

FEASIBILITY REPORT

For The Issuance of

**Not to Exceed
\$3,500,000 Principal Amount**

OF

**EASTMARK
COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)**

**GENERAL OBLIGATION BONDS,
SERIES 2014**

Public Hearing Date: April 3, 2014

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SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT; GENERAL DESCRIPTION OF DISTRICT

INTRODUCTION

This Feasibility Report (this “Report”) has been prepared for presentation to the Board of Directors (the “Board”) of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the “District”) in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2014 (the “Bonds”) in a principal amount of not to exceed \$3,500,000, pursuant to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the “Act”).

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of the public infrastructure (as defined in A.R.S. Section 48-701) to be financed with the proceeds of the Bonds, if any are issued (the “Public Infrastructure”), and of the plan for financing such Public Infrastructure in accordance with the provisions of A.R.S. Section 48-715. Pursuant to A.R.S. Section 48-715, this Report includes, among other things required by A.R.S. Section 48-715, (i) a description of the Public Infrastructure, an estimate of the cost and timetable to acquire the Public Infrastructure [Section Two]; (ii) a map showing, in general, the location of the Public Infrastructure and area to be benefitted by the Public Infrastructure [Section Three]; and (iii) a plan for financing the Public Infrastructure [Section Four].

This Report has been prepared for use by the Board of the District only in evaluating the acquisition of the proposed Public Infrastructure and the possible issuance of Bonds. It is not intended or anticipated that this Report will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Report does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds, if any are issued. In preparing this Report, financial advisors, appraisers, counsel, engineers, City staff and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF THE DISTRICT

Formation of the District was approved by the City of Mesa, Arizona (the “City”) on April 2, 2012, upon the request of DMB Mesa Proving Grounds, LLC (the “Developer”), the developer of a residential development project within the District and the sole land owner at the time of formation of the District. The District consists of an approximately 2,170 acre master-planned community called Eastmark within the 3,164-acre project formerly known as the Mesa Proving Grounds (the “Project”). The Project is located east of the 202 freeway generally bounded by Elliot Road to the north, Williams Field Road to the south, Ellsworth Road to the west, and Signal Butte Road to the east. Construction on the Project commenced in August 2012. As of December 31, 2013, homebuilders have closed 96 single family residential units within the Project. Single family residential units represent approximately 2,040 acres within the Project. Commercial development comprises approximately 130 acres within the Project and will include a variety of uses including but not limited to office, retail, multifamily, church, and civic.

The following chart characterizes the approximate acreage within the District:

<u>Total District</u>	<u>Approximate District Acres</u>
Single Family Residential	2,040
Non Residential ^(a)	<u>130</u>
Total	2,170

(a) Includes churches, police, fire, SRP, schools, civic, commercial

The District was created to finance the construction and/or acquisition of public infrastructure within the District, including to finance the acquisition of the Public Infrastructure described in Section Two. A legal description of the District is included in Appendix 1. A map of the District is included in Section Three. The acquisition of the Public Infrastructure is consistent with and in furtherance of the approved General Plan of the District.

SECTION TWO

DESCRIPTION, ESTIMATE OF COST AND TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure has been publicly bid and is being constructed pursuant to State statute and District guidelines. The costs and timing of completion of the Public Infrastructure, and the acquisition of such Public Infrastructure that may be financed with proceeds of the Bonds, are as follows:

ACQUISITION PROJECT DESCRIPTION	TOTAL ESTIMATED COST *	CERTIFIED ENGINEER'S COST	TO BE PAID BY THE BONDS	ELIGIBLE FOR FUNDING FROM FUTURE BONDS	COMPLETION DATE
1. Ray Road Phase 1 Project CP016 (S828) Construction of a new major arterial roadway within the District consisting of approximately 2 miles of half street improvements. These improvements include water, non-potable water, water valves, fire hydrants, storm drain, storm drain manholes, concrete catch basins, vertical concrete curb and gutter, concrete sidewalk, concrete ramps with truncated domes, paving, striping, street lights, public signage, landscaping and irrigation, reinforced concrete triple box culvert, reinforced concrete channel weir structure, drywells, and conduit for future traffic signalization. The roadway consists of three paved lanes made up of 5 ½" of asphaltic concrete over 10" of aggregate base course, together with vertical curb for the raised/landscaped median. All improvements are shown on the approved plans dated 7-25-12 by the City of Mesa, which may be amended from time to time to allow for additional property uses adjacent to Ray Road that are not yet known.	\$6,713,392	\$6,713,392	\$2,928,953	\$3,784,439	June 2013
2. Signal Butte Phase 1 Project CP0168 (S831) Construction of a new major arterial roadway within the District consisting of approximately ½ mile of half street improvements. These improvements include water, waterline casing, water valves, fire hydrants, storm drain, storm drain manholes, concrete catch basins, vertical concrete curb and gutter, concrete sidewalk, concrete ramps with truncated domes, paving, striping, street lights, public signage, landscaping and irrigation, two reinforced concrete double box culverts, gabion retaining walls, and conduit for	\$2,411,089	\$2,411,089	\$0	\$2,411,089	June 2013

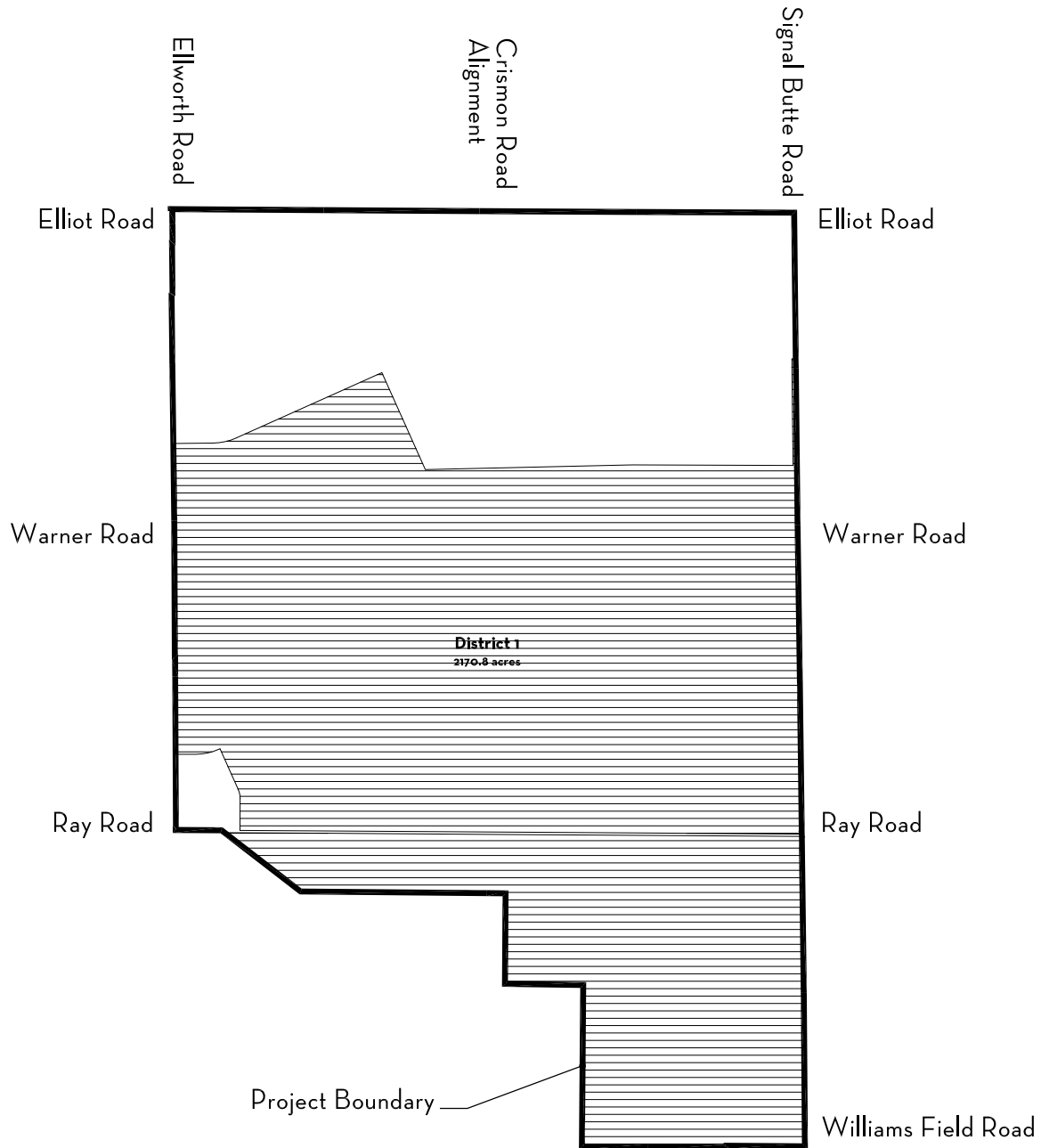
ACQUISITION PROJECT DESCRIPTION	TOTAL ESTIMATED COST *	CERTIFIED ENGINEER'S COST	TO BE PAID BY THE BONDS	ELIGIBLE FOR FUNDING FROM FUTURE BONDS	COMPLETION DATE
future traffic signalization. The roadway consists of three paved lanes made up of 5 ½" of asphaltic concrete over 10" of aggregate base course. All improvements are shown on the approved plans dated 7-25-12 by the City of Mesa, which may be amended from time to time to allow for additional property uses adjacent to Signal Butte that are not yet known.					
3. Great Park Phase 1 Project S833	\$2,570,087	\$2,570,087	\$0	\$2,570,087	June 2013
Construction of a new public park within the District consisting of approximately 8 acres of park improvements. These improvements include water, non-potable water, water valves, fire hydrants, storm drain bleed lines, concrete sidewalks, concrete multi-use paths, concrete palm plaza, concrete splash pad, CMU splash pad equipment enclosure, two CMU trash enclosures, paved parking lot, vertical curb in parking lot area, 3 half basketball courts, landscaping and irrigation. All improvements are shown on the approved plans dated 10-18-12 by the City of Mesa, which may be amended from time to time to allow for future uses.					
TOTAL:	\$11,694,568	\$11,694,568	\$2,928,953	\$8,765,615	

* Proceeds of the Bonds are reasonably expected to be used to finance the acquisition of all or a portion of the Public Infrastructure upon acceptance by the District and the City of such Public Infrastructure pursuant to the terms of the Development, Financing Participation, Waiver and Intergovernmental Agreement recorded May 11, 2012 at document no. 2012-0401237 in the records of Maricopa County, Arizona, and the terms and provisions of all applicable laws, ordinances, codes and rules. All interests in such Public Infrastructure financed by the District will be dedicated or otherwise transferred to the City after acceptance. Additional portions of Public Infrastructure, as contemplated by the District's formational documents, may be constructed and will be subject to administrative approval by the District before such Public Infrastructure is eligible for funding from future bonds, if any.

SECTION THREE


MAP OF THE DISTRICT SHOWING LOCATION OF PUBLIC INFRASTRUCTURE AND AREA TO BE BENEFITTED

Community Facilities District 1



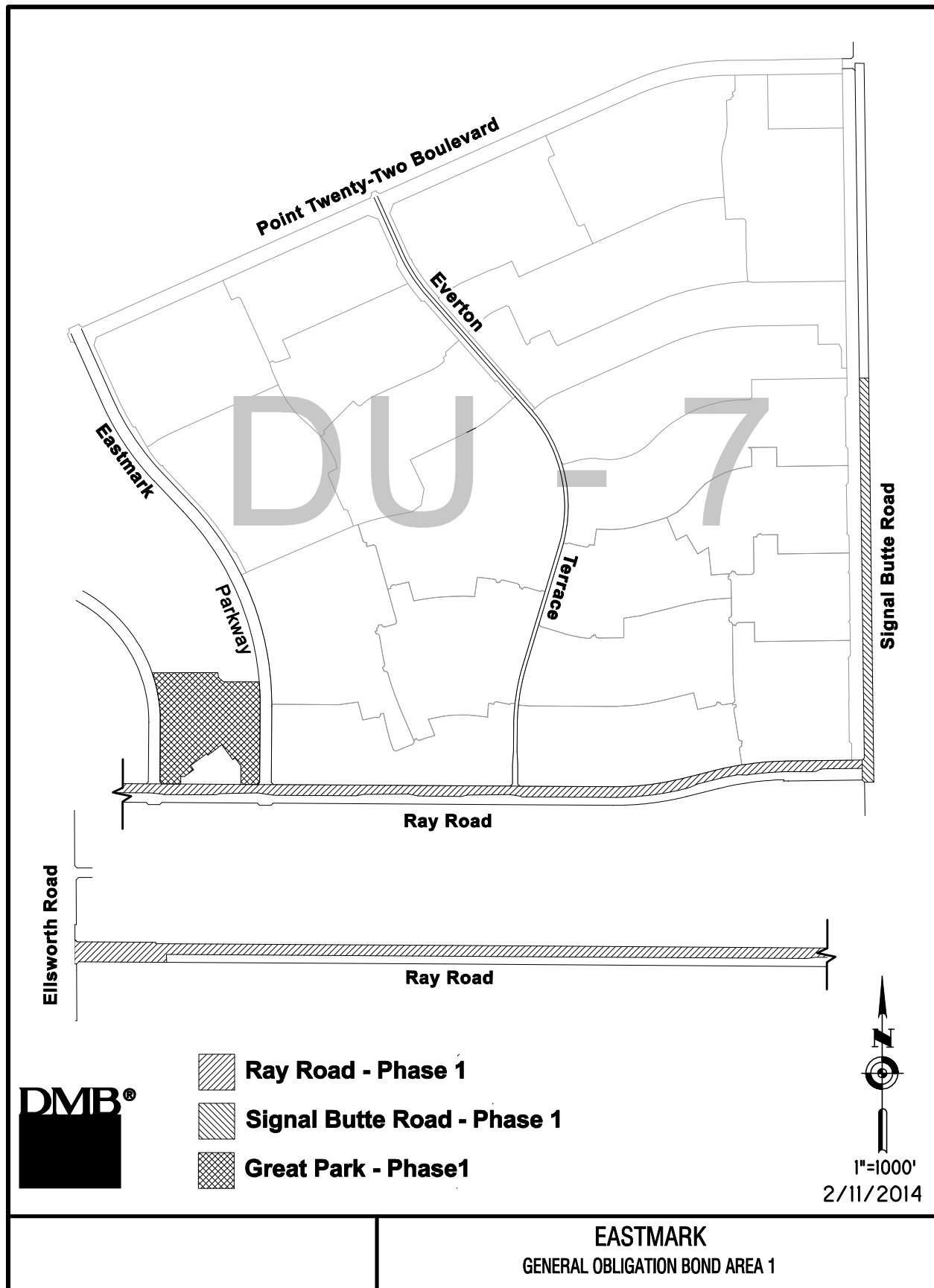
MESA PROVING GROUNDS



 District 1 - 2170.8 acres


North
N.T.S.

Rev. 20 Mar 12



SECTION FOUR

PLAN OF FINANCE

PLAN OF FINANCE

The Public Infrastructure will be acquired by the District by way of a Plan of Finance herein described below. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with federal and State law.

(i) Authorization

In response to a petition from the owners of 100% of the property within the District, the City Council formed the District on April 2, 2012. The Developer, as the sole landowner in the District at the time, authorized, through an election held on May 17, 2012 general obligation bonded debt in an amount not to exceed \$435,000,000.

(ii) Proposed Bond Sale

The District currently has no general obligation bonded debt outstanding. It is anticipated that the District will issue the Bonds in June 2014 at approximately \$3,145,000 in aggregate principal amount to finance the acquisition of the Public Infrastructure. The amount shown on the cover of this Report is a not-to-exceed amount and the actual aggregate principal amount of the Bonds issued may be lower. It is currently estimated that the Bonds will have a final maturity of approximately 25 years and be structured to achieve level annual debt service. Please refer to Table Two of this section for the estimated revenue versus debt service schedule. The Bonds will not be rated by any rating agency and will only be sold to investors who meet specific eligibility criteria.

(iii) Estimated Sources and Uses of Funds

The proceeds of the Bonds will be applied by the District to finance the acquisition of all or a portion of the Public Infrastructure listed in Section Two of this Report. The estimated sources and uses of funds related to the sale of the Bonds are as follows:

TABLE ONE

SOURCES:

Principal amount of Bonds	\$3,145,000
Net Premium	15,403
Costs of Issuance Contribution by Developer	<u>62,900</u>
Total	<u>\$3,223,303</u>

USES:

Cost of Public Infrastructure	\$2,928,953
Costs of Issuance *	<u>294,350</u>
Total	<u>\$3,223,303</u>

* Estimated Costs of Issuance

Underwriter's Discount	\$ 94,350
Bond Counsel	85,000
Underwriter's Counsel	60,000
Financial Advisor	35,000
Registrar & Paying Agent	5,000
Printing	5,000
Miscellaneous	<u>10,000</u>
	<u>\$ 294,350</u>

(iv) District Tax Rate and Homeowner's Property Tax Obligation

All Public Infrastructure that may be acquired by the District with any proceeds of the Bonds will be dedicated to and accepted by the City. The obligations pertaining to the operation and maintenance of the Public Infrastructure have been negotiated between the City, the District and the Developer and are set forth in the various development agreements among the parties. The costs associated with the operation and maintenance of the Public Infrastructure, as well as the administrative costs, of the District will be provided by several sources of funds: Homeowner's Association ("HOA") fees, a property tax levy of up to \$0.30 per \$100 of secondary assessed valuation to provide for a portion of the administrative, operation and maintenance expenses of the District (the "O&M Tax"), and Developer contributions.

The HOA is responsible for the operation and maintenance costs of landscaping for the roadways, trails, and open space within the District. All homeowners are required to participate in the HOA. Monthly fees for the HOA are anticipated to be approximately \$85 per homeowner.

In addition to the O&M Tax, the District will levy an ad valorem property tax to provide for debt service on bonds issued by the District, including the Bonds. Beginning in fiscal year 2014-2015, the District will cause to be levied a combined ad valorem tax rate for each year the Bonds are outstanding in the amount of up to \$3.30 per \$100 of secondary assessed valuation on all taxable property within the boundaries of the District. This tax rate includes a \$3.00 levy for debt service and a \$0.30 levy for the O&M Tax.

At the \$3.30 tax rate level, assuming an average home price of \$330,000, the District portion of a tax bill for a homeowner will be approximately \$74 month or \$888 annually. A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Subdivision Public Report. Prior to each initial home sale by a homebuilder, each homebuyer must be supplied a Subdivision Public Report, and the homebuyer must acknowledge by signature that they have read and accepted the Subdivision Public Report. In addition, each homebuyer will receive a form detailing the existence of the District, the tax rate and its financial impact and receipt of this form will be acknowledged in writing by the homebuyer, and a signed copy will be kept on file with the City Clerk.

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(v) **Other District Information**

Shown in the table below is the District's overlapping general obligation bonded indebtedness including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, net assessed valuation and combined tax rate per \$100 assessed valuation.

Direct and Overlapping Jurisdiction	2013-2014 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt	Proportion Applicable to the District		2013-2014 Combined Tax Rate Per \$100 Assessed (a)
			Approx. Percent	Net Amount	
State of Arizona	\$52,594,377,492	None	0.080%	None	\$0.0000
Maricopa County (b)	32,229,006,810	None	0.130%	None	1.7930
Maricopa County Community College District	32,229,006,810	\$712,735,000	0.130%	\$926,556	1.5340
Eastern Valley Institute of Technology					
District No. 401 (EVIT)	11,953,646,919	35,000,000	0.340%	119,000	0.0592
Queen Creek Unified School District No. 95	225,793,747	36,565,000	1.256%	459,256	3.6571
Gilbert Unified School District No. 41	1,452,378,410	135,905,000	0.045%	60,932	5.8571
City of Mesa	2,559,633,922	325,570,000	0.025%	81,393	1.8011
Eastmark Community Facilities District (f)	687,217	2,830,000 (c)	100.000%	<u>3,145,000 (c)</u>	0.3000 (c)
				<u>\$4,792,137</u>	

(a) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity, and the tax rate for all other purposes such as maintenance and operation and capital outlay, which generally is based on the primary assessed valuation of jurisdictions other than special districts and on the secondary assessed valuation of special districts such as the District.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Water Conservation District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0438 tax rate of the County Free Library, the \$0.1939 tax rate of the Maricopa Special Health Care District, and the \$0.0121 tax rate of the County Fire District. It should be noted that the County Flood Control District does not levy taxes on personal property.

(c) It is anticipated that the District will levy a debt tax rate of \$3.00 per \$100 net secondary assessed valuation beginning in fiscal year 2014-2015, after the issuance of the Series 2014 General Obligation Bonds expected to be issued in a par amount of approximately \$3,145,000.

The full cash value and secondary assessed value of taxable property within the boundaries of the District for the indicated tax years are shown in the table below:

Fiscal Year	Full Cash Value	Secondary Assessed Value
2014-15	\$57,385,829	\$8,335,985
2012-13	4,263,851	682,217

Source: Maricopa County Assessor's Office.

TABLE TWO

Eastmark Community Facilities District No. 1
(City of Mesa, Arizona)

Estimated \$3,145,000 General Obligation Bonds, Series 2014
Not To Exceed 25 Year Level Debt Service

Fiscal Year Ending June 30	Net Secondary Assessed Value (1)	Annual % Change	<div style="border: 1px solid black; padding: 5px; text-align: center;"> \$3,145,000 General Obligation Bonds Series 2014 Dated: 6/3/2014 </div>			Estimated District Revenues at 95% Collection Rate (3)	Estimated Debt Tax Rate (3)	Estimated Revenue Excess / (Shortfall)
			Principal	Estimated Interest (2)	Total Debt Service			
2014	\$682,217	N/A						
2015	8,335,985	1121.90%	\$60,000	\$176,001	\$236,001	\$237,576	\$2.8311	\$1,575
2016	8,335,985	0.00%	80,000	155,813	235,813	237,576	2.8288	1,763
2017	8,335,985	0.00%	80,000	152,613	232,613	237,576	2.7905	4,963
2018	8,335,985	0.00%	85,000	149,413	234,413	237,576	2.8121	3,163
2019	8,335,985	0.00%	90,000	146,013	236,013	237,576	2.8312	1,563
2020	8,335,985	0.00%	90,000	142,413	232,413	237,576	2.7881	5,163
2021	8,335,985	0.00%	95,000	138,813	233,813	237,576	2.8049	3,763
2022	8,335,985	0.00%	100,000	135,013	235,013	237,576	2.8193	2,563
2023	8,335,985	0.00%	105,000	131,013	236,013	237,576	2.8312	1,563
2024	8,335,985	0.00%	110,000	126,550	236,550	237,576	2.8377	1,026
2025	8,335,985	0.00%	115,000	121,875	236,875	237,576	2.8416	701
2026	8,335,985	0.00%	120,000	116,125	236,125	237,576	2.8326	1,451
2027	8,335,985	0.00%	125,000	110,125	235,125	237,576	2.8206	2,451
2028	8,335,985	0.00%	130,000	103,875	233,875	237,576	2.8056	3,701
2029	8,335,985	0.00%	135,000	97,375	232,375	237,576	2.7876	5,201
2030	8,335,985	0.00%	145,000	90,625	235,625	237,576	2.8266	1,951
2031	8,335,985	0.00%	150,000	82,650	232,650	237,576	2.7909	4,926
2032	8,335,985	0.00%	160,000	74,400	234,400	237,576	2.8119	3,176
2033	8,335,985	0.00%	170,000	65,600	235,600	237,576	2.8263	1,976
2034	8,335,985	0.00%	180,000	56,250	236,250	237,576	2.8341	1,326
2035	8,335,985	0.00%	190,000	46,125	236,125	237,576	2.8326	1,451
2036	8,335,985	0.00%	200,000	35,438	235,438	237,576	2.8244	2,138
2037	8,335,985	0.00%	210,000	24,188	234,188	237,576	2.8094	3,388
2038	8,335,985	0.00%	220,000	12,375	232,375	237,576	2.7876	5,201
Totals			3,145,000	2,490,676	5,635,676			

- (1) Fiscal year 2014 is actual, as reported by the Maricopa County Assessor's Office (MCAO). FY 2015 and thereafter is based on the February 2014 Preliminary Abstract, as published by the MCAO.
- (2) Interest rate is estimated as of 3/19/14 (assumes Non Rated). Costs of issuance estimated at \$294,350, including 3.0% underwriter's discount.
- (3) Debt tax rate was not levied in the District for fiscal year 2014. Fiscal year 2015 and thereafter is estimated based on \$3.00 tax rate at 95% tax collection rate.

Reviewed and accepted by:

DMB Mesa Proving Grounds, LLC

By: _____

Name: _____

Its: _____

APPENDIX 1

LEGAL DESCRIPTION FOR EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1

Wood, Patel & Associates, Inc.
(480) 834-3300
www.woodpatel.com

Revised March 20, 2012
Revised January 5, 2012
Revised July 28, 2011
April 23, 2010
WP #062753.81
Page 1 of 6
See Exhibit "A"

PARCEL DESCRIPTION
Mesa Proving Grounds

Community Facilities District 1

A parcel of land lying within Sections 14, 15, 22, 23, 26 and 27, Township 1 South, Range 7 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the west quarter corner of said Section 15, a 3-inch Maricopa County Department of Transportation brass cap in handhole stamped 2007 RLS 35694, from which the southwest corner of said Section 15, a 3-inch Maricopa County Department of Transportation brass cap in handhole stamped 2007 RLS 35694, bears South 00°42'29" East (basis of bearing), a distance of 2637.98 feet;

THENCE along the west line of said Section 15, South 00°42'29" East, a distance of 1338.80 feet;

THENCE leaving said west line, North 89°17'31" East, a distance of 50.00 feet, to the east line of the west 50 feet of said Section 15 and the **POINT OF BEGINNING**;

THENCE leaving said east line, North 89°17'42" East, a distance of 672.83 feet, to the beginning of a curve;

THENCE easterly along said curve, having a radius of 1000.00 feet, concave northerly, through a central angle of 23°28'47", a distance of 409.80 feet, to the curve's end;

THENCE North 65°48'55" East, a distance of 2691.35 feet;

THENCE South 24°11'05" East, a distance of 1798.15 feet;

THENCE North 88°39'46" East, a distance of 3496.70 feet, to the southwest corner of Lot 2 of Mesa Proving Grounds – Southwest Corner of Elliot Road & Signal Butte Road as shown on the Land Split Map, recorded in Book 1089, page 5, Maricopa County Records (M.C.R.);

THENCE along the south line of said Lot 2, South 89°45'48" East, a distance of 2720.10 feet, to the southeast corner of said Lot 2 and the west line of the east 65 feet of said section;

THENCE leaving said south line, along said west line and the east line of said Lot 2, North 00°37'57" West, a distance of 1636.84 feet;

THENCE North 00°38'25" West, a distance of 165.43 feet;

THENCE leaving said east line and said west line, North 89°24'19" East, a distance of 65.00 feet, to the east line of said Section 14;

THENCE along said east line, South 00°38'25" East, a distance of 165.39 feet, to the east quarter corner of said Section 14, a 3-inch City of Mesa brass cap in handhole;

**Parcel Description
Mesa Proving Grounds**

Community Facilities District 1

Revised March 20, 2012
Revised January 5, 2012
Revised July 28, 2011
April 23, 2010
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See Exhibit "A"

THENCE South 00°37'57" East, a distance of 2640.25 feet, to the southeast corner of said Section 14, a 1/2-inch rebar with illegible cap;

THENCE leaving said east line, along the east line of said Section 23, South 00°50'18" East, a distance of 2628.64 feet, to the east quarter corner of said Section 23, a 1/2-inch rebar with cap stamped RLS 29272;

THENCE South 00°42'59" East, a distance of 2597.28 feet, to the north line of that certain tract of land described in Docket 6414, page 56, M.C.R. and a point hereby designated as Point "A" for future reference in this description;

THENCE leaving said east line, along said north line, a line parallel to and 40 feet north of the south line of said Section 23, North 89°37'09" West, a distance of 2664.99 feet;

THENCE North 89°38'35" West, a distance of 2664.76 feet;

THENCE along said north line, a line parallel to and 40 feet north of the south line of said Section 22, North 89°36'10" West, a distance of 2658.23 feet;

THENCE continuing, North 89°38'34" West, a distance of 1510.91 feet;

THENCE leaving said north line and said parallel line, North 00°21'42" East, a distance of 537.03 feet, to the beginning of a curve;

THENCE northerly along said curve, having a radius of 382.45 feet, concave westerly, through a central angle of 24°29'51", a distance of 163.52 feet, to the curve's end;

THENCE North 24°08'09" West, a distance of 749.04 feet;

THENCE South 65°48'55" West, a distance of 24.54 feet, to the beginning of a curve;

THENCE westerly along said curve, having a radius of 945.00 feet, concave northerly, through a central angle of 23°55'04", a distance of 394.49 feet, to the curve's end;

THENCE South 89°43'59" West, a distance of 346.11 feet, to the easterly right-of-way line of Ellsworth Road as described in the Maricopa County Condemnation Order CV2003-015999, recorded in Document No. 2005-0714663, M.C.R., (DOC.1);

THENCE along said easterly right-of-way line, a line parallel to and 55 feet east of west line of said Section 22, North 00°16'04" West, a distance of 1318.26 feet;

THENCE North 00°14'45" West, a distance of 324.85 feet;

THENCE leaving said DOC.1 and said parallel line, North 89°38'34" West, a distance of 5.00 feet, to the easterly right-of-way line of Ellsworth Road as described in Quit Claim Deed recorded in Docket 1606, page 249, M.C.R., (DKT.1),

THENCE along said easterly right-of-way line, a line parallel to and 50 feet east of the west line of said Section 22, North 00°14'45" West, a distance of 2310.10 feet;

THENCE leaving said parallel line, along a line parallel to and 50 feet east of the west line of the southwest quarter of said Section 15, North 00°42'29" West, a distance of 1299.38 feet, to the **POINT OF BEGINNING**.

TOGETHER WITH

Commencing at said Point "A":

THENCE along the east line of said Section 23, South 00°42'59" East, a distance of 40.01 feet, to the northeast corner of said Section 26, a 3-inch Maricopa County brass cap in pothole stamped 2002 RLS 36563, being the **POINT OF BEGINNING**;

Parcel Description
Mesa Proving Grounds

Community Facilities District 1

Revised March 20, 2012
Revised January 5, 2012
Revised July 28, 2011
April 23, 2010
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See Exhibit "A"

THENCE leaving said east line, along the east line of said Section 26, South 00°43'36" East, a distance of 2644.19 feet, to the east quarter corner of said Section 26, a 2-inch Maricopa County aluminum cap stamped 2002 RLS 36563;

THENCE South 00°25'08" East, a distance of 2591.81 feet, to the northerly right-of-way line of Williams Field Road as described in the Maricopa County Condemnation Order CV2004-005453, recorded in Document No. 2005-0928928, M.C.R.;

THENCE leaving said east line, along said northerly right-of-way line, a line parallel to and 33 feet north of the southeast quarter of said Section 26, North 89°33'33" West, a distance of 1325.51 feet;

THENCE leaving said northerly right-of-way line and said parallel line, South 00°34'39" East, a distance of 33.01 feet, to the south line of said Section 26;

THENCE along said south line, North 89°33'33" West, a distance of 1325.41 feet, to the south quarter corner of said Section 26, a 3-inch Maricopa County aluminum cap stamped 2002 RLS 38683;

THENCE North 89°38'20" West, a distance of 1119.51 feet, to a 1/2-inch rebar with tag stamped RLS 29272;

THENCE leaving said south line, North 00°28'37" East, a distance of 2730.93 feet, to a 1/2-inch rebar with tag stamped RLS 29272;

THENCE North 89°13'26" West, a distance of 1323.87 feet, to a 1/2-inch rebar with tag stamped RLS 29272;

THENCE North 00°23'52" East, a distance of 1531.75 feet, to a 1/2-inch rebar with tag stamped RLS 29272;

THENCE North 89°29'17" West, a distance of 3465.06 feet, to a 1/2-inch rebar with tag stamped RLS 29272;

THENCE North 52°18'31" West, a distance of 1625.16 feet, to the north line of said Section 27, a 1/2-inch rebar with no identification;

THENCE along said north line, South 89°38'34" East, a distance of 1770.29 feet, to the north quarter corner of said Section 27, a 2-inch Maricopa County aluminum cap flush stamped 2002 RLS 36563;

THENCE South 89°36'10" East, a distance of 2658.23 feet, to the northeast corner of said Section 27, a 3-inch Maricopa County brass cap flush stamped 2002 RLS 36563;

THENCE leaving said north line, along the north line of said Section 26, South 89°38'35" East, a distance of 2664.76 feet, to the north quarter corner of said Section 26, a Maricopa County aluminum cap flush stamped 2002 RLS 36568;

**Parcel Description
Mesa Proving Grounds**

Community Facilities District 1

Revised March 20, 2012
Revised January 5, 2012
Revised July 28, 2011
April 23, 2010
WP #062753.81
Page 4 of 6
See Exhibit "A"

THENCE continuing, South 89°37'09" East, a distance of 2665.75 feet, to the **POINT OF BEGINNING**.

Containing 2,170.8468 acres, or 94,562,087 square feet of land, more or less.

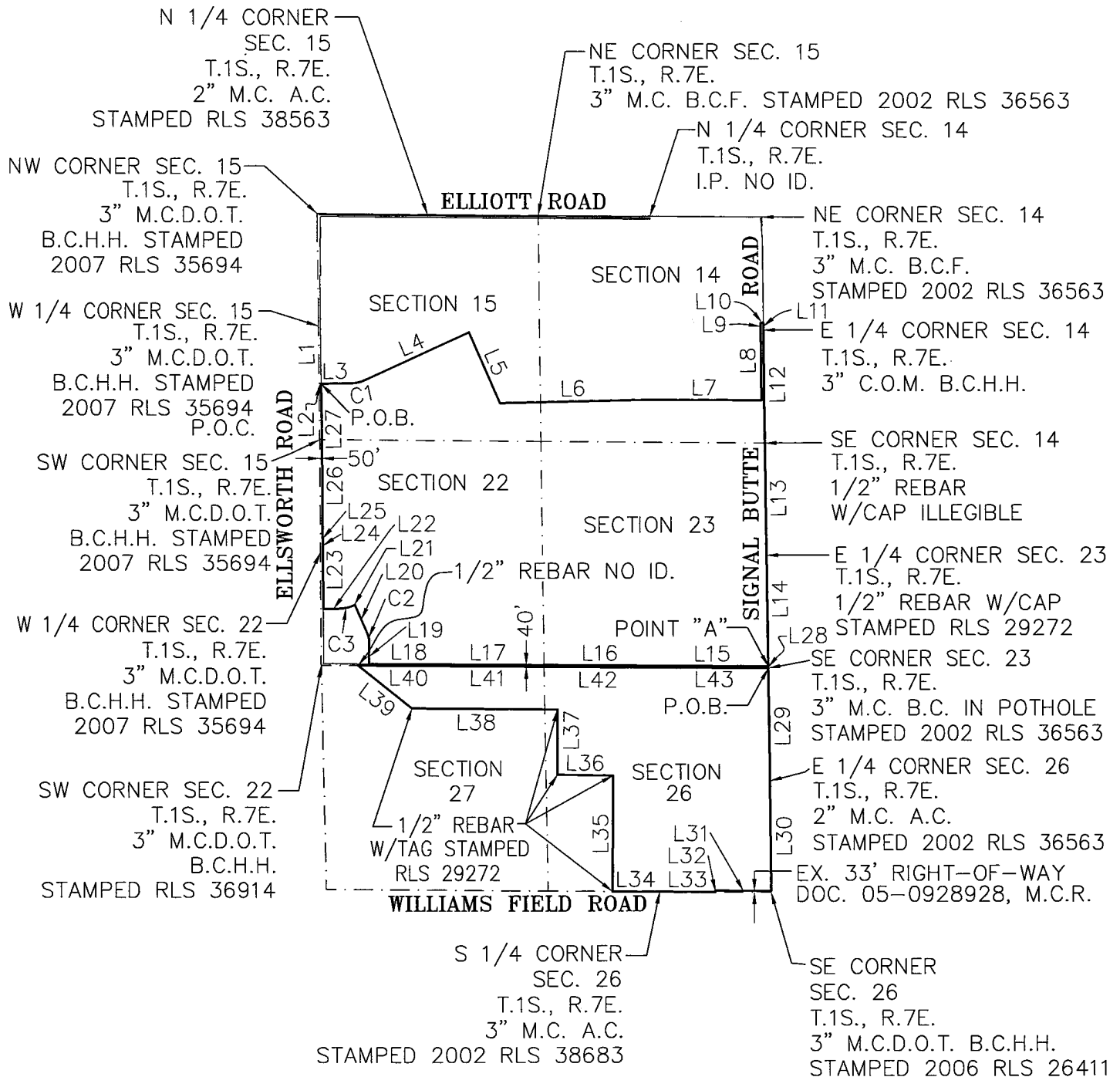
Subject to existing rights-of-way and easements.

This parcel description is based on the unrecorded ALTA Survey of GM Proving Grounds prepared by CMX, dated November 21, 2006, job number 7405.01 and other client provided information. This parcel description is located within an area surveyed by Wood/Patel during the month of May, 2007 and any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

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EXPIRES 12-31-14



WOOD/PATEL
1855 North Stapley Drive
Mesa, AZ 85203
Phone: (480) 834-3300
Fax: (480) 834-3320
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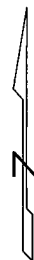


EXHIBIT "A"

MESA PROVING GROUNDS
COMMUNITY FACILITIES DISTRICT 1
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LINE TABLE		
LINE	BEARING	DISTANCE
L1	S00°42'29"E	1338.80'
L2	N89°17'31"E	50.00'
L3	N89°17'42"E	672.83'
L4	N65°48'55"E	2691.35'
L5	S24°11'05"E	1798.15'
L6	N88°39'46"E	3496.70'
L7	S89°45'48"E	2720.10'
L8	N00°37'57"W	1636.84'
L9	N00°38'25"W	165.43'
L10	N89°24'19"E	65.00'
L11	S00°38'25"E	165.39'
L12	S00°37'57"E	2640.25'
L13	S00°50'18"E	2628.64'
L14	S00°42'59"E	2597.28'
L15	N89°37'09"W	2664.99'
L16	N89°38'35"W	2664.76'
L17	N89°36'10"W	2658.23'
L18	N89°38'34"W	1510.91'
L19	N00°21'42"E	537.03'
L20	N24°08'09"W	749.04'
L21	S65°48'55"W	24.54'
L22	S89°43'59"W	346.11'
L23	N00°16'04"W	1318.26'
L24	N00°14'45"W	324.85'
L25	N89°38'34"W	5.00'
L26	N00°14'45"W	2310.10'

LINE TABLE		
LINE	BEARING	DISTANCE
L27	N00°42'29"W	1299.38'
L28	S00°42'59"E	40.01'
L29	S00°43'36"E	2644.19'
L30	S00°25'08"E	2591.81'
L31	N89°33'33"W	1325.51'
L32	S00°34'39"E	33.01'
L33	N89°33'33"W	1325.41'
L34	N89°38'20"W	1119.51'
L35	N00°28'37"E	2730.93'
L36	N89°13'26"W	1323.87'
L37	N00°23'52"E	1531.75'
L38	N89°29'17"W	3465.06'
L39	N52°18'31"W	1625.16'
L40	S89°38'34"E	1770.29'
L41	S89°36'10"E	2658.23'
L42	S89°38'35"E	2664.76'
L43	S89°37'09"E	2665.75'

CURVE TABLE			
CURVE	DELTA	RADIUS	ARC
C1	23°28'47"	1000.00'	409.80'
C2	24°29'51"	382.45'	163.52'
C3	23°55'04"	945.00'	394.49'

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EXHIBIT "A"
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