

RESOLUTION CFGD #1/RES 93-10

RESOLUTION APPROVING THE FEASIBILITY AND BENEFITS STUDY RELATING TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF CERTAIN STREET AND PUBLIC PARK IMPROVEMENTS BENEFITTING THE COMMUNITY FACILITIES GENERAL DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA); AND DECLARING THE INTENT OF THE DISTRICT TO ISSUE ASSESSMENT BONDS, SERIES 1993 A TO FINANCE SAID IMPROVEMENTS.

WHEREAS, pursuant to Section 48-715, Arizona Revised Statutes, as amended, the governing body of the Community Facilities General District No. 1 (City of Goodyear, Arizona) (the "District") has caused a study of the feasibility and benefits of the Projects (as defined hereinafter) relating to certain public infrastructure provided for in the General Plan of the District and to be financed with the proceeds of the sale of assessment bonds of the District to be prepared, which study includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Projects, an estimate of the cost to construct, acquire, operate and maintain the Projects, an estimated schedule for completion of the Projects, a map or description of the area to be benefited by the Projects and a plan for financing the Projects, a copy of which is on file with Clerk of the District; and

WHEREAS, pursuant to Section 48-715, Arizona Revised Statutes ("A.R.S."), as amended, a public hearing on the Study was held on even date herewith, after provision for publication of notice thereof as provided by law;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE COMMUNITY FACILITIES GENERAL DISTRICT NO. 1 (CITY OF GOODYEAR, ARIZONA) AS FOLLOWS:

Section 1. DEFINITIONS.

"Act" shall mean Title 48, Chapter 4, Article 6, A.R.S., as amended.

"Board" shall mean the governing body of the District.

"Clerk" shall mean the Clerk of the District.

"District" shall mean the Community Facilities General District No. 1 (City of Goodyear, Arizona).

"Projects" shall mean the public infrastructure (as such term is defined in the Act), described in the Study, including particularly, the acquisition, construction and improvement of certain Streets, the acquisition and/or construction of a public park located in

the District, payment of certain incidental costs related to the Projects and the financing of the Projects and the administration of the District.

"Streets" shall mean Palm Valley Boulevard, portions of Litchfield Road, Encanto Boulevard and Thomas Road located within or benefitting the District, as more fully described in the Study.

"Study" shall mean the Feasibility and Benefits Study dated October 1, 1993 and supplemented pursuant to the supplement, dated October 26, 1993, and on file with the Clerk, prior to the date and time hereof, discussing the matters required by Section 48-715 of the A.R.S., as amended, as such matters relate to the Projects.

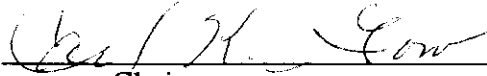
Section 2. RATIFICATION OF NOTICE OF HEARING. Published notice of the public hearing on the Study has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Study. The form of notice of the public hearing attached hereto as Exhibit A is hereby ratified and approved in all respects.

Section 3. APPROVAL OF FEASIBILITY STUDY. Based on the review by this Board and the presentation of the Study at the public hearing on October 12, 1993, the Study is hereby adopted and approved in the form submitted to the Board. The Study has been filed with the Clerk prior to adoption of this Resolution. Reference is hereby made to the Study so filed.


Section 4. RESOLUTION OF INTENT. This Board hereby identifies the public infrastructure of the Projects, the areas benefited, the expected method of financing and the system of providing revenues to operate and maintain the Projects, all as identified and provided for in the Study, for any and all purposes of the Act. This Board hereby declares its intent to proceed with the acquisition, construction and financing of the Projects in substantially the manner presented in the Study. This Board declares its intent to issue District Assessment Bonds, Series 1993A, to finance the costs of the acquisition and construction of the Projects and to levy assessments on the real property within the District which benefits from the Projects. District officers, employees, staff and agents are hereby authorized and directed to proceed with preparing all necessary documents and establishing financing terms and provisions for final review and approval by this Board.

Section 5. EFFECT. This resolution shall take effect and be in force from and after its passage, and after any publication and posting as may be by law required.

PASSED, ADOPTED AND APPROVED by the Board of the Community
Facilities General District No. 1 (City of Goodyear, Arizona), on October 26, 1993.


Chairman

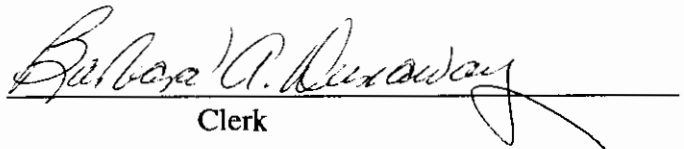
ATTEST:


Clerk

**NOTICE OF HEARING
FOR THE
CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES GENERAL DISTRICT NO.1**

A hearing will be held on October 12, 1993, at 8:30 P.M. at the City of Goodyear Council Chambers, 119 North Litchfield Road to receive comments on the study of the feasibility and benefits of the acquisition, construction, financing and maintenance of public infrastructuring consisting of acquisition of Palm Valley and Encanto Boulevards, improvements to Litchfield and Thomas Roads and construction of a public park.


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


Clerk

CLERK'S CERTIFICATE

The undersigned is the duly appointed, qualified and acting District Clerk of the Community Facilities General District No. 1 (City of Goodyear, Arizona), and hereby certifies that attached hereto is a true and correct copy of: (i) the agenda for the meeting of the District Board held on October 26, 1993, and that said agenda was on file in my office for not less than twenty-four (24) hours prior to the commencement of the meeting; (ii) minutes or extracts of minutes of a meeting of said District Board held on October 26, 1993; and (iii) a resolution of said District Board adopted at such meeting; and further certifies that the resolution was passed and adopted by the District Board on October 26, 1993; that a quorum was present at such meeting and at the time the resolution was adopted; that said resolution was adopted by a vote of a majority of such quorum; that the Chairman and Clerk have executed and attested, respectively, said resolution; and said resolution, as executed, is on file in my office.

DATED: 10/26/93.



District Clerk, Community Facilities General
District No. 1 (City of Goodyear, Arizona)

FEASIBILITY STUDY

For The Issuance of

**Not to Exceed
\$3,280,000 Principal Amount**

OF

COMMUNITY FACILITIES GENERAL

DISTRICT NO. 1

OF THE CITY OF GOODYEAR, ARIZONA

DISTRICT ASSESSMENT BONDS

SERIES 1993 A

OCTOBER 1, 1993

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SECTION ONE

**INTRODUCTION; PURPOSE OF FEASIBILITY STUDY;
AND GENERAL DESCRIPTION OF DISTRICT**

This Feasibility Study (the "Study") has been prepared for presentation to the Board of Directors of the Community Facilities General District No. 1 of the City of Goodyear (Arizona) (the "General District") in connection with (i) the proposed issuance by the General District of its District Assessment Bonds, Series 1993 A (the "Bonds") in an approximate aggregate principal amount of not to exceed \$3,280,000, pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act").

PURPOSE OF FEASIBILITY STUDY

This Study has been prepared for your consideration of the feasibility and benefits of the Public Infrastructure (as defined in A.R.S. 48-701) to be financed by the Bonds and of the plan for financing such Public Infrastructure in accordance with the provisions of A.R.S. 48-715. Pursuant to A.R.S. 48-715, this Study includes (i) a description of the Public Infrastructure to be constructed or acquired [Section Two]; (ii) a map showing, in general, the location of the project [Section Three]; (iii) an estimate of the cost to construct, acquire and operate the project [Section Four]; (iv) an estimated schedule for completion of the project [Section Five]; (v) a map or description of the area to be benefitted by the project [Section Six]; (vi) and a plan for financing the project [Section Seven].

Additionally, this Study includes other additional information as required by Development Agreement No. I, as amended, among the City of Goodyear (the "City"), SunCor Development Company ("SunCor"), the General District, the Community Facilities Utilities District No. 1 of the City of Goodyear (Arizona) (the "Utilities District") and the Litchfield Public Service Company ("LPSCO"). This additional information includes: (i) an analysis of the impact of the financing on the tax rates or other charges borne by the owners of the property [Appendix B];; an analysis of the effect on the City's general financing abilities [Appendix C]; and an analysis of the infrastructure demand and market absorption [Appendix D].

This Study has been prepared for your exclusive consideration. It is not intended or anticipated that this Study will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Study does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds. In preparing this Study, financial advisors, appraisers, counsel, engineers, City of Goodyear staff and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF GENERAL DISTRICT

Formation of the General District was approved by the City on August 8, 1989 upon the request of the sole landowner within the General District. The General District is located within the City boundaries.

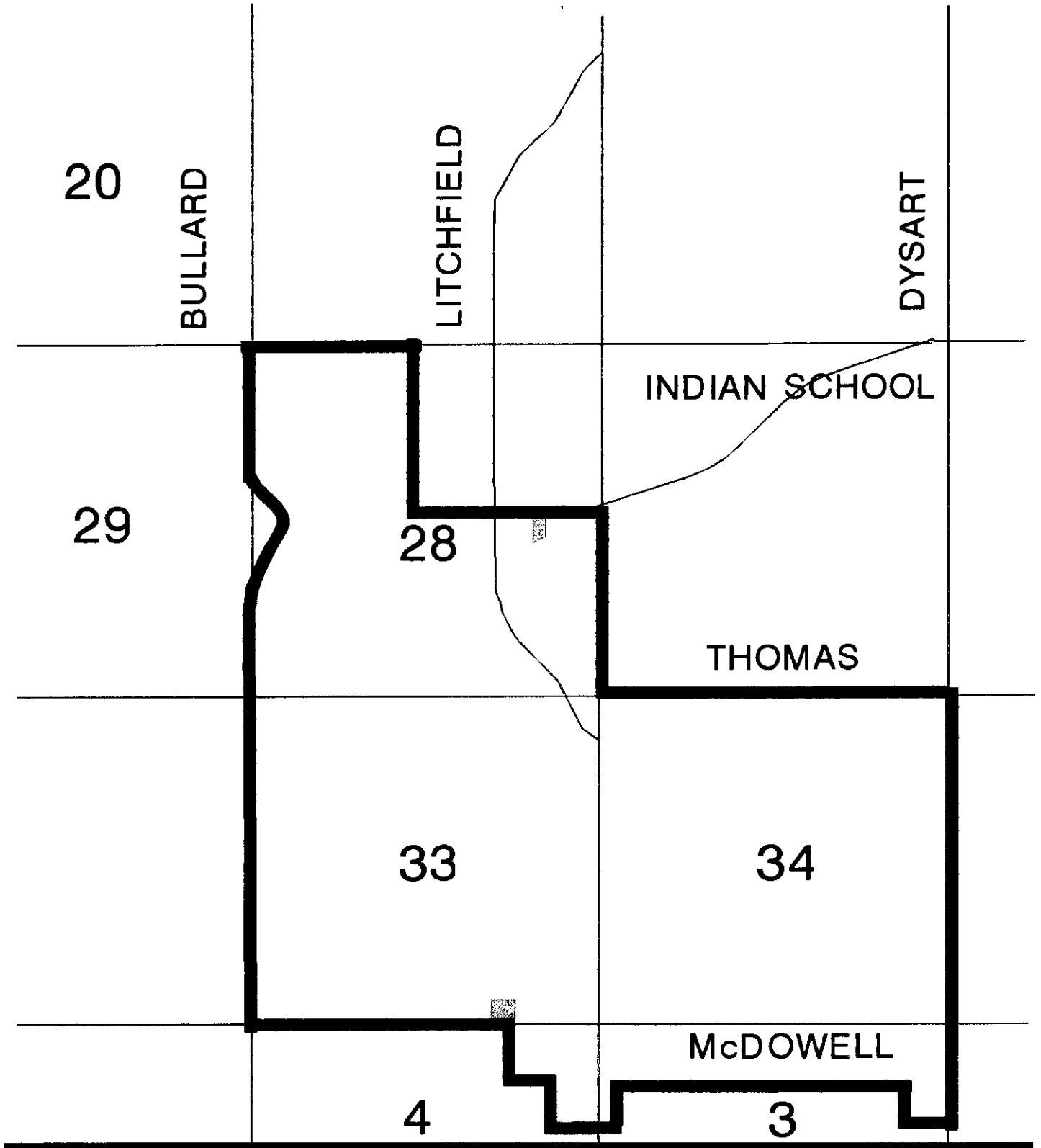
The General District has been created to acquire and finance a portion of public infrastructure within the General District which is part of the master-planned project known as Palm Valley (the "Project"). There are approximately 1,907 acres of the Project located within the General District, a legal description of which is included in Appendix A. A map of the General District is included within this section.



The first phase of Palm Valley, located all within the General District, is expected to be built over a 7 year period and will include the following development:

<u>Type of Development</u>	<u>Projected Number of Units</u>	<u>Number of Acres</u>
Residential - Single Family	1,151	262
Residential - Multifamily	646	33
Commercial	N/A	82
Golf Course	N/A	181
School Site	N/A	12
Two Park Sites	N/A	<u>14</u>
 Total Net Net Acres		 <u>584</u>



GENERAL DISTRICT NO. 1



	DISTRICT BOUNDARY
	EXCLUDED PROPERTY

INTERSTATE I-10

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The public infrastructure to be acquired by the General District are two road improvement projects:

1. Palm Valley Boulevard Project

The Palm Valley Boulevard Project is the construction and/ or improving of three roadways; Palm Valley Boulevard, Litchfield Road and Encanto Boulevard. The estimated final cost of this project is \$1,604,100. The estimated completion date is October, 1993.

Palm Valley Boulevard

Palm Valley Boulevard is the construction of a new roadway within Phase One (section 34) of the Project. There is a concrete bike path and landscaping that follow the south side of the roadway. It consists of the following:

Road Length:	2 miles
Asphalt pavement width:	39 feet
Concrete curb width:	2 feet
Bike path width:	8 feet
Landscape & irrigation width:	12 feet

Litchfield Road

Litchfield Road is the improvement of 2 current north bound lanes and the addition of one lane. There is a concrete bike path and landscaping that follows the east side of the roadway. It consists of the following:

Road length:	1/2 mile
Asphalt overlay on existing lane width:	22 feet
Asphalt lane addition width:	11 feet
Concrete curb width:	2 feet
Bike path width:	8 feet
Landscape & Irrigation width:	12 feet

Encanto Boulevard

Encanto Boulevard is a newly constructed road that connects Palm Valley Boulevard to Dysart Road. The road consists of two westbound lanes, a center landscape median and two eastbound lanes that broaden to 3 lanes for traffic turning north on Dysart Road. A concrete bike path & landscaping follow both sides of the Boulevard. It consists of the following:

Road length:	570 feet
West bounds asphalt lane width:	22 feet
East bounds asphalt lane width:	22-34 feet
Center landscape median width:	3-15 feet
Concrete curb width:	2 feet
Meandering bike path width:	5-8 feet (north-south sides)
Landscape & irrigation width:	12-15 feet (south-north sides)

2. Thomas Road Project

The Thomas Road Project consists of grading and paving the two southern lanes of the future four lane Thomas Road constructed westward from Dysart Road. There is a concrete bike path and landscaping that follows the length of the road. The estimated final cost of this project is \$209,900. The estimated completion date is December, 1993. It consists of the following:

Road length:	1/4 mile
Asphalt pavement width:	22 feet
Concrete curb width:	2 feet
Bike path width:	8 feet
Landscape & irrigation width:	12 feet

3. Public Park

The Park is located within phase one of the Project and is approximately four acres in size. The Park property will be graded, landscaped and irrigated, with appropriate amenities added. The estimated cost of this project is \$714,000. Completion is expected by April, 1994.

SunCor Development Company
Summary of Capital Expenditures

Description	Total	P-T-D	1993	1994	1995	Future
Palm Valley Phase I						
Mass Grading	\$1.1	\$1.1	\$0.1			
Golf Course and Club House	5.1	0.2	4.9			
General Infrastructure						
Palm Valley Blvd	5.0	1.2	3.8			
with entryway at Litchfield and Dysart						
Parks	1.3		0.6			0.7
Road Improvements	6.0		0.3	0.7	1.8	3.2
Litchfield, McDowell, Thomas, also Encanto Road to Thomas						
Parcel Development	10.9		2.2	1.0	1.4	6.4
Total Palm Valley Phase I	29.5	2.5	12.0	1.7	3.1	10.2
Palm Valley Phase I Offsite Water Lines	0.3	0.0	0.3			
Fire Station & Fire Truck	1.6	0.0	0.0	1.3	0.3	
PebbleCreek Water and Sewer Lines	1.5	1.3	0.2			
Goodyear Sewer Plant and Sewer Lines						
Plant Expansion: Land Acquisition	0.2	0.2				
Sarival Line	0.4	0.4				
McDowell Sewer Line Extension	1.0		1.0			
Bullard Line						
Sewer Line	2.2			0.6		1.6
Effluent Line	1.0				1.0	
Plant Expansion: Ph II (0.75MGD - 1.5MGD)	0.5		0.5			
Tertiary Treatment	0.4		0.4			
Surge Tank	0.1		0.1			
Plant Expansion: Ph III (1.5MGD - 3.0MGD)	2.1		0.1	1.5	0.5	
Total Sewer Issues	7.9	0.5	2.2	2.1	1.5	1.6
Total Capital Requirements	\$40.8	\$4.3	\$14.7	\$5.1	\$4.9	\$11.9

SECTION THREE

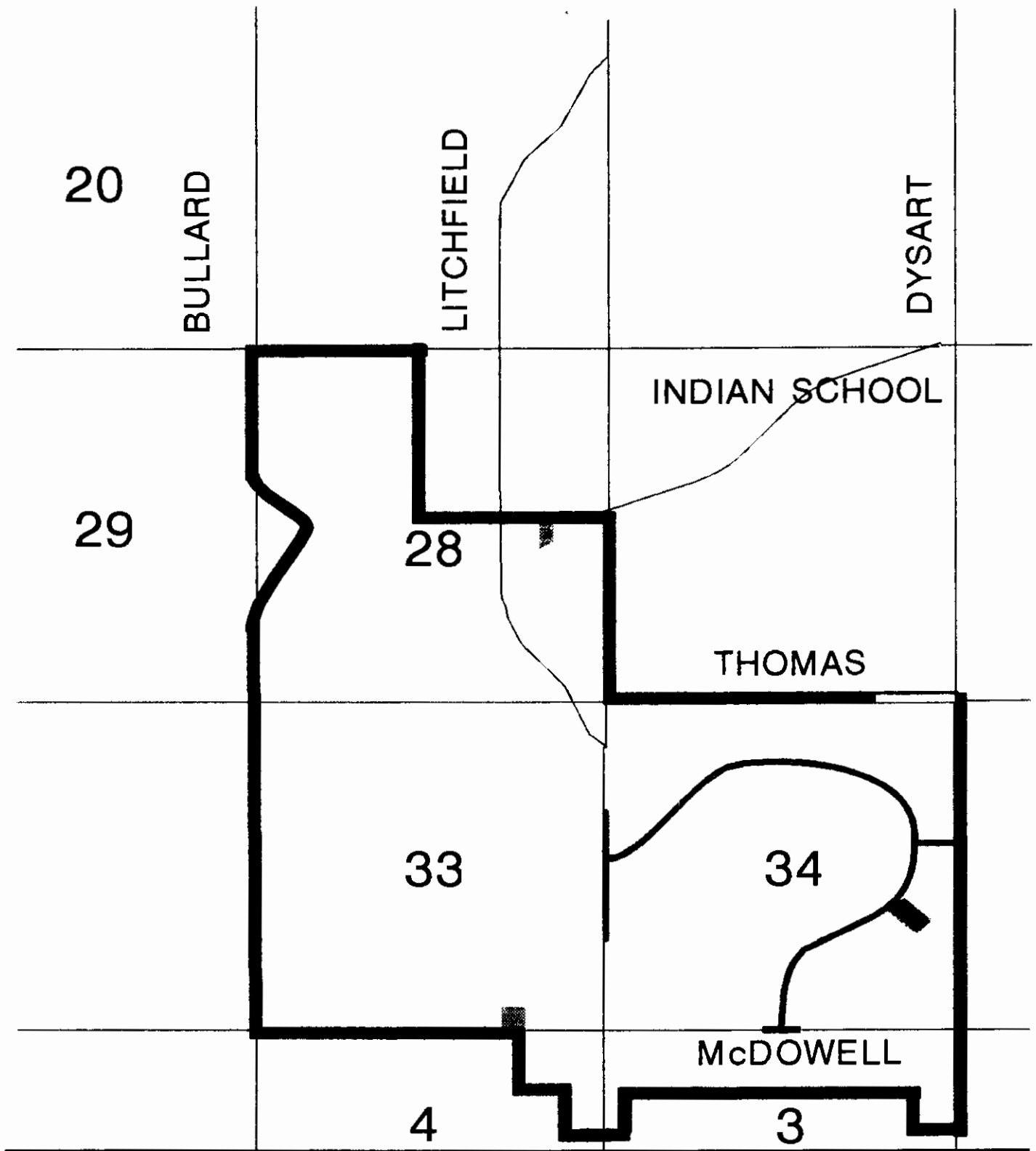
MAP SHOWING LOCATION

OF PUBLIC INFRASTRUCTURE



GENERAL DISTRICT NO. 1

LOCATION OF PUBLIC INFRASTRUCTURE



	GENERAL DISTRICT NUMBER 1		4 ACRE PARK
	PALM VALLEY BLVD/LITCH.RD.		EXCLUDED PROPERTIES.
	THOMAS RD. IMPROVEMENTS		

INTERSTATE I-10

SECTION FOUR

ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

Listed below are estimated costs of acquisition of public infrastructure. Proceeds of the Bonds after payment of the costs of issuance will be used to finance the acquisition of all or a part of the following projects:

Palm Valley Boulevard Project

Map of Dedication	\$ 400
Landscape Architecture	42,600
Engineering	40,500
Permit and Bonds	74,300
Staking	36,500
Soils Testing	31,800
Storm Drain	188,000
Concrete Paving	945,000
Landscape	<u>245,000</u>
 Total	 <u>\$1,604,100</u>

Thomas Road Project

Soils Testing	\$ 6,600
Engineering	7,500
Platting Fees	2,200
Permits & Bonds	11,000
Staking	16,500
Grading	2,200
Storm Drain	3,300
Concrete	50,600
Paving	71,500
Streetlights	<u>38,500</u>
 Total	 <u>\$209,900</u>

Park

Land Cost	\$ 80,000
Grading	25,000
Landscape & Irrigation	252,000
Paving & Hardscape	80,000
Amenities	164,000
Rest Rooms	35,000
Permits & Bonds	<u>78,000</u>
 Total	 <u>\$714,000</u>

TOTAL ESTIMATED COST OF ACQUISITION OF PUBLIC INFRASTRUCTURE	<u>\$2,528,000</u>
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Upon acquisition, the General District will dedicate all portions of the Public Infrastructure to the City of Goodyear. Accordingly, the General District will have no operating or maintenance expenses in connection with the Public Infrastructure.

SECTION FIVE

TIMETABLE FOR ACQUISITION AND

COMPLETION OF PUBLIC INFRASTRUCTURE

**TIMETABLE FOR
ACQUISITION AND COMPLETION OF PUBLIC INFRASTRUCTURE**

The Palm Valley Boulevard Project is expected to be completed in October, 1993 and acquired in November, 1993.

The Thomas Road Project is expected to be completed and acquired by December, 1993.

The Park is expected to be completed and acquired in April, 1994.

Initial assessment bills are scheduled to be distributed approximately May 1, 1994.

SECTION SIX
MAP OF AREA
TO BE BENEFITTED

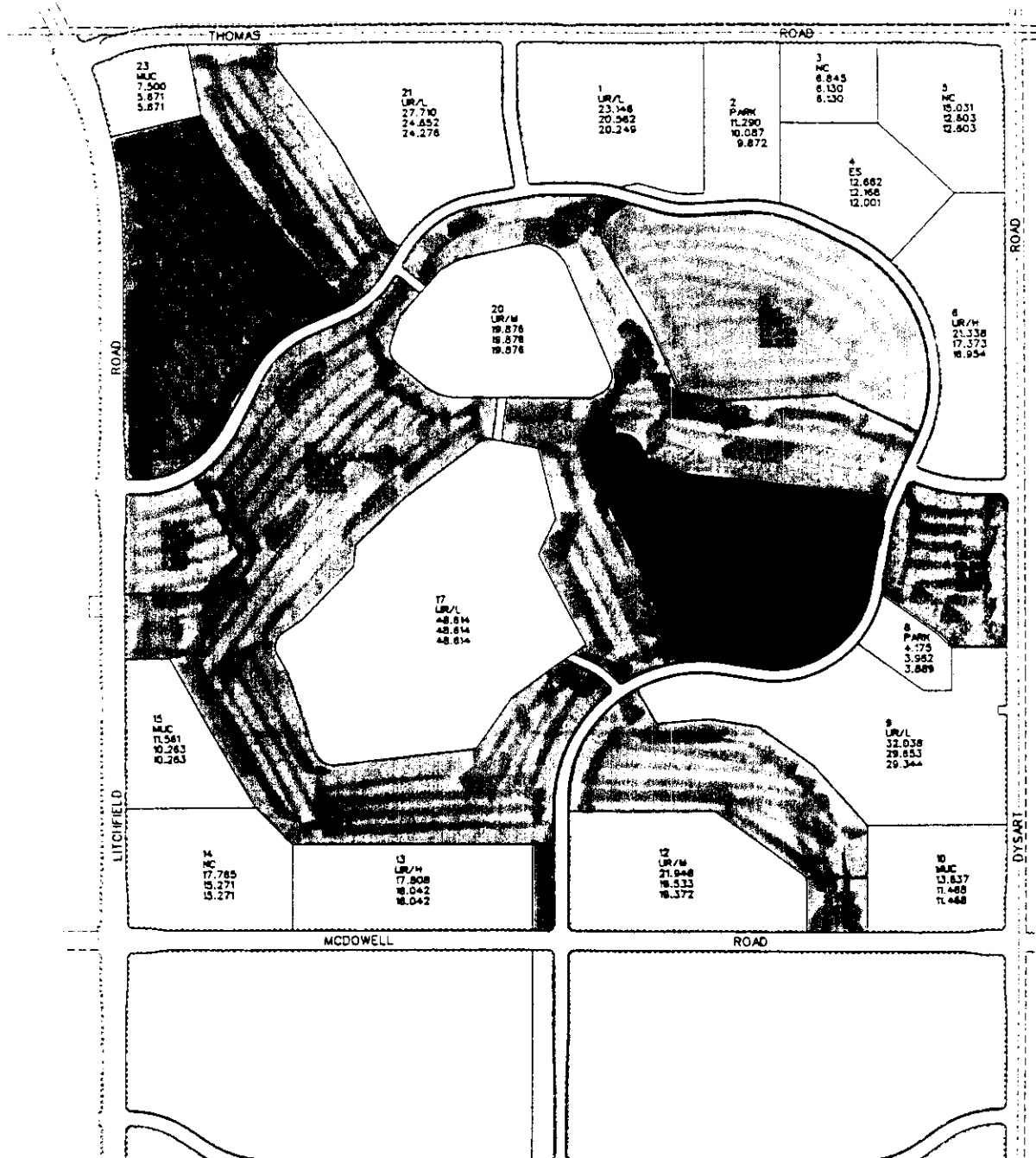
Goodyear Communities Facilities General District No. 1

Map of Assessment Parcels

Palm Valley Phase I - Section 34



100 150 200
 SCALES: 1" = 100'



Summary of Assessments by Parcel

70,000
148,000
224,000
298,000
336,000
2,204,000

KEY: UR/L -
 LAND USE
 GROSS ACREAGE
 NET ACREAGE
 NET-NET ACREAGE

Total assessment: 3,280,000
 Parcels #2, #4, and #8 are not assessed.

LITCHFIELD
 COE & VAN LOO
 CIVIL ENGINEERS, INC.
 4308 W. 12TH STREET
 DENVER, CO 80202

**SUPPLEMENT, DATED OCTOBER 26, 1993
(THE "SUPPLEMENT") TO
THE FEASIBILITY STUDY, DATED OCTOBER 1, 1993
(THE "STUDY")
FOR THE
\$3,280,000
COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
(CITY OF GOODYEAR, ARIZONA)
DISTRICT ASSESSMENT BONDS
SERIES 1993**

This Supplement is to be considered part of the Study and details non substantial changes. These changes are:

- (1) In Section Seven, Plan of Finance, Table Four listing Qualified Investors is changed to omit definitions 6 and 7. No individual employed by Rauscher Pierce Refsnes, Inc. or SunCor Development Company, or related companies is permitted to purchase the Bonds.
- (2) In Section Seven, Plan of Finance, line number 8 regarding proposed assessments is amended to reference the amounts as approximate rather than definitive.
- (3) In Appendix B, it should be noted that an overlapping debt table of property tax levies was not included because it was deemed not relevant to a discussion of the issuance of assessment bonds.

SECTION SEVEN

PLAN OF FINANCE

PLAN OF FINANCE

The public infrastructure will be acquired and financed by the General District by way of a Plan of Finance herein described. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual bond sale and to the extent necessary to comply with federal and State law.

- (1) The City Council, in response to a petition from the owners of 100% of the property within the General District, adopted a resolution forming the General District.
- (2) The General District will initially issue assessment bonds in a par amount of not to exceed \$3,280,000.
- (3) The Sources and Uses of Funds from proceeds of the sale of the Bonds (exclusive of accrued interest and original issue discount, if any) will be:

SOURCES:

Bond Issue Proceeds	<u>\$3,280,000</u>
Total	<u>\$3,280,000</u>

USES:

Public Infrastructure	\$2,528,000
Reserve Fund	328,000
Costs of Issuance including City Administration Costs	324,000
Underwriter's Discount	<u>100,000</u>
Total	<u>\$3,280,000</u>

- (4) The proceeds of the bond issue will be applied by the General District to acquire, construct and finance the Public Infrastructure listed in Section 2 of this Study.
- (5) The Bonds will have a final maturity not to exceed 25 years, with amortization of principal expected to begin in the year 2000. Early redemption provisions for the bonds will be established at the time the Bonds are marketed.
- (6) The Bonds will be unrated and sold through a limited offering. Investors will be required to sign a Qualified Investors letter and meet certain investor criteria. (See criteria listed in Table Four.)
- (7) An appraisal of the property to be assessed will be available by October 12, 1993. The ratio of appraised value of the property to the total assessment will be at least 4 to 1.
- (8) The assessment amount will be in the following amounts: \$2,000 per single family homes, \$400 per multi-family units and \$10,000 per commercial acre, and \$70,000 on the golf course.
- (9) Expected buildout is anticipated to be complete by the year 2000. Table Two within this section details the projected development schedule, with Table Three relating projected assessment allocation revenues to the debt service of the bond issue.
- (10) The billing and collection of the assessment amounts will be administered by the General District.

\$3,280,000
CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES GENERAL
DISTRICT NO. 1
District Assessment Bonds, Series 1993 A

		Dated Date:	11/1/93	Delivery Date:	11/1/93		
DATES	MATURING AMOUNT	COUPON	INTEREST	TOTAL	FY TOTAL		
7/1/94			196,800.00	196,800.00	196,800.00		
1/1/95			147,600.00	147,600.00			
7/1/95			147,600.00	147,600.00	295,200.00		
1/1/96			147,600.00	147,600.00			
7/1/96			147,600.00	147,600.00	295,200.00		
1/1/97			147,600.00	147,600.00			
7/1/97			147,600.00	147,600.00	295,200.00		
1/1/98			147,600.00	147,600.00			
7/1/98			147,600.00	147,600.00	295,200.00		
1/1/99			147,600.00	147,600.00			
7/1/99			147,600.00	147,600.00	295,200.00		
1/1/00			147,600.00	147,600.00			
7/1/00	80,000	9.00%	147,600.00	227,600.00	375,200.00		
1/1/01			144,000.00	144,000.00			
7/1/01	85,000	9.00%	144,000.00	229,000.00	373,000.00		
1/1/02			140,175.00	140,175.00			
7/1/02	95,000	9.00%	140,175.00	235,175.00	375,350.00		
1/1/03			135,900.00	135,900.00			
7/1/03	100,000	9.00%	135,900.00	235,900.00	371,800.00		
1/1/04			131,400.00	131,400.00			
7/1/04	110,000	9.00%	131,400.00	241,400.00	372,800.00		
1/1/05			126,450.00	126,450.00			
7/1/05	120,000	9.00%	126,450.00	246,450.00	372,900.00		
1/1/06			121,050.00	121,050.00			
7/1/06	135,000	9.00%	121,050.00	256,050.00	377,100.00		
1/1/07			114,975.00	114,975.00			
7/1/07	145,000	9.00%	114,975.00	259,975.00	374,950.00		
1/1/08			108,450.00	108,450.00			
7/1/08	160,000	9.00%	108,450.00	268,450.00	376,900.00		
1/1/09			101,250.00	101,250.00			
7/1/09	170,000	9.00%	101,250.00	271,250.00	372,500.00		
1/1/10			93,600.00	93,600.00			
7/1/10	190,000	9.00%	93,600.00	283,600.00	377,200.00		
1/1/11			85,050.00	85,050.00			
7/1/11	205,000	9.00%	85,050.00	290,050.00	375,100.00		
1/1/12			75,825.00	75,825.00			
7/1/12	225,000	9.00%	75,825.00	300,825.00	376,650.00		
1/1/13			65,700.00	65,700.00			
7/1/13	245,000	9.00%	65,700.00	310,700.00	376,400.00		
1/1/14			54,675.00	54,675.00			
7/1/14	265,000	9.00%	54,675.00	319,675.00	374,350.00		
1/1/15			42,750.00	42,750.00			
7/1/15	290,000	9.00%	42,750.00	332,750.00	375,500.00		
1/1/16			29,700.00	29,700.00			
7/1/16	315,000	9.00%	29,700.00	344,700.00	374,400.00		
1/1/17			15,525.00	15,525.00			
7/1/17	345,000	9.00%	15,525.00	360,525.00	376,050.00		
TOTALS	<u><u>\$3,280,000</u></u>		<u><u>\$5,140,950</u></u>	<u><u>\$8,420,950</u></u>	<u><u>\$8,420,950</u></u>		

TABLE TWO**COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
OF THE CITY OF GOODYEAR, ARIZONA****Projected Development Growth
And Estimated Assessment Revenues**

Fiscal Year Ending July 1	Single Family Home Sales	Multi-Family Units	Commercial Development Acres
1994	73		
1995	158		
1996	210		6
1997	234		10
1998	240	314	39
1999	178	332	11
2000	58		6

NOTE: Assessment amounts are assessed as follows and assume amortization of principal from 2000 to 2017 at 9.00% interest per annum:

Single Family Unit:	\$2,000
Multi-Family Unit:	\$400
Commercial Acre:	\$10,000
Golf Course:	\$70,000

TABLE THREE

COMMUNITY FACILITIES GENERAL DISTRICT NO. 1
OF THE CITY OF GOODYEAR, ARIZONA

Projected Development Growth and Estimated Assessment Revenues

Year Ending July 1	Single Family Assessments	Multi-Family Assessments	Commercial Development Assessments	Golf Course	Vacant Property Assessments	Capitalized Interest	Annual Revenues Available for Debt Service	Estimated Debt Service Requirements	Excess
1994				\$4,200	\$0	\$192,600	\$196,800	\$196,800	\$0
1995	\$8,760	\$0	\$0	\$6,300	\$280,140		\$295,200	\$295,200	\$0
1996	\$41,580	\$0	\$0	\$6,300	\$247,320		\$295,200	\$295,200	\$0
1997	\$79,380	\$0	\$5,400	\$6,300	\$204,120		\$295,200	\$295,200	\$0
1998	\$121,500	\$0	\$14,400	\$6,300	\$153,000		\$295,200	\$295,200	\$0
1999	\$164,700	\$11,304	\$49,500	\$6,300	\$63,396		\$295,200	\$295,200	\$0
2000	\$196,740	\$23,256	\$59,400	\$7,995	\$87,809		\$375,200	\$375,200	\$0
2001	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$373,000	\$9,363
2002	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$375,350	\$7,013
2003	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$371,800	\$10,563
2004	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$372,800	\$9,563
2005	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$372,900	\$9,463
2006	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$377,100	\$5,263
2007	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$374,950	\$7,413
2008	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$376,900	\$5,463
2009	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$372,500	\$9,863
2010	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$377,200	\$5,163
2011	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$375,100	\$7,263
2012	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$376,650	\$5,713
2013	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$376,400	\$5,963
2014	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$374,350	\$8,013
2015	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$375,500	\$6,863
2016	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$374,400	\$7,963
2017	\$262,428	\$29,716	\$82,224	\$7,995	\$0		\$382,363	\$376,050	\$6,313
Totals	\$5,073,936	\$539,732	\$1,526,508	\$179,610	\$1,035,785		\$8,548,171	\$8,420,950	

TABLE FOUR

QUALIFIED INVESTOR CRITERIA

Among other things, purchasers of the Bonds will certify that they are one of the following:

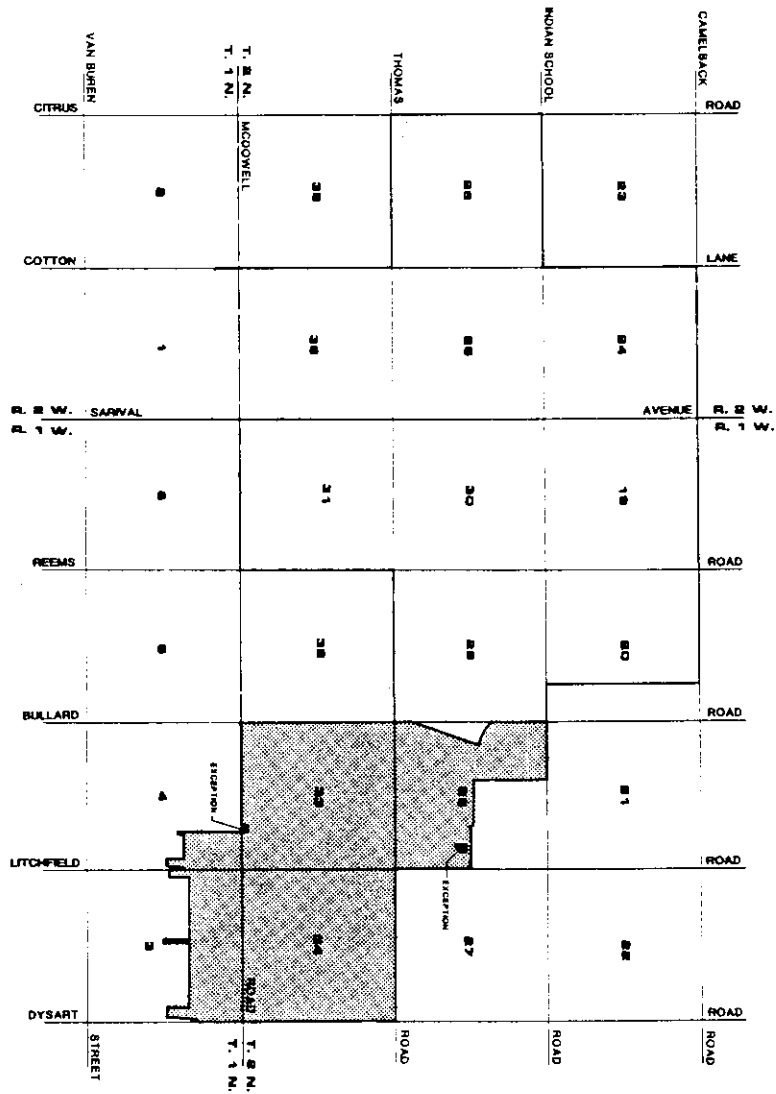
- (1) a bank as defined in Section 3(a)(2) of the Securities Act of 1933, or savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act of 1933, whether acting in its individual or fiduciary capacity; broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934; insurance company as defined in Section 2(13) of the Securities Act of 1933; investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; plan established and maintained by a state, its political subdivision, or any agency or instrumentality of a state or its political subdivision, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (2) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- (3) an organization described in Section 501(c)(3) of the Internal Revenue Code with total assets in excess of \$5,000,000;
- (4) a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000;
- (5) a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with the person's spouse in excess of \$300,000 in each of those years and who reasonably expects reaching the same income level the current year;
- (6) any director, executive officer, or general partner of SunCor Development Company or its parent or subsidiaries of the parent;
- (7) any officer of Rauscher Pierce Refsnes, Inc.; or
- (8) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraph (1), (2), (3), (4), (5), (6) or (7) above.

APPENDIX A



Legal Description for

Community Facilities General

District No. 1 of the City of Goodyear, Arizona



Approximate Acreage
 Gross Area 1910 Ac
 Exception Area 3 Ac
 Net Area 1907 Ac

 DISTRICT AREA
 EXCEPTION (as noted)



DESIGNED	REVISIONS	DATE	BY
DRAWN	DATE	BY	BY
CHECKED	DATE	BY	BY
DATE			

EXHIBIT

COMMUNITY FACILITIES GENERAL DISTRICT NO. 1

COE & VAN LOO
 PLANNING · ENGINEERING · LANDSCAPE ARCHITECTURE

4880 NORTH 16TH STREET
 PHOENIX, ARIZONA 85018
 TELEPHONE (602) 966-8831

10/1/00
 SHEET
 OF 1



July 16, 1993

**LEGAL DESCRIPTION
COMMUNITY FACILITY GENERAL DISTRICT NO. 1**

This description is based upon A.L.T.A. Surveys by DMJM and dated (signed and sealed by R.L.S. #10931) September 30, 1987 and August 5, 1988, and also a description written by Collar Williams & White Engineering and dated (signed and sealed by R.L.S. #21754) August 1, 1989.

Being all of Sections 33 and 34, and a portion of Section 28, Township 2 North, Range 1 West, together with portions of Sections 3 and 4 of Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

That portion of Section 28, Township 2 North, Range 1 West more particularly described as follows:

Beginning at the Northwest Corner of said Section 28:

Thence South $89^{\circ}24'11''$ East, along the North line of the Northwest Quarter of said Section 28, a distance of 2070.03 feet;

Thence, South $00^{\circ}15'35''$ West, 2610.81 feet;

Thence, South $89^{\circ}38'52''$ East, 548.80 feet;

Thence, South $89^{\circ}25'37''$ East, 1054.99 feet;

Thence, South $00^{\circ}16'49''$ West, a distance of 30.91 feet to a point on the North line of the Southeast Quarter of said Section 28;

Thence South $89^{\circ}24'44''$ East, along said North line, a distance of 1563.93 feet to the East Quarter Corner of said Section 28;

Thence, South $00^{\circ}16'31''$ West, along the East line of the Southeast Quarter of said Section 28, a distance of 2638.36 feet to the Southeast Corner of said Section 28;

Thence, North $89^{\circ}25'31''$ West, along the South line of said Southeast Quarter of said Section 28, a distance of 2618.20 feet to the South Quarter Corner of said Section 28;

Thence, North $89^{\circ}25'31''$ West, along the South line of the Southwest Quarter of said Section 28, a distance of 2,618.20 feet to the Southwest Corner of said Section 28;

Thence, North $00^{\circ}15'18''$ East, along the West line of said Southwest Quarter of said Section 28, a distance of 435.36 feet to the beginning of a tangent curve of 1,900.00 foot radius, concave Southeasterly;

Thence, Northeasterly along said curve through a central angle of $14^{\circ}40'29''$, an arc distance of 486.63 feet;



Legal Description
Community Facility General District No. 1
July 16, 1993
Page 2 of 4

Thence, North $14^{\circ}55'47''$ East, a distance of 1,547.30 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Southeasterly;

Thence, Northeasterly along said curve through a central angle of $14^{\circ}08'47''$, an arc distance of 370.35 feet;

Thence, North $29^{\circ}04'34''$ East, a distance of 99.28 feet to the beginning of a 2,710.00 foot radius, non-tangent curve whose center bears North $29^{\circ}04'34''$ East;

Thence, Northwesterly, along said curve through a central angle of $17^{\circ}03'00''$, an arc distance of 806.44 feet to a point on the West line of the Northwest Quarter of said Section 28;

Thence, North $00^{\circ}15'03''$ East, along said West line of said Northwest Quarter, a distance of 1,948.06 feet to the Point of Beginning.

Also including those portions of Section 3 & 4, Township 1 North, Range 1 West more particularly described as follows:

Beginning at the Northeast Corner of said Section 3:

Thence South $00^{\circ}41'33''$ West, along the East line of the Northeast Quarter of said Section 3, a distance of 1060.19 feet;

Thence, North $89^{\circ}18'27''$ West, 40.00 feet;

Thence, South $03^{\circ}41'34''$ West, 328.49 feet;

Thence, South $02^{\circ}43'15''$ West, 450.43 feet;

Thence, South $00^{\circ}49'06''$ West, 197.56 feet;

Thence, North $89^{\circ}14'43''$ West, 325.04 feet;

Thence, North $00^{\circ}45'17''$ East, 707.80 feet;

Thence, North $89^{\circ}36'43''$ West, 2206.87 feet;

Thence, South $00^{\circ}38'27''$ West, 854.60 feet;

Thence, North $88^{\circ}53'59''$ West, 56.01 feet;

Thence, North $00^{\circ}38'27''$ East, 853.90 feet;

Thence, North $89^{\circ}36'43''$ West, 2216.73 feet;

Thence, South $00^{\circ}34'09''$ West, 629.90 feet;



Legal Description
Community Facility General District No. 1
July 16, 1993
Page 3 of 4

Thence, North 82°04'14" West, 302.52 feet;

Thence, North 89°26'52" West, a distance of 55.24 feet to a point on the East line of the Northeast Quarter of said Section 4;

Thence, North 00°33'08" East, along said East line, a distance of 475.70 feet;

Thence, North 89°26'52" West, 54.91 feet;

Thence, South 02°50'19" West, 375.39 feet;

Thence, South 00°35'37" West, 100.58 feet;

Thence, North 89°20'48" West, 284.93 feet;

Thence, North 00°31'47" East, 559.48 feet;

Thence, North 88°41'16" West, 829.83 feet;

Thence, South 00°29'06" West, 104.55 feet;

Thence, North 89°20'06" West, 34.71 feet;

Thence, North 00°34'28" East, a distance of 1468.53 feet to a point on the North line of said Northeast Quarter of Section 4;

Thence, South 89°23'27" East, along said North line, a distance of 1218.89 feet to the Northwest Corner of said Section 3;

Thence, South 89°24'27" East, along the North line of the Northwest Quarter of said Section 3, a distance of 2616.20 feet to the North Quarter Corner of said Section 3;

Thence South 89°25'09" East, along the North line of the Northeast Quarter of said Section 3, a distance of 2619.92 feet to the Point of Beginning.

THE ABOVE DESCRIBED PARCELS COLLECTIVELY COMPRISE 1909.794 ACRES AND ARE SUBJECT TO THE FOLLOWING DESCRIBED EXCEPTIONS THEREFROM;

Also excluding the following described parcel:

Being a portion of the Southeast Quarter of Section 28, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the East Quarter Corner of said Section 28:

Thence North 89°24'44" West, along the North line of said Southeast Quarter of Section 28, a distance of 520.24 feet;



Thence, South 00°35'16" West, a distance of 160.95 feet to the Point of Beginning;

Thence, South 00°16'31" West, 250.00 feet;

Thence, South 62°43'31" West, 281.99 feet;

Thence, North 00°16'31" East, 379.26 feet;

Thence, South 89°34'32" East, a distance of 157.65 feet to a point marking the beginning of a tangent curve, having a radius of 2346.83 feet to the left;

Thence, Easterly, along the arc of said curve, through a central angle of 02°15'19", having an arc distance of 92.38 feet to the Point of Beginning. -

Comprising 1.802 Acres,

Also excluding the following described parcel:

Being a portion of the Southeast Quarter of Section 33, Township 2 North, Range 1 West, more particularly described as follows:

Commencing at the Southwest Corner of said Southeast Quarter of said Section 33:

Thence, South 89°23'27" East, along the South line of said Southeast Quarter, a distance of 1009.04 feet to the Point of Beginning;

Thence, North 00°15'09" East, 205.00 feet;

Thence, South 89°23'27" East, 300.00 feet;

Thence, South 00°15'09" West, a distance of 205.00 feet to a point on said South line of the Southeast Quarter;

Thence, North 89°23'27" West, along said South line, a distance of 300.00 feet to the Point of Beginning.

Comprising 1.412 Acres,

SUBJECT PROPERTY, AFTER ABOVE DESCRIBED EXCEPTIONS, COMPRISES 1906.580 ACRES, MORE OR LESS, AND IS SUBJECT TO ALL EASEMENTS OF RECORD.



APPENDIX B

**An analysis of the impact of the financing
on the tax rates or other charges borne
by the owners of the Property**

APPENDIX B

The impact of the General District financing on the tax rate or other charges borne by the property owner will be the amount of the assessment lien which will be placed on the property at the time of purchase by the owner. The amount of the assessment will equal \$2,000 per single family unit, \$400 per multi-family unit and \$10,000 per commercial acre. There are no other General District expenses or charges other than standard administrative expenses which will occur due to the financing.

APPENDIX C

**An analysis of the effect on the City of
Goodyear's general financing abilities**

APPENDIX C

The Bonds of the General District are secured solely from revenues derived from the assessment payments to be made by property owners within the General District and the City is under no legal requirement to pay any portion of the financing's debt service payments.

In general, assessment bonds under Arizona law are secured and payable from special assessments levied against the real property benefitted by such improvements. If assessments are not paid, the property subject to such assessments is put up for sale. The Project in the General District will have an appraised value equal to at least four times the assessment amounts. In the event of a non-payment of an assessment amount in the General District, the property subject to such assessment would be put up for sale. In addition, a reserve fund for the bonds has been established to mitigate the effect of a non-payment during the time of the property sale.

APPENDIX D

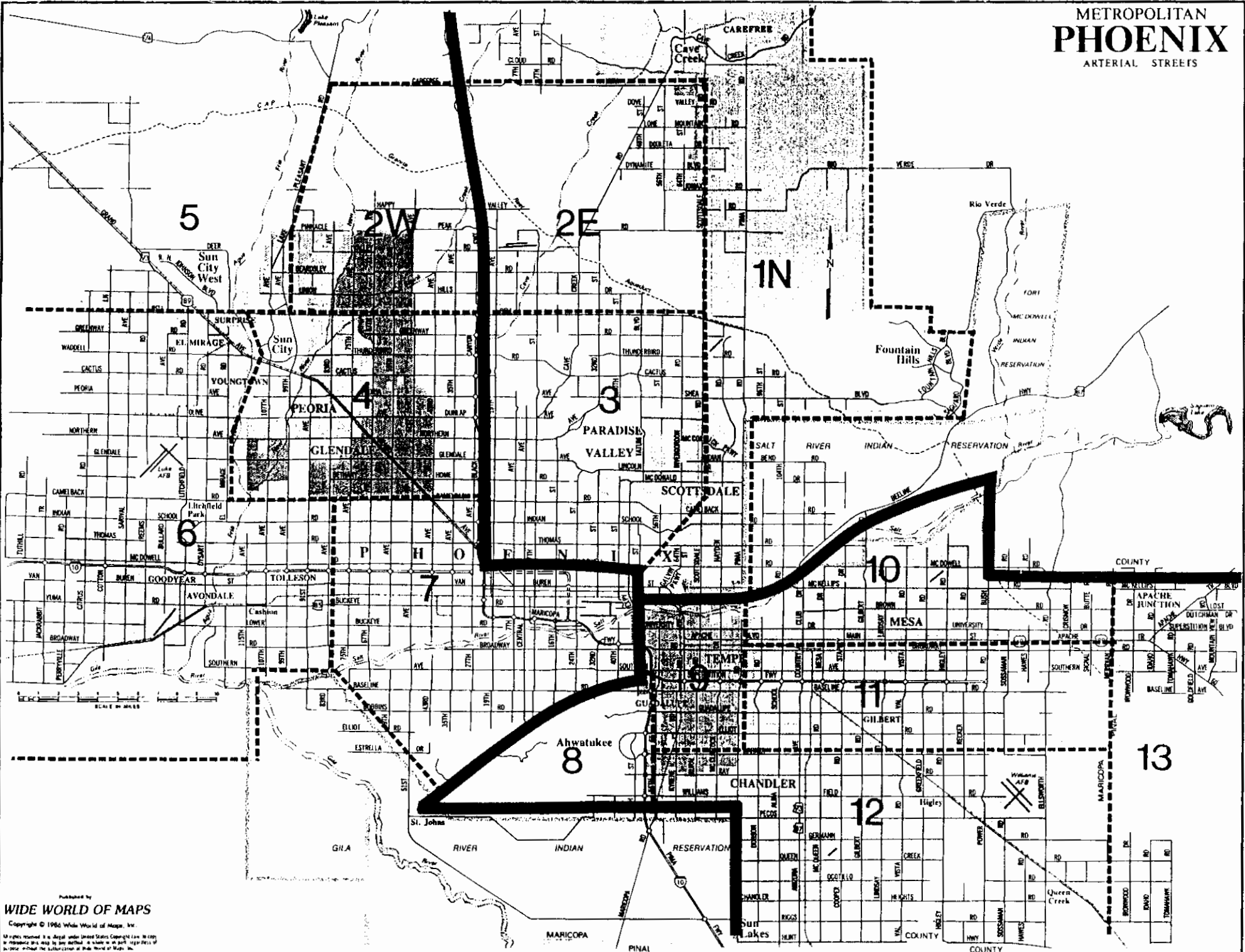
**An analysis of the project infrastructure
demand and market absorption**

MARKET STUDY

PALM VALLEY MASTER PLAN

**Prepared for:
SUNCOR DEVELOPMENT**

METROPOLITAN
PHOENIX
ARTERIAL STREETS



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CORNERSTONE CONSULTING CO.

September 21, 1993

Ms. Laura Rockenberger
SUNCOR DEVELOPMENT COMPANY
2828 North Central Avenue
Suite 900
Phoenix, Arizona 85004

RE: Market Study - Palm Valley Master Plan, Goodyear, Arizona

Dear Ms. Rockenberger;

Cornerstone Consulting Company has conducted an analysis of the single-family detached housing market in the Northwest Phoenix metropolitan area. The objective of this report is to assess the current and future depth of the Competitive Market Area (CMA) in terms of both price and product. Based on this data, recommendations are drawn for the proposed product within the Palm Valley master plan.

It is the conclusion of this report that initially, the CMA will include the Garden Lakes master plan and the Estrella master plan. However, product and pricing must take into consideration the future positioning of product and pricing against the Arrowhead Ranch master plan and even The Foothills master plan (Southwest Phoenix). Therefore, while the Northwest Phoenix market area is defined as the CMA, specific reference is made to the various master plan developments throughout the Phoenix area (see Metro Phoenix Map). Within this market area, all subdivisions included in the review are detached product on either Patio lots (zero lot-line), Compact lots (lots less than 6,000 square feet, four-yard configuration), or Standard lots (lots greater than 6,000 square feet).

The determining factor for success at Palm Valley will be the marketing program. There currently is sufficient demand in both the Northwest Phoenix (NWP) market area as well as the Southeast Phoenix (SEP) and Northeast Phoenix (NEP) market areas. Therefore, the marketing program must be able to attract the buyers from the entire NWP market area, including Arrowhead Ranch. Additionally, and more importantly, the master plan must also attract buyers from the SEP market area. To accomplish this goal, the price and product must be at least comparable to the best price and product in the Phoenix Metropolitan Area (PMA). It is our conclusion that value, measured by the price per square foot, will be the key element in attracting the existing demand from the established master plans and stand-alone subdivisions into the Palm Valley master plan.

The variable that we are unable to quantify is the amount of demand. Historically, the basis for demand is measured from within a 5 mile radius. In submarket 6 (the subject submarket), there were 277 units permitted during the second quarter, 1993, 68 (25%) of which came from the Garden Lakes master plan and 30 (11%) from the Estrella master plan. As a whole, this submarket represents only 19% of the total sales from the Northwest Phoenix market area and therefore, the demand required to support the development must come from an area greater than the 5 mile radius.

Phoenix Metropolitan Sales Overview

Second Quarter, 1993 has not disappointed those who believed that the First Quarter, 1993 Starts were affected by the abnormal rainfall. **New Home Starts** rebounded to 5,391, an increase of 44.34% over First Quarter, 1993, and the mid-year total jumped to 9,126, a 9.8% increase over last year's mid-year Starts. For the 12-month period ending with the Second Quarter, 1993, Starts totaled 18,114 as compared with 15,162 last year (+19.47%). Permits, Starts, and Closings are tracked quarterly by **Landiscor**, Greater Phoenix Housing Study.

Phoenix Metropolitan Housing Sales - Landiscor						
	Q2/92	Q3/92	Q4/92	Q1/93	Q2/93	12 Mo
Permits	4,343	4,745	4,386	4,412	5,260	18,803
Starts	3,984	4,641	4,350	3,766	5,391	18,148
Closings	3,670	4,130	4,388	3,548	4,144	16,210

Permits for the Second Quarter, 1993 numbered 5,260, up 19.22% over First Quarter, 1993 and totaled 9,672 for mid-year to date. For the 12-month period ending this quarter, Permits totaled 18,803, as compared to 14,986 last year at this time (+25.47%). **Escrow Closings** came in at 4,144, up 16.8% over First Quarter, 1993, numbering 7,692 mid-year to date and equaling 16,210 for the last 12 months, a substantial increase over the 13,352 closings a year ago for that 12-month period (+21.41%).

Master Planned Communities again lost ground as a percentage of total Starts as they fell to a capture rate of 43.7%. For the past few months, the thrust has been to concentrate on "in-fill" parcels, but there is new momentum heading toward the MPCs as many new communities such as Anozira, Eldorado Ranch, Terravita, Palm Valley, Tatum Ridge, Desert Spring, The Community of Red Mountain Ranch, and Desert Ranch are either under construction or planned. In first place was **Sun City West** (210 starts), followed by **Mountain Park Ranch** (164), **The Islands** (126), **The Foothills** (119), and surprisingly, **Ridgeview** (113).

MASTER PLANNED COMMUNITIES				
	District Starts	MPC Starts	Qtrly Chg	% MPC Starts
Northwest	1,512	787	+28.9%	52.1%
Northeast	1,243	357	+28.4%	28.7%
Southeast	2,636	1,213	+36.1%	46.0%
<i>Total</i>	5,391	2,357	+36.1%	43.7%

Once again, large land parcels dominate the news with respect to the favorable outlook the Valley is experiencing. The land rush continues throughout the Valley with such plots as Kingswood Parke, Newhall-Herberger, Desert Ridge, New Town, Estrella, Dobson parcel, Nicoli at Arrowhead, Falcon Ridge, Saddleback, Los Altos, Summit East, Sunridge Canyon, Core North, Paradise Ridge, Tonto Foothills, and Goldie Brown Ranch. The biggest builders are securing larger parcels to insure inventories for as long as possible. Land acquisitions of parcels 100, 200, and even 600 acres are becoming relatively common. This is also due to the fact that there are less smaller size pieces available that are currently zoned for residential use, and more cities are becoming reluctant to downsize commercial property for housing for fear that they will become "bedroom" communities with lower property tax revenues than planned. Multiple offers and backup agreements are commonplace for any dirt that is considered worthwhile. Builders and lot bankers are tying up everything in an effort to insure future stock, even "in-fill" pieces which can accommodate as little as 20 homesites. As a result, land prices have been pushing the envelope on many proformas, and certain deals are questioned for the feasibility with respect to profits. As always, deals continue to surface in conjunction with the laws of supply and demand.

Low interest rates continue to be the norm, and while there is concern that the Federal Reserve Board may adjust short-term rates, the majority opinion of most economists is that the effect on homebuilding will not be very noticeable over the next 12 months. After all, homebuilding is a sector of the economy that is doing relatively well and attempts to jeopardize this last bastion of the *great American dream* will not be well received by the general public, regardless of the bond markets. Phoenix is expected to be one of the hot spots for the immediate future by many national surveys. Now that job growth is running 2.3% (according to DES), retail sales are up, there is water in all of our expanded reservoirs, the tourist trade is healthy, there is less crime than in many major metropolitan areas, the freeways are continually expanding and businesses are relocating here. We have one of the most desirable climates anywhere in the world, and raw dirt is available relatively close to major transportation cores. There are substantial reasons to believe that we are going to be a healthy market for homebuilding for many years to come.

The **Vacant Improved Lot Inventory rose 2.55%** to 26,508 total lots, while the **Vacant Unimproved Lots decreased 10.89%** since last quarter to 11,345 lots. Overall, there is a 1.5 year supply of Vacant Improved Lots based on the pace of the last 12 months. This is considered to be a near perfect balance.

As for homebuilders, the leader, **Continental Homes** (524 starts for the Second Quarter), is followed by **UDC Homes** (430, exclusive of Mountainbrook Village), **Shea Homes** (378), **Del Webb** (343, adult and conventional), and **Pulte Homes** (317) for the top 5 builders (37% of all new Starts). The next five builders - **Lennar**, **Blandford**, **Ryland**, **Robson**, and **Fulton** - built 16% of all New Homes Starts. Therefore, combined, the top ten builders captured 53% of all new home starts.

Adult Communities experienced a decrease in overall market share from 13.6% to 11.48% this quarter, but gained more than 110 actual starts in the 90-day period. Both Del Webb and Robson were in the top ten builders and Farnsworth was ranked 20th. UDC Homes and Lennar Homes also have projects that contributed to the adult community sales.

Overall, the **best selling homes were again in the \$80,000-\$94,999 category (19.5%)** followed closely by the \$95,000-\$109,999 category (18.7%), again illustrating the strength of entry-level housing being accommodated by today's interest rates. Combined, the price range of \$80,000 to \$124,999 captured 52.3% of all sales in the Second Quarter, 1993. The following table shows the individual detached market sales by price range. The most interesting category is the 107 sales posted in the \$250,000 and over category for the Northeast. Of all price categories in the Northeast, this price range posted the highest level of sales.

Second Quarter, 1993 - Landiscor Detached Escrow Closings by Price Range				
	West	Northeast	Southeast	Valley
Less than \$50,000	2	0	2	4
\$50,000 to \$64,999	12	0	5	17
\$65,000 to \$79,999	130	12	110	252
\$80,000 to \$94,999	256	97	422	775
\$95,000 to \$109,999	266	101	389	756
\$110,000 to \$124,999	194	106	269	569
\$125,000 to \$139,999	100	103	188	391
\$140,000 to \$154,000	55	61	145	261
\$155,000 to \$169,999	47	90	95	232
\$170,000 to \$184,999	22	61	58	141
\$185,000 to \$199,999	18	40	49	107
\$200,000 to \$214,999	16	29	32	77
\$215,000 to \$229,999	5	28	22	55
\$230,000 to \$249,999	6	23	20	49
\$250,000 and over	12	107	24	143
Unallocated	50	10	42	102
Totals	1,191	868	1,872	3,931

Master Planned Communities

Master Planned Communities (MPCs) accounted for under half of the total starts for the second quarter, 1993. There were 59 MPC's tracked valley-wide. Of the 5,391 total starts for the second quarter, 1993, 43.7% (2,357) occurred within these planned communities, compared with 47.4% for the first quarter, 1993. Within the Northwest Phoenix market area, there were 1,512 total starts with 787 starts accounted for within the MPCs. This represents 52.1% of the total starts which is the highest market share of the three districts (NEP - 28.7% and SEP - 46.0%).

The following table shows the top 15 master plans in the PMA based on the 1992 annualized starts.

MASTER PLANNED COMMUNITY HISTORICAL REVIEWS BY ANNUAL HOUSING STARTS*					
	1988	1989	1990	1991	1992
Sun City West**	606	617	640	668	768
The Foothills	133	183	192	274	532
Mtn Park Ranch	676	636	529	555	518
Arrowhead Ranch	247	209	243	413	488
Sun Lakes**	191	213	161	291	299
Tatum Ranch	--	108	133	193	264
Andersen Springs	102	69	63	128	242
Westbrook Village**	281	293	207	271	227
The Islands	183	142	186	406	223
Ridgeview	29	37	31	88	219
Garden Lakes	221	204	181	208	201
Maggio Ranch	--	--	3	94	198
Sunbird**	--	--	49	78	197
Red Mtn Ranch	91	112	71	67	197
Sunland Vlg East**	127	123	154	132	195
Lakewood	309	142	140	251	186
<i>Sub-Total</i>	3,196	3,088	2,983	4,117	4,954
<i>PMA Total</i>	14,172	11,130	10,106	12,752	17,233

* Ranked by 1992 Housing Starts ** Adult Community

NORTHWEST PHOENIX SUMMARY

One of the prerequisites for the Palm Valley master plan is to draw from a market area greater than would normally be expected. There were 1,456 detached starts during the second quarter, 1993 in the NWP market area. Submarket 6, which includes Garden Lakes and Estrella, reported 370 new home starts in the second quarter 1993 which represents a 25.4% market share. Specifically, Garden Lakes had 68 new home starts and Estrella had 30, which combined represents 26.5% of the sales in submarket 6.

In 1991, there were 8 active subdivisions in Garden Lakes and there were 213 total sales. At Estrella, there were 4 active subdivisions and there were 79 sales. For the year, there were 132 active subdivisions in the NWP market area and 3,521 detached sales. In 1992, there were 7 active subdivisions in Garden Lakes and there were 204 sales. At Estrella, there were 4 active subdivisions and there were 57 sales. For the year, there were 139 active subdivisions in the NWP market area and there were 4,590 detached sales.

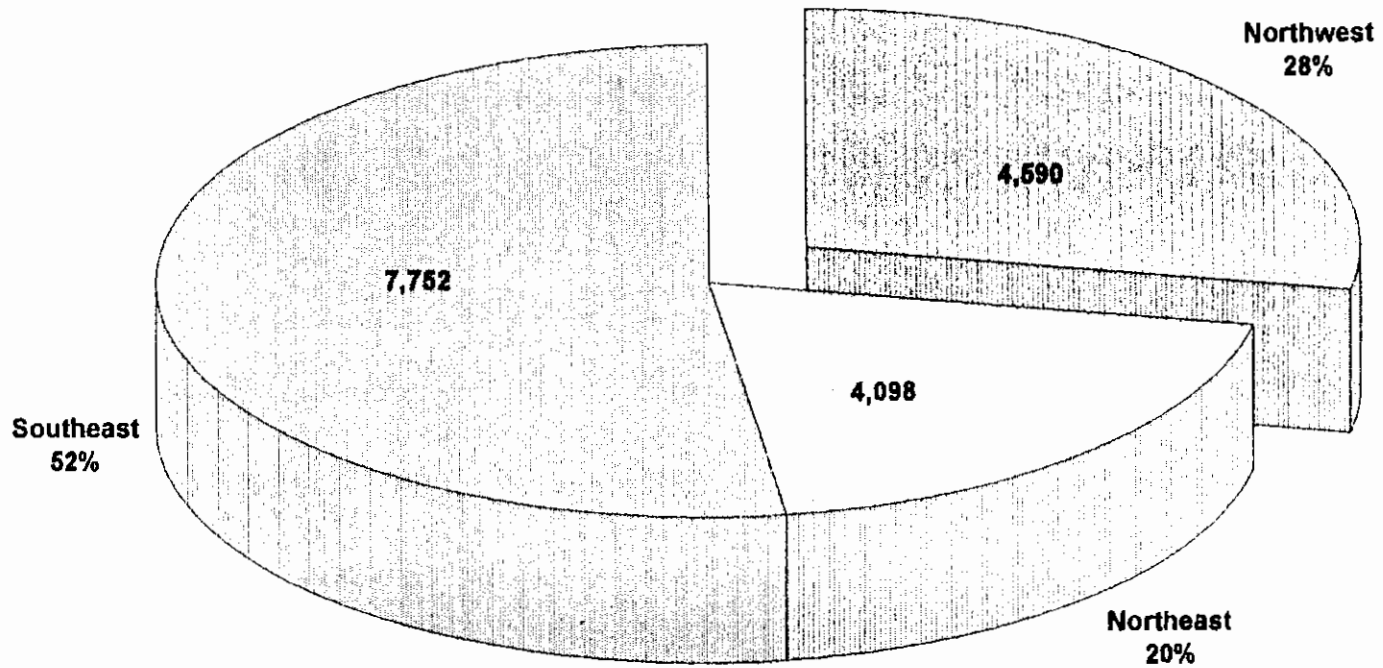
The following table shows that overall, the Northwest Phoenix market area has had a very slight increase in market share, with the greatest increase shown in the Northeast Phoenix market area. Interestingly, the sales have come entirely from the Southeast market area, which posted a decline from a 52.1% market share in 1991 to a 47.4% market share in the second quarter, 1993.

DISTRICT ACTIVITY 1991 - 1993*						
	1991		1992		1993*	
Northwest	3,521	28.2%	4,590	28.3%	4,962	28.8%
Northeast	2,462	19.7%	3,875	23.9%	4,098	23.8%
Southeast	6,496	52.1%	7,752	47.8%	8,149	47.4%
<i>Totals</i>	12,479		16,217		17,209	

* Estimate based on 12-month sales

Source: Landiscor

**PERMIT ACTIVITY BY DISTRICT
1992**



COMPETITIVE MARKET AREA

It is the conclusion of this report that the Garden Lakes and Estrella master plans are initially the most indicative of the market demand that Palm Valley can expect. Palm Valley must capture buyers from both the Arrowhead Ranch master plan as well as the NEP and SEP market areas. It will be necessary and expected in order for Palm Valley to achieve the long term absorption anticipated. Therefore, this section details the product, absorption, and inventory for Garden Lakes and Estrella, Arrowhead Ranch, Tatum Ranch (NEP), and The Foothills (SEP). Considerable weight is placed on Arrowhead Ranch as it best exemplifies the current demand for move-up product in the NWP market area and is clearly a competitor for the Palm Valley buyer in the near term.

The following table shows the five year annualized demand within each of these master planned communities.

MASTER PLANNED COMMUNITIES					
	1988	1989	1990	1991	1992
Estrella	3	8	58	74	57
Garden Lakes	221	204	181	208	201
Arrowhead Ranch	247	209	243	413	488
Tatum Ranch	--	108	133	193	264
The Foothills	133	183	192	274	532
<i>Totals</i>	604	712	807	1,162	1,542

The first phase of the Palm Valley master plan will feature a Arthur Hills 18-hole championship golf course. The Town of Litchfield Park is adjacent to Palm Valley and features the Mobil Five Star-rated Wigwam Resort and three championship golf courses as well as the newly opened Estrella Community College and the Desert Sky Pavilion entertainment facility. Phoenix Memorial Hospital plans to start construction on a medical complex this fall. Robson Communities is in the process of building more than 6,000 homes within a 2,200-acre retirement community it is developing called Pebble Creek that they acquired from SunCor in 1992.

Garden Lakes and Estrella Master Plan

Garden Lakes and Estrella are grouped into one chart and graph in this report. This is based on some similarities in buyer profile, but more because of the expectation to capture a strong demand from both of these developments. The strongest buyer segment for both Estrella and Garden Lakes has been from a west-side employee. The largest single employer is the Palo Verde Power facility.

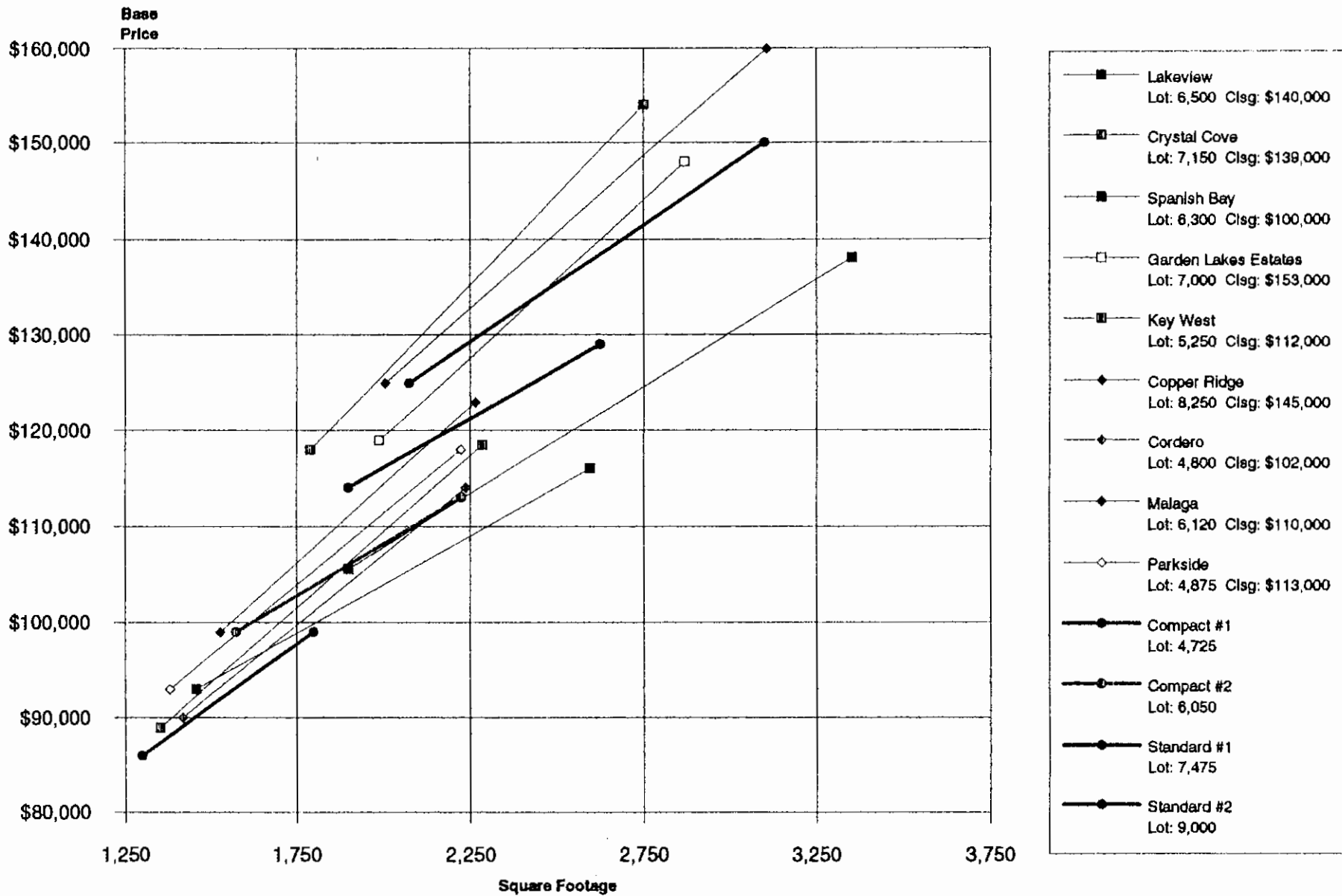
Estrella has been acquired through a joint venture with the RTC and SunChase Holdings/Sterling Assets. Based on recent reports, SunChase is establishing a local management office in Phoenix. However, historically, SunChase has not actively developed any parcels, but rather has acted solely as a speculator. Nonetheless, we would not anticipate any significant activity in the short-term for the Estrella master plan.

Some of the projects within the Garden Lakes and Estrella master plans benefit from lake frontage. While the asking price for premiums varies greatly, the difference between the average base price and average closing price is often more indicative of the actual value for the premiums. Furthermore, the difference between the base and closing prices may also indicate just how much the buyers in the market can afford to upgrade before being priced out of the market. The average base price within these two projects is \$117,839 while the average closing price is \$123,778. The following table indicates the respective premiums charged by the builders.

DEVELOPMENT	AVG BASE PRICE	AVG CLOSING PRICE	LOT PREMIUM
Lakeview	\$121,850	\$140,000	\$500 - \$12,500
Parkside	\$105,490	\$113,000	\$500 - \$25,000
Crystal Cove (UDC)	\$135,990	\$139,000	\$1,000 - 26,000
Cordero	\$102,000	\$102,000	\$500 - \$30,000
Spanish Bay	\$104,500	\$100,000	\$500 - \$24,500
Garden Lakes Estates	\$133,490	\$153,000	\$10,000 - \$50,000
Copper Ridge	\$142,490	\$145,000	\$1,000 - \$55,000
Key West	\$103,740	\$112,000	\$1,000 - \$12,500

The chart and table on the following pages indicate the projects within the Garden Lakes and Estrella master plans. In the table permits and closings are drawn from municipal records and starts are reported based on visual confirmation. The cumulative sales rate is calculated from the time each project received its public report.

**GARDEN LAKES AND ESTRELLA MASTER PLANS
COMPETITIVE PROJECTS
PALM VALLEY**



INVENTORY AND ABSORPTION REPORT

GARDEN LAKES/ESTRELLA MASTER PLANS

RANK MAP #	SUBDIVISION/ DEVELOPER	Q2:93 SPM	CUM SPM	BASE \$ RANGE	AVG CLSG \$	SQ.FT. RANGE	PRICE/ SQ.FT.	DATE OPEN	TOT UNIT	TOT SOLD	Q2:93 START	Q2:93 PRMT	MRKT SHR	Q2:93 CLSD	LOT INVTY	LOT SQFT
1 W11/28	Lakeview @ Garden Lakes US Home	2.68	1.62	\$105,600 \$138,100	\$140,000	1,900 3,353	\$55.58 \$41.19	May-87	144	123	13	8	16.7%	14	21	6,500 65 X 100
2 W11/49	Crystal Cove UDC Homes	2.68	1.25	\$117,990 \$153,990	\$139,000	1,790 2,752	\$65.92 \$55.96	Dec-92	141	10	8	8	16.7%	2	131	7,150 65 X 110
3 W16/3	Spanish Bay Continental Homes	2.68	1.98	\$93,000 \$116,000	\$100,000	1,460 2,596	\$63.70 \$44.68	Dec-89	223	88	12	8	16.7%	11	135	6,300 60 X 105
4 W11/20	Garden Lakes Estates UDC Homes	2.34	2.82	\$118,990 \$147,990	\$153,000	1,989 2,868	\$59.82 \$51.60	May-86	305	248	17	7	14.6%	15	57	7,000 70 X 100
5 W11/4	Key West UDC Homes	2.01	1.33	\$88,990 \$118,490	\$112,000	1,354 2,285	\$65.72 \$51.86	Nov-92	148	12	9	6	12.5%	11	136	5,250 50 X 105
6 W16/5	Copper Ridge UDC Homes	1.67	1.27	\$124,990 \$159,990	\$145,000	2,005 3,107	\$62.34 \$51.49	Feb-89	171	69	7	5	10.4%	3	102	8,250 75 X 110
7 W16/1	Cordero Continental Homes	1.34	1.03	\$90,000 \$114,000	\$102,000	1,420 2,237	\$63.38 \$50.96	Nov-88	90	59	5	4	8.3%	3	31	4,800 48 X 100
8 W11/30	Malaga @ Garden Lakes Wimberly Benson	0.33	1.27	\$99,000 \$123,000	\$110,000	1,530 2,265	\$64.71 \$54.30	Feb-90	88	54	6	1	2.1%	6	34	6,120 60 X 102
9 W16/6	Parkside UDC Homes	0.33	0.29	\$92,990 \$117,990	\$113,000	1,381 2,223	\$67.34 \$53.08	Feb-89	71	16	4	1	2.1%	0	55	4,875 65 X 75
TOTAL/AVERAGE		1.78	1.43	\$117,839	\$123,778	2,140	\$56.87		1,381	679	81	48	100%	65	702	6,249

As the Inventory and Absorption report indicates, within the Garden Lakes and the Estrella master plans, there are 9 active subdivisions. The average base sales price within the master plans is \$117,839 while the average closing price is \$123,778. The average price per square foot (value) in the master plans is \$56.87. The average subdivision within the master plans captured 1.78 Sales Per Month (SPM) during the second quarter, 1993, which is up slightly from the 1.43 SPM overall (since opening).

There were two projects within Garden Lakes and one within Estrella that reported 8 permits during the second quarter, 1993. Lakeview by US Home (2.68 SPM) and Crystal Cove by UDC Homes (2.68 SPM) both offer move-up family product. Neither project has water frontage and, while the typical lot is slightly larger at Crystal Cove, the average closing price is \$1,000 higher at Lakeview. Both projects target the move-up family buyer with different marketing strategies. US Homes offers a very basic standard features list while UDC Homes includes several upgraded interior features. While the average base price is lower at US Home, based on the average closing prices, the buyers are obviously upgrading the homes comparably with the UDC product.

Continental Homes and UDC Homes both have two subdivisions at Estrella. Of the four active subdivisions within Estrella, Spanish Bay by Continental Homes (2.68 SPM) and Copper Ridge by UDC Homes (1.67 SPM) showed increased sales activity during the second quarter, 1993. The increase in sales is attributed to lower interest rates and discount packages provided by the builders. Spanish Bay reported 8 permits and 12 new home starts while Copper Ridge reported 5 permits and 7 new home starts during the second quarter. Copper Ridge (8,250 square foot lots) and Spanish Bay (6,300 square foot lots) are the standard lots offered by UDC Homes and Continental Homes. Parkside by UDC Homes (0.33 SPM) and Cordero by Continental Homes (1.34 SPM) are compact lot subdivisions and have had less than desirable sales performances. The sales agents reported that the buyers within this market niche require larger lots with more open space. Therefore, the smaller compact lots only appeal to the entry-level buyer which has not shown as strong of demand. Additionally, the lower interest rates have allowed buyers a greater purchasing power which facilitates the sale of standard lots.

Based on the existing subdivisions within the Estrella and Garden Lakes master plans, there are currently 702 improved lots in inventory. During the second quarter, 1993, there were 48 permits and 81 new home starts reported. During the same period, 65 units closed which indicates that current sales have declined slightly. Therefore, based on second quarter starts, there is an 8.6 quarter supply of lot inventory within Garden Lakes and Estrella. At the current rate of sales, only Lakeview by US Homes will be sold out in the near term. At Estrella, Spanish Bay has 44 improved lots and 91 unimproved lots in inventory. UDC Homes has acquired essentially all of the remaining parcels within Garden Lakes and is not expected to sell off any parcel to additional builders. Therefore, we would expect to see approximately 200 homes per year sold at Garden Lakes. Currently, within Estrella, there is not sufficient demand to absorb the existing lot inventory, and therefore, we see little opportunity for additional builder activity.

Arrowhead Ranch

Within the Arrowhead Ranch master plan there are currently 10 active subdivisions. The average base sales price within the master plan is \$147,897 while the average closing price is \$162,000. This difference is attributed to the significant number of lots within projects that have premiums for location and view. Additionally, four of the projects in the master plan have not yet reported any closings and therefore, the average closing price will adjust as these projects mature.

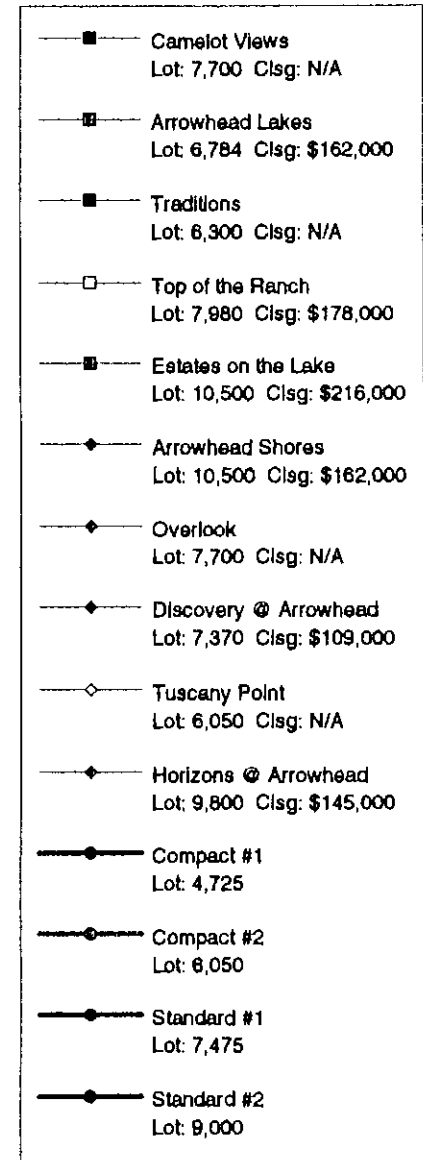
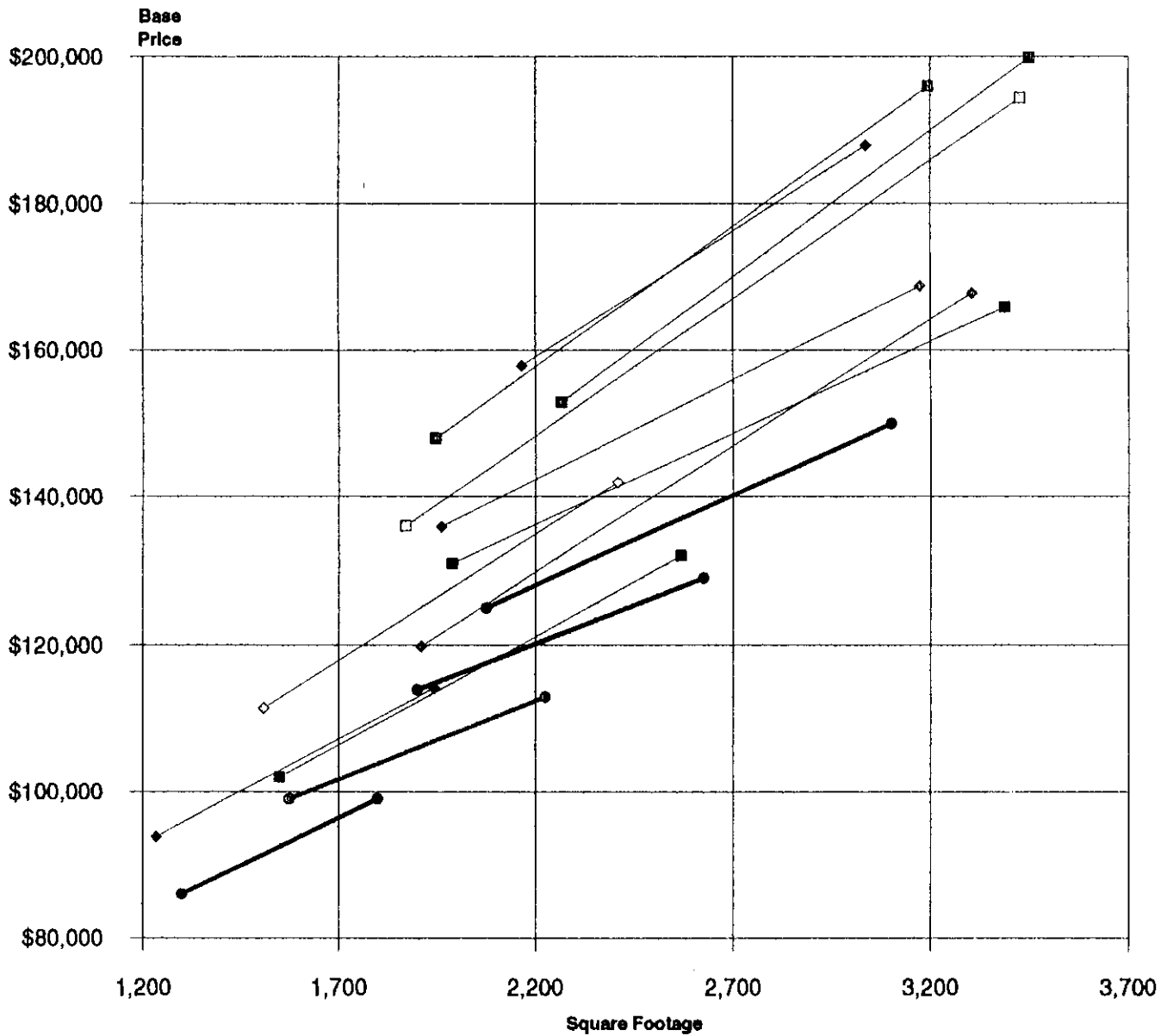
Projects within the Arrowhead Ranch master plan benefit from the semi-private golf course and numerous lakes. In particular, projects located adjacent to the golf course and/or the various open spaces throughout the master plan are able to receive significant premiums in addition to the base price of the home. In the Northwest Phoenix market area, the Arrowhead Ranch master plan is the only production housing development with these exceptional terrain and view amenities. The following table indicates the respective premiums charged by the builders. Note that Arrowhead Lakes (Lennar), Estates on the Lake (AM/Maracay), and Arrowhead Shores (Regal) do not have significant lot premiums but include the premiums in the base home price.

DEVELOPMENT	AVG BASE PRICE	GOLF PREMIUM	LAKE/LOT PREMIUM
Camelot Views	\$148,400	\$15,000 - \$25,000	\$5,000 - \$15,000
Arrowhead Lakes	\$171,490	--	\$1,000 - \$10,000
Arrowhead Shores	\$172,900	--	\$3,500 - \$12,000
Estates on the Lake	\$176,400	--	\$6,000 - \$25,000
Horizons	\$143,900	\$10,000 - \$35,000	--
Overlook	\$152,400	\$20,000 - \$30,000	\$1,500 - \$7,500
Top of the Ranch	\$165,200	\$20,000 - \$36,000	\$7,000 - \$30,000

Based on location, price, and amenities, the Arrowhead Ranch master plan is clearly the most competitive master plan for Palm Valley in the near term. The factor which continues to separate the west side from other suburban areas in Phoenix is the level of employment in the immediate area. The Cities of Goodyear and Glendale have recruited several new employers to the area, but, for the most part, these new companies are predominately blue-collar employers concentrated in manufacturing and distribution.

The chart and table on the following pages indicate the projects within the Arrowhead Ranch master plan. Note that several projects have not yet reported closings or closing prices.

**ARROWHEAD RANCH MASTER PLAN
COMPETITIVE PROJECTS
PALM VALLEY**



INVENTORY AND ABSORPTION REPORT

ARROWHEAD RANCH MASTER PLAN

RANK MAP #	SUBDIVISION/ DEVELOPER	Q2:93 SPM	CUM SPM	BASE \$ RANGE	AVG CLSG \$	SQ.FT. RANGE	PRICE/ SQ.FT.	DATE OPEN	TOT UNIT	TOT SOLD	Q2:93 START	Q2:93 PRMT	MRKT SHR	Q2:93 CLSD	LOT INVTY	LOT SQFT
1 W3/31	Camelot Views Camelot Homes	6.69	1.99	\$130,900 \$165,900		1,989 3,389	\$65.81 \$48.95	Mar-93	70	10	8	20	17.7%	0	60	7,700 70 X 110
2 W3/52	Arrowhead Lakes Lennar Homes	6.69	2.67	\$147,990 \$195,990	\$162,000	1,947 3,194	\$76.01 \$61.36	Jan-92	133	51	13	20	17.7%	15	82	6,784 64 X 106
3 W3/68	Traditions Fulton Homes	6.02	4.59	\$101,990 \$131,990		1,551 2,568	\$65.76 \$51.40	Jun-93	124	9	9	18	15.9%	0	115	6,300 60 X 105
4 W3/46	Top of the Ranch Centex Homes	6.02	4.09	\$136,000 \$194,400	\$178,000	1,871 3,427	\$72.69 \$56.73	Jan-91	166	128	17	18	15.9%	15	38	7,980 76 X 105
5 W3/48	Estates on the Lake Maracay Homes	4.68	2.69	\$152,900 \$199,900	\$216,000	2,266 3,450	\$67.48 \$57.94	Nov-91	87	57	11	14	12.4%	9	30	10,500 100 X 105
6 W3/49	Arrowhead Shores Regal Homes	2.68	0.64	\$157,900 \$187,900	\$162,000	2,165 3,036	\$72.93 \$61.89	Dec-91	92	13	9	8	7.1%	3	79	10,500 100 X 105
7 W3/65	Overlook T.W. Lewis	1.67	1.00	\$135,900 \$168,900		1,960 3,173	\$69.34 \$53.23	Apr-93	76	4	4	5	4.4%	0	72	7,700 70 X 110
8 W3/56	Discovery @ Arrowhead Pulte Homes	1.34	1.34	\$93,900 \$114,200	\$109,000	1,235 1,943	\$76.03 \$58.78	May-93	92	4	3	4	3.5%	15	88	7,370 67 X 110
9 W3/67	Tuscany Point Del Webb's Coventry	1.00	0.67	\$111,490 \$141,990		1,510 2,408	\$73.83 \$58.97	May-93	115	2	2	3	2.7%	0	113	6,050 55 X 110
10 W3/69	Horizons @ Arrowhead Pulte Homes	1.00	1.00	\$119,900 \$167,900	\$145,000	1,910 3,305	\$62.77 \$50.80	May-93	77	3	3	3	2.7%	0	74	9,800 70 X 140
TOTAL/AVERAGE		3.78	2.07	\$147,897	\$162,000	2,415	\$63.13		1,032	281	79	113	100%	57	751	8,068

As the Inventory and Absorption report indicates, the average subdivision within the Arrowhead Ranch master plan captured 3.78 Sales Per Month (SPM) which is a significant increase from the cumulative sales rate of 2.07 SPM overall. With several new projects opening in the second phase (north) of Arrowhead Ranch, there has been strong demand demonstrated from the move-up family market. Two new projects by Pulte Homes (Premiere at Arrowhead) and White Hawke Development (Lakeside at Arrowhead) should increase the demand from the first-time buyer market as both are expected to offer lower priced compact lot product that is not currently available within Arrowhead Ranch.

Discovery at Arrowhead by Pulte Homes is located within the Arrowhead Ranch master plan and is Pulte's entry-level subdivision. Horizon at Arrowhead, which has three new models under construction, will include a significant number of premium golf course lots. The floor plans range from \$119,900 for 1,910 square feet up to \$167,900 for 3,305 square feet. These prices are similar to the first phase pricing, with superior lots. The golf course premiums start at \$10,000 and the water lot premiums start at \$15,000. Discovery at Arrowhead includes some golf course lots and therefore, the average closing price is \$5,000 higher than the average base price. The floor plans offered at Discovery range from 1,235 square feet for \$93,900 up to 1,943 square feet for \$114,200. This project captures the first-time family buyer. Pulte is planning to introduce the Premiere series which will be 95 units priced in the low \$80,000's.

Fulton Homes has opened Traditions at Arrowhead (6.02 SPM) with 7 floor plans offered on 7,350 square foot lots. There will be three modelled floor plans which range from \$101,990 for 1,551 square feet up to \$131,990 for 2,568 square feet. The project is located at 59th Avenue and Beardsley and will have some negative impact due to its proximity to the freeway. There is a park planned for the development and a second phase is planned which will include larger floor plans ranging from \$140,000 to \$180,000. Camelot Homes has opened Camelot Views (6.69 SPM) with product that ranges from \$130,900 for 1,989 square feet up to \$165,900 for 3,389 square feet. The typical lot size in the development is 7,700 square feet and there are lots adjacent to the golf course as well as a small lake. T.W. Lewis Homes has opened The Overlook at Arrowhead (1.67 SPM) which offers 7 floor plans ranging from \$135,900 for 1,960 square feet up to \$168,900 for 3,173 square feet. The premiums at this development range from \$20,000 to \$30,000 for golf course frontage and up to \$7,000 for open space.

Based on the 751 lots in inventory at the end of the second quarter, 1992, and the 113 sales reported, there is a 6.7 quarter supply of lots in inventory. The point that must be understood from the Arrowhead Ranch market is that when the master plan originally opened, sales were almost non-existent because of the high base pricing. Over the years, many parcels were acquired in distressed sales at reduced prices and consequently, the base prices in the master plan declined. In the past year, as the market has improved, the builders have slowly been pushing the base prices up and now are, in our opinion, at the price threshold. More than one sales agent at Arrowhead Ranch commented that their pricing is at the limit of the buyer's capacity to qualify.

Tatum Ranch Master Plan

While it is not initially expected to be competition for Palm Valley, the Tatum Ranch master plan has been extremely successful at establishing a strong market presence in the North Phoenix market area. The master plan has done extensive market research to determine the price and product niches for each of the current builders. In our opinion, an additional opportunity is shown, and demonstrated by the average closing price, for a product ranging from 1,800 square feet for \$125,000 up to 3,000 square feet for \$170,000 on 7,700 (70 X 115) square foot lots.

There are currently 6 active subdivisions within the Tatum Ranch master plan as well as a semi-custom home project. As the cumulative sales rate indicates, the average subdivision within Tatum Ranch captured 4.57 Sales Per Month. This is an increase over the cumulative sales rate of 2.87 SPM.

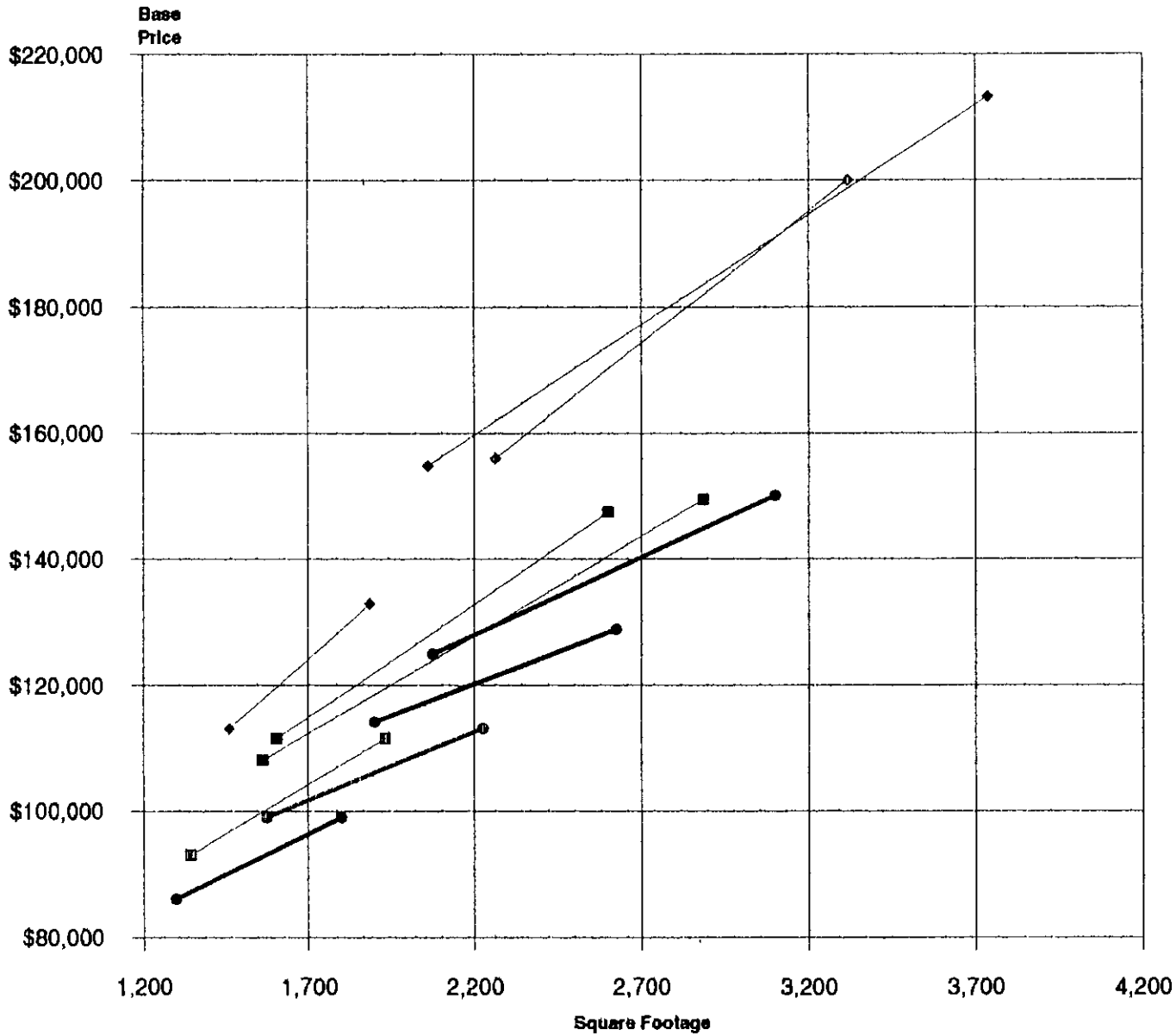
Saddleback at Tatum Ranch by Saddleback Homes (7.02 SPM) is the lowest priced project in the master plan with floor plans targeted for the empty-nester and entry-level home buyer, with good demand from both markets. Wildflower (Desert Rose) by Maracay Homes (7.36 SPM) reported the best permit activity during the second quarter, 1993. Wildflower which is priced from \$111,400 up to \$147,400 and Desert Vistas by Ryland (5.35 SPM) is priced from \$107,950 up to \$149,450. To differentiate the product, Maracay Homes is on smaller lots (5,460 square feet) with a more "high-tech" home with upgraded features while Ryland offers a better value (price per square foot) on a larger lot (7,475 square feet). The differences mean that Maracay Homes typically captures more of the empty-nester market while Ryland captures more of the family buyers.

In the move-up market, there are two developments, both adjacent to the golf course. Desert Manor Estates by T.W. Lewis Company (3.68 SPM) and Desert Fairways by UDC Homes (2.68 SPM). Desert Manor Estates offers floor plans ranging from \$154,900 up to \$213,400 with an average closing price of \$184,000. Desert Fairways offers floor plans ranging from \$155,990 up to \$199,990 with an average closing price of \$180,000. Both of these projects market to a move-up family buyer as well as an empty-nester. As the Inventory and Absorption Report shows, the two projects are very competitive in value (price per square foot). Based on the cumulative sales, both subdivisions have captured nearly 4.0 SPM since opening.

Tatum Village by Golden Heritage Homes (1.34 SPM) is the newest project within Tatum Ranch. This gated subdivision specifically markets to the winter visitors and retirees with duplex product. Because of the seasonal buyer, sales are typically slower in the summer months.

While there is no additional acreage adjacent to the golf course, there are several parcels available to the south which will undoubtedly be developed to maximize the desert terrain with open space and natural wash corridors.

**TATUM RANCH MASTER PLAN
COMPETITIVE PROJECTS
PALM VALLEY**



- Wildflower
Lot: 5,460 Clsg: \$124,000
- Saddleback @ Tatum
Lot: 4,500 Clsg: \$109,000
- Desert Vistas
Lot: 7,475 Clsg: \$134,000
- ◆— Desert Manor Estates
Lot: 8,800 Clsg: \$184,000
- ◇— Desert Fairways
Lot: 9,200 Clsg: \$180,000
- ◆— Tatum Village
Lot: 3,880 Clsg: \$145,000
- Compact #1
Lot: 4,725
- Compact #2
Lot: 6,050
- Standard #1
Lot: 7,475
- Standard #2
Lot: 8,000

INVENTORY AND ABSORPTION REPORT

TATUM RANCH MASTER PLAN

RANK MAP #	SUBDIVISION/ DEVELOPER	Q2:93 SPM	CUM SPM	BASE \$ RANGE	AVG CLSG \$	SQ.FT. RANGE	PRICE/ SQ.FT.	DATE OPEN	TOT UNIT	TOT SOLD	Q2:93 START	Q2:93 PRMT	MRKT SHR	Q2:93 CLSD	LOT INVTY	LOT SQFT
1 NE15/6	Wildflower Maracay Homes	7.36	3.62	\$111,400 \$147,400	\$124,000	1,606 2,600	\$69.36 \$56.69	Sep-90	176	128	9	22	26.8%	11	48	5,460 52 X 105
2 NE15/5	Saddleback @ Tatum Ranch Saddleback Homes	7.02	1.82	\$93,100 \$111,400	\$109,000	1,345 1,933	\$69.22 \$57.63	Jul-90	123	68	0	21	25.6%	8	55	4,500 45 X 100
3 NE15/8	Desert Vistas Ryland Homes	5.35	3.02	\$107,950 \$149,450	\$134,000	1,565 2,885	\$68.98 \$51.80	Sep-91	84	70	13	16	19.5%	11	14	7,475 65 X 115
4 NE15/7	Desert Manor Estates T.W. Lewis	3.68	3.77	\$154,900 \$213,400	\$184,000	2,061 3,739	\$75.16 \$57.07	Jan-91	130	118	11	11	13.4%	16	12	8,800 80 X 110
5 NE15/2	Desert Fairways UDC Homes	2.68	4.26	\$155,990 \$199,990	\$180,000	2,262 3,318	\$68.96 \$60.27	Mar-89	263	228	20	8	9.8%	19	35	9,200 80 X 115
6 NE15/9	Tatum Village Golden Heritage Homes	1.34	0.73	\$113,000 \$133,000	\$145,000	1,464 1,885	\$77.19 \$70.56	Sep-92	108	8	2	4	4.9%	0	100	3,880 40 X 97
TOTAL/AVERAGE		4.57	2.87	\$140,915	\$146,000	2,222	\$65.24		884	620	55	82	100%	65	264	6,553

The Foothills

Within The Foothills master plan there are currently 14 active subdivisions. There are also various parcels within the Foothills Club West, which was originally developed as part of The Foothills master plan and subsequently sold to UDC Homes. Because UDC Homes controls all of the acreage within Foothills Club West, and has no intention of selling off parcels to additional builders, it is not included in this report.

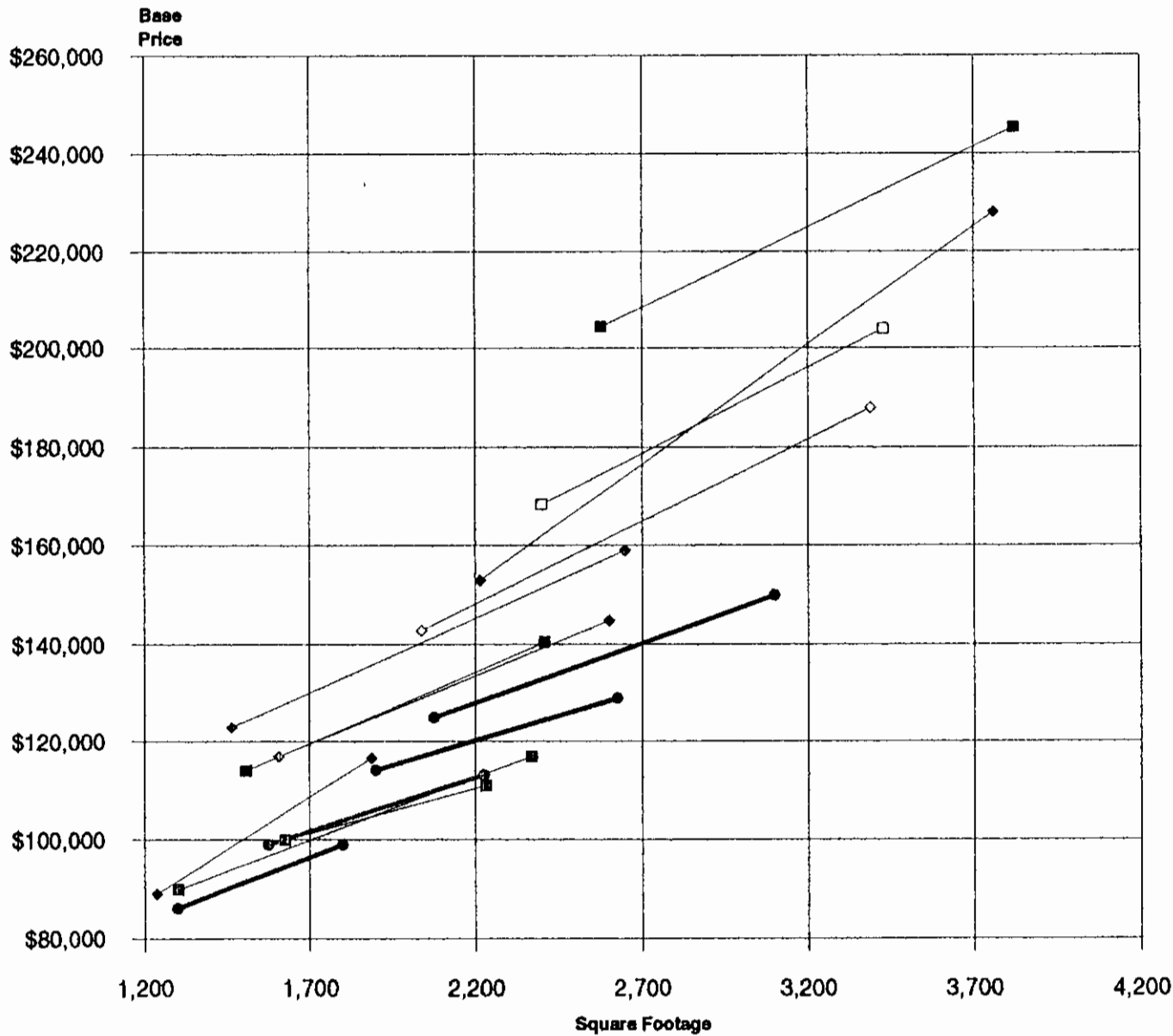
Projects within The Foothills master plan benefit from the public golf course and the significant terrain features. In particular, projects located adjacent to the golf course and/or the various open spaces throughout the master plan are able to receive significant premiums in addition to the base price of the home. In the Southeast Phoenix market area, the South Mountain market area (submarket 8) is the only production housing market with these exceptional terrain and view amenities. The following table indicates the respective premiums charged by the builders.

DEVELOPMENT	AVG BASE PRICE	GOLF PREMIUM	PRESERVE/LOT PREMIUM
Cholla Canyon	\$127,240	--	\$3,500 - \$25,000
Cabrillo Canyon	\$264,740	--	\$20,000 - \$100,000
Vista Montana	\$105,450	--	\$2,000 - \$5,000
Crimson Canyon	\$165,400	--	\$1,000 - \$45,000
Ridge Pointe	\$103,400	--	\$5,000 - \$13,000
Oasis	\$140,990	\$5,000 - \$25,000	\$5,000 - \$20,000
Pinnacle	\$186,150	\$16,500 - \$22,000	\$1,000 - \$22,000

The average base sales price within the master plan is \$166,818 while the average closing price is \$191,100. This large difference is attributed to the significant number of lots within projects that have premiums for location and view. There are currently 586 improved lots remaining in active subdivisions. Based on 110 new home starts in the second quarter, 1993, there is an 5.3 quarter supply of lots in active subdivisions. There are a limited number of unimproved parcels remaining within The Foothills master plan.

Compared to Palm Valley, The Foothills master plan has a significant terrain advantage which translates into additional premiums as well as higher base prices. However, below \$160,000, The Foothills clearly demonstrates the demand from the family market and the empty-nester market. The chart and table on the following pages detail the projects within The Foothills master plan. The average closing price is based on the cumulative sales and prices come from the recorded affidavits of value.

**THE FOOTHILLS MASTER PLAN
COMPETITIVE PROJECTS
PALM VALLEY**



- Cholla Canyon
Lot: 5,500 Clsg: \$134,000
- ▣ Ridge Pointe
Lot: 4,200 Clsg: N/A
- Richmond Heights
Lot: 9,200 Clsg: \$244,000
- Pinnacle
Lot: 7,700 Clsg: N/A
- ▣ Vista Montana
Lot: 4,032 Clsg: N/A
- ◆ La Montagne
Lot: 5,940 Clsg: N/A
- ◆ Palmia
Lot: 7,350 Clsg: \$208,000
- ◆ Miralago
Lot: 3,500 Clsg: \$112,000
- ◇ Crimson Canyon
Lot: 6,600 Clsg: \$193,000
- ◆ Oasis
Lot: 5,250 Clsg: \$126,000
- Compact #1
Lot: 4,725
- Compact #2
Lot: 6,050
- Standard #1
Lot: 7,475
- Standard #2
Lot: 9,000

INVENTORY AND ABSORPTION REPORT

THE FOOTHILLS MASTER PLAN

RANK MAP #	SUBDIVISION/ DEVELOPER	Q2-93 SPM	CUM SPM	BASE \$ RANGE	AVG CLSG \$	SQ.FT. RANGE	PRICE/ SQ.FT.	DATE OPEN	TOT UNIT	TOT SOLD	Q2-93 START	Q2-93 PRMT	MRKT SHR	Q2-93 CLSD	LOT INVTY	LOT SQFT
1 SE13/28	Cholla Canyon Del Webb's Coventry	5.69	2.36	\$113,990 \$140,490	\$134,000	1,510 2,408	\$75.49 \$58.34	Sep-92	67	26	18	17	19.8%	8	41	5,500 50 X 110
2 SE13/33	Ridge Pointe Woodside Homes	4.35	1.99	\$89,900 \$116,900		1,303 2,370	\$68.99 \$49.32	Mar-93	53	10	10	13	15.1%	0	43	4,200 40 X 105
3 SE13/29	Richmond Heights Richmond American	3.34	1.59	\$204,400 \$245,400	\$244,000	2,578 3,821	\$79.29 \$64.22	Oct-92	69	16	10	10	11.6%	4	53	9,200 80 X 115
4 SE13/32	Pinnacle Centex Homes	2.01	0.37	\$168,400 \$203,900		2,400 3,427	\$70.17 \$59.50	Dec-92	72	3	3	6	7.0%	0	69	7,700 70 X 110
5 SE13/7	Vista Montana Trend Homes	1.67	1.00	\$99,950 \$110,950		1,626 2,233	\$61.47 \$49.69	May-93	124	3	3	5	5.8%	0	121	4,032 36 X 112
6 SE13/21	Highlands Centex Homes	1.67	3.57	\$170,900 \$206,400	\$203,000	2,400 3,247	\$71.21 \$63.57	Dec-91	84	72	9	5	5.8%	10	12	7,700 70 X 110
7 SE13/9	Shadow Rock UDC Homes	1.67	2.81	\$241,990 \$267,990	\$231,000	2,815 3,305	\$85.96 \$81.09	Aug-89	143	136	8	5	5.8%	6	7	10,350 90 X 115
8 SE13/27	Camelot Ridge Camelot Homes	1.67	5.98	\$131,900 \$166,900	\$169,000	1,989 3,389	\$66.31 \$49.25	Sep-92	73	66	23	5	5.8%	22	7	6,600 60 X 110
9 SE13/31	La Montagne Maracay Homes	1.34	1.37	\$116,900 \$144,900		1,606 2,600	\$72.79 \$55.73	Dec-92	82	11	2	4	4.7%	1	71	5,940 54 X 110
10 SE13/12	Palmia Laurelcrest	1.34	1.57	\$152,990 \$227,990	\$208,000	2,214 3,760	\$69.10 \$60.64	Mar-90	90	65	1	4	4.7%	2	25	7,350 70 X 105
11 SE13/15	Miralago Laurelcrest	1.34	1.85	\$88,990 \$116,500	\$112,000	1,237 1,888	\$71.94 \$61.71	May-90	104	73	8	4	4.7%	3	31	3,500 35 X 100
12 SE13/23	Crimson Canyon Woodside Homes	1.34	1.99	\$142,900 \$187,900	\$193,000	2,037 3,388	\$70.15 \$55.46	Apr-92	117	32	9	4	4.7%	8	85	6,600 60 X 110
13 SE13/11	Oasis Laurelcrest	1.00	2.36	\$122,990 \$158,990	\$126,000	1,466 2,648	\$83.89 \$60.04	Dec-89	117	105	4	3	3.5%	4	12	5,250 50 X 105
14 SE13/3	Cabrillo Canyon UDC Homes	0.33	2.03	\$241,990 \$287,490	\$291,000	2,815 3,850	\$85.96 \$74.67	Jun-88	136	127	2	1	1.2%	3	9	12,150 90 X 135
TOTAL/AVERAGE		2.05	2.20	\$166,818	\$191,100	2,512	\$67.00		1,331	745	110	86	100%	71	586	6,862

As the Inventory and Absorption report indicates, the average subdivision within The Foothills master plan captured 2.05 Sales Per Month (SPM) which is a slight decline from the cumulative sales rate of 2.20 SPM overall. Based on second quarter, 1993 permits, the best selling project within The Foothills master plan was Cholla Canyon by Del Webb's Coventry (5.69 SPM). This project reported 17 new home permits during the quarter with an average closing price of \$134,000. The typical lot size within the development is 5,500 square feet.

The two newest subdivisions in the master plan are Ridge Pointe by Woodside Homes (4.35 SPM) and Vista Montana by Trend Homes (1.67 SPM). Both of these projects are on compact lots and market the first-time home buyer. Ridge Pointe offers floor plans on 4,200 square foot lots ranging from \$89,900 up to \$116,900 and Vista Montana offers floor plans on 4,032 square foot lots ranging from \$99,950 up to \$110,950.

La Montagne by Maracay Homes (1.34 SPM) is a replacement for Skyline which averaged 5.0 SPM overall. There are five floor plans offered which range from \$116,900 up to \$144,900. The prices are slightly higher than Skyline which had an average closing price of \$134,000.

Summary

The Foothills and Tatum Ranch master plans are the best example of a wide range of product, niched by lot and price into a successful development. Unlike Arrowhead Ranch, which went through a foreclosure proceeding and subsequent shifts in pricing and product, The Foothills has carefully planned the product, location, and price so that there is not a significant amount of inner competition. Garden Lakes is now controlled by UDC Homes with no expectation of selling parcels off to additional builders. Estrella is now in a joint venture for future development, however, current demand as well as limited potential demand from buyers will make an additional development unlikely in the near term.

Initially, the Palm Valley master plan will compete with Garden Lakes and Estrella for buyers. The demand for entry-level compact lot product in these master plans ranges from \$75,000 to \$100,000 and for first-time single family product emphasizing value (price per square foot) ranging from \$100,000 to \$145,000. The demand from the Arrowhead Ranch market is expected after the golf course is complete and the existing subdivisions are well into the sales effort. For Arrowhead Ranch, demand is also separated by the entry-level compact lot product ranging from \$80,000 to \$100,000. However, at Arrowhead Ranch, this market is capturing a large percentage of empty-nester and retirees. In the standard lot market, Pulte and Fulton Homes offer product for the first-time family buyer in the \$95,000 to \$135,000 price range. For the move-up family buyer, there are several new developments offering product on 7,000 to 8,000 square foot lots ranging from \$110,000 to \$160,000. Additionally, there are two lake oriented projects which market to the affluent move-up market in the \$200,000 price range.

Although initially Tatum Ranch and The Foothills will not be a significant source of competition, planning from the start should include aggressive product and pricing to begin drawing from these markets. Tatum Ranch and The Foothills master plans offer large lot product with an emphasis on open space. The high dollar product is located on golf course or mountain (Foothills) adjacent parcels. The entry-level product is located on parcels with natural desert washes and open space as the amenity feature. The developments both have two distinct niches, the first being for entry-level and first-time family buyers ranging from \$95,000 up to \$130,000 while the second niche is for move-up family buyers ranging from \$140,000 up to \$190,000.

The following groups represent our recommendations as to price, product, and lot size. Careful land planning should be done to accommodate the specific product recommendations. The HOA would be assessed as a flat fee for all residents with an additional fee based on the specific subdivision (if necessary). The base fee is recommended not to exceed \$20.00 per month and the additional fee should range from \$15.00 up to \$85.00 depending on the lot and location.

PRODUCT	LOT SQFT	BASE PRICE RANGE	SQFT RANGE	PRICE/ SQFT RANGE
Compact	4,725 (45 X 105)	\$86,000	1,300	\$66.15
		\$99,000	1,800	\$55.00
Compact - Golf	6,050 (55 X 110)	\$99,000	1,575	\$62.86
		\$113,000	2,225	\$50.79
Standard	7,475 (65 X 115)	\$114,000	1,900	\$60.00
		\$129,000	2,625	\$49.14
Standard - Golf	9,000 (75 X 120)	\$125,000	2,075	\$60.24
		\$150,000	3,100	\$48.39

Homeowners Association Dues

The following table lists the various master planned communities in the PMA and the annual dues. For the most part, the dues are paid either monthly or quarterly. In a few cases, there are additional dues for the specific community within the master plan. Augusta at The Foothills, for example, has an additional fee of \$16.50 for front-yard landscaping. At Estrella, UDC Homes is paying for the first year's Homeowner's Association (HOA) dues. At Garden Lakes, the fees are subsidized by the builders until enough homes are built to transfer the HOA over to the owners. Removing the high (Arrowhead Ranch) and low (North Canyon Ranch), the average annual HOA dues are \$225.00 (\$18.75/month).

DEVELOPMENT	ANNUAL DUES	DEVELOPMENT	ANNUAL DUES
Arrowhead Ranch	\$360.00	Islands	\$207.00
Desert Harbor	\$204.00	Ahwatukee	\$227.00
Estrella	\$275.00	Red Mtn Ranch	\$330.00
Marshall Ranch	\$300.00	Foothills	\$168.00
North Cyn Ranch	\$84.00	Lakewood	\$208.00
McCormick Ranch	\$156.00	Mtn Park Ranch	\$208.00
Scottsdale Ranch	\$240.00	Ventana Lakes	\$240.00
Garden Lakes	\$216.00	Tatum Ranch	\$216.00

The current plans for the Palm Valley Community Association estimate that there will be 1,151 members and the annualized budget will be approximately \$70,000. Therefore, the yearly assessment per household will be \$60.00. There will also be a one time \$50.00 charge per initial home sale. The HOA will provide for association management, perimeter wall maintenance, and landscape maintenance of the water retention area.

Clearly, the \$60.00 annual HOA is well below any competitive master plan and is more comparable to that of many stand-alone subdivisions. Keep in mind that in the qualifying process, the monthly HOA dues are considered as part of the total monthly payment. Therefore, \$25.00 monthly HOA dues decrease the total buying power by approximately \$2,500.00.

We would anticipate that those subdivisions with additional community features would have a secondary HOA. This bifurcated HOA allows for a more equitable assessment of the community expenses.

CONCLUSIONS FOR PALM VALLEY

The intention of this report is to provide recommendations for what should comprise the initial product niches for the Palm Valley master plan. These recommendations will establish the product and pricing during the grand opening of the development. Additional product and pricing should be considered after assessment of the existing market conditions. It is anticipated that this would occur in the second year of the development.

It is our conclusion that there should be two price niches, each with two product lines. The first niche would be for compact lot product, differentiated by location (golf course vs. non-golf course) and the second would be for standard lot product, again differentiated by the golf course location. It is assumed that the initial buyers will be drawn from those buying at the Garden Lakes and Estrella master plans as well as the numerous stand-alone subdivisions as far north as Bell Road. It is our opinion that the historical shift in market share from the Southeast Valley to both the Northeast and Northwest Valley is based on the change in product offered. With the near sellout of Mountain Park Ranch and Lakewood, the only significant master plan developments available in the Southeast Phoenix submarket are The Foothills and Red Mountain Ranch which are considerably higher priced product. Therefore, in the SEP market area, submarket 12, which is generally south of Warner Road and east of Interstate 10, has now taken over as the dominate market area for sales. This area does not have any amenity features and land prices have been increasing, thus pushing the housing prices up for a less desirable area.

Compact Lot Price Segment - Non-Golf Course

The recommendation for this market niche is for homes on 4,725 (45 X 105) square foot lots ranging from 1,300 square feet for \$86,000 up to 1,800 square feet for \$99,000. The floor plans come from Tatum Lane by Hancock Homes which was the best selling subdivision in the Phoenix market during 1992.

This niche is intended to compete directly with the first-time home buyers as well as empty-nesters and retirees at Key West (Garden Lakes) and Premiere (Arrowhead Ranch). This is an extremely price sensitive segment and the buyers must be sold on the value of both the product and location.

It is our recommendation that this subdivision be built on Parcel 7. This parcel, with no golf course frontage is adjacent to a community park. Located at Dysart Road and the eastern entrance to the master plan, the parcel is 13.0 net acres and therefore, with 4,725 square foot lots at 6.0 DU/Ac, the site would yield approximately 78 lots. With the recommended density and the proposed location, the pricing is comparable to compact lot product in both Estrella and Garden Lakes.

The recommended builder for this niche is Fulton Homes with product from The Village at Twelve Oaks (Compact). Alternative builders for this niche could be either Del Webb's Coventry with Acacia Terrace or Saddleback Homes with either Tatum or Anderson Springs product.

Compact Lot Price Segment - Golf Course

The recommendation for this market niche is for homes on 6,050 (55 X 110) square foot lots ranging from 1,575 square feet for \$99,000 up to 2,225 square feet for \$113,000. The floor plans come from Tatum Heights by Hancock Homes located in North Phoenix. The same floor plans are offered at Aviara by Hancock Homes in North Scottsdale for \$15,000 to \$19,000 more which is attributed solely to the Scottsdale address.

This niche is intended to compete directly with for the first-time family market as well as the empty-nesters and retirees at Spanish Bay (Estrella) and Traditions (Arrowhead Ranch). The market for the first-time family buyers may be limited to the non-premium lots for this price sensitive segment.

It is our recommendation that this subdivision be built on Parcel 21. This parcel, with golf course frontage, is located on Thomas Road and the northern entrance to the master plan. The parcel is 24.5 net acres and therefore, with 6,050 square foot lots at 5.2 DU/Ac, the site would yield approximately 127 lots which would be best planned for a two phase development. With the recommended density and the proposed location, the pricing is comparable to compact lot product in Northeast and Southeast Phoenix.

The recommended builder for this niche is Hancock Homes with product from Aviara. This product is upgraded from the Tatum Heights product. Alternative builders for this niche could be either Pulte Homes with product from Arrowhead Ranch or Fulton Homes with product from The Park at Twelve Oaks.

Standard Lot Price Segment - Non-Golf Course

The recommendation for this market niche is for homes on 7,475 (65 X 115) square foot lots ranging from 1,900 square feet for \$114,000 up to 2,625 square feet for \$129,000. The floor plans come from Tatum Manor by Hancock Homes in Northeast Phoenix. The recommended floor plans should include an optional three-car garage. It is important to offer the three-car garage to differentiate further from the larger compact lot floor plans.

This niche is intended to compete directly with the move-up family buyer market at Arrowhead Ranch and the South Mountain submarket. This niche remains price sensitive but is more aware of value (price per square foot). Therefore, the product must have a dramatic front elevation, vaulted interior ceiling and 9 foot wall plates. This market niche will be the test of the success of the marketing program in that the buyers should be coming from Arrowhead as well as the South Mountain submarket.

It is our recommendation that this subdivision be built on Parcel 22. This parcel has limited golf course frontage. Located at Litchfield Road and the western entrance to the master plan, the parcel is 38.5 net acres and therefore, with 7,480 square foot lots at 5.0 DU/Ac, the site would yield approximately 192 lots and should be developed in two phases. With the recommended density and the proposed location, the pricing is comparable to standard lot product at Arrowhead Ranch and Tatum Ranch as well as several subdivisions in the South Mountain Submarket.

The recommended builder for this niche is Maracay Homes with product from Mission Groves at Marshall Ranch. Alternatives for the price niche could be Ryland Homes with Desert Vistas at Tatum Ranch or Centex with product similar to The Foothills. Blandford Homes has not historically been a builder of top quality homes, however, recently they have made reference to moving out of the volume building and more towards higher quality.

Standard Lot Price Segment - Golf Course

The recommendation for this market niche is for homes on 9,000 (75 X 120) square foot lots ranging from 2,075 square feet for \$125,000 up to 3,100 square feet for \$150,000. The floor plans come from Top of the Ranch by Centex Homes at Arrowhead Ranch with an additional floor plan from Highlands at The Foothills.

This niche is intended to compete directly with the move-up family buyers at Arrowhead Ranch and The Foothills. This product niche will be looking for innovative product, creative lot layouts and value for the square footage.

It is our recommendation that this subdivision be built on Parcel 18. This parcel is surrounded with golf course frontage and across the street from the community park. The parcel is 33.8 net acres and therefore, with 8,625 square foot lots at 3.8 DU/Ac, the site would yield approximately 128 lots. The parcel should be developed as two phases with an electronic gate entrance and a perimeter wall. With the recommended density and the proposed location, the pricing is comparable to Garden Lakes Estates (Garden Lakes) and Top of the Ranch (Arrowhead Ranch). The gate and wall as well as some distinctive entry monumentation will add to the exclusivity of the development.

The recommended builder for this niche is Centex Homes with product from Top of the Ranch at Arrowhead Ranch. Alternatives for the product niche include T.W. Lewis with product from mountain Park Ranch or Ryland Homes with product from Park Promenade.

There are several alternative builders with product that would be well received by the buyers, however, they have been excluded due to the capital intensive requirement of the marketing. For the initial builders, a strong market name as well as marketing program will be essential.

Based on the data included in this report, the following table indicates our conclusions as to product type, price, and absorption. The lot values are based on a residual calculation which begins at 18% for the 4,725 square foot lots and increases to 25% for the largest, 9,000 square foot lots. These finished lot values do not include any location premiums for golf course frontage or views which will be significant at Palm Valley. The residual lot values are based on typical top ten builder information and assumes that there will be some terms offered to the buyer in the form of traditional financing or rolling options.

Lot Size	Average Sqft	Average Base \$	Residual Ratio	Residual Lot Value	Avg Absorp
4,725	1,550	\$92,500	.18	\$16,650	5.0 SPM
6,050	1,900	\$106,000	.21	\$22,260	6.0 SPM
7,475	2,263	\$121,500	.23	\$27,945	5.0 SPM
9,000	2,600	\$137,500	.25	\$34,375	3.5 SPM

From the established base prices, the lot values are determined based on either a cash purchase price (typically 3% to 4% less) or a terms/option price. Therefore, with the exception of radical changes, once the respective product niches are established, changes in the lot size should not have a significant impact on the pricing. The residual lot values do not include premiums for larger lots or adjacency to the golf course, significant open space, or views. Based on competitive projects in the area, these premiums should range from \$5,000 to \$35,000 depending on the lot size and location.

The absorption projections are conservatively based on overall sales rates from grand opening through final close-out. Currently, several new projects have come on-line with high sales rates. These sales rates will decline to a more normal absorption as competition and market conditions adjust. In the Inventory and Absorption Reports, specific sales rates for comparable subdivisions were provided. Within the compact lot CMA, the average sales rate was 3.5 SPM and within the standard lot CMA, the average sales rate was 5.0 SPM. As these sales rates indicate, the projected absorptions (3.5 SPM to 6.0 SPM) are extremely conservative. Therefore, the projected absorptions for each niche at Palm Valley are well within the average absorption reported in the CMA. As the projected absorptions indicate, we conclude that the strong demand will come from the family market.

Under the current market conditions, all four parcels could be simultaneously brought to market. It is expected that developed lots will be available in the late fall of 1993, and there is no indication that the market will change in either pricing or product. Therefore, it is our recommendation that the master plan developer bring all four projects on-line simultaneously. Each subdivision is specific to a market niche and with the four subdivisions, adequate master plan merchandising can be achieved.

Pebble Creek represents the newest adult community in Phoenix. Robson Communities acquired 2,000 acres, adjacent to Palm Valley, from SunCor Development in 1992. The master plan will include three 18-hole golf courses and significant community amenities. A new model complex was recently completed and sales are underway. There were 51 new home starts reported in the second quarter, 1993. Demand is nearly equal between the Casitas and Standard series (23 and 22 starts respectively).

Pebble Creek offers three floor plan series: Casitas, Standard, and Luxury. All plans include a two-car garage, integra block construction, and a covered patio. The Casita Series offers four floor plans on 4,400 square foot lots with different variations ranging from 1,110 square feet for \$84,900 up to 1,632 square feet for \$102,900. The Premiere Series offers four floor plans on 7,280 square foot lots with different variations ranging from 1,272 square feet for \$95,900 up to 2,112 square feet for \$119,900. The Luxury Series offers five floor plans on 7,840 square foot lots with different variations ranging from 1,844 square feet for \$135,900 up to 3,408 square feet for \$176,900.

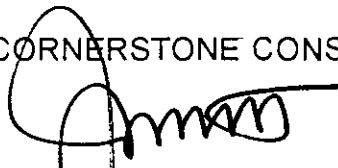
We would not expect Pebble Creek to compete with Palm Valley, but rather, would expect some buyers from Pebble Creek to prefer the non-adult orientation of Palm Valley. As Del Webb is demonstrating at Terravita in North Scottsdale, the current trend in the adult market is to avoid the age restricted communities, instead favoring projects that offer floor plans and community conveniences for the active adults.

Garden Lakes and Estrella are clearly the strongest indicator of current demand for the subject master plan. However, neither master plan offers a golf course amenity and more importantly, neither has an existing master plan developer committed to the marketing of the project. Because Palm Valley has an 18-hole golf course that will wind through the development, there are several opportunities to expand the basic product recommendations. These include attached product similar to Tatum Village at Tatum Ranch as well as differentiating product within the development by location. At Tatum Ranch, SunCor has been very successful at having two similar subdivisions compete by virtue of their location, either on or off the golf course.

We appreciate the opportunity to work with you on this development. If you have any questions or comments, please do not hesitate to contact our office.

Respectfully submitted;

CORNERSTONE CONSULTING COMPANY



Jonathan M. Garrett
Principal



RAUSCHER PIERCE REFSNES, INC.

October 1, 1993

RECEIVED

OCT 01 1993

CITY OF GOODYEAR

*4:05 P.M.
BDD*

Ms. Barbara Dunaway
Clerk
City of Goodyear
119 North Litchfield Road
Goodyear, Arizona 85338

RE: Feasibility Study for
\$3,280,000
Community Facilities District No. 1
of the City of Goodyear, Arizona
District Assessment Bonds
Series 1993 A

Dear Barbara:

Enclosed herewith is the Feasibility Study for the above-captioned bond issue. Pursuant to Arizona State statute, please place this document on file so that it is available to the public.

Please call Shawn Dralle or me should you have any questions.

Sincerely,

RAUSCHER PIERCE REFSNES, INC.

Christopher Hamel
First Vice President

CH/ cm

Enclosure

The Arizona Republic/The Phoenix Gazette

STATE OF ARIZONA } SS.
COUNTY OF MARICOPA }

JOAN LOHR, being first duly sworn, upon oath deposes and says: That she is the legal advertising manager of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic and The Phoenix Gazette, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic
#

OCTOBER 4, 1993

Joan Lohr

Sworn to before me this

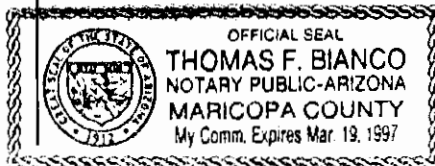
4 TH day of

OCTOBER 93
A.D. 19

Thomas F. Bianco

Notary Public

INVOICE NO. 93500
NOTICE OF HEARING
FOR THE
CITY OF GOODYEAR, ARIZONA
COMMUNITY FACILITIES
GENERAL DISTRICT NO. 1
A hearing will be held on October 12, 1993, at 8:30 P.M. at the City of Goodyear Council Chambers, 119 North Litchfield Road to receive comments on the study of the feasibility and benefits of the acquisition, construction, financing and maintenance of public infrastructure consisting of acquisition of Palm Valley and Encanto Boulevards, improvements to Litchfield and Thomas Roads and construction of a public park.
Community Facilities General District No. 1
(City of Goodyear, Arizona)
/s/Barbara A. Dunsway
Clerk
Published: Arizona Republic, October 4, 1993.



The Arizona Republic/The Phoenix Gazette

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

JOAN LOHR, being first duly sworn, upon oath deposes and says: That she is the legal advertising manager of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic and The Phoenix Gazette, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic
#The Phoenix Gazette

OCTOBER 4, 1993

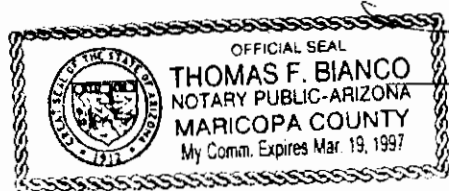
Joan Lohr

Sworn to before me this

4TH day of

OCTOBER 93
A.D. 19

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Community Facilities General District No. 1
(City of Goodyear, Arizona)
/s/Barbare A. Dunaway
Clerk
Published: Arizona Republic, October 4, 1993.



Thomas F. Bianco
Notary Public

West Valley View
 610 N. Dysart Rd.
 Avondale, AZ 85826-2420

INVOICE NUMBER 000000-11
 INVOICE DATE 10 08 91

1608 942-1688

ORDER NUMBER:
 ORDER DATE:
 SALESPERSON: 0016
 CUSTOMER NO: 010F30

SOLD TO:
 CITY OF GOODYEAR
 119 N MITCHELL ROAD
 GOODYEAR AZ 85336

SHIP TO:
 CITY OF GOODYEAR
 119 N MITCHELL ROAD
 GOODYEAR AZ 85336

CONFIRM TO: 16 BARBARA DUNAWAY

CUSTOMER P.N.	SHIP VIA	PAID	TERMS	NO TERMS	
REF NO	UNIT ORDERED	SHIPPED	BACK ORD	PRICE	AMOUNT
LEGAL ADV	1	4.00	0.00	4.00	24.00
COMMUNITY FACILITIES DISC		WESE OR			

NET INVOICE 24.00
 LESS DISCOUNT: .00
 FREIGHT: .00
 SALES TAX: .36
 INVOICE TOTAL 24.36

WEST VALLEY VIEW
 610 N. DYSART AVONDALE

WEST VALLEY BUSINESS

310 N. Dysart Rd.

Avondale, Arizona 85323

(602) 932-5555

AFFIDAVIT OF PUBLICATION

State of Arizona

County of Maricopa

I, Elliott Freireich, publisher of West Valley View and West Valley Business, newspapers of general circulation in Avondale, Buckeye, Gila Bend, Goodyear, Litchfield Park and Tolleson, Arizona, attest that the legal advertisement for

City of Goodyear

was published on Oct. 6, 1993

Council Chambers District #1

E Freireich

Elliott Freireich

Nov. 1, 1993

Date

Sworn and Subscribed to before me,

this 1st Day of Nov., 1993

Judith A. Drake
Notary Public Judith A. Drake

My Commission Expires

My Commission Expires March 17, 1997

City of Goodyear Public Notice

NOTICE OF HEARING FOR THE CITY OF GOODYEAR, ARIZONA

COMMUNITY FACILITIES GENERAL DISTRICT NO. 1

A hearing will be held on October 12, 1993, at 8:30 P.M. at the City of Goodyear Council Chambers, 119 North Litchfield Road to receive comments on the study of the feasibility and benefits of the acquisition, construction, financing and maintenance of public infrastructuring consisting of acquisition of Palm Valley and Encanto Boulevards, improvements to Litchfield and Thomas Roads and construction of a public park.

Community Facilities General District No. 1
(City of Goodyear, Arizona)
/s/ Barbara A. Dunaway
Clerk

Published in West Valley View and West Valley Business October 6, 1993.