

**TOWN OF PAYSON, ARIZONA
WESTERLY DRIVE IMPROVEMENT DISTRICT**

NOTICE OF SUBSTANTIAL COMPLETION OF PHASE I OF THE WORK

The undersigned, the Superintendent of Streets of the Town of Payson, Arizona hereby finds and determines that Phase I of the "Work" as described in Resolution No. 1847 (the "Resolution of Intention" was substantially completed by Intermountain West Civil Constructors, Inc., the contractor, on or about June 20, 2006.

Therefore, as the Superintendent of Streets of the Town of Payson, Arizona, I hereby declare that the Work to be substantially complete, and hereby notify the Mayor and Council of the Town that it should conduct a hearing on the assessment.

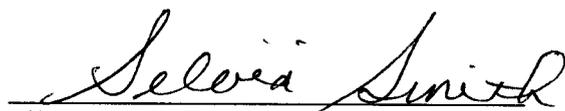
I recommend that the hearing on the assessment be held on September 7, 2006.

DATED August 3, 2006


Superintendent of Streets

Received and accepted this 3rd day of
August, 2006

Filed this 3rd day of August, 2006


Silvia Smith, Town Clerk

AUG 10 2006 G.2*a

RESOLUTION NO. 2202

RESOLUTION SETTING THE DATE FOR THE HEARING ON THE ASSESSMENT REGARDING TOWN OF PAYSON, ARIZONA, WESTERLY DRIVE IMPROVEMENT DISTRICT AND ORDERING THE GIVING OF NOTICE OF SUCH HEARING.

WHEREAS, the Mayor and Council (collectively, this "*Council*") of the Town of Payson, Arizona, have initiated the certain improvements within Town of Payson, Arizona, Westerly Drive Improvement District (the "*District*"); and

WHEREAS, the Council has authorized the execution of a contract between Intermountain West Civil Constructors, Inc. and the Superintendent of Streets of the District pertaining the construction of such improvements; and

WHEREAS, the Superintendent of Streets has informed this Council that said work has been completed and that he has executed and recorded the assessment, assessing the cost of construction and incidental expenses for said work against the properties located within the District; and

WHEREAS, it is now in order for this Council to fix a time when it will hear and pass upon the assessment and the proceedings theretofore had and taken with respect thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, that:

Section 1. The Council hereby sets the date for hearing on the assessment heretofore recorded by the Superintendent of Streets of the District to be held at the following time and place:

Date of Hearing: September 7, 2006
Time of Hearing: 5:30 p.m.
Place of Hearing: Town of Payson
Council Chambers
303 North Beeline Highway
Payson, Arizona 85541

Section 2. The Notice of Hearing on Assessment shall be substantially in the form attached hereto and marked *Exhibit A*. The Council hereby orders that said Notice be published and mailed as follows: publish a copy of said Notice five (5) times in the *Payson Roundup*. The Council further orders that a copy of the Notice of Hearing on Assessment be mailed by the Superintendent of Streets by first class mail, to all persons owning real property affected by the assessment as their names and addresses appear on the last certified property tax roll of the Gila County Assessor and to every other person interested who has filed his/her name and address with the Superintendent of Streets and requested that notices concerning the district be made available to such person.

Section 3. The Superintendent of Streets shall file an affidavit and supporting papers in conformance with the directions contained in this resolution.

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PASSED AND ADOPTED on August 10, 2006.

Mayor, Town of Payson, Arizona

ATTEST:

Clerk

APPROVED AS TO FORM:

A handwritten signature in cursive script, appearing to read "Fred Romo". The signature is written in black ink and is positioned above the title "Bond Counsel".

Bond Counsel

EXHIBIT A

NOTICE OF HEARING ON THE ASSESSMENT

**TOWN OF PAYSON, ARIZONA
WESTERLY DRIVE IMPROVEMENT DISTRICT**

TO THE PROPERTY OWNERS AND ALL PERSONS CLAIMING AN INTEREST IN ANY PROPERTY WITHIN IN THE TOWN OF PAYSON, ARIZONA, WESTERLY DRIVE IMPROVEMENT DISTRICT.

NOTICE IS HEREBY GIVEN that a hearing on the assessments and proceedings heretofore had and taken with respect to the Town of Payson, Arizona, Westerly Drive Improvement District, will be held at the following time and place:

| | |
|-------------------|--|
| DATE OF HEARING: | September 7, 2006 |
| TIME OF HEARING: | 5:30 p.m. |
| PLACE OF HEARING: | Town of Payson Council Chambers 303 North Beeline Highway Payson, Arizona 85541 |

Assessments cover the costs and expenses of the construction of the improvements described in Resolution of Intention No. 1847 for the work known as the Westerly Drive Improvement District. Said work was done in accordance with the contract between the Superintendent of Streets of the Town of Payson and Intermountain West Civil Constructors, Inc. Copies of the contract and all proceedings pertaining thereto are on file in the office of the Clerk of the Town.

The property assessed to pay for said improvement comprises lots, portions of lots, pieces of land, included within the district in said Town as described in the Resolution of Intention.

Improvement bonds extending over a period of approximately 16 years from their date and bearing interest at the rate of not to exceed 5.5% per annum have been issued under the provisions of Title 48, Chapter 4, Article 2, Arizona Revised Statutes and all amendments thereto, in the name of the Town, but payable only out of a special fund collected from the assessments levied against the property situated within the above-described Improvement District.

Any property owner, the contractor and all other persons directly interested in the work or in the assessment having any objection to the assessment or any of the previous proceedings connected therewith, or who claims that the work has not been performed according to the contract or making any objections to the correctness or legality of the proceedings, or claiming that said assessment or any part thereof should be modified, may, at any time prior to the time fixed for said hearing, file with the Town Clerk a written notice briefly specifying the grounds for such objection and at the time fixed for said hearing or at a time or times not later than ten (10) days thereafter, to which such hearing may be postponed, the Mayor and Council will hear and pass upon all objections so made and filed.

All decisions and determinations of the Mayor and Council upon the hearing aforesaid will be final and conclusive as to all errors, informalities and irregularities which the Mayor and Council might have remedied or avoided at any time during the progress of the proceedings.

Town Clerk

PUBLISH five times in the *Payson Roundup*

Mail by first class mail, at least twenty (20) days before the hearing date to all persons owning real property affected by the assessments as the names and addresses appear on the last certified tax roll for state and county purposes.