

FEASIBILITY REPORT

For The Issuance of

**Not To Exceed
\$500,000 Principal Amount of**

**CENTERRA COMMUNITY FACILITIES
DISTRICT**

(CITY OF GOODYEAR, ARIZONA)

**DISTRICT GENERAL OBLIGATION
PROJECT BONDS, SERIES 2016**

September 1, 2016

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SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT AND GENERAL DESCRIPTION OF THE DISTRICT

INTRODUCTION

This Feasibility Report (this "Report") has been prepared by engineers and other qualified persons including Centerra, LLC and Centerra City Center, LLC (the "Landowner") for presentation to the District Board of the Centerra Community Facilities District (City of Goodyear, Arizona) (the "District") in connection with the proposed issuance by the District of its District General Obligation Project Bonds, Series 2016 (the "Bonds") in an aggregate principal amount not to exceed \$375,000 and the feasibility and benefits of certain "public infrastructure" as such term is defined in the hereafter described Act (the "Public Infrastructure") and of the plan for financing the Public Infrastructure pursuant to the Community Facilities District Act of 1988, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act"). The District was authorized to issue up to \$20,000,000 in principal amount of general obligation bonds at an election on October 8, 2001. To date, the District has issued \$965,000 of District General Obligation Bonds, Series 2008 ("Series 2008 Bonds"), \$620,000 aggregate principal amount of District General Obligation Bonds, Series 2006 ("Series 2006 Bonds"), \$2,400,000 aggregate principal amount of District General Obligation Bonds, Series 2005 ("Series 2005 Bonds"), of which \$2,850,000 remain outstanding, not including the Bonds.

PURPOSE OF FEASIBILITY REPORT

Pursuant to the Act, this Report includes (i) a description of the Public Infrastructure to be financed [Section Two]; (ii) a map showing, in general, the location of the Public Infrastructure and the area to be benefited 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 completion 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 District Board 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. **THIS REPORT IS NOT INTENDED TO BE A "FINANCIAL FEASIBILITY REPORT OR STUDY" AS THIS TERM IS CUSTOMARILY USED.**

GENERAL DESCRIPTION OF THE DISTRICT

Formation of the District was approved by the Mayor and City Council of the City of Goodyear, Arizona (the "City"), on September 10, 2001, upon the request of the Centerra, LLC, and Centerra City Center LLC, both limited liability companies (collectively, the "Applicant"). Mercants Mortgage and Trust Corporation LLC ("Mercants"), a Colorado limited liability company and National Bank of Arizona, a national banking association ("National Bank") and Mortgages Ltd., an Arizona corporation ("Mortgages"), consented to the formation of the District as the holders of lien interests of such land. The District is located within the City boundaries and was created to finance the acquisition or construction of certain public infrastructure, including the Public Infrastructure that relates to the development of portions of the Project. The Project consists of an approximately 296 acre development known as Centerra, a residential and commercial master planned community (the "Development").

Although the number of acres developed to each particular type of land use may ultimately vary from those presented, the build-out of the Development is expected to include the following uses:

Land Ownership by Acreage	
Type of Development	Acres in District (1)
Residential	147
Court Home	47
Mixed Use	43
Commercial	28
Schools	18
Rights of Way	5
Bullard Wash	8
Total Acreage	296

(1) Figures represent gross acres and include approximately 44 acres of open space.

All single-family lots have been sold to builders, including Richmond American Homes, Standard Pacific Homes and Santa Anna Homes. All single-family homes have been completed. The 28 gross acres of commercial property and 43 gross acres of mixed-use property (i.e., zoned for office, retail, multi-family resident uses) have been sold. The court home site was sold to Richmond American Homes.

A map of the District is included in Section Three and a legal description depicting the boundaries of the District is included in Appendix A.

SECTION TWO

DESCRIPTION AND ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

A Project cost summary table is included below. Contracts and cost estimates illustrating the various segments of the Project are included in Section 4. All improvement costs are subject to the results of public bidding and the review by the District Engineer.

Upon completion and approval of the Project, the Developer will convey the Project to the City. The City will review the Project if the Project was already conveyed. Accordingly, the District will have no operating and/or maintenance expenses in conjunction with the Project. District administrative expenses will be paid as described in the Development Agreement. As the proceeds to be received from the Bonds for the acquisition of eligible Project will be insufficient to acquire all of the eligible Project costs and expenses illustrated below, the Bond proceeds will only be utilized to acquire completed segments of the Project in the amount equal to the net Bond proceeds allowable for public improvements. Future bond issues may be utilized at the sole discretion of the District to acquire the remaining segments of the Project.

The Goodyear Boulevard Improvements provide roadway access for all residents of the Development to Yuma Road, Estrella Parkway and to the Goodyear City Center complex, and water and sewer transmission services for all residents of the Development. The benefit area of Goodyear Boulevard includes the entire Development.

Goodyear Boulevard Road Improvements (1)

Description	Total Cost
Paving, Curb & Gutter	\$856,485
12" Water Line (2)	276,806
Sanitary Sewer	109,485
Landscape and Street Lights	237,616
Survey	41,000
Testing and Permits	42,202
Engineering Costs	60,318
Total Improvements	\$1,623,912
Portion Financed with 2006 Bond Series (3)	(\$620,000)
Credits Received for the Cost of the 12" Water Line (2)	0
Total Improvement Cost After Deductions	\$1,003,912

(1) All numbers rounded up to the nearest dollar.

(2) Per the Development Agreement recorded on March 27, 2000, the 12" Water Line was to receive 50% of the costs in water fee credits; however the credits were not received by the Developer.

(3) A portion of the costs were approved and financed with the Series 2006 Bond.

Shown below is a detailed description of the Public Infrastructure constructed and to be constructed and/or acquired by the District from the proceeds of the sale of the Bonds and the Public Infrastructure that was financed with the proceeds of the sale of the Series 2005 Bonds, Series 2006 Bonds and Series 2008 Bonds.

Series 2005 Bonds Project Description		Total Costs	Paid from Series 2005 Bonds		
1.	Bullard Wash Improvements	\$507,200	\$402,669		
Series 2006 Bonds Project Description		Total Costs	Paid from Series 2005 Bonds	Paid from Series 2006 Bonds	
1.	Goodyear Boulevard Road Improvements	\$1,623,912	\$0	\$620,000	
Series 2008 Bonds Project Description		Total Costs*	Paid from Series 2005 Bonds	Paid from Series 2006 Bonds	Paid from Series 2008 Bonds
1.	Goodyear Boulevard Road Improvements (Paving, Curb, Gutter; 12" Water Line, Sanitary Sewer, Landscape & Street Lights, Survey, Testing & Permits, Engineering Costs)	\$1,623,912	\$0	(\$620,000)	\$0
2.	Off-site Sewer Improvements (South of Tie- in Point, North Yuma 27"; Bullard Wash – South of Yuma 33"; Bullard Wash – North of Tie-in point 27"; Estrella Parkway 36", Elwood Street 41")	\$924,238*	\$0	\$0	(\$732,135)
3.	Bullard Wash Improvements (landscape)	\$126,800	\$0	\$0	(\$126,800)
4.	Bullard Wash Improvements	\$507,200	(\$402,669)	\$0	(\$104,531)

*After credits.

In addition to the costs identified on the previous page, below is a history of infrastructure improvement costs that are eligible to be acquired with District bond proceeds, as well as the amounts that have already been reimbursed with District bond proceeds, and the amounts, which remain to be reimbursed with District bond proceeds at the sole discretion of the District. This table includes any development impact fee credits that the Developer might have already realized.

Eligible Infrastructure Improvement Costs (1)

		Estimated Remaining Project Costs from 2008 Report	Actual Costs Eligible for CFD Financing as of January 2008 (2)	Fee Credits Received from the City of Goodyear (3)	Less Amount Paid from Series 2005 Bonds	Less Amount to Paid from Series 2006 Bonds	Less Amount to Paid from Series 2008 Bonds (4)	Total Costs Eligible to be Funded	Estimated To Be Paid from the Bonds
1.	On-Site Collector Road Improvements (5)	\$11,304,482	\$2,062,926		\$(1,766,940)			\$295,296	\$0
2.	Arterial ROW and Offsite Improvements/Estrella Parkway	\$1,537,731	\$1,537,731					\$1,537,731	\$0
3.	Off-site Sewer Improvements/Other Improvements	\$2,382,415	\$2,382,415	(\$1,026,427)			(\$732,135)	\$623,853	\$0
4.	Van Buren Roadway Improvements	\$430,242	\$430,242					\$430,242	\$0
5.	Yuma Roadway Improvements	\$377,725	\$377,725					\$377,725	\$0
6.	Goodyear Boulevard Road Improvements (6)	\$648,283	\$1,623,912			(\$620,000)		\$1,003,912	\$500,000
7.	Engineering & Staking	\$713,400	\$489,880		(\$230,391)			\$259,489	\$0
8.	Bullard Wash Improvements	\$634,000	\$634,000		(\$402,669)		(\$231,331)	\$0	\$0
TOTALS		\$18,028,278	\$9,538,831		\$(2,400,000)	(\$620,000)	(\$963,466)	\$4,528,248	\$500,000

(1) All numbers rounded to the nearest dollar.

(2) The amounts are based on public bidding and review by the District Engineer.

(3) The Developer has received \$1,026,427 in sewer impact credits from the City (as reported in 2008 feasibility report).

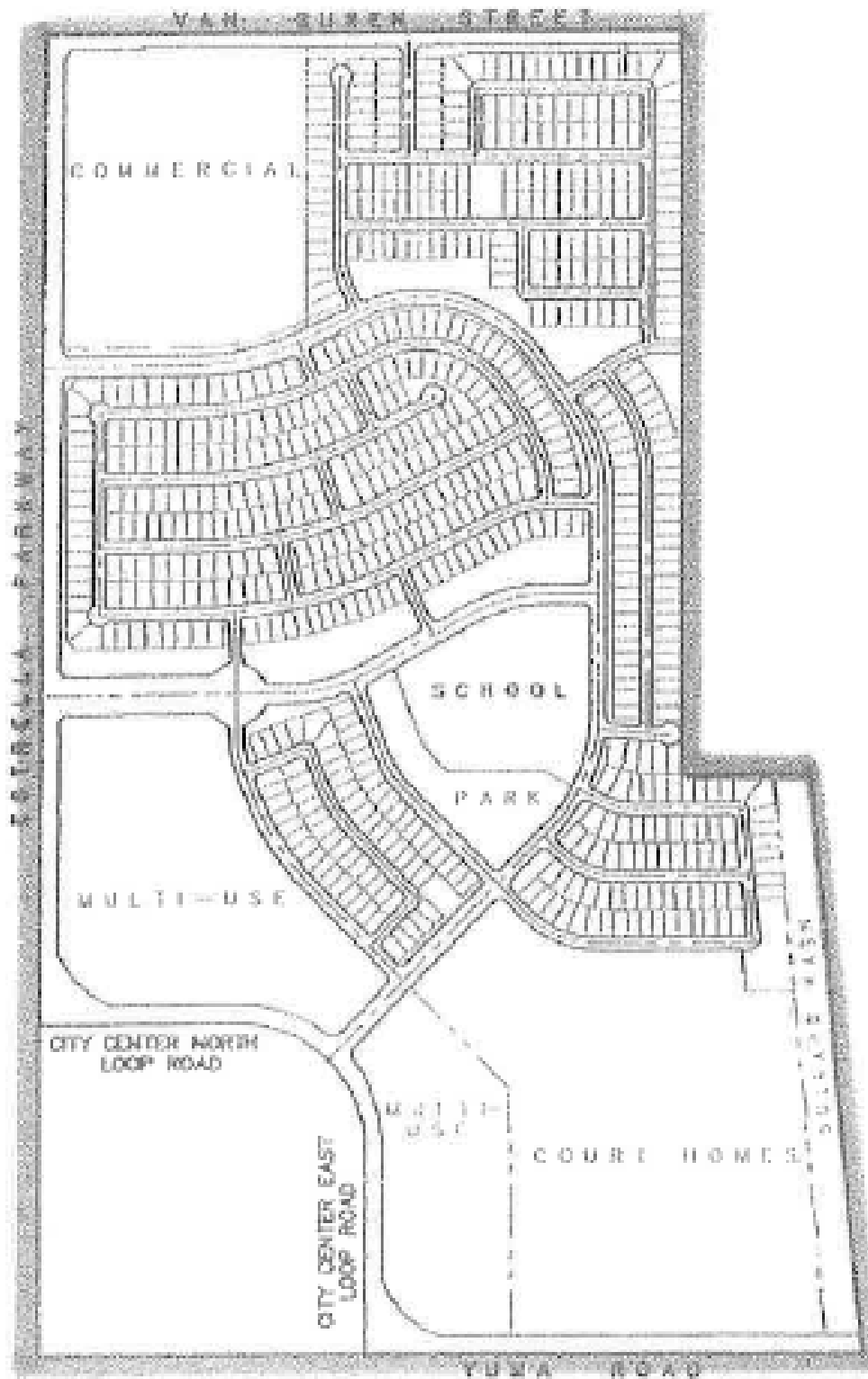
(4) In the 2008 Feasibility Report, \$2,159,485 in costs were identified.

(5) On-site collector road improvements include roadways, paving, landscaping, street lighting, sidewalks, curbs and gutter and transit stops.

(6) The estimated amount does not include all anticipated costs the all improvements related to the City Center Loop. Additional improvements were added at a later date.

SECTION THREE

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



SECTION FOUR

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE

Listed below are estimated costs of construction and the anticipated dates for completion of the construction of the Public Infrastructure. Proceeds of the sale of the bonds remaining after payment of the costs of issuance will be used by the District to construct or acquire the Public Infrastructure. Upon completion of such construction or acquisition, the District will dedicate or otherwise transfer all portions of the Public Infrastructure to the City and, as such, there will be no costs borne by the District to operate and maintain the same.

Project Description	Completion Date	Completion Status
1. Goodyear Boulevard Improvements	Q3 2007	100%

The cost to operate and maintain the Public Infrastructure is expected to be paid primarily from the proceeds of an operation and maintenance tax levy on the property in the District of 0.30 per \$100.00 of net assessed limited property value.

Centerra Goodyear Boulevard Improvements (1) Completed Q3 of 2007

Description	Amount
Construction Costs	
1 Paving, Curb and Gutter (DCS Construction)	\$ 856,485
1 Water (DCS Construction)	\$ 268,184
1 Sewer (DCS Construction)	\$ 105,173
1 Change Order #1	\$ 14,847
1 Change Order #2	\$ 14,446
Subtotal Construction Cost	<u>\$ 1,259,135</u>
Landscaping and Street Lights	
2 Original Contract Amount (Landscaping) (Estimated)	\$ 190,575
3 Original Contract Amount (Street Lights)	\$ 40,539
4 Original Contract Amount (APS)	\$ 6,502
Subtotal Landscaping and Street Light Cost	<u>\$ 237,616</u>
Survey (DEA)	
5 Original Contract Amount	\$ 41,000
Subtotal Survey Cost	<u>\$ 41,000</u>
Testing (Terracon)	
6 Original Contract Amount	\$ 13,324
6 Change Order #1	\$ 12,519
Subtotal Testing Cost	<u>\$ 25,843</u>
Engineering Cost (Fleet Fisher Engineering)	
7 Original Contract Amount	\$ 60,318
Subtotal Engineering Cost	<u>\$ 60,318</u>
Total Cost Goodyear Boulevard Improvements	<u>\$ 1,623,912</u>
Adjustment due to 2006 Bond Issue (2)	\$ (620,000)
Adjustment due to Fee Credits (3)	\$ -
Total Goodyear Improvement Costs	<u>\$ 1,003,912</u>

Footnotes:

(1) All numbers are rounded up to the nearest dollar.

(2) A portion of the costs are anticipated to be financed through the Series 2006 Bond Proceeds.

(3) The Developer has not received fee credits for the Goodyear Boulevard Improvements as indicated in the Development Agreement.

**Centerra
Goodyear Boulevard Improvements
List of Contracts**

Contract #1

Contractor	DCS Contracting, Inc.
Date	11/3/2006
Amount	\$ 1,229,842
Change Order	14,847
Change Order	14,446
Total	\$ 1,259,135
Scope of Work	Sewer, Water, Storm Sewer, Earthwork, Concrete, Paving and Curb & Gutter.

Contract #2

Contractor	Urban Graphite
Date	5/1/2007
Amount	\$ 190,575
Scope of Work	Landscape & Irrigation

Contract #3

Contractor	Overhead & Underground Electric Construction, Inc.
Date	11/15/2006
Amount	\$ 40,539
Scope of Work	Streetlights

Contract #4

Contractor	APS
Date	3/20/2007
Amount	\$ 6,502
Scope of Work	Streetlights secondary feed.

Contract #5

Contractor	David Evans & Associates, Inc. (DEA)
Date	11/16/2006
Amount	\$ 41,000
Scope of Work	Construction Staking

Contract #6

Contractor	Terracon / Consulting Engineers & Scientists
Date	10/13/2006
Amount	\$ 13,324
Change Order	\$ 12,519
Total	\$ 25,843
Scope of Work	Construction Materials Testing

Contract #7

Contractor	Fleet Fisher Engineering
Date	4/20/2007 Invoice
Amount	\$ 60,318
Scope of Work	City Loop plans and consulting.

Total Costs	\$ 1,623,912
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Footnote:

(1) All numbers are rounded up to the nearest dollar.

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

Proposed Bond Sale

The District will issue not-to-exceed \$500,000 principal amount of general obligation bonds to finance the acquisition of the Public Infrastructure. Such amount is a not-to-exceed amount and the actual amount of Bonds issued may be lower. The Bonds are anticipated to be issued in the third quarter of 2016. It is currently estimated that the Bonds will have a final maturity of July 15, 2031 with principal amortized such that when combined with the debt service on the prior Bonds, total debt service is approximately level. (See Table One in this section for an estimated debt service schedule).

The Bonds are expected to be non-rated and will be sold in a private offering.

District Tax Rate

For each year until the Bonds are paid or otherwise provided for, the District will cause to be levied a combined ad valorem tax rate for each year on all taxable property within the boundaries of the District sufficient to pay all such principal, interest and costs of administration. This tax rate includes an estimated tax levy for debt service of \$2.44 and a \$0.30 tax levy for administrative, operations and maintenance expenses of the District. The District will continue to levy the \$0.30 per \$100 of net assessed limited property value for the administrative, operations and maintenance expenses of the District.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the issuance of the Bonds (exclusive of accrued interest) is as follows:

ESTIMATED SOURCES OF FUNDS

Par Amount of Bonds	\$500,000
TOTAL SOURCES	<u>\$500,000</u>

ESTIMATED USES OF FUNDS

Deposit to Project Construction Fund	\$475,000
Costs of Issuance	25,000
TOTAL USES	<u>\$500,000</u>

Disclosure of General Obligation Bond 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 and, prior to any home sale, the homebuyer must acknowledge by signature that they have read and accepted the Public Report.

In addition, each homebuyer is required to sign an additional form that highlights and discloses the additional property taxes levied due to the home's location within the District, as well as general information about community facilities districts and information specifically relating to the District.

TABLE ONE

**CENTERRA COMMUNITY FACILITIES DISTRICT
(CITY OF GOODYEAR, ARIZONA)
GENERAL OBLIGATION BONDS OUTSTANDING AND PROJECTED BOND SALE**

Estimated Debt Service Requirements and Estimated Projected Impact on the Bond

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Year Ending (July 15)	Assessed Valuation (a)	<div style="border: 1px solid black; padding: 2px; text-align: center;"> \$2,850,000 Outstanding General Obligation Debt Service </div>		Total Debt Service	Estimated Bond Tax Rate (b)	<div style="border: 1px solid black; padding: 2px; text-align: center;"> LESS: \$2,850,000 Bonds Being Refunded </div>		<div style="border: 1px solid black; padding: 2px; text-align: center;"> PLUS: \$3,103,000 2016 Refunding Bonds General Obligation Debt Service </div>		Total Debt Service	Estimated Bond Tax Rate (b)	<div style="border: 1px solid black; padding: 2px; text-align: center;"> PLUS: \$500,000 2016 Bonds General Obligation Debt Service </div>		Total Debt Service	Estimated Bond Tax Rate (b)
		Principal	Interest			Principal	Interest	Principal	Interest (2.67%)			Principal	Interest (2.67%)		
2017	\$10,604,732	\$115,000	\$161,213	\$276,213	\$2.44	\$115,000	\$161,213	\$198,000	\$61,447	\$259,447	\$2.44		\$9,901	\$269,348	\$2.44
2018	10,816,827	120,000	154,829	274,829	2.67	120,000	154,829	163,000	77,564	240,564	2.34		13,350	253,914	2.47
2019	11,033,163	130,000	148,170	278,170	2.65	130,000	148,170	172,000	73,211	245,211	2.34	\$8,000	13,350	266,561	2.54
2020	11,253,826	135,000	140,930	275,930	2.58	135,000	140,930	182,000	68,619	250,619	2.34	8,000	13,136	271,755	2.54
2021	11,478,903	145,000	133,415	278,415	2.55	145,000	133,415	192,000	63,760	255,760	2.35	8,000	12,923	276,682	2.54
2022	11,708,481	150,000	125,301	275,301	2.48	150,000	125,301	194,000	58,633	252,633	2.27	17,000	12,709	282,342	2.54
2023	11,942,651	160,000	116,961	276,961	2.44	160,000	116,961	201,000	53,453	254,453	2.24	22,000	12,255	288,709	2.54
2024	12,181,504	170,000	108,040	278,040	2.40	170,000	108,040	208,000	48,087	256,087	2.21	26,000	11,668	293,755	2.54
2025	12,425,134	175,000	98,444	273,444	2.32	175,000	98,444	208,000	42,533	250,533	2.12	38,000	10,974	299,507	2.54
2026	12,673,636	185,000	88,573	273,573	2.27	185,000	88,573	214,000	36,980	250,980	2.08	45,000	9,959	305,939	2.54
2027	12,927,109	195,000	78,151	273,151	2.22	195,000	78,151	219,000	31,266	250,266	2.04	53,000	8,758	312,023	2.54
2028	13,185,651	210,000	67,198	277,198	2.21	210,000	67,198	229,000	25,418	254,418	2.03	56,000	7,343	317,761	2.54
2029	13,449,364	220,000	55,363	275,363	2.16	220,000	55,363	234,000	19,304	253,304	1.98	65,000	5,847	324,151	2.54
2030	13,718,352	235,000	42,978	277,978	2.13	235,000	42,978	243,000	13,056	256,056	1.96	71,000	4,112	331,168	2.54
2031	13,992,719	245,000	30,359	275,359	2.07	245,000	30,359	246,000	6,568	252,568	1.90	83,000	2,216	337,784	2.54
2032	14,272,573	260,000	17,225	277,225	2.04	260,000	17,225	0	0	0	0.00	0	0	0	0.00
		<u>\$2,850,000</u>	<u>\$1,567,148</u>			<u>\$2,850,000</u>	<u>\$1,567,148</u>	<u>\$3,103,000</u>	<u>\$679,899</u>	<u>\$4,060,181</u>		<u>\$500,000</u>	<u>\$148,501</u>	<u>\$4,708,681</u>	

(a) Preliminary 2016/17 provided by the County. Fiscal years 2017/18 and after assume 2% growth.

(b) Assumes a 5% delinquency factor and does not include arbitrage rebate payments or interest interest earnings (if any) and are subject to change. Also does not include cash balances.

APPENDIX A

Legal Description for Centerra Community Facilities District

LEGAL DESCRIPTION

CENTERRA - TOTAL PROPERTY

FFENG JOB NO. 281-02

NOTE: LEGAL DESCRIPTION PER ALTA SURVEY BY Z & H ENGINEERING, INC., PROJECT NO. 99032 DATED 8/18/99.

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 8 TOWNSHIP 1 NORTH RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, SAID POINT BEING THE CENTERLINE OF THE INTERSECTION OF YUMA ROAD AND ESTRELLA PARKWAY.

THENCE, N 00° 23' 06" W ALONG THE WEST LINE OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF ESTRELLA PARKWAY, A DISTANCE OF 1319.17 FEET TO A POINT;

THENCE, N 89° 43' 50" E, LEAVING SAID WEST SECTION LINE, A DISTANCE OF 75.00 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF ESTRELLA PARKWAY AND THE POINT OF BEGINNING;

THENCE, N 00° 23' 06" W, ALONG SAID EAST RIGHT-OF-WAY LINE AND PARALLEL TO THE WEST SECTION LINE A DISTANCE OF 1319.32 FEET TO A POINT 75 FEET EAST OF THE WEST 1/4 CORNER OF SAID SECTION 8;

THENCE, N 00° 23' 15" W, ALONG SAID EAST RIGHT-OF-WAY LINE AND PARALLEL TO THE WEST SECTION LINE A DISTANCE OF 2583.53 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF VAN BUREN STREET, SAID POINT BEING 55 FEET SOUTH AND 75 FEET EAST OF THE NORTHWEST CORNER OF SECTION 8 TOWNSHIP 1 NORTH RANGE 1 WEST;

THENCE, N 89° 44' 15" E, ALONG THE SOUTH RIGHT-OF-WAY LINE OF VAN BUREN STREET AND PARALLEL TO THE NORTH SECTION LINE OF SAID SECTION 8, A DISTANCE OF 2529.92 FEET TO A POINT, SAID POINT BEING 55 FEET SOUTH OF THE NORTH 1/4 CORNER OF SAID SECTION 8;

THENCE, DEPARTING SAID RIGHT-OF-WAY LINE S 00° 11' 34" E ALONG THE NORTH-SOUTH MIDSECTION LINE A DISTANCE OF 2913.45 FEET TO A POINT;

THENCE, DEPARTING SAID NORTH-SOUTH LINE N 89° 43' 56.5" E, A DISTANCE OF 512.00 FEET TO THE CENTERLINE OF BULLARD WASH;

THENCE, S 05° 30' 36" E, ALONG THE CENTERLINE OF SAID BULLARD WASH, A DISTANCE OF 2284.79 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF YUMA ROAD AND 33 FEET NORTH OF THE SOUTH SECTION LINE OF SECTION 8 TOWNSHIP 1 NORTH RANGE 1 WEST;

THENCE, S 89° 44' 18" W ALONG THE SAID NORTH RIGHT-OF-WAY LINE AND PARALLEL TO THE SOUTH LINE OF SAID SECTION 8, A DISTANCE OF 723.78 FEET TO A POINT 33 FEET NORTH OF THE SOUTH 1/4 CORNER OF SAID SECTION 8;

THENCE, N 00° 16' 16" W, A DISTANCE OF 22.00 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF YUMA ROAD AND 55 FEET NORTH OF THE SOUTH 1/4 CORNER OF SAID SECTION 8;

THENCE, CONTINUING ALONG SAID NORTH RIGHT-OF-WAY LINE S 89° 43' 44" W A DISTANCE OF 1293.67 FEET TO A POINT;

CONTINUED ON PAGE 2

LEGAL DESCRIPTION
CENTERRA
FFENG JOB NO. 281-02
PAGE 2

THENCE, N 00° 17' 20" W, DEPARTING SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 1264.12 FEET TO A POINT;

THENCE S 89° 43' 50" W A DISTANCE OF 1220.85 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING.

EXCEPT THE FOLLOWING:

FOUR (4) PARCELS OF LAND LYING WITHIN THE FOLLOWING DESCRIBED PARCEL AS RECORDED IN DOCUMENT NO. 93-030878 M.C.R.

THE WEST HALF OF SECTION EIGHT (8), TOWNSHIP ONE (1) NORTH, RANGE ONE (1) WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

