and then acquired by the District and transferred to the City pursuant to a Map of Dedication.

Calistoga Drive 3-1

This project begins at the current terminus of Calistoga Drive Phase 2-1, continues westward approximately 1,401 LF and stops at the west ingress/egress street into Parcel 9.43. Costs include engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt pavement, landscaping and street lights. Calistoga Drive Phase 3-1 construction is complete and was accepted by the City in January 2019.

All work completed on the referenced Project was per the approved plans, MAG Specifications and Details, and the City's Engineering Design Standards and Policies Manual.

THE ASSESSMENT AREA

The information contained in this section relates to and has been obtained from the Major Landowner and none of the District, the Underwriter or the Financial Advisor assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

The location of the area containing the Assessed Lots is shown on the map at page (iv). Final plats have been approved and recorded for all of the 73 Assessed Lots. The Assessed Lots are on average 70 feet x 135 feet. Additional information about the Assessed Lots is set forth in TABLE 5.

Major Landowner currently owns all of the Assessed Lots. In addition, the Major Landowner has entered into a contract with William Ryan Homes (the “Homebuilder”) to sell all of the Assessed Lots. To fulfill the contract, the Major Landowner is responsible for constructing improvements that, among other things, are necessary to produce “finished lots” on which houses may be constructed by the Homebuilder and which allow the City to issue building permits and certificates of occupancy for such houses. The Homebuilder is required to close on the sale of the Assessed Lots generally after completion of paving abutting the lots and all other lot improvements necessary to allow the City to issue building permits to the Homebuilder to construct residences. The estimated closing date for the sale is 4th quarter of 2021. The Homebuilder contract has a nonrefundable deposit. The Homebuilder has requested the right to acquire several of the Assessed Lots for the purpose of constructing model homes. The Major Landowner will likely agree to such sale prior to the issuance of the Bonds. While the Major Landowner is confident that the

existing contract will ultimately be closed, **THERE CAN BE NO ASSURANCE THAT SUCH LOTS WILL BE SOLD UNDER THE EXISTING CONTRACTS OR THAT DELAYS IN COMPLETING REQUIRED IMPROVEMENTS WILL NOT DELAY THE PROJECTED CLOSING DATES.**

There can also be no assurance that closings will occur on the dates indicated above or if in fact any such sales will be consummated. Moreover, as the ownership of the Assessed Lots is subject to change, the development plans may not be continued by the subsequent owner if the Assessed Lots are sold; development by any subsequent owner will be subject to the policies and requirements of the City. The projections above are also subject to the timely completion of the Public Infrastructure and other infrastructure in the District. The amounts due with respect to the Special Assessments are not personal obligations of the owners of the Assessed Lots; the Bonds will be secured solely by the Special Assessments. See “RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences,” “- Failure or Inability to Complete Proposed Development” and “- Completion of the Public Infrastructure and the Other Infrastructure.”

TABLE 5

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
PARCEL ^(a)	ACREAGE	HOME LOTS	SPECIAL ASSESSMENT PER LOT	TOTAL SPECIAL ASSESSMENT	VALUE ^(b)	VALUE TO LIEN RATIO	STATUS OF REGULATORY APPROVALS	CURRENT OWNER ^{(c)(d)}
9.43	26.96	73	\$8,191.78	\$598,000	\$11,735,000	19:1	Recorded Plat	Major Landowner

(a) See APPENDIX C - “APPRAISAL” for additional details regarding these parcels.

(b) See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS – Special Assessment Amounts and Land Values” and, particularly, APPENDIX C - “APPRAISAL.”

(c) Some of the entities or their parent companies are subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and in accordance therewith file the reports, proxy statements and other information (collectively, the “Filings”) with the Securities and Exchange Commission (the “Commission”). The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 1400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR database at <http://www.sec.gov>. **None of the District, the Underwriter, the Financial Advisor, Bond Counsel (as defined herein) or counsel to the Underwriter or their agents or counsel have examined the information set forth in the Filings for accuracy and completeness, or examined similar information for entities or the parent company that are not subject to the same or similar information reporting requirements.** See “RISK FACTORS – No Review of Filings.”

(d) All of the Assessed Lots are subject to contracts with William Ryan Homes to acquire the Assessed Lots.

LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from the Major Landowner and none of the District, the Underwriter or the Financial Advisor assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

The Overall Project

Introduction. The project consists of over 20,000 acres, of which 9,771 acres are the District Land (the “Project”). Located south of the Gila River, the Project was annexed into the City in 1986 and acquired by SunChase in 1994. Thereafter the ownership of the Project changed as described below under the heading “Current Project Ownership.” Initial entitlement efforts began with the preliminary planned area development (“PAD”) approved by the City in 1986. Over the years, as revisions and updates were made to the development strategy, a number of amendments have been submitted and approved in order to refine entitlements and associated zoning. Most of the master planned community, including most of the District, has been the subject of some form of PAD zoning since the time of its annexation.

As of June 1, 2021, the Project is managed by Brookfield Properties Development LLC, a Delaware limited liability company (“Current Manager”), which is an indirect subsidiary of Brookfield Asset Management Inc. (collectively, “Brookfield Properties”). Brookfield Properties is a global developer and operator of real estate assets in nearly all real estate sectors, including residential, office, multi-family, hospitality and logistics. Current Manager is the development group of Brookfield Properties. The prior project manager, Newland Real Estate Group, LLC (“Prior Manager”), was acquired by Brookfield Properties on June 1, 2021. Current Manager’s project management team for the Project remains largely the same as Prior Manager’s project management team. If the Project is sold, it is likely that Current Manager will be replaced (see “Potential Change in Project Ownership” below).

The current conceptual master plan for the Project is dated 2007 (the “Current Conceptual Master Plan”) and provides for the development of several separate “communities” within the Project, each containing a mixture of planned land uses and densities. The Current Conceptual Master Plan conforms to the City’s current General Plan. The Current Conceptual Master Plan is revised periodically to reflect changes in market conditions, planning ideas, political and economic environments, costs and other factors, and the Major Landowner is presently studying changes to the Current Conceptual Master Plan. If a new owner acquires the Project, it is likely that Current Manager will be replaced (see “Potential Change in Project Ownership” below) and there may also be other changes to the Project’s Current Conceptual Master Plan. Thus, the number of acres devoted to each particular type of land use may ultimately vary from those presented in the following table. The Current Conceptual Master Plan is expected to include the following land uses:

**TABLE 6
LAND USES AT BUILD OUT**

<u>Type of Land Use</u>	<u>Gross Acres</u>
Residential	10,768
Commercial	1,272
Schools	565
Campus	93
Civic/Public/Institutional	526
Worship	53
Open Space	4,031
Roadway	1,460
Parks	592
<u>Golf</u>	<u>690</u>
Total Acreage	<u>20,050</u>

Source: The Major Landowner.

A number of major arterial and collector roadways throughout the Project have been completed and dedicated to the City, including Estrella Parkway, Hillside Drive, Elliot Road, San Gabriel Drive, San Miguel Avenue, Golf Club Drive, Calistoga Drive (Phases 1, 2 and 3-1), West Mountain Vista Drive Phase 1, 182nd Drive and Westar Drive. Water lines, sewer lines, utilities, streetlights and landscaping associated with these roadways have also been completed and dedicated to the City. Several private community amenities have been constructed within the Project, which, although not included in the District, will be available to all residents of the District. The private community amenities include the following:

- A public 18-hole championship golf course, clubhouse and related facilities.
- Bike paths.
- Natural trail system.
- North and South Lakes which are artificial lakes that were built in the 1980's by the original developer of the Project. The surface area of the lakes is approximately 72 acres. The current source of water for the lakes is groundwater from wells located within the Project; ultimately, the source of water for the lakes is anticipated to be treated reclaimed water.
- North Lake amenities include Starpointe Residents Club, a 24,300 square foot facility including fitness, a youth club and outside basketball court, a café, multipurpose meeting facilities, a board room and expansive areas for gathering. Amenities also include StarSplash waterpark, which includes a 12,000 square foot play pool, a heated lap pool, two slides and "Big Dipper" water toy. Other lakeside amenities include a boathouse, pump station, dock with ramp, sundial, pedestrian bridge, cooking ramada and a floating fountain.
- South Lake Amenities include ramadas with picnic tables and barbecue grills, 2,500 square foot open pavilion, tennis court, maintenance building, horseshoe pits, sand volleyball courts, pickleball court, basketball court, playground area with equipment and restroom.
- Bougainvillea Park which consists of approximately 4.7 acres, includes a basketball court, tennis courts, a tot-lot, a sand volleyball court, ramadas and grass area for soccer and baseball and restrooms.
- 18,500 square foot residents club at the Montecito Community called Presidio. This facility includes management offices, café/wine bar, exercise area, gathering room, swimming pool and splash pad, a ramada and an event lawn.

The construction and sale of residential product in portions of the Project outside the boundaries of the District has been in process since the late 1980's. The Major Landowner estimates close to 7,000 homes have been built within the Project as of June 2021. The number of active builders within the Project varies from time to time, with close to 20 different production builders having constructed homes within the Project to date. There are currently nine different production neighborhoods in the Project offering homes for sale to retail customers. In addition, CantaMia by Taylor Morrison Homes (CantaMia), which opened in February 2010, is a private gated community for those 55 years and older. CantaMia's 30,500 square foot Village Center features an indoor pool, outdoor resort-style pool and lakes as well as a state of the art fitness center, demonstration kitchen and library. CantaMia is planned for 1,716 units.

Mountain Ranch Marketplace, located in the Project, the first LEED Gold certified shopping center in Arizona opened in 2010. It is anchored by a Safeway grocery store and provides several other neighborhood services including a dentist, Chase Bank, Walgreens, a day care center, an urgent care facility, McDonald's, Taco Bell, Subway and a bagel shop. Mountain Ranch Medical Commons, located in the Project, is home to Banner Health and provides medical care and other health services at a 13,500 square foot Class A medical office facility.

The base prices for new homes in the Project currently range from \$212,000 to \$441,000 for a standard production home.

The following is a summary of historical housing market activity at the Project:

**TABLE 7
HISTORICAL MARKET ACTIVITY IN THE PROJECT**

<u>Year</u>	<u>Housing Starts/Permits</u>	<u>Builder Home Sales</u>	<u>Builder Home Closings</u>
2016	296	270	261
2017	428	400	349
2018	447	490	429
2019	505	452	397
2020	588	645	522
2021*	399	262	226

Source: The Major Landowner.

* Data through July 31, 2021.

Government Approvals. The Project is the subject of a Master Development Agreement approved by the City on August 11, 1986, which addresses rights to develop the property as provided in and subject to the conditions of such agreement. The Master Development Agreement has been updated and supplemented from time to time through amendments and additional development agreements. These development agreements collectively address various issues that are typically made the subject of development agreements in Arizona, such as City services, reimbursements for certain public infrastructure, City's processing of plans and permits, and public bidding. These agreements also address required capital and operations contributions to the City for police and fire services within the District.

Sales of residential lots or units within the District cannot be closed until the Arizona Department of Real Estate ("ADRE") issues a public report with respect to the development in accordance with Arizona law. Public reports have already been obtained from ADRE for those parcels currently conducting sales of residential lots in the Project.

The Major Landowner's predecessors procured from the Army Corps of Engineers a permit under Section 404 of the Clean Water Act for the discharge of dredged and/or fill materials at the Project. The permit has been assigned to the Major Landowner. The permit has been extended to December 2033. The permit is subject to certain conditions and limitations, none of which will impair the development of the Project in the manner described herein. In addition, predecessors of the Major Landowner acquired a 401 permit from Arizona Department of Environmental Quality which has been extended to December 2033. The 401 permit addresses quality standards of water discharged into to

waters of U.S. These permits cover approximately 10,000 acres in the north half of the Project, which includes all of the District Land.

Development of the District Land and construction of the residential units will be subject to obtaining various other routine approvals and permits. Each successful bidder for each project will be required to obtain building, grading and any additional permits required for the development of the construction projects.

Utilities. There are two wastewater treatment facilities serving the Project. The first wastewater treatment facility, Corgett Wastewater Treatment Facility, is located northwest of Elliot Road and San Gabriel Drive and operated by the City to service the Project. It has a current capacity of 0.8 million gallons per day. Corgett Wastewater Treatment Facility is presently providing capacity for 3,069 dwelling units, 190,000 square feet of commercial space and two schools while processing 0.45 million gallons of wastewater per day on average. The second wastewater treatment facility, Rainbow Valley Wastewater Treatment Facility, is located at Rainbow Valley Road and Willis Road and operated by the City to service the Project. It has a capacity of 0.75 million gallons per day. Rainbow Valley Wastewater Treatment Facility is currently serving 4,101 dwelling units, 59,000 square feet of commercial space and one school while processing approximately 0.43 million gallons of wastewater per day on average.

The City is serving potable water to the developed portion of the District. The City also will serve potable water to the remainder of the District.

In order to subdivide and sell lots, the City has relied upon a designation by the Arizona Department of Water Resources ("ADWR") as having an assured water supply. An assured water supply means that sufficient water of adequate quality will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the water management plan approved by ADWR and the management goals for the active groundwater management area and that financial capability to construct the delivery system and any necessary treatment works has been demonstrated to ADWR.

On May 31, 2016, ADWR issued a Decision and Order designating the City as having an assured water supply and concluding that the annual volume of water that is available to the City for a minimum of 100 years exceeds the projected demand through the calendar year 2028. That Decision and Order requires the City to file with ADWR an application to modify the City's assured water supply designation by the earlier of December 31, 2026, or when the sum of the City's current water demand, committed water demand and two years of projected water demand exceeds 18,621.79 acre-feet per year. The City's designation of assured water supply can be terminated or modified by ADWR should circumstances warrant. If ADWR subsequently terminates the City's assured water supply designation, the developers of residential parcels would need to obtain from ADWR individual certificates of assured water supply for each future subdivision in order to continue to subdivide and sell lots.

The City is finalizing construction of a surface water treatment facility. Such facility will increase the capacity of the City's potable water system by eight million gallons per day and is expected to be operational on January 1, 2022.

Within the District, Arizona Public Service Company provides electricity, Century Link provides telephone service, Cox Cable System provides phone and cable television and Southwest Gas Company provides natural gas.

Schools. The Project currently has two elementary schools serving students in kindergarten through 8th grade (Estrella Mountain Elementary School and Westar Elementary School, which are part of Liberty Elementary School District No. 25 of Maricopa County, Arizona) and one high school serving students in 9th through 12th grade (Estrella Foothills High School, which is part of Buckeye Union High School District No. 201 of Maricopa County, Arizona). While based upon the existing level of school services, it is expected that these schools will be sufficient to meet the immediate elementary and secondary educational needs of residents within the District, the Liberty Elementary School District has expressed interest in procuring the next elementary school site over the next 6-12 months so it can begin planning for the next elementary school.

Police, Fire and Sanitation. Police, fire and sanitation services are provided to the District by the City. The City has constructed an approximately 18,000 square foot facility at the Project to house both fire and police. A second, 12,587

square foot fire only station, also at the Project, has been put into service in 2021. Additional fire and police facilities are anticipated as the Project is developed.

Environmental Matters. Since 1994, one or more environmental site assessments have been obtained with respect to the lands within the District. None of the environmental site assessments have disclosed material environmental conditions within the District that would require further action or evaluation.

Marketing. There is an Information Center for the Project. The Information Center is approximately 5,500 square feet and encompasses an internet cafe, sitting areas, display areas, a topographical model and a bike shop. The Project has a website (www.estrella.com) and generally advertises on television, radio, newspaper and magazine, outdoor billboards, electronic media and through a variety of other means. Newland also uses the services of real estate brokers in connection with the marketing and sale of the property within the Project and will pay fees and commissions in connection therewith. The Major Landowner intends to continue to market improved and unimproved lots within the Project and does not itself anticipate building or marketing homes.

Current Project Ownership

In 2003, SunChase conveyed the District Land and assigned its interest in the various related agreements to Sun MP, LLC (“Sun MP”). In October 2003, the City and the District consented to the assignment of SunChase’s interests to Sun MP.

In a series of transactions from May 16, 2005 through July 31, 2013, Sun MP conveyed all of its interest in the District Land and in the various agreements related to the District to the Major Landowner and affiliated entities, as follows:

The Major Landowner acquired a total of approximately 6,461 acres from Sun MP. Of this total, approximately 6,130 acres are District Land and 331 acres are near, but outside the District. NNP III-EMR 3, LLC, a Delaware limited liability company and affiliate of the Major Landowner (“NNP III-EMR 3”), acquired approximately 2,750 acres from Sun MP. Of this total, 2,430 acres are District Land and 320 acres are near, but outside the District. NNP III-EMR 4, LLC, a Delaware limited liability company and another affiliate of the Major Landowner (“NNP III-EMR 4”), acquired approximately 9,058 acres from Sun MP. Of this total, 177 acres are District Land and 8,881 acres are near, but outside the District.

In the aggregate, the Major Landowner, NNP III-EMR 3 and NNP III-EMR 4 acquired approximately 18,269 acres from Sun MP. Of the total, approximately 8,737 acres were District Land and 9,532 acres were near, but outside the District. Currently, the Major Landowner, NNP III-EMR 3 and NNP III-EMR 4 own approximately 6,534 acres of District Land. The remaining 3,237 acres of District Land is owned by various parties including homebuilders, homeowners, homeowners association, commercial and civic users and investors.

The Major Landowner and NNP III-EMR 3 are wholly-owned by NNP III-Estrella, LLC, a Delaware limited liability company (“NNP III-Estrella”). NNP III-Estrella and NNP III-EMR 4 are wholly owned by Estrella Mountain Ranch Developers LLC, a Delaware limited liability company (“EMRD”). EMRD is wholly owned by Land Management Company, LLC. The Members of Land Management Company are California Public Employees’ Retirement System, and ORA California VI, LLC.

Potential Change in Project Ownership

As of August __, 2021, Major Landowner, NNP III-EMR 3, LLC and NNP III-EMR 4, LLC (collectively, “Project Sellers”), along with two other parties that own land outside the Project, entered into an agreement (the “Purchase Agreement”) to sell all remaining real property in the Project, including all of the District Land owned by Project Sellers, to Goodyear EMR GP, LLC, a Delaware limited liability company (“Project Buyer”). The Purchase Agreement provides for closing of the sale, if the acquisition is approved by Project Buyer, on or before the date the Bonds are sold. The Purchase Agreement is the result of negotiations between the Project Sellers and Project Buyer that commenced in May of 2021. Project Buyer is continuing its review of the Project and the other real estate included in the Purchase Agreement to determine such property’s acceptability for acquisition. While there can be no assurance that the acquisition of the District Land under the Purchase Agreement will actually occur, both Project Sellers and

Project Buyer anticipate such a closing will occur. If such sale does occur, there can be no assurance the Project Buyer, as the new owner would not modify the Current Conceptual Master Plan for the Project. There will, however, be no change as to the Assessment Area or the sale to the Homebuilder of the Assessed Lots.

Project Buyer

Project Buyer is the entity that will ultimately manage the Project if the closing under the Purchase Agreement occurs. Project Buyer will also act as the general partner for an entity in which an investor in the Project will participate. The parties owning the Project Buyer through affiliates are Harvard Investments, Inc., a Nevada corporation, and Toll Southwest LLC, a Delaware limited liability company, a subsidiary of homebuilder, Toll Bros., Inc., a Pennsylvania corporation (collectively, "Toll Brothers").

Harvard Investments, Inc. and its affiliates (collectively, "Harvard"), are headquartered in Scottsdale, Arizona, and are the United States real estate investment and development arm of the Hill Companies, a Canadian land development company, which has operated as a privately held company since its inception in 1903. Harvard's real estate holdings, through its affiliates and various joint ventures, are located throughout the southwestern United States. Harvard's current and past real estate holdings include more than 80 projects including residential master planned communities, golf courses, custom home site projects and commercial developments. Since 1982, Harvard is currently developing, or has developed, more than 20 residential master planned communities, which includes entitlement development and sale of over 30,000 residential lots through Arizona, Texas and New Mexico.

Toll Brothers is a national homebuilder based in Horsham, Pennsylvania. The company was the eighth largest homebuilder in the U.S. based on closings and builds to the higher end of the homebuilding market. Toll Brothers has also undertaken development in other real estate sectors including multi-family. Toll Brothers operates in hundreds of communities across 20 states. Toll Brothers is publicly traded on the New York Stock Exchange. Toll Brothers is subject to reporting the information required by the Exchange Act, and in accordance therewith files the Filings with the Commission. The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the District, the Financial Advisor, Bond Counsel, the Underwriter or counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

The primary investor in the entity to which Project Buyer will be the general partner is an affiliate of Varde Partners, Inc., a Minnesota corporation (collectively, "Varde Partners"). Varde Partners is a global investment manager founded in 1993 specializing in alternative investments with discretionary fund assets of approximately US \$15 billion and over 300 employees. Varde Partners maintains 14 offices across the globe. Headquarter offices are located in Minneapolis for North America, London for Europe, and Singapore for the Asia Pacific region. The firm invests across five segments: corporate and traded credit, financial services, real estate, mortgages and real assets and infrastructure. Varde Partners benefits from a broad and diverse investor base, including endowments and foundations, pension funds, insurance companies, private clients and other institutional investors. Since its founding, Varde Partners has focused on making and managing investments in real estate, mortgages, homebuilding and infrastructure. In the United States, since 2009, Varde Partners has invested and managed over \$4.7 billion of fund capital in residential development, homebuilding and residential mortgages.

RISK FACTORS

Investment in the Bonds involves a significant degree of risk and is speculative in nature. The relatively high interest rates borne by the Bonds (as compared to prevailing interest rates on bonds that have an investment grade rating) are intended to compensate the investor for such risks. INVESTMENT IN THE BONDS SHOULD BE UNDERTAKEN ONLY BY PERSONS WHOSE FINANCIAL RESOURCES ARE SUFFICIENT TO ENABLE THEM TO ASSUME SUCH RISK. THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE

PRINCIPAL RISK FACTORS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION.

This discussion of risk factors is not, and is not intended to be, exhaustive, and such risk factors are not necessarily presented in the order of their magnitude.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District (currently concentrated in the Major Landowner and its affiliates) will be subject to the risks generally incident to real estate investments and development including those described herein.

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Project, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the development must come from the City, over which the District has no control.)

The residential development business, particularly with respect to master planned residential communities such as the Project, is highly competitive in the Phoenix metropolitan area. The business of merchant builders building in the District will face competition from a number of competitors in the City and other developments throughout the Phoenix metropolitan area, many of which offer or intend to offer lots and parcels in similar communities to a similar target market.

Decreased absorption rates associated with future slowdown could adversely affect land values and reduce the ability or desire of the property owners to pay ad valorem property taxes and assessments. In that event, there could be a default in the payment of principal of and interest on the Bonds.

THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF AN OWNER OF AN ASSESSED LOT AND ANY SUBSEQUENT OWNERS TO PAY THE SPECIAL ASSESSMENTS WHEN DUE. AS NOTED IN TABLE 5, OWNERSHIP OF THE ASSESSED LOTS IS CURRENTLY CONCENTRATED IN THE MAJOR LANDOWNER'S AFFILIATE, NNP III – EMR 3 AND FIVE HOMEBUILDERS. ANY OR ALL OF THE FOREGOING FACTORS COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE SPECIAL ASSESSMENTS ON ANY ONE OR ALL OF THE ASSESSED LOTS THEY OWN AND COULD GREATLY REDUCE THE VALUE OF THE ASSESSED LOTS IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. IN THAT EVENT, THERE COULD BE A DEFAULT IN THE PAYMENT OF THE BONDS.

The land encompassing the Assessed Lots is partially developed and, if any or all of the foregoing occurs, the undeveloped portion could continue as such. Vacant land provides less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of the Special Assessments. An inability to develop the remaining land within such area will likely reduce the potential future diversity of ownership of the Assessed Lots.

Development, including the phase of the development plan for the Assessed Lots, requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all or any of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial consequences to the present owners of the Assessed Lots.

H.R. 1 of the 115th U.S. Congress, known as the “Tax Cuts and Jobs Act,” was enacted into law on December 22, 2017 (the “Tax Act”). The Tax Act makes significant changes to many aspects of the Code. For example, the Tax Act reduces the amount of mortgage interest expense and state and local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the District. However, none of the City, the District or the Major Landowner can predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in the District, the pace at which homes in the District are sold to individual homeowners or the ability or willingness of homeowners to pay property taxes.

Concentration of Ownership; Subsequent Transfer

There can be no assurance that the Major Landowner has the financial capability to complete development within the Project. Because there can be no assurance that bank loans will be available to the Major Landowner sufficient to pay all costs attributable to the Project, the Major Landowner may have to depend on revenues from sales of lots and parcels to generate cash flow and otherwise make funds available to pay all costs associated with the ownership, operation and development of the Project. If the Major Landowner has to depend on sales of lots and parcels to generate cash flow, there can be no assurance that sufficient funds will be available to the Major Landowner to pay all of its obligations and liabilities, including, without limitation, Special Assessments (including those relating to property then owned by the Major Landowner or its affiliates to be applied to pay the Bonds), as such obligations and liabilities become due and payable.

See “Current Project Ownership” with regards to concentration of ownership of property within the District and See TABLE 5 with regard to the concentration of ownership of property in, and obligation for payment of Special Assessments in the Major Landowner’s affiliate NNP III – EMR 3 and five homebuilders. Although the Major Landowner intends to sell the Assessed Lots (see TABLE 5), there can be no assurances that any of the sales contracts disclosed will actually result in completed sales, which in turn will leave the ownership of the Assessed Lots in an affiliate of the Major Landowner.

In addition, some of the current owners listed in TABLE 5 may enter into purchase and sale agreements with retail purchasers and commence construction of homes to be built on the Assessed Lots. Title to the Assessed Lots may transfer from NNP III – EMR 3 to homebuilders after the date of pricing of the Bonds but prior to the closing of the Bonds. After pricing of the Bonds, the District will not update TABLE 5 to reflect any transfer of title. The Major Landowner does not anticipate that construction of any homes for retail purchasers will be completed prior to the closing of the Bonds.

Further, as previously disclosed, Major Landowner (and affiliates) entered an agreement to sell all property in the Project, including all the District Land. If such sale occurs, the new “Major Landowner” may change the Current Conceptual Master Plan or may otherwise change the plan for development of the Project, or may change the operations and/or future operations as to the District. While there will be no changes to the Assessment Area or the Bonds, there can be no assurance that such sale will not lead to future changes that impact land values within the Project.

Failure or Inability to Complete Proposed Development

The development of each phase of the Project (including that encompassing the Assessed Lots) will be staged so that a particular phase will not be developed at one time. The funding for development of the Project will be provided by the Major Landowner and other sources. The availability of funding for the completion of the Project will depend upon the demand for residential lots or units within the Project and local, regional and national market and economic conditions. No assurance is given that funding will be obtained for development of the Project, or,

if obtained, will be in an amount sufficient to complete development of the Project. If satisfactory funding is unavailable, completion of the development of the balance of the Project may be delayed or suspended.

Public and private on-site and off-site improvements may increase the public and private debt for which District Land including the Assessed Lots is security. The burden of additional debt would be placed on the District Land to complete the necessary improvements. See “RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.”

Completion of the Public Infrastructure and the Other Infrastructure

The construction of infrastructure for development of the District Land (including in the Assessed Lots) is not yet complete. See “LAND DEVELOPMENT.” The cost and time for completion of all of such improvements is uncertain and may be affected by changes like those described herein. If cost overruns result in delay of construction, or if other delays are experienced, the sale of lots and construction of homes may be delayed. Failure or inability to complete proposed development, including development of necessary utilities, could affect adversely development of the District Land and the Project.

Availability of Utilities

Water and sewer service to the District will be provided by the City as described under the subheading “LAND DEVELOPMENT - The Project.” Failure or inability to complete proposed development, including development of necessary utilities, could affect adversely development of the District Land, including the Assessed Lots. See “RISK FACTORS - Failure or Inability to Complete Proposed Development.” Certain utilities are to be developed by the City pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

Direct and Overlapping Indebtedness and Taxes

The ability of an owner of an Assessed Lot to pay a Special Assessment could be affected by the existence of other taxes and assessments imposed upon the property. The District and other public entities whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem property taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in “OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES.”) The lien created on the property within the District through the levy of ad valorem property taxes would be superior and paramount to that for the Special Assessments securing the Bonds. The imposition of additional superior and paramount liens, or subordinate liens in the case of future special assessments, or for that matter for private financing, may reduce the ability or willingness of the owners of Assessed Lots to pay the Special Assessments. In that event, there could be a default in the payment of the Bonds.

Appraised Value

The Appraisal was prepared for the purpose of providing the opinion of the Appraiser of market value with the assumptions stated in the Appraisal. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Special Assessment Amounts and Land Values - Appraisal Values.”

Subject to the limitations, terms and conditions thereof, the Appraisal provides the opinion of the Appraiser of market value with the assumptions as described therein and the Appraisal. Each of the Assessed Lots has an overall as is lot value to assessment lien ratio of not less than 19:1, as of the valuation date described in the Appraisal. The lot value to assessment lien ratio of each individual lot is different though. See “RISK FACTORS - Failure or Inability to Complete Proposed Development” and “- Completion of the Public Infrastructure and the Other Infrastructure.”

There can be no assurance that the values described in the Appraisal are accurate or that the assumptions relied upon in the Appraisal were accurate. There can be no assurance that the values determined in the Appraisal are related in any way to future value or the value as of the date of any default under the Bonds. No assurance can be given that should any Assessed Lot become delinquent due to unpaid Special Assessments, and be foreclosed upon and sold for the amount of such delinquency, that any bid would be received or, if a bid is received, that such bid would be sufficient to pay such delinquent Special Assessment or would approximate the appraised value.

Non-Payment of Assessments

As discussed below, payments with respect to the Special Assessments could be insufficient to pay the Bonds due to nonpayment of the amounts levied.

In order to pay debt service on the Bonds, it is necessary that the Special Assessments be paid in a timely manner. Should a Special Assessment not be paid on time, the District has established the Reserve Fund in the amount of the Reserve Fund Requirement to pay debt service on the Bonds to the extent other funds are not available therefor.

Foreclosure proceedings will be instituted against any property with a delinquent Special Assessment in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Assessment to protect its security interest. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Foreclosure Process" for provisions which apply if foreclosure is required and which the District is required to follow in the event of delinquency in the payment of a Special Assessment.

If amounts are withdrawn from the Reserve Fund to make payments on the Bonds on account of a default in a Special Assessment, the amount received by the District from the corresponding Assessed Lot, after the deduction of the expenses of sale, will be paid over and credited to the Reserve Fund.

Bankruptcy and Foreclosure Delays

The payment of the Special Assessments and the ability of the District to foreclose the lien of delinquent, unpaid Special Assessments may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of Arizona relating to judicial foreclosure.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the Special Assessments to become extinguished, bankruptcy of a property owner could result in a delay in foreclosure proceedings and could result in the possibility of a delinquent Special Assessment not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

Depletion of Reserve Fund

Failure of the owner of the Assessed Lots to pay the Special Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resales of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of, and interest on, the Bonds if sufficient amounts are not available in the Reserve Fund.

Environmental Matters

The Project, including the phase of the development plan which represents the real estate development encompassing the Assessed Lots, will be subject to risks arising out of environmental, archeological, biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered

on the site and the possibility of a decline in property values in the District resulting from any contamination on the site or from the proximity of the site to other contaminated areas; discovery of archeological artifacts located on the site or in the vicinity of the site; or discovery of endangered species of animals, plants or other habitat for endangered species. Liability may arise under a variety of federal, state or local laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Official Statement may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the Assessed Lots is in the early phases. Circumstances could change as the development process continues and other issues are raised or new developers, homebuilders or owners become involved. Accordingly, the Major Landowner and its affiliates anticipate that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the Assessed Lots and the Project; however, the Major Landowner and its affiliates do not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Risks Related to Coronavirus Disease 2019 (“COVID-19”)

Coronavirus Disease 2019 (“COVID-19”), which has been designated a global pandemic by the World Health Organization, is negatively affecting local, state and global economies. While economic activity is adversely impacted as governments, businesses and citizens react to, plan for, and try to prevent or slow further transmission of the virus, this adverse economic impact is somewhat mitigated by federal stimulus packages and state and local laws and programs to support business activity. Financial markets, including the stock markets in the United States and globally, have seen significant volatility as a result of COVID-19 concerns. On March 11, 2020, as part of the State’s response to address the outbreak, Arizona Governor, Doug Ducey (the “Governor”), declared a state of emergency. On March 13, 2020, President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. An initial State of Arizona stay home Executive Order expired after six weeks on May 15, 2020. The Governor has since issued several executive orders in response to then-current virus conditions. These orders cover topics including physical distancing, virus testing and reporting, contact tracing, face coverings, closing and reopening of business operations, large gatherings and the start of the 2020/21 school year.

On March 25, 2021, the Governor issued Executive Order 2021-06. The combination of Executive Order 2021-06 and Executive Order 2021-05 issued on March 5, 2021, essentially permits the Arizona economy to operate under regular conditions, while encouraging continuation of appropriate COVID-19 prevention protocols. The items addressed in such Executive Orders include operation of Spring Training and Major League sports; permitting large gatherings without local government approval; lifting business occupancy percentage limitations; and transitioning imposed business operation guidance to general recommendations for safe operations.

Vaccine distribution is underway in the State but has not yet reached “herd immunity” levels. Executive Order 2020-58 requires all insurers regulated by the State to waive all cost sharing requirements for consumers.

While the District does not currently anticipate a material effect on the collection of Special Assessments despite outbreaks of variants continuing, which are the security and source of payment of principal and interest due on the Bonds, should adverse economic conditions lead to an increase in unemployment rates for residents in the District, Special Assessment collection rates within the District could be adversely affected.

The District cannot predict how the spread of COVID-19 or the various governmental or private actions taken in response thereto will affect its finances or operations, including the receipt of Special Assessment collections.

The residential housing market, which provides the majority of the proceeds to fund the District obligations, has experienced a limited impact from the COVID-19 pandemic to-date. Although the pace of home sales decreased at the onset of the disease and through state stay-at-home mandates, home pricing has continued to increase, and the sales pace has returned to levels consistent with levels prior to the onset of the COVID-19 pandemic. [TO BE UPDATED PRIOR TO POSTING]

No Credit Rating

No credit rating for the Bonds has been sought, nor is it anticipated that any such rating will be applied for. There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Projections and Appraisals

Included in this Official Statement are various projections for lot closings, estimated Assessed Lot values, completion dates, completion costs and other items. The projections are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which the Major Landowner and its affiliates believe to be significant and which the Major Landowner and its affiliates cannot control may also exist. There are usually differences between projections and results because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Official Statement can be achieved.

No Review of Filings

As described in footnote (c) to TABLE 5, none of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or their parent companies that are not subject to same or similar informational requirements.

LITIGATION

At the time of delivery and payment for the Bonds, appropriate representatives of the District will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the District affecting the existence of the District, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Resolution, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, any action of the District contemplated by any of the said documents, or the collection or application of the revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

TAX EXEMPTION

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel (“Bond Counsel”), under existing laws, regulations, rulings and judicial decisions, and assuming continued compliance with certain restrictions, conditions

and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of initial delivery of the Bonds. The form of such opinion is included as APPENDIX B attached hereto.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes, under certain circumstances, from the date of issuance. The Bonds do not provide for an adjustment in interest rate or yield in the event of taxability, and an event of taxability does not cause an acceleration of the principal of the Bonds. The opinions of Bond Counsel assume continuing compliance with such covenants, restrictions, conditions and requirements.

The Code also imposes an “alternative minimum tax” (“AMT”) upon certain individuals. A taxpayer’s “alternative minimum taxable income” is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMT of individuals.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder’s federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers purchasing the Bonds, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations should consult their tax advisors as to the applicability of such tax consequences to the respective bondholder. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and the bondholder’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such tax consequences.

The Bonds are not “private activity bonds” within the meaning of Section 141 of the Code.

From time to time, there are legislative proposals in Congress which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value and marketability (liquidity) of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver opinions substantially different from the opinions shown in APPENDIX B. The extent of change in Bond Counsel’s opinions cannot be determined at this time. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Board has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2021 will exceed \$10,000,000.

NO CREDIT RATING

The District has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds. See “RISK FACTORS - No Credit Rating.”

FINANCIAL STATEMENTS

The audited financial statements of the District for the period ended June 30, 2020, a copy of which are included in APPENDIX G of this Official Statement have been audited by Heinfeld, Meech & Co., P.C., Certified Public Accountants, to the extent and for the period indicated in their report thereon. The District has neither requested nor obtained the consent of Heinfeld, Meech & Co., P.C. to include their report herein, and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering their opinion on the audited financial statements.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds, and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Bond Counsel. (See “TAX EXEMPTION” herein.) Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds in substantially the form of APPENDIX B hereto. Certain legal matters will be passed upon for the District by Bond Counsel, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, for certain homebuilders by their respective counsel, and for the Major Landowner and its affiliates by their counsel, Berens Blonstein PLC, Scottsdale, Arizona. See “RELATIONSHIPS AMONG PARTIES” herein.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issue explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds will be purchased by the Underwriter at an aggregate purchase price of \$_____, pursuant to a purchase contract (the “Purchase Contract”) entered into by and between the District and the Underwriter. If the Bonds are sold to produce the prices or yields shown on the inside front cover page hereof, the Underwriter’s compensation will be \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering prices or yields set forth on the inside front cover page hereof may be changed, from time to time, by the Underwriter without amendment of this Official Statement.

CONTINUING DISCLOSURE

The District will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data not later than February 1 of each year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Market Access System (“EMMA”), as described in APPENDIX D – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX D - “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” These covenants will be made in order to assist the Underwriter in complying with the Commission’s Rule 15c2-12(b)(5), as amended (the “Rule”). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted

to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

[The District did not associate certain continuing disclosure filings on EMMA with the CUSIP numbers for certain of the District's bonds. Such filings have since been associated with such CUSIP Numbers. The District did not timely file Annual Reports for the fiscal years ended June 30, 2017, and June 30, 2018, to certain of the District bonds. Such Annual Reports were filed on March 5, 2019. The District has implemented written procedures to facilitate compliance with its continuing disclosure undertakings.]

FINANCIAL ADVISOR

Hilltop Securities Inc. (the "Financial Advisor") has been engaged by the District for the purpose of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District's overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the District. No person is entitled to rely on the Financial Advisor's participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy and completeness of the information contained herein.

RELATIONSHIPS AMONG PARTIES

Gust Rosenfeld P.L.C., Bond Counsel, has acted as counsel to the underwriter in other transactions underwritten by the Underwriter and by the Financial Advisor and as bond counsel in other transactions underwritten by the Underwriter and by the Financial Advisor. Greenberg Traurig, LLP, counsel to the Underwriter, has acted as bond counsel in other transactions underwritten by the Underwriter and by the Financial Advisor. Greenberg Traurig, LLP and Gust Rosenfeld P.L.C. have also acted as bond counsel and/or counsel to the underwriter with respect to bonds issued by the City and other overlapping political subdivisions.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions. The Underwriter and the Financial Advisor have underwritten or acted as financial advisor on other transactions together and expect to do so in the future.

This Official Statement has been approved, executed and delivered by the District.

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By
Chairperson, Board of Directors

**INFORMATION REGARDING THE
CITY OF GOODYEAR, ARIZONA**

The following information is given as background information concerning the City. THE BONDS WILL NOT BE AN OBLIGATION OF THE CITY. The Bonds will be secured and payable only as described under “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS” herein. The holders of the Bonds will have no right to payment except as described therein.

General

The City (also referred to herein as “Goodyear”), which incorporated in 1946, is a suburban community and lies approximately 17 miles southwest of metro Phoenix. The City was founded in 1916 by the Goodyear Tire & Rubber Company for the farming of cotton. Later, a naval air station was established in Goodyear and a subsidiary, Goodyear Aircraft, began manufacturing flight decks for Navy sea planes. Goodyear Aircraft is now Lockheed Martin, one of the City’s largest employers. The City has grown from a one-industry, agricultural-based community into a diversified manufacturing and service center for the far west valley area.

The City annexed 67 square miles south of its former southern boundary, which annexation expanded the City to approximately 190 square miles. The annexed area is expected to be primarily utilized in future years for residential land uses.

The following table sets forth population statistics for the City, the County and the State.

POPULATION STATISTICS

<u>Years</u>	<u>City of Goodyear</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2020 Estimate (a)	92,865	4,439,220	7,294,587
2010 Census	65,275	3,817,117	6,392,017
2000 Census	18,911	3,072,149	5,130,632
1990 Census	6,258	2,122,101	3,665,339

(a) Provisional estimate as of July 1, 2020 (published December 2020).

Source: Arizona Department of Administration, Office of Employment and Population Statistics and US Census Bureau.

Municipal Government Organization and Services

The City’s charter government provides for a City Council comprised of six Council Members and a Mayor elected at large. A Vice Mayor is elected by the Mayor and Council Members. Council Members serve four-year staggered terms and the Mayor serves a four-year term. The Mayor is limited to two four-year terms and Council Members are limited to three four-year terms. The City Manager, who is appointed by the City Council, is responsible for the overall operation and supervision of all governmental functions. The operations of City government are provided by a staff of approximately [644] employees.

The City, along with other private utilities, provides refuse collection and public safety (police and fire) to its residents. The City and Liberty Water Company provide water and sewer service to a majority of the City’s residents. Electricity is provided by Arizona Public Service Company, and natural gas is supplied by Southwest Gas Corporation.

Economy

Historically, agriculture was a major contributor to the City's economic base. Agriculture still plays a role in the City's economy, however, it no longer dominates the area's economy. Much of the City's economy now centers around aerospace/aviation, distribution/logistics, higher education, industrial/manufacturing, medical/health, office, retail/entertainment and technology. Arizona's Airline Training Center and Lockheed Martin are located on the Phoenix-Goodyear Airport Campus. Industrial, commercial and residential developments have also become a significant part of the economy.

Goodyear Ballpark is the Spring Training and player development home of both of Ohio's Major League Baseball teams – the Cleveland Guardians and Cincinnati Reds. The Cleveland Guardians started spring training in the City in 2009; the Cincinnati Reds started spring training in the City in 2010. Each team has a year-round presence in Arizona, through Spring Training, extended Spring Training, Rookie League, Fall Instructional League and rehabilitation of injured players at their training complexes. The Guardians and Reds Development Complexes each include a 42,000 square foot clubhouse, six full-size practice fields, two infields, batting cages, pitching mounds, hitting tunnels and observation towers. Both teams have made Arizona their second home, and are actively engaged in the Goodyear and surrounding communities, participating in charity activities, youth sports programs and other events.

UNEMPLOYMENT RATE AVERAGES

<u>Years</u>	<u>City of Goodyear (a)</u>	<u>Maricopa County (a)</u>	<u>State of Arizona (a)</u>	<u>United States</u>
2021 (b)	6.1%	6.3%	6.7%	6.2%
2020	7.1	7.4	7.9	8.1
2019	4.4	4.2	4.9	3.7
2018	4.2	4.1	4.8	3.9
2017	4.3	4.2	4.9	4.4
2016	4.8	4.6	5.4	4.9

(a) Data is not seasonally adjusted.

(b) Data through May 2021 for local area statistics and June 2021 for the national unemployment rate.

Source: Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics and U.S. Department of Labor, Bureau of Labor Statistics – *National Labor Force Statistics*.

A list of major employers located within the City is set forth in the following table.

MAJOR EMPLOYERS

Employer (a)	Product/Service	Approximate Employment
Abrazo West Valley Hospital	Healthcare	1,010
Macy's, Inc.	Internet Fulfillment	1,010
Amazon.com	Internet Fulfillment	980
Arizona State Prison / Perryville	Prison	950
Western Regional Medical Center	Healthcare	770
City of Goodyear	Government	530
Sub-Zero Freezer Co.	Manufacturing	500
Avondale Elementary School District No. 44	Education	420
McLane Sunwest	Distribution	350
Walmart Supercenter	Retail	340

(a) Some of such employers or their parent companies are subject to the informational requirements of the Exchange Act and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 1400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or the parent company that are not subject to same or similar informational reporting requirements.

Source: City of Goodyear Economic Development, City of Goodyear Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020, Hoovers, a D&B Company and Arizona COG/MPO Employer Database.

Construction

The following charts illustrate a building permit summary for residential and non-residential construction and new housing starts for the City.

**VALUE OF BUILDING PERMITS
(\$000s omitted)**

Years	Residential	Commercial and Industrial	Other	Total
2020/21 (a)	\$348,604	\$170,147	-	\$518,751
2019/20	465,608	758,832	-	1,224,440
2018/19	284,955	250,906	-	535,861
2017/18	301,182	208,056	-	574,556
2016/17	307,380	111,939	-	419,319
2015/16	285,986	90,407	-	376,393

(a) Partial year data through January 2021.

Source: The City. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

NEW HOUSING STARTS

<u>Years</u>	<u>Total New Housing Starts</u>
2020/21 (a)	1,098
2019/20	1,490
2018/19	1,230
2017/18	1,292
2016/17	1,068
2015/16	1,014

(a) *Partial year data through January 2021.*

Source: The City. The date of new housing starts is the date on which the permit is issued and is not to be construed as the date of construction.

Transportation

The City is readily accessible via ground and air transportation. Highway access is provided by County Highway 85, State Route 303 and Interstate 10. Other freeways, including State Route 101, Interstate 17 and Interstate 8 are readily accessible to the City. The City is approximately 25 miles from Phoenix Sky Harbor International Airport, which offers service from major airlines, commuter airlines and charter companies. The Phoenix-Goodyear Airport, located within the City is classified as a reliever airport to Phoenix Sky Harbor International Airport. The airport has an 8,500-foot lighted and paved runway and offers various airport related facilities. The City is also served by the major bus companies and rail service is provided by the Union Pacific Railroad.

Education

Elementary and secondary education is provided to residents of the City by Mobile Elementary School District, Avondale Elementary School District, Liberty Elementary School District, Litchfield Elementary School District, Buckeye Union High School District and Agua Fria Union High School District. Post-secondary education is provided by the Maricopa County Community College District, which provides two-year and professional degrees through a number of facilities located throughout the County and the greater Phoenix metropolitan area, including the campus of Estrella Mountain Community College located in the neighboring City of Avondale. Four-year degrees are attainable through Arizona State University located in Phoenix, Glendale, Mesa and Tempe, Arizona, Grand Canyon University located in Phoenix and other universities located in the greater Phoenix metropolitan area which offer flexible class schedules to the working individuals of Maricopa County. Franklin Pierce University located in Goodyear offers doctorate programs through its College of Graduate and Professional Studies.

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

[Closing Date]

District Board
Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)

Re: Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona) Montecito Assessment District No. 3
Special Assessment Revenue Bonds, Series 2021

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of \$598,000* aggregate principal amount of Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 (the “*Bonds*”), dated [Closing Date], issued by the Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “*District*”).

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution EMRCFD RES 2021-145, passed and adopted by the Board of Directors of the District (the “*District Board*”) on August 30, 2021 (the “*Resolution*”). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly passed and adopted by the District Board and is valid and binding upon and enforceable against the District.
3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding special assessment obligations of the District.
4. The Bonds are payable solely from the funds pledged pursuant to the Resolution and from payments of the unpaid assessments upon the real property within the boundaries of the District assessed for the improvements which have been validly levied.
5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excludable from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code

* Subject to change.

of 1986, as amended (the “Code”). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of the investment earnings with respect to the Bonds. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes from their date of issuance. The District has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds. For purposes of this opinion we have assumed continuing compliance by the District with such restrictions, conditions and requirements.

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Resolution and to collection of taxes may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

APPRAISAL

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

\$598,000*

ESTRELLA MOUNTAIN RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
MONTECITO ASSESSMENT DISTRICT NO. 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(CUSIP BASE NUMBER 29758R)

This Undertaking is executed and delivered by Estrella Mountain Ranch Community Facilities District (City of Goodyear, Arizona) (the “Issuer”) in connection with the issuance of the captioned municipal securities (the “Securities”) for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

“Annual Report” shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

“Authorizing Documents” shall mean, collectively, the resolutions authorizing the issuance of the Securities.

“Dissemination Agent” shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

“EMMA” shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 3(a).

“Notice of Listed Event” shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

* *Subject to change.*

Section 2. Contents and Provision of Annual Reports.

(a) (i) **THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2022, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.**

(ii) **IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.**

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information with respect to status of amounts of delinquencies and parcels delinquent (including amount of penalties and interest) and status of foreclosure sales by tax parcel identification number as such matters relate to the “Special Assessments” which are the subject of TABLE 5 of the Official Statement, dated _____, 2021; provided, however, if there are no such delinquencies nothing need be included in the Annual Report.

(B) Current balances in the funds held pursuant to the “Reserve Fund” described in the Official Statement.

(C) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. **IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.**

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final offering documents of debt issues of the Issuer or related public entities which have been submitted to the Municipal Securities Rulemaking Board. If the document incorporated by reference is a final offering document, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) **If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and after such audited financial statements become available, the audited financial statements shall be provided through EMMA within 30 days of receipt thereof by the District.**

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the “Listed Events”) with respect to the Securities:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

difficulties.

- (iv) Unscheduled draws on credit enhancements reflecting financial

- (v) Substitution of credit or liquidity providers, or their failure to perform.

- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (vii) Modifications to rights of security holders, if material.

- (viii) Bond calls, if material, and tender offers.

- (ix) Defeasances.

- (x) Release, substitution or sale of property securing repayment of the securities, if material.

- (xi) Rating changes.

- (xii) Bankruptcy, insolvency, receivership or similar events of the obligated person, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

- (xiv) Appointment of a successor or additional trustee or the change of the name of the trustee, if material.

- (xv) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

- (xvii) Notice of a failure of the obligated person to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

(c) **THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.**

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. **THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.**

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Documents at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. **IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.**

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Documents, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

ESTRELLA MOUNTAIN RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF GOODYEAR,
ARIZONA)

By
Chairperson, Board of Directors

BOOK-ENTRY-ONLY SYSTEM

This information concerning DTC and DTC's book-entry system has been obtained from DTC and the District takes no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S., equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S., securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of the Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices of the Bonds shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Registrar and Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds, and the redemption price of any Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of and information funds and corresponding detail information from the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Direct Participants and Indirect Participants and not of DTC (or its nominee) or the Bond Registrar and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds, and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

**CERTAIN STATUTORY PROVISIONS APPLICABLE
TO THE FORECLOSURE PROCESS**

The following constitutes a summary of the “Foreclosure Process,” specifically portions of certain sections of the General Public Improvements and Improvement Bonds Law, Title 48, Chapter 4, Article 2, Arizona Revised Statutes, as amended (the “Act”), deemed applicable to the Bonds pursuant to the Bond Resolution. The summaries do not purport to be complete and reference is hereby made to the full text of each section and to the Bond Resolution.

Section 48-601. List of delinquent installments; publication of notice; sale of delinquent property

The representative of the District (the “Superintendent”) shall, within 20 days from the date of the delinquency, begin the publication of the list of the assessments on which any installment is delinquent. The Superintendent shall append to and publish with the list, a notice that unless each delinquent installment, together with the penalty and cost thereon, is paid, the whole amount of the assessment will be declared due by him, and the property upon which the assessment is a lien will be sold at public auction at a time and place to be specified in the notice. The publication shall be published and circulated in the District for a period of 10 days in a daily newspaper, or for two weeks in a weekly newspaper so published and circulated.

Before the date fixed for the sale or before the date to which the sale has been postponed, the Superintendent shall obtain a record search that shows the names and addresses of record of all lien claimants on, and other persons with an interest in, all lots or parcels on which an installment of the assessment is delinquent.

At least 10 days before the sale date or the date to which the sale has been postponed, the Superintendent shall serve by first-class mail a notice of the date and place of the sale or postponed sale to the owner and to each of the lien claimants and other interested persons. A final sale may not be held unless the Superintendent has provided notice by mail to all lien claimants discovered in the search of records.

The time of sale shall not be less than five days after the last publication, and the place of the sale shall be in or in front of the office of the Superintendent, or in front of the usual place of meeting of the City Council. The sale may be postponed.

Section 48-602. Payment after delinquency and before sale

At any time prior to the sale of any lot assessed, any person may pay the delinquent installment on the lot together with the penalty and costs then due, including the cost of advertising, whereupon the Superintendent shall note on his records the date of payment, the name of the person by or for whom it is paid and the amount paid.

Section 48-603. Sale procedure

On the day fixed for the sale, the Superintendent shall, at 10 o’clock a.m., or at any time thereafter to which the sale may be adjourned, begin the sale of the property advertised, commencing at the head of the list and continuing in the numerical order of lots, until all are sold. The Superintendent may postpone or continue the sale from day to day until all the property is sold. Each lot separately assessed shall be offered for sale separately. The sale shall be for the entire assessment including the delinquent installments, and the person who will take the least quantity of

land and then and there pay the amount of the assessment, penalty and costs due, including 50 cents to the Superintendent for a certificate of sale, shall become the purchaser.

The Superintendent shall record the date of the payment and mark the installment of principal or interest paid. In the event the owner does not pay the balance due on the installment or principal or interest, and the property is sold for the full amount of the assessment, the Superintendent shall refund to the owner all money received by him from the owner by way of partial payments.

Section 48-604. Certificate of sale; lien

After making the sale, the Superintendent shall execute, in duplicate, a certificate of sale stating the description of the property sold, the name of the owner thereof as given on the record of the assessment, that the property was sold for a delinquent assessment, specifying the improvement for which the assessment was made, the amount for which the property was sold, the date of sale, the name of the purchaser, and the time when the purchaser will be entitled to a deed. The Superintendent shall file one copy of the certificate in his office, and deliver the other to the purchaser.

On filing the copy of the certificate in the office of the Superintendent, the lien of the assessment shall vest in the purchaser, and is only divested by a redemption of the property, as provided in the Act.

The Superintendent shall also enter on the record of the assessment, opposite the description of each lot offered for sale, a description of the part thereof sold, the amount for which it was sold, the date of sale, and the name of the purchaser.

Section 48-605. Redemption

Redemption may be made by any party having an interest in the lot at any time before the execution and delivery of a deed therefor by paying to the Superintendent the amount for which the property was sold and 5% thereon if paid within three months from the date of sale, 10% if paid within six months, 12% if paid within nine months, 15% if paid within 12 months, or 20% if paid after 12 months. When redemption is made, the Superintendent shall note that fact on the duplicate certificate of sale in his office and deposit the amount paid with the District Treasurer, who shall credit the purchaser named in the certificate of sale with the amount, and pay the amount to such purchaser or his assignee, upon the surrender of the certificate of sale.

Section 48-606. Deed to purchaser; notice to owner; redemption after notice; effect of deed

After the expiration of 12 months from the date of sale, the Superintendent shall execute to the purchaser, or his assignee, on his application, if he has fully complied with Section 48-606 of the Act, a deed to the property sold in which shall be recited substantially the matters contained in the certificate, any assignment thereof, and that no person has redeemed the property. The Superintendent shall receive from the applicant for a deed, \$1.00 for making the deed.

The purchaser shall, at least 30 days before he applies for a deed, serve by first-class mail to the owner, all lien claimants of records, all persons of record with an interest in the property and, if occupied, the occupant of the property, a written notice that the property, giving the description, has been sold for a delinquent assessment, specifying the improvement for which the assessment was made, the amount for which it was sold, the amount necessary to redeem at the time of giving notice, the time when the purchaser or assignee will apply to the Superintendent for a deed and that, on issuance of the deed, all interest in the property, whether of record before or after the assessment lien, will be extinguished, except for the lien for general property taxes and prior special assessments. If the owner cannot be found after due diligence, the notice shall be posted in a

conspicuous place upon the property at least 30 days before the time stated therein of the application for a deed.

The applicant shall file with the Superintendent an affidavit showing that notice of the application has been given, and if the notice was not served on the owner personally, that due diligence was used to find the owner. If redemption of the property is made after the affidavit is filed, and more than 11 months from the date of sale, the person making redemption shall pay, in addition, for payment to the purchaser, \$3.00 for the service of notice and the making of the affidavit.

The deed of the Superintendent shall be prime facie evidence of the truth of all matters recited therein, and of the regularity of all proceedings prior to the execution thereof, and of title in the grantee. The deed of the Superintendent shall convey to the purchaser fee title to the lands described therein, free and clear of all interests, liens, claims and encumbrances whether of record before or after the assessment lien, except for the lien for general property taxes and prior special assessments.

Section 48-607. Disposition of sale proceeds

The Superintendent shall promptly pay to the District Treasurer all monies collected by him from sales. The District Treasurer, on receipt thereof, shall place the monies in the special fund hereby created for the payments of the bonds issued for the improvement.

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

APPRAISAL REPORT

**Regarding An Assessment District Over
A 73-Lot Subdivision That is Under Construction
Located At the Southeast Corner of
Calistoga Drive and 186th Avenue
Goodyear, Arizona 85338**

The Estrella Mountain Ranch Parcel 9.43



**PREPARED FOR:
ESTRELLA MOUNTAIN RANCH
COMMUNITY FACILITIES DISTRICT
190 NORTH LITCHFIELD ROAD
GOODYEAR, ARIZONA 85338**

DATE OF REPORT

AUGUST 4, 2021

DATE OF VALUATION:

JULY 7, 2021

DATE OF INSPECTION:

JULY 7, 2021

Prepared By:
Wayne Harding, MAI

WAYNE HARDING & ASSOCIATES
PROFESSIONAL REAL ESTATE VALUATION
9420 East Doubletree Ranch Road, Suite C-110
Scottsdale, Arizona 85258

WAYNE HARDING & ASSOCIATES

PROFESSIONAL REAL ESTATE VALUATION

9420 East Doubletree Ranch Road, Suite C-110
Scottsdale, Arizona 85258
480-609-7090
wayne.harding@cox.net

August 4, 2021

Estrella Mountain Ranch
Community Facilities District
190 North Litchfield Road
Goodyear, AZ 85338

RE: Appraisal of the 73 partially completed residential lots that are under construction within Parcel 9.43 of the Estrella Mountain Ranch master planned community in Goodyear, Arizona 85338.

Dear Sirs:

At your request, the above-referenced tract of subdivision land has been appraised. It has a final plat in place for the 73-lot subdivision and construction work is more than 75% complete. The Estrella Mountain Ranch Community Facilities District (EMR CFD) is in process of securing bond funding for various site improvements that they are making to this area and as a part of that funding they have had the land appraised. The primary purpose of the appraisal is to formulate an opinion of the market value of the tract, both in its present or "as is" condition, and under the hypothetical condition "as though complete". In addition, the purpose is also to formulate an opinion of value of the disposition value of each scenario, with a marketing period of six months or less. Each of the value conclusions are made under the hypothetical condition that the street and utility improvements that are to be financed by the Assessment district are in place, including the south half of Calistoga Drive and trunk utility lines along the subject north border.

The intended users of the appraisal are the EMR CFD as well as possible purchasers of the bonds issued to fund the project. The client is the EMR CFD. The intended use is to assist the client in conjunction with the decision to sell assessment bonds, specifically to determine if the market value of the assessed parcels exceeds the amount of the assessment lien.

The property was inspected and analyzed for the purpose of formulating an opinion of its market value, as defined in this report, as of July 7, 2021. The remaining cost figures for the subject that have been provided by the landowner are assumed to fairly closely reflect the improvements observed on the site on the date of inspection.

The appraisal is written in narrative form and is prepared to conform to the 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as I understand them. The report contains a description of the property appraised and the analysis of the data leading to the value stated. The data, opinions, and conclusions discussed are subject to the assumptions and limiting conditions in the addenda of this report.

Letter of Transmittal

Page 2

As a conclusion of the analysis, the concluded opinion of market value for the subject property “As Complete”, as of July 7, 2021, is:

THIRTEEN MILLION TWO HUNDRED EIGHTY SIX THOUSAND DOLLARS
(\$13,286,000)

The concluded opinion of market value for the subject property “As Is”, as of July 7, 2021, is:

ELEVEN MILLION THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS
(\$11,375,000)

The concluded opinion of the disposition value for the subject property “As Complete”, as of July 7, 2021, is:

TWELVE MILLION SIX HUNDRED FORTY FIVE THOUSAND DOLLARS
(\$12,645,000)

The concluded opinion of market value for the subject property “As Is”, as of July 7, 2021, is:

TEN MILLION EIGHT HUNDRED SEVEN THOUSAND DOLLARS
(\$10,807,000)

Two hypothetical conditions are made to complete this assignment. The first is that the pending Calistoga Drive street improvements are in place, including underground utility lines. The second is that, in the “as proposed” valuation scenario, the subdivision site improvements are complete and have been constructed to a standard of quality and workmanship typical of the market for this type of subdivision. It is noted that the use of these hypothetical conditions may have affected the assignment results. No extraordinary assumptions are made.

Data used to support the value conclusions are presented and discussed in the accompanying report. It is noted that no environmental hazards are known to be influencing the subject property, although the entire tract was not inspected. The underlying assumptions and limiting conditions pertaining to this report are contained in the first exhibit in the Addenda. These assumptions and limiting conditions are an integral part of the report and are only placed at the end to facilitate reading of the report, not to minimize their importance.

Respectfully,

HARDING & ASSOCIATES



By: Wayne Harding, MAI
Arizona Certified General Real Estate Appraiser #30471

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Type of Property:	26.96 acre subdivision site, with final plat and substantial site work completed for 73 lots that are 70-feet wide on average.
Location:	Along the south side of Calistoga Drive near 186 th Avenue, in Goodyear, Arizona 85338.
Purpose of the Appraisal:	Formulate opinions of the market value for the subject property, as well as the disposition value subject to a marketing period of six months or less, both in “as is” condition as well as in the “as complete” condition. The value conclusions are made subject to the hypothetical conditions that the proposed assessment district improvements are completed and all lot and subdivision improvements are complete.
Intended Use:	To assist the client in conjunction with the decision to sell assessment bonds; specifically to determine if the fair market value of the assessed parcels exceed the amount of the assessment lien.
Intended Users:	The EMR CFD as well as possible underwriters of the bonds issued to fund the project.
Extraordinary Assumptions:	None.
Hypothetical Conditions:	Two hypothetical conditions are made to complete this assignment. The first is that the pending improvements to be financed by the Montecito Assessment District No. 3 are in place. The second hypothetical condition is that, in the “as complete” valuation scenario, the subdivision site improvements are complete and have been constructed to a standard of quality and workmanship typical of the market for this type of subdivision. It is noted that the use of these hypothetical conditions may have affected the assignment results.
Tax Parcel Numbers:	Maricopa County Assessor’s Parcel Numbers 400-63-626 through 400-63-698 (73 lots) and 400-63-699 through 400-63-706 (common area parcels).
Legal Description:	The lots and common area tracts are legally described on the final plat provided by the client and shown in Exhibit 3 of the addenda.
Site Area:	The gross site area is shown as 26.96 acres according to the final plat. The lots average 70 feet wide by 135 feet deep, or 9,450 square feet each, on average.

Zoning: Zoning is regulated by the City of Goodyear. The parcel is zoned PAD, planned area development.

Site Improvements: As Completed, the 73 lots will be fully finished and will include graded level lots with all utilities underground and stubbed to each lot, completed perimeter walls and fencing, finished streets with asphalt pavement, curb, gutter and sidewalk, plus street lighting, common area landscaping, small park areas and playgrounds. Projected completion is in the fourth quarter of 2021.

Highest & Best Use: The concluded highest and best use is to complete the subdivision improvements that are under way for sale to a home builder, as it is currently in escrow.

Date of Valuation: July 7, 2021

Date of Inspection: July 7, 2021

Opinions Of Market Value:

As Complete: **\$13,286,000**

As Is: **\$11,375,000**

Opinions Of Disposition Value:

As Complete: **\$12,645,000**

As Is: **\$10,807,000**

Appraisal Reporting Standards:

This report is drafted to adhere to the 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as I understand them.

Appraiser:

Wayne Harding, MAI
Harding & Associates
9420 East Doubletree Ranch Road, Suite C-110
Scottsdale, Arizona 85258
(480)609-7090

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INTRODUCTION AND SCOPE OF WORK

This report is an appraisal of a 26.96 acre subdivision site that is under construction with 73 residential lots. They are being developed for sale to home builders by Newland Communities, the developer of Estrella Mountain Ranch master planned community. The subdivision is nearing completion and is presently in escrow to a home builder for closing upon completion of the lots. They all lie within an area designated as a part of the Montecito Assessment District No. 3 (MAD 3) of the Estrella Mountain Ranch Community Facilities District (EMR CFD). MAD 3 is also referred to as Parcel 9.43 of Estrella Mountain Ranch.

The EMR CFD is seeking bond funding for certain improvements that have mostly been completed within the area described as MAD 3. The improvements consist of a combination of water and sewer lines and street improvements along the north border of Parcel 9.43 for Calistoga Drive, a minor arterial street that is currently under construction. As a part of the bond funding process for MAD 3, the EMR CFD has had the 73-lot subdivision known as Parcel 9.43 appraised to verify the amount of collateral that exists in the land to support funding of the district.

The 73-lot subdivision site is currently in escrow to William Ryan Homes for a price of \$1,500 per front foot, or a total of \$7,665,000. It is expected to be completed and escrow closed in the fourth quarter of 2021. The street improvements for Calistoga Drive are expected to be completed at about the same time.

An aerial photo showing the subdivision is illustrated on page two with the subject parcel outlined in red. Ground level photos of the site are shown in the addenda. Plat maps and exhibits are provided throughout the report and in the addenda to aid in better visualizing the tract.

Scope of Work

The primary purpose of the appraisal is to formulate an opinion of the market value of the tract, both in its present or “as is” condition, and under the hypothetical condition “as though complete”. In addition, the purpose is also to formulate an opinion of value of the disposition value of each scenario, with a marketing period of six months or less. Since this marketing period is slightly less than the typical marketing period seen in the market, a discount to the market value estimate is made to reflect the reduced marketing period of six months or less. The client is the EMR CFD. The intended users of the appraisal are the EMR CFD as well as purchasers of the bonds issued to fund the project. The intended use is to assist the client in conjunction with the decision to sell assessment bonds, specifically to determine if the fair market value of the assessed parcels exceed the amount of the assessment lien.

Two hypothetical conditions are made to complete this assignment. The first is that the pending improvements to be financed by the Montecito Assessment District No. 3 are in place. The second hypothetical condition is that, in the “as complete” valuation scenario, the subdivision site improvements are complete and have been constructed to a standard of quality and workmanship typical of the market for this type of subdivision. It is noted that the use of these hypothetical conditions significantly affects the assignment results, i.e. the values concluded herein, increasing them over their current value based upon their current condition.

AERIAL PHOTO OF SUBJECT TRACT



Legal Description

The legal description of the property is shown on the final plat for the property, illustrated in Exhibit 9 of the addenda.

Development History

Parcel 9.43 has an approved final plat in place and is presently being developed with 73 residential subdivision lots that are 70 feet wide, on average. The parcel is in escrow to a production home builder, pending completion of the lots. On the date of valuation the subdivision improvements that were completed include most of the site grading, wet and dry utility lines in place, and most of the perimeter walls and iron fencing. The improvements that still need to be completed include street paving, street concrete work, including curbs, gutters and sidewalks, storm drains, landscaping, playgrounds and other common area improvements. Specifics on the level of development in each subdivision tract are discussed on pages 18 - 20.

Owner of Record

The owner of record of the 73 lots, according to the assessor's records, is:

NNP III Estrella Mountain Ranch LLC
5090 North 40th Street, Suite 210
Phoenix, AZ 85018

The owner of record of the seven common area parcels is:

Villages at Estrella Mountain Ranch Community Association
8360 Via De Ventura Suite L 100
Scottsdale, Arizona 85258

Five Year Chain of Title

Each of the tracts have been held by the current owner for at least five years.

Date of Inspection and Valuation

The property was inspected on July 7, 2021. This is also the date of valuation. Present at the inspection was the project manager Mr. Pete Teiche.

Exposure Period

Based upon information seen in the market, the estimated exposure time required to sell the subject lots on the open market, is one to six months based upon analysis of current market conditions for this property type, discussions with market participants and observers, and by comparison with marketing periods of the sales included in this report, where available. This conclusion is based upon the assumption that each subdivision tract is properly marketed by a professional brokerage specializing in this type of property and at a price that is equal to or near the value concluded in this appraisal.

Marketing Period

The difference between exposure period and marketing period is subtle. Exposure period is the estimated length of time required to have listed and marketed the property for sale prior to the date of valuation. Marketing period is the estimated time required to market a property if it listed for sale today. Given the availability of competing properties that were observed in the market that are available for sale at the time of inspection, the estimated time required to market the subject lots today in groups according to their block number cited herein, is also one to six months. This conclusion is based upon the assumption that each tract is properly marketed by a professional brokerage specializing in this type of property and at a price that is equal to or near the value concluded in this appraisal.

Current Listing Price and Offerings

The subject tract is currently in escrow to William Ryan Homes, a production home builder. The escrow price is \$105,000 per lot, which also equates to \$1,500 per front foot of the lot and a total of 7,665,000. The price reflects the purchase price for the finished lots and it is scheduled to close almost immediately after completion of the lots. In the event the escrow failed to close, it is expected that many competing builders would jump at the chance to acquire the lots.

Easements and Encumbrances

The subdivision plat has been planned to maximize the utility of the lots. As a result, easements for utility lines and other amenities for the subdivision that require partial use of property rights have been planned to minimize impact on the finished lots. No significant easements were noted upon inspection.

Hazardous Wastes

No toxic waste or contaminants are known to exist on the property as of the time of inspection. However, this does not mean that such materials do not exist either on or under the subject parcels. The appraiser is without the expertise to identify or detect such substances. Because of the liability generated if toxic wastes or contaminants are found on the site, it is strongly recommended that a specialist in the detection of toxic waste be retained and the property checked for possible contamination. If a toxic waste or contaminant is detected, the value estimates concluded in this report are no longer valid. If a reappraisal is required, it will be made at an additional charge and upon receipt of any additional information requested, including descriptions of the toxic waste or contaminant and the cost of removal.

DEFINITIONS

Market Value

The definition of market value applied in this assignment, pursuant to the Arizona Revised Statute 28-7091, is as follows:

"...'Market Value' means the most probable price estimated in terms of cash in United States dollars or comparable market financial arrangements which the property would bring if exposed for sale in an open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adopted and for which it was capable."

Property Rights Appraised

The **fee simple estate** is appraised, which is defined as:

“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”¹

Personal Property

No business, going concern, or other personal property are considered in the appraisal.

APPRAISAL PROCESS

The type of appraisal assignment involves a specific process in order to form an opinion of the market value of fee simple interest in the subdivision tract. The process includes the following steps: 1) inspection of the subject property to identify its physical, locational and economic characteristics relative to competing properties; 2) research and investigation of public records relating to the property and competing properties to identify legally permitted uses and availability of public amenities; 3) performing a search of public records to identify sales of competing property in the market; 4) analysis of the sales data to identify the sales most similar to the subject property; 5) formulating an opinion of the highest and best use of the subject parcel, and; 6) analysis of the sales comparison approach as it applies to the subject parcel. Since the cost and income approaches apply to improved properties, they are not applicable here. The sales comparison approach is discussed in the Valuation section of this report. In this instance, the value is estimated first as complete and then the value “as is” is formulated based upon the required cost to complete the site improvements that remain unfinished. Lastly, an estimate of the disposition value is made for each of the scenarios, assuming a marketing period of six months or less.

¹ The Appraisal Institute, *Dictionary of Real Estate Appraisal* - 4th Ed, 2002, page 113

Extent of Data Collection Process

In order to analyze the forces affecting the subject market and the property's competitive position within the market, a number of independent investigations were conducted. Regularly updated data from published data services pertaining to the subject market and competing properties was referenced to gain current information on market conditions. Current sales data was gathered on numerous comparable properties in the area of both residential development land as well as potential business park land from throughout the western Phoenix broader market. From this pool of data the relevant sales were identified and recorded affidavits of property value were checked to verify preliminary information. From this data search, the most comparable properties have been selected for use supporting a value estimate for each of the subject parcels.

Data used in the discussion of the region was gathered from many sources including area newspapers, publications by area Chambers of Commerce, and Maricopa County. Neighborhood Data used in the discussion of the Arizona and Phoenix metro area was gathered from many sources including Phoenix daily newspapers, publications by Arizona State University and the University of Arizona, and from other sources. Neighborhood data was collected by driving the area and making observations on location, nature, and condition of surrounding improvements and features.

Observations discussed in the site and improvement description sections as well as observations on quality and condition is based upon personal inspection of the property. All sales data applied in this report was confirmed from one or more of the following data sources:

Buyers and Sellers or their Agents
Affidavits of Property Value
Costar Real Estate Data Service
First American Data Tree Real Estate Data Service
Maricopa County Records

The data collected and employed in the analysis is referenced throughout the report and typically includes the source of the data, degree of reliability, and overall significance. From these investigations and data sources, the most relevant information was selected for analysis in supporting an estimate of value for the subject property. The next section discusses broad economic and real estate market trends influencing the subject property. The subject neighborhood and site are described subsequently.

REGIONAL DESCRIPTION

The subject property is located in southern Goodyear, Arizona in the fast-growing southwest quadrant Phoenix of metropolitan. The following discussion applies to the greater metropolitan Phoenix area as it applies to the entire metropolitan area.

Location

The subject property is within the greater metropolitan Phoenix area. As such, it is a part of the largest metropolitan area in the mountain west region of the U.S. Phoenix is located near the central part of the state of Arizona and is a regional center for goods and services and also serves as the capital of Arizona and county seat of Maricopa County. It is situated near the center of a large, flat valley known as the Valley of the Sun.

Geography and Climate of Arizona

Arizona is known worldwide for its classic desert terrain and scenic, rocky landscapes. Its most famous features in northern Arizona include the Grand Canyon national Park and the red rocks of Sedona. The northern one third of the state is made up of a combination of rolling desert range land, the largest Ponderosa pine forest in the country and areas of area and rocky cliff formations. The southern approximately two thirds of the state are characterized a combination of rugged mountainous areas, gently rolling Sonoran Desert land, and gentle valley floors. The five largest population centers of the state are all located in areas that can be described as either valley floors or gentle flat areas. The mountainous portions of the state as a result tend to be sparsely populated.

While the northern one third of the state has more of a high plains type of climate, the southern two thirds as a distinct desert climate with very hot temperatures in the summer months between June and September and very moderate attractive temperatures in the winter months between October and May. The winter climate is attractive for a variety of reasons including a large seasonal tourist population, a warm winter growing season and a reliable destination for winter meetings and sporting events. It also creates a very attractive lifestyle for many people who choose to leave the cold and snowy climate of the northeast.

Government

The state of Arizona has been characterized politically for decades as a pro-business, small-government state. As a result, it has been active in its economic development through its state Commerce Department, with a constant effort to lure employers into the state. The regional government, through joint efforts of the communities within Maricopa County, has also taken a strong, favorable stance toward more economic development and has a coordinated effort to improve economic and transportation conditions in the area.

These efforts continue to bear fruit most recently in the form of high-tech corporations and manufacturers establishing new plants and offices in the metropolitan areas as well as outlying areas. Examples include a huge Intel chip fabrication plant that was developed in the Chandler area to the southeast of Phoenix and a start-up electric car company known as Lucid Motors breaking ground on an enormous factory in Casa Grande, 60 miles south of Phoenix. Amazon has recently developed a large regional fulfillment center in southwest Phoenix, while Red Bull and White Claw are in the process of constructing large production facilities on the west side of the metropolitan area.

A significant factor impacting real estate in Arizona is the degree of land controlled or owned by federal and state agencies. The federal government owns about 42.1% of the state's land according to the Congressional Research Service, between the Bureau of Land Management, military bases and bombing ranges, six national forests, national parks and several national monuments. The State of Arizona controls 12.1% of the state's land through a series of land trusts managed by its State Land Department. Approximately 27.1% of the state is within several large Indian Reservations. This leaves about 18% of the total state that is held by private owners. This tends to concentrate the state's population in the private land areas and provides an abundance of areas outside of them for recreation and other uses.

Population & Economic Growth

The state is broken into 15 counties. Although it is only the fifth largest in terms of area, Maricopa County is by far the most populous, with about 61% of the state residing in the greater Phoenix area. As a result, Maricopa County is closely interconnected with metropolitan Phoenix and the greater metropolitan area within Maricopa County encompasses 25 municipalities from small bedroom communities to the incorporated area of Phoenix which by itself totals over 1,625,000 residents. Pima County, where Tucson is located 120 miles to the southeast, has a population of about 1,052,000 residents, and Pinal County, located in the area between Phoenix and Tucson, has a population of about 468,000. These population figures are based upon estimated figures published by the State of Arizona, as of July 1, 2020.

Due to a variety of economic factors, Arizona was one of the latter states to recover from the recession of 2008. However, since its recovery that began in about late 2014, population growth has begun to return to normal levels based on in-migration from the cold climate states of the northeast as well as from large states including California where companies are expanding outward or residents are seeking a different lifestyle with more attractive economic condition. This has allowed the Phoenix metropolitan area as well as the state to return to its place in the top five areas for population growth. That growth has been based upon strong job growth numbers, an attractive pro-growth political climate and the warm desert climate that the state offers. It also continues to be one of the top states in terms of cost of living relative to income.

Population growth rates for the next few years are projected to continue as the economy in the state continues to become more and more diversified. Most notably, it is establishing itself as a high-tech hub, located within a short flight from the Silicon Valley and Los Angeles areas, as well as strong location for corporate call centers and a climatically safe location for data centers.

It has long been an attractive location for corporate call centers but recently as a result of foul weather in other parts of the country, several large data centers are being developed in the southeast and southwest parts of the valley as well as near downtown Phoenix. Its location is free of risk of floods, hurricanes and earthquakes and these uses need to be secure especially in times of emergency.

The latest Arizona State population estimates based on a July 1, 2020 date are 7,294,587 for the state and 4,439,220 Maricopa County. Over the last three years the state has ranked among the fastest growing areas in the country. This factor is the root driver of many aspects of the Arizona economy and they are projected to continue over the next 2-3 years by local economists. By total population it is ranked 14th nationally, while by annual GDP it is ranked 16th, as of 2017, the latest figures available.

Although the economic conditions are currently very strong in Arizona, the unemployment figure still remains above the national figure. In November 2020, the national unemployment rate was 6.7% while the figure for Arizona was 7.8%. The economy has diversified over the last fifteen years from one largely dependent on continued growth and related construction and real estate-oriented industries, to one involving regional distribution, medicine, high-tech, and other smaller industries. The largest growth engine continues to be Arizona State University, however, which draws more than 15,000 students per year into the state, of which a large percentage decide to move here permanently.

Infrastructure and Transportation

The metropolitan Phoenix area is provided with an excellent transportation system made up of interstate and loop freeways and an extensive network of federal and state highways that connect Phoenix to all areas in the west and Midwestern United States. Interstate 10 connects Phoenix directly with Los Angeles and the rest of southern California to the west and Tucson, New Mexico and Texas to the east. Interstate 17 runs north from downtown Phoenix to the city of Flagstaff in northern Arizona where it connects with Interstate 40. Interstate 40 is also a major east-west route through the southwest that is a major freight transportation corridor for products moving in and out of southern California. The state and federal highways also connect Phoenix with the rural areas of the state and the county seats in the other fourteen counties.

The Loop 101 freeway encircles the north half of the metropolitan area and connects with I-10 in west Phoenix, I-17 in north Phoenix and the Loop 202 freeway in Mesa. The Loop 202 freeway encircles the southeast and southwest quadrants of the metropolitan area and was recently completed in December 2019 with completion of the South Mountain Freeway, the final leg that runs around the southwest side of South Mountain in south Phoenix. As with each of the other segments of freeway that have been completed over the last 15 years, the new access route has spawned strong growth in the area that it serves.

Highway 60, also known as the Superstition Freeway, also provides freeway access into the east valley, and the first segment of State Route 24 runs southeast from the Loop 202 east of Phoenix-Mesa Gateway Airport, enhancing access to the rapidly growing areas near Queen Creek and San Tan Valley in Pinal County.

Air travel and aviation transport are also well-served in the metropolitan area. Phoenix's Sky Harbor International Airport was ranked as the 13th busiest airport in America in 2018, the most recent listing published by the Airports Council International. Annual passenger traffic in 2018 was 21,623,842. Due to the high volume of air travel and related businesses located nearby, the area surrounding Sky Harbor is the number one employment center in the state, larger even than downtown Phoenix. The airport has seen continued upgrades over the last 30 years and continues plans to upgrade and stay current. It has a master plan in place to fund development and modernization of the two main terminals over the next 20 years and prepare for a projected 100% increase in passenger counts.

Terminal Four was completed in 1990 for \$100 million and can accommodate over 20 million passengers annually. It provides direct international flights to Mexico, Europe, the Pacific, and the Far East. Most of a \$590,000 renovation project for Terminal Three is completed and the balance is projected to be complete in 2020. A train connecting Terminals Three and Four and the east and west parking areas was constructed in 2015-2017 and is now being extended to and rental car center two miles to the west. This segment will be completed in 2022. As a result of these improvements and many other factors, the airport has been ranked number one in terms of passenger experience in two recent publications by “The Points Guy”, a leading frequent flier website.

The Phoenix-Mesa Gateway Airport, located in the southeast valley, was created on the site of Williams Air Force Base following its closure in the 1990's. Allegiant Airlines presently provides passenger services to a variety of smaller market airports in the Midwest and west, as well as Las Vegas and Oakland. This airport is expected to continue to grow over the next 20 years and the result will be demand for new industrial uses around the airport. Much of this growth has already started to occur, evident by many new industrial buildings along the north and south ends of the campus.

In addition to Sky Harbor Airport and Phoenix-Mesa Gateway Airport, there are seven other airports in the metro area serving the needs of smaller airlines and private aircraft. Deer Valley Airport, located in north Phoenix, does not offer commercial service but is home to several flight schools as well as corporate and private aircraft. It was ranked 20th on the list of busiest general aviation airports in the U.S. in 2013 but is currently unranked.

Other transportation includes two railroads (Union Pacific and BNSF), bus lines, transcontinental truck lines, heavy equipment haulers and automobile transporters. There are also interstate truck lines, intrastate truck lines, and express carriers. A light rail system connects downtown Phoenix with downtown Tempe, Arizona State University and downtown Mesa and is in process of expanding two miles further east of downtown Mesa and further northwest into west Phoenix.

Climate Is a Driver of Tourism

Climatic conditions have been an important factor in attracting many permanent residents and temporary visitors to the area. In spite of its reputed hot summers, the mild, dry winters make Phoenix a popular winter vacation destination. It is also the home of spring training camp for several major league baseball franchises. As a result, there are numerous resort hotels and conference centers serving a growing visitor population, concentrated mainly in the winter and spring seasons.

Temperatures in the summer months are consistently among the hottest in the country, however overall weather conditions include sunshine about 85% of the year. As a result, the area is a very desirable location for residents of the cold areas of the north, which has provided a stable source of winter visitors and new residents over the last fifteen years. This factor has also contributed to the employment and population growth booms of the past three decades.

Metropolitan Phoenix offers plentiful recreational and leisure opportunities. It is world-renowned for its excellent golf courses, with a total of nearly 200 courses that cater to every level from novice to professional. It also has become a sports fan's top city, with professional sports teams in all four major sports categories, plus a WNBA team, an arena football team and a professional soccer team. Other leisure activities include horse racing, dog racing, museums and theaters, zoos and gardens, and abundant bars and restaurants. It is also host of the Cactus League Spring Training each February and March, drawing hundreds of thousands of visitors each year from out of state to watch pre-season baseball. The Phoenix International Raceway (PIR) located in Avondale west of Phoenix hosts two NASCAR events each year which also brings in hundreds of thousands of visitors.

Due to the warm climate and mountainous settings, there are many forms of outdoor recreational activities that include hiking, golf, tennis, bicycling, swimming, jogging, outdoor team sports, etc. Metropolitan Phoenix is also less than two hours away from large lakes and streams for water sports and fishing as well as mountainous areas for camping, hiking and skiing.

The warm winter climate and attractive pro sports facilities make greater Phoenix the host of the Fiesta Bowl, one of the four bowl championship series locations for NCAA football and the Super Bowl on several occasions at the Arizona Cardinals Stadium in Glendale. All of these events contribute significantly to the economy in the state.

The Phoenix and Scottsdale areas are also widely known as an excellent location for fine shopping. Most major high-end department stores have stores along the Camelback Road Corridor, including, Saks Fifth Avenue, Dillard's, Macy's and Neiman Marcus. Nordstrom's has two large stores in Scottsdale and Chandler. There is also a strong presence of discount stores, concentrated mainly in power centers, or retail complexes made up mainly of large spaces for discount stores and warehouse-type retailers. There are also ample retail stores and outlets located within many neighborhood shopping centers and regional malls which are anchored by most known major national retailers.

There are sufficient health care facilities that serve the metropolitan area which provides medical treatment for practically all areas of specialty. Some of these medical facilities include a Veterans Administration hospital, cardiovascular treatment hospital/centers, the Mayo Clinic (one of three in the nation), several regional hospitals, several 24-hour emergency outpatient clinics, and numerous private practices throughout the area.

Public and Higher Education

There are numerous public and private educational institutions throughout the metropolitan area from kindergarten through university level. In addition to public elementary, junior high and high school facilities, there are several highly ranked charter high schools including the BASIS schools that rank as the best high schools in the nation. There are also several strong college preparatory high schools, plus seven community colleges, the Grand Canyon University, and several smaller private universities that have established a presence in Arizona over the last 10-15 years. Arizona State University (ASU) offers bachelors through doctorates and law degree programs with an annual enrollment of over 110,000 students, making it the largest university in the nation. The University of Arizona is located in Tucson, about 120 miles south of the metropolitan area. Northern Arizona University is located in Flagstaff, located 120 miles north of Phoenix in the mountainous northern area of the state.

Due to the access to reasonably affordable higher education in the state, the metropolitan area has a reputation as having a well-educated work force from an employer's standpoint. This has been an important feature in attracting several large corporations to the area, benefitting the economy and adding to the job growth seen over the last several years.

Healthcare and Life Expectancy

Arizona has a strong medical community of doctors and hospitals at all levels from primary care through advanced heart and cancer care and research. Combined with numerous cutting-edge medical device and research companies Arizona has emerged over the last twelve years as a highly respected community in the medical industry. Notable hospitals and facilities include the University of Arizona medical school, Barrow Neurological Institute, Phoenix Children's Hospital, Saint Joseph's Hospital, and the Mayo Clinic and Hospital. In association with Saint Joseph's Hospital, Creighton University is in the process of constructing a medical school campus in central Phoenix that will also include a nursing school and physician's assistant program. Other private medical schools in the area include A. T. Still in Mesa that provides PA and nursing programs, and Midwestern University in Glendale, offering the same programs. Mayo Clinic is planned to commence similar programs in the next few years, although their plans have not been made public at the current time. Other major hospital providers include Banner Health, Honor Health, Abrazo Health, and Dignity Health, among the largest.

Summary of Regional Description

The Phoenix metro area is a major center for government, transportation, and commerce for most of the southwestern United States. Its warm climate, affordable housing, cultural and recreational amenities, and economic diversity are expected to result in continued population and employment growth over the next several years once the national recession is weathered. Each of the segments of its real estate market are enjoying strong market conditions with supply and demand for most product types in equilibrium or slightly under-supplied, which is a positive benefit for all types of real estate in the area. This trend is expected to continue for at least two more years.

NEIGHBORHOOD DESCRIPTION

The subject property is located near the south end of the Estrella Mountain Ranch master planned community, which is located in a mainly undeveloped area of Goodyear, Arizona south of the Gila River. It is also located about 26 miles southwest of downtown Phoenix and four miles southwest of the center of Goodyear. The north half of the neighborhood north of the Gila River is mainly flat agricultural land that has been used primarily for cotton and alfalfa production. The area to the south of the river includes a combination of more mountainous desert areas as well as some more gentle land further south, some of which is being farmed. Most of the farmed areas are served with irrigation water from the Salt River Project canal system and most of that land either remains in agricultural production or has been developed with suburban uses. The Estrella Mountain Ranch master planned community is one of those areas that is seeing development.

Interstate 10 runs east-west north of the area to the north connecting metropolitan Phoenix with the rural areas of western Arizona and beyond to the urbanized areas of southern California. State Route 85 also runs east-west just north of the river bottom. It connects central Phoenix with the southern edges of Goodyear and Buckeye, then bends south at Buckeye and follows the Gila River to the community of Gila Bend along Interstate 8.

For purposes of this discussion, the neighborhood is bound to the east by the Estrella Regional Park, to the north by Highway 85 and to the south by Riggs Road and to the west by Tuthill Road. These boundaries are selected somewhat arbitrarily, but represent areas where land uses change to more rural on the east, south and west sides, and to more suburban to the north.

There are three bridge crossings into the neighborhood from the north. They are Estrella Parkway, the primary route in to the subject neighborhood, and Cotton Lane and Jackrabbit Trail, which becomes Tuthill Road south of the river. The Gila River flows in low volume most of the year but is subject to heavy flow during periods of heavy rain upstream, mainly in January-March and July-August. Highway 85 runs east-west along the north border connecting with each of these roads.

Interstate 10 is located about four miles north and provides access directly to Estella Parkway, Cotton Lane and Tuthill Road. Elliott Road runs east-west south of the river bottom and connects Estella Parkway with Tuthill Road, four miles to the west. Rainbow Valley Road runs south from Elliott Road one mile east of Tuthill Road and runs south into the undeveloped area of Rainbow Valley south of the neighborhood. This area is incorporated within Goodyear and is planned for large-scale growth in the future.

Goodyear was formed in 1916 by Goodyear Tire and Rubber Company as a cotton farming community to provide cotton for use in tires. The Goodyear Aircraft Company, now a part of Lockheed Martin, also was formed at the Goodyear Airport located just west of downtown Goodyear. Today, Goodyear is a rapidly growing community of 92,865 residents according to DES estimates as of July 1, 2020. This figure increased from 19,695 residents in 2000.

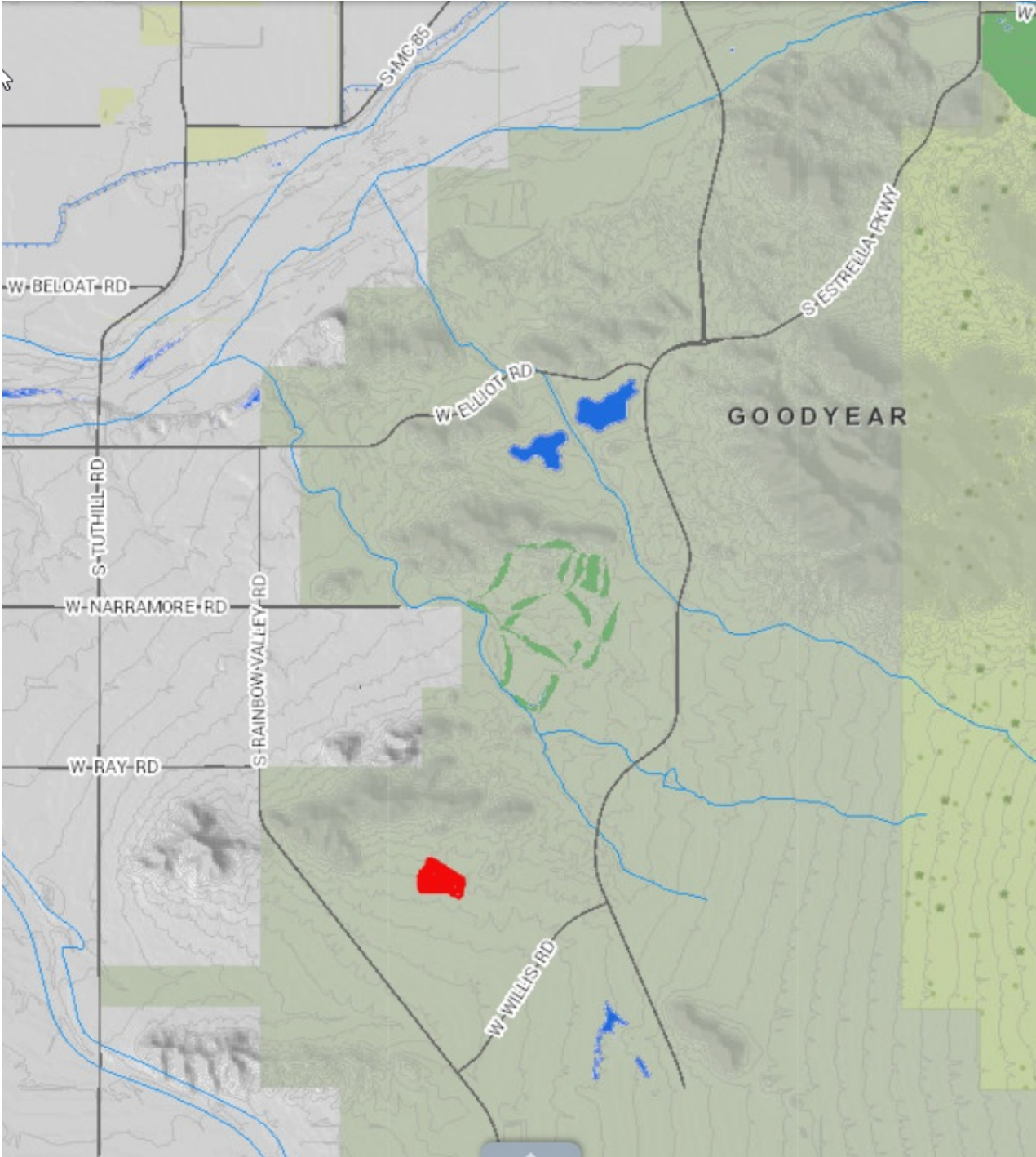
Since the town of Goodyear lies near the fringe of urbanized metropolitan Phoenix, it has been one of the last areas to see rapid urban growth. However, as developable private land has effectively been exhausted in many other areas within the metro area, Goodyear saw tremendous growth during the last boom period between 2004 and 2007. Although it has been hit hard in the interim period, as market conditions continue to slowly improve Goodyear is one of the areas where new residential construction is beginning again.

In addition to fertile farm land along the north and south sides of the Gila River, the area described as the neighborhood also includes river bottom land within the Gila River and mountainous land south of the river. The mountainous land is of mainly moderate topography and has abundant flatter areas where some development is suitable. The Estrella Mountain Ranch master planned community has been developed on 20,000 acres two miles south of the river just west of the Estrella Mountains, all within the city limits of Goodyear. Although it dates back to the late 1980's, its development began in earnest in the mid 1990's. The development includes a private lake, golf course and numerous residential subdivisions. It includes a 24,500 square foot Starpointe residents club, the Mountain Ranch Marketplace shopping center, medical office buildings, and some neighborhood convenience businesses. It also has developed two waste water treatment facilities as well as two water storage facilities.

Water and sewer lines were extended south from the developed area of Goodyear and Estella Parkway was constructed to provide it access. Its success has increased the development potential for surrounding parcels. Land to the south in the Rainbow Valley area saw a frenzy of speculative land purchases in 2004 and 2005 as a result in part of the success of Estella Mountain Ranch, however the recession of 2009 resulted in most of those purchases ending badly.

Although most of the neighborhood is within the City Limits of Goodyear, there are portions that are not incorporated and are under the jurisdiction of Maricopa County. Further, some of the areas that are incorporated are not yet provided with utilities and other city services. As a result, land that has these crucial amenities are most sought after for new development by home builders. The subject parcels fall within this category.

NEIGHBORHOOD MAP



AERIAL PHOTO OF SURROUNDING AREA



Summary of Neighborhood Description

The subject neighborhood is an irregularly shaped land area along and to the south of Highway 85 along both sides of the Gila River in southern Goodyear. Urban amenities are available in some areas but not throughout the neighborhood. The area is expected to see urban growth over the next two to ten years as the market recovery continues, although most of the land remains as rural farm land and mountainous land to date. These factors are expected to have a positive impact on the value of the subject land for the foreseeable future.

SITE DATA

Overview

The subject final subdivision plat includes 73 mostly rectangular lots that are 70 feet wide by 135 feet deep, on average. They are currently under construction and upon completion they will be sold to William Ryan Homes, a production home builder, who will build residences on the lots for private sale.

The Proposed Assessment District Improvements

The proposed assessment district is assumed to be complete as a hypothetical condition of the appraisal. District improvements consist of Calistoga Drive along the subject Parcel 9.43 frontage, including all underground utilities, surface grading and improvements and storm drainage improvements. It runs a total length of 1,401 linear feet according to the Feasibility Report for the project.

Lot Size and Shape

The subject lot include 73 lots. Most of the lots are rectangular in shape and are 70-foot wide by 135-foot deep. Some of the end lots and cul de sac lots are slightly irregular in shape and may be slightly wider or narrower than the standard 70-foot width. An excerpt of the final plat is shown on the following page. The full final plat document is shown in the addenda.

Topography and Cover

Topography is gently sloping downward to the south, east and west. However, site grading has been completed except for some final finish grading once all lot improvements are constructed. Cover is dirt.

Access

As mentioned previously, Parcel 9.43 will have access from Calistoga Drive. The street is to be finished with asphalt pavement, standard curbs and gutters, with an engineered storm drainage system under the streets. These improvements are to be funded by the MAD 3 improvement District. Interior access through the subdivision includes typical residential streets with asphalt pavement, rolled concrete curbing, gutters, sidewalks, storm drains and street lighting. The layout of the subdivision lots is shown on the final plat, shown in Exhibit 3 of the addenda.

Utilities

Once completed all of the lots will have all utilities stubbed to each lot at the street frontage. They will include power, phone, municipal water and sewer, natural gas, cable television and internet. Water and sewer services are to be provided by the City of Goodyear, while power is provided by Arizona Public Service (APS) and telephone is provided by CenturyLink communications. Southwest gas provides natural gas service and Cox Cable provides television and internet service.

FINAL PLAT FOR PARCEL 9.43



BOOK 1549 PAGE 30
ELECTRONIC RECORDING
ESTRELLA PARCEL 9.43 RECORDED IN
BK. 1313, PG. 21,
M.C.R.

STRATEGIC SURVEY
1102 N. SOUTH
SUITE # 424
PHOENIX, AZ 85026
PHONE: (480) 885-4339

LAND SURVEYOR
STRATEGIC SURVEYING, LLC
STATE # 4250
CONTACT: JESSICA M. WATKINS
PHONE: (480) 885-4339

FINAL PLAT
PARCEL 9.43
PORTIONS OF SECTION 27 & 28
TOWNSHIP 1 SOUTH, RANGE 2 WEST PER G.&S.R.B.&M.
GOODYEAR, ARIZONA

OWNER: NNP III-ESTRELLA MOUNTAIN RANCH LLC
APN: 400-58-328G

SHEET 3 OF 4
DRAWING NUMBER
FP-03

Remaining Costs of Construction

Based upon information provided by Mr. Alper Adli and Lindsey O'Connell of Newland Communities, the remaining cost of development prior to having the lots ready for sale to William Ryan Homes is \$1,863,506. The breakdown of these cost and remaining line items is shown in the addenda.

Easements and Encumbrances

The subdivision plat has been planned to maximize the number utility of the lots. Easements for utility lines and other amenities for the subdivision that require partial use of property rights have been planned to minimize impact on the finished lots. No significant easements or encumbrances were noted upon inspection of the parcel.

Flood Zone

The FEMA map for the site identifies it as lying within an "X" flood hazard zone. The "X" designation is defined as "0.2% annual chance flood hazard, Areas of 1% annual chance flood with average depths of less than one foot or with drainage areas of less than one square mile." Flood insurance is not required in this flood zone. A copy of the flood panel for the subject property is shown in the addenda.

Hazardous Wastes

No toxic waste or contaminants are known to exist on the site at the time of inspection. However, this does not mean that such materials do not exist either on or under the subject parcels. The appraiser is without the expertise to identify or detect such substances. Because of the liability generated if toxic wastes or contaminants are found on the site, it is strongly recommended that a specialist in the detection of toxic waste be retained and the property checked for possible contamination. If a toxic waste or contaminant is detected, the value estimates concluded in this report are no longer valid. If a reappraisal is required, it will be made at an additional charge and upon receipt of any additional information requested, including descriptions of the toxic waste or contaminant and the cost of removal.

Surrounding Land Uses

Land surrounding the tract is mainly natural desert land to the south and west, and existing good quality residential subdivisions with Estrella Mountain Ranch to the north and east. Current and future use of Parcel 9.43 is consistent with surrounding land uses.

Summary Description of Parcel 9.43

Parcel 9.43 is 26.96 acres in size and it is being developed with a 73-lot subdivision. The lots are all 70 feet wide on average, by 135 feet deep, leading to a total area of 9,450 square feet per lot. The entire tract is in escrow to William Ryan Homes for \$7,665,000, which equates to \$105,000 per lot and \$1,500 per front foot. Upon completion of the remaining required improvements, the subdivision will be highly marketable to the current pending buyer or any number of other home builders active in the Phoenix residential production home market.

Together they have a total of \$1,863,506 in remaining construction costs to complete the 73 lots. They should be completed by September 2021 if subs can perform at their promised rates of progress.

ZONING

The purpose of zoning is to provide for the orderly growth and compatible development of land uses. It is intended to provide a basis for a consistent application of land use between public and private interests where both public and private objectives can be satisfied. Zoning ordinances outline the uses allowed for a particular property. Zoning can have a significant impact on property value if zoning is different from the highest and best use that would otherwise be appropriate for the site.

Current Zoning

The subject property is under the zoning jurisdiction of the City of Goodyear. It is presently zoned PAD, planned area development. It is a part of the Estrella Mountain Ranch master plan, which is governed by the final PAD zoning case for Estrella Mountain Ranch. The PAD zoning designates specific uses for each parcel within the development. The final plat of 73 residential lots with an average width of 70 feet is consistent with the PAD zoning and as a result the final plat is the more important document regarding land use even than the PAD zoning.

The Goodyear land use plan designates the subject area for low to medium density residential uses. This is consistent with the current zoning as well as the approved use for the site. A zoning change is not considered likely, nor prudent.

ASSESSED VALUE AND TAX DATA

The subject is in process of having new assessor's parcel numbers assigned as a result of the final plat. Therefore, assessor's data is not available for most of the subdivision segments. Other segments have been mis-reported to be owned by the City of Goodyear. As a result, presentation of assessed values and taxes is not meaningful until more accurate figures are available.

It is assumed that there are no delinquent taxes due on the property and no known special assessments yet encumbering the parcels.

HIGHEST AND BEST USE

In order to conclude the highest price a buyer is willing to pay for a property, the highest and best use of that property must first be estimated. Highest and best use is defined as follows:

“The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value.”²

The highest and best use of a property must be legally permissible, physically possible, financially feasible, and maximally productive. Applying these four tests to all of the possible uses identifies the single use that maximizes value of the property.

To test highest and best use, all logical, feasible alternatives for which the site may be used are considered. Eliminating uses which are not legally permissible or physically possible reduces the alternatives significantly. These uses can be reduced by eliminating those uses that are not financially feasible. Of the uses considered financially feasible, only one use can be maximally productive, or most profitable. This process is applied below for the subject Parcel 9.43.

Legally Permissible Uses

Legal constraints to use of the subject tract includes the current zoning and the approved final plat for the site as controlled by the PAD for Estrella Mountain Ranch. It has already been through the entitlement process and has a final plat in place for the 73 residential lots described previously. Any other use would require a zoning change. They are also in escrow with a reputable home builder who is awaiting completion of the lots as approved.

Considering the time and expense already invested for this use, a rezoning or even replatting is not considered prudent. Therefore the only legally permissible use of Parcel 9.43 is for either investment or for continued development of the site with the 73 residential lots approved by the City of Goodyear on the final plat.

Physically Possible Uses

The proposed and developing uses discussed above as legally permissible uses are also considered physically possible uses. The assignment assumes that Calistoga Drive is completed along the subject frontage. All needed utilities are therefore available at the street for lot development, allowing both legally permissible uses to also be physically possible uses.

²Appraisal Institute, *The Appraisal of Real Estate*, 14th Edition, p. 332

Financially Feasible Uses

The physically possible and legally permissible uses include both investment and continued development of the site for the 73-lot subdivision. When market conditions in the subdivision land and lot market is strong, partially developed lots rarely transact since the logical time to sell the lots is when they are complete or when they have a final plat in place and they are ready to break ground. In dire economic times when builders have an excess supply of lots beyond current demand levels, their excess supply of partially completed lots are often put on the market. In these market conditions, there can quickly develop a glut of finished lots, partially finished lots and undeveloped residential land for sale. At this point, purchasing partially completed subdivisions for investment makes sense. In times of strong economic conditions and a favorable market for residential growth that exist today in the greater Phoenix market, as well as the southwest quadrant, the logical and likely buyer is a home builder who can immediately develop the lots with new homes. Nonetheless, such a project may also be attractive to an investor to hold the site and finish the subdivision at some point in the future. The latter is a far less likely alternative given the strength of the finished lot market today. Therefore, completion of the project to 73 finished lots is considered financially feasible, as is a purchase for investment.

Maximally Productive Uses

Based upon the points discussed, and given the significant money already spent on construction and the reasonably short time remaining in the construction process, the maximally productive use of Parcel 9.43 is to continue developing it as the 73-lot residential subdivision for sale to a home builder, as it is currently being developed.

Conclusion of Highest and Best Use

Based upon the points discussed, the highest and best use of the subject Parcel 9.43 is concluded to be to finish the site improvements necessary to complete 73 lots and the associated common area improvements to allow sale to a production home builder. In other words, the highest and best use is its current use.

VALUATION

Accepted appraisal techniques support value estimates by applying three different analyses the cost, sales comparison, and income capitalization approaches. The cost and income approaches generally apply to improved properties and do not apply in this situation. Therefore, only the sales comparison approach is analyzed to support a value estimate for the subject tract. The sales comparison approach is described briefly below, followed by an analysis of comparable sales to support a value conclusion for the subject parcel.

SALES COMPARISON APPROACH

The sales comparison approach is a method of estimating value that examines transfers of land that are similar to a subject site, both physically and in terms of utility and highest and best use. By comparing the sales on a common unit basis, a trend in values can usually be identified. By analyzing the most similar sales and making adjustments for factors that effect value, a value is indicated from each. Since these are the most likely alternative sites that would be considered by a potential buyer of the subject site, they are the most logical indications of its market value. The value indications are then reconciled into a single value estimate based upon the relative strengths of each adjusted sale. This process is applied below to the subject property.

It is noted that sales of land that have been partially developed with subdivision improvements rarely sell since the value is optimized by selling the finished product to home builders. Therefore, in order to support a value for the subject subdivision tracts, land sales of both partially completed tracts and finished subdivisions have been searched. Several sales of subdivisions with finished lots were identified and are discussed and analyzed below to support a value conclusion for the subject property as completed. At the end of the analysis, the costs remaining to complete the construction are subtracted to indicate an “as is” value.

Valuation of Subject Tract

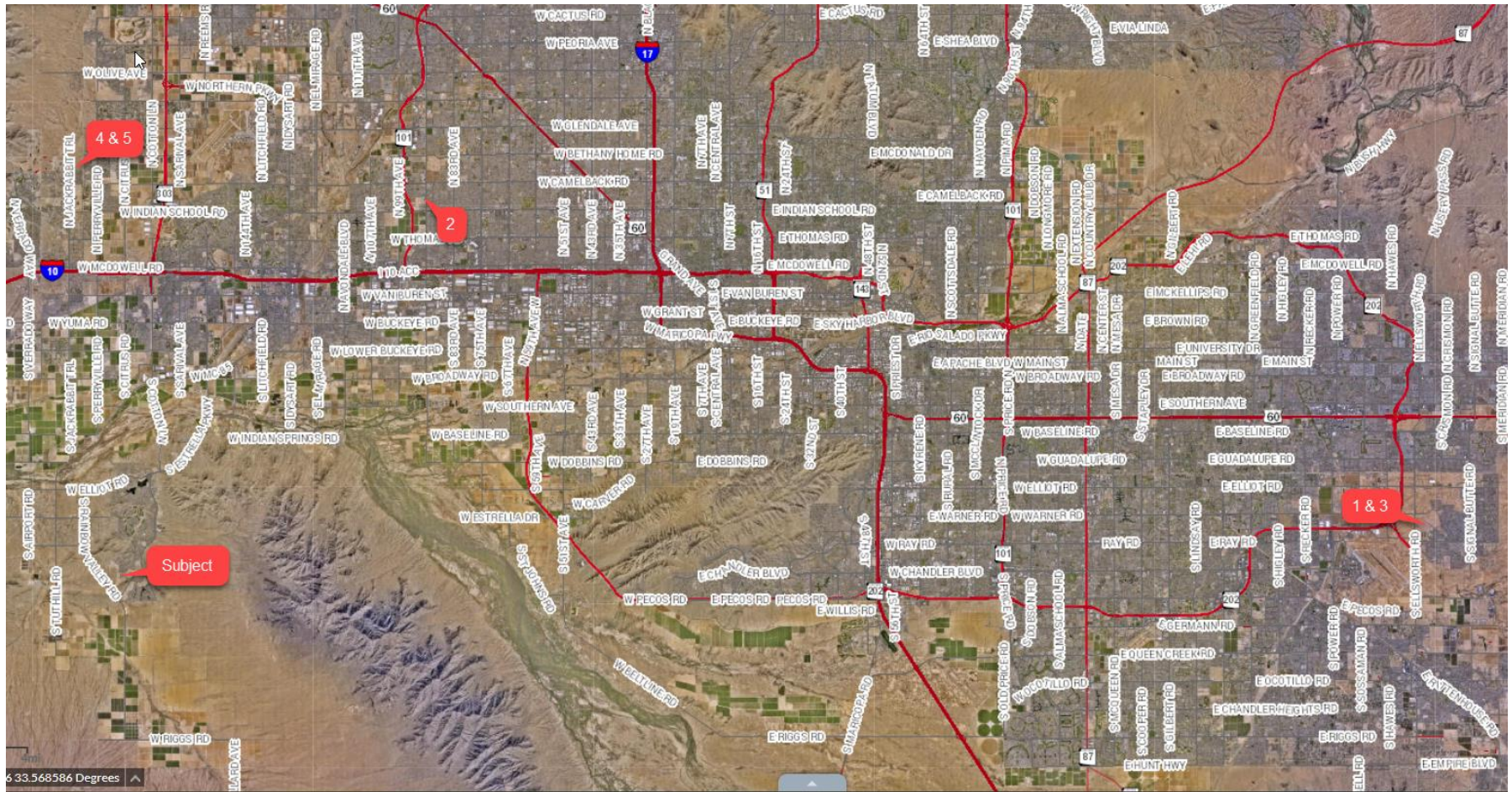
In order to support a value estimate for the subject subdivision tract, a search in the market area was made for sales of finished lots of similar size to the subject lots as finished. They will be compared to the subject as though its improvements are complete and ready to close escrow to a production home builder. After analysis and conclusion of the value as completed, the costs remaining to complete the subdivision improvements are subtracted to arrive at the current “as is” value.

Five sales have been identified from the greater Phoenix metropolitan area that included finished lots. Three are from with the Estrella Mountain Ranch area and the other two are from areas to the north. They are presented on the chart on the following page and analyzed thereafter. The unit price identified in this market segment is the price paid per front foot of the lots so this will be the unit value applied in the analysis. Numerous factors that potentially affect value have been considered for the subject tracts and for each sale, including location, date of sale, financing conditions, site utility, level of site improvements, availability of utilities, topography and other factors. The factors that require adjustment are discussed below as they apply to the subject parcel. From this analysis, adjusted unit prices are used to indicate of values for the subject property.

A map showing the location of the subject site and each of the sales is shown on the page following the summary chart. Complete data on each sale is displayed on data sheets in the final exhibit of the addenda.

COMPARABLE FINISHED LOT SALES SUMMARY									
Sale No.	Location	Contract Date Sale Date	Sale Price Terms	Acres No. of Lots	Price/Lot Price/Front Foot	Zoning & Platting	Utilities Site Imps.	Intended Use	Remarks
1	9639 East Ripple Drive Mesa	September, 2020 January 8, 2021	\$ 15,486,100 Cash	49.28 140	\$176,500 \$2,521/FF for 70' wide lots	PC Final Plat	All To Site; All Provided By Seller	Construct Residences Upon Completion Of Lots	This tract is a part of the Eastmark master plan in southeast Mesa. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$144,000 per lot for 50-foot wide lots (\$2,880/FF), \$157,000 per 60-foot wide lots (\$2,617/FF) and \$176,500 for 70-foot wide lots (\$2,521/FF). Woodside Homes was the buyer and the lots will be ready in early 2022.
2	Roma Avenue West Of 91St Avenue Phoenix	January, 2021 April 12, 2021	\$ 4,285,246 Cash	5.54 36	\$119,035 \$2,975/FF for 60' wide lots	R1-6 Final Plat	All To Site; All Provided By Seller	Construct Residences Upon Completion Of Lots	This tract includes 36 40-foot wide lots located in west Phoenix. The finished lots were sold for \$119,035 per lot or \$2,975 per front foot. Lennar Homes was the buyer.
3	South Of Warner Road East Of Ellsworth Road Mesa	December, 2020 May 25, 2021	\$ 8,064,000 Cash	8.50 56	\$144,000 \$2,880/FF for 50' wide lots	PC Final Plat	All To Site; All Provided By Seller	Construct Residences Upon Completion Of Lots	This tract is also a part of the Eastmark master plan in Mesa. JEN Arizona 53, a land banker, purchased this land for \$5,644,800 cash for future rolling option sale to William Ryan Homes. In addition the buyer will pay \$2,419,200 to the seller to complete the lots, bringing the total purchase price to \$8,064,000. This equates to \$144,000 per lot and \$2,880 per front foot for the 50 foot wide lots.
4	Southwest Of 195Th Avenue And West Bethany Home Road Maricopa County	June, 2020 September 22, 2020	\$ 4,468,868 Cash	18.35 105	\$42,561 \$1,750/FF for 45' wide lots \$1,700/FF for 55' wide lots	R1-6 Final Plat	All To Site; All Provided By Seller	Construct Residences Upon Completion Of Lots	This tract is a part of the Zanjero trails subdivision. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$78,750 for 45-foot wide lots (\$1,750/FF) and \$93,500 for 55-foot wide lots (\$1,700/FF). Town Homes was the buyer and the lots will be ready in 12-15 months.
5	Off Of West Montebello Avenue Buckeye	August, 2020 November 2, 2020	\$ 16,756,000 Cash	32.56 148	\$113,216 \$1,564/FF for 70' wide lots \$1,494/FF for 80' wide lots	PR Final Plat	All To Site; All Provided By Seller	Construct Residences Upon Completion Of Lots	This tract is a part of the Canyon Views subdivision. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$109,500 for 70-foot wide lots (\$1,564/FF) and \$119,500 for 80-foot wide lots (\$1,494/FF). Domain Real Estate Development was the buyer and the lots will be ready in 12-15 months.
Subject:	Southeast Corner Of West Calistoga Drive 186Th Avenue, Goodyear	July 7, 2021		26.960 73	70 foot wide lots	PAD 73 improved lots	All To Site; All Provided By Seller	Construct Residences Upon Completion Of Lots	The subject is improved with 73 residential lots that are assumed to be totally finished by the seller.

LAND SALES MAP



Discussion of Sales

The five sales are located in the greater Phoenix metropolitan area and considered to be the most similar land tracts compared to the subject that have sold over the last ten months. Due to the rapid upward change in value over the last twelve months in certain areas, it is all the more important to rely on current sales data. Each sale is discussed below.

Land Sale No. 1 is a 49.284-acre tract located in the Eastmark master planned community in east Mesa. Its street address is 9639 East Ripple Drive. Although it is approximately 47.7 miles east of the subject, this master planned community offers most of the same amenities and community benefits that the subject master plan does. As a result, in spite of the long distance away from the subject, it is considered overall similar in many other ways and is relied upon here in this analysis as a result. It was purchased by Woodside Homes to construct residences upon completion of lots. In September, 2020 the buyer paid \$15,486,100, cash for the subdivision, which equates to \$314,219 per acre or \$110,615 per finished lot. It also equates to \$2,868 per front foot. The property is zoned PC, planned community, by Mesa.

It has a total of 140 guaranteed finished lots. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$144,000 per lot for 50-foot wide lots (\$2,880/FF), \$157,000 per 60-foot wide lots (\$2,617/FF) and \$176,500 for 70-foot wide lots (\$2,521/FF). Woodside Homes was the buyer and the lots will be ready in early 2022. Given the similarity to the subject lots, this sale will be analyzed using the 70-foot wide lot price of \$176,500 per lot and \$2,521 per front foot.

Land Sale No. 2 is located at Roma Avenue West of 91st Avenue in west Phoenix, about 17.3 miles northeast of the subject. It has a total area of 5.540 acres and includes 36 finished lots. It is zoned R1-6, residential, 6,000 SF minimum lot size, by the City of Phoenix. In January, 2021 the property sold for \$4,285,246, cash, or \$773,510 per acre and \$119,035 per finished lot. The lots are 40-feet wide, leading to a unit price of \$2,975 per front foot. Lennar Homes was the buyer.

Land Sale No. 3 is a tract of 56 guaranteed finished lots. This tract is also a part of the Eastmark master plan in Mesa. JEN Arizona 53, a land banker, purchased this land for \$5,644,800 cash for future rolling option sale to William Ryan Homes. In addition, the buyer will pay \$2,419,200 to the seller to complete the lots, bringing the total purchase price to \$8,064,000. This equates to \$144,000 per lot and \$2,880 per front foot for the 50 foot wide lots.. It is located at south of Warner Road and east of Ellsworth Road in Mesa, about 47.5 miles east of the subject. It has a total area of 8.500-acres and it is zoned PC, planned community, by Mesa. In December, 2020 the buyer paid \$8,064,000 cash for the land.

Land Sale No. 4 is a flat tract that is being built out with 105 guaranteed finished lots. This subdivision is located about 14.4 miles north of the subject, and southwest of 195th Avenue and West Bethany Home Road. Towne Development Inc. purchased a total of 18.353 acres to construct residences upon completion of lots. In June, 2020, the purchase price was \$4,468,868 cash which equates to \$243,501 per acre and \$42,561 per finished lot.

The lots are a mix of 45 feet and 55 feet wide and the prices for the finished lots were \$1,750 per front foot for the 45 foot wide lots (\$78,750 per lot) and \$1,700 per front foot for the 55 foot wide lots (\$93,500 per lot). The lots will be ready in 12-15 months. This is an inferior location and development compared to the subject and the lots are significantly smaller.

Land Sale No. 5 included 148 guaranteed finished lots that were purchased by a home builder. The tract had a total area of 32.560 acres and is located off of West Montebello Avenue in Buckeye, about 14.5 miles northwest of the subject. In August, 2020, this tract sold for \$16,756,000 cash, which equates to \$514,619 per acre. It is a part of the Canyon Views subdivision, and the lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$109,500 for 70-foot wide lots (\$1,564/FF) and \$119,500 for 80-foot wide lots (\$1,494/FF). Domain Real Estate Development was the buyer, and the lots will be ready in 12-15 months.

Analysis of Sales Data for Subject Finished Lots

In order to properly estimate value through the adjustment of sales, the following categories of adjustment must be considered:

1. Real Property Rights Conveyed
2. Financing Terms
3. Conditions of Sale
4. Expenditures Made Immediately After Purchase
5. Market Conditions
6. Location
7. Physical Characteristics
8. Economic Characteristics
9. Legal Characteristics
10. Non-Realty Components of Value

Each of these factors is discussed in order as they apply to each sale.

The unit of comparison applicable for this type of analysis could rely on the price per acre, the price per lot or the price per front foot of the lot. Since we are considering the lots as finished, the applicable unit of comparison is the price per front foot, as that is the unit that the buyers apply most of the time. Therefore, the price per front foot paid for each sale.

Factors Not Requiring Adjustment

Each of the sales involved transfer of the fee simple interest, similar to the subject site and no adjustment is estimated for real property rights conveyed. All of the sales involved cash to the seller and no adjustment is required for financing terms. All of the sales occurred under normal conditions so no adjustments are needed for conditions of sale. None of the sales reported any expenditures after the sale, nor does the subject require any. There are no economic characteristics that warrant adjustment. Finally, none of the sales were reported to include any personal property or other non-realty items. Adjustment is not required for any of these categories. The four categories that require adjustment are discussed below.

Market Conditions

The five sales occurred between June 2020 and January 2021. The sales have been selected in large part due to their currency. The residential market nationwide has seen a very strong surge since the onset of COVID in mid-2020. Urban flight from many large cities, including New York, San Francisco, Los Angeles, Seattle, and Chicago, has had a positive impact on other areas including greater Phoenix, as residents seek either rural areas, where they are less reliant on society for goods and services, or urban areas without as many restrictions and social unrest. The result in the Phoenix metropolitan area has been increasing already strong demand for housing and reduced inventory of new and existing homes throughout the region. As supply is reduced relative to demand, the result has been upward pressure on values.

This has also increased demand for new homes and, in turn, has increased demand for finished lots sought by home builders to meet this demand. Presently, there is a shortage of finished lots in the greater Phoenix area which has resulted in a strong increase in prices of finished lots. In addition, supply chain issues and shortages in several key construction materials, including concrete, lumber and asphalt, have caused an increase in cost of constructing both new homes and buildable lots.

Proof of this trend is offered by information provided during confirmation of Sale No. 3. The buyer's representative reported that the price per 50 foot wide finished lot had increased from \$123,000 in March of 2020 to \$144,000 in March of 2021. This is an increase of 17% in 12 months, supporting an upward adjustment for market conditions of 1.5% per month. Presently this adjustment is considered justified. There is abundant anecdotal evidence in the market from brokers and buyers that the market is actually increasing faster than that but actual market evidence is not known that actually demonstrates a rate that is higher. As a result, the 1.5% per month adjustment is applied between the contract date of each sale and the date of valuation for the subject property.

Location

The subject is located within the Estrella Mountain Ranch master plan, which provides it with a scenic environment and amenities of the community including the lake, parks, trails and open space. Sales No. 1 and 3 are located within the Eastmark master planned community in southeast Mesa on the former GM Proving Grounds. The amenities of that master plan are somewhat different and its proximity to employment centers is also different when compared to the subject but overall, the level of amenities, proximity to employment and shopping centers, as well as other locational attributes are considered fairly similar and no adjustments are made for location to Sales No. 1 and 3.

Sales No. 4 and 5 are located in a transitioning area between northern Buckeye and Litchfield Park. Each sale is part of two large subdivisions east and west of Jackrabbit Trail north of Camelback Road. Neither subdivision offers amenities like Estrella Mountain Ranch does and, although there are some views to the west of the White Tank Mountains, the locations of Sales No. 4 and 5 are considered significantly inferior to the location of the subject and upward adjustments are made to each.

Sale No. 3 is located along the west side of 91st Avenue north of Camelback Road in west Phoenix, just south of the Arizona Cardinals Stadium. This location is superior to the subject in terms of proximity to the urban core, the freeway system and employment centers.

Conversely, it is inferior in terms of view and surroundings. It also lacks amenities that the EMR master plan provides. Overall this location is considered inferior to the subject location and an upward adjustment is made.

Physical Characteristics

Since the analysis is made for the subject lots as completed, and is based upon the price per front foot, we are effectively comparing finished lots. Therefore, most all of the physical features of the lots are similar and do not require adjustment. However, front foot value varies significantly with the width of each lot and in some cases the depth of the lot as well.

The subject lots are 70 feet wide by 135 feet deep, on average. Sales No. 2 through 4 are all much smaller than the subject. As lots get wider, the unit price per front foot decreases as the costs per lot are spread out over the larger front footage of each lot. Therefore, when comparing smaller lots to the subject, downward adjustments are made to the smaller lots. Sales No. 2 and 5 include 70 and 80 foot wide lots, with the front foot figures broken out for each. When comparing the 70-foot wide lots to the subject, no adjustments are necessary.

No other adjustments are required for physical characteristics.

Legal Characteristics

Zoning and Entitlement Work

All of the sales had final plats in place at the time of sale. At this stage of development with final plats already established, zoning does not have a significant impact on value since the plat is the prevailing land use document. Therefore, no adjustments are made.

Flood Plain Influences

The subject lies within a X flood zone. None of the sales are impacted negatively by any flood zone influences and therefore no adjustments for flood plain are necessary.

Easements and Encumbrances

The subject lots and the subdivision as a whole do not have any easements or encumbrances that impact its value. Nor do any of the sales. Therefore, no adjustments are necessary.

SUMMARY OF ADJUSTMENTS						
Characteristic	Subject	1	2	3	4	5
Price Per Front Foot		\$2,521	\$2,976	\$2,880	\$1,700	\$1,564
Property Rights Conveyed	Fee Simple Interest	Fee Simple Interest	Fee Simple Interest	Fee Simple Interest	Fee Simple Interest	Fee Simple Interest
Financing Terms	Cash or C. E.	Cash	Cash	Cash	Cash	Cash
Conditions of Sale	Arm's length Transaction	Arm's Length Transaction	Arm's Length Transaction	Arm's Length Transaction	Arm's Length Transaction	Arm's Length Transaction
Expenditures Made After Purchase		None	None	None	None	None
Date of Sale	July 7, 2021	September, 2020	January, 2021	December, 2020	June, 2020	August, 2020
Market Conditions Adjustment	Improving	15.0%	9.0%	10.5%	19.5%	16.5%
Adjusted Unit Price		\$2,899	\$3,244	\$3,182	\$2,032	\$1,822
Location	Off Of West Montebello Avenue	9639 East Ripple Drive	Roma Avenue West Of 91St Avenue	South Of Warner Road East Of Ellsworth Road	Southwest Of 195Th Avenue And West Bethany Home Road	Off Of West Montebello Avenue
Comparison		Similar	Inferior	Similar	Inferior	Inferior
Adjustment		0%	10%	0%	30%	30%
Physical Features						
Size in Acres:	26.96 Acres	49.2844 Acres	5.54 Acres	8.5 Acres	18.3526 Acres	32.56 Acres
Adjustment		0%	0%	0%	0%	0%
Shape	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Adjustment		0%	0%	0%	0%	0%
Site Improvements	Finished Lots	Guaranteed Finished Lots	Finished Lots	Guaranteed Finished Lots	Guaranteed Finished Lots	Guaranteed Finished Lots
Adjustment		0%	0%	0%	0%	0%
Lot Sizes:	70 feet by 120 feet	70' wide	40' wide	50' wide	55' wide	70' wide
Adjustment		0%	-30%	-20%	-15%	0%
Utilities	All To The Site	All To Site	All To Site	All To Site	All To Site	All To Site
Comparison		Same	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Economic Characteristics	Typical	Similar	Similar	Similar	Similar	Similar
Legal Characteristics						
Zoning	PAD	PC	R1-6	PC	R1-6	PR
Adjustment	Goodyear	0%	0%	0%	0%	0%
Non-Realty Items:	None	None	None	None	None	None
Combined Adjustments For Location, Physical and Legal Characteristics		0%	-20%	-20%	15%	30%
Indicated Unit Value of Subject Parcel		\$2,899	\$2,595	\$2,546	\$2,336	\$2,369

Conclusion of Opinion of Land Value – Lots As Complete

After adjustment, the five sales indicate a range of value from \$2,336 per front foot to \$2,899 per front foot. All five sales are fairly current given the lack of recent sales found in the current market, providing needed support for current market conditions. They all were purchased for near-term development with single family homes, like the subject, and are physically very similar to the subject in all aspects except for lot size.

Of the five sales, the best indicators are considered to be from Sales No. 1, 3 and 5. Sales No. 1 and 3 are the most similar in terms of location, which is one of the most an important factors of value for the subject property. Sale No. 5 is least similar in terms of location but is one of only two sales that has lots of similar size to the subject. The other is Sale No. 1.

Sale No. 2 has the smallest lots of the group, at 40 feet wide, but it is still considered a reasonable indicator of value after adjustment. Lastly, Sale No. 4 is a reasonably reliable indicator but it required a large adjustment for location.

Based on the relative strengths and weaknesses of the market data, the final estimated value of the subject land is \$2,600 per front foot, or \$182,000 per lot. Applying this to the total of 73 lots leads to a total indicated value of parcel 9.43, as completed with all of the remaining subdivision improvements, is \$13,286,000.

Other Sales Considered But Not Relied Upon

It is noted that there are sales within the Estrella Mount Ranch development that have closed over the last 18 months that have also been considered as possible indicators of value. However, these transactions were entered into back in 2017 and 2018 when demand for lots was not nearly as strong as it is today. As a result, their unit values are much lower and would require large adjustments for market conditions that would either greatly weaken the value indications or not accurately reflect current conditions. Therefore, the newer sales that reflect the current market conditions are concluded to be more reliable.

Current Subject Escrow

Presently the subject 73 lots are in escrow for \$7,665,000, contingent upon completion of the site improvements and delivery of a finished subdivision. This equates to \$105,000 per lot, and \$1,500 per front foot. The buyer is William Ryan Homes, a reputable home builder in this market area. It appears that the contract and price were negotiated in February 2019. It is a complex contract that involves marketing expenses to Estrella Mountain Ranch as well as a 50% lot premium sharing with EMR. Based upon consideration of this contract, and given the rapid increase in lot values over the last 18 months, the escrow tends to support the value concluded above.

Based upon the points discussed, the final estimated value of the subject Parcel 9.43, as completed with all site improvements in place, as of July 7, 2021, is:

**THIRTEEN MILLION TWO HUNDRED EIGHTY SIX THOUSAND DOLLARS
(\$13,286,000)**

Two hypothetical conditions are made to complete this assignment. The first is that the pending Calistoga Drive street improvements are in place, including underground utility lines. The second is that, in the “as proposed” valuation scenario, the subdivision site improvements are complete and have been constructed to a standard of quality and workmanship typical of the market for this type of subdivision. It is noted that the use of these hypothetical conditions may have affected the assignment results. No extraordinary assumptions are made.

Valuation of The Site in “As Is” Condition

Given the advanced level of completion of the subject site improvements, with finished lots expected within the next three months, it is expected that there would be strong interest in the site in its current condition. Further, it is expected that home builders, or land bankers on their behalf, would consider the value of the site for purchase as the finished lot value less the cost to complete it, including some costs for the time to complete it, and a very low level of risk.

The value concluded for the property as complete is \$13,286,000. The remaining costs of completing the paving, concrete work, manholes, storm drains, street lighting, landscaping, installing park equipment and any other minor improvements required to finish up the subdivision for sale is \$1,863,506. An additional 2.5% is added for management, very limited risk and profit, totaling \$46,588, leading to a total cost to complete of \$1,910,094.

Subtracting \$1,910,094 from \$13,286,000 leads to a total estimated value of the site in “as is” condition as of the date of inspection of \$11,375,906, rounded to \$11,376,000.

In conclusion, the final estimated value of the subject property, as of July 7, 2021, is:

**ELEVEN MILLION THREE HUNDRED SEVENTY SIX THOUSAND DOLLARS
(\$11,376,000)**

Again, USPAP Requires reminding the reader at any point where a value conclusion is presented that two hypothetical conditions are made to complete this assignment. The first is that the pending Calistoga Drive street improvements are in place, including underground utility lines. The second is that, in the “as proposed” valuation scenario, the subdivision site improvements are complete and have been constructed to a standard of quality and workmanship typical of the market for this type of subdivision. It is noted that the use of these hypothetical conditions may have affected the assignment results. No extraordinary assumptions are made.

Opinions of Disposition or “Wholesale” Value - “As Is” and “As Complete”

The opinions of value concluded above are for market value, both in their “as is” and “as complete” conditions. These value conclusions are based upon a typical marketing time estimated at four to six months at the present time. The purpose of the appraisal is also to formulate an opinion of the wholesale value of each tract with a marketing time of six months or less. In appraisal terminology this is known as the disposition value.

The *definition of disposition value* applied in this assignment is as follows:

The most probable price that a specified interest in real property is likely to bring under all of the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in the market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Under the disposition value definition, the seller is under compulsion to sell. In order to attract a buyer in a shorter than normal marketing period the property must be more attractive than others that it is competing with. The shorter the desired marketing period, the more attractive it must become. Although there are other incentives that can be offered in other property types like free or discounted rent for improved commercial and apartment properties, for land there is essentially only one incentive and that is a lower price.

Currently the market for finished residential lots in the west valley is stronger than it has been in likely ten years. Even over the last six months, demand for lots has strengthened to the point where they are reported to be in short supply in some areas. Were these lots put on the market either in the “as is” condition or upon their completion “as completed” it is likely that they would sell within six months without any discount. However, after discussions with brokers interviewed in the confirmation process of this assignment and other assignments, a discount of 5% is considered appropriate to be assured to attract a buyer within six months.

1 Appraisal Institute, *The Appraisal of Real Estate*, 15th Edition, (Chicago: 2021), pg. 56

Based upon this projection the estimated disposition value to sell the property under the two scenarios within the six-month time period are calculated as follows based upon an approximate 5% discount off of the respective estimates of market value.

“As Completed” Disposition Value Calculation:

\$2,600 per front foot - 5% = \$2,470 per front foot, rounded to \$2,475 per front foot.

\$2,475 X 70-foot wide lots = \$173,250 per lot

\$173,250 X 73 lots = \$12,647,250

Rounded to: \$12,645,000 (95.18% of market value)

“As Is” Disposition Value Calculation:

\$11,376,000 – 5% = \$10,807,200

Rounded to: \$10,807,000

In conclusion, the final opinion of the disposition value of the subject property, with a marketing period of six months or less, under the “As Completed” scenario, as of July 7, 2021, is:

TWELVE MILLION SIX HUNDRED FORTY-FIVE THOUSAND DOLLARS
(\$12,645,000)

The final opinion of the disposition value of the subject property, with a marketing period of six months or less, under the “As Is” scenario, as of July 7, 2021, is:

TEN MILLION EIGHT HUNDRED SEVEN THOUSAND DOLLARS
(\$10,807,000)

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I have the competency appraise this property through education and experience in this market area and property type, in addition to the internal resources of the appraisal firm.
- I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.
- That the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



By: Wayne Harding, MAI
Certified general Real Estate Appraiser
Arizona State Certificate #30471

ADDENDA

Exhibit 1

Appraisal Assumptions and Limiting Conditions

Exhibit 2

Appraiser's Qualifications and License

Exhibit 3

Final Plat For Subject Parcel 9.43

Exhibit 4

Feasibility Report for Montecito Assessment District No. 3

Exhibit 5

Summary of Incurred and Remaining Development Costs for Parcel 9.43

Exhibit 6

Zoning Description

Exhibit 7

Flood Plain Map

Exhibit 8

Photos of Subject Parcel 9.43

Exhibit 9

Market Data Sheets for Land Sales

Exhibit 1

Appraisal Assumptions and Limiting Conditions

LIMITING CONDITIONS AND ASSUMPTIONS

This appraisal is subject to the following assumptions and limiting conditions:

1. That the title to the property is marketable and free of all liens and encumbrances, except as noted in the report.
2. That no responsibility is assumed for the legal description or for matters including legal or title considerations.
3. That the descriptions and plats furnished are correct.
4. That information furnished by others is believed to be reliable. No warranty is made as to its accuracy, however.
5. That all engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. That there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. That there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.
8. That all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. That all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be renewed for any use on which the value estimate contained in this report is based.
10. That the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. That the distribution, if any, of the total valuation in this report between land and improvements, applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with properly written qualification and only in its entirety.

13. That neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected, shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the appraiser.
14. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics of the Appraisal Institute.
15. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of any such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, petroleum contaminants, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
16. This appraisal is to be used only for the purpose stated herein. While the distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.
17. All files, work papers, and documents developed in connection with this assignment are the property of Wayne Harding & Associates. Information, estimates, and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.
18. Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.
19. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Exhibit 2

Appraiser's Qualifications and License

QUALIFICATIONS OF WAYNE HARDING, MAI

Arizona Certified General Real Estate Appraiser, No. 30471

WAYNE HARDING & ASSOCIATES

Professional Real Estate Valuation

9420 East Doubletree Ranch Road, Suite C-110

Scottsdale, Arizona 85258

(480) 609-7090

Tax ID No. 86-0791700

Scope of Appraisal Capabilities:

Expertise by Client Needs:

Eminent Domain Acquisition

Institutional Financing

Highest and Best Use Studies

Easement Valuation

Real Estate Litigation

Valuation and Land Use Consultation

Expertise by Property Type:

Subdivision Land

Agricultural and Recreational Land

Office Buildings

Industrial Buildings

Aircraft Hangars and Airport Related Facilities

Vacant Development Land

Master Planned Communities

Retail Centers

Special Purpose Properties

Conservation Easements

Geographic Market Area:

Throughout Arizona and Coastal Counties of Northern California

Professional Affiliations:

Member of the Appraisal Institute, MAI.

- Continuing education requirements are current through December 2021
- Chairman, Admissions Committee, 1995, 1996
- Ethics Review Committee Member, 1999-2004
- President, Phoenix Chapter, 2007
- Member of the National Leadership Development and Advisory Council, 2006, 2007

Affiliate Member of the International Right of Way Association

Appraisal Experience:

Principal, Harding & Associates, Scottsdale, Arizona, January 1991 - Present. Involved in appraisal of all types of land as well as commercial, industrial, aviation and special purpose properties. Extensive experience in eminent domain appraisal including right of way and easement acquisitions for freeways, flood control channels, street widening projects and power lines. Land use areas of specialty include agricultural land, development land, subdivisions, wetlands, mountain and forest lands.

Appraisal Experience, Continued:

Appraiser and Owner, Harding Appraisal Company, Santa Rosa, California, 2016-present. Involved in appraisal of commercial and agricultural properties in Sonoma, Marin, Napa, Mendocino and Lake Counties of Northern California for purposes of acquisition, conservation easements, condemnation, divorce, estate planning and financing.

Litigation Experience:

Qualified as an Expert Witness in Superior Court and Bankruptcy Court, Phoenix, Arizona as well as in Mohave County Superior Court, Kingman, Arizona, Yavapai County Superior Court, Camp Verde, Arizona and Navajo County Superior Court, Holbrook, Arizona. I have provided testimony in dozens of eminent domain cases.

Formal Education:

Bachelor of Science from the University of California, Davis, with a degree in Agricultural and Managerial Economics, 1985. Minor in Modern European History.

Instructor of Real Estate Appraisal, Arizona State University, August 2018 to present

Professional Education:

Successful completion of the following Appraisal Institute Courses:

Appraisal Principles	Advanced Capitalization Theory
Valuation Procedures	Case Studies in R. E. Valuation
Capitalization Theory	Standards of Professional Practice
Ranch Appraisal	Report Writing & Valuation Analysis
Comprehensive Examination	Demonstration Appraisal Report
Feasibility Analysis and Highest & Best Use	Subdivision Analysis Seminar
Advanced Condemnation Appraisal	Valuation of Conservation Easements (2017)
Seminar on <i>Uniform Appraisal Stds for Federal Land Acquisitions</i> (Yellow Book) (2017)	

Partial Client List

U. S Forest Service	U. S. Department of the Interior
Arizona Department of Transportation	Arizona Office of the Attorney General
Arizona State Land Department	Arizona Department of Administration
Arizona State Parks Department	Arizona Game & Fish Department

Maricopa County Department of Transportation	Flood Control District of Maricopa County
City of Phoenix	City of Glendale
City of Mesa	City of Chandler
City of Peoria	City of Flagstaff
City of Prescott	Town of Prescott Valley

Wells Fargo Bank	Great Western Bank
Alliance Bank	Johnson Bank

Department of Insurance and Financial Institutions

State of Arizona

CGA - 30471

This document is evidence that:

WAYNE H. HARDING
Arizona Revised Statutes, relating to the establishment and operation of a:

has complied with the provisions of

Certified General Real Estate Appraiser

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

WAYNE H. HARDING

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Expiration Date : **November 30, 2022**

Exhibit 3

Final Plat For Subject Parcel 9.43

DEDICATION

STATE OF ARIZONA)
) S.S.
 COUNTY OF MARICOPA)
 KNOWN ALL MEN BY THESE PRESENTS:

THAT NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, HAS SUBDIVIDED UNDER THE NAME "ESTRELLA PARCEL 9.43", A PORTION OF SECTIONS 27 AND 28, TOWNSHIP 1 SOUTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AS SHOWN PLATTED HEREON AND HEREBY DECLARES THAT SAID FINAL PLAT SETS FORTH THE LOCATION AND GIVES DIMENSIONS OF THE LOTS, TRACTS, EASEMENTS, AND STREETS SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT.

NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, HEREBY DEDICATES, GRANTS, AND CONVEYS TO THE CITY OF GOODYEAR TRACT J, K, AND THE STREETS, IN FEE, SHOWN ON SAID PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES.

NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, HEREBY DECLARES ALL TRACTS EXCEPT TRACT J AND K, WITHIN THE SUBDIVISION AS COMMON AREAS FOR THE USE AND ENJOYMENT OF THE OWNERS WITHIN THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, AND ARE DEDICATED TO THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION, SUBJECT TO THE EASEMENTS AND RESTRICTIVE COVENANTS HEREIN, FOR THE PURPOSES INDICATED HEREIN AND AS MORE FULLY SET FORTH IN THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS.

NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, HEREBY DEDICATES TO THE CITY OF GOODYEAR EXCLUSIVE PUBLIC UTILITY EASEMENTS ("PUE") IN TRACTS A, B, C, D, E, F, G, H, & I, AND IN LOTS, AS SHOWN ON THIS PLAT AND INCLUDED IN THE ABOVE DESCRIBED PREMISES ("PUBLIC UTILITY EASEMENT AREAS"). SUCH PUBLIC UTILITY EASEMENTS ARE FOR THE PURPOSES OF: INSTALLING, OPERATING, MAINTAINING, REPLACING AND/OR REPAIRING PUBLIC UTILITIES IN, OVER, ABOVE AND UNDER THE PUBLIC UTILITY EASEMENT AREAS BY THE CITY OF GOODYEAR AND ITS PERMITEES; INSTALLING, OPERATING, MAINTAINING, REPAIRING, AND/OR REPLACING PUBLIC SIDEWALKS OVER AND ABOVE THE PUBLIC UTILITY EASEMENT AREAS BY THE CITY OF GOODYEAR AND ITS PERMITEES; PROVIDING THE ACCESS FOR THE PURPOSES SET FORTH HEREIN; AND FOR PEDESTRIAN TRAVEL BY THE GENERAL PUBLIC OVER ANY PUBLIC SIDEWALKS INSTALLED WITHIN THE PUBLIC UTILITY EASEMENT AREAS.

NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, HEREBY DEDICATES TO THE CITY OF GOODYEAR AND THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION A PERPETUAL, NON-EXCLUSIVE VEHICLE NON-ACCESS EASEMENTS (V.N.A.E.) UPON, OVER AND ACROSS ALL AREAS IN THIS PLAT DESIGNATED AS V.N.A.E. FOR THE PURPOSE OF PROHIBITING ALL USE OF MOTOR VEHICLES UPON, OVER AND ACROSS THE PROPERTY.

NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, COVENANTS TO THE CITY OF GOODYEAR AND AGREES AS FOLLOWS: TRACTS B, C, D, F & H ARE HEREBY RESERVED FOR THE INSTALLATION OF DRAINAGE FACILITIES AND BASINS FOR THE INCLUSIVE CONVEYANCE AND STORAGE OF DRAINAGE FOR THIS SUBDIVISION AND FROM THE PUBLIC RIGHTS-OF-WAY AS REQUIRED BY THE CITY OF GOODYEAR'S ENGINEERING STANDARDS AND DESIGN POLICIES AND GOODYEAR CITY CODE. DRAINAGE FACILITIES SUCH AS CATCH BASIN, SCUPPERS, STORM DRAINS, HEADWALLS AND EROSION CONTROL FACILITIES DOWNSTREAM OF STORM DRAIN OUTLETS AND RETENTION AREAS SHALL BE INSTALLED AND MAINTAINED BY THE OWNER AND SHALL PROVIDE STORM WATER CONVEYANCE AND STORAGE AS PRIVATE DRAINAGE FACILITIES AND PRIVATE RETENTION BASINS ADEQUATE TO CONVEY AND STORE DRAINAGE FROM THIS SUBDIVISION AND FROM PUBLIC RIGHT-OF-WAYS AND TO CONVEY DRAINAGE OFF-SITE PER IMPROVEMENT PLANS APPROVED BY AND ON FILE WITH THE CITY OF GOODYEAR. THESE COVENANTS CAN BE ENFORCED OR REMOVED BY THE CITY OF GOODYEAR, AND THE CITY OF GOODYEAR AND ANY PERSONS OR PERSONS WHO HAVE DAMAGED BY THE VIOLATIONS OR ATTEMPTED VIOLATIONS OF ANY OF THESE COVENANTS CAN BRING PROCEEDINGS AT LAW OR IN EQUITY HEREUNDER SHALL HAVE THE RIGHT TO RECOVER, IN ADDITION TO ANY DAMAGES, THEIR COSTS, INCLUDING COURT COSTS, IN ADDITION TO REASONABLE ATTORNEY'S FEES. THE AGREEMENTS AND COVENANTS CONTAINED HEREIN SHALL BE A COVENANTS RUNNING WITH THE LAND, AND UPON RECORDING SHALL BE BINDING UPON ANY SUBSEQUENT OWNER OF ALL OR A PORTION OF TRACTS B, C, D, F & H.

IN CONSIDERATION OF THE CITY'S AGREEMENT TO ALLOW THE CONSTRUCTION OF A MEDIAN AND INSTALLATION OF LANDSCAPING WITHIN TRACT J & K, THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION HEREBY EXPRESSLY AGREES THAT IT SHALL, AT ITS SOLE COST, INSTALL, MAINTAIN AND REPLACE LANDSCAPING WITHIN TRACTS J & K, INCLUDING THE PROVISION OF ALL WATER NEEDED FOR THE MAINTENANCE OF SUCH LANDSCAPING. THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION SHALL OBTAIN ALL PERMITS AS MAY BE REQUIRED BY THE CITY FOR UNDERTAKING WORK WITHIN CITY RIGHT-OF-WAY. THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION EXPRESSLY AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, ELECTED OFFICIALS, EMPLOYEES, AND AGENTS FOR ALL CLAIMS ARISING FROM OR ALLEGED TO HAVE ARISEN FROM THE LANDSCAPING, INCLUDING THE FAILURE TO MAINTAIN SUCH LANDSCAPING, WITHIN THE MEDIAN. EXCEPT AS PROVIDED HEREIN, THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION SHALL BE RESPONSIBLE FOR TAKING ACTION TO REMEDY ANY UNSAFE CONDITION IDENTIFIED BY THE CITY WITHIN THREE (3) BUSINESS DAYS AFTER BEING NOTIFIED OF SUCH UNSAFE CONDITION BY THE CITY. THE CITY SHALL BE ENTITLED TO REMEDY ANY UNSAFE CONDITION RESULTING FROM THE LANDSCAPING WITHIN THE MEDIAN IF THE CITY ENGINEER OR HIS/HER DESIGNEE IN HIS/HER REASONABLE DISCRETION DETERMINES THAT THE SAFETY OF THE PUBLIC REQUIRES THAT THE UNSAFE CONDITION BE REMEDIATED BEFORE THREE (3) BUSINESS DAYS OF ITS DISCOVERY; AND THE CITY SHALL BE ENTITLED TO REMEDY ANY UNSAFE CONDITION RESULTING FROM THE FAILURE OF THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION TO REMEDY THE UNSAFE CONDITION WITHIN THREE (3) BUSINESS DAYS OF BEING NOTIFIED OF SUCH UNSAFE CONDITION BY THE CITY. IN THE EVENT THE CITY EXERCISES ITS RIGHT TO REMEDY UNSAFE CONDITION AS PROVIDED HEREIN, THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION SHALL REIMBURSE THE CITY FOR THE COSTS INCURRED IN DOING SO. SHOULD THE HOA FAIL TO MAINTAIN THE LANDSCAPING WITHIN TRACT J & K AS PROVIDED HEREIN, THE CITY SHALL BE ENTITLED TO REMOVE THE LANDSCAPING AND OR REMOVE THE LANDSCAPING AND MEDIAN, AND THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION SHALL REIMBURSE THE CITY FOR THE COSTS INCURRED IN SUCH REMOVAL. IN ANY DISPUTE UNDER THIS AGREEMENT, THE SUCCESSFUL PARTY SHALL BE ENTITLED TO COLLECT ITS REASONABLE ATTORNEY'S FEES, AND OTHER COSTS AS DETERMINED BY A COURT OF COMPETENT JURISDICTION.

NNP III-ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY, INCLUDING ITS HEIRS, SUCCESSORS, AND ASSIGNS, AS OWNER, HEREBY DEDICATES TO THE CITY OF GOODYEAR FOR USE BY THE CITY AND ITS PERMITEES EXCLUSIVE AND PERPETUAL SEWER EASEMENTS UPON, OVER, ACROSS, AND UNDER ALL AREAS WITHIN TRACT H DESIGNATED AS "SEWER EASEMENT" AND NON-EXCLUSIVE ACCESS EASEMENTS UPON, OVER AND ACROSS ALL AREAS WITHIN TRACT H DESIGNATED AS "SEWER EASEMENT". THE SEWER EASEMENT IS FOR THE PURPOSES OF INSTALLING, OPERATING, MAINTAINING, REPLACING, AND OR REPAIRING THE SEWER AND APPURTENANCES AND PROVIDING ACCESS THERETO.

IN WITNESS WHEREOF:

NNP III - ESTRELLA MOUNTAIN RANCH LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS OWNER, HAS HEREUNTO CAUSED ITS NAME TO BE AFFIXED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED. THIS 31st DAY OF August 2020.

NNP III - ESTRELLA MOUNTAIN RANCH LLC, A DELAWARE LIMITED LIABILITY COMPANY

BY: [Signature]

NAME: William M. Olson

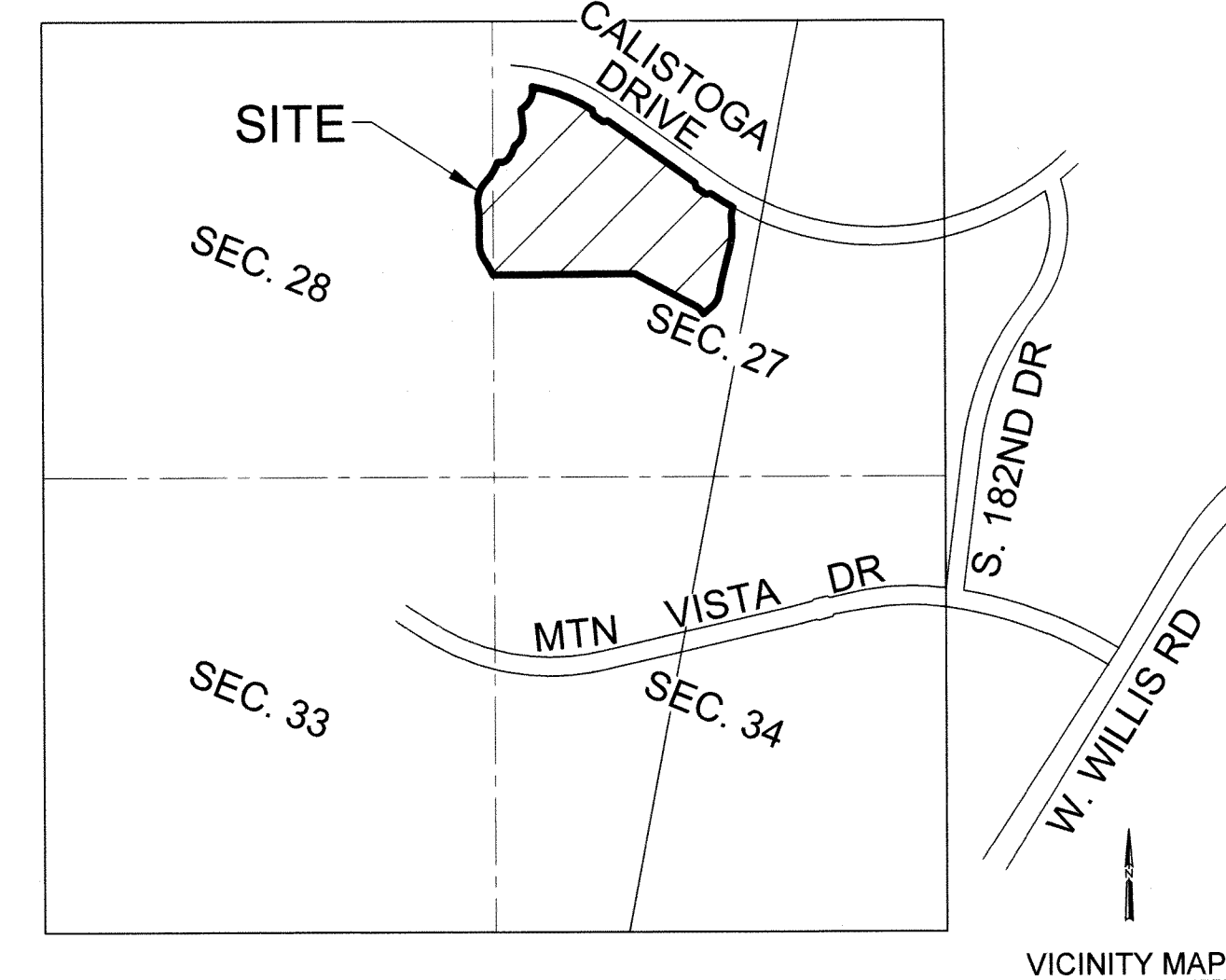
ITS: Senior Vice President

OFFICIAL RECORDS OF
 MARICOPA COUNTY RECORDER
 ADRIAN FONTES
 20200923349 09/29/2020 03:40
 BOOK 1549 PAGE 30
 ELECTRONIC RECORDING

ESTRELLAPARCEL943-4-1-1-M-
 hoyp

FINAL PLAT
 OF
"ESTRELLA PARCEL 9.43"
 GOODYEAR, ARIZONA

A PORTION OF LAND LYING WITHIN SECTIONS 27 & 28, TOWNSHIP 1 SOUTH, RANGE 2 WEST OF THE GILA & SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA



SITE DATA		
DESCRIPTION	SQUARE FEET	ACRES
GROSS AREA	1,174,506	26.96
STREET ROW	205,868	4.73
NET AREA	968,638	22.24
LOT SIZE (MIN.)	73' X 135'	
TOTAL LOTS	73	
AREA SUBDIVIDED INTO LOTS	743,534	17.07
GROSS DENSITY		2.71
OPEN SPACE	223,109	5.12
% OF GROSS AREA IN O.S.		18.996%
EXISTING ZONING		P.A.D.

CALCULATION OF ADJUSTED GROSS AREA	
AREA OF LOCAL STREET ROW	4.73
PLUS AREA SUBDIVIDED INTO LOTS	17.07
AREA SUBTOTAL	21.80
APPLY 15% OPEN SPACE FACTOR	0.85
ADJUSTED GROSS AREA (SUBTOTAL DIVIDED BY 85%)	25.64

EDU DENSITY CALCULATION	
NUMBER OF DWELLING UNITS	73
DIVIDED BY ADJUSTED GROSS AREA	25.64
ADJUSTED GROSS DENSITY	2.85

EDU CALCULATION	
NUMBER OF DWELLING UNITS	73
EQUIVALENT EDU FACTOR FOR 2-4 DU/AC (1.00 PER DU)	1.00
NUMBER OF EDU'S REQUIRED FOR PROJECT	73.00

RECREATIONAL OPEN SPACE	
PASSIVE ACREAGE	1.52
ACTIVE ACREAGE	3.64

ACKNOWLEDGEMENT

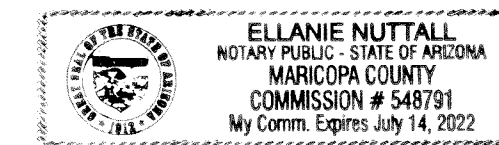
STATE OF ARIZONA)
) S.S.
 COUNTY OF MARICOPA)

ON THIS 31st DAY OF August, 2020 BEFORE ME THE UNDERSIGNED, PERSONALLY APPEARED

William M. Olson, WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE Senior Vice President OF NNP III - ESTRELLA MOUNTAIN RANCH, LLC, A DELAWARE LIMITED LIABILITY COMPANY AND BEING AUTHORIZED TO DO SO ON BEHALF OF SAID ENTITY, EXECUTED THE FOREGOING PLAT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF:

HEREUNTO SET MY HAND AND OFFICIAL SEAL



NOTARY PUBLIC
 MY COMMISSION EXPIRES 7/14/22

HOMEOWNER'S ASSOCIATION RATIFICATION

BY THIS RATIFICATION AND CONSENT, THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION, ACKNOWLEDGES AND CONSENTS TO THE OWNERSHIP OF TRACTS A, B, C, D, E, F & G REFLECTED HEREIN. THE DEDICATION OF THE VEHICLE NON-ACCESS EASEMENTS REFLECTED HEREIN, AND THE MAINTENANCE RESPONSIBILITIES AND OTHER RESPONSIBILITIES REFERRED TO HEREIN.

THE THE 31st DAY OF August, 2020

VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION AN ARIZONA NON-PROFIT CORPORATION

BY: [Signature]

NAME: R. Stuart Barney

ITS: PRESIDENT

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) S.S.
 COUNTY OF MARICOPA)

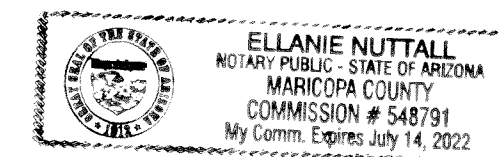
ON THIS 31st DAY OF August, 2020 BEFORE ME THE UNDERSIGNED, PERSONALLY

APPEARED R. Stuart Barney, WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE

President OF VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION, AN ARIZONA NON-PROFIT CORPORATION AND BEING AUTHORIZED TO DO SO ON BEHALF OF SAID ENTITY, EXECUTED THE FOREGOING PLAT FOR THE PURPOSES THEREIN CONTAINED.

IN WITNESS WHEREOF:

HEREUNTO SET MY HAND AND OFFICIAL SEAL



NOTARY PUBLIC
 MY COMMISSION EXPIRES 7/14/22

APPROVALS

APPROVED BY THE CITY COUNCIL OF THE CITY OF GOODYEAR, ARIZONA

THIS 31st DAY OF August, 2020

BY: [Signature] ATTEST: Nancy McCracken
 GEORGE LORD, MAYOR DARCIE MCCRACKEN, CLERK



APPROVED BY THE ENGINEER OF THE CITY OF GOODYEAR, ARIZONA.

THIS 1st DAY OF September, 2020

BY: [Signature]
 SUMEET MOHAN, CITY ENGINEER

OWNER/DEVELOPER

NNP III-ESTRELLA MOUNTAIN RANCH, LLC
 5090 NORTH 40TH STREET, SUITE 210
 PHOENIX, ARIZONA 85086
 PH: (602) 347-6851
 CONTACT: PETE TEICHE

SURVEYOR INFORMATION

STRATEGIC SURVEYING, LLC
 1102 W. SOUTHERN AVE.
 SUITE 4
 TEMPE, AZ 85282
 PH: (480) 272-7634
 CONTACT: JOSHUA MOYSES
 EMAIL: JMOYSES@SSURVEYING.COM

BASIS OF BEARING

THE WEST LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 27, TOWNSHIP 1 SOUTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA BEARING: N001°3'25"E

UTILITY SERVICES

WATER ----- CITY OF GOODYEAR
 SEWER ----- CITY OF GOODYEAR
 ELECTRIC ----- ARIZONA PUBLIC SERVICE COMPANY
 GAS ----- SOUTHWEST GAS COMPANY
 TELEPHONE ----- CENTURY LINK
 SOLID WASTE DISPOSAL ----- CITY OF GOODYEAR
 POLICE PROTECTION ----- CITY OF GOODYEAR
 (AND PRIVATE PATROL)
 FIRE PROTECTION AND
 EMERGENCY SERVICES DISPATCH - CITY OF GOODYEAR
 CABLE TELEVISION ----- CENTURY LINK

SHEET INDEX

FP01 COVER SHEET, DEDICATION, NOTES
 FP02 LEGAL DESCRIPTION, TYP. DETAILS, LEGEND, NOTES
 AND TRACT SUMMARY TABLE
 FP03 LOTS, TRACTS & EASEMENT
 FP04 LOT, TRACT, LINE & CURVE TABLES

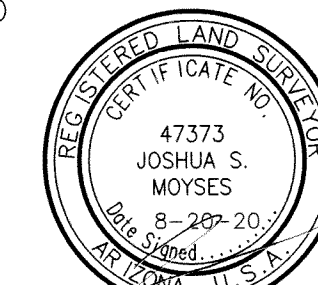
FLOOD PLAIN

ACCORDING TO FLOOD INSURANCE RATE MAP (FIRM) PANEL 04013C2625M, DATED NOVEMBER 4, 2015. THIS PLAT IS LOCATED IN FLOOD INSURANCE ZONE "X" DEFINED AS AREAS OF 0.2% ANNUAL CHANCE FLOOD, AREAS OF 1% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 SQUARE MILE, AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.

SURVEYOR'S STATEMENT

I, JOSHUA S. MOYSES, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, THAT THIS MAP CORRECTLY REPRESENTS A BOUNDARY SURVEY MADE UNDER MY SUPERVISION AND THE SURVEY IS TRUE AND COMPLETED AS SHOWN, MEETS THE MINIMUM STANDARDS FOR ARIZONA LAND BOUNDARY SURVEY, ALL MONUMENTS SHOWN ACTUALLY EXIST AS SHOWN, THEIR POSITIONS ARE CORRECTLY SHOWN AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACTED. THE INTERNAL LOT AND TRACT LINES, EASEMENTS, RIGHTS-OF-WAY, AND OTHER CALCULATIONS OTHER THAN PROPERTY BOUNDARY, WERE PROPERLY PREPARED UNDER MY PERSONAL SUPERVISION IN ACCORDANCE WITH THE PLATTING RULES AND REGULATIONS OF THE STATE OF ARIZONA.

BY: JOSHUA S. MOYSES, R.L.S. #47373
 STRATEGIC SURVEYING, LLC
 1102 W. SOUTHERN AVE., SUITE 4
 TEMPE, ARIZONA 85282
 PH: (480) 272-7634



NOTE:
 A.R.S. 32-151 STATE THAT THE USE OF THE WORD "CERTIFY" OR "CERTIFICATE" IS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THE FACTS OF THE SURVEY AND DOES NOT CONSTITUTE A GUARANTEE, EXPRESS OR IMPLIED.

STRATEGIC SURVEYING, LLC
 1102 W. SOUTHERN AVE.
 STE 4
 TEMPE, AZ 85282
 PH 480-272-7634

LAND SURVEYING, LLC
 1102 WEST SOUTHERN AVE.
 TEMPE, ARIZONA 85282
 CONTACT: JOSHUA MOYSES
 PHONE: (480) 865-4399

FINAL PLAT
 PARCEL 9.43
 PORTIONS OF SECTION 27 & 28
 TOWNSHIP 1 SOUTH, RANGE 2 WEST PER G.&S.R.B.&M.
 GOODYEAR, ARIZONA

SHEET 1 OF 4
 DRAWING NUMBER
 FP-01

STRATEGIC SURVEY PROJECT #
 00355-PP
 CLIENT PROJECT NUMBER

ESTRELLAPARCEL943-4-1-1-M-
 hoyp

STRATEGIC SURVEYING, LLC

LAND SURVEYOR

STRATEGIC SURVEYING, LLC
 1102 WEST SOUTHERN AVE.
 SUITE 4
 TEMPE, ARIZONA 85282
 CONTACT: JOSHUA MOYSES
 PHONE: (480) 865-4399

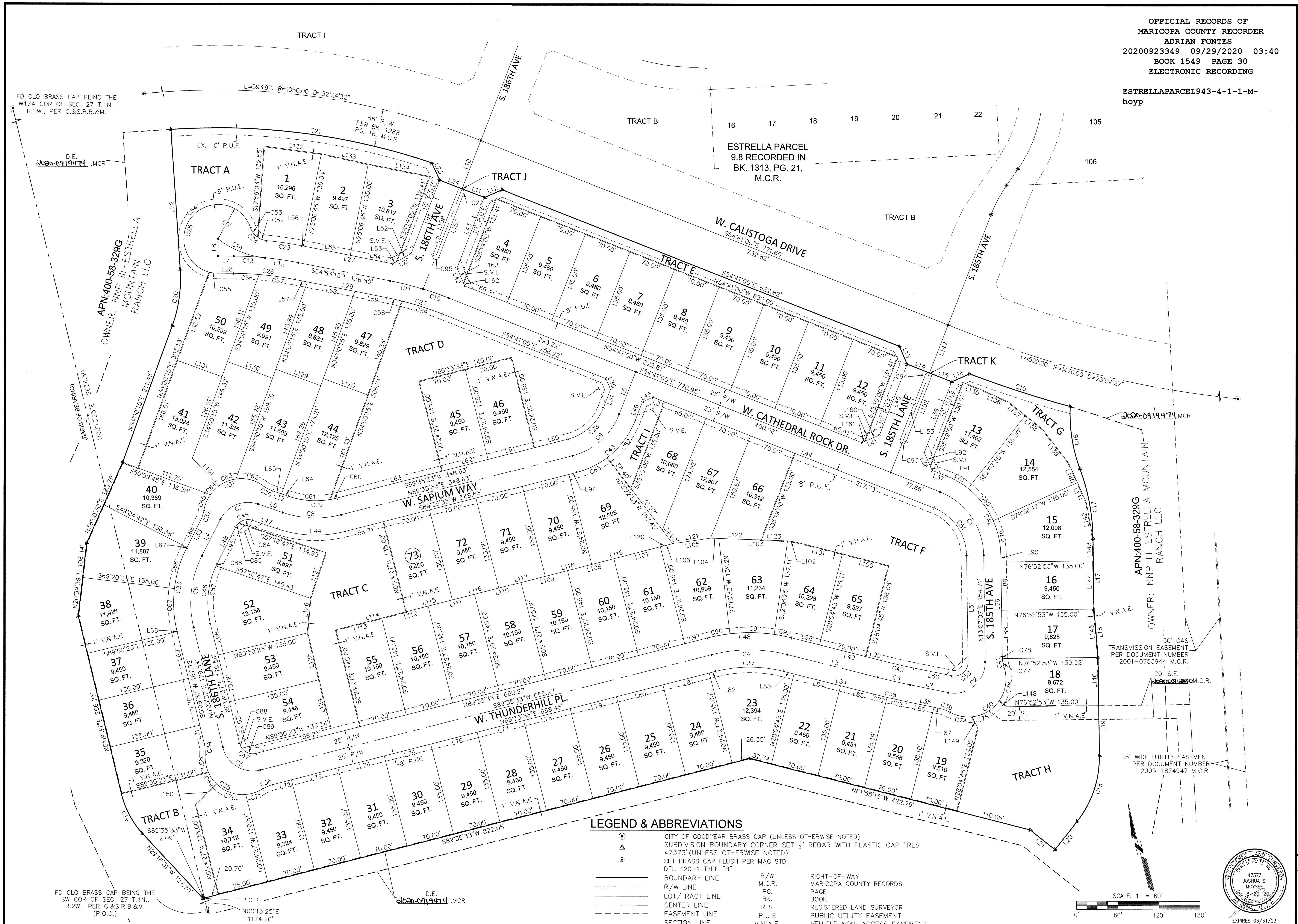
JSM
 JSM
 JSM
 DATE: 8-20-20
 STRATEGIC SURVEY PROJECT #
 00355-FP
 CLIENT PROJECT NUMBER

FINAL PLAN
 PARCEL 9.43
 PORTIONS OF SECTION 27 & 28
 TOWNSHIP 1 SOUTH, RANGE 2 WEST PER G.&S.R.B.&M.
 GOODYEAR, ARIZONA

SHEET 3 OF 4
 DRAWING NUMBER

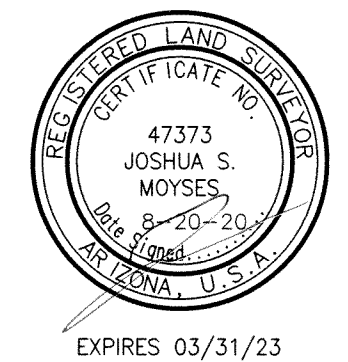
FP-03

EXP. 03/31/23



LEGEND & ABBREVIATIONS

●	CITY OF GOODYEAR BRASS CAP (UNLESS OTHERWISE NOTED)	R/W	RIGHT-OF-WAY
▲	SUBDIVISION BOUNDARY CORNER SET 1/2" REBAR WITH PLASTIC CAP "RLS 47373"(UNLESS OTHERWISE NOTED)	M.C.R.	MARICOPA COUNTY RECORDS
○	SET BRASS CAP FLUSH PER MAG STD.	P.G.	PAGE
—	DTL 120-1 TYPE "B"	BK.	BOOK
—	BOUNDARY LINE	RLS	REGISTERED LAND SURVEYOR
—	R/W LINE	P.U.E.	PUBLIC UTILITY EASEMENT
—	LOT/TRACT LINE	V.N.A.E.	VEHICLE NON-ACCESS EASEMENT
—	CENTER LINE		
—	EASEMENT LINE		
—	SECTION LINE		



SCALE: 1" = 60'
 0' 60' 120' 180'

FD GLO BRASS CAP BEING THE
 W1/4 COR OF SEC. 27 T.1N.,
 R.2W., PER G.&S.R.B.&M.

FD GLO BRASS CAP BEING THE
 SW COR OF SEC. 27 T.1N.,
 R.2W., PER G.&S.R.B.&M.
 (P.O.C.)

APN: 400-58-329G
 OWNER: NNP III-ESTRELLA
 MOUNTAIN RANCH LLC

APN: 400-58-329G
 OWNER: NNP III-ESTRELLA MOUNTAIN-
 RANCH LLC

50' GAS
 TRANSMISSION EASEMENT
 PER DOCUMENT NUMBER
 2001-0753944 M.C.R.

20' S.E.
 PER DOCUMENT NUMBER
 2005-1874947 M.C.R.

P.O.B.
 N00°13'25"E
 1174.26'

D.E.
 0600-0919474 MCR

D.E.
 0600-0919474 MCR

(BASIS OF BEARING)
 N00°13'25"E
 2634.80'

D.E.
 0600-0919474 MCR

LINE TABLE		
LINE #	LENGTH	BEARING
L1	230.00	S35°19'00"W
L2	56.48	N64°38'53"W
L3	136.10	N61°55'15"W
L4	59.74	N40°55'18"E
L5	38.41	S57°16'47"E
L6	65.75	N35°19'00"E
L7	22.95	N75°46'47"W
L8	25.00	N14°13'13"E
L9	156.31	N35°19'00"E
L10	75.26	N35°19'00"E
L11	35.00	S55°05'57"E
L12	28.28	N80°19'00"E
L13	28.28	S9°41'00"E
L14	35.00	S54°41'00"E
L15	35.00	S54°41'00"E
L16	28.38	N80°08'03"E
L17	102.46	S13°07'07"W
L18	70.18	S9°01'59"W
L19	142.81	S13°07'07"W
L20	52.48	S52°16'54"W
L21	45.89	N37°43'06"W
L22	203.51	N10°05'39"E
L23	27.71	S10°53'19"E
L24	35.00	S55°05'57"E
L25	114.47	S35°19'00"W

LINE TABLE		
LINE #	LENGTH	BEARING
L26	30.69	S75°12'53"W
L27	135.57	N64°53'15"W
L28	22.95	S75°46'47"E
L29	136.80	S64°53'15"E
L30	16.97	S9°41'00"E
L31	28.75	S35°19'00"W
L32	23.72	N57°16'47"W
L33	45.05	S40°55'18"W
L34	136.10	S61°55'15"E
L35	49.27	S64°38'53"E
L36	147.50	N13°07'07"E
L37	22.66	N54°41'00"W
L38	28.28	N9°41'00"W
L39	110.00	N35°19'00"E
L40	110.00	S35°19'00"W
L41	28.28	S80°19'00"W
L42	28.28	N9°41'00"W
L43	110.00	N35°19'00"E
L44	432.73	N54°41'00"W
L45	16.97	S80°19'00"W
L46	28.75	S35°19'00"W
L47	38.41	N57°16'47"W
L48	59.74	S40°55'18"W
L49	136.10	S61°55'15"E
L50	56.48	S64°38'53"E

LINE TABLE		
LINE #	LENGTH	BEARING
L51	154.71	N13°07'07"E
L52	23.39	S75°12'53"W
L53	7.30	S75°12'53"W
L54	63.18	N64°53'15"W
L55	70.00	N64°53'15"W
L56	2.39	N64°45'25"W
L57	18.41	S64°53'15"E
L58	70.85	S64°53'15"E
L59	47.54	S64°53'15"E
L60	50.76	S89°35'33"W
L61	70.00	S89°35'33"W
L62	70.00	S89°35'33"W
L63	157.87	S89°35'33"W
L64	10.43	N57°16'47"W
L65	13.29	N57°16'47"W
L66	44.02	S40°55'18"W
L67	1.02	S40°55'18"W
L68	0.19	S0°09'37"W
L69	70.00	S0°09'37"W
L70	70.00	S0°09'37"W
L71	27.53	S0°09'37"W
L72	28.60	N89°35'33"E
L73	70.00	N89°35'33"E
L74	70.00	N89°35'33"E
L75	70.00	N89°35'33"E

LINE TABLE		
LINE #	LENGTH	BEARING
L76	70.00	N89°35'33"E
L77	70.00	N89°35'33"E
L78	70.00	N89°35'33"E
L79	70.00	N89°35'33"E
L80	70.00	N89°35'33"E
L81	70.00	N89°35'33"E
L82	9.85	N89°35'33"E
L83	16.24	S61°55'15"E
L84	70.00	S61°55'15"E
L85	49.85	S61°55'15"E
L86	40.23	S64°38'53"E
L87	9.04	S64°38'53"E
L88	67.16	N13°07'07"E
L89	70.00	N13°07'07"E
L90	10.34	N13°07'07"E
L91	7.07	N9°41'00"W
L92	21.21	N9°41'00"W
L93	18.00	N54°41'00"W
L94	11.91	S89°35'33"E
L95	59.74	S40°55'18"W
L96	47.50	S0°09'37"W
L97	34.02	N89°35'33"E
L98	42.01	S61°55'15"E
L99	24.09	S61°55'15"E
L100	70.00	N61°53'56"W

LINE TABLE		
LINE #	LENGTH	BEARING
L101	71.45	N61°53'56"W
L102	10.67	N67°51'35"W
L103	100.56	N74°04'14"W
L104	11.93	N74°04'14"W
L105	56.10	N84°26'00"W
L106	18.72	S89°35'33"W
L107	70.00	S89°35'33"W
L108	70.00	S89°35'33"W
L109	70.00	S89°35'33"W
L110	70.00	S89°35'33"W
L111	70.00	S89°35'33"W
L112	70.00	S89°35'33"W
L113	70.00	S89°35'33"W
L114	106.58	N89°35'33"E
L115	70.00	N89°35'33"E
L116	70.00	N89°35'33"E
L117	70.00	N89°35'33"E
L118	70.00	N89°35'33"E
L119	103.42	N89°35'33"E
L120	18.72	N89°35'33"E
L121	56.10	S84°26'00"E
L122	74.21	N74°04'14"W
L123	38.29	S74°04'14"E
L124	70.00	N0°09'37"E
L125	70.00	N0°09'37"E

LINE TABLE		
LINE #	LENGTH	BEARING
L126	50.16	N19°09'05"E
L127	70.00	N32°43'13"E
L128	70.00	N55°59'45"W
L129	70.00	N55°59'45"W
L130	70.00	N55°59'45"W
L131	70.00	N55°59'45"W
L132	84.62	S68°19'40"E
L133	70.01	S63°47'40"E
L134	92.24	S64°53'15"E
L135	33.21	S54°41'00"E
L136	39.71	S51°37'16"E
L137	31.36	S37°52'05"E
L138	31.36	S37°52'05"E
L139	62.71	S24°06'54"E
L140	31.36	S10°21'43"E
L141	31.36	S10°21'43"E
L142	53.48	S3°23'28"W
L143	32.46	S13°07'07"W
L144	70.00	S13°07'07"W
L145	70.18	S9°01'59"W
L146	70.00	S13°07'07"W
L147	75.00	S35°19'11"W
L148	13.49	N40°17'49"W
L149	18.97	N13°16'33"W
L150	43.09	N58°56'41"E

LINE TABLE		
LINE #	LENGTH	BEARING
L151	55.78	S30°15'58"E
L152	100.76	S35°19'00"W
L153	100.76	N35°19'00"E
L157	100.58	S35°19'00"W
L158	100.51	N35°19'00"E
L160	23.20	S80°19'00"W
L161	5.08	S80°19'00"W
L162	5.08	S9°41'00"E
L163	23.20	S9°41'00"E

LOT AREA TABLE			
LOT #	AREA (SQ. FT.)	AREA (ACRES)	
1	10,296	0.23	
2	9,497	0.22	
3	10,812	0.25	
4	9,450	0.22	
5	9,450	0.22	
6	9,450	0.22	
7	9,450	0.22	
8	9,450	0.22	
9	9,450	0.22	
10	9,450	0.22	
11	9,450	0.22	
12	9,450	0.22	
13	11,402	0.26	
14	12,554	0.29	
15	12,098	0.28	
16	9,450	0.22	
17	9,625	0.22	
18	9,672	0.22	
19	9,510	0.22	
20	9,555	0.22	
21	9,451	0.22	
22	9,450	0.22	
23	12,394	0.28	
24	9,450	0.22	
25	9,450	0.22	
26	9,450	0.22	
27	9,450	0.22	
28	9,450	0.22	

LOT AREA TABLE			
LOT #	AREA (SQ. FT.)	AREA (ACRES)	
29	9,450	0.22	
30	9,450	0.22	
31	9,450	0.22	
32	9,450	0.22	
33	9,324	0.21	
34	10,712	0.25	
35	9,320	0.21	
36	9,450	0.22	
37	9,450	0.22	
38	11,926	0.27	
39	11,887	0.27	
40	10,389	0.24	
41	13,024	0.30	
42	11,335	0.26	
43	11,605	0.27	
44	12,125	0.28	
45	9,450	0.22	
46	9,450	0.22	
47	9,829	0.23	
48	9,833	0.23	
49	9,991	0.23	
50	10,299	0.24	
51	9,897	0.23	
52	13,156	0.30	
53	9,450	0.22	
54	9,446	0.22	
55	10,150	0.23	
56	10,150	0.23	

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	CHD BEARING	CHD LENGTH
C1	118.34	100.00	67°48'07"	S20°46'57"E	111.55
C2	80.29	45.00	102°14'00"	S64°14'07"W	70.06
C3	48.79	1025.00	2°43'38"	N63°17'04"W	48.78
C4	111.87	225.00	28°29'12"	N76°09'51"W	110.72
C5	71.13	45.00	90°34'04"	N45°07'25"W	63.95
C6	106.71	150.00	40°45'41"	N20°32'28"E	104.48
C7	64.24	45.00	81°47'55"	N81°49'16"E	58.93
C8	86.73	150.00	33°07'40"	S73°50'37"E	85.53
C9	94.73	100.00	54°16'33"	N62°27'17"E	91.23
C10	39.57	500.00	4°32'05"	N56°57'02"W	39.56
C11	49.48	500.00	5°40'10"	N62°03'10"W	49.46
C12	49.15	500.00	5°37'55"	N67°42'12"W	49.13
C13	45.91	500.00	5°15'37"	N73°08'58"W	45.89
C14	74.94	132.17	32°29'19"	N54°16'30"W	73.94
C15	154.55	1525.00	5°48'23"	S58°19'42"E	154.48
C16	91.96	225.00	23°25'02"	S5°01'44"W	91.32
C17	103.66	300.00	19°47'54"	S3°13'10"W	103.15
C18	102.53	150.00	39°09'47"	S32°42'00"W	100.54
C19	67.30	131.00	29°26'08"	N14°33'27"W	66.56
C20	83.46	200.00	23°54'36"	N22°02'57"E	82.86
C21	386.53	995.00	22°15'28"	S68°46'38"E	384.10
C22	14.39	4.58	180°00'00"	S55°30'54"E	9.16
C23	51.60	525.00	5°37'55"	N67°42'12"W	51.58
C24	32.02	28.00	65°31'28"	N37°45'25"W	30.30
C25	218.85	50.00	250°47'06"	S49°36'46"W	81.52
C26	90.30	475.00	10°53'32"	S70°20'01"E	90.16
C27	84.60	475.00	10°12'15"	S59°47'07"E	84.48
C28	71.05	75.00	54°16'33"	S62°27'16"W	68.42

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	CHD BEARING	CHD LENGTH
C29	72.27	125.00	33°07'40"	N73°50'37"W	71.27
C30	15.49	50.00	17°45'10"	N48°24'12"W	15.43
C31	112.60	55.00	117°18'15"	S81°49'16"W	93.94
C32	15.49	50.00	17°45'10"	S32°02'43"W	15.43
C33	124.50	175.00	40°45'41"	S20°32'28"W	121.89
C34	15.49	50.00	17°45'10"	S9°02'12"W	15.43
C35	121.02	55.00	126°04'24"	S45°07'25"E	98.04
C36	15.49	50.00	17°45'10"	N80°42'58"E	15.43
C37	99.44	200.00	28°29'12"	S76°09'51"E	98.42
C38	49.98	1050.00	2°43'38"	S63°17'04"E	49.97
C39	15.49	50.00	17°45'10"	S55°46'18"E	15.43
C40	132.22	55.00	137°44'20"	N64°14'07"E	102.60
C41	15.49	50.00	17°45'10"	N4°14'32"E	15.43
C42	147.92	125.00	67°48'07"	N20°46'57"W	139.44
C43	118.41	125.00	54°16'33"	S62°27'17"W	114.03
C44	101.18	175.00	33°07'40"	N73°50'37"W	99.78
C45	28.55	20.00	81°47'55"	S81°49'16"W	26.19
C46	88.93	125.00	40°45'41"	S20°32'28"W	87.06
C47	31.61	20.00	90°34'04"	S45°07'25"E	28.42
C48	124.30	250.00	28°29'12"	S76°09'51"E	123.02
C49	47.60	1000.00	2°43'38"	S63°17'04"E	47.59
C50	35.69				

Exhibit 4

Feasibility Report for Montecito Assessment District No. 3

**Estrella Mountain Ranch Community
Facilities District
City of Goodyear, Arizona**

**FEASIBILITY
REPORT**



*For the Issuance of
Montecito Assessment District No. 3
Special Assessment Revenue Bonds, Series 2021*

August 2, 2021

**Estrella Mountain Ranch
Community Facilities District
Montecito Assessment District No. 3
Feasibility Report**

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Location Maps of Project and Plat of Parcel 9.43 to be Benefited.....Section Three

**Estimated Project Costs and
Schedule for the Completion of the ProjectsSection Four**

Plan of FinanceSection Five
Estimated Annual Debt Service Schedule Exhibit A

Legal Description of the District Appendix A
Legal Description of the Benefited Parcel.....Appendix A-1
Legal Description of the Assessment Parcel
(Recorded Plats) - Parcel 9.43...Appendix A-2

Form of Disclosure Pamphlet Appendix B

Estimated Special Assessment..... Appendix C

SECTION ONE

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

INTRODUCTION

This Feasibility Report (this “Report”) has been prepared for presentation to the Board of Directors of the Estrella Mountain Ranch Community Facilities District (the “District”) in connection with the proposed issuance by the District of its Montecito Assessment District No. 3 Special Assessment Revenue Bonds, Series 2021 (the “Bonds”) in an aggregate principal amount of not to exceed \$598,000 pursuant to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Act”). Proceeds of the Bonds will be used to acquire public infrastructure projects described in Section Two, to pay capitalized interest and to fund a reserve fund with respect to the Bonds.

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of certain public infrastructure (as defined in A.R.S. §48-701) (the “Projects”) to be financed with proceeds of the Bonds, if issued, and of the plan for financing, in part, the Projects 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 Projects which are to be acquired (Section Two); (ii) maps showing the general location of the Projects (Section Three); (iii) an estimate of the cost to construct the Projects and schedule for the completion of the Projects (Section Four); and (iv) a plan for financing the Projects (Section Five).

Additionally, this Report includes: (i) a legal description of the District [[Appendix A](#)]; a legal description of the benefited Parcel [[Appendix A-1](#)]; reference to recorded final plat of Assessment Parcel 9.43 [[Appendix A-2](#)]; a form of disclosure pamphlet [[Appendix B](#)]; and the estimated special assessment liens [[Appendix C](#)].

This Report has been prepared for the exclusive consideration of the Board of Directors of the District. 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, engineers, staff of the City of Goodyear, Arizona (“City”), legal counsel and other experts have been consulted as deemed appropriate. **THIS REPORT IS NOT INTENDED TO BE A “FINANCIAL FEASIBILITY REPORT OR STUDY” AS THAT TERM IS CUSTOMARILY USED.**

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City upon the request of SunChase Estrella Limited Partnership, a Delaware limited partnership (“SunChase”), as the owner of all the land within the District as of formation on November 22, 1999. Residential Funding Corporation, a Delaware corporation, consented to the formation of the District as a holder of a lien interest in such land as of formation.

Subsequent to the formation of the District, a Development, Financing Participation and Intergovernmental Agreement No. 1 (the “CFD Development Agreement”) was entered into between the District, the City, SunChase and Residential Funding Corporation. The initial and subsequent public infrastructure was described in the General Plan which was recorded on November 23, 1999, as document no. 99-1063338. Ryland Group, Inc. (which subsequently obtained a contractual interest in certain property contained within the District) consented and agreed to the CFD Development Agreement.

In 2003, SunChase conveyed Estrella Mountain Ranch and assigned its interests in the CFD Development Agreement to Sun MP, LLC (“Sun MP”), a limited liability company formed in connection with a restructuring and a new capital investment in the mixed-use, master-planned

community known as Estrella Mountain Ranch (“Estrella Mountain Ranch”) by an unrelated party. In October 2003, the City and the District consented to the assignment of SunChase’s interests to Sun MP.

Pursuant to an option agreement, in a series of transactions from May 16, 2005, through July 31, 2013, Sun MP conveyed all of its interest in the District land and in the various agreements related to the District, to NNP III-Estrella Mountain Ranch, LLC (“Applicant”) and its affiliated entities, as follows:

NP III-Estrella Mountain Ranch, LLC acquired a total of approximately 6,461 acres from Sun MP. Of this total, 6,130 acres are within the District and 331 acres are near but outside the District. NP III-EMR 3, LLC acquired approximately 2,750 acres from Sun MP. Of this total, 2,430 acres are within the District and 320 acres are near but outside the District. NP III-EMR 4, LLC acquired approximately 9,058 acres from Sun MP. Of this total, 177 acres are within the District and 8,881 acres are near but outside the District.

Combined, NP III-Estrella Mountain Ranch, LLC and its affiliated entities acquired approximately 18,269 acres from Sun MP. Of the total, approximately 8,737 acres are within the District and 9,532 acres are near but outside the District. Currently, NP III-Estrella Mountain Ranch, LLC and its affiliated entities own approximately 6,534 acres of District land. The remaining 3,237 acres of District land is owned by various parties including home builders, homeowners, homeowners association, commercial and civic users and investors.

NP III – Estrella Mountain Ranch, LLC and NP III-EMR 3, LLC are wholly-owned by NP III – Estrella, LLC, a Delaware limited liability company (“NP III – Estrella”). NP III – Estrella and NP III-EMR 4, LLC, a Delaware limited liability company are wholly-owned by Estrella Mountain Ranch Developers LLC, a Delaware limited liability company (“NP III”). NP III is wholly-owned by Land Management Company, LLC. The Members of Land Management Company are California Public Employees’ Retirement System and ORA California VI, LLC. The Estrella Mountain Ranch project is managed by Brookfield Properties Development, LLC under a Project Management Agreement with NP III.

The Bonds, if issued, would represent the seventh series of new money special assessment revenue bonds issued by the District. The table below summarizes previous series of special assessment bonds and special assessment refunding bonds.

**Estrella Mountain Ranch Community Facilities District
Special Assessment Revenue Bonds Issued**

Order	Description and Issue Year	New Money Bond Issue Amount	Refunding Principal Amount	Infrastructure Financed
1.	Special Assessment Lien Bonds, Golf Village Series 2001A <i>Refunding bonds issued in January 2018</i>	\$8,088,000	\$1,785,000	Westar and Golf Club Drive, a sewer force main, a sewer lift station, and the Estrella Parkway Extension
2.	Special Assessment Revenue Bonds, Desert Village Assessment District, Series 2002 <i>Refunding bonds issued in January 2018</i>	\$4,950,000	\$1,985,000	San Gabriel Road Phase I, San Gabriel Road Phase II, and enhanced landscaping along San Gabriel Road

Order	Description and Issue Year	New Money Bond Issue Amount	Refunding Principal Amount	Infrastructure Financed
3.	Special Assessment Revenue Bonds, Montecito Assessment District, Series 2007 <i>Refunding bonds issued in January 2018</i>	\$7,680,000	\$5,329,000	Calistoga Drive Phase I
4.	Special Assessment Revenue Bonds, Golf Village Assessment District No. 2, Series 2007 <i>Refunding bonds issued in January 2018</i>	\$6,928,000	\$4,789,000	Westar Drive Phases II – IV
5.	Special Assessment Revenue Bonds, Montecito Assessment District No. 2, Series 2015	\$4,980,000		182 nd WMV Ph1, 182 nd WMV Ph2 and Calistoga 2-1
6.	Special Assessment Revenue Bonds, Lucero Assessment District No. 1, Series 2019	\$6,913,000		Hillside Drive 16” and 12” Waterlines Lift Station and Parallel Force Main Zone 2 Water System
Total Issued	Special Assessment Bond Issues	\$39,539,000	\$13,888,000	

In addition to the special assessment revenue bonds issued by the District, three series of general obligation bonds have also been issued. The table below summarizes prior general obligation bond and general obligation refunding bond issues.

Estrella Mountain Ranch Community Facilities District
General Obligation Bonds Issued

Order	Description and Issue Year	New Money Bond Issue Amount	Refunding Principal Amount	Infrastructure Financed
1.	General Obligation Bonds, Series 2001	\$200,000	\$ -	Landscape renovations along Estrella Parkway from Elliot Road to San Miguel Drive
2.	General Obligation Bonds, Series 2005 <i>Refunding bonds issued in March 2017¹</i>	\$5,005,000	\$3,665,000	Acquisition of a 16” water line, a 24” effluent line, the Lum lift station, and Estrella Parkway Phase 3A extension

¹ \$14,050,000 General Obligation Refunding Bonds, Series 2017 redeemed \$13,900,000 par (\$3,630,000 of Series 2005 and \$10,270,000 Series 2007 General Obligation Bonds), requiring \$150,000 of bond issue authorization on the Refunding Series 2017. Remaining general obligation bond issue authorization of the District is **\$181,895,000**.

Order	Description and Issue Year	New Money Bond Issue Amount	Refunding Principal Amount	Infrastructure Financed
3.	General Obligation Bonds, Series 2007 <i>Refunding bonds issued in March 2017¹</i>	\$12,750,000	\$10,385,000	Balance of the extension of Estrella Parkway Phase 3A, Estrella Parkway Phase 3B, Estrella Parkway Phase 3C, Rainbow Valley Water, Reclaimed Water, Sewer and Sewage Force Mains, H-7 Well Site Water Main Extension and H-10 Well Site Water Main Extension
Total Issued		\$32,005,000	\$14,050,000	

The District was created to finance the construction and acquisition of various public infrastructure described in the General Plan for Estrella Mountain Ranch. Montecito Assessment District No. 3, consisting primarily of residential development, is the portion of the District that will be benefited by the Projects described in Section Two of this Report. (See the maps in Section Three of this Report). A legal description of Montecito Assessment District No. 3 [Appendix A-1] has been included in this Report.

Estrella Mountain Ranch is being developed in phases with individual development areas, including Montecito Assessment District No. 3. Although the number of acres devoted to each particular type of land use may ultimately vary from those presented, at the time the land use plan was prepared the build-out of Estrella Mountain Ranch was expected to include the following:

¹ \$14,050,000 General Obligation Refunding Bonds, Series 2017 redeemed \$13,900,000 par (\$3,630,000 of Series 2005 and \$10,270,000 Series 2007 General Obligation Bonds), requiring \$150,000 of bond issue authorization on the Refunding Series 2017. Remaining general obligation bond issue authorization of the District is **\$181,895,000**.

**Estrella Mountain Ranch
Community Facilities District
Land Use Plan**

Type of Development	Acres Within the District (1)
Residential	5,146
Commercial	654
Schools	122
Municipal Uses	157
Open Space	2,897
Parks	232
Miscellaneous	563
Total Acreage	9,771

Footnote:

(1) Estimate: Subject to change.

Source: Applicant.

The following table includes pertinent information to be contained within Montecito Assessment District No. 3, of which Parcel 9.43 is the only parcel. Parcel 9.43 has a recorded plat for 73 single family home sites which are 70' wide.

**Estrella Mountain Ranch
Community Facilities District
Montecito Assessment District No. 3
Land Use Plan**

Planning Areas	Land Area (Acres)	Platted Units	Lot Sizes	Owner	Status	Appendix
9.43	27.0	73	70' X 135'	Applicant	Recorded Plat	A-2
Total	27.0	73				

Source: Applicant

Future residents of Montecito Assessment District No. 3 will be advised of the existence of the District and the proposed issuance of the Bonds by way of a detailed disclosure pamphlet [[Appendix B](#)] that discloses the existence of the special taxing District and in the case of the Bonds, special assessment liens that will be levied on property within the District.

The estimated special assessment liens [[Appendix C](#)] are indicated in an analysis in this Report. The final assessment liens will be dependent upon the final cost of the improvements financed, the benefit determined to have been received by each parcel as determined by the District's assessment engineer (the "Assessment Engineer"), as well as the bulk wholesale value of the parcels to be assessed as determined by an independent third party MAI appraiser retained by the District (the "Appraiser").

SECTION TWO

DESCRIPTION OF THE PROJECTS

DESCRIPTION OF THE PROJECTS

The Project, a portion of which will be acquired by the District with proceeds of the Bonds, is described below:

1. Calistoga Drive 3-1:

This project begins at the current terminus of Calistoga Drive Phase 2-1, continues westward approximately 1,401 LF and stops at the west ingress/egress street into Parcel 9.43. Costs include engineering, design, survey, review fees, construction permits, testing, grading, installation of wet utilities, dry utilities, storm drain, curb and gutter, asphalt pavement, landscaping and street lights. Calistoga Drive Phase 3-1 construction is complete and was accepted by the City in January 2019.

All work completed on the referenced Project was per the approved plans, MAG Specifications and Details, and the City’s Engineering Design Standards and Policies Manual.

See the maps in Section Three for the location of the improvements and the corresponding Parcel of benefit.

TOTAL CONSTRUCTION COSTS REPRESENT ACTUAL COSTS INCURRED BY DEVELOPER.

A MAP SHOWING THE PROJECT LOCATION AND PARCEL OF BENEFIT IS FILED WITH AND IS A PART OF THIS REPORT AS SECTION THREE. THE COSTS AND EXPENSES ARE IN SUMMARY AS FOLLOWS:

**Estrella Mountain Ranch
Community Facilities District
Montecito Assessment District No. 3
Project Acquisition/Construction Costs**

Description	Total Estimated Cost to be Acquired by Bond
1) Calistoga 3-1	\$ 1,062,204
Percentage of Improvements included in this Series 2021 SA Bond ⁽¹⁾	50.0%
Calistoga Drive 3-1 costs to be acquired by the Series 2021 SA Bond.	\$ 531,102
Total	\$ 531,102

Source: Applicant

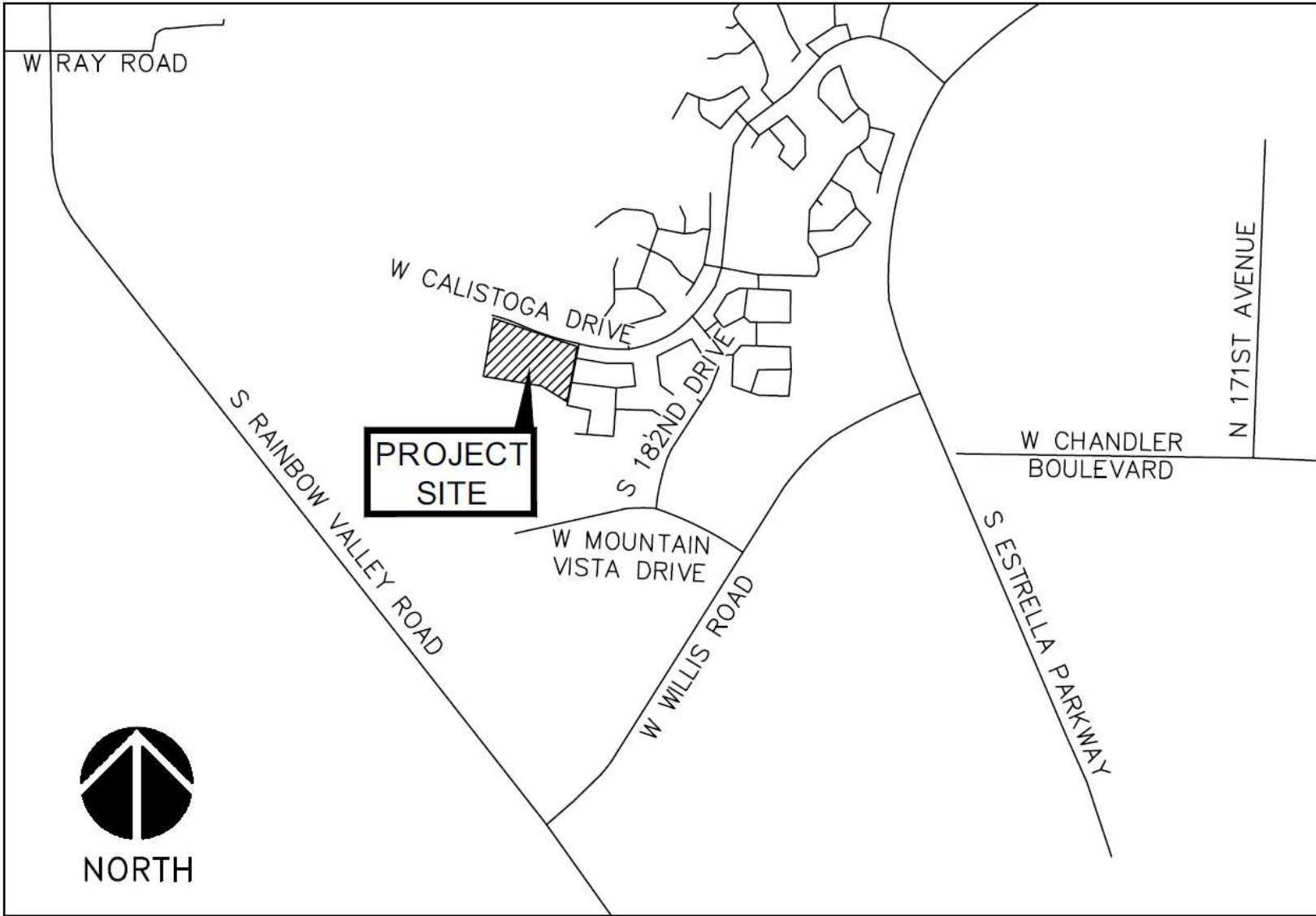
⁽¹⁾ Remaining unfunded 50% of the Project costs are anticipated to be included in future special assessment bond issuances of the District.

SECTION THREE

**LOCATION MAPS OF PROJECT AND PLAT OF PARCEL TO BE
BENEFITED**

**Estrella Mountain Ranch
Community Facilities District
Montecito Assessment District No. 3
Location Map of Project**

Location Map
West Calistoga Drive (the Project),
Parcel 9.43 (Plat of Parcel to be Benefited)



**Estrella Mountain Ranch
Community Facilities District
Montecito Assessment District No. 3
Plat of Parcel 9.43 to be Benefited**

Parcel 9.43 (Plat of Parcel to be Benefited), West Calistoga Drive (the Project)

OFFICIAL RECORDS OF
 MARICOPA COUNTY RECORDER
 ADRIAN FONTES
 20200923349 09/29/2020 03:40
 BOOK 1549 PAGE 30
 ELECTRONIC RECORDING

ESTRELLAPARCEL943-4-1-1-M-hoyp

STRATEGIC SURVEYING, LLC
 1102 WEST SOUTHERN AVE.
 TEMPE, ARIZONA 85282
 CONTACT: JOSHUA MOYSES
 PHONE: (480) 845-1999
 FAX: (480) 845-7634

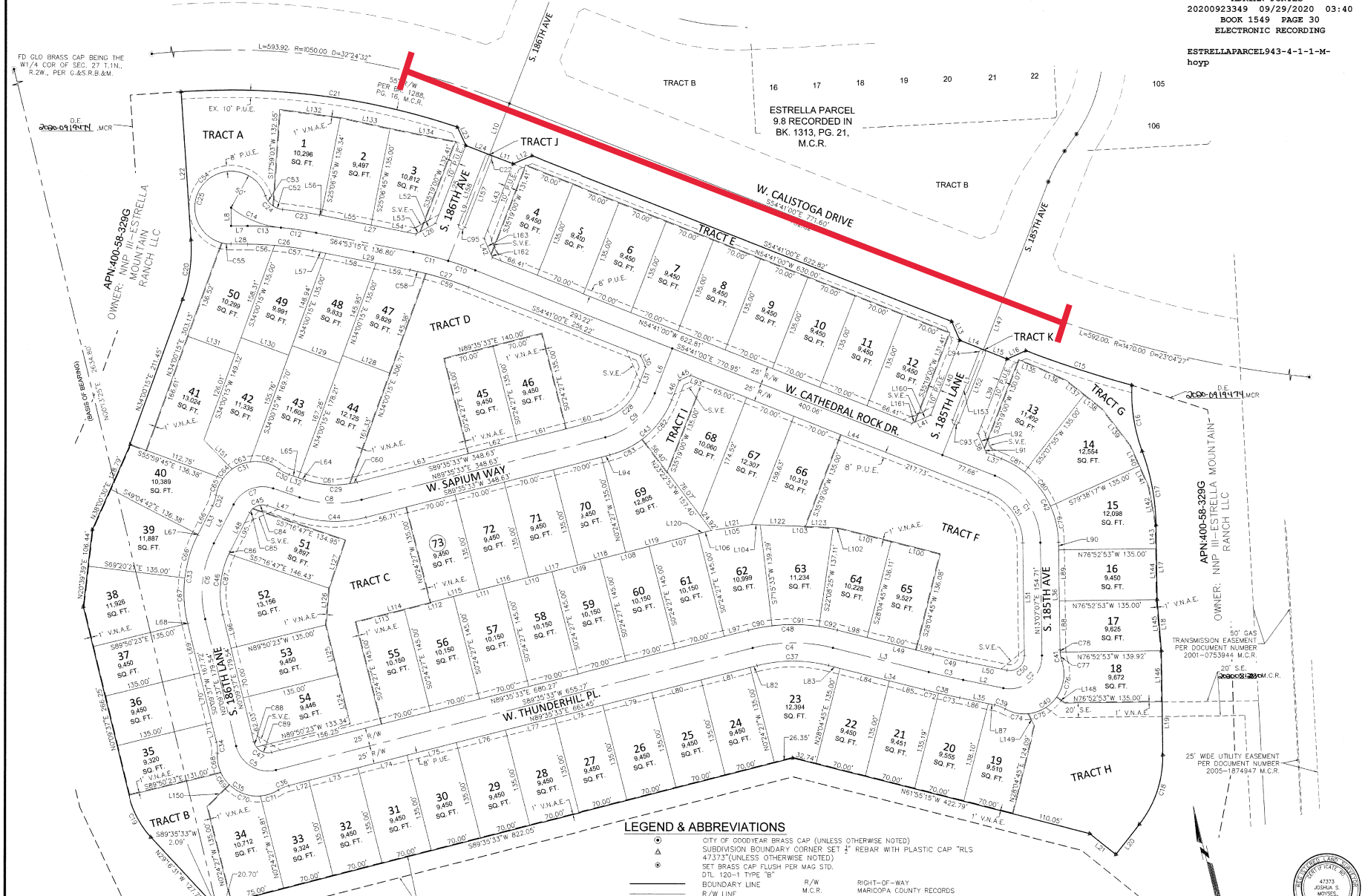
LAND SURVEYOR
 STRATEGIC SURVEYING, LLC
 1102 WEST SOUTHERN AVE.
 TEMPE, ARIZONA 85282
 CONTACT: JOSHUA MOYSES
 PHONE: (480) 845-1999
 FAX: (480) 845-7634

APPROVED
 DATE: 8-20-20
 STRATEGIC SURVEYING, LLC
 00355-LFP
 CLIENT PROJECT NUMBER

FINAL PLAT
 PARCEL 9.43
 PORTIONS OF SECTION 27 & 28
 TOWNSHIP 1 SOUTH, RANGE 2 WEST PER G.S.R.B.&M.
 GOODYEAR, ARIZONA

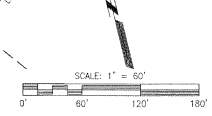
SHEET 3 OF 4
 DRAWING NUMBER

FP-03



LEGEND & ABBREVIATIONS

- CITY OF GOODYEAR BRASS CAP (UNLESS OTHERWISE NOTED)
- ▲ SUBDIVISION BOUNDARY CORNER SET 1/2" REBAR WITH PLASTIC CAP "RLS 47373"(UNLESS OTHERWISE NOTED)
- SET BRASS CAP FLUSH PER MAG STD.
- DTL 120-1 TYPE "B"
- BOUNDARY LINE
- R/W LINE
- LOT/TRACT LINE
- CENTER LINE
- EASEMENT LINE
- SECTION LINE
- R/W RIGHT-OF-WAY
- M.C.R. MARICOPA COUNTY RECORDS
- PAGE
- PG. BOOK
- RLS REGISTERED LAND SURVEYOR
- P.U.E. PUBLIC UTILITY EASEMENT
- V.N.A.E. VEHICLE NON-ACCESS EASEMENT



EXPIRES 03/31/23

FD CLO BRASS CAP BEING THE W 1/4 COR. OF SEC. 27 T.1N., R.2W., PER G.S.R.B.&M.

D.E. 0306-0919414 MCR

APN:400-58-329G
 OWNER: NNP III-ESTRELLA MOUNTAIN RANCH LLC

APN:400-58-329G
 OWNER: NNP III-ESTRELLA MOUNTAIN RANCH LLC

FD CLO BRASS CAP BEING THE SW COR. OF SEC. 27 T.1N., R.2W., PER G.S.R.B.&M. (P.O.C.)

D.E. 0306-0919414 MCR

SECTION FOUR

ESTIMATED PROJECT COSTS AND SCHEDULE FOR THE COMPLETION OF THE PROJECTS

**ESTIMATED COST OF THE PROJECTS AND
SCHEDULE FOR THE COMPLETION OF THE PROJECTS**

Shown below is a summary of the actual costs and expenses of the Project.

Upon the District’s acquisition of the Project, the District will dedicate the Project to the City. Accordingly, the District will have no operating or maintenance expenses in connection with the Projects. Net Bond proceeds (par amount of the Bonds less reserve fund and capitalized interest) in the estimated amount of \$531,102 are expected to fund approximately 50% (see Page 11) of the overall total Project costs. It is anticipated that the unfunded overall project costs will be included in future special assessment bond issues of the District.

**Estrella Mountain Ranch Community Facilities District
(City of Goodyear, AZ)
Special Assessment Revenue Bonds
(Montecito Assessment District No. 3) Series 2021
Actual and Estimated costs of the Project / Schedule for Completion of the Projects**

	Cost of Public Improvements	Completed as of 3/31/2021	Completion Date
Calistoga Drive 3-1	\$ 531,102	\$ 531,102	January 2019
Total	\$ 531,102	\$ 531,102	

Source: Applicant.

Footnote:

See Plan of Finance for the estimated Sources and Uses of Funds.

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

- 1) Costs of the acquisition of the Projects will be provided by the District pursuant to terms of the Act and the CFD Development Agreement. The Applicant has provided for construction and the District will acquire the Project from the Applicant with the proceeds from the sale of the Bonds.
- 2) Construction contracts for the Project have been publicly bid and awarded pursuant to the public bid process of Title 34 of the Arizona Revised Statutes and applicable City requirements and have been administered in conformance with applicable law and such requirements.
- 3) (A) The District is requested to issue and sell, pursuant to the provisions of the Act, the Bonds, in an amount sufficient:
 - (i) to repay advances for the costs of the acquisition of the Project; and
 - (ii) to pay:
 - (a) all other amounts, including capitalized interest, indicated in this Report; and
 - (b) an amount necessary to fund a debt service reserve fund related to the Bonds in an amount not in excess of that permitted by the Act.

All amounts described above (collectively, the "Financeable Amount") may not exceed in principal amount \$598,000.

- (B) The Applicant has, prior to the issuance of the Bonds, used equity and/or third-party financing to fund a portion of (3) (A) (i). In addition, the Applicant shall entirely fund (3) (A) (ii) (a) and all costs of issuance related to the Bonds.
- (C) The Bonds shall be payable from amounts collected by the District from, among other sources, the hereinafter described special assessment (the "Assessment").
 - (i) The Assessment shall be based on the Financeable Amount.
 - (ii) The Assessment shall be levied pursuant to the procedures prescribed by A.R.S. §48-576 through 48-589, as nearly as practicable, upon all of the property included in Montecito Assessment District No. 3 as indicated in [Appendix A-1] hereto based on the benefits to be received by and as allocated to the parcels into which the Montecito Assessment District No. 3 is or is to be divided. Such benefits shall be evidenced by an Assessment methodology prepared by the Assessment Engineer.
- (D) The estimated Sources and Uses of Funds of the Bonds including the estimated Applicant contribution toward the cost of the Project are as follows:

SOURCES AND USES OF FUNDS

**Estrella Mountain Ranch Community Facilities District
 (City of Goodyear, Arizona)
 Montecito Assessment District No. 3
 Special Assessment Revenue Bonds, Series 2021
 (Assumes 5.00% Coupons)
 ** PRELIMINARY ****

Dated Date 10/21/2021
 Delivery Date 10/21/2021

Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	598,000.00
Other Sources of Funds:	
Major Landowner Contribution	180,000.00
	<hr/>
	778,000.00
	<hr/> <hr/>
Uses:	
<hr/>	
Project Fund Deposits:	
Project Fund	531,102.00
Other Fund Deposits:	
Capitalized Interest Fund Through 07-01-22	20,763.89
Debt Service Reserve Fund	<hr/> 46,000.00
	66,763.89
Delivery Date Expenses:	
Cost of Issuance	145,134.11
Underwriter's Discount	<hr/> 35,000.00
	180,134.11
	<hr/> <hr/>
	778,000.00
	<hr/> <hr/>

Note: * Preliminary, subject to change.

- (E) The following is a breakdown of the estimated costs of issuance including underwriter fees to be paid by the Applicant:

**Estrella Mountain Ranch Community Facilities District
(City of Goodyear, AZ)
Montecito Assessment District No. 3
Special Assessment Revenue Bonds, Series 2021
Estimated Cost of Issuance (1)**

Descriptions	
Underwriter's Discount	\$ 35,000
Bond Counsel	75,310
Underwriter's Counsel	20,000
Financial Advisor	35,000
Bond Registrar, Paying Agent	600
Printing Fees	11,750
Assessment Billing Software	700
Miscellaneous Costs	1,774
Total Estimated Costs of Issuance (2)	\$180,134

Footnotes:

- (1) All figures have been rounded. Certain individual amounts are estimates and may change when the final bond amount is determined.
- (2) Estimate, actual amounts may vary.
- (F) An estimated annual debt service schedule for the Bonds (assuming a total issuance of \$598,000 in principal amount and current estimated interest rates) is shown in Exhibit A.
- 4) To the extent that cost savings may exist with respect to any Project category, such cost savings may be used to contract or fund overruns or District advances which may exist with respect to Projects authorized by this Report.
 - 5) The Bonds are expected to have a 25 year maturity with the first year being interest only and the principal amount amortized over the remaining 24 years. The Bonds will not be rated or credit-enhanced in any form.
 - 6) An assessment methodology will be prepared and approved by the Assessment Engineer, demonstrating that the Assessments within Parcel 9.43 have at least a 6-to-1 value-to-lien ratio.
 - 7) Prior to closing on the Bonds, an MAI appraisal, prepared by the Appraiser, will be provided in a form acceptable to the District, showing that the market value of Parcel 9.43 shall be at least six (6) times the amount of the Assessment.
 - 8) Initially, the Assessments and any applicable administrative charges may be paid by the property owner of the assessed lot and collected by the City for the benefit of the District. However, upon the sale of homes to homeowners and/or at the discretion of the District, the Assessments and any applicable administrative charges may be collected through the regular Maricopa County property tax bill as provided by an Intergovernmental Agreement ("IGA") which was recorded on July 10, 2019 as document no. 2019-0522191 between the District and the Maricopa County Treasurer's Office.

- 9) Assessment on each individual lot will be determined by an allocation methodology reviewed and approved by the Assessment Engineer. Residential Assessment amounts will not be higher than \$8,200/lot. Based on this assessment, average annual payments are anticipated to be approximately \$594. [Appendix C].

EXHIBIT A

ESTIMATED ANNUAL DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

**Estrella Mountain Ranch Community Facilities District
(City of Goodyear, Arizona)
Montecito Assessment District No. 3
Special Assessment Revenue Bonds, Series 2021
(Assumes 5.00% Coupons)
** PRELIMINARY ****

Period Ending	Principal	Interest	Debt Service
07/01/2022		20,763.89	20,763.89
07/01/2023	13,000	29,900.00	42,900.00
07/01/2024	15,000	29,250.00	44,250.00
07/01/2025	15,000	28,500.00	43,500.00
07/01/2026	15,000	27,750.00	42,750.00
07/01/2027	15,000	27,000.00	42,000.00
07/01/2028	15,000	26,250.00	41,250.00
07/01/2029	20,000	25,500.00	45,500.00
07/01/2030	20,000	24,500.00	44,500.00
07/01/2031	20,000	23,500.00	43,500.00
07/01/2032	20,000	22,500.00	42,500.00
07/01/2033	20,000	21,500.00	41,500.00
07/01/2034	25,000	20,500.00	45,500.00
07/01/2035	25,000	19,250.00	44,250.00
07/01/2036	25,000	18,000.00	43,000.00
07/01/2037	25,000	16,750.00	41,750.00
07/01/2038	30,000	15,500.00	45,500.00
07/01/2039	30,000	14,000.00	44,000.00
07/01/2040	30,000	12,500.00	42,500.00
07/01/2041	30,000	11,000.00	41,000.00
07/01/2042	35,000	9,500.00	44,500.00
07/01/2043	35,000	7,750.00	42,750.00
07/01/2044	40,000	6,000.00	46,000.00
07/01/2045	40,000	4,000.00	44,000.00
07/01/2046	40,000	2,000.00	42,000.00
	598,000	463,663.89	1,061,663.89

Note: * Preliminary, subject to change.

APPENDIX A

LEGAL DESCRIPTION OF THE DISTRICT

APPENDIX A-1

LEGAL DESCRIPTION OF THE BENEFITED PARCEL

APPENDIX A-2

LEGAL DESCRIPTION OF THE ASSESSMENT PARCEL (RECORDED PLAT) – PARCEL 9.43

As recorded in the Maricopa County, Arizona Book of Records:

Parcel	Date	Book	Page	Recording Number
9.43	9/29/2020	1549	30	2020-0923349

APPENDIX B

FORM OF DISCLOSURE PAMPHLET

**Estrella Mountain Ranch
Community Facilities District
Montecito Assessment District No. 3
Form of Disclosure Pamphlet**

Buyer(s): _____

Lot: _____ Parcel: _____

Date of Sale: _____

Homebuilder: _____

General CFD Provisions

The home you are purchasing is within the Estrella Ranch Community Facilities District (the “CFD”). The CFD was formed on November 22, 1999, to finance the acquisition, construction and maintenance of public infrastructure benefiting Estrella Mountain Ranch Community Facilities District. The CFD issues general obligation and/or special assessment bonds to raise funds to pay for acquisition and construction of these improvements and operation and maintenance expenses. The CFD also obtains funds from an ad valorem property tax levied against all property located within the CFD to pay for operation and maintenance expenses.

Ad Valorem Taxes of the CFD

General obligation bonds and the CFD’s operation and maintenance expenses are paid from ad valorem property taxes levied against all property within the CFD. Currently, \$1.30 is added to the property tax rate; however, such adjustment to the tax rate could vary depending upon factors including the amount financed with general obligation bonds, the terms of financing, and the assessed valuation (i.e., for tax purposes) of property within the 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 City of Goodyear and other political subdivisions.

Special Assessments of the CFD

Special assessment bonds are paid from special assessment payments secured by an assessment lien on each benefited lot within a special assessment area. Special assessment areas are formed from time to time based on the public improvements being constructed or acquired with proceeds of the special assessment bonds. The amount of the special assessment liens may vary depending upon the size of the lot within the special assessment area, the benefits estimated to be received by each such lot, the cost of the public improvements to be acquired, and the financing terms of the applicable special assessment bonds. The special assessment payments as well as the applicable administrative charges are anticipated to be collected through your regular Maricopa County property tax bill or invoiced semi-annually by the CFD.

INITIAL FINANCING’S COST TO HOMEOWNER

At the request of _____, a _____, the prior owner of Parcel _____, the CFD has formed a special assessment area (the “Special Assessment Area”) that includes Parcel _____ for the construction and/or acquisition of certain public improvements, i.e., construction of _____ . The CFD has assessed Lot _____ within Parcel _____ in the amount of \$ _____ (the “Assessment”).

The following shows the total annual CFD taxes including the CFD operational and maintenance tax, for repayment of expected CFD general obligation bonds as well as the anticipated special assessment obligation.

Estimated Home Price	Estimated Annual General Obligations and Expense Payment (1)	Estimated Annual Special Assessment Payment (2)	Estimated Total Annual CFD Tax Payments (3)
\$350,000			
\$400,000			
\$450,000			
\$500,000			
\$550,000			

Footnotes:

- (1) General obligation bond debt service and operations and maintenance expenses assuming a \$1.30 increase in the ad valorem property tax rate per \$100 of assessed value. The estimated annual additional tax liability will vary depending upon the final terms of the General Obligation Bonds.
- (2) All lots located within the boundaries of the Special Assessment District are anticipated to have a special assessment lien.
- (3) All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the City of Goodyear or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

Homeowner’s Acknowledgments

By signing this disclosure statement, you as a contract purchaser of a lot located within the CFD and the Special Assessment Area (i) acknowledge receipt of this Disclosure; (ii) agree that you have been granted an opportunity to review the material contained in this Disclosure; and (iii) agree that you accept an assessment lien estimated to be approximately \$ _____ against your lot that secures your share of the special assessments due for the Special Assessment Area. The Assessment and any applicable administrative charges will be paid by you, the owner of the assessed lot, and are anticipated to be collected through your regular Maricopa County property tax bill or invoiced semi-annually by the CFD. **If the Assessment is not paid, the CFD has the right to institute proceedings to foreclose the assessment lien and sell your property.** Should there be any questions or concerns regarding special assessments or the District property tax, please contact the Special Districts & Taxation Division for the City of Goodyear at (623) 932-3015.

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.

[name]

[name]

[address]

[address]

Date: _____, 20__

Date: _____, 20__

APPENDIX C

ESTIMATED SPECIAL ASSESSMENTS LIENS

**Estrella Mountain Ranch Community Facilities District
(City of Goodyear, AZ)
Special Assessment Revenue Bonds
(Montecito Assessment District No. 3) Series 2021
Estimated Cost of Issuance (1)**

Unit Type	Projected Average Sales Price (A)	Estimated Assessor's Limited Property Value Ratio (B)	Projected Limited Property Value (C)=(A)x(B)	Projected Assessed Value (D)=(C)x10%	Estimated Average Assessment Per Unit (1) (E)	Average Annual Assessment Payment (2) (F)	Estimated Annual SA Debt Service per \$100 of Assessed Value (G)=(F)/((D)/100)
SFR	\$450,000	60%	\$270,000	\$27,000	\$8,200	\$594	\$2.20

Footnotes:

(1) Preliminary estimates based upon initial discussions with the District Assessment Engineer.

(2) Assumes a 24-year amortization period and a 5.0% interest rate.

Source: Applicant.

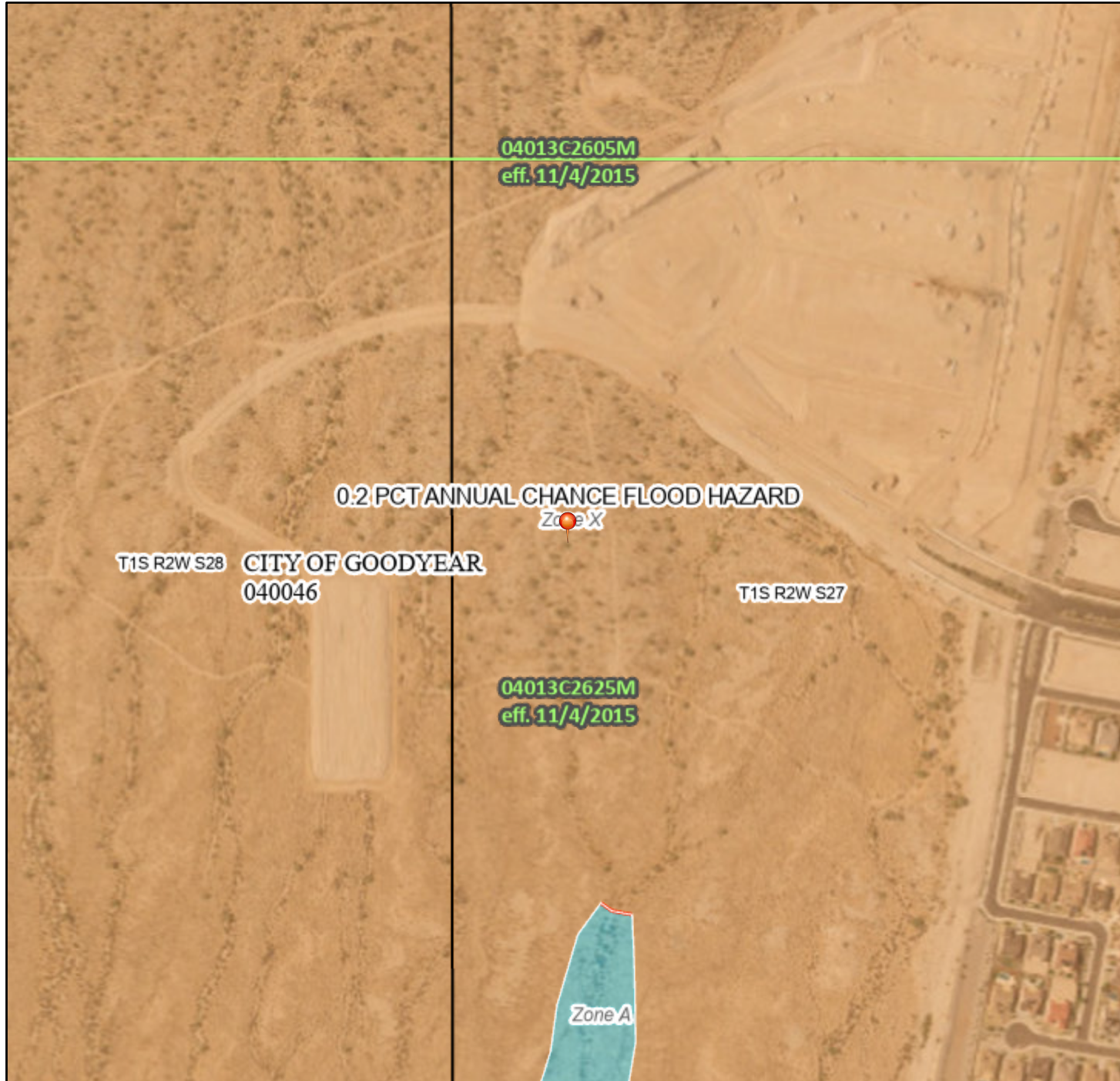
Exhibit 7

Flood Plain Map

National Flood Hazard Layer FIRMette



112°27'24"W 33°18'49"N



112°26'47"W 33°18'19"N

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

- | | | |
|------------------------------------|------------------|--|
| SPECIAL FLOOD HAZARD AREAS | | Without Base Flood Elevation (BFE)
<i>Zone A, V, A99</i> |
| | | With BFE or Depth <i>Zone AE, AO, AH, VE, AR</i> |
| | | Regulatory Floodway |
| OTHER AREAS OF FLOOD HAZARD | | 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile <i>Zone X</i> |
| | | Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i> |
| | | Area with Reduced Flood Risk due to Levee. See Notes. <i>Zone X</i> |
| | | Area with Flood Risk due to Levee <i>Zone D</i> |
| OTHER AREAS | | NO SCREEN Area of Minimal Flood Hazard <i>Zone X</i> |
| | | Effective LOMRs |
| | | Area of Undetermined Flood Hazard <i>Zone D</i> |
| GENERAL STRUCTURES | | Channel, Culvert, or Storm Sewer |
| | | Levee, Dike, or Floodwall |
| OTHER FEATURES | | 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation |
| | | 17.5 |
| | | Coastal Transect |
| | | Base Flood Elevation Line (BFE) |
| | | Limit of Study |
| | | Jurisdiction Boundary |
| | | Coastal Transect Baseline |
| | Profile Baseline | |
| MAP PANELS | | Digital Data Available |
| | | No Digital Data Available |
| | | Unmapped |
| | | The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location. |



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/12/2021 at 9:59 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Exhibit 8

Photos of Subject Parcel 9.43



Looking west over graded interior street and lot pads.



Much of the perimeter concrete block walls have already been constructed.



Looking south over the west end of parcel 9.43.



Looking east along the north graded Street within parcel 9.43.



View looking north from near the west end of parcel 9.43.



Looking west from near the west end of parcel 9.43, the large stack of dirt is off the property.



Another view of mostly finished perimeter slump block wall and wrought iron the fence.



Another view looking east over the north end of the property.



Looking southeast from near the west end of the property.



This fire hydrant reflects the finished condition of underground water and sewer lines.



View to south from near East end of parcel 1.43.



Another mostly graded interior street.



View looking east along the Calistoga Drive frontage with the subject to right of street.



View looking west over the unimproved portion of Calistoga Drive, west of the entrance into parcel 9.43.



Looking north across Calistoga Drive from subject property toward existing subdivision on an adjacent parcel.



View of underground utility box and related trenching.

Exhibit 9

Market Data Sheets for Land Sales

LAND SALE NO. 1

PROPERTY TYPE: 140 Guaranteed Finished Lots
ADDRESS: 9639 East Ripple Drive Mesa, Arizona 85212

LEGAL DESCRIPTION: Lots 57 thru 111 & 157 thru 197 & lots 243 thru 286, Eastmark
ASSESSOR NO.: 312-16-058, 312-16-059 et al

GRANTOR: DMB Mesa Proving Gorunds, LLC
GRANTEE: Woodside Homes Sales AZ LLC

DOCUMENT NO.: 2021.24244 (Maricopa County)
DOCUMENT TYPE: Special Warranty Deed

DATE OF SALE: September, 2020
RECORD DATE: January 8, 2021

SALE PRICE: \$15,486,100
FINANCING: Cash
UNIT PRICE: \$314,219 per acre
\$110,615 per platted lot on average; \$176,500 per 70' wide lot
\$2,521 per front foot of 70 by 135 foot lots

PROPERTY RIGHTS CONVEYED: Fee Simple Interest
CONDITIONS OF SALE: Arm's length Transaction
VERIFICATION: Dea McDonald, DMB Associates, seller's representative (602-903-7498); Costar, Affidavit of Value, Final Plat, DataTree, County Records
PRIOR SALES: No prior sales within three years per DataTree

SITE DATA:
Shape/Dimensions: Irregular
Area: 49.2844 acres
Topography/Cover: Flat with desert, to be finished lots cover
Zoning: PC, planned community, by Mesa
Frontage: Ripple Drive
Plat: Final plat, 120 lots
Utilities: All to site
Intended Use: Construct residences upon completion of lots

COMMENTS: This tract is a part of the Eastmark master plan in southeast Mesa. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$144,000 per lot for 50-foot wide lots (\$2,880/FF), \$157,000 per 60-foot wide lots (\$2,617/FF) and \$176,500 for 70-foot wide lots (\$2,521/FF). Woodside Homes was the buyer and the lots will be ready in early 2022.

LAND SALE NO. 2

PROPERTY TYPE: 36 Guaranteed Finished Lots
ADDRESS: Roma Avenue West Of 91St Avenue Phoenix, Arizona 85037

LEGAL DESCRIPTION: Lots 102-107 154-161 204 & 215-217 Western Enclave 2 bk
ASSESSOR NO.: 102-18-010D et al

GRANTOR: AG Essential Housing
GRANTEE: Lennar Arizona, Inc.

DOCUMENT NO.: 2021.405791 (Maricopa County)
DOCUMENT TYPE: Special Warranty Deed

DATE OF SALE: January, 2021
RECORD DATE: April 12, 2021

SALE PRICE: \$4,285,246
FINANCING: Cash
UNIT PRICE: \$773,510 per acre
\$119,035 per platted lot
\$2,976 per front foot

PROPERTY RIGHTS CONVEYED: Fee Simple Interest
CONDITIONS OF SALE: Arm's length Transaction
VERIFICATION: Costar, Inspection, Affidavit of Value, Final Plat, DataTree, County Records

PRIOR SALES: No prior sales within three years per DataTree

SITE DATA:
Shape/Dimensions: Irregular
Area: 5.54 acres
Topography/Cover: Flat with desert, to be finished lots cover
Zoning: R1-6, residential, 6,000 SF minimum lot size, by Phoenix
Frontage: 91st Avenue
Plat: Final plat, 36 lots
Utilities: All to site
Intended Use: Construct residences upon completion of lots

COMMENTS: This tract includes 36 40-foot wide lots located in west Phoenix. The finished lots were sold for \$119,035 per lot or \$2,975 per front foot. Lennar Homes was the buyer.

LAND SALE NO. 3

PROPERTY TYPE: 56 Guaranteed Finished Lots

ADDRESS: South Of Warner Road East Of Ellsworth Road Mesa, Arizona
85212

LEGAL DESCRIPTION: Lengthy

ASSESSOR NO.: 312-16-001, 312-16-056 et al

GRANTOR: DMB Associates, Inc.

GRANTEE: JEN Arizona 53, LLC

DOCUMENT NO.: 2021.252376 (Maricopa County)

DOCUMENT TYPE: Special Warranty Deed

DATE OF SALE: December, 2020

RECORD DATE: May 25, 2021

SALE PRICE: \$8,064,000

FINANCING: Cash

UNIT PRICE: \$948,706 per acre
\$144,000 per platted lot
\$2,880 per front foot

PROPERTY RIGHTS CONVEYED: Fee Simple Interest

CONDITIONS OF SALE: Arm's length Transaction

VERIFICATION: Diann Curley, Jen Arizona 55, buyer's representative; Costar, Affidavit of Value, Final Plat, DataTree, County Records

PRIOR SALES: No prior sales within three years per DataTree

SITE DATA:

- Shape/Dimensions:** Irregular
- Area:** 8.5 acres
- Topography/Cover:** Flat with desert, to be finished lots cover
- Zoning:** PC, planned community, by Mesa
- Frontage:** Ellsworth Road
- Plat:** Final plat, 56 lots
- Utilities:** All to site
- Intended Use:** Construct residences upon completion of lots

COMMENTS: This tract is also a part of the Eastmark master plan in Mesa. JEN Arizona 53, a land banker, purchased this land for \$5,644,800 cash for future rolling option sale to William Ryan Homes. In addition the buyer will pay \$2,419,200 to the seller to complete the lots, bringing the total purchase price to \$8,064,000. This equates to \$144,000 per lot and \$2,880 per front foot for the 50 foot wide lots.

LAND SALE NO. 4

PROPERTY TYPE: 105 Guaranteed Finished Lots

ADDRESS: Southwest Of 195Th Avenue And West Bethany Home Road
Maricopa County, Arizona 85340

LEGAL DESCRIPTION: Lengthy

ASSESSOR NO.: 502-28-003C, 502-28-007 et al

GRANTOR: Sunbelt Holdings

GRANTEE: Towne Development Inc.

DOCUMENT NO.: 2020.0893209 (Maricopa County)

DOCUMENT TYPE: Special Warranty Deed

DATE OF SALE: June, 2020

RECORD DATE: September 22, 2020

SALE PRICE: \$4,468,868

FINANCING: Cash

UNIT PRICE: \$243,501 per acre
\$42,561 per platted lot
\$1,750 for 45' lots and \$1,700 for 55' lots per front foot

PROPERTY RIGHTS CONVEYED: Fee Simple Interest

CONDITIONS OF SALE: Arm's length Transaction

VERIFICATION: Julie King, seller's representative; Costar, Inspection, Affidavit of Value, DataTree, County Records

PRIOR SALES: No prior sales within three years per DataTree

SITE DATA:

- Shape/Dimensions:** Irregular
- Area:** 18.3526 acres
- Topography/Cover:** Flat with desert to be finished lots cover
- Zoning:** R1-6, residential, by Maricopa County
- Frontage:** Bethany Home Road
- Plat:** Final plat, 145 lots
- Utilities:** All to site
- Intended Use:** Construct residences upon completion of lots

COMMENTS: This tract is a part of the Zanjero trails subdivision. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$78,750 for 45-foot wide lots (\$1,750/FF) and \$93,500 for 55-foot wide lots (\$1,700/FF). Town Homes was the buyer and the lots will be ready in 12-15 months.

LAND SALE NO. 5

PROPERTY TYPE: 148 Guaranteed Finished Lots
ADDRESS: Off Of West Montebello Avenue Buckeye, Arizona 85340

LEGAL DESCRIPTION: Lengthy
ASSESSOR NO.: 502-28-010K, 502-28-010R et al

GRANTOR: JEN Partners
GRANTEE: Domain Real Estate Partners

DOCUMENT NO.: 2020.1064728 (Maricopa County)
DOCUMENT TYPE: Special Warranty Deed

DATE OF SALE: August, 2020
RECORD DATE: November 2, 2020

SALE PRICE: \$16,756,000

FINANCING: Cash

UNIT PRICE: \$514,619 per acre
\$113,216 per platted lot
\$1,564 for 70' lots and \$1,494 for 80' lots per front foot

PROPERTY

RIGHTS CONVEYED: Fee Simple Interest

CONDITIONS OF SALE: Arm's length Transaction

VERIFICATION: Julie King, seller's representative; Costar, Inspection, Affidavit of Value, DataTree, County Records

PRIOR SALES: No prior sales within three years per DataTree

SITE DATA:

Shape/Dimensions: Irregular
Area: 32.56 acres
Topography/Cover: Flat with desert, to be finished lots cover
Zoning: PR, planned residential, by Surprise
Frontage: Montebello Avenue
Plat: Final plat, 339 lots
Utilities: All to site
Intended Use: Construct residences upon completion of lots

COMMENTS: This tract is a part of the Canyon Views subdivision. The lots were sold with final plat in place at this price, however the seller guarantees completion of the lots at finished prices of \$109,500 for 70-foot wide lots (\$1,564/FF) and \$119,500 for 80-foot wide lots (\$1,494/FF). Domain Real Estate Development was the buyer and the lots will be ready in 12-15 months.

LAND SALE NO. 5



ASSESSOR NO.: 502-28-010K, 502-28-010R et al

