

PRELIMINARY OFFICIAL STATEMENT DATED MAY 19, 2015**NEW ISSUE - BOOK-ENTRY FORM****SEE “RATINGS” HEREIN**

In the opinion of Gust Rosenfeld P.L.C., 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 the alternative minimum tax of individuals or corporations; such interest income must, however, be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to the federal alternative minimum tax. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT” and “BOND PREMIUM” herein.

\$7,015,000*

**COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015**

DATED: Date of Initial Delivery**DUE: As shown on inside front cover page**

The Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) District General Obligation Refunding Bonds, Series 2015 (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 system maintained by DTC in amounts of \$5,000 of principal amount due on a maturity date or integral multiples in excess thereof. Purchasers will not receive definitive certificates with respect to the Bonds. So long as any purchaser is the beneficial owner of a Bond, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a “DTC Participant” to receive payment of principal of and interest on such Bond. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on each January 15 and July 15 of each year, commencing January 15, 2016*. 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 MATURITY SCHEDULE ON INSIDE FRONT COVER PAGE

The Bonds are authorized pursuant to the Constitution and laws of the State of Arizona, including particularly Title 35, Chapter 3, Article 4, and Title 48, Chapter 4, Article 6, Arizona Revised Statutes and will be issued pursuant to a resolution of the Board of Directors of Community Facilities Utilities District No. 1 (City of Goodyear, Arizona), a community facilities district found within the boundaries of the City of Goodyear, Arizona (the “District”).

Principal of and interest on the Bonds will be direct, general obligations of the District payable from a continuing, direct, annual, *ad valorem* tax levied against all taxable property within the boundaries of the District, unlimited as to rate, but subject to the limitation that the total aggregate amount of taxes levied to pay principal of and interest on the Bonds shall not exceed the total aggregate of principal and interest on certain outstanding bonds of the District being refunded in advance of their respective maturities with proceeds of the sale of the Bonds (the “Bonds Being Refunded”), from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The application of such taxes to the payment of the Bonds will be subject to the rights vested in the owners of the Bonds Being Refunded to the payment of the Bonds Being Refunded from the same source in the event of a deficiency in the proceeds of the sale of the Bonds and amounts contributed by the District for such purpose held to pay principal of and interest on the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the moneys held for payment of the Bonds Being Refunded. See “SECURITY FOR AND SOURCES OF PAYMENT” herein.

The Bonds will be subject to optional redemption by the District prior to maturity as described herein.

Proceeds of the sale of the Bonds will be used to provide for payment of the Bonds Being Refunded and to pay costs of issuance relating to the Bonds.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF GOODYEAR, ARIZONA, THE STATE OF ARIZONA NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY OF GOODYEAR, ARIZONA, THE STATE OF ARIZONA NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds are offered when, as and if issued 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, and for the underwriter identified below by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that delivery of the Bonds in book-entry form will be made through the facilities of DTC on or about June __, 2015.

This cover page and the inside front cover page contain 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.

RBC CAPITAL MARKETS

May __, 2015

* Preliminary, subject to change.

\$7,015,000*
COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015

MATURITY SCHEDULE*

Year (July 15)	Principal Amount	Interest Rate	Yield	CUSIP^(a) No. (Base 38251N)
2016	\$335,000			
2017	365,000			
2018	385,000			
2019	405,000			
2020	420,000			
2021	430,000			
2022	310,000			
2023	325,000			
2024	335,000			
2025	355,000			
2026	375,000			
2027	395,000			
2028	410,000			
2029	2,170,000			

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* Preliminary, subject to change.

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 its location in the text. Brief descriptions of the Bonds, the Bond Resolution, the security for the Bonds, 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 and other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from RBC Capital Markets, LLC (the “Underwriter”) at 2398 East Camelback Road, Suite 700, Phoenix, Arizona 85016.

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give information or to make any representation 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 any of the foregoing.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS AND IS NOT TO BE CONSTRUED AS THE PROMISE OR GUARANTEE OF THE UNDERWRITER OR THE FINANCIAL ADVISOR. THE PRESENTATION OF INFORMATION, INCLUDING TABLES OF *AD VALOREM* PROPERTY TAX RATES AND BONDED GENERAL OBLIGATION INDEBTEDNESS, IS INTENDED TO SHOW RECENT HISTORICAL INFORMATION, AND, EXCEPT AS EXPRESSLY STATED OTHERWISE, IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS. NO REPRESENTATION IS MADE THAT THE PAST EXPERIENCE SHOWN BY SUCH INFORMATION WILL NECESSARILY CONTINUE OR BE REPEATED IN THE FUTURE. THIS OFFICIAL STATEMENT CONTAINS, IN PART, ESTIMATES AND MATTERS OF OPINION WHICH ARE NOT INTENDED AS STATEMENTS OF FACT, AND NO REPRESENTATION IS MADE AS TO THE CORRECTNESS OF SUCH ESTIMATES AND OPINIONS OR THAT THEY WILL BE REALIZED IN THE FUTURE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE DISTRICT OR THE UNDERWRITER AND THE PURCHASERS OR HOLDERS OF ANY OF THE BONDS.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR IN THE INFORMATION OR OPINIONS SET FORTH HEREIN SINCE THE DATE OF THIS OFFICIAL STATEMENT.

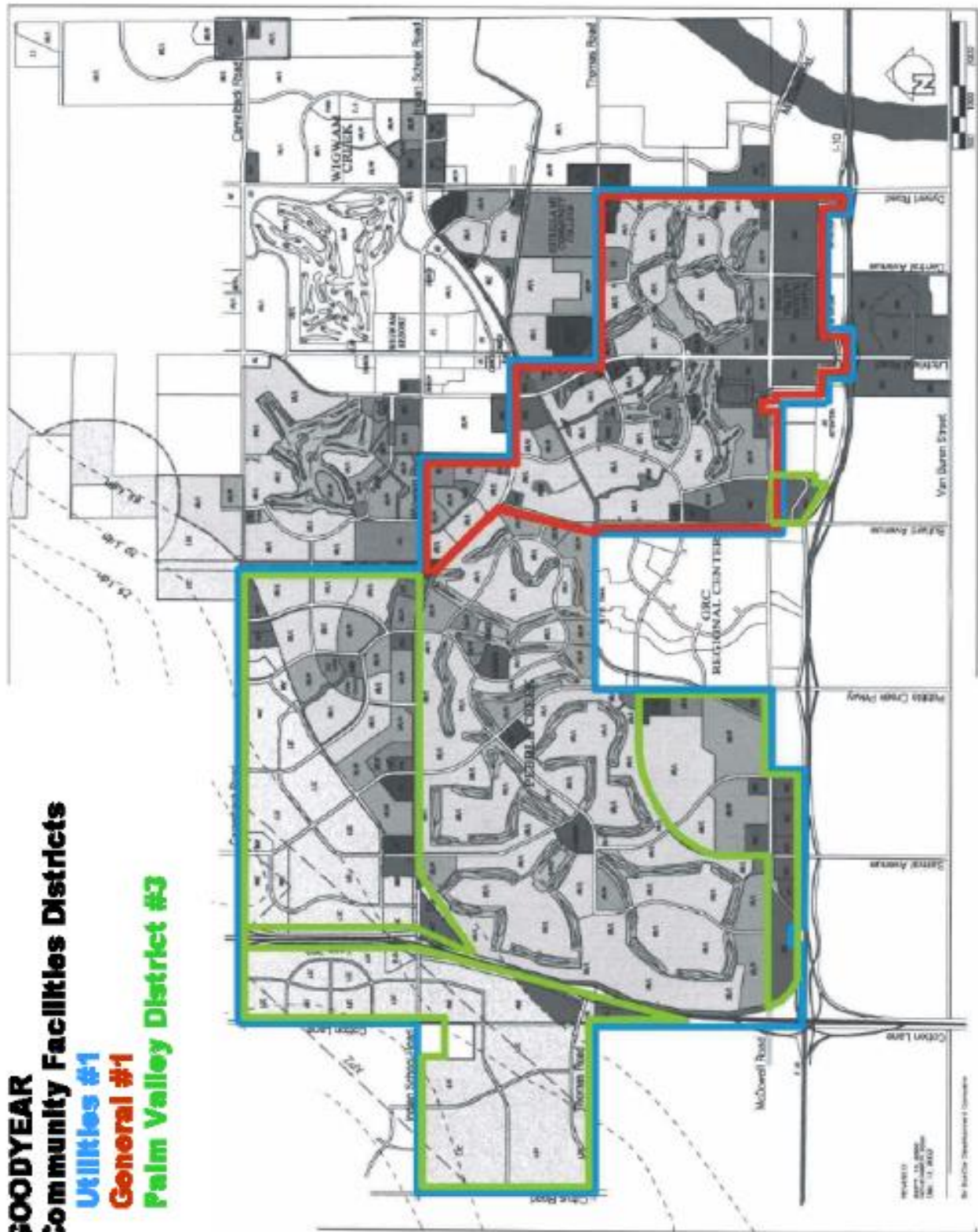
THE DISTRICT HAS COVENANTED TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THIS OFFICIAL STATEMENT UNDER THE HEADING “CONTINUING DISCLOSURE” AND IN APPENDIX C - “FORM OF CONTINUING DISCLOSURE UNDERTAKING” PURSUANT TO RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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**MAP SHOWING LOCATION OF THE DISTRICT,
PALM VALLEY COMMUNITY FACILITIES DISTRICT NO. 3
AND COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
WITHIN THE CITY OF GOODYEAR, ARIZONA**

GOODYEAR
Community Facilities Districts
Utilities #1
General #1
Palm Valley District #3



\$7,015,000*
COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2015

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) District General Obligation Refunding Bonds, Series 2015 (the "Bonds"), in the aggregate principal amount of \$7,015,000*.

THE DISTRICT

The Mayor and Council of the City of Goodyear, Arizona (the "City"), adopted Resolution No. 89-359 on August 8, 1989, which formed Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) (the "District"). (See APPENDIX A hereto for certain information with respect to the City.)

The District encompasses approximately 7,644 acres within the City and is located in the northeastern corner of the City, north of Interstate 10 and on the eastern boundary of the City. The District is a special purpose, tax levying public improvement district for purposes of the Constitution of Arizona and a municipal corporation for certain purposes of the laws of the State of Arizona (the "State" or "Arizona"). Except as otherwise provided in the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act"), the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. The Mayor and Council of the City serve, *ex officio*, as the board of directors of the District (the "Board"), the Clerk of the City serves as the District Clerk, the Finance Director of the City serves as the District Treasurer and the City Manager of the City serves as the District Manager.

The City and the District are separate and distinct legal entities, and neither entity is legally or otherwise liable for the obligations of the other. The District has the power to issue bonds payable from *ad valorem* taxes levied on all taxable property within the District.

The Bonds are being issued in order to refund in advance of their respective maturities certain of the outstanding bonds of the District (the "Bonds Being Refunded"). See "PLAN OF REFUNDING" and "SOURCES AND APPLICATIONS OF FUNDS." After issuance of the Bonds, there will be \$111,760,000 of authorization to issue bonds payable from *ad valorem* property taxes levied on all taxable property in the District.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

THE BONDS

Authority and Purpose

The Bonds will be issued pursuant to the Constitution and the laws of the State, including particularly the Enabling Act and Title 35, Chapter 3, Article 4 Arizona Revised Statutes (the "Refunding Act"). The Bonds are authorized by a resolution adopted by the Board on May 18, 2015* (the "Bond Resolution"). Proceeds from the sale of the

* Preliminary, subject to change.

Bonds and any amounts contributed by the District will be used to establish an irrevocable depository trust (the "Trust") containing moneys and certain obligations as hereinafter described that will, along with certain investment income thereon, as hereinafter described, be sufficient to pay when due, or at early redemption, principal of and interest on the Bonds Being Refunded as hereinafter described under "PLAN OF REFUNDING." The remaining proceeds will be applied to pay all legal, financial and other necessary costs incurred in connection with the sale of the Bonds.

The Bonds will be dated as of the date of 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 15 and July 15 of each year, commencing July 15, 2015* (each such date being referred to herein as an "Interest Payment Date"). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from their date of delivery, calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds will be issued in the form of fully registered bonds, without coupons, 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 system maintained by DTC in amounts of \$5,000 of principal due on a maturity date and any integral multiples thereof in excess thereof. 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. No document of any nature whatsoever need be surrendered as a condition to payment of the principal and interest on the Bonds. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions*

Optional Redemption. The Bonds maturing on or before July 15, 2025, will not be subject to call for redemption prior to maturity. The Bonds maturing on or after July 15, 2026, will be subject to redemption prior to maturity, at the option of the District, on or after July 15, 2025, in whole or in part on any date, at a price equal to the principal amount to be redeemed, plus interest accrued to the date of redemption, without premium.

Selection of Bonds for Redemption. If less than all of the Bonds of a maturity are to be redeemed upon any redemption of Bonds, the Bonds to be redeemed will be selected by lot in accordance with procedures of DTC. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

Notice of Redemption. Notice of redemption will be given by Bankers Trust Company, the bond registrar and paying agent for the Bonds, not less than thirty (30) days nor more than sixty (60) days before the date fixed for redemption, to DTC. See APPENDIX E - "BOOK-ENTRY-ONLY SYSTEM."

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.

PLAN OF REFUNDING*

The proceeds of the sale of the Bonds remaining after payment of the costs of issuance and any amounts contributed by the District for such purposes will be deposited in the Trust with Bankers Trust Company (the “Depository Trustee”), pursuant to a Depository Trust Agreement between the District and the Depository Trustee, dated as of June 1, 2015 (the “Depository Trust Agreement”), to be applied to the payment of the the Bonds Being Refunded at par (without premium) as follows:

Issue Series	Maturity Date (July 15)	Principal Amount Being Refunded/ Outstanding	Maturity or Redemption Date (July 15)	CUSIP^(a) No. (Base 38251N)
District General Obligation Project Bonds, Series 2005	2015	\$ 220,000	2015	CE3
	2016	230,000	2015	CF0
	2017	235,000	2015	CG8
	2018	245,000	2015	CH6
	2019	260,000	2015	CJ2
	2020	270,000	2015	CK9
	2021	280,000	2015	CL7
	2022	290,000	2015	CM5
	2023	305,000	2015	CN3
	2024	315,000	2015	CP8
	2025	330,000	2015	CQ6
	2029	3,230,000	2015	CR4
		<u>\$ 6,210,000</u>		
District General Obligation Refunding Bonds, Series 2005	2015	\$ 100,000	2015	DA0
	2016	105,000	2015	DB8
	2017	110,000	2015	DC6
	2018	115,000	2015	DD4
	2019	120,000	2015	DE2
	2020	125,000	2015	DF9
	2021	130,000	2015	DG7
		<u>\$805,000</u>		
		<u>\$7,015,000</u>		

(a) See footnote (a) to inside front cover page.

If the moneys deposited with the Prior Trustee are not sufficient to pay the principal of and interest on the Bonds Being Refunded, the District will remain liable for payment of the Bonds Being Refunded. The *ad valorem* property tax to be levied for the payment of the Bonds is unlimited as to rate, but limited in amount so that the aggregate of taxes levied to pay principal of and interest on the Bonds will not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The Refunding Act provides that the issuance of the Bonds in no way infringes upon the rights of holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if the moneys deposited with the Prior Trustee prove insufficient. The Refunding Act further provides that owners of the Bonds must rely upon the sufficiency of the moneys deposited with the Prior Trustee for the payment of the Bonds Being Refunded. See “SECURITY FOR AND SOURCES OF PAYMENT.”

* Preliminary, subject to change.

SECURITY FOR AND SOURCES OF PAYMENT

General

For the purpose of paying the principal of, interest on and costs of registration and payment of the Bonds, the District shall cause to be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* property tax sufficient to pay all such principal, interest and costs of the administration as the same become due; provided, however, that the total aggregate of taxes levied to pay principal of and interest on the Bonds will not exceed the total aggregate principal and interest to come due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. Subject to such limitation, such taxes are to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes will be kept in a special fund of the District (the “Bond Fund”) and will be used only for the payment of principal, interest and administration costs as above-stated. Following collection and deposit of the taxes in the Bond Fund, moneys credited to the Bond Fund will be invested in accordance with the provisions of State law.

As described hereinabove under the subheading “PLAN OF REFUNDING,” the net proceeds of the sale of the Bonds and any amounts contributed by the District for such purpose will be held uninvested by the Prior Trustee. The owners of the Bonds must rely upon the sufficiency of such amount for the payment of the Bonds Being Refunded. The issuance of the Bonds will in no way infringe upon the rights of the holders of the Bonds Being Refunded to rely upon a tax levy for the payment of principal of and interest on the Bonds Being Refunded if such moneys prove insufficient.

Ad Valorem Property Taxation Process

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State’s property tax system. Beginning in tax year 2015, and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all ad valorem tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the taxable value of property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that are regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session. The information which follows summarizes the assessment, levy and collection process as it currently exists.

General

For tax purposes in Arizona, real property is either valued by the Assessor of the Maricopa County, Arizona (the “County”) or the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as “centrally valued” property and is generally large mine and utility entities.

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 and constitutional debt limits.

For tax year 2015 and subsequent tax years, 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. Tax years are the same as calendar years. 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 and determining constitutional debt limits.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary ad valorem property tax purposes was the limited property value, and for secondary ad valorem tax purposes (as described below) it was the full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value are not limited.

Determination of Full Cash Value

The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the 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," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County uses generally a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. Appeals are also allowed for such valuations.

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Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value (both full cash value and limited property value) of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
Property Tax Assessment Ratios
(Tax Year)

<u>Property Classification</u> (a)	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Mining, Utility, Commercial and Industrial (b)	20.0%	20.0%	19.5%	19.0%	18.5%
Agriculture and Vacant Land (b)	16.0	16.0	16.0	16.0	16.0
Owner Occupied Residential	10.0	10.0	10.0	10.0	10.0
Lease or Rented Residential	10.0	10.0	10.0	10.0	10.0
Railroad, Private Car Company and Airline Flight Property (c)	15.0	15.0	15.0	16.0	15.0

- (a) Additional classes of property exist, but seldom amount to a significant portion of total valuation.
- (b) For tax year 2015, full cash values up to \$146,973 on commercial, industrial and agricultural personal property are exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18 percent for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15 percent for tax year 2016 and thereafter.
- (c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial, and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Source: *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue.

Primary Taxes

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 property value multiplied by the appropriate property classification 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.

Secondary Taxes

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 (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the District, the Underwriter (as defined herein), the Financial Advisor (as defined herein) or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

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Ad Valorem Property Taxation in the District

Property Valuations. The following table lists certain property valuations for the District:

TABLE 2
Property Valuations (a)

Fiscal Year	Full Cash Value	Secondary Assessed Value
2014-15	\$ 2,500,626,486	\$ 274,057,952
2013-14	2,213,960,979	248,308,412
2012-13	2,137,732,262	244,227,432
2011-12	2,314,734,819	266,968,352
2010-11	2,662,476,623	319,823,541

- (a) Estimated Full Cash Value and Secondary Assessed Value are \$2,943,041,909 and \$322,464,024, respectively, for the 2015-16 Fiscal Year, provided by the Maricopa County Assessor. Valuations for the 2015-16 Fiscal Year are not official until approved by the Board of Supervisors of the County on or before the third Monday in August for the following fiscal year. Although the final official valuations are not expected to differ materially from the estimated valuations, they are subject to positive or negative adjustments until approved by the Board of Supervisors of the County. See also “SECURITY FOR AND SOURCES OF PAYMENT – *Ad Valorem* Property Taxation Process.”

Source: Maricopa County Assessor’s Office

Net Secondary Assessed Valuation by Property Classification. The following is a breakdown of secondary assessed valuations for the District by property classifications:

TABLE 3
Net Secondary Assessed Valuation
by Property Classification (a)

Description	2010-11	2011-12	2012-13	2013-14	2014-15	2014-15 Percent of Total
Utilities/Commercial & Industrial	\$ 102,793,987	\$ 75,674,677	\$ 67,365,448	\$ 64,454,368	\$ 60,148,359	21.95%
Agricultural & Vacant	26,429,954	20,602,585	12,635,788	14,381,359	14,655,259	5.35
Residential (owner occupied)	170,560,798	153,259,974	128,711,102	124,082,433	141,830,148	51.75
Residential (rental occupied)	20,038,802	17,431,116	35,496,354	44,035,951	54,672,486	19.95
Noncommercial/Environmental	0	0	0	1,320,403	2,726,750	0.99
Possessory Interests	0	0	18,740	33,898	24,950	0.01
Total	\$319,823,541	\$266,968,352	\$244,227,432	\$248,308,412	\$274,057,952	100.00%

- (a) See “*Ad Valorem* Taxation Process – General” for a description of the property values used for primary and secondary *ad valorem* property tax purposes prior to tax year 2015.

Source: Maricopa County Assessor’s Office.

Net Secondary Assessed Valuations of Major Taxpayers. Shown below with respect to the 2014-15 Fiscal Year are the major property taxpayers located within the District, their current net secondary assessed value and their relative proportion of the total net secondary assessed value of the District.

TABLE 4
Net Secondary Assessed Valuations
of Major Taxpayers

Taxpayer (a)	2014-15 Net Secondary Assessed Valuation	As Percent of District's 2014-15 Net Secondary Assessed Valuation
VHS of South Phoenix Inc	\$ 8,810,291	3.21%
First American Title Ins Co Tr 7854	6,695,122	2.44
Arizona Public Service Company	5,557,671	2.03
PVPW Corp	3,154,345	1.15
Litchfield Park Service Company Sewer	2,452,710	0.89
Palm Valley I LLC/ETAL	2,251,680	0.82
Picerne Pebble Creek LLC	1,906,280	0.70
Palm Valley MOB LLC	1,840,112	0.67
Palm Valley INDY LLC	1,818,560	0.66
Columbia Palm Valley Marketplace LLC	1,702,932	0.62
		<hr/> 13.19% <hr/>

Source: Maricopa County Assessor's Office and the Arizona Department of Revenue

- (a) Some of such taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, 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 at the Commission's regional offices and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. 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, New York 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, the Underwriter or their respective agents or consultants has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

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Record of Taxes Levied and Collected in the District. Under Arizona law, the Board of Supervisors of the County is required to establish and levy a tax in an amount sufficient to satisfy debt service requirements of the District. Property taxes are levied and collected on property within the District and certified by Treasurer on behalf of the District. The following table sets forth the tax collection record of the District for the past five fiscal years:

TABLE 5

Fiscal Year	Real and Secured Personal Property Tax Levy (a)	Collected to June 30th (b)(c)		Total Collections (c)	
		Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2014-15	\$2,784,977	(d)	(d)	\$1,892,799	67.96%
2013-14	2,483,089	\$2,426,136	97.71%	2,440,208	98.27
2012-13	2,442,327	2,393,399	98.00	2,409,129	98.64
2011-12	2,669,897	2,631,714	98.57	2,632,257	98.59
2010-11	3,198,417	3,116,465	97.44	3,143,084	98.27

- (a) Tax levy is as reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after the August report. Amounts include the proceeds of the tax described in footnote (b) to TABLE 7.
- (b) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due on October 1 and becomes delinquent on November 1, but is waived if the full tax year's taxes are paid in full by December 31. The second installment is due on March 1 and becomes delinquent on May 1. Interest at the rate of 16 percent per annum attaches on first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.
- (c) Reflects collections made through March 31, 2015. The next installment of taxes will be due October 1, 2015, but is not delinquent until November 1, 2015.
- (d) In process of collection.

Source: Maricopa County Treasurer's Office.

General Obligation Bonded Indebtedness to be Outstanding. The following table lists the general obligation bonded indebtedness of the District that will be outstanding after issuance of the Bonds:

TABLE 6

Issue	Date of Issue	Original Amount	Maturity Date	Average Int. Rate	Balance Outstanding*
Series 2007	08-14-07	\$24,015,000	07-15-08/32	4.71%	\$20,460,000
Series 2014 Refunding	06-11-14	14,755,000	07-15-15/28	3.25%	<u>14,755,000</u>
Total General Obligation Bonds Outstanding (a)					\$35,215,000
General Obligation Bonds to be Issued					<u>\$7,015,000*</u>
Total General Obligation Bonds to be Outstanding					<u>\$42,230,000*</u>

- (a) The table is shown net of the Bonds Being Refunded.

* Preliminary, subject to change.

**OVERLAPPING, ADDITIONAL, ADDITIONAL
OVERLAPPING AND OTHER INDEBTEDNESS**

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, net assessed valuation and combined tax rate per \$100 assessed valuation. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction's assessed valuation which lies within the District's boundaries was derived from information obtained from the Assessor.

TABLE 7

Direct and Overlapping Jurisdiction	2014-15 Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed Value (b)
			Approx. Percent	Net Amount	
State of Arizona	\$ 55,352,051,074	None	0.50%	None	\$ 0.0000
Maricopa County	35,079,646,593	None	0.78	None	2.3615(c)
Maricopa County Community College District	35,079,646,593	\$ 654,190,000	0.78	\$ 5,102,682	1.5187
West-MEC	13,001,468,671	59,045,000	2.11	1,245,850	0.0810
Avondale ESD No. 44	322,479,123	33,725,000	82.41	29,792,773	5.8017
Litchfield ESD No. 79	652,775,053	18,875,000	43.00	8,116,250	3.7780
Agua Fria UHSD No. 216	975,254,176	58,270,000	28.26	16,594,272	4.2005
City of Goodyear	659,588,897	105,025,000	41.54	44,184,018	1.8700
Palm Valley Community Facilities District No. 3	54,837,082	6,965,000	100.00	6,965,000	1.2592
Community Facilities General District No. 1	107,667,651	10,350,000	100.00	10,350,000	0.7334
Community Facilities Utilities District No. 1 (d)	274,057,952	35,215,000	100.00	35,215,000	1.0162
Total Net Direct and Overlapping General Obligation Bonded Debt				<u><u>\$157,565,845*</u></u>	

- (a) Includes total stated principal amount of general obligation bonds outstanding. Excludes outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Excludes outstanding principal amounts of various County improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts. Also excludes the principal amount of special districts' bonds outstanding of various jurisdictions that are secured by special assessments levied against property owners residing within the respective improvement districts. Bonds supported from enterprise revenues are also excluded.

Also excludes the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior for repayment of certain capital costs of construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Bureau of Reclamation to deliver Colorado River water to central Arizona and Tucson. CAWCD's obligation for substantially all of the CAP features that have been constructed is \$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. Of the \$1.646 billion repayment obligation, 73 percent will be interest

* Preliminary, subject to change.

bearing and the remaining 27 percent 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 Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying payment administrative costs and expenses of CAP and to assist in repayment to the United States of the capital costs of CAP. 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 in the CAWCD. At the date of this Official Statement, the tax levy is limited to 14 cents per \$100 of secondary assessed valuation, of which 14 cents is being levied. (See Sections 48-3715 and -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.

- (b) The combined tax rate includes the tax rate for debt service payments and maintenance and operation outlay for the District, which is based on the secondary assessed valuation of the entity, and the tax rate for all other purposes such as capital and other maintenance and operation outlay, which is based on the primary assessed valuation of the jurisdiction.
- (c) The County's tax rate includes the \$1.3209 tax rate of the County, the \$0.1400 tax rate of CAWCD, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the County Free Library, the \$0.1856 tax rate of the Maricopa Special Health Care District, the \$0.0113 tax rate of the County Fire District and the \$0.5089 "State Equalization Assistance Property Tax." It should be noted that the County Flood Control District does not levy taxes on personal property. The State Equalization Assistance Property Tax is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.
- (d) Does not include the Bonds and is net of the Bonds Being Refunded. In addition to the rate for debt service, the District levies a tax of \$0.25 per \$100 of secondary assessed valuation of possible maximum \$0.30 for operations and maintenance costs of the District.

Source: Maricopa County Assessor's Office and individual jurisdictions.

Total Direct and Overlapping Tax Rates Per \$100 Assessed Valuation. The amounts shown below indicate the maximum property tax rate levied against property within various jurisdictions within the District in the 2014-15 Fiscal Year:

	2014-15 Property Tax Rate
Inside the District, General District No. 1 and Litchfield ESD No. 79	\$15.5593
Inside the District, General District No. 1 and Avondale ESD No. 44	17.5830
Inside the District, Palm Valley No. 3 and Litchfield ESD No. 79	16.0851
Inside the District and Litchfield ESD No. 79	14.8259
Inside the District, Palm Valley No. 3 and Avondale ESD No. 44	18.1088
Inside the District and Avondale ESD No. 44	16.8496

Additional General Obligation Bonded Indebtedness of the District

The District has \$111,760,000 principal amount of authorized but unissued bonds payable from *ad valorem* property taxes. The District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, such bonds, and additional indebtedness could be authorized in the future.

Pursuant to the Enabling Act, the amount of indebtedness evidenced by general obligation and revenue bonds of the District may not exceed the estimated cost of the public infrastructure improvements plus all costs connected with related public infrastructure purposes (as such term is defined in the Enabling Act) and issuance and sale of such bonds; provided, however, that the total aggregate outstanding amount of bonds for which the full faith and credit of the District may be pledged may not exceed 60 percent of the aggregate of the estimated market value

of the real property and the improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with proceeds of any such bonds. The District is currently in compliance with such limitation.

Additional Overlapping General Obligation Bonded Indebtedness including of the General District and of the Palm Valley District

In General. The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, the County, Community Facilities General District No. 1 (City of Goodyear, Arizona) (the “General District”), Palm Valley Community Facilities District No. 3 (City of Goodyear, Arizona) (the “Palm Valley District”), school districts, or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future.

The following overlapping entities of the District have the indicated authorized but unissued bonds payable from *ad valorem* property taxes available for future issuance:

TABLE 8

City of Goodyear	\$167,660,449
Avondale ESD No. 44	28,665,000
Litchfield ESD No. 79	29,000,000
West MEC	14,900,000
The General District	119,100,000
The Palm Valley District	116,760,000

General District. Pursuant to the Enabling Act and Resolution No. 89-360 adopted by the Mayor and Council of the City on August 8, 1989, the Council of the City formed the General District. The boundaries of the District include all of the area of the General District. The Council, *ex officio*, serves as the Board of Directors of the General District, and the General District has all those powers described herein for the District with respect to the land included within its boundaries.

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the General District may be pledged may not exceed 60 percent of the aggregate of the estimated market value of the real property and the improvements in the General District after the public infrastructure of the General District is completed plus the value of the public infrastructure owned or to be acquired by the General District with proceeds of any such bonds.

Palm Valley District. Pursuant to the Enabling Act and Resolution No. 04-906 adopted by the Mayor and Council of the City on February 9, 2004, the Council of the City formed the Palm Valley District. The boundaries of the District include all of the area of the Palm Valley District. The Council, *ex officio*, serves as the Board of Directors of the Palm Valley District, and the Palm Valley District has all those powers described herein for the District with respect to land included within its boundaries.

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the Palm Valley District may be pledged may not exceed 60 percent of the aggregate of the estimated market value of the real property and the improvements in the Palm Valley District after the public infrastructure of the Palm Valley District is completed plus the value of the public infrastructure owned or to be acquired by the Palm Valley District with proceeds of any such bonds.

ANNUAL DEBT SERVICE REQUIREMENTS OF BONDS

The District will have the following annual debt service requirements after the issuance of the Bonds:

Fiscal Year Ending (July 15)	Total Debt Service Requirements for Outstanding Bonds*	Debt Service Requirements for the Bonds		Total Combined Debt Service Requirements*
		Principal*	Interest (a)	
2015	\$2,867,575			\$2,867,575
2016	2,867,888	\$365,000	\$344,857	3,547,744
2017	2,875,663	395,000	307,600	3,548,263
2018	2,873,463	400,000	293,000	3,551,463
2019	2,869,063	415,000	277,600	3,551,663
2020	2,871,719	425,000	261,400	3,553,119
2021	2,875,969	435,000	244,600	3,550,569
2022	2,872,344	310,000	227,400	3,409,744
2023	2,865,994	325,000	215,000	3,405,994
2024	2,871,544	330,000	202,000	3,408,544
2025	2,872,950	345,000	185,250	3,413,200
2026	2,870,075	360,000	167,500	3,412,575
2027	2,868,825	375,000	148,750	3,412,575
2028	2,869,000	390,000	129,000	3,408,000
2029	1,470,375	2,145,000	108,500	3,748,875
2030	3,698,750			3,698,750
2031	3,699,000			3,699,000
2032	3,701,250			3,701,250
	<u>\$52,761,447</u>	<u>\$7,015,000</u>	<u>\$3,112,457</u>	<u>\$62,888,900</u>

- (a) The first interest payment on the Bonds will be due on January 15, 2016*. Thereafter, interest payments will be made semiannually on January 15 and July 15 until maturity or prior redemption. Interest is estimated at 3.50%.

Source: Prepared by the Underwriter.

*Preliminary, subject to change.

SOURCES AND APPLICATIONS OF FUNDS

Sources

Par Amount of Bonds	\$7,015,000*
[Net] Original Issue Premium	_____
Total	\$_____

Applications

Deposit to Depository Trustee	\$_____
Deposit to Debt Service Fund	_____
Cost of Issuance (including Underwriter's Compensation)	_____
Total	\$_____

DISTRICT LITIGATION

At the time of delivery and payment for the Bonds, 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, 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. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. The opinion of Bond Counsel will be dated as of the date of delivery of the Bonds. A form of such opinion is included as APPENDIX B attached hereto.

The Internal Revenue Code of 1986, as amended (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 in 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 on the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants.

* Preliminary, subject to change.

The Code also imposes an “alternative minimum tax” upon certain corporations and individuals. A taxpayer’s “alternative minimum taxable income” (“AMTI”) is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMTI of individuals or corporations. Notwithstanding the preceding sentence, one of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75 percent of the excess (if any) of the corporation’s “adjusted current earnings” over the corporation’s AMTI for the taxable year (determined without regard to such adjustment for excess adjusted current earnings and the alternative tax net operating loss deduction). A corporation’s “adjusted current earnings” includes all tax-exempt interest, including the interest on the Bonds.

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 the federal tax liability of actual purchasers of the Bonds (the “Beneficial Owners”). Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of 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 indebtedness to purchase or carry tax-exempt obligations should consult their tax consultants as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the respective Beneficial Owner’s particular tax status and the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Bonds are not “private activity bonds” within the meaning of Section 141 of the Code.

Currently and from time to time, there are legislative proposals in Congress which, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. 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 enactment.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 15, 20__ through and including July 15, 20__ (the “Discount Bonds”), are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (the “Issue Price”) of the Discount Bonds, and the amount payable at maturity, of the Discount Bonds will be treated as “original issue discount.” With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 15 and July 15 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner’s tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds

in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in “TAX EXEMPTION” herein.

Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local taxes.

BOND PREMIUM

The initial public offering price of the Bonds maturing on July 15, 20__, through and including July 15, 20__ (collectively, the “Premium Bonds”), are greater than the amounts payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner’s yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

RATINGS

Moody’s Investors Service, Inc. and Standard & Poor’s Financial Services LLC have assigned the ratings of “[A1]” and “[A-],” respectively, to the Bonds. Such ratings reflect only the view of such rating agencies, and any explanation of the meaning or significance of the ratings may only be obtained from such rating agencies. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the Bonds. The District has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating that relates to the Bonds. See “CONTINUING DISCLOSURE” below.

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriter with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest thereon (see “TAX EXEMPTION”). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance.

Certain legal matters will be passed upon for the District by Bond Counsel and for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. The fees of Bond Counsel and counsel to the Underwriter are expected to be paid from the proceeds of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX B. The legal opinion to be delivered may vary from the text of APPENDIX B if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise,

should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings “THE DISTRICT,” “THE BONDS,” “SECURITY FOR AND SOURCES OF PAYMENT,” “DISTRICT LITIGATION,” “TAX EXEMPTION,” “ORIGINAL ISSUE DISCOUNT,” “BOND PREMIUM,” “CONTINUING DISCLOSURE” (except as it relates to compliance with prior continuing disclosure undertakings) and “RELATIONSHIPS AMONG PARTIES AND OTHER MATTERS” (but only as it applies to Bond Counsel) and in APPENDICES B and C but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

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.

FINANCIAL ADVISOR

Wedbush Securities Inc. (the “Financial Advisor”) is employed as the financial advisor to the District for purposes of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District’s 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 the responsibility for, or an expression of opinion of any kind with regards to, the accuracy and completeness of the information contained herein.

FINANCIAL STATEMENTS

The financial statements of the District as of June 30, 2014, and for its fiscal year then ended, which are included as APPENDIX D of this Official Statement, have been audited by Henry Horne, LLP as stated in their opinion which appears in APPENDIX D - “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2014.” The District neither requested nor obtained the consent of Henry Horne, LLP to include their report and Henry Horne, LLP has performed no procedures subsequent to rendering their opinion on the financial statements.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the “Underwriter”) as part of a *bona fide* public offering. The Underwriter has agreed to purchase the Bonds at a purchase price of \$_____ (reflecting the aggregate principal amount of the Bonds, plus [net] original issue premium of \$_____ and less Underwriter’s compensation of \$_____). The yields set forth on the inside front cover page hereof may be changed after the initial offering by the Underwriter.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of certain beneficial owners of the Bonds to provide audited annual financial statements and certain financial information and operating data relating to the District by not later than February 1 of each year (the “Annual Reports”) and to provide notices of the occurrence of certain enumerated

events (the “Notices”). The Annual Reports and the Notices will be filed by the District through the Electronic Municipal Market Access System (“EMMA”) established by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Reports or in the Notices are set forth in APPENDIX C - “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” which includes the form of the undertaking which will be executed by the District with respect to the Bonds.

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”). Should the District not comply with such covenants, it has covenanted to provide notice of such fact through EMMA. A failure to provide continuing disclosure may adversely affect the transferability and liquidity of the Bonds and their market price.

The District has been and is in material compliance with its prior continuing disclosure undertakings entered into for purposes of the Rule for the past five years.

RELATIONSHIPS AMONG PARTIES AND OTHER MATTERS

Counsel to the Underwriter and Bond Counsel have each acted as bond counsel in other Arizona transactions underwritten by the Underwriter and the Financial Advisor and have each acted as underwriter’s counsel to the Underwriter and the Financial Advisor in other Arizona transactions. Counsel to the Underwriter and Bond Counsel have also acted as bond counsel and/or underwriter’s counsel with respect to bonds issued by the City and other overlapping political subdivisions, including the District, the General District and the Palm Valley District. The Underwriter has acted as underwriter or financial advisor with respect to bonds issued by the City and other overlapping political subdivisions, including the District, the General District and the Palm Valley District. The Financial Advisor has acted as underwriter or financial advisor with respect to bonds issued by the City and other overlapping political subdivisions, including the District, the General District and the Palm Valley District.

This Official Statement has been approved, executed and delivered by the District.

COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)

By
Chairperson, District Board

APPENDIX A

CITY OF GOODYEAR, ARIZONA GENERAL AND FINANCIAL INFORMATION

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" 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.

Population Statistics

TABLE A-1
Population Statistics for the City of Goodyear,
Maricopa County and the State of Arizona

<u>Years</u>	<u>City of Goodyear</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
2014 Estimate (a)	74,743	4,008,651	6,667,241
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) Estimate as of July 1, 2014.

Source: Arizona Department of Administration, Office of Employment and Population Statistics and US Census Bureau, American FactFinder.

Municipal Government Organization and Services

The City's charter government provides for six council members, a Mayor elected at large and a Vice Mayor who is elected by the Mayor and council members. Council members serve four-year staggered terms and the Mayor 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 500 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.

The following are certain members of the administrative staff of the City:

Brian Dalke, City Manager. Mr. Dalke was appointed City Manager in October 2012. Mr. Dalke had previously served as the City's Deputy City Manager since 2004 and prior to that as the City's Economic Development Director since 1994. Mr. Dalke oversees Police, Information Technology Services, Human Resources, Community Development, Finance and Economic Development. Prior to his employment at the City, he spent 16 years with Salt River Project as Senior Representative for Business and Industrial Development. Mr. Dalke is a graduate of the Economic Development Institute, and holds a Bachelor of Arts Degree in Business Administration from Ottawa University.

Larry Lange, Finance Director. Mr. Lange was appointed to his current position in 2005. Prior to joining the City, Mr. Lange developed an Arizona practice for a municipal service and consulting organization, was the Deputy City Manager and City Treasurer for the City of Show Low, Arizona, and was a partner in a national CPA firm. He has been active in a number of statewide efforts, including a Small Cities Best Practices Program, the chair of the audit committee for Arizona Town Hall, and an original board member for the Arizona Municipal Risk Retention Pool. Mr. Lange graduated from the University of South Dakota with a Bachelor of Science Degree in Business Administration.

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 the aerospace industry and retail services. 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.

The Cleveland Indians started spring training in the City in 2009; the Cincinnati Reds started spring training in the City in 2010.

Unemployment Averages

TABLE A-2 (a)

Years	City of Goodyear	Maricopa County	State of Arizona	United States
2015(b)	4.9%	4.7%	5.4%	5.5%
2014	6.0	5.9	7.0	6.2
2013	6.9	6.6	8.0	7.4
2012	7.7	7.1	8.3	8.1
2011	8.7	8.4	9.4	8.9
2010	7.9	9.6	10.4	9.6

(a) Averages reflect certain revisions made in 2012. On February 29, 2012, the Local Area Unemployment Statistics ("LAUS") program released 2011 annual average labor force estimates for census regions and divisions for all States. Data was revised back to January 2007 to incorporate new population controls, updated inputs, re-estimation of models, and adjustment to new census division and national control totals. On April 20, 2012, routine revisions were made to data from 2007 through 2011 for geographic areas below the State level. For all areas, estimation inputs were revised back to 2010, while the revisions for 2007 through 2009 consisted of controlling to the new State averages described above.

(b) Data through March, 2015.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

A list of significant employers located within the City is set forth in the following table.

**Major Employers
City of Goodyear, Arizona**

**TABLE A-3
City of Goodyear
Major Employers**

Employer (a)	Product/Service	Approximate Employment
Arizona State Prison Complex/Perryville	State Prison	825
Macy's Logistics	Distribution Center	600
Cancer Treatment Centers of America	Healthcare Services	600
West Valley Hospital	Hospital	580
Macy's Distribution Center	Distribution Center	550
Amazon.com	Distribution Center	500
City of Goodyear	Government	500
Wal-Mart Stores, Inc.	Retail Trade	430
Sub-Zero/Wolf	Appliance Manufacturing	400
McLane Sunwest	Grocery Distributer	360

- (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. 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. 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, New York 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, the Underwriter or their respective agents or consultants has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: 2013 *Phoenix Business Journal Book of Lists* and City of Goodyear Economic Development and employer survey.

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 City of Goodyear, Arizona (\$000s omitted)

TABLE A-4

Years (a)	Residential	Commercial and Industrial	Other	Total
2015 (b)	\$101,854	\$22,867	-	\$124,721
2014	222,280	25,532		
2013	271,095	66,615	-	337,710
2012	271,682	54,174	\$23,286	349,142
2010	133,568	17,000	10,278	160,846
2009	152,994	82,404	24,495	259,893

(a) Years 2009 and 2010 are reported by calendar year, 2012 through 2015 are by fiscal year ending June 30.

(b) Partial residential data through April 30, 2015. Partial data not available for Commercial and Industrial and Other categories.

Source: Realty Studies, W. P. Carey School of Business, Arizona State University Polytechnic Campus and the City. Note that the report obtains its data from County and municipal divisions which issue such permits. 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 City of Goodyear, Arizona

TABLE A-5

Years (a)	Total New Housing Starts
2015 (b)	567
2014	860
2013	1,006
2012	737
2010	489
2009	618

(a) Years 2009 and 2010 are reported by calendar year, 2012 through 2015 are by fiscal year ending June 30.

(b) Data through April 30, 2015.

Source: Realty Studies, W. P. Carey School of Business, Arizona State University Polytechnic Campus and the City. Note that the report obtains its data from County and municipal divisions which issue such permits. 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.

Transportation

The City is readily accessible via ground and air transportation. Highway access is provided by County Highway 85 and Interstate 10. Other freeways, designated as Loop 101, Loop 303, 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.

APPENDIX B

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2015

District Board
Community Facilities Utilities District No. 1
(City of Goodyear, Arizona)

Re: Community Facilities Utilities District No. 1 (City of Goodyear, Arizona) District
General Obligation Refunding Bonds, Series 2015

Ladies and Gentlemen:

At your request we have examined the official proceedings leading to the issuance of \$7,015,000* principal amount of District General Obligation Refunding Bonds, Series 2015 dated _____, 2015 (the “*Bonds*”), issued by the Community Facilities Utilities District No. 1 (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 CFUD #1 RES 15-____, passed and adopted by the District Board on May 18, 2015* (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 general obligation of the District.
4. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds, without limit as to rate, except that the total aggregate of taxes levied to pay the principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate amount of principal and interest to become due on the bonds being refunded from the date of issuance of the Bonds to the final date of maturity of the bonds being refunded; and subject further to the rights vested in the owners of such bonds being refunded to the payment of such bonds being refunded from the same tax source in the event of a deficiency in the moneys placed in trust for the purpose of providing for payment of principal of and premium and interest on such bonds being refunded. The owners of the Bonds must rely on the sufficiency of the moneys placed irrevocably in trust for payment of the bonds being refunded. Subject to the foregoing, it is required by law that

* Preliminary, subject to change.

there be levied, assessed and collected, in the same manner as other taxes of the District, an annual tax upon the taxable property in the District sufficient to pay the principal of and interest on the Bonds, when due.

5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excluded 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 of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to the federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code 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 requirement could cause the Bonds to be “arbitrage bonds” within the meaning of the Code or otherwise 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.

For the Firm

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

DRAFT

CONTINUING DISCLOSURE UNDERTAKING
\$7,015,000*

COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015
(BASE CUSIP NO. 38251N)

This Undertaking is executed and delivered by Community Facilities Utilities District No. 1 (hereinafter referred to as the “Issuer”), in connection with the issuance of the captioned municipal securities (hereinafter referred to as 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 Document” shall mean the resolution 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/submission>.

“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, 2016, 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

* Preliminary, subject to change.

(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 or operating data of the type included in TABLES [2, 4, 5 and 7] of the Official Statement for the Securities, dated May __, 2015.

(B) 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 official statements 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 official statement, 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 as soon as possible (but not later than thirty (30) days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.

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, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities.

(vii) Modifications to rights of holders, if material.

(viii) Bond calls, if material, or 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 Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, 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 District.

(xiii) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 trustee or an additional trustee or the change of the name of the trustee, if material.

(xv) Notice of a failure of the Issuer 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) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Authorizing Document.

(d) THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS AFTER THE OCCURRENCE OF A LISTED EVENT, FILE A NOTICE OF LISTED EVENT 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 the 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 Document 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 Authority 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 Owner 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]

COMMUNITY FACILITIES UTILITIES DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)

By.....
Chairperson, District Board

APPENDIX D

**AUDITED FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED JUNE 30, 2014**

APPENDIX E

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 2 million issues of U.S. and non-U.S., equity issues, corporate and municipal debt issues, and money market instruments from over 85 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 agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to other 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"). 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 or significant events with respect to the Bonds, such as redemptions, tenders, default 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 Bankers Trust Company, the initial bond registrar and

paying agent for the Bonds (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.