

RESOLUTION NO. WRCFD#2 2000-05

RESOLUTION OF THE BOARD OF DIRECTORS OF WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2 (CITY OF GOODYEAR, ARIZONA), APPROVING THE FEASIBILITY STUDY RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITTING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE AND FINANCE CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY STUDY RELATING TO SUCH IMPROVEMENTS; DETERMINING THAT \$720,000 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.

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 No. 2 (City of Goodyear, Arizona), 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 Project 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 the date hereof, 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 NO. 2 (CITY OF GOODYEAR, ARIZONA), 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 2000.

"Clerk" shall mean the Clerk of the District.

"District" shall mean the Wildflower Ranch Community Facilities District No. 2 (City of Goodyear, Arizona).

"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 18, 1999 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 Donros Development L.L.C., a Nevada limited liability company.


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 June 12, 2000, 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 \$720,000 principal amount of Bonds to finance the costs of the Project.

PASSED, ADOPTED AND APPROVED on June 12, 2000.


Chairman


Clerk

Attachments: Exhibit A - Description of Improvements

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Wildflower Ranch Community Facilities District No. 2 (City of Goodyear, Arizona) at a regular meeting held on June 12, 2000, 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. Van Buren and Sarival Road (paving) – One-half street improvements (south side), and including paving, curb and gutter and sidewalk for a distance of approximately 5,000 feet.
2. Roosevelt Irrigation District Canal (Sarival Road) – "Tiling" or undergrounding of a 36-inch pipe used for regional distribution of irrigation water.
3. Roosevelt Irrigation District Canal (between plats 6 and 7) – "Tiling" or undergrounding of a 36-inch pipe used for regional distribution of irrigation water.

The total cost of the Project set forth above is \$738,300. The actual amount to be paid to Seller for the Project is expected to be approximately \$615,000.

City of Goodyear
Public Notice

BY ORDER OF THE CHAIRMAN OF THE CITY OF GOODYEAR WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2, Notice is hereby given that the District Board of Wildflower Ranch Community Facilities General District No. 2, will hold a Public Hearing for discussion of the proposed District Budget and proposed Tax Levy for Fiscal Year 1999-2000, on Monday, July 26, 1999, immediately following the regularly scheduled City Council meeting at 7:30 PM in the Council Chambers of the Goodyear Justice Facility at 986 S. Litchfield Road, Goodyear, Arizona.


Dee Cockrum
City Clerk

NOTICE OF PUBLIC HEARING

TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2 (CITY OF GOODYEAR, ARIZONA):

NOTICE IS HEREBY GIVEN that the Board of Directors of the Wildflower Ranch Community Facilities District No. 2 (City of Goodyear, Arizona) will meet on June 12, 2000, commencing immediately upon the conclusion of the meeting of the Mayor and Council of the City of Goodyear, which meeting will be held at the City Council Chambers, 986 South Litchfield Road, Goodyear, AZ 85338, to conduct a public hearing on, and to consider and review a feasibility report relative to a proposed project to be financed by the issuance of general obligation bonds of the District.

Publish once no later than June 1, 2000.

List of Names and Addresses for mailing of
Notice of Hearing on Feasibility Study

The notices were mailed May 26, 2000, to:

Mr. Charles Mehlberger
Donros Development
Suite 223
300 Carlsbad Village Drive
Carlsbad, CA 92008

Mr. Charles H. Greer
Donner Management Co., Inc.
Suite 223
300 Carlsbad Village Drive
Carlsbad, CA 92008

Mr. Marion A. Hakes
Security Title Agency
Trust Department
3636 N. 3rd Avenue, Suite B
Phoenix, AZ 85013

Mr. Stephen Loonan
AmTrust Financial Services
(subsidiary of Ohio Savings Bank)
7150 E. Camelback Road, Suite 300
Scottsdale, AZ 85251

Carol Peterson
First American Title Insurance Company
Suite 110
4801 East Washington Street
Phoenix, AZ 85034

Mr. Lawrence DeMoss
WRI Opportunity Loans I LLC
Suite 313
14500 N. Northside Boulevard
Scottsdale, AZ 85260

**WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2
(CITY OF GOODYEAR, ARIZONA)**

and

**WELLS FARGO BANK ARIZONA, N.A.,
as Trustee**

INDENTURE OF TRUST

AND

SECURITY AGREEMENT

DATED AS OF June 1, 2000

**WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2
(CITY OF GOODYEAR, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2000**



THE ARIZONA REPUBLIC

The Arizona Republic - Arizona Business Gazette

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2577447GUS

Invoice #

S05305961478

Statement Date

05/31/00

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PHOENIX, AZ US 85073

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AD CHARGES

Pub Date	Description	Class Category	Class	Units	Times Run	Billed Units	Rate	Amount
05/31	00357-THE BOARD DIRECTORS OF W Republic & Gazette - Daily	Classified Dail	8950	Lines 27.00	1	27	10.77	290.79
							Total Invoice Charges	290.79
							Total Amount Due	290.79

COPY

TO ENSURE PROPER CREDIT RETURN BOTTOM PORTION OF THIS BILL WITH YOUR PAYMENT



Customer Name	Statement Date	Statement #	Account Number
GUST ROSENFELD PLC/G. HENNING	05/31/00	3588389	2577447GUS

Credit Card Payment Options

Credit Card Number [] MasterCard [] Visa [] Discover

Signature: _____

Exp Date (mm-yy)

Make Checks Payable To

The Arizona Republic
Customer Accounting Services
PO Box 300
Phoenix, AZ 85001-0300

DUE UPON RECEIPT

Amount Due

\$ 290.79

20000000000053059614780000025774470000290792

THE ARIZONA REPUBLIC

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

NOTICE OF PUBLIC HEARING
To the general public and the members of the board of directors of Wildflower Ranch Community Facilities District No. 2 (City of Goodyear, Arizona): Notice is hereby given that the Board of Directors of the Wildflower Ranch Community Facilities District No. 2 (City of Goodyear, Arizona) will meet on June 12, 2000, commencing immediately upon the conclusion of the meeting of the Mayor and Council of the City of Goodyear, which meeting will be held at the City Council Chambers, 966 South Litchfield Road, Goodyear, AZ 85338, to conduct a public hearing on, and to consider and review a feasibility report relative to a proposed project to be financed by the issuance of general obligation bonds of the District. 00357 - May 31, 2000.

Marilyn Greenwood, being first duly sworn, upon oath deposes and says: That she is a legal advertising representative 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 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

May 31, 2000

Marilyn Greenwood

Sworn to before me this
31 day of
May A.D.2000



Gloria Saldivar
Notary Public

FEASIBILITY STUDY

For The Issuance of

**Not To Exceed
\$720,000 Principal Amount**

of

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT NO. 2
OF GOODYEAR, ARIZONA**

DISTRICT GENERAL OBLIGATION BONDS,

SERIES 2000

JUNE 1, 2000

TABLE OF CONTENTS

	<u>SECTION</u>
Introduction; Purpose of Feasibility Study; and General Description of District	ONE
Description of Public Infrastructure	TWO
Map Showing Location of Public Infrastructure	THREE
Estimate of Cost of Public Infrastructure	FOUR
Timetable for Construction of Public Infrastructure	FIVE
Map of Area to be Benefited	SIX
Plan of Finance	SEVEN
Legal Description for Wildflower Ranch Community Facilities District No. 2 of Goodyear, Arizona	APPENDIX A
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 of Goodyear's general financing abilities	APPENDIX C
An analysis of the project infrastructure demand and market absorption	APPENDIX D

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 No. 2 (the "District") in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2000 (the "Bonds") in an approximate aggregate principal amount of not to exceed \$720,000, 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 the Act) to be financed by the Bonds and of the plan for financing such public infrastructure in accordance with the provisions of the Act. Pursuant to the Act, 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 benefited 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 June 7, 1999 upon the request of the sole landowner within the District.

The District is located within the city limits of the City and comprises approximately 147 acres which will include 588 single-family homes and 28 acres of parks and open space.

The District was created to finance and acquire a portion of public infrastructure (the "Public Infrastructure") within the District which is part of the project known as Wildflower Ranch (the "Project" or "Wildflower Ranch"). The Project is a continuation of the completed development of 155 acres adjacent to this property which initially formed Wildflower Ranch. That portion of Wildflower Ranch was the land which formed the Wildflower Ranch Community Facilities District. The District and Wildflower Ranch Community Facilities District do not overlap. The Project boundaries include Van Buren to the north 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. Donros Development LLC ("Donros") is the developer of the Project.

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The acquisition of the following Public Infrastructure projects will be financed with the proceeds of the Bonds.

1. Van Buren and Sarival Road (Paving) – One-half street improvements, and including paving, curb and gutter and sidewalk for a distance of approximately 5,000 ft. – Van Buren Road (south side), Sarival Road (west side). The improvements are complete and have been inspected and approved by the City. The improvements are constructed on public right-of-ways.
2. Roosevelt Irrigation District Canal (Sarival Road) – “Tiling” or undergrounding of a 36-inch pipe used for regional distribution of irrigation water. The improvements are complete and are owned by the Roosevelt Irrigation District.
3. Roosevelt Irrigation District Canal (between plats 6 and 7) – “Tiling” or undergrounding of a 36-inch pipe used for regional distribution of irrigation water. The improvements are complete and are owned by the Roosevelt Irrigation District.

SECTION THREE

**MAP SHOWING LOCATION OF
PUBLIC INFRASTRUCTURE**

WILDFLOWER RANCH

VAN BUREN ROAD
UNIT VI

VAN BUREN ROAD
UNIT VII



UNIT V
LANDSCAPING
R.I.D.
LATERAL # 5

PAVING
UNIT VII

PAVING
UNIT VIII

R.I.D.
LATERAL # 5 1/2

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 Donros for expenditures to construct the following projects which will be acquired by and accepted by the District:

Wildflower Ranch Community Facilities District No. 2 District Infrastructure

<u>Description of Improvement</u>	<u>Cost</u>
1. Van Buren and Sarival Road	\$382,000
2. Roosevelt Irrigation District Canal (Sarival Road)	104,400
3. Roosevelt Irrigation District Canal (between plats 6 and 7)	<u>251,900</u>
Total	\$738,300
To be reimbursed by proposed bond issue	<u>(615,000)</u>
To be reimbursed from subsequent bond issue	<u>\$123,300</u>

SECTION FIVE

**TIMETABLE FOR ACQUISITION
OF PUBLIC INFRASTRUCTURE**

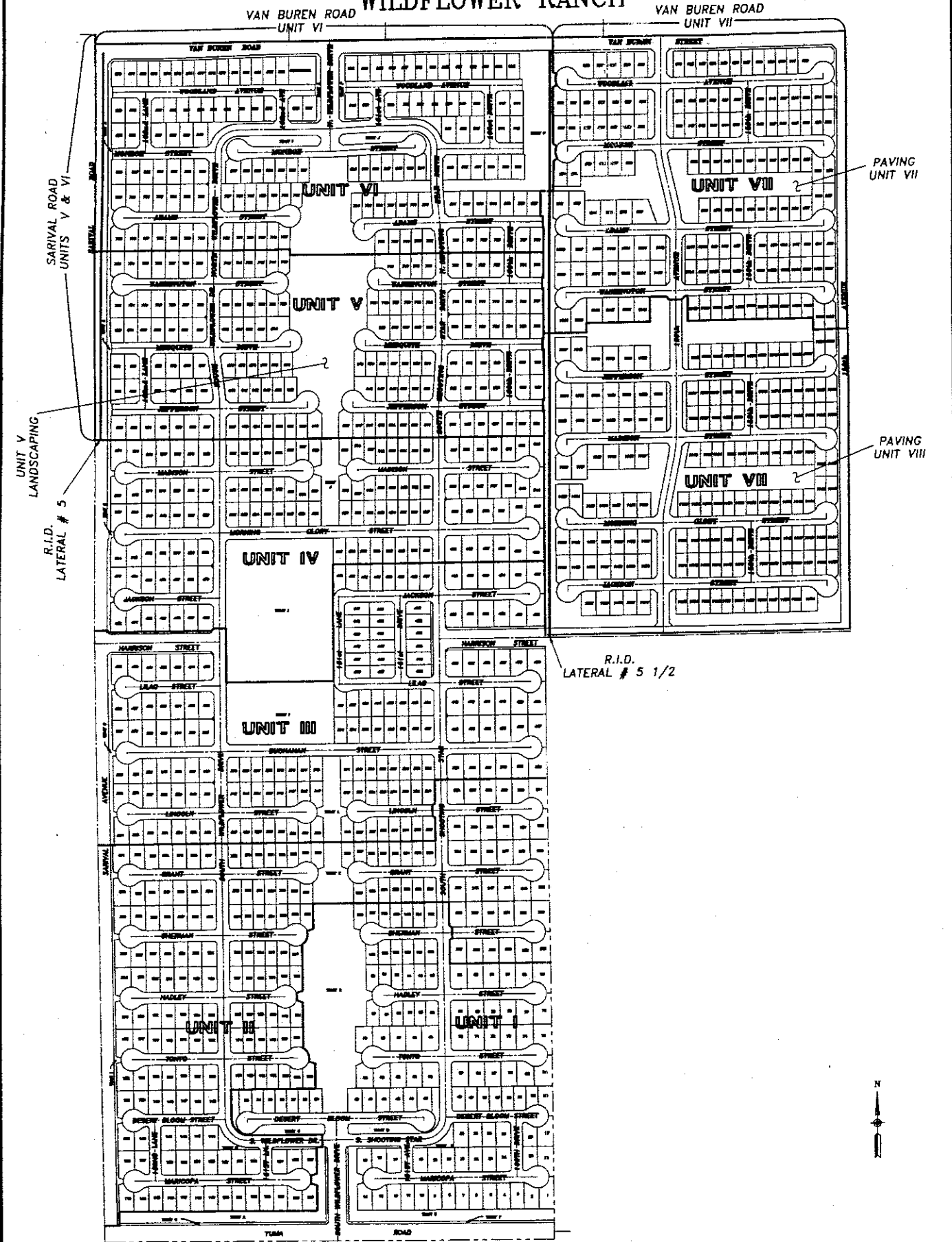
**TIMETABLE FOR
ACQUISITION OF PUBLIC INFRASTRUCTURE**

The Public Infrastructure described in Section Two is complete. The Public Infrastructure is either constructed on public right-of-ways or owned by the Roosevelt Irrigation District therefore dedication is not necessary. Proceeds of the Bonds, after payment of costs of issuance, will be used to reimburse Donros for monies expended, pursuant to a public bidding process, for the construction of the Public Infrastructure by Donros.

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 June 7, 1999.
- (b) A bond election was held on July 26, 1999 authorizing \$2,000,000 of District general obligation bonds to be issued over time.

(2) Existing Debt

The District currently has no debt outstanding.

(3) Proposed Bond Sale

It is proposed that the District issue general obligation bonds in a principal amount not to exceed \$720,000 to acquire the Public Infrastructure. The Bonds will have a 25 year maturity with one year of interest only and principal amortized to produce level debt service. (See Table One of this section for an estimated debt service schedule for the Bonds and Table Two for a debt service vs. projected revenue schedule.)

(4) Sources and Uses of Funds

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

Sources

Series 2000 Bonds	<u>\$720,000</u>
Total	<u>\$720,000</u>

Uses

Public Infrastructure	\$615,000
Costs of Issuance	83,000
Underwriter's Discount	<u>22,000</u>
Total	<u>\$720,000</u>

(5) **Use of Proceeds**

The proceeds of the sale of the Bonds will be applied by the District to acquire the Public Infrastructure listed in Section Two of this study.

(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. (See criteria listed in Table Three of this section.)

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

- (a) The full cash value and secondary assessed valuation for the District for fiscal year 2000-01 is estimated at:

	<u>Full Cash</u>	<u>Secondary</u>
2000-01*	\$15,550,306	\$1,578,613
2001-02**	18,033,512	1,928,492

*Full Cash Value and Net Secondary Assessed Valuation Estimate from the Maricopa County Assessor's Office Abstract dated 2/4/00.

** Full Cash Value and Net Secondary Assessed Valuation Estimate from the Maricopa County Assessor's Office Abstract dated 2/15/00. According to the Assessor's Office, homes are in the process of being added to this roll.

Source: Maricopa County Assessor.

- (b) Approximately 313 homes will have been completed or started by May 31, 2000 at an average price of approximately \$112,891. (Please see Appendix D).

(8) **District Tax Rate**

- (a) Pursuant to agreement between the City and the Landowner, 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 parks within the District.

(9) **Standby Contribution Agreement**

The \$2.30 tax levy, given the existing tax base is not currently sufficient to provide for the proposed debt service of the Bonds. (Please see Table Two of this section.) As a consequence, Donros 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, Donros will make a payment to the District in amounts necessary to maintain the tax rate at \$2.30 for debt service given the then existing tax base and the debt service requirements of the Bonds. The Contribution Agreement will be in effect for the life of the Bonds and is only subject to release if certain conditions are met, principally that the \$2.30 tax rate for debt service can provide for annual maximum debt service of the Bonds.

(10) Payment Agreement

Additionally, Donros will deliver at closing \$45,000, pursuant to a payment agreement (the "Payment Agreement"), which is the amount of shortfall Donros may need to provide during the first two years with respect to debt service for the Bonds.

Thereafter, Donros will deposit sufficient monies each year pursuant to the Payment Agreement so that there is always two years of projected shortfall on deposit. This money will be drawn on if Donros fails to pay under the Contribution Agreement. Donros' payment under the Contribution Agreement and monies deposited pursuant to the Payment Agreement and held pursuant to a Depository Agreement will not be released until the \$2.30 tax rate for debt service produces 100% of the maximum annual debt service on the Bonds then outstanding and the District agrees to release Donros from such obligations.

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 2001-02 with the \$2.30 tax rate.

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT NO. 2
OF GOODYEAR, ARIZONA
DISTRICT GENERAL OBLIGATION BONDS
SERIES 2000**

Dated 6/1/00
Delivery 6/29/00
First Pmt 1/15/01

Fiscal Year Ending	Principal	Coupon	Interest	Total Debt Service
7/15/01			58,580	58,580
7/15/02	10,000	7.25%	52,200	62,200
7/15/03	15,000	7.25%	51,475	66,475
7/15/04	15,000	7.25%	50,388	65,388
7/15/05	15,000	7.25%	49,300	64,300
7/15/06	15,000	7.25%	48,213	63,213
7/15/07	15,000	7.25%	47,125	62,125
7/15/08	20,000	7.25%	46,038	66,038
7/15/09	20,000	7.25%	44,588	64,588
7/15/10	20,000	7.25%	43,138	63,138
7/15/11	25,000	7.25%	41,688	66,688
7/15/12	25,000	7.25%	39,875	64,875
7/15/13	25,000	7.25%	38,063	63,063
7/15/14	30,000	7.25%	36,250	66,250
7/15/15	30,000	7.25%	34,075	64,075
7/15/16	30,000	7.25%	31,900	61,900
7/15/17	35,000	7.25%	29,725	64,725
7/15/18	35,000	7.25%	27,188	62,188
7/15/19	40,000	7.25%	24,650	64,650
7/15/20	40,000	7.25%	21,750	61,750
7/15/21	45,000	7.25%	18,850	63,850
7/15/22	50,000	7.25%	15,588	65,588
7/15/23	50,000	7.25%	11,963	61,963
7/15/24	55,000	7.25%	8,338	63,338
7/15/25	60,000	7.25%	4,350	64,350
Total	720,000		875,293	1,595,293

**WILDFLOWER RANCH
COMMUNITY FACILITIES DISTRICT NO. 2
OF GOODYEAR, ARIZONA
DISTRICT GENERAL OBLIGATION BONDS
SERIES 2000**

PROJECTED REVENUES AND DISTRICT DEBT SERVICE

Fiscal Year Ending	Net Secondary Assessed Valuation (A)	District Debt Service		District Revenues		Difference (D)	Tax rate
		Proposed Series 2000 Debt Service (B)	Total Debt Service Requirements	Projected District Revenues (C)	Total District Revenues		
2001	1,578,613	58,580	58,580	36,308	36,308	(22,272)	2.30
2002	1,926,497	62,200	62,200	44,309	44,309	(17,891)	2.30
2003	5,443,152	66,475	66,475	125,193	125,193	58,718	2.30
2004	5,443,152	65,388	65,388	125,193	125,193	59,805	2.30
2005	5,443,152	64,300	64,300	125,193	125,193	60,893	2.30
2006	5,443,152	63,213	63,213	125,193	125,193	61,980	2.30
2007	5,443,152	62,125	62,125	125,193	125,193	63,068	2.30
2008	5,443,152	66,038	66,038	125,193	125,193	59,155	2.30
2009	5,443,152	64,588	64,588	125,193	125,193	60,605	2.30
2010	5,443,152	63,138	63,138	125,193	125,193	62,055	2.30
2011	5,443,152	66,688	66,688	125,193	125,193	58,505	2.30
2012	5,443,152	64,875	64,875	125,193	125,193	60,318	2.30
2013	5,443,152	63,063	63,063	125,193	125,193	62,130	2.30
2014	5,443,152	66,250	66,250	125,193	125,193	58,943	2.30
2015	5,443,152	64,075	64,075	125,193	125,193	61,118	2.30
2016	5,443,152	61,900	61,900	125,193	125,193	63,293	2.30
2017	5,443,152	64,725	64,725	125,193	125,193	60,468	2.30
2018	5,443,152	62,188	62,188	125,193	125,193	63,005	2.30
2019	5,443,152	64,650	64,650	125,193	125,193	60,543	2.30
2020	5,443,152	61,750	61,750	125,193	125,193	63,443	2.30
2021	5,443,152	63,850	63,850	125,193	125,193	61,343	2.30
2022	5,443,152	65,588	65,588	125,193	125,193	59,605	2.30
2023	5,443,152	61,963	61,963	125,193	125,193	63,230	2.30
2024	5,443,152	63,338	63,338	125,193	125,193	61,855	2.30
2025	5,443,152	64,350	64,350	125,193	125,193	60,843	2.30
		<u>1,595,293</u>	<u>1,595,293</u>				

- (A) Secondary assessed valuation estimates for FYE 2001 and FYE 2002 as reported by the Maricopa County Assessor's Office Abstract by Tax Authority dated 2/04/00 and 2/15/00, respectively. According to the Maricopa County Assessor's Office, the SAV for FYE 2002 is preliminary as homes are in the process of being added to the roll. Secondary assessed valuation for FYE 2003 through FYE 2025 is estimated using absorption schedules provided by Donros.
- (B) Issue sized at \$720,000. Interest is estimated at 7.25%.
- (C) Revenues for FYE 2001 and FYE 2002 based on estimates provided by Maricopa County Assessor's Office and a 2.30 tax rate. Revenues for FYE 2003 through FYE 2025 based on the absorption schedule and average home price provided by Donros.
- (D) By contractual obligation Donros to provide for shortfall

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;
- (6) the general partner, limited partner and any member of the general or limited partner and the general manager of any member of the general or limited partner, of Wildflower Ranch L.P.;
- (7) any officer of Dain Rauscher Incorporated;
- (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 Wildflower
Ranch Community Facilities District No. 2
of Goodyear, Arizona**

**LEGAL DESCRIPTION
WILDFLOWER RANCH COMMUNITY FACILITIES DISTRICT NO. 2**

THAT PORTION OF THE NORTH HALF OF SECTION 7, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 7;

THENCE NORTH 89°58'11" EAST AND ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 2581.39 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 7;

THENCE NORTH 89°58'33" EAST, AND CONTINUING ALONG THE NORTH LINE OF SAID SECTION 7, A DISTANCE OF 738.14 FEET;

THENCE SOUTH 00°18'55" EAST, A DISTANCE OF 2622.35 FEET;

THENCE SOUTH 89°58'17" WEST, A DISTANCE OF 1340.64 FEET;

THENCE NORTH 00°19'02" WEST, A DISTANCE OF 876.29 FEET;

THENCE SOUTH 89°58'11" WEST PARALLEL TO THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 7, A DISTANCE OF 1977.32 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 7;

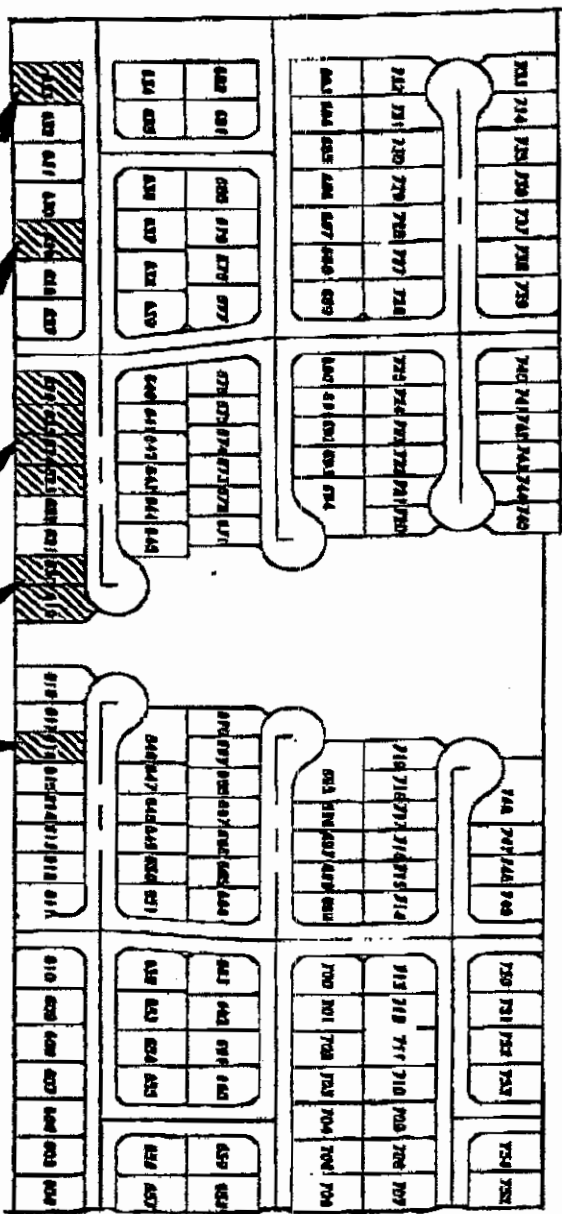
THENCE NORTH 00°21'58" WEST ALONG SAID WEST LINE, A DISTANCE OF 1746.11 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM THE ABOVE DESCRIBED PARCEL:

LOT 616, 619, 620, 623 THROUGH 626, 629 AND 633 OF WILDFLOWER RANCH UNIT V, A PLAT RECORDED AT BOOK 481, PAGE 35, MARICOPA COUNTY RECORDER'S OFFICE, MARICOPA COUNTY, ARIZONA.



EXHIBIT A

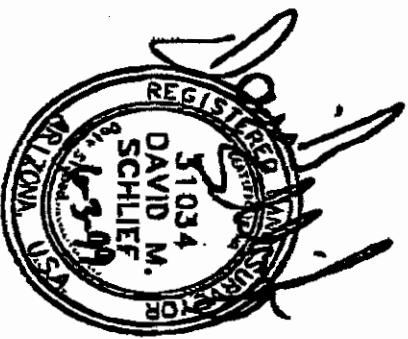
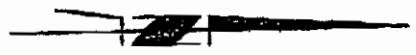


EXCEPTION

WILDFLOWER RANCH DETAIL

EXHIBIT C

SCALE: 1" = 300'

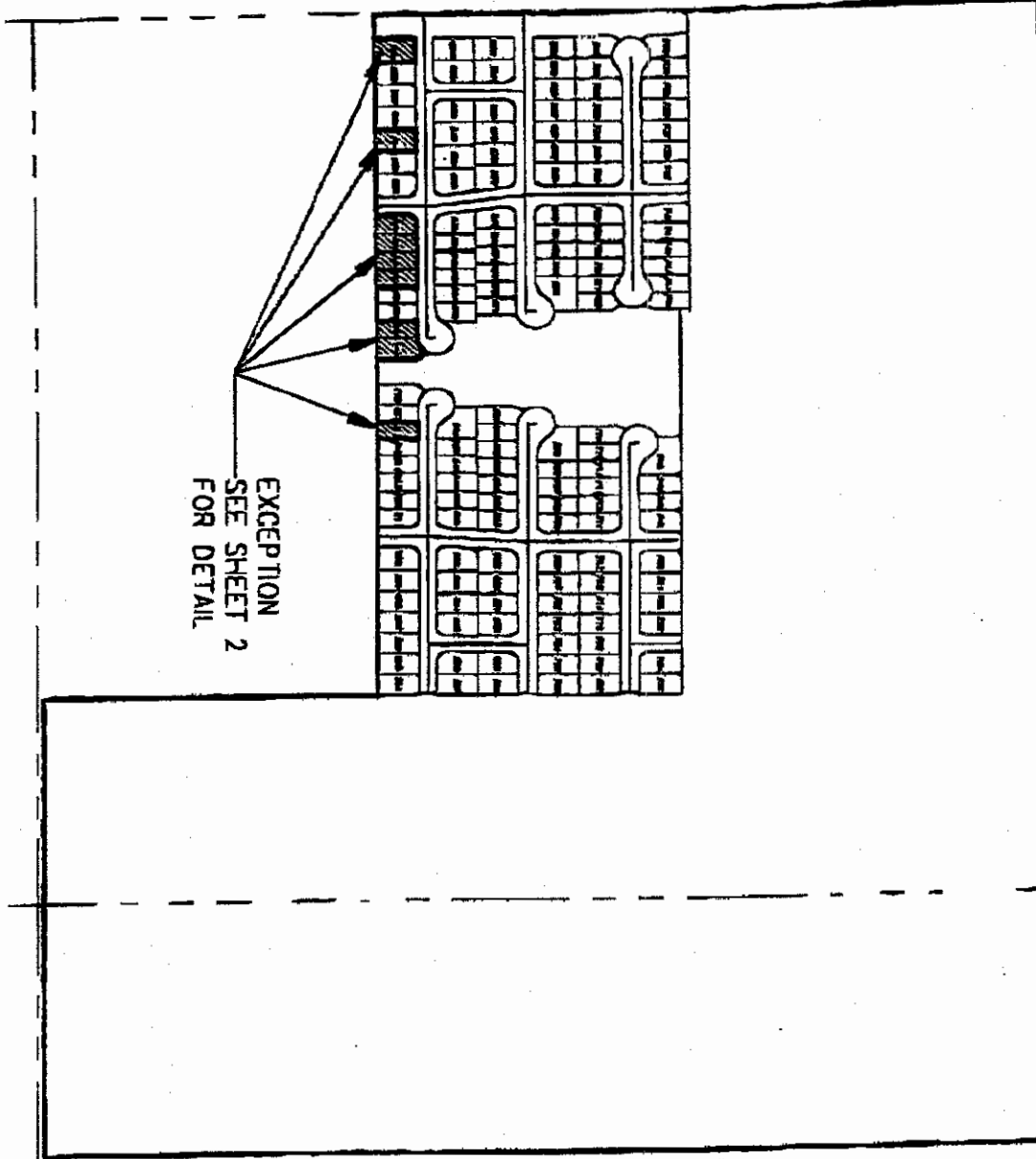


Anderson
 Engineering
 Company
 CONSULTING ENGINEERS
 JOB NO.
 96131

SARIVAL AVENUE

VAN BUREN STREET

EXCEPTION
SEE SHEET 2
FOR DETAIL



SCALE: 1" = 500'



American
Engineering
Company
ATTORNEY AT LAW

JOB NO.
96131

WILDFLOWER RANCH
EXHIBIT C

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>	<u>1999-00 Total Tax Rate</u>
Wildflower Ranch and Wildflower Ranch	\$17.5885
CFD No. 2 (Goodyear)	
Estrella (Goodyear)	\$14.0222
Palm Valley (Goodyear)	\$17.2584
Pebble Creek (Goodyear)	\$16.2584
Garden Lakes (Avondale)	\$16.5932
Arrowhead Ranch (Glendale)	\$15.0176
Westbrook Village (Peoria)	\$14.7520
Sun City	\$3.4250
Tatum Ranch (Phoenix)	\$13.7016
McDowell Mountain Ranch (Scottsdale)	\$13.7774
Scottsdale Mountain (Scottsdale)	\$13.7774
Troon (Scottsdale)	\$9.1941

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. Additionally, the issuance of District debt, in combination with other overlapping political subdivisions, may be a factor when the City's own debt ratings are reviewed by Moody's Investor Service and Standard and Poor's Corporation. While one agency has chosen to upgrade the City's rating, the other has kept it the same.

APPENDIX D

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

APPENDIX D

Donros has provided the following data as to home construction and sales within the District as of May 31, 2000:

	<u>Units</u>	<u>Total Sales</u>	<u>Per Unit</u>
Closed escrow	200	\$22,492,000	\$112,460
Complete or under construction - Sold, in escrow	90	10,215,000	113,500
Unsold	<u>23</u>	<u>2,628,000</u>	<u>114,261</u>
	<u>313</u>	<u>\$35,335,000</u>	<u>\$112,891</u>

All necessary Public Infrastructure for these homes has been constructed.

313 homes are expected to be built or under construction by the time of the June, 2000 Bond Sale.