

FEASIBILITY REPORT

For The Issuance of

**Not to Exceed
\$3,800,000 Principal Amount**

OF

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

**GENERAL OBLIGATION BONDS,
SERIES 2023**

Public Hearing Date: January 19, 2023

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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 of the 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 2023 (the “Bonds”) in a principal amount of not to exceed \$3,800,000, pursuant to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (“A.R.S.”).

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of the Public Infrastructure and Public Infrastructure Purposes (each as defined in A.R.S. Section 48-701) to be financed by the Bonds (together, 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 (i) a description of the Public Infrastructure to be financed – Section Two; (ii) maps showing, in general, the location of the Public Infrastructure and the 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 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, District staff, City (as defined herein) staff and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF THE DISTRICT

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, A.R.S., as amended, upon the petition of DMB Mesa Proving Grounds LLC, a Delaware limited liability company (the “Developer”), the then owner of all land in the District, the City Council of the City of Mesa, Arizona (the “City”), adopted a resolution on April 2, 2012, which formed the District.

The real property included in District consists of approximately 2,170 acres of a larger 3,154-acre area within the City formerly known as the Mesa Proving Grounds and now being developed as the mixed use, master planned community known as Eastmark (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 12, 2022, homebuilders have sold approximately 5,704 single family residential units within the District and approximately 6,106 within the Project.

Single family residential development represents approximately 1,865 acres within the District. Non-residential development comprises approximately 305 acres within the District and includes (i) churches, (ii) government services such as police stations, fire departments, schools, Salt River Project facilities, and parks and open space, and (iii) a variety of commercial development such as office, retail and multifamily. The following characterizes the approximate acreage within the District.

Total District	Approximate District Acres
Single Family Residential	1,865
Non-Residential (a)	305
Total	2,170

(a) Includes churches, police and fire stations, schools, civic and commercial uses and common area and neighborhood open space.

The District was created to assist with financing the acquisition of public infrastructure and public infrastructure purposes, including the Public Infrastructure, within the District. See Section Two for a description of the Public Infrastructure to be financed with a portion of the proceeds of the Bonds. A legal description of the District is included in Appendix A. Maps of the District including the location, in general, of the Public Infrastructure, are included in Section Three. The proposed acquisition of the Public Infrastructure as defined in this Report is consistent with the approved General Plan for the District.

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure subject to this Report has been publicly bid pursuant to State statutes 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.

Acquisition Project Description	Total Estimated Cost	Certified Engineer's Cost (a)	To Be Paid By the Bonds (b)	Paid by Prior Bonds (c)	Eligible for Funding From Future Bonds	Completion Date (d)
1. S894 Traffic Signal - Ellsworth & Warner	\$ 316,042	\$ 316,042	\$ 238,536	\$77,506	\$ -	Oct-2021
The project consists of a four-way traffic signal, signage and striping at the intersection of Ellsworth Road and Warner Road. All improvements are shown on approved plans and permit dated December 17, 2019 by the City, which may be amended from time to time to allow for future uses. The improvements for S894 Traffic Signal were accepted by the City October 13, 2021.						
2. S902 Skate Park	2,924,855	2,924,855	2,924,855	-	-	Mar-2022
The project consists of acquiring an interest in real property in accordance with A.R.S. §48-701 et seq. and pursuant to a public access easement agreement for the Skate Park, and the value of such interest in property shall be equal to the eligible construction costs of the Skate Park improvements. The Skate Park is an approximately 3.4 acre site that sits on the north side of Point Twenty-Two Boulevard between South Pasteur and South Carver. Parking for the Skate Park (as approved by the City) is available street-side next to the Skate Park, and via extra guest parking spaces in the subdivision (Eastmark DU 3/4 North Phase 4). The improvements include grading, storm drain, headwalls, gabion walls, concrete headers, sidewalk, site electrical, site lighting, pedestrian crosswalk, signage, landscape and irrigation, site furnishings, shaded seating and open field turf. The skate amenity features include a skate deck, skate steps and ramps, pump tracks for beginners and intermediates. All improvements are shown on approved plans and permit dated May 12, 2021 by the City, which may be amended from time to time to allow for future uses. The improvements for S902 Skate Park were approved for public use by the City as of September 2, 2022.						
3. S903 Traffic Signal Point 22 and Everton Terrace	315,462	315,462	315,462	-	-	Mar-2022
The project consists of the installation of a four-way traffic signal, signing and striping at all crosswalks at the intersection of Point Twenty-Two Blvd and Everton Terrace in the Eastmark master planned community. All improvements are shown on approved plans and permit dated August 16, 2021 by the City, which may be amended from time to time to allow for future uses. The improvements for S903 Traffic Signal were accepted by the City as of September 2, 2022.						
Totals (e)	\$3,556,359	\$3,556,359	\$3,478,854	\$77,506	\$ -	

(a) Represents the total estimated costs which may differ once the District certifies eligible construction costs.

(b) Represents estimated costs to be paid by the Bonds which may differ once the District certifies eligible construction costs.

(c) Includes acquisition costs from the District's prior general obligation bonds and special assessment revenue bonds.

(d) Represents the date by which the Developer constructed Public Infrastructure, which may differ from the date that it was accepted by the City.

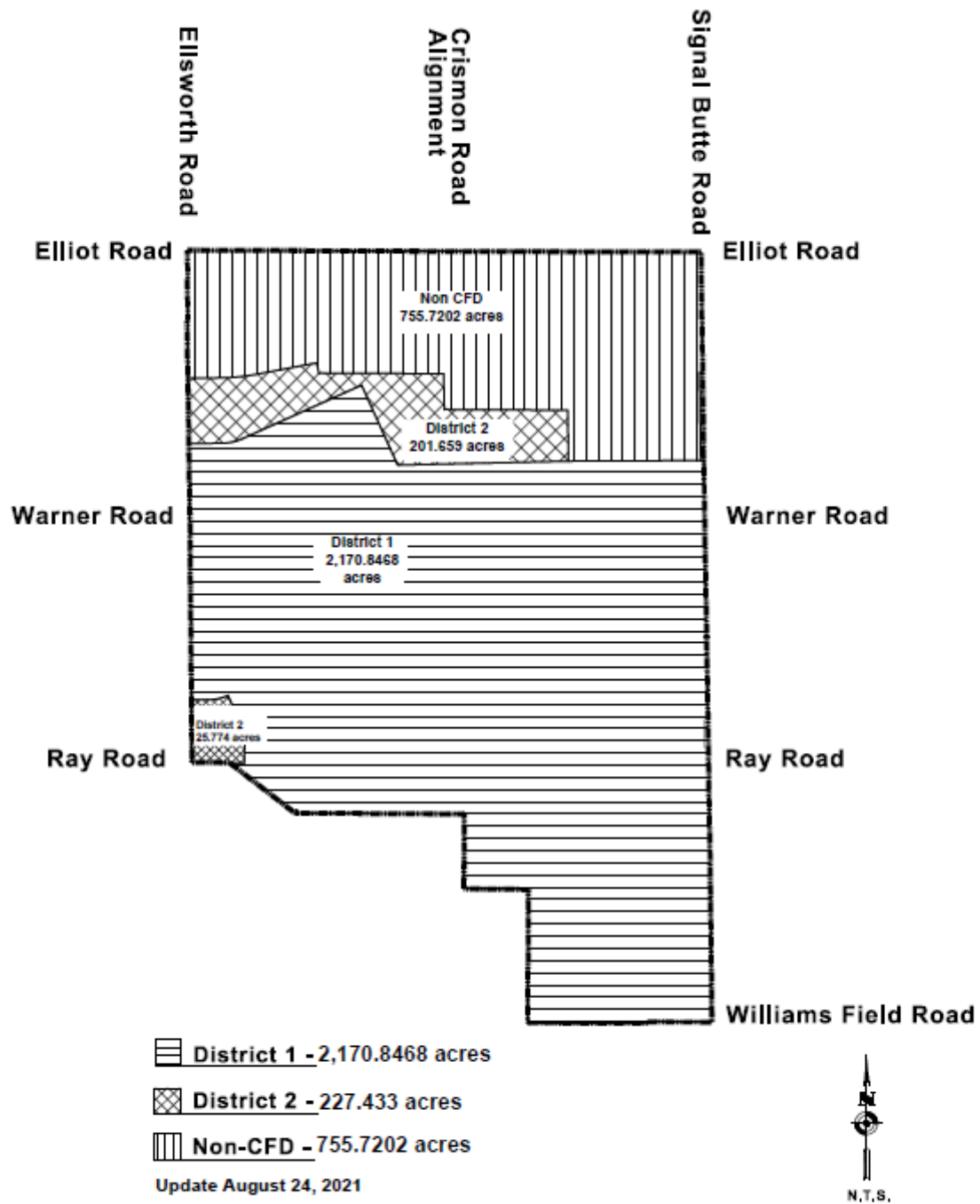
(e) Totals may not add due to rounding.

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 (the "County"), as amended, 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 additional public infrastructure is eligible for funding from future bonds, if any.

SECTION THREE

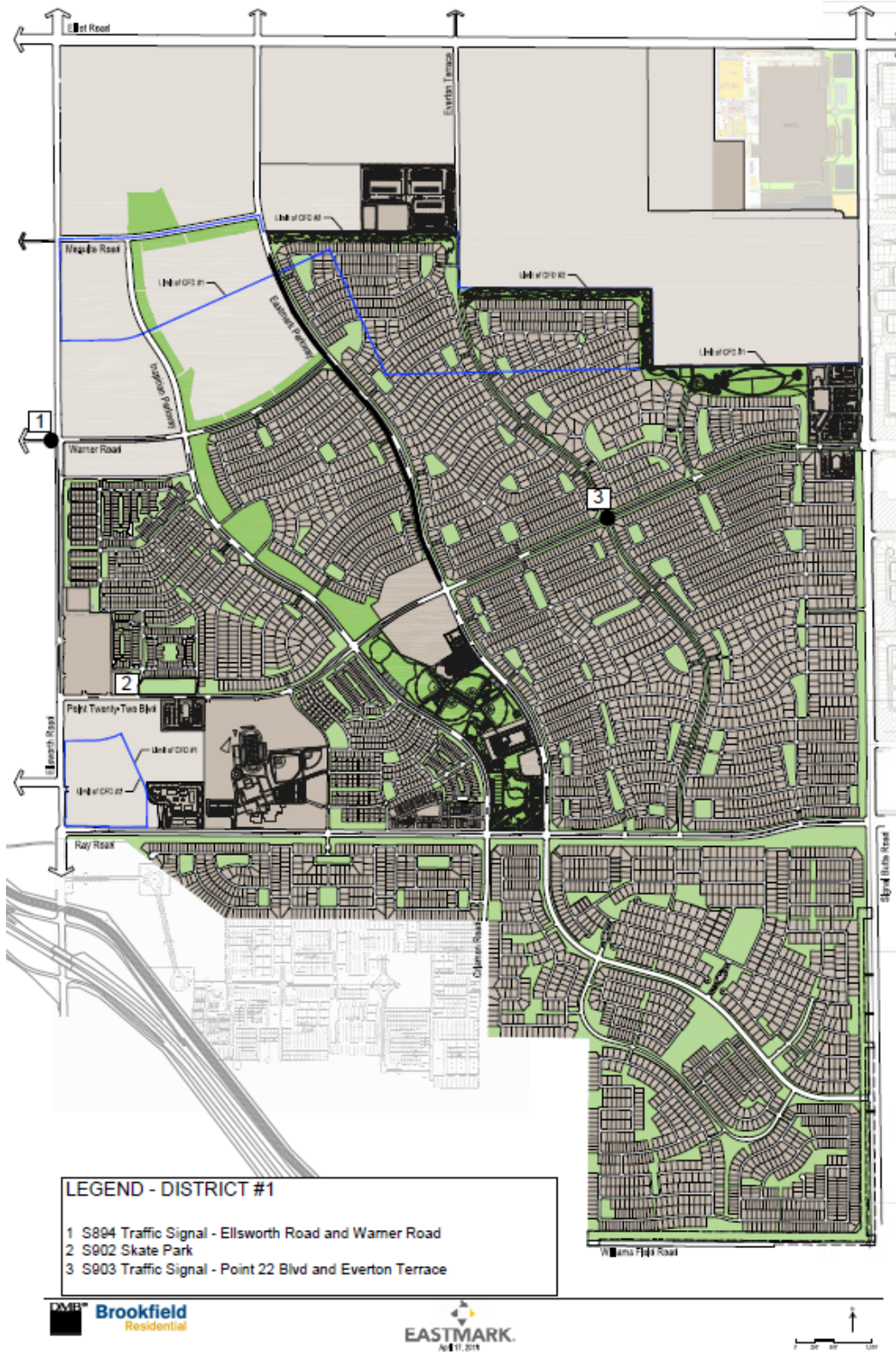
MAPS OF THE DISTRICT

The District



Community Facilities Districts 1 and 2

The Public Infrastructure in Context of the District



SECTION FOUR

PLAN OF FINANCE

PLAN OF FINANCE

Below is a financing plan that describes the process for financing a portion of the Public Infrastructure benefiting the property within the District. 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. On May 17, 2012, the Developer, as the sole landowner in the District at the time, authorized at an election general obligation bonded debt in an amount not to exceed \$435,000,000 and will have an estimated \$363,060,000* of such amount remaining after issuance of the Bonds. Such remaining authorized but unissued amount is subject to further reduction based on the use of net premium on the general obligation bonds of the District. The District has previously sold its general obligation bonds in the aggregate original principal amount of \$67,115,000, of which \$58,885,000 is currently outstanding.

(ii) **Proposed Bond Sale.**

The District currently has \$58,885,000 of general obligation bonded debt outstanding. The estimated debt service schedule for the Bonds is included in this section. It is anticipated that the Bonds will be sold in approximately February 2023* and delivered in March 2023*. 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 declining aggregate debt service. The Bonds will likely be rated by a rating agency based on the expected purchase of a municipal bond insurance policy from an insurer.

(iii) **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 Bonds are:

SOURCES*:

Principal Amount of Bonds	\$3,680,000.00
Total	<u>\$3,680,000.00</u>

USES*:

Cost of Public Infrastructure	\$3,478,853.58
Estimated Costs of Issuance	172,685.67
Bond Insurance Premium	28,460.75
Total	<u>\$3,685,000.00</u>

ESTIMATED COSTS OF ISSUANCE*

Underwriter's Discount	\$ 59,331.00
Underwriter's Counsel	30,000.00
Bond Counsel	35,000.00
Financial Advisor	35,000.00
Registrar & Paying Agent	375.00
Printing	875.00
Insured Rating	7,500.00
Miscellaneous	4,604.67
Total	<u>\$172,685.67</u>

* Preliminary, subject to change.

(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. Notwithstanding the preceding sentence, the District shall only acquire an interest in real property with respect to the Skate Park, and neither the District nor the City shall have any obligation to repair, replace or maintain any of the Skate Park improvements. 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: a property tax levy of up to \$0.30 per \$100 of net assessed limited property value (the "O&M Tax"), Homeowner's Association ("HOA") fees to provide for a portion of the administrative, operation and maintenance expenses of the District, and Developer contributions, if any.

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 currently approximately \$100 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 2022/23, 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 \$4.15 per \$100 of net assessed limited property value on all taxable property within the boundaries of the District. This tax rate includes a \$3.85 levy for debt service and a \$0.30 levy for the O&M Tax. This amount is a "target" tax rate. Any general obligation bonds of the District are, by law, to be paid from a property tax which is unlimited as to rate or amount.

At the \$4.15 target tax rate level, assuming the approximate average parcel Full Cash Value of \$382,336 and Net Assessed Limited Value of \$26,275, the District portion of a tax bill for a homeowner will be approximately \$91* per month or \$1,091* annually. A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the "Public Report"). Prior to each initial home sale by a homebuilder, each homebuyer must be supplied the Public Report, and the homebuyer must acknowledge by signature that they have read and accepted the 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 District Clerk.

(v) **Other District Information.**

Shown in the following tables are the District's overlapping general obligation bonded indebtedness including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, the portion of such indebtedness applicable to the District, a comparison of net assessed limited property values and tax rates per \$100 net assessed limited property value.

* The estimated tax liability is calculated from the *2022 August State Abstract*, Maricopa County Assessor's Office, <https://mcassessor.maricopa.gov/page/reports/>, accessed December 8, 2022, using the Owner Occupied Residential ("Class 3") data and the following formula:

$$(\text{Net Assessed Limited Property Value} \div \text{Number of Parcels}) \times (\text{the District's Secondary Tax Rate of } \$4.1500) \div 100$$

OVERLAPPING GENERAL OBLIGATION BONDED INDEBTEDNESS

Overlapping Jurisdiction	General Obligation Bonded Debt Outstanding (b)	Portion Applicable to The District (a)	
		Approximate Percentage	Net Debt Amount
State of Arizona	None	0.184%	None
Maricopa County	None	0.280	None
Maricopa County Community College District	\$135,585,000	0.280	\$ 379,064
Maricopa County Special Health Care District	600,335,000	0.278	1,666,828
East Valley Institute of Technology District No. 401	None	0.568	None
Gilbert Unified School District No. 41	134,410,000	5.785	7,775,708
Queen Creek Unified School District No. 95	121,045,000	17.659	21,375,778
City of Mesa	318,950,000	3.406	10,862,974
The District	58,885,000	100.000	58,885,000 (c)
Total Direct and Overlapping General Obligation Bonded Debt Outstanding			<u>\$100,945,352</u>

- (a) Portion applicable to the District is computed on the ratio of the estimated net assessed limited property value as calculated for fiscal year 2022/23 for the overlapping jurisdiction to the amount of such valuation which lies within the District. If the assessed value within the District increases at a faster rate than the overlapping jurisdictions, the amount of overlapping debt allocated for payment within the District will increase.
- (b) Includes total general obligation bonds outstanding less redemption funds on hand. Does not include authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future.

Also does not include the obligation of the Central Arizona Water Conservation District (“CAWCD”) to the United States Department of the Interior (the “Department of the Interior”), for repayment of certain capital costs for construction of the Central Arizona Project (“CAP”), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April of 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD’s obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre-feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona’s Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD’s boundaries. At the date of this Report, the tax levy is limited to 14 cents per \$100 of net assessed limited property value, of which 14 cents is currently being levied. (See A.R.S., Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

Does not include the obligation of the Maricopa County Flood Control District (the “County Flood Control District”) to contribute \$70 to \$80 million to the CAP. The County Flood Control District’s sole source of revenue to pay the contribution will be *ad valorem* taxes on real property and improvements.

- (c) Does not include the Bonds. Does not include special assessment revenue bonds outstanding or other special assessment revenue bonds expected to be issued by the District in the future.

Source: The various entities.

**DIRECT AND OVERLAPPING NET ASSESSED
LIMITED PROPERTY VALUE AND TOTAL TAX RATES**

Overlapping Jurisdiction	2022/23 Net Assessed Limited Property Value	2022/23 Combined Tax Rate Per \$100 of Net Assessed Limited Property Value (a)(b)
State of Arizona	\$78,405,598,978	None
Maricopa County	51,575,018,185	\$1.2473
Maricopa County Community College District	51,575,018,185	1.1894
Maricopa County Fire District Annual Levy	51,575,018,185	0.0082 (c)
Maricopa County Flood Control District	47,553,260,925	0.1592 (d)
Maricopa County Special Health Care District	51,932,898,351	0.2488
Maricopa County Library District	51,575,018,185	0.0505
Central Arizona Water Conservation District	51,932,898,351	0.1400 (e)
East Valley Institute of Technology District No. 401	25,369,201,769	0.0500
Gilbert Unified School District No. 41	2,492,478,121	5.8127
Queen Creek Unified School District No. 95	816,515,902	7.1705
City of Mesa	4,233,636,562	0.9157
The District	144,191,521	4.1500 (f)

- (a) Represents the combined tax rate including the tax rate for debt service payments and the tax rate for all other purposes such as maintenance and operation and capital outlay.
- (b) All levies for library districts, hospital districts, fire districts, technology districts, water conservation districts and flood control districts are levied on the net full cash assessed value.
- (c) The County is mandated to levy a tax annually in support of fire districts in the County.
- (d) Does not include the personal property assessed valuation within the County.
- (e) Includes only the assessed valuation located within the County.
- (f) Includes the O&M Tax.

Source: *2022 August State Abstract*, Maricopa County Assessor's Office, *State and County Abstract of the Assessment Roll*, Arizona Department of Revenue and *Maricopa County 2022 Tax Levy*, Maricopa County – Finance Department.

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

PROPERTY VALUATIONS

Fiscal Year	Full Cash Value	Estimated Net Full Cash Value (a)	Net Assessed Limited Property Value
2022/23	\$2,211,308,319	\$2,117,485,613	\$144,191,521
2021/22	1,758,241,552	1,673,643,356	120,115,355
2020/21	1,421,033,595	1,348,948,525	96,810,045
2019/20	1,031,646,478	1,007,280,384	75,501,437
2018/19	713,714,636	692,764,909	52,059,735

(a) Full Cash Value net of the estimated value of property exempt from taxation.

Source: *State Abstract*, Maricopa County Assessor's Office (August dated file for each corresponding year).

ESTIMATED DEBT SERVICE SCHEDULE*

Period Ending (July 15)	Existing Debt Service	Principal*	Interest* (a)	Total Combined Debt Service Requirements* (b)
2023	\$3,227,569	\$ 835,000	\$ 74,776	\$ 4,137,344
2024	4,305,488	95,000	156,475	4,556,963
2025	4,269,588	95,000	151,250	4,515,838
2026	4,232,288	95,000	146,025	4,473,313
2027	4,193,788	100,000	140,800	4,434,588
2028	4,153,788	105,000	135,300	4,394,088
2029	4,116,738	110,000	129,525	4,356,263
2030	4,077,388	115,000	123,475	4,315,863
2031	4,040,788	120,000	117,150	4,277,938
2032	4,003,513	120,000	110,550	4,234,063
2033	3,963,063	125,000	103,950	4,192,013
2034	3,930,413	130,000	97,075	4,157,488
2035	3,886,063	140,000	89,925	4,115,988
2036	3,849,013	145,000	82,225	4,076,238
2037	3,811,638	150,000	74,250	4,035,888
2038	3,776,006	155,000	66,000	3,997,006
2039	3,732,669	165,000	57,475	3,955,144
2040	3,698,938	170,000	48,400	3,917,338
2041	3,660,756	175,000	39,050	3,874,806
2042	3,253,806	160,000	29,425	3,443,231
2043	2,853,663	145,000	20,625	3,019,288
2044	2,445,800	125,000	12,650	2,583,450
2045	2,043,600	105,000	5,775	2,154,375
Total		<u>\$3,680,000</u>		<u>\$91,218,507</u>

(a) Interest column reflects total interest payments for each Fiscal Year; interest will be paid semi-annually on January 15 and July 15 commencing on July 15, 2023*. Interest is estimated at 5.50%.

(b) Totals may not add due to rounding.

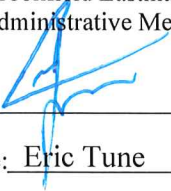
* Preliminary, subject to change.

Reviewed and accepted by:

DMB MESA PROVING GROUNDS LLC, a
Delaware limited liability company

By: DMB/Brookfield Eastmark LLC, a Delaware limited liability company
Its: Manager

By: Brookfield Eastmark, LLC, a Delaware limited liability company
Its: Administrative Member

By:  _____

Name: Eric Tune

Its: Vice President

By:  _____

Name: W. Dea McDonald

Its: Senior Vice President

APPENDIX A

**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
WP #062753.81
Page 2 of 6
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

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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;

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

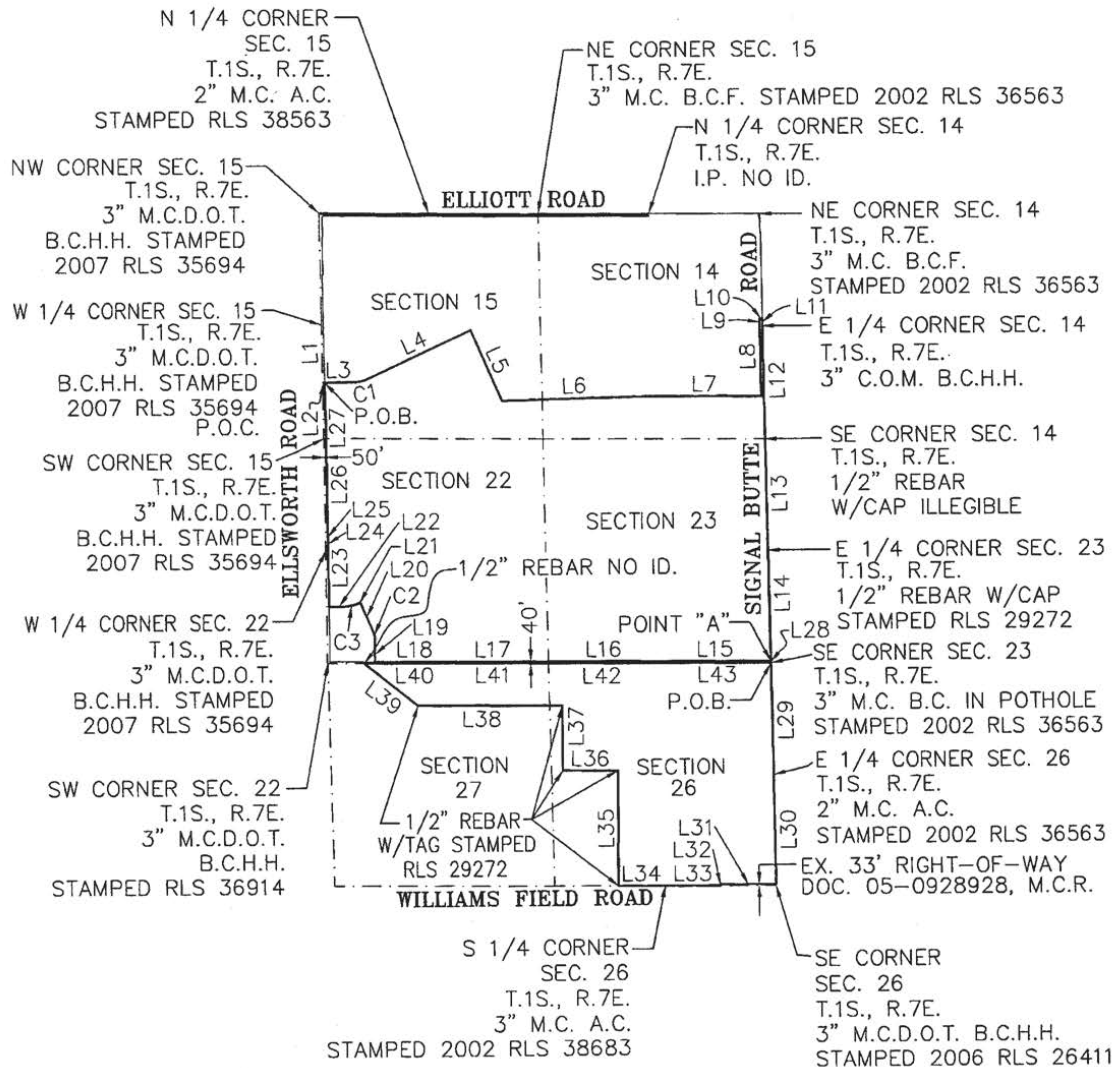
Containing 2,170.8468 acres, or 94,562,087 square feet of land, more or less.

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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WOOD/PATEL
 1855 North Stapley Drive
 Mesa, AZ 85203
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EXHIBIT "A"
 MESA PROVING GROUNDS
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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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