COMMUNITY FACILITIES DISTRICT (CFD)

In accordance with Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, a Community Facilities District ("CFD" or "District") has been established by the City of Peoria, Arizona (the "City") at the development known as Vistancia. The CFD has financed certain public infrastructure improvements, which will result in a property tax liability for each property owner of Vistancia.

BACKGROUND

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

HOW THE CFD WORKS

On October 15, 2002, the Mayor and Council of the City formed the CFD, which includes all of the residential and commercial property in Vistancia. An election was held on November 12, 2002, at which time the owners of the property within the CFD voted to authorize up to $100,000,000 of ad valorem tax bonds to be issued over time by the CFD to finance the acquisition or construction of water and sewer improvements.

The improvements referenced above have been or will be dedicated to the City after acquisition or construction of such public infrastructure by the CFDs. The City will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance up to $100,000,000 in public infrastructure improvements within Vistancia, including financing costs related to such improvements. Vistancia CFD has issued approximately $69,600,000 in ad valorem tax bonds. All remaining outstanding bonds will mature on July 15, 2026. It is not expected that any of the remaining authorized but unissued bonds of Vistancia CFD will be issued in the future.

NOTWITHSTANDING THE FOREGOING, THE CFD STILL HAS REMAINING VOTER AUTHORITY TO ISSUE BONDS AND SUCH BONDS MAY BE ISSUED IN THE FUTURE.

The proceeds of the bonds were utilized originally to finance the engineering, design and construction of certain water, water delivery and waste water treatment improvements for Vistancia.

BENEFITS TO RESIDENTS

The bonds issued by the CFD will benefit all residents within Vistancia by providing water and sewer improvements. This benefit was considered by the Developer in connection with establishing the price of the lot on which your home is to be located. If any bonds are issued by the CFD after July 15, 2026, each property owner 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. This added tax may currently be deductible for purposes of calculating federal and state income taxes (you should consult your tax accountant on this issue).

PROPERTY OWNERS' TAX LIABILITY

If any bonds are issued by the CFD after July 15, 2026, 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 Maricopa County Treasurer in addition to all other property tax payments. (PLEASE NOTE THAT NO OTHER AREA WITHIN THE BOUNDARIES OF THE CITY, OTHER THAN WITHIN THE VISTANCIA WEST COMMUNITY FACILITIES DISTRICT, THE VISTANCIA NORTH COMMUNITY FACILITIES DISTRICT, THE MYSTIC AT LAKE PLEASANT HEIGHTS COMMUNITY FACILITIES DISTRICT, AND THE SADDLEBACK COMMUNITY FACILITIES DISTRICT IS CURRENTLY OR MAY BE SUBJECT TO A PROPERTY TAX LEVIED BY A COMMUNITY FACILITIES DISTRICT.)

Although the level of the tax rate is not limited by law, if any bonds are issued after July 15, 2026, the tax rate of the CFD is not expected to exceed $2.10 per $100.00 of limited assessed valuation for as long as the bonds are outstanding.

IMPACT OF ADDITIONAL CFD PROPERTY TAX

The additional annual tax liability imposed by the CFD will be based on varying residential values within the Vistancia CFD and the tax rate for the applicable Fiscal Year.

Market Value of Residence	Estimated Annual Additional Tax Liability*
$300,000	$350
$400,000	$450
$500,000	$550
$600,000	$675
$800,000	$900
$1,000,000	$1,125

*Assumptions:

1. Tax is computed by multiplying limited assessed value by the tax rate per $100 of assessed valuation.
2. Limited assessed value is determined by the Maricopa County Assessor on an individual basis for each property and can range from 45% to 70% of market value.
3. Market value is not the same as full cash value as reported by the County Assessor, which is typically 75% to 85% of market value.
4. Assumes residential property assessment ratio will remain at 10%.

Additional information regarding the description of infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Peoria City Clerk's office or at www.peoriaaz.gov/government/departments/finance.

EQUAL HOUSING OPPORTUNITY

VISTANCIA COMMUNITY GOVERNANCE

VISTANCIA MAINTENANCE CORPORATION

The Vistancia Declaration establishes the Vistancia Maintenance Corporation, an Arizona nonprofit corporation, which is responsible for the maintenance, operation, management, repair, and replacement of certain facilities, which will benefit the entire Vistancia community, primarily the Discovery Trail, entry monuments, and certain right-of-way maintenance (landscaping, walkways, and signage). Each homeowner association within Vistancia is a mandatory member of Vistancia Maintenance Corporation and has one vote.

Control of the Vistancia Maintenance Corporation remains with the Declarant while the Declarant continues to own or has the option to purchase any land within Vistancia unless the Declarant relinquishes control at an earlier date. Vistancia Maintenance Corporation is empowered to levy assessments (annual and special) against the village associations and against owners of non-residential property outside of the villages to cover expenses and establish reserves.

Each village association is obligated to collect the amount of its annual assessment allocation from its homeowners as part of such village's annual (or special, as applicable) assessments and then to remit such funds to Vistancia Maintenance Corporation. If the village homeowner association fails to pay any assessment, the Maintenance Corporation can levy assessments against individual homeowners. The amount each homeowner is required to pay to the Vistancia Maintenance Corporation is included in their homeowner association dues.

COMMUNITY HOMEOWNERS ASSOCIATIONS

There are four separate communities within Vistancia, each with its own Community Association. The four Vistancia Community Associations are nonprofit corporations established for the purpose of enhancing the value, desirability, and attractiveness of all property within Vistancia and to manage the four Vistancia communities as follows:

Community	Association
The Village at Vistancia	Vistancia Village A Community Association
Trilogy at Vistancia	Trilogy at Vistancia Community Association
Blackstone at Vistancia	Blackstone Community Association
Northpointe at Vistancia	Vistancia North Master Community Inc.

These four communities jointly share the beautifully maintained rights of way and the 3.5-mile Discovery Trail, which runs through the community, offering all residents the opportunity to interact with nature along its pathway.

2026 ASSESSMENTS & FEES

Vistancia Village A Community Association members will pay 2026 assessments of $124.90 per month, billed quarterly in advance on the first day of January, April, July, and October in the amount of $320.70. Homebuyers will also pay the following additional fees at the close of escrow:

Fee	Amount
Working Capital Fund Payment Payable to Vistancia Maintenance Corporation	$75
Working Capital Fund Payment Payable to The Village at Vistancia	$246
Transfer Fee Payable to The Village at Vistancia	$200
Disclosure and Lien Estoppel Fee Payable to CCMC	$400

Homeowners in The Village at Vistancia gated communities will pay an additional monthly special use fee, which varies by neighborhood, to cover the maintenance of gates, private roads, and streetlights. These special use fees are billed quarterly in advance.

ALL PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE CC&Rs, BYLAWS, AND ARTICLES OF INCORPORATION FOR BOTH THE VISTANCIA MAINTENANCE CORPORATION AND THE VISTANCIA COMMUNITY ASSOCIATIONS AND ANY SPECIFIC TRACT DECLARATIONS OR NOTICE OF APPLICABILITY RELATING TO THEIR NEIGHBORHOOD.

EQUAL HOUSING OPPORTUNITY