

When recorded, please return to:
CITY OF MESA
REAL ESTATE SERVICES
P.O. Box 1466
Mesa, AZ 85211-1466

This Development Agreement ("Agreement") is made and entered into this ____ day of _____, 20__ by and between the City of Mesa, a Municipal Corporation, hereinafter referred to as "Mesa", and *DMB Mesa Proving Grounds, LLC* a Delaware limited liability company, hereinafter referred to as "Developer".

RECITALS

Whereas, Developer intends to develop certain real property known as *Eastmark – Ray Road and Signal Butte Road* located at *10813 E. Ray Road*, Mesa, Arizona, as a *residential development*, and as more particularly described on Exhibit A attached hereto (the "Property");

Whereas, Developer is the owner of the Property;

Whereas, Developer, subject to the regulations contained in the Mesa City Code, shall be required by Mesa to cause, in conjunction with the development of the Property, the design, installation and/or construction of certain specific offsite improvements ("Public Improvements") as identified on Mesa approved engineering drawing(s) A192955 through A192959;

Whereas, said development of the Property creates a fundamental need for Public Improvements from which Developer's Property shall derive specific benefits;

Whereas, said Public Improvements are also required to promote the public interest and for the purpose of ensuring that Mesa's minimum standards for transportation, utility service, and infrastructure are maintained;

Whereas, because certain required Public Improvements entail oversizing to meet regional as well as local demands ("Oversize Improvements"), Developer seeks Mesa's proportional financial participation ("City Share") in the additional costs incurred beyond Developer's fair share;

Whereas, Arizona law mandates that when City Share for a single development is estimated to exceed a specific dollar amount as defined in A.R.S. § 34-201(G), ("Cost Limit"), all Oversize Improvements that qualify for City Share shall be offered through the public bidding process as administered by Mesa, including Developer's execution of a contract with the lowest qualified bidder ("Low Bidder") at unit prices as identified by Mesa;

Whereas, if Developer declines to offer all Oversize Improvements that qualify for City Share through the public bidding process as administered by Mesa, City Share shall be limited to the "Cost Limit", which Developer and Mesa agree to be One Hundred Twelve Thousand dollars (\$112,000) for purposes of this Agreement; and

Whereas, Developer's and Mesa's obligations for Public Improvements, Oversize Improvements and City Share pertaining to this Property are generally described as follows:

DEVELOPER'S PUBLIC IMPROVEMENTS AND OVERSIZE IMPROVEMENTS OBLIGATIONS:

Subject to Mesa's City Share obligations as described in this Agreement and Exhibit B attached hereto, Developer shall be responsible for all costs associated with the design, installation and/or construction of all Public Improvements and Oversize Improvements as identified on Mesa approved engineering drawing(s) A192955 through A192959 and specifically assigned to Developer as identified in Exhibit B ("Developer's Costs").

MESA'S CITY SHARE OBLIGATIONS:

Subject to Developer's Public Improvements and Oversize Improvements obligations as described in this Agreement and Exhibit B attached hereto, Mesa shall provide City Share to Developer for specific costs relating to the design, installation and/or construction of Oversize Improvements as identified on Mesa approved engineering drawing(s) A192955 through A192959 and specifically assigned to Mesa as identified in Exhibit B ("Mesa's Costs").

AGREEMENT

Now, therefore, in consideration of the foregoing Recitals and representations and the mutual promises and covenants in this Agreement, it is agreed as follows:

1. The foregoing Recitals are confirmed to be true and accurate and are hereby incorporated by reference into this Agreement.
2. Mesa agrees:
 - 2.1 To accept financial responsibility for City Share in only those costs for items specifically identified as Oversize Improvements in this Development Agreement and assigned to Mesa as identified in Exhibit B (Mesa's costs).
 - 2.1.1 If the contract for Oversize Improvements is publicly bid, Mesa's costs shall be limited to only those costs identified in Exhibit B with quantities to be verified by Mesa in accordance with progress payment procedures, and to any additional costs approved by an authorized representative of Mesa on an executed change order pursuant to the Developer/Low Bidder contract. All other costs and

liabilities known and unknown shall remain that of Developer.

2.1.2 If the contract for Oversize Improvements is not publicly bid, Mesa's Costs shall be limited to the unit costs incurred for only those items identified in Exhibit B as Mesa's Costs. There shall be no cost adjustments, and Mesa shall pay for only actual quantities used for Oversize Improvements. In no event shall Mesa's Costs exceed the Cost Limit. All other costs and liabilities known and unknown shall remain that of Developer. Further, Sections 2.2 through 2.5 of this Agreement apply only to contracts that publicly bid.

2.2 To financially participate in Developer's Costs for Oversize Improvements only as described in this Agreement and identified as Mesa's Costs on Exhibit B, by making monthly progress payments for the Oversize Improvements during the course of the Developer/Low Bidder contract.

2.3 To start the monthly progress payment cycle with the date of the Notice to Proceed issued by Developer in conjunction with the Developer/Low Bidder contract.

2.4 To coordinate preparation of progress payments with Mesa's Construction Inspector and Low Bidder based on a list of the quantities for each item of Oversize Improvements completed during the monthly progress payment period.

2.5 To process progress payments through the office of Mesa's Development and Sustainability Department's Development Planning Specialist within fourteen (14) days (except final City Share payment) of Mesa approval in the form of a two-party check made out to both Developer and Low Bidder.

2.6 To remit final City Share payment to Developer within ninety (90) days of Mesa's approval and acceptance of all Oversize Improvements and receipt of Developer's invoices, lien releases, and proof-of-payment(s). The approval and acceptance date ("Acceptance") occurs upon Mesa's final inspection and approval of the site. If final invoices, lien releases, and proof-of-payment(s) are not received within one (1) year of Acceptance by Mesa, the Developer waives all rights to any remaining payment.

2.7 To assume ownership of all Public Improvements and Oversize Improvements and to control and maintain same as a part of Mesa facilities, after completion and Acceptance.

3. Developer agrees:

3.1 To offer all Oversize Improvements that qualify for City Share through the

public bidding process as administered by Mesa, or private bidding process administered by Developer (in which case City Share shall be limited to the Cost Limit). If the contract for Oversize Improvements is not publicly bid, Sections 3.2 through 3.6 of this Agreement do not apply.

3.2 To execute a contract with Low Bidder (utilizing Mesa's contract documents as contained in the public bid package) for the exact unit costs related to said Oversize Improvements as identified in Low Bidder's proposal received during the public bidding process.

3.3 To provide Mesa with copies of said contract with Low Bidder, clearly identifying the unit costs of the Oversize Improvements, prior to issuance of the first Right-of-Way permit to be issued in conjunction with the installation or construction of the Oversize Improvements.

3.4 To comply with all aspects of Mesa's policy and procedures for City Share in the Oversize Improvements as prescribed in this Agreement by making formal written progress payment requests to the office of the Development Sustainability Department's Development Planning Specialist on or before the monthly payment cycle date.

3.5 To remit Developer's monthly progress payment for Public Improvements to Low Bidder prior to or concurrently with Mesa's monthly progress payment for Oversize Improvements to Developer/Low Bidder.

3.6 To provide Mesa with proof-of-payment to Low Bidder by Developer for Public Improvements and Oversize Improvements for the previous month as a part of each subsequent monthly progress payment request.

3.7 To provide Mesa with copies of all invoices, lien releases, and proof-of-payment(s) with the formal written request for final City Share payment, as described more fully in Section 2.6 of this Agreement.

3.8 To accept financial responsibility for all Public Improvements and Oversize Improvements, and liabilities known and unknown, other than City Share in Oversize Improvements costs specifically assigned to Mesa as identified in this Agreement and Exhibit B as Mesa Costs.

3.9 To bear all risk of loss, damage, or failure to the Public Improvements and Oversize Improvements until Acceptance.

3.10 To assign to Mesa, at Mesa's request, all of Developer's rights and privileges respecting warranty and maintenance of the Public Improvements and Oversize Improvements, following Mesa's Acceptance of the Public Improvements and Oversize Improvements.

3.11 To defend, indemnify, and hold harmless Mesa from any and all claims, demands, costs, expenses, damages, losses, obligations, judgments, or lawsuits that arise from or relate in any way to any act or omission by Developer or its contractors or agents undertaken in fulfillment of Developer's obligations under this Agreement.

3.12 To the extent applicable under A.R.S. § 41-4401 and § 23-214, Developer represents and warrants compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements of A.R.S. § 23-214(A). Breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by Mesa. Mesa retains the legal right to randomly inspect the papers and records of any employee who works under this Agreement to ensure compliance with the above-mentioned laws.

3.13 The parties acknowledge the applicability of A.R.S. § 35-392 and Developer guarantees that it is not a company in violation of section 6(j) of the federal Export Administration Act.

4. Miscellaneous:

4.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona.

4.2 Time is of the essence with respect to the performance of each of the obligations, covenants and agreements contained in this Agreement.

4.3 This Agreement shall automatically terminate when the first of the following three (3) events occurs:

4.3.1 Satisfaction of each parties responsibilities as set forth in the Agreement.

4.3.2 One (1) year after Acceptance by Mesa.

4.3.3 Five (5) years after the date this Agreement is entered into, if neither party has materially performed under this Agreement nor taken any actions to their detriment in reliance on this Agreement.

4.4 In the event that either party defaults in the performance of its obligations contained in this Agreement, the non-defaulting party shall have all remedies available at law and at equity according to the laws of the State of Arizona.

4.4.1 Failure or unreasonable delay by either party to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement. The non-breaching party shall notify the breaching party in writing of the breach, specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. If the breach can be, but is not, cured within thirty (30) days after written notice thereof ("Cure Period"), the breach shall constitute a default under this Agreement.

4.4.2 Nothing contained in Section 4.4.1 is intended to limit Mesa's right to declare a default or terminate this Agreement immediately in the event any act or omission by Developer or its contractor in connection with this Agreement poses an unreasonable risk of harm or liability to Mesa or the public.

4.5 This Agreement shall run with the Property and shall be binding upon the parties hereto and their respective successors and assigns. Developer may not assign its interests hereunder to any successor-in-interest of all or any portion of the Property without the prior written consent of Mesa, which consent shall not be unreasonably withheld. Any such assignment shall, at a minimum, include a written agreement of the assignee to perform Developer's obligations as set forth in this Agreement.

4.6 The individuals executing this Agreement on behalf of the parties hereto represent they have authority to execute this Agreement on behalf of such parties, and upon execution by the last party, this Agreement shall be binding. No later than ten (10) days after Mesa and Developer have executed this Agreement it shall be recorded in its entirety in the official records of Maricopa County, Arizona.

4.7 Nothing in this Agreement shall be deemed as creating a joint venture, partnership, or any other cooperative or joint arrangement between Developer and Mesa. Until Mesa accepts ownership of the Public Improvements and Oversize Improvements, Mesa's sole responsibility shall be to assist in funding the construction cost of the Oversize Improvements pursuant to this Agreement.

4.7.1 Developer and Mesa agree that the benefits of this Agreement are solely intended for Mesa and Developer; there are no third-party beneficiaries intended for this Agreement. No contractor, Low Bidder or otherwise, nor anyone working for or supplying to such contractor, is intended to be a third-party beneficiary of this Agreement.

4.8 Developer acknowledges that changes requested by Mesa shall only be done by formal written approval through the Development and Sustainability Department Director. Developer further acknowledges that any changes requested either by Developer or Mesa may require Developer to put all Oversize

Improvements through the public bidding process.

4.9 In the event it becomes necessary for Mesa or Developer to employ legal counsel or to bring any action or proceeding to enforce any provisions hereof, the prevailing party shall be entitled to recover its costs and expenses incurred, including reasonable attorneys' fees.

4.10 All notices provided for herein shall be delivered personally or sent by certified United States Mail, postage pre-paid, return receipt requested to:

Mesa: City of Mesa
P.O. Box 1466
Mesa, AZ 85211-1466
Attn: Development and Sustainability
Department Director

With a copy to: City of Mesa
P.O. Box 1466
Mesa, AZ 85211-1466
Attn: City Attorney

Developer: DMB Mesa Proving Grounds LLC
7600 E. Doubletree Ranch Road, Suite 300
Scottsdale, AZ 85258
Attn: Dea McDonald

Or to such other address or addresses as may hereafter be specified by notice given by any of the above for itself to the others. Any notice or other communication directed to a party to this Agreement shall become effective upon the earliest of the following: (a) actual receipt by that party; (b) personal delivery to the address of the party, addressed to the party; or (c) if given by certified or registered U.S. Mail, return receipt requested, thirty-six (36) hours after deposit with the United States Postal Service, addressed to the party.

4.11 Each of the parties represents and warrants to the other: (a) that it is duly formed and validly existing under the laws of Arizona; (b) that it is authorized to conduct business in Arizona with respect to the Developer; and (c) that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

4.12 If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining

provisions permit the parties to obtain the practical benefits of this Agreement. Otherwise, either party may terminate this Agreement.

4.13 Any dispute with respect to this Agreement and the rights and duties created by this Agreement shall be litigated in Superior Court of Maricopa County in the State of Arizona. The Parties shall not raise, and hereby waive, any defenses based on venue, inconvenience of forum, or lack of personal jurisdiction in any action or suit brought in accordance with this Section. **The Parties acknowledge that they have read and understand this clause and agree voluntarily to its terms.**

4.14 Pursuant to A.R.S. § 38-511, Mesa may cancel this Agreement at any time within three (3) years after its execution without further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of Mesa is or becomes at any time while the Agreement is in effect an employee of or consultant to any other party to this Agreement. The cancellation shall be effective upon receipt of written notice of the cancellation unless the notice specifies another time.

4.15 Pursuant to A.R.S. § 42-17106, Mesa is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. Mesa represents that it intends to pay all monies due under this Agreement if such funds have been legally appropriated. Mesa agrees to actively request funding for future fiscal periods in order to satisfy the terms of this Agreement. However, in the event that an appropriation is not granted and operating funds are not otherwise legally available to pay the monies due or to become due under this Agreement, Mesa shall have the right to terminate the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, Mesa agrees to provide a minimum of thirty (30) calendar days' advance written notice of its intent to terminate.

4.16 All exhibits attached to this Agreement are incorporated into and made an integral part of this Agreement for all purposes by this reference.

SIGNATURES ON THE NEXT PAGE

In Witness Whereof, the parties have caused these presents to be executed the day and year written herein below,

Developer:

By: _____

Its: _____

Date: _____

STATE OF ARIZONA)
)SS
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, as _____ of DMB Mesa Proving Grounds LLC, a Delaware Limited Liability Company on behalf of the limited liability limited company.

Notary Public

My Commission Expires:

Mesa: City of Mesa, a Municipal Corporation

By: _____
Development Services Department Director

Date: _____

STATE OF ARIZONA)
)SS
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by _____, as Development Services Department Director of City of Mesa, a Municipal Corporation, on behalf of the corporation.

Notary Public

My Commission Expires:

Approved as to Form

City Attorney

EXHIBIT A

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

Revised October 21, 2008
Revised June 16, 2008
September 24, 2007
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Exhibit 'A'

PARCEL DESCRIPTION Mesa Proving Grounds Proposed Overall Boundary

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 northwest corner of said Section 15, a 3-inch Maricopa County Department of Transportation brass cap in handhole stamped 2007 RLS 35694, from which the north quarter corner of said Section 15, a 2-inch Maricopa County aluminum cap stamped RLS 38563, bears South 89°37'01" East (basis of bearing), a distance of 2639.46 feet;

THENCE along the north line of said Section 15, South 89°37'01" East, a distance of 50.01 feet, to the **POINT OF BEGINNING**;

THENCE continuing, South 89°37'01" East, a distance of 2589.45 feet, to the north quarter corner of said Section 15;

THENCE South 89°37'46" East, a distance of 2628.91 feet, to the northeast corner of said Section 15, a 3-inch Maricopa County brass cap flush stamped 2002 RLS 36563;

THENCE leaving said north line, along the north line of said Section 14, South 89°41'01" East, a distance of 2658.58 feet, to the north quarter corner of said Section 14, an iron pipe with no identification;

THENCE South 89°45'48" East, a distance of 2661.68 feet, to the northeast corner of said Section 14, a 3-inch Maricopa County brass cap flush stamped 2002 RLS 36563;

THENCE leaving said north line, along the east line of said Section 14, South 00°38'25" East, a distance of 33.00 feet, to the northeast corner of that certain parcel of land described in Document No. 2007-1007585, Maricopa County Records (M.C.R.);

THENCE leaving said east line, along the north line of said parcel of land, North 89°46'13" West, a distance of 40.57 feet, to the northwest corner of said parcel of land;

THENCE leaving said north line, along the westerly line of said parcel of land, South 00°39'10" East, a distance of 42.00 feet;

THENCE South 89°45'28" East, a distance of 15.17 feet;

THENCE South 03°26'56" East, a distance of 403.87 feet, to the southwest corner of said parcel of land;

THENCE leaving said westerly line, along the south line of said parcel of land, North 89°21'35" East, a distance of 5.60 feet, to the southeast corner of said parcel of land and the east line of said Section 14;

THENCE leaving said south line, along the east line of said Section 14, South 00°38'25" East, a distance of 2157.16 feet, to the east quarter corner of said Section 14, a 3-inch City of Mesa brass cap in handhole;

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;

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Mesa Proving Grounds
Proposed Overall Boundary**

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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 14, 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, Maricopa County Records (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 2597.52 feet, to the easterly right-of-way line of Ellsworth Road as described in Quit Claim Deed recorded in Docket 1606, page 249, (DKT.1) M.C.R.;

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°16'04" West, a distance of 25.00 feet;

THENCE leaving said DKT.1 and parallel line, South 89°38'34" East, a distance of 5.00 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 (DOC.1), M.C.R.;

THENCE along said easterly right-of-way line, a line parallel to and 55 feet east of the west line of said Section 22, North 00°16'04" West, a distance of 2571.31 feet;

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

THENCE leaving said DOC.1, North 89°38'34" West, a distance of 5.00 feet, to said easterly right-of-way line per 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 2638.13 feet;

THENCE North 00°34'56" West, a distance of 1177.68 feet;

THENCE leaving said parallel line, North 57°48'44" East, a distance of 17.61 feet, to a line parallel to and 65 feet east of the west line of said Section 15;

THENCE along said parallel line, North 00°34'56" West, a distance of 870.51 feet;

THENCE leaving said parallel line, North 89°25'04" East, a distance of 10.00 feet, to a line parallel to and 75 feet east of the west line of said Section 15;

THENCE along said parallel line, North 00°34'56" West, a distance of 484.70 feet;

THENCE leaving said parallel line, North 44°54'02" East, a distance of 21.03 feet, to a line parallel to and 65 feet south of the north line of said Section 15;

THENCE along said parallel line, South 89°37'01" East, a distance of 2548.36 feet;

THENCE South 89°37'46" East, a distance of 2628.95 feet;

THENCE leaving said parallel line, along a line parallel to and 65 feet south of the north line of said Section 14, South 89°41'01" East, a distance of 2659.74 feet;

THENCE leaving said parallel line, North 00°40'39" West, a distance of 32.00 feet, to the south line of that certain easement for highway purposes described in Docket 12368, page 462, M.C.R.;

THENCE along said south line, a line parallel to and 33 feet south of the north line of said Section 14, North 89°41'01" West, a distance of 2659.17 feet, to the south line of that certain easement for highway purposes described in Docket 12368, page 460, M.C.R.;

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THENCE along said south line, a line parallel to and 33 feet south of the north line of said Section 15, North 89°37'46" West, a distance of 2628.93 feet;
THENCE continuing, North 89°37'01" West, a distance of 2588.90 feet, to the easterly right-of-way line of Ellsworth Road;
THENCE leaving said south line, along said easterly right-of-way line of Ellsworth Road, a line parallel to and 50 feet east of said Section 15, North 00°34'56" West, a distance of 33.00 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**;

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 along said northerly right-of-way line, a line parallel to and 33 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 and 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;

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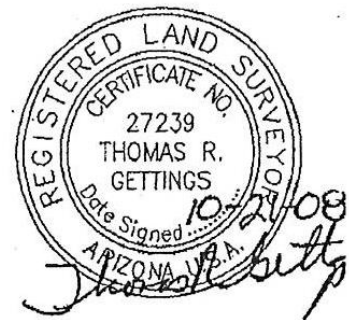
THENCE continuing, South 89°37'09" East, a distance of 2665.75 feet, to the **POINT OF BEGINNING**.

Containing 3,154.3527 acres, or 137,403,604 square feet of land, more or less.

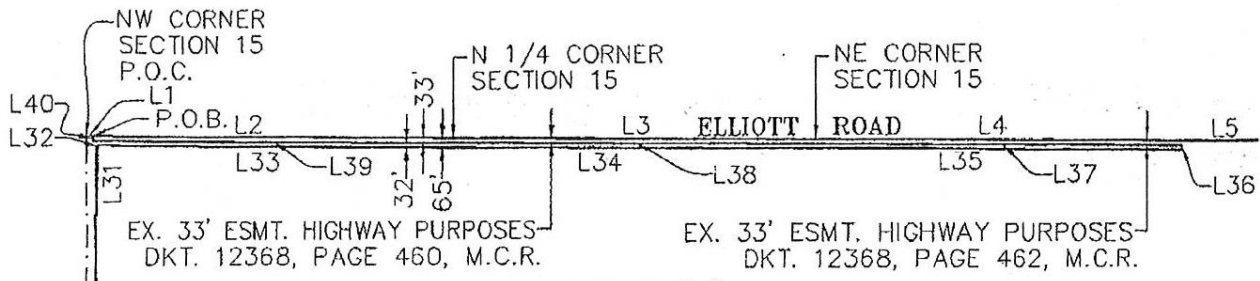
Subject to existing rights-of-way and easements.

This parcel description is based on the unrecorded ATLA 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 06-30-11



DETAIL "A"
N.T.S.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S89°37'01"E	50.01'
L2	S89°37'01"E	2589.45'
L3	S89°37'46"E	2628.91'
L4	S89°41'01"E	2658.58'
L5	S89°45'48"E	2661.68'
L6	S00°38'25"E	33.00'
L7	N89°46'13"W	40.57'
L8	S00°39'10"E	42.00'
L9	S89°45'28"E	15.17'
L10	S03°26'56"E	403.87'
L11	N89°21'35"E	5.60'
L12	S00°38'25"E	2157.16'
L13	S00°37'57"E	2640.25'
L14	S00°50'18"E	2628.64'
L15	S00°42'59"E	2597.28'
L16	N89°37'09"W	2664.99'
L17	N89°38'35"W	2664.76'
L18	N89°36'10"W	2658.23'
L19	N89°38'34"W	2597.52'
L20	N00°16'04"W	25.00'
L21	S89°38'34"E	5.00'
L22	N00°16'04"W	2571.31'
L23	N00°14'45"W	324.85'
L24	N89°38'34"W	5.00'
L25	N00°14'45"W	2310.10'
L26	N00°42'29"W	2638.13'
L27	N00°34'56"W	1177.68'
L28	N57°48'44"E	17.61'
L29	N00°34'56"W	870.51'
L30	N89°25'04"E	10.00'

LINE TABLE		
LINE	BEARING	DISTANCE
L31	N00°34'56"W	484.70'
L32	N44°54'02"E	21.03'
L33	S89°37'01"E	2548.36'
L34	S89°37'46"E	2628.95'
L35	S89°41'01"E	2659.74'
L36	N00°40'39"W	32.00'
L37	N89°41'01"W	2659.17'
L38	N89°37'46"W	2628.93'
L39	N89°37'01"W	2588.90'
L40	N00°34'52"W	33.00'
L41	S00°42'59"E	40.01'
L42	S00°43'36"E	2644.19'
L43	S00°25'08"E	2591.81'
L44	N89°33'33"W	1325.51'
L45	S00°34'39"E	33.01'
L46	N89°33'33"W	1325.41'
L47	N89°38'20"W	1119.51'
L48	N00°28'37"E	2730.93'
L49	N89°13'26"W	1323.87'
L50	N00°23'52"E	1531.75'
L51	N89°29'17"W	3465.06'
L52	N52°18'31"W	1625.16'
L53	S89°38'34"E	1770.29'
L54	S89°36'10"E	2658.23'
L55	S89°38'35"E	2664.76'
L56	S89°37'09"E	2665.75'

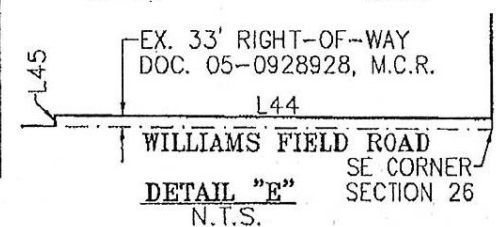
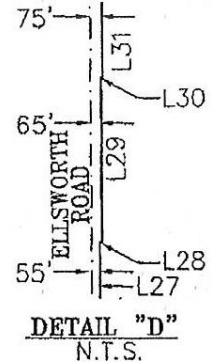
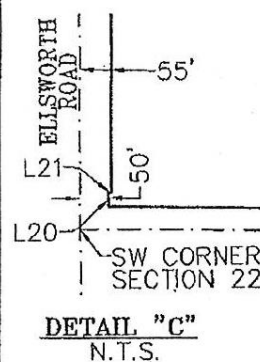
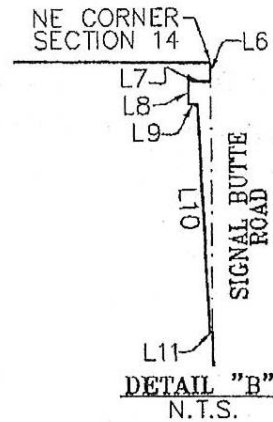
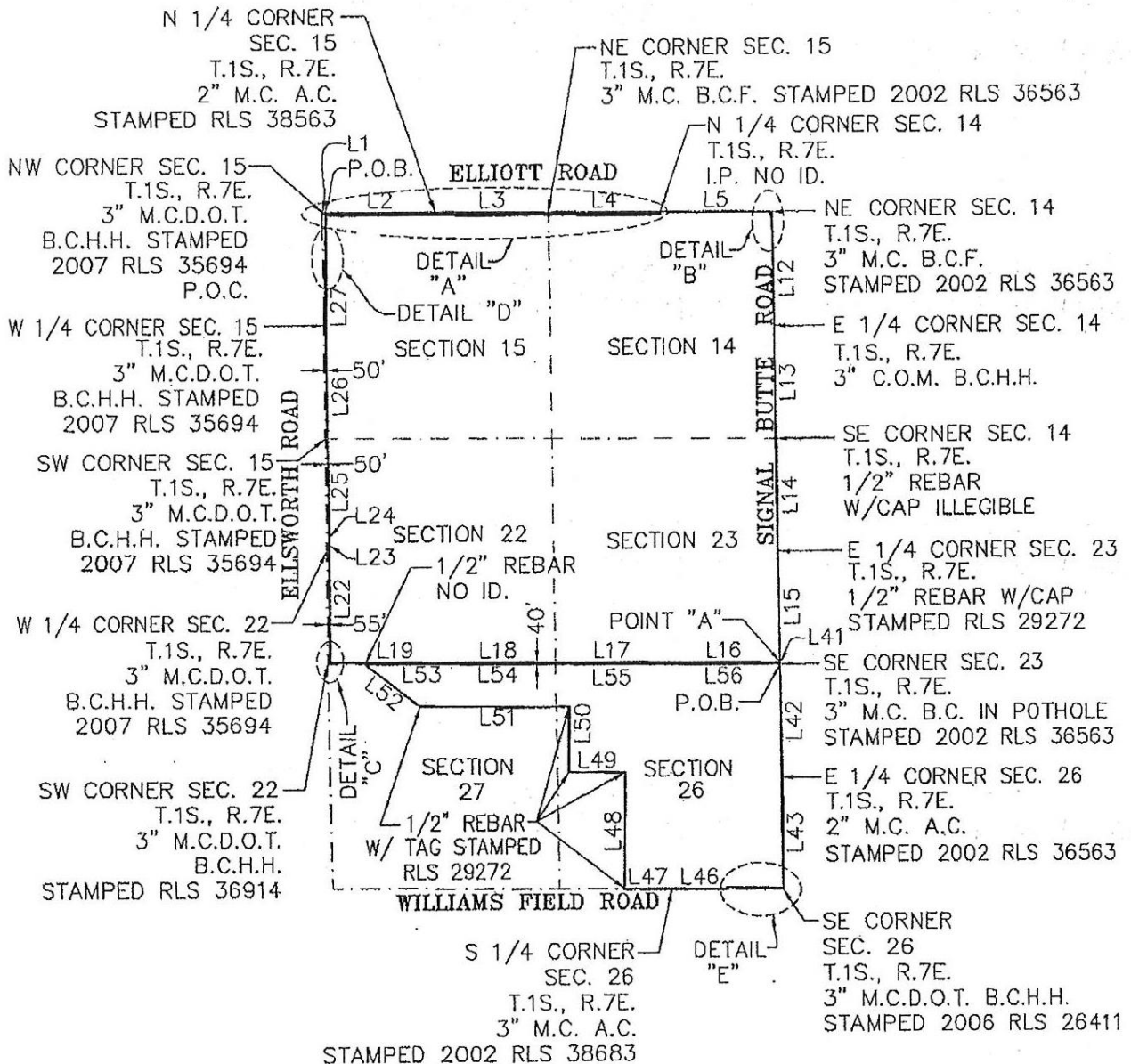


EXHIBIT "B"

MESA PROVING GROUNDS
PROPOSED OVERALL BOUNDARY
REVISED 10-21-08
WP#062753.26
PAGE 6 OF 6
NOT TO SCALE
T: \2006\062753\LEGAL
2753L02-DB\DWG\2753L02RR

WOOD/PATEL
1855 North Stapley Drive
Mesa, AZ 85203
Phone: (480) 834-3300
Fax: (480) 834-3320
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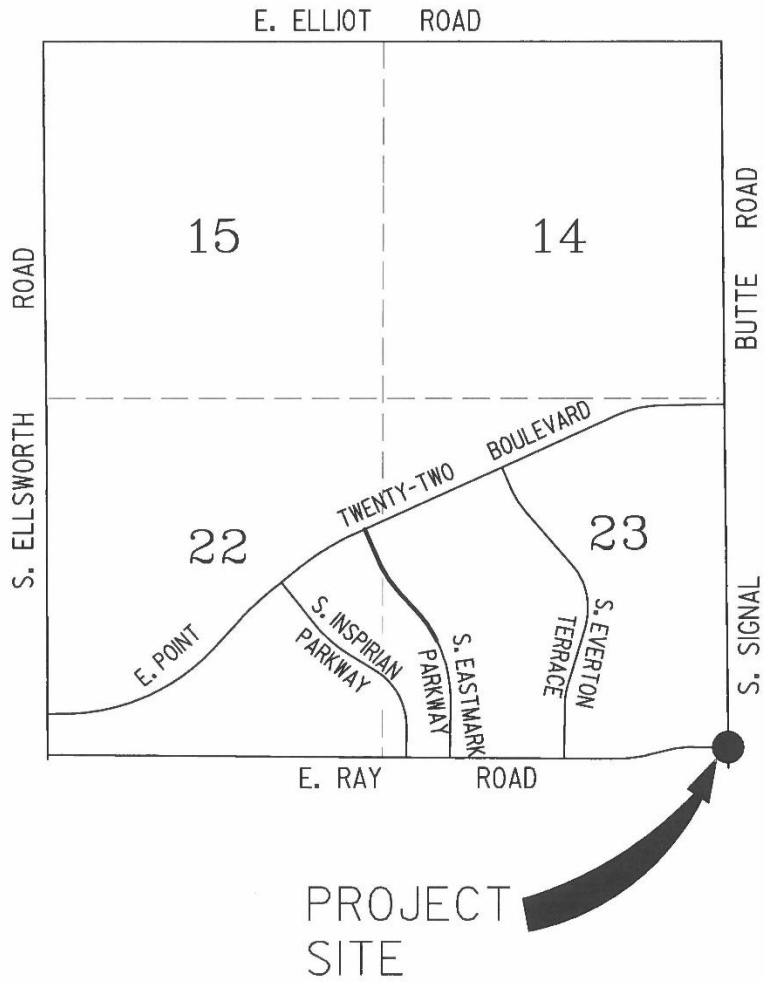
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 PROPOSED OVERALL BOUNDARY
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 WP#062753.26
 PAGE 5 OF 6
 NOT TO SCALE
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VICINITY MAP



RAY ROAD AND SIGNAL BUTTE ROAD - TRAFFIC SIGNAL

VICINITY MAP

EXHIBIT B

CITY SHARE ESTIMATE - PUBLIC BID - EXHIBIT "B"									
DEVELOPMENT AND SUSTAINABILITY DEPARTMENT									
DEVELOPER: DMB Mesa Proving Grounds, LLC									
Attn: Dea McDonald									
Address: 7600 E. Doubletree Ranch Road, Suite 300									
City, State, Zip: Scottsdale, AZ 85258									
Phone No.: 480-367-7000									
Fax No.: 602-367-9788									
CITY SHARE PROJECT TITLE: Eastmark - Ray Road and Signal Butte Road									
CITY SHARE PROJECT NO.: Project # S870									
TRAFFIC SIGNAL		QUANTITY	UNIT PRICE	ENGINEER ESTIMATE	DEVELOPER QUANTITIES	DEVELOPER'S COSTS	CITY QUANTITIES	MESA'S COSTS	
1	Traffic Signal ADOT 'R' Pole, Painted with Custom Luminaire Mast Arm & Foundation	1 EA	\$14,620.00	\$14,620.00	0	\$0.00	1	\$14,620.00	
2	Custom Type E04 Street Light pole, Arm & Foundation	1 EA	\$4,760.00	\$4,760.00	0	\$0.00	1	\$4,760.00	
3	Push Button Post & Foundation	5 EA	\$1,765.00	\$8,825.00	0	\$0.00	5	\$8,825.00	
4	45' Signal Mast Arm, Painted	1 EA	\$4,265.00	\$4,265.00	0	\$0.00	1	\$4,265.00	
5	50' Signal Mast Arm, Painted	1 EA	\$4,630.00	\$4,630.00	0	\$0.00	1	\$4,630.00	
6	50' Signal Mast Arm, Galvanized	2 EA	\$4,900.00	\$9,800.00	0	\$0.00	2	\$9,800.00	
7	LED Luminaire	2 EA	\$1,000.00	\$2,000.00	0	\$0.00	2	\$2,000.00	
8	Type 'F' Signal Head	13 EA	\$490.00	\$6,370.00	0	\$0.00	13	\$6,370.00	
9	Type 'FY' Signal Head	4 EA	\$670.00	\$2,680.00	0	\$0.00	4	\$2,680.00	
10	Pedestrian Signal Head	8 EA	\$560.00	\$4,400.00	0	\$0.00	8	\$4,400.00	
11	Traffic Signal Controller Cabinet with all Controll Modules	1 EA	\$39,000.00	\$39,000.00	0	\$0.00	1	\$39,000.00	
12	Pedestal Mounted Metered Service Enclosure	1 EA	\$6,700.00	\$6,700.00	0	\$0.00	1	\$6,700.00	
13	UPS Cabinet	1 EA	\$9,505.00	\$9,505.00	0	\$0.00	1	\$9,505.00	
14	Emergency Pre-emption System (4 receivers)	1 LS	\$10,965.00	\$10,965.00	0	\$0.00	1	\$10,965.00	
15	Internally Illuminated Street Name Sign	4 EA	\$8,530.00	\$34,120.00	0	\$0.00	4	\$34,120.00	
16	Pedestrian Push Button	8 EA	\$1,340.00	\$10,720.00	0	\$0.00	8	\$10,720.00	
17	Type II Head Mounting	9 EA	\$186.00	\$1,665.00	0	\$0.00	9	\$1,665.00	
18	Type V Head Mounting	16 EA	\$455.00	\$7,280.00	0	\$0.00	16	\$7,280.00	
19	Pelco Mount & Chase Nipple (COM Detail M-94.10)	4 EA	\$150.00	\$600.00	0	\$0.00	4	\$600.00	
20	#8 Traffic Signal Pull Box	1 EA	\$855.00	\$855.00	0	\$0.00	1	\$855.00	
21	Traffic Signal Conduit	476 LF	\$42.65	\$20,301.40	0	\$0.00	476	\$20,301.40	
22	Traffic Signal Conductors and Cables	1 LS	\$13,400.00	\$13,400.00	0	\$0.00	1	\$13,400.00	
23	6"x20" Loop Detector	18 EA	\$975.00	\$17,550.00	0	\$0.00	18	\$17,550.00	
24	6"x60" Loop Detector	2 EA	\$1,830.00	\$3,660.00	0	\$0.00	2	\$3,660.00	
25	Mobilization	1 LS	\$10,400.00	\$10,400.00	0	\$0.00	1	\$10,400.00	
26	AZPDES Permit Compliance/Dust Control	1 LS	\$7,300.00	\$7,300.00	0	\$0.00	1	\$7,300.00	
27	Construction Survey and Staking	1 LS	\$4,300.00	\$4,300.00	0	\$0.00	1	\$4,300.00	
28	Temporary Traffic Control Plans and Barricades	1 LS	\$18,300.00	\$18,300.00	0	\$0.00	1	\$18,300.00	
29	Off-Duty Mesa Police Officer (contingent item)	40 HRS	\$67.00	\$2,680.00	0	\$0.00	40	\$2,680.00	
30	Mesa Police Dept. Official Patrol Car (contingent item)	40 HRS	\$8.55	\$342.00	0	\$0.00	40	\$342.00	
Less Developer's Share of Traffic Signals		2 EA	\$50,000.00		2	\$100,000.00		(\$100,000.00)	
SUBTOTAL TRAFFIC SIGNAL:				\$281,963.40		\$100,000.00		\$181,963.40	
		TOTAL COSTS:		\$281,963.40	DEVELOPER'S COSTS	\$100,000.00	MESA'S COSTS	\$181,963.40	