

RESOLUTION WRCFD NO. 97-06

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT APPROVING THE FEASIBILITY AND BENEFITS STUDY RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITTING WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT); DECLARING ITS INTENTION TO ACQUIRE AND FINANCE CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY STUDY RELATING TO SUCH IMPROVEMENTS; DETERMINING THAT NOT TO EXCEED \$650,000 GENERAL OBLIGATION BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO AND GRANTING PRELIMINARY APPROVAL FOR THE ISSUANCE OF SUCH BONDS; APPROVING THE PREPARATION AND CIRCULATION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM RELATIVE TO THE SALE OF THE BONDS; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS.

WHEREAS, pursuant to Section 48-715, Arizona Revised Statutes ("A.R.S."), as amended, the Board of Directors of the Wildflower Ranch Community Facilities District has caused a study of the feasibility and benefits of the Project (as such term and all other initially capitalized terms are defined hereinafter) to be prepared, 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 general obligation bonds of the District, which study includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Projects and a plan for financing the Project, a copy of which is on file with Clerk of the District; and

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

BE IT RESOLVED BY THE DISTRICT BOARD OF THE WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT, that:

Section 1. **Definitions.** In this resolution, the following terms shall have the following meanings:

"Act" shall mean Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

"Board" shall mean this board of directors of the District.

"Bonds" shall mean the District's General Obligation Bonds, Series 1997.

"Clerk" shall mean the Clerk of the District.

"Contract" shall mean one or more Contingent Promissory Notes evidencing the purchase and sale of the Project executed and delivered, by and between the Seller and the District as buyer, which Contract(s) provide(s) for the payment of the costs of acquiring the Public Infrastructure to the Seller if and when Bonds are sold by the District.

"District" shall mean the Wildflower Ranch Community Facilities District.

"Feasibility Study" shall mean the feasibility and benefits study pertaining to the Project on file with the Clerk prior to the date and time of this resolution, discussing the matters required by Section 48-715, A.R.S., as amended.

"General Plan" shall mean the General Plan dated May 9, 1996 for the District.

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Feasibility Study, including particularly the acquisition and/or construction by the District of the improvements described on Exhibit A hereto.

"Seller" means Wildflower Ranch Limited Partnership, a Delaware limited partnership.

Section 2. Approval of Feasibility Study. Based on the review by the Board and the presentation of the Feasibility Study at the public hearing on July 29, 1997, the Feasibility Study is hereby adopted and approved in the form submitted to the Board. The Feasibility Study has been filed with the Clerk prior to adoption of this resolution. The publication by the Clerk of the notice of the hearing on the Feasibility Study is hereby ratified and approved.

Section 3. Resolution of Intent. This Board hereby identifies the public infrastructure of the Project, the areas benefited, the expected method of financing and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Feasibility Study, for any and all purposes of the Act. Any portion of the costs of the Project not financed by the proceeds of the Bonds shall remain eligible to be financed through the sale of future bonds of the District.

Section 4. Preliminary Approval to Issue and Sell Bonds. The Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Feasibility Study and hereby declares its intent to issue not to exceed \$650,000.00 principal amount of Bonds to finance the costs of the Project. The net proceeds of the Bonds used to finance the costs of the Project shall also constitute payment of such amount to the Seller pursuant to the Contract. The District's officers, employees, staff and agents are hereby authorized and directed to proceed with all necessary documents and establishing financing terms and provisions with respect to the Project and the Bonds for final review and approval by the Board. The sale of the Bonds to Rauscher Pierce Refsnes, Inc. (the "Purchaser") is hereby approved.

Section 5. Terms. The dated date, maturity dates and amounts, and rates of interest (not to exceed nine percent (9%) per annum) on the Bonds shall be as set forth in the purchase contract (the "Purchase Contract") by and between the District and the Purchaser. Interest will be payable semiannually on July 15 and January 15 of each year during the term of the Bonds, commencing January 15, 1998 (each such date shall be referred to as an "interest payment date"). The Bonds shall be in the denomination of \$5,000 each or integral multiples thereof and shall be in fully registered form. The Bonds shall have such other terms and provisions as approved by the Board.

Section 6. Tax Levy. (a) For each year while any Bond is outstanding, the Board shall annually levy and cause to be collected an ad valorem tax, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together any moneys from any sources in the Act to pay Debt Service (as defined in the Act) when due.

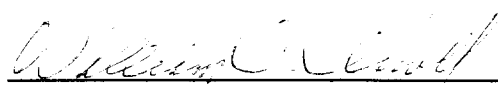
(b) Moneys derived from the levy of the tax provided for in this Section when collected constitute funds to pay Debt Service and shall be deposited in the Bond Fund for the Bonds and shall be kept separately from other funds of the District

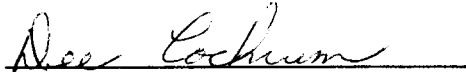
(c) The Board shall make annual statements and estimates of the amount to be raised to pay Debt Service on the Bonds and such other costs of the District as are permitted under "public infrastructure purposes" as provided in the Act. The Board shall file the annual statements and estimates with the clerk of the City of Goodyear, Arizona (the "City") and shall publish a notice of the filing of the estimate. The Board, on or before the date set by law for certifying the annual budget of the City, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the District and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

Section 7. Official Statement. The preparation of a preliminary official statement is hereby authorized, and the District's Manager or Finance Director is authorized to deem "final" for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934 (the "Rule"), such preliminary official statement. The deemed "final"

preliminary official statement, after approval, is hereby authorized to be distributed by the Purchaser of the Bonds.

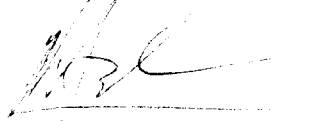
PASSED, ADOPTED AND APPROVED on July 29, 1997.


Chairman


Clerk

Attachments: Exhibit A - Description of Improvements

APPROVED AS TO FORM



DISTRICT CLERK

CERTIFICATE

I hereby certify that the above and foregoing Resolution was duly passed by the Board of Directors of the Wildflower Community Facilities District at a regular meeting held on July 29, 1997, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays; 1 did not vote or were absent.

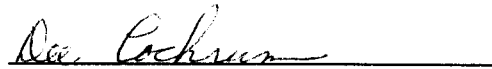

Clerk

EXHIBIT A

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Feasibility Study, including particularly the acquisition by the District of the following:

1. Yuma Road, - One-half street improvements (north side) fronting the District, for a distance of approximately 2,000 feet.
2. Park Improvements - Park and recreation improvements to the approximately six-acre park/greenbelt area within the District, and including landscaping, irrigation and playground equipment.
3. Landscape Improvements - Plantings and irrigation improvements within Yuma Road parkway, South Wildflower Drive parkway (excluding median area), and South Shooting Star Loop parkway area.

The total cost of the Project set forth above is \$629,678.80.

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT
OF GOODYEAR, ARIZONA**

DISTRIBUTION LIST

ISSUER

City of Goodyear, Arizona
119 North Litchfield Road
Goodyear, Arizona 85338
FAX: (602) 932-1177

Stephen Cleveland
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Dee Cockrum
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Larry Price
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The Roston Company
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FAX: (619) 720-4667

James Fergus
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Charles Mehlberger
(760) 720-4600

Michael Roston
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LANDOWNER'S COUNSEL

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Keith Hoskins
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UNDERWRITER

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Sabina Anthony
(602) 381-5372

UNDERWRITER'S COUNSEL

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& Beshears, P.A.
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Phoenix, Arizona 85012
FAX: (602) 263-2900

Michael Cafiso
(602) 263-2694

TRUSTEE

Norwest Bank
Corporate Trust Services
3300 North Central Avenue, 4th Floor
Phoenix, Arizona 85012-2501
FAX: (602) 248-1200

Mimi Moore
(602) 248-2341

Dated: July 17, 1997

TIMETABLE

**WILDFLOWER COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR)**

**Type of Bonds: \$650,000 General Obligation Bonds (Not to Exceed)
(Negotiated Sale)**

**Sale Date: 8/11/97
Delivery Date: 8/28/97**

<u>Approximate Date</u>	<u>Item No.</u>	<u>Action Required</u>	<u>Responsibility</u>
Friday, July 11	1	Receive Draft Feasibility Study	Underwriter
Tuesday, July 15	2	Comments due on Feasibility Study	District (City), Wildflower, Underwriter, Bond Counsel
Week of July 14	3	Publish notice re: Public Hearing of Feasibility Study and District Budget (not less than ten days in advance of hearing)	Bond Counsel
Wednesday, July 16	4	Conference Call to Coordinate Schedule	All Parties
Thursday, July 17	5	File Feasibility Study with City Clerk	Underwriter
Monday, July 21	6	Bond Documents and Preliminary Official Statement received by Financing Team	Bond Counsel, Underwriter's Counsel
Wednesday, July 23	7	Financing Team meets to review Bond Documents @ 1:00 p.m. at RPR's offices	Wildflower, Underwriter, Bond Counsel, Underwriter's Counsel
Monday, July 28	8	Receive second draft of Bond Documents, and Preliminary Official Statement	Bond Counsel

<u>Approximate Date</u>	<u>Item No.</u>	<u>Action Required</u>	<u>Responsibility</u>
Tuesday, July 29	9	District Board (i) conducts public hearing on Feasibility Study (ii) adopts Resolution approving Feasibility Study (iii) approves proceeding with Bond Issue	District Board, District (City), Bond Counsel, Underwriter, Wildflower
Wednesday, July 30	10	Meeting to review second draft of Bond Documents, and Preliminary Official Statement	Wildflower, Underwriter, Bond Counsel, Underwriter's Counsel
Thursday, July 31	11	Print and Mail Preliminary Official Statement	Underwriter, Underwriter's Counsel
Monday, August 11	12	Pricing	Underwriter
Tuesday, August 12	13	District Board (i) adopts Bond Resolution (ii) approves Bond Purchase Agreement	District (City), Underwriter, Underwriter's Counsel
Week of August 11	14	Bond Counsel prepare all certificate requirements for closing and distributes drafts to working group	Bond Counsel
Week of August 18	15	Arrange with underwriter, printer, trustee for bond delivery	Bond Counsel and Underwriter
Wednesday, August 27	16	Pre-Close	All Parties
Thursday, August 28	17	Close	All Parties
Thursday, August 28	18	Reimbursement of Wildflower	District, Trustee, Wildflower

FEASIBILITY STUDY

For The Issuance of

**Not To Exceed
\$650,000 Principal Amount**

of

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT
OF GOODYEAR, ARIZONA**

DISTRICT GENERAL OBLIGATION BONDS,

SERIES 1997

July 17, 1997

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SECTION ONE

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

INTRODUCTION

This Feasibility Study (the "Study") has been prepared for presentation to the District Board (the "Board") of Wildflower Ranch Community Facilities District of Goodyear, Arizona (the "District") in connection with the proposed issuance by the District of its District General Obligation Bonds, Series 1997 (the "Bonds") in an approximate aggregate principal amount of not to exceed \$650,000, 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 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 to which this Study relates (Section Three); (iii) an estimate of the cost to construct, acquire, operate and maintain such project (Section Four); (iv) an estimate schedule for completion of such project (Section Five); (v) a map or description of the area to be benefitted by such project (Section Six); (vi) and a plan for financing the project (Section Seven).

This Study has been prepared for the Board's 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, staff of the City of Goodyear, Arizona (the "City") and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City on May 14, 1996 upon the request of the sole landowner within the District.

The District is located within the city limits of the City and comprises approximately 155 acres which will include 603 single-family homes and 17 acres of parks/schools site.

The District was created to finance and acquire a portion of public infrastructure (the "Public Infrastructure") within and adjacent to the District which is part of the project known as Wildflower Ranch (the "Project" or "Wildflower Ranch"). The Project boundaries include Yuma Road to the south and Sarival Road to the west. A map of the location of the Project within the City is included in this Section. A legal description of the property within the District is included as Appendix A to this Study. Wildflower Ranch L.P. ("Wildflower") is the developer of the Project.



SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE



DESCRIPTION OF PUBLIC INFRASTRUCTURE

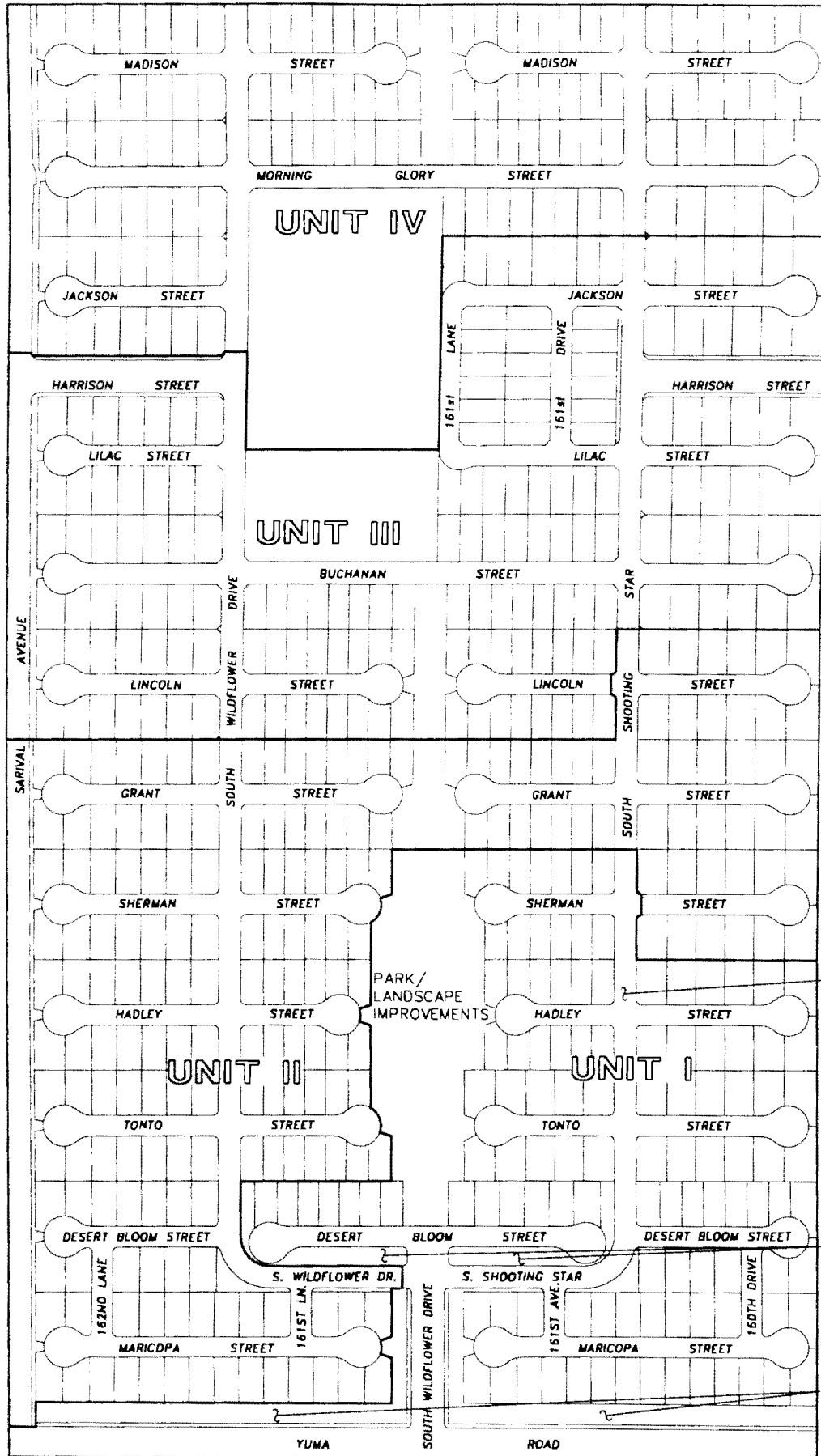
The following Public Infrastructure projects, or portions thereof, will be financed with the proceeds of the Bonds and acquired by the District.

1. **Yuma Road** - One-half street improvements (north side) fronting Wildflower Ranch, for a distance of approximately 2,000 feet.
2. **Park Improvements** - Park and recreation improvements to the approximately six-acre park/greenbelt area within Wildflower Ranch and including landscaping, irrigation and playground ground equipment.
3. **Landscape Improvements** - Planting and irrigation improvements within Yuma Road parkway, South Wildflower Drive parkway (excluding median area), and South Shooting Star Loop parkway area.

SECTION THREE

**MAP SHOWING LOCATION OF
PUBLIC INFRASTRUCTURE**

WILDFLOWER RANCH



LANDSCAPE IMPROVEMENTS (STREETSCAPE - S. SHOOTING STAR LOOP)

LANDSCAPE IMPROVEMENTS

YUMA ROAD - STREET & LANDSCAPE IMPROVEMENTS

SECTION FOUR

**ESTIMATE OF COST OF
PUBLIC INFRASTRUCTURE**

ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

Listed below are the estimated costs of acquiring the Public Infrastructure described in Section 2 herein. Proceeds from the sale of the Bonds, after the payment of the costs of issuance, will be used to reimburse Wildflower for expenditures relating to the following projects which will be acquired by and accepted by the District:

Wildflower Ranch District Infrastructure

<u>Description of Improvement</u>	<u>Cost</u>
Yuma Road (Construction Costs)	\$146,335.88
Yuma Road (design, plan, check, permit costs)	12,504.40
Landscaping - Park (construction costs)	459,049.86
Landscaping - Park (design, plan, check, permit costs)	<u>11,688.66</u>
Total	<u>\$629,578.80</u>

Upon acquisition, the District will dedicate all portions of the Public Infrastructure to the City. Accordingly, the District will have no costs to physically operate or maintain the Public Infrastructure.

SECTION FIVE

**TIMETABLE FOR ACQUISITION
OF PUBLIC INFRASTRUCTURE**

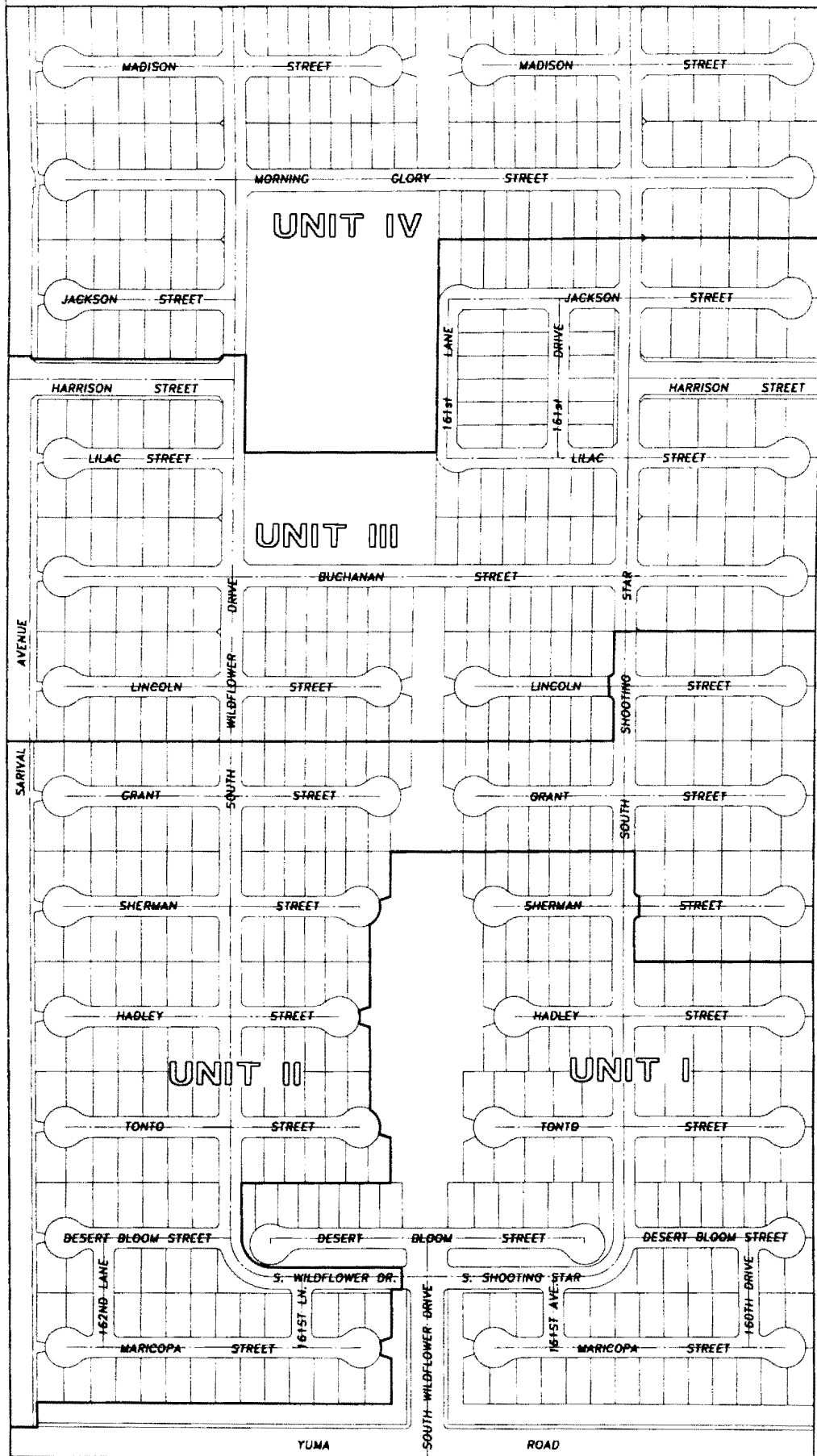
TIMETABLE FOR ACQUISITION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure described in Section Two is complete and ready to be acquired by the District and dedicated to the City. Proceeds of the Bonds, after payment of costs of issuance, will be used to reimburse Wildflower for monies expended, pursuant to a public bidding process, on the Public Infrastructure.

SECTION SIX

MAP OF AREA TO BE BENEFITTED

WILDFLOWER RANCH



SECTION SEVEN
PLAN OF FINANCE

PLAN OF FINANCE

The Public Infrastructure will be acquired by the 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 sales of the Bonds and to the extent necessary to comply with federal and State law.

(1) Formation and Authorization

- (a) The City Council, in response to a petition from the owners of 100% of the property within the District, adopted a resolution forming the District on May 14, 1996.
- (b) A bond election was held on November 14, 1996 authorizing \$2,000,000 of District general obligation bonds to be issued over time.

(2) Existing Debt

No debt has been issued by the District to date. The District Board will reimburse Wildflower from proceeds of a District bond issue, if any, for monies expended on the Public Infrastructure. The proceeds will reduce the amount of the District's reimbursement obligation as evidenced by the contingent Promissory Note.

(3) Proposed Bond Sale

It is proposed that the District issue general obligation bonds in a principal amount not to exceed \$650,000. The Bonds will have a 25 year maturity with two years of interest only and principal amortized over the balance of the issue on a level debt service basis. (See Table One.)

(4) Sources and Uses of Funds

The Sources and Uses of Funds relating to the issuance of Bonds (exclusive of accrued interest and original issue discount, if any) follows:

Sources

Series 1997 Bonds	<u>\$650,000</u>
Total	<u>\$650,000</u>

Uses

Public Infrastructure	\$550,000
Costs of Issuance	80,000
Underwriter's Discount	<u>20,000</u>
Total	<u>\$650,000</u>

(5) Use of Proceeds

The proceeds of the sale of the Bonds will be applied by the District to acquire Public Infrastructure consisting of certain roadways and related certain park improvements, as described in the formation application.

(6) Sale of the Bonds

The Bonds will be unrated and sold through a limited offering (private offering pursuant to A.R.S. 48-722). Purchasers of the Bonds are required to sign a qualified investor letter and meet certain investor criteria.

(7) Existing Tax Base, Absorption and Projected Home Sales

- (a) The full cash value and secondary assessed valuation for the District is estimated by the Maricopa County Assessor to be:

	<u>Full Cash</u>	<u>Secondary</u>	<u>Parcels</u>
1997-98	\$5,102,408	\$593,709	324

- (b) Approximately 87 homes have closed escrow through June 30, 1997 at an average price of approximately \$102,000. Another 35 are to anticipated to be closed by August 12, 1997, with an additional 166 under construction by that same date. (See Table Two.)

- (c) Absorption within the District is expected to approximate 15 homes a month.

(8) Tax Rate

- (a) Pursuant to agreement between the City and Wildflower, the tax rate to be levied by the Board is \$2.60. The amount applied to the debt service of the Bonds is \$2.30; the remaining \$.30 will be applied to maintenance and operation of the District.

- (b) The \$2.30 tax levy, given the existing tax base, is not currently sufficient to provide for the proposed debt service of the Bonds. As a consequence, Wildflower will enter into a standby contribution agreement (the "Contribution Agreement") whereby at closing with respect to the Bonds and on each July 1 of each fiscal year thereafter, Wildflower will make a payment to the District in amounts necessary to maintain the tax rate at \$2.30 given the then existing tax base and the debt service requirements for the fiscal years as described in the next paragraph. The Contribution Agreement will require such payment until certain conditions are met, principally that the \$2.30 tax rate can provide for annual maximum debt service of the Bonds.

- (c) Pursuant to the payment agreement (the "Payment Agreement"), Wildflower will deliver at closing approximately \$68,000, which is the amount of shortfall Wildflower may need to provide during the first two years with respect to debt service for the Bonds. Thereafter, Wildflower will deposit sufficient monies on July 15 of each year pursuant to the Payment Agreement so that there is always two years' of projected shortfall on deposit and will be drawn on if Wildflower fails to pay under the

Contribution Agreement in each case pursuant to the Depository Agreement. Wildflower's payment under the Contribution Agreement will be required and monies deposited will not be released in full until certain conditions are met, principally that the \$2.30 tax rate can provide for annual maximum debt service on the Bonds.

Given the number of homes built to date and under construction, it is expected that the tax base will provide for the debt service of the Bonds by fiscal year 1998-1999 with the \$2.30 tax rate.

TABLE ONE

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT
OF GOODYEAR, ARIZONA**

GENERAL OBLIGATION BONDED INDEBTEDNESS

Fiscal Year Ending	Proposed Series 1997 Bonds			Total Debt Service Requirements
	\$650,000 Principal	Coupon*	Interest	
1998		7.000%	41,708	41,708
1999		7.000%	45,500	45,500
2000	10,000	7.000%	45,500	55,500
2001	15,000	7.000%	44,800	59,800
2002	15,000	7.000%	43,750	58,750
2003	15,000	7.000%	42,700	57,700
2004	15,000	7.000%	41,650	56,650
2005	15,000	7.000%	40,600	55,600
2006	20,000	7.000%	39,550	59,550
2007	20,000	7.000%	38,150	58,150
2008	20,000	7.000%	36,750	56,750
2009	20,000	7.000%	35,350	55,350
2010	25,000	7.000%	33,950	58,950
2011	25,000	7.000%	32,200	57,200
2012	30,000	7.000%	30,450	60,450
2013	30,000	7.000%	28,350	58,350
2014	30,000	7.000%	26,250	56,250
2015	35,000	7.000%	24,150	59,150
2016	35,000	7.000%	21,700	56,700
2017	40,000	7.000%	19,250	59,250
2018	40,000	7.000%	16,450	56,450
2019	45,000	7.000%	13,650	58,650
2020	45,000	7.000%	10,500	55,500
2021	50,000	7.000%	7,350	57,350
2022	55,000	7.000%	3,850	58,850

*Estimated interest rate level

TABLE TWO

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT**

ESTIMATED HOME SALES(a)

	1997	1998	1999	TOTAL
Single Family (units)	250	200	153	603
Single Family cumulative	250	450	603	603

- (a) Schedule represents home sales from builders to homeowners. Property values as they appear on the Maricopa County Assessor's roll may lag this schedule.

TABLE THREE

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 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; or
- (6) an entity in which all of the owners, either directly or indirectly, are of the type described under paragraph (1), (2), (3), (4), or (5).

APPENDIX A

**Legal Description for Wildflower
Ranch Community Facilities District
of Goodyear, Arizona**

A portion of the West half of Section 7, Township 1 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona and more particularly described as follows:

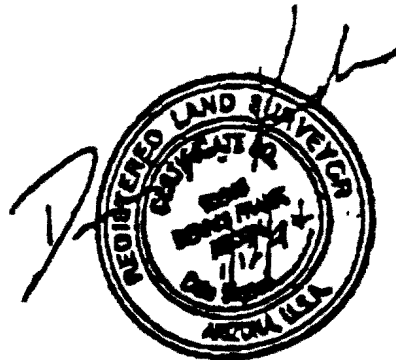
Beginning at the Southwest corner of said Section 7; thence North 0° 41' 53" West and along the West line of said Section 7, a distance of 2646.52 feet to the Northwest corner of the Southwest quarter of said Section 7; thence North 0° 21' 58" West and continuing along the West line of said Section 7, a distance of 892.87 feet; thence North 89° 58' 11" East and parallel to the North line of said Section 7, a distance of 1977.32 feet; thence South 0° 19' 02" East, a distance of 3536.29 feet to a point on the South line of said Section 7; thence South 89° 53' 00" West and along the South line of said Section 7, a distance of 1958.95 feet to the Point of Beginning.

EXCEPT the West 55 feet thereof and,

EXCEPT the South 74 feet thereof

Said parcel contains a Gross Area of 6,969,608 square feet or 160.00 acres and a Net Area of 6,634,048 square feet or 152.296 acres more or less.

DESCRIPTION
Classified RT
Type 0
Prod. 1 RD
Prod. 2 _____
RECORDING NO.



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 District financing on the tax rate or other charges borne by the property owner will be \$2.30 per \$100 of secondary assessed valuation which will be levied on all of the taxable property located within the District and used to pay debt service on the Bonds. In addition, the District also levies a \$.30 per \$100 of secondary assessed valuation on all of the taxable property within the District for operation and maintenance expenses. The combined \$2.60 tax rate to be levied by the District represents the only expenses or charges borne by the property owners within the District.

The following is a summary of tax rate information for selected community facilities districts and master planned communities.

<u>Combined Tax Rates for Other Developments:</u>	1996-97 Total Tax Rate
Wildflower Ranch (Goodyear)*	\$16.8340
Estrella (Goodyear)	\$14.2340
Palm Valley (Goodyear)	\$16.6814
Pebble Creek (Goodyear)	\$15.6814
Garden Lakes (Avondale)	\$16.5101
Arrowhead Ranch (Glendale)	\$15.4745
Westbrook Village (Peoria)	\$13.6668
Sun City	\$3.3760
Tatum Ranch (Phoenix)	\$13.4036
McDowell Mtn. Ranch (Scottsdale)	\$13.8188
Scottsdale Mountain (Scottsdale)	\$13.8188
Troon (Scottsdale)	\$9.2676

*Based on the 1996-97 tax rate for the District plus \$2.60.

APPENDIX C

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

APPENDIX C

The District's financing is not expected to adversely effect the City's general financing abilities. The Bonds of the District are secured solely from revenues derived from a \$2.30 per \$100 of secondary assessed valuation levied on all taxable property within by the District and the City is under no legal requirement to secure any portion of the financing's debt service payments.

However, because of the location of the District within the City limits, the impact of a default on the Bonds on the City's financing capabilities may be detrimental in the opinion of the financial community.

APPENDIX D

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

APPENDIX D

Wildflower has provided the following data as to home sales and construction projected as of August 12, 1997:

	<u>Units</u>	<u>Total Sales</u>	<u>Per Unit</u>
Closed escrow	87	9,030,024	103,793
Sold, in escrow	98	10,814,607	110,353
Unsold	<u>103</u>	<u>11,669,620</u>	<u>113,297</u>
	<u>288</u>	<u>31,514,251</u>	<u>109,424</u>

All necessary Public Infrastructure for these homes has been constructed.