

approximately \$.....,000 in bonds will be issued over the next years for future phases of infrastructure at Monterra Heights Farms.

BENEFITS TO RESIDENTS

The bond issues by the CFD will benefit all residents within Monterra Heights by providing improvements. This benefit was taken into account by the Developer in connection with establishing the price of the lot on which your home is to be located. Each resident of the CFD will participate in the repayment of the bonds in the form of an additional property tax to the current property taxes assessed by other governmental entities as well as a separate special assessment lien payable twice a year in addition to such taxes. The added tax is currently deductible for purpose of calculating federal and state income taxes.

PROPERTY OWNERS' TAX AND ASSESSMENT LIABILITY

The obligation to retire the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Pinal County Treasurer in addition to all other property tax payments and the collection of installments of such assessment liens by the CFD. **(PLEASE NOTE THAT NO OTHER AREA WITHIN THE BOUNDARIES OF THE TOWN IS SUBJECT TO A PROPERTY TAX OR AN ASSESSMENT LEVIED BY ANY OTHER COMMUNITY FACILITIES DISTRICT.)** Beginning in fiscal year 200_0_, the CFD levied a not to exceed \$___ per \$100.00 of secondary assessed valuation tax rate to provide for repayment of the bonds and the payment of certain administrative expenses and of operation and maintaining the infrastructure it finances as well as a total assessment lien of \$_____ in principal amount.

Although the level of the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed \$_____ per \$100.00 of secondary assessed valuation for as long as the bonds are outstanding. **(There can be no guarantee tax rates will not be increased to provide for repayment in the future.)**

IMPACT OF ADDITIONAL CFD PROPERTY TAX AND ASSESSMENT

The following illustrates the additional annual tax liability imposed by the CFD, based on varying residential values within Monterra Heights and a \$___ tax rate: