

**FEASIBILITY REPORT**

**For The Issuance of**

**Not to Exceed  
\$1,945,000 Principal Amount**

**OF**

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

**ASSESSMENT DISTRICT NO. 3  
SPECIAL ASSESSMENT REVENUE BONDS**

**Public Hearing Date: January 22, 2015**

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## **SECTION ONE**

### **INTRODUCTION; PURPOSE OF FEASIBILITY REPORT; GENERAL DESCRIPTION OF DISTRICT**

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## INTRODUCTION

This Feasibility Report (the “Report”) has been prepared for presentation to the Board of Directors of the Eastmark Community Facilities District No. 1 (Mesa, Arizona) (the “District”) in connection with the proposed issuance by the District of its Assessment District No. 3 Special Assessment Revenue Bonds (the “Bonds”) in a principal amount of not to exceed \$1,945,000, pursuant to the Community Facilities Act of 1989, 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. 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 Report includes (i) a description of the Public Infrastructure to be financed - Section Two; (ii) a map showing, in general, the area to be benefitted by the Public Infrastructure - Section Three; (iii) an estimate of the cost to acquire, operate and maintain the Public Infrastructure and a timetable for the acquisition of the Public Infrastructure - Section Four; and (iv) a plan for financing the Public Infrastructure - Section Five.

This Report has been prepared for the consideration of the Board of Directors of the District only. 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. 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 (the “City”) on April 2, 2012 upon the request of DMB Mesa Proving Grounds, LLC (the “Developer”). The District consists of approximately 2,324 acres of 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 October 31, 2014, homebuilders have closed 268 single family residential units within the Project. Single family residential units represent approximately 2,040 acres within the Project.

The real property comprising Assessment District No. 3 consists of approximately 555 lots and approximately 199 acres. The following chart characterizes the approximate acreage within the District as well as the acreage within Assessment District No. 3, which is fully within the boundaries of the District.

<u>Total Project</u>	<u>Approximate District Acres</u>	<u>Approximate Assessment District No. 3 Acres</u>
Single Family Residential	2,040	125
Non Residential *	<u>130</u>	<u>74</u>
Total	2,170	199

\* Includes churches, police, fire, SRP, schools, civic, commercial, right-of-ways, open space

The District was created to assist with the financing of the acquisition of public infrastructure within the District. See Section Two for a description of the public infrastructure to be financed by the proceeds of the Bonds. Legal descriptions of the District and of Assessment District No. 3 are included in Appendix 1. Maps of the District and Assessment District No. 3 are included in Section Three. The proposed acquisition of the Public Infrastructure as defined in this Report is consistent with the City's and the District's approved General Plan for the Project.

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## **SECTION TWO**

### **DESCRIPTION OF PUBLIC INFRASTRUCTURE**

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## DESCRIPTION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure subject to this Feasibility Report has been publicly bid pursuant to state statute and District guidelines and will be financed by the Bonds and/or subsequent bond issues and other sources, if necessary. It is expected that the Public Infrastructure listed below will be acquired from the Developer with estimated cost and construction timing as noted.

<b><u>DESCRIPTION</u></b>	<b><u>ESTIMATED COST *</u></b>	<b><u>COMPLETION **</u></b>
<b>1. Eastmark Parkway</b> Construction of a new roadway within the District consisting of approximately ¾ mile of full street improvements. These improvements include sewer, sewer manholes, water, non-potable water, water valves, fire hydrants, storm drain, storm drain manholes, concrete catch basins, storm drain bleed lines, vertical concrete curb and gutter, concrete sidewalk, concrete ramps with truncated domes, paving, striping, street lights, public signage, hardscape, landscaping and irrigation. The roadway consists of four paved driving 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 4-4-14 by the City of Mesa, which may be amended from time to time to allow for additional property uses adjacent to Eastmark Parkway that are not yet known.	<b>\$3,734,497</b>	<b>January 2015</b>
<b>TOTAL:</b>	<b><u>\$3,734,497</u></b>	

\* Based on contract bids by the District in May, 2014. A portion of the estimated costs is anticipated to be financed with a subsequent special assessment bond issue.

\*\* Completion represents the date by which the Developer expects the Public Infrastructure to be constructed, which may differ from the date that it is accepted by the District/City.

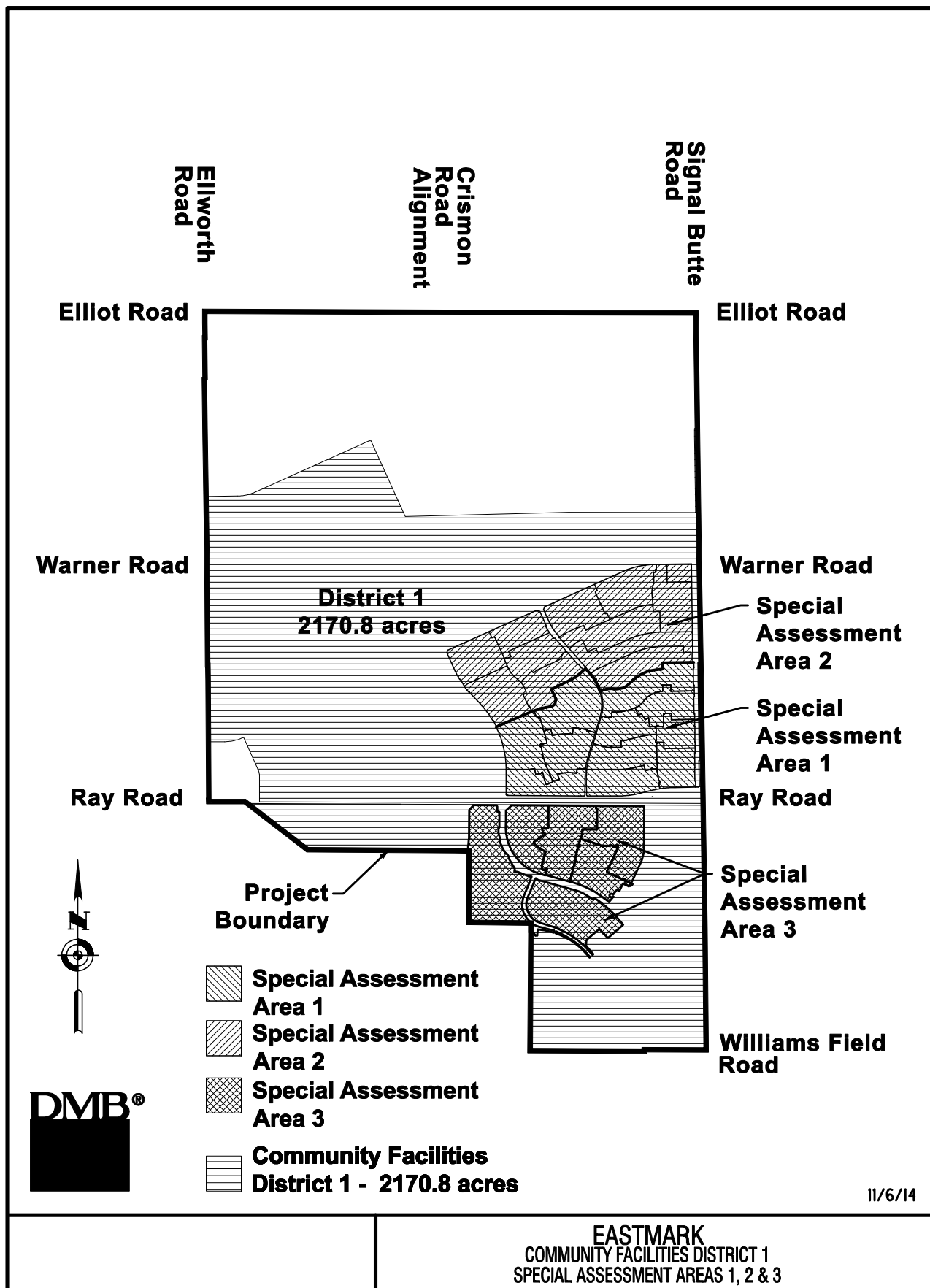
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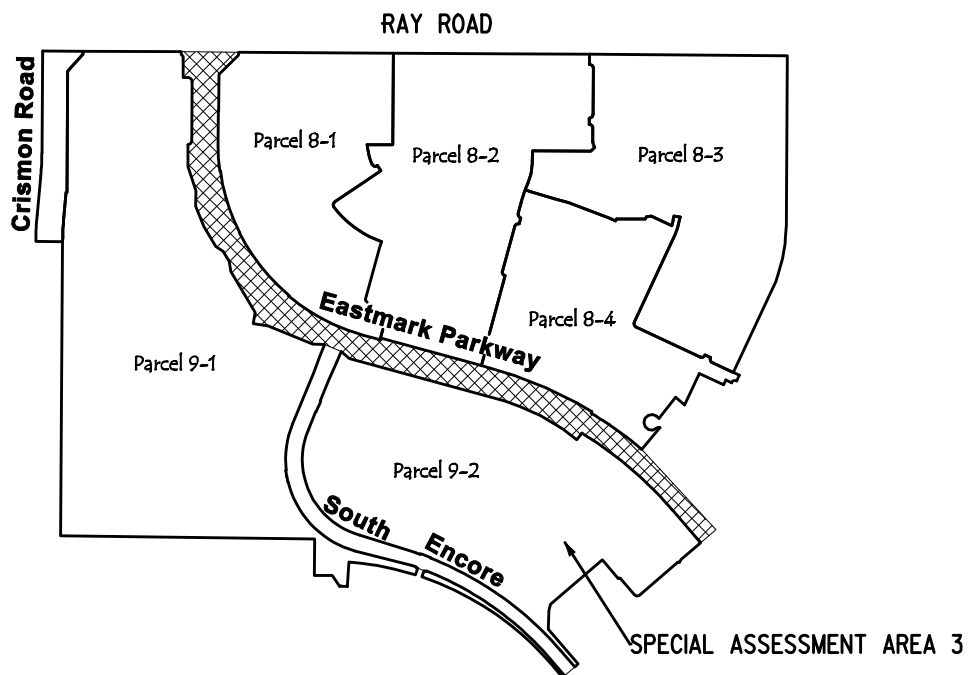
## **SECTION THREE**

### **MAP OF THE DISTRICT AND MAP OF ASSESSMENT DISTRICT NO. 3**

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 **Eastmark Parkway**



1"=1000'  
11/6/2014

**EASTMARK**  
**SPECIAL ASSESSMENT AREA 3 - DETAIL**

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## **SECTION FOUR**

### **ESTIMATE OF COST AND TIMETABLE FOR ACQUISITION OF PUBLIC INFRASTRUCTURE**

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**ESTIMATE OF COST AND TIMETABLE  
FOR ACQUISITION OF PUBLIC INFRASTRUCTURE**

The table in Section Two outlines the cost estimate and completion dates for the construction of the Public Infrastructure. Proceeds of the Bonds, after payment of the costs of issuance, will be used to finance the acquisition of all or a portion of the Public Infrastructure projects listed in Section Two.

Listed below is an estimated draw schedule of the proceeds of the Bonds for the acquisition of the Public Infrastructure.

<b>Public Infrastructure Project</b>	<b>Estimated Acquisition Price *</b>	<b>Completion Date **</b>	<b>Funds Draw Date</b>
Eastmark Parkway	\$3,734,497	December 2014	March, 2015
<b>Total</b>	<b>\$3,734,497</b>		

\* Based on contract bids by the District in May, 2014. A portion of the estimated acquisition price is anticipated to be financed with a subsequent special assessment bond issue.

\*\* Completion represents the date by which the Developer expects the Public Infrastructure to be constructed, which may differ from the date that it is accepted by the District/City.

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**SECTION FIVE**

**PLAN OF FINANCE**

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## PLAN OF FINANCE

Below is a financing plan that describes the process for financing a portion of the Public Infrastructure benefiting the property within Assessment District No. 3. 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) Formation and Authorization.**

In response to a petition from the Developer, the City Council formed the District on April 2, 2012. As contemplated by the District Development, Financing Participation, Waiver and Intergovernmental Agreement, the District has the authority to issue Assessment Bonds.

**(ii) Proposed Debt.**

The estimated debt service schedule for the Special Assessment Revenue Bonds is attached in this section as Table One. It is anticipated that the Bonds will be sold and delivered in March 2015. The Bonds will not be rated by any rating agency and will only be sold to investors who meet specific financial criteria.

**(iii) Per Lot Assessment Amount.**

The per lot assessment amount is expected to be no more than \$3,500 at the time of issuance of the Bonds. The Developer currently expects that at the time of sale of a home to the buyer, this amount will be assumed by the homebuyer and the assessment payments made over time. The approximate \$3,500 per home assessment results in an annual assessment payment of approximately \$300 per home, or \$25 per month. The special assessments will be collected on behalf of the District by the Maricopa County Treasurer's Office.

**(iv) Estimated Sources and Uses of Funds.**

The proceeds of the Bonds will be applied by the District to finance 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 District Assessment Bonds is:

**SOURCES:**

Principal amount of Bonds	\$1,942,000
Developer Contribution	<u>39,340</u>
Total	<u>\$1,981,340</u>

**USES:**

Cost of Public Infrastructure	\$1,630,380
Debt Service Reserve Fund	159,700
Costs of Issuance *	<u>191,260</u>
Total	<u>\$1,981,340</u>

\* Estimated Costs of Issuance

Underwriter's Discount	\$ 58,260
Bond Counsel	50,000
Underwriter's Counsel	35,000
Financial Advisor	30,000
Appraisal Fee	7,000
Registrar & Paying Agent	2,000
Printing	4,000
Miscellaneous	5,000
	<u><u>\$191,260</u></u>

**(v) Value to Lien Ratio.**

Included as Appendix 2 is a summary of the appraisal relating to the parcels to be included in Assesment District No. 3, prepared by Schnepf Ellsworth Appraisal Group, LLC on December 9, 2014. The appraisal demonstrates a value-to-lien ratio of a per lot basis in excess of 12-to-1. A complete copy of the appraisal report is available upon request.

**(vi) Disclosure of Assessment Payments.**

A.R.S. Section 32-2181 *et seq.* requires the disclosure of all property taxes and assessments to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the "Public Report"). Each homebuyer must be supplied a Public Report and, prior to any home sale, the homebuyer must acknowledge by signature that they have read and accepted the Public Report.

In addition, homebuilders within the Project will require the homebuyer to sign an additional form that highlights and discloses the additional assessment payments as a result of District financing.

**(vii) Operation and Maintenance of the Public Infrastructure**

All infrastructure financed by the District 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 administrative costs of the District and those costs associated with the operation and maintenance of the Public Infrastructure which are not the obligation of the City will be provided by several sources of funds: the levy of a \$.30 tax in the District, Homeowner's Association fees and Developer contributions.

The administrative costs of the District are provided by several sources of funds: the levy of a \$.30 tax in the District, master Homeowner's Association fees and Developer contributions. The operation and maintenance of the landscape tracts appurtenant to the Public Infrastructure is the obligation of the Encore HOA.

(viii) **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	2014-15	Net	Proportion Applicable to the District		2014-15
	Net Secondary	Outstanding	Approx. Percent	Net Amount	Combined
	Assessed Valuation	Bonded Debt (a)			Tax Rate Per \$100 Assessed (a)
State of Arizona	\$55,352,051,074	None	0.014%	None	\$0.0000
Maricopa County (b)	35,079,646,593	None	0.023%	None	2.3615
Maricopa County Community College District	35,079,646,593	\$654,190,000	0.023%	\$149,142	1.5187
Eastern Valley Institute of Technology District No. 401 (EVIT)	15,353,630,627	None	0.052%	0	0.0500
Queen Creek Unified School District No. 95	296,586,968	32,430,000	1.256%	407,321	6.5475
Gilbert Unified School District No. 41	1,596,222,809	116,680,000	0.045%	52,506	7.2284
City of Mesa	2,821,172,754	344,645,000	0.283%	976,997	1.1853
Eastmark Community Facilities District	7,997,436	3,250,000	100.000%	3,250,000	3.4397
				\$4,835,966	

(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 \$1.3209 of the County, 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 \$0.0556 tax rate of the County Free Library, the \$0.1856 tax rate of the Maricopa Special Health Care District, the \$0.5089 tax rate of the County Education Equalization and the \$0.0113 tax rate of the County Fire District. It should be noted that the County Flood Control District does not levy taxes on personal property.

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:

<b>Fiscal Year</b>	<b>Full Cash Value</b>	<b>Secondary Assessed Value</b>
2015-16 *	\$224,470,902	\$30,343,393
2014-15	57,385,829	7,997,436
2013-14	4,263,851	682,217

Source: Maricopa County Assessor's Office.

\* Represents early preliminary values provided by the Maricopa County Assessor's Office on 9/15/2014.



**TABLE TWO**  
**PRELIMINARY DEBT SERVICE SCHEDULE**

<b>Date</b>	<b>Par Amount</b>	<b>Interest (a)</b>	<b>Debt Service</b>
7/01/2016	\$2,000	156,978	158,978
7/01/2017	40,000	116,400	156,400
7/01/2018	45,000	114,000	159,000
7/01/2019	45,000	111,300	156,300
7/01/2020	50,000	108,600	158,600
7/01/2021	50,000	105,600	155,600
7/01/2022	55,000	102,600	157,600
7/01/2023	60,000	99,300	159,300
7/01/2024	60,000	95,700	155,700
7/01/2025	65,000	92,100	157,100
7/01/2026	70,000	88,200	158,200
7/01/2027	75,000	84,000	159,000
7/01/2028	80,000	79,500	159,500
7/01/2029	85,000	74,700	159,700
7/01/2030	90,000	69,600	159,600
7/01/2031	95,000	64,200	159,200
7/01/2032	100,000	58,500	158,500
7/01/2033	105,000	52,500	157,500
7/01/2034	110,000	46,200	156,200
7/01/2035	115,000	39,600	154,600
7/01/2036	125,000	32,700	157,700
7/01/2037	130,000	25,200	155,200
7/01/2038	140,000	17,400	157,400
7/01/2039	150,000	9,000	159,000
<b>Total</b>	<b>\$1,942,000</b>	<b>\$1,843,878</b>	<b>\$3,785,878</b>

(a) Interest is estimated at 6.00%.

Reviewed and accepted by:

DMB Mesa Proving Grounds, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

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## **APPENDIX 1**

### **LEGAL DESCRIPTION FOR EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1 ASSESSMENT DISTRICT NO. 3**

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## **EXHIBIT A**

### **LEGAL DESCRIPTION**

LOTS 1 THROUGH 74 INCLUSIVE, OF THE ESTATES AT EASTMARK, PARCEL 8-1, ACCORDING TO THE SUBDIVISION PLAT RECORDED IN BOOK 1179 OF MAPS, PAGE 6, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

LOTS 1 THROUGH 87 INCLUSIVE, OF THE ESTATES AT EASTMARK, PARCEL 8-2, ACCORDING TO THE SUBDIVISION PLAT RECORDED IN BOOK 1179 OF MAPS, PAGE 11, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

LOTS 1 THROUGH 64 INCLUSIVE, OF THE ESTATES AT EASTMARK, PARCEL 8-3, ACCORDING TO THE SUBDIVISION PLAT RECORDED IN BOOK 1179 OF MAPS, PAGE 10, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

LOTS 1 THROUGH 42 INCLUSIVE, OF THE ESTATES AT EASTMARK, PARCEL 8-4, ACCORDING TO THE SUBDIVISION PLAT RECORDED IN BOOK 1179 OF MAPS, PAGE 9, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

LOTS 1 THROUGH 189 INCLUSIVE, ENCORE AT EASTMARK, PARCEL 9-1, ACCORDING TO THE SUBDIVISION PLAT RECORDED IN BOOK 1179 OF MAPS, PAGE 7, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

LOTS 1 THROUGH 99 INCLUSIVE, ENCORE AT EASTMARK, PARCEL 9-2, ACCORDING TO THE SUBDIVISION PLAT RECORDED IN BOOK 1179 OF MAPS, PAGE 5, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA.

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## **APPENDIX 2**

### **SUMMARY OF APPRAISAL FOR ASSESSMENT DISTRICT NO. 3**

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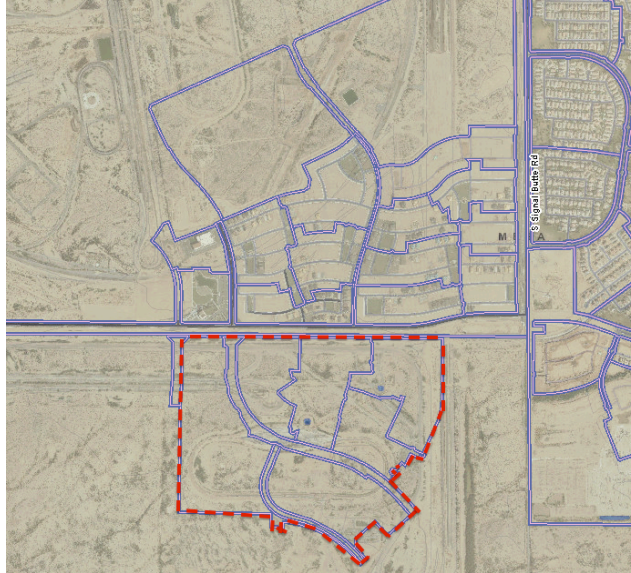
An Appraisal Report of the Market Value of the fee simple interest

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## Eastmark Community Facilities District #1, Special Assessment District #3

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Phases 8-1, 8-2, 8-3, 8-4, 8-5, 9-1, 9-2 and 9-3, at the southeast corner of Ray Road and  
Chrisman/Inspirion Road within the Estates and Encore at Eastmark Masterplanned  
Development, Mesa, Maricopa County, AZ



Prepared For:  
City of Mesa  
20 East Main Street  
Suite 400  
Mesa, AZ 85001

Inspection Date: November 16, 2014  
Valuation Date: November 16, 2014



Prepared by:  
Real Estate Appraisers/Consultants P.O. Box 2829, Mesa, Arizona, 85214  
Phone 480.497.1113 E-mail [larry@schnepfellsworth.com](mailto:larry@schnepfellsworth.com)  
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Real Estate Appraisers/Consultants P.O. Box 2829, Mesa, Arizona, 85214  
Phone 480.497.1113 E-mail larry@schnepfellsworth.com

December 9, 2014

File No. 14-1537

City of Mesa  
20 East Main Street  
Suite 400  
Mesa, AZ 85001

RE: Eastmark Community Facilities District #1, Special Assessment District #3 Phases 8-1, 8-2, 8-3, 8-4, 8-5, 9-1, 9-2 and 9-3, at the southeast corner of Ray Road and Chrisman/Inspiration Road within the Estates and Encore at Eastmark Masterplanned Development, Mesa, Maricopa County, AZ

Dear Sirs:

In accordance with the City of Mesa's request and authorization thereby for a Appraisal Report of the subject property, a vacant single-family residential subdivision site located on the Phases 8-1, 8-2, 8-3, 8-4, 8-5, 9-1, 9-2 and 9-3, at the southeast corner of Ray Road and Chrisman/Inspiration Road within the Estates and Encore at Eastmark Masterplanned Development, Mesa, Maricopa County, AZ, we hand you a narrative appraisal that describes and identifies methods of approach and valuation. The ownership, legal description, and identification of the property are set forth in the following report.

The purpose of this appraisal is to estimate the Market Value of the fee simple interest Market Value of the fee simple interest as of November 16, 2014. The date of initial inspection of the property was November 16, 2014. The intended users of this report are The City of Mesa (Client and Intended User), the underwriter RBC Capital Markets, the district financial advisor Wedbush Securities Inc, and district counsel Gust Rosenfeld P.L.C. (Intended Users). The intended use (function) of this appraisal will be in conjunction with the sale of tax-exempt assessment bonds, the proceeds of which will be used to finance public infrastructure within the Eastmark Community Facilities District No. 1 – Special Assessment District No. 3.

The value estimates are subject to the Underlying Assumptions and Contingent Conditions. The client is City of Mesa. This report details those pertinent physical and nonphysical factors relevant to the subject property. Information about the region in which the property is located, the subject neighborhood, site, highest and best use, and valuation methods and techniques are discussed in detail in the report that follows. Further, the value(s) reported are intended to conform with Code of Ethics and Standards of Professional Practice of the Appraisal Institute; the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations, appraisal guidelines.

It is prepared for the above stated purpose and function and is not to be used, given, sold, transferred, or relied upon by any other person or persons than the client without the prior express written permission of the authors. Inclusion of the appraisal (or parts thereof) within the Official Statement will be allowed but the Intended User(s) as long as the entire appraisal is referenced and pages included are not taken out of context.

The reader is also directed to the fact that the report is under copyright and any use, in whole or part, by anyone except the addressee is expressly prohibited. "Market Value" is defined in the body of the report on page 20. For purposes of this analysis, Marketing Time is estimated at 9 to 12 months.

On the basis of data in the body of the report, we have concluded to a final estimate of the Market Value of the fee simple interest as of November 16, 2014, with an inspection date of November 16, 2014, subject to Underlying Assumptions, Limiting and Hypothetical Conditions contained in this report, my opinion is as follows:

Parcel	Total Lots	As Is Per lot	As Is Parcel Value	As If Complete Per lot	As If Complete Parcel Value
8-1	74	\$42,500	\$3,145,000	\$70,000	\$5,180,000
8-2	87	\$45,500	\$3,958,500	\$74,500	\$6,481,500
8-3	64	\$58,500	\$3,744,000	\$95,500	\$6,112,000
8-4	42	\$55,500	\$2,331,000	\$91,500	\$3,843,000
9-1	189	\$42,500	\$8,032,500	\$70,000	\$13,230,000
9-2	99	\$46,500	\$4,603,500	\$76,500	\$7,573,500



Respectfully submitted,

**Schnepf Ellsworth Appraisal Group LLC**



Larry D. Schnepf, MAI, SRPA

Certified Arizona General Real Estate Appraiser

Certificate # 30284, expires 8/31/2016

The executive summary is used with permission of the author and is incorporated into the entire report by reference. The executive summary is subject to the Underlying Assumptions and Limiting Conditions and Extraordinary Assumptions and Hypothetical Conditions identifies in the full report.

To be fully understood, this appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis that are set forth in the report were prepared by the appraiser whose signature appear on the appraisal report." No change of any item in the report shall be made by anyone other than the appraisers, and the appraisers and associated company shall have no responsibility if any such unauthorized change is made.

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## Executive Summary

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<i>Type of Property:</i>	The subject consists of vacant single-family residential subdivision site
<i>Type of Report:</i>	Appraisal Report
<i>Class:</i>	single-family residential subdivision land
<i>Job No.:</i>	14-1537
<i>Job. Name:</i>	Eastmark Community Facilities District #1, Special Assessment District #3
<i>Location:</i>	The subject is located at the southeast corner of Ray Road and Chrisman/Inspiration Road within the Estates and Encore at Eastmark Masterplanned Development, Mesa, Arizona.
<i>Legal Description:</i>	A full legal description is included within the report. The legal description was obtained from public records.
<i>Statement of Ownership:</i>	Documents detailing the ownership retained in the addenda. Ownership is currently in the name of AV EM LLC (Parcel 9-1, 9-1); and EM 646 LLC (Parcels 8-1, 8-2, 8-3, 8-4). The subject is being developed to a stage that includes finished infrastructure (utilities, paved streets, curbs, gutters and sidewalks) at which point homebuilders will take possession of the bulk site that will consist of between 42 and 99 lots. As of the date of the appraisal, the following was provided to the appraiser.
<i>Form of Ownership:</i>	Fee Simple Interest
<i>Property Rights Appraised:</i>	Market Value of the fee simple interest.
<i>Intended User/Intended Use (Function) of the Report:</i>	The intended users of this report are The City of Mesa (Client and Intended User), the underwriter RBC Capital Markets, the district financial advisor Wedbush Securities Inc, and district counsel Gust

Rosenfeld P.L.C. (Intended Users). The intended use (function) of this appraisal will be in conjunction with the sale of tax-exempt assessment bonds, the proceeds of which will be used to finance public infrastructure within the Eastmark Community Facilities District No. 1 – Special Assessment District No. 3.

*Improvements Summary:* The subject consist of 6 master-platted parcels consisting of 555 planned lot within the Eastmark Units 8 and 9 Development.

*Assessor's Parcel:*

<b>Eastmark Parcel # 8-1</b>	<b>Acres</b>	<b>Lots</b>	<b>Lot Numbers</b>	<b>Parcel Numbers</b>
Lots	15.282	74	1 to 74	304-35-349 to 422
City Right-of-Way PS Tract	3.366		Tract PS	304-35-432
Park/Retention Tracts (A thru-I)	4.265		Tract A to I	304-35-423 to 431
Total	22.912	74		
<b>Eastmark Parcel # 8-2</b>	<b>Acres</b>	<b>Total # of Lots</b>		
Lots	21.097	87	1 to 87	304-35-433 to 519
City Right-of-Way PS Tract	4.133		Tract PS	304-35-527
Park/Retention Tracts (A thru-I)	4.751		Tract A to G	304-35-520 to 526
Total	29.981	87		
<b>Eastmark Parcel # 8-3</b>	<b>Acres</b>	<b>Total # of Lots</b>		
Lots	17.863	64	1 to 64	304-35-578 to 641
City Right-of-Way PS Tract	10.026		Tract PS	304-35-647
Park/Retention Tracts (A thru-I)	3.526		Tract A to E	304-35-642 to 646
Total	31.415	64		
<b>Eastmark Parcel # 8-4</b>	<b>Acres</b>	<b>Total # of Lots</b>		
Lots	13.326	42	1 to 42	304-35-528 to 569
City Right-of-Way PS Tract	3.501		Tract PS	304-35-577
Park/Retention Tracts (A thru-I)	4.181		Tract A to E	304-35-570 to 576
Total	21.008	42		
<b>Eastmark Parcel # 9-1</b>	<b>Acres</b>	<b>Total # of Lots</b>		
Lots	38.741	189	1 to 189	304-35-043 to 231
City Right-of-Way PS Tract	7.323		Tract PS	304-35-243
Park/Retention Tracts (A thru-I)	11.099		Tract A to M	304-35-232 to 242
Total	57.164	189		
<b>Eastmark Parcel # 9-2</b>	<b>Acres</b>	<b>Total # of Lots</b>		
Lots	18.751	99	1 to 99	304-35-244 to 342
City Right-of-Way PS Tract	3.614		Tract PS	
Park/Retention Tracts (A thru-I)	14.462		Tract A to F	304-35-343 to 348
Total	36.827	99		
<b>Eastmark Parcel # 8-1 to 4 and 9</b>	<b>Acres</b>	<b>Total # of Lots</b>		
Lots	125.061	555		
City Right-of-Way PS Tract	31.962			
Park/Retention Tracts (A thru-I)	42.285			
Total	199.307	555		

*Flood Zone Designation:* Zone D, Panel number 04013C2705F, Unpublished.

*Site Area:* 199.307 acres

*Zoning:* PC, City of Mesa

*Topography:* The property is basically level. No soil report were provided to the appraisers.

*Easements:* Except for zoning restrictions, no other hazards or nuisances were noted which would adversely affect the subject site. The appraisers assume no conditions exist that would adversely affect title.

*Nuisance and Hazards:* No environmental reports were provided to the appraiser. No adverse environmental conditions were noted within this report. No known nuisances, hazards or environmental problems exist.

*Highest and Best Use:* As Is – Single-family residential

*Marketing Time:* 9 to 12 months

*Unit Type:* The most applicable site unit measurement is price per square foot.

*Date of Inspection:* November 16, 2014

*Date of Valuation:* November 16, 2014

*Valuation Conclusions:*

Parcel	Total Lots	As Is Per lot	As Is Parcel Value	As If Complete Per lot	As If Complete Parcel Value
8-1	74	\$42,500	\$3,145,000	\$70,000	\$5,180,000
8-2	87	\$45,500	\$3,958,500	\$74,500	\$6,481,500
8-3	64	\$58,500	\$3,744,000	\$95,500	\$6,112,000
8-4	42	\$55,500	\$2,331,000	\$91,500	\$3,843,000
9-1	189	\$42,500	\$8,032,500	\$70,000	\$13,230,000
9-2	99	\$46,500	\$4,603,500	\$76,500	\$7,573,500