

APPLICATION

FOR THE FORMATION OF THE

**RANCHO SAHUARITA
COMMUNITY FACILITIES DISTRICT
(SAHUARITA, ARIZONA)**

SUBMITTED BY:

**RANCHO SAHUARITA MANAGEMENT
COMPANY, L.L.C. AS APPLICANT OR
DEVELOPER**

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Introduction

This application (“Application”) is submitted by Rancho Sahuarita Management Company L.L.C., an Arizona limited liability limited company (“Applicant” or “Developer”), the mailing address for which is 4549 E. Fort Lowell Road, Tucson, AZ 85712.

This Application requests the formation of the Rancho Sahuarita Community Facilities District (the “District”) pursuant to 48-701 *et seq.* Arizona Revised Statutes, as amended (the “Act”), to finance certain Public Infrastructure and Public Infrastructure Purposes, as defined in the Act, (“Public Infrastructure”) relating to the development of certain real property within portions of the Rancho Sahuarita Master Planned Community (“Project”). The Project is an approximately 3,089 acre master-planned development comprised of residential, commercial and recreational land uses, which is located entirely within the boundaries of the Town of Sahuarita, Arizona (the “Town”). The Project is located in the northern portion of the Town, on the eastern and western boundaries of Interstate 19, approximately 10 miles south of Tucson, and approximately 12 miles south of Tucson International Airport. The approximate Project boundaries are bounded by the community of Valle Verde Del Norte to the south, Pima Mine Road to the north, Farmers Investment Company’s pecan groves to the east and American Smelting and Refining Company’s mine tailings to the west. Maps depicting the Project are included in Appendix A.

The land within the proposed District is an approximate 943 acre portion of the overall Project (the “Property”). A legal description of the Property is included in Appendix B and a map depicting the larger Rancho Sahuarita Master Plan and the Property is included in Appendix A. Note that CFD regions as indicated within Appendix A correspond with Appendix B region descriptions. Landmark Title Agency of Arizona, LLC, an Arizona limited liability company, as Trustee under Trust No. 18336-T (“Trust 1”); Fidelity National Title Agency, Inc., an Arizona corporation, as Trustee of Trust No. 30,007 (“Trust 2”); and Title Security Agency of Arizona, Inc. an Arizona corporation, as Trustee of Trust No. 2069 (“Trust 3”) will be* the owner of fee title to 100 percent of the real property to be contained within the District. Trust 1, Trust 2 and Trust 3 are hereinafter collectively referred to as the “Trusts”. Interchange Opportunity Fund, LLLP, an Arizona limited liability limited partnership is the owner of 100 percent of the beneficial interests in the Trust 2, is the owner of 99 percent of Rancho Sahuarita VIII, LLC, which is the owner of 100 percent of the beneficial interest in Trust 1 and 99 percent of RSMC VI, LLC, which is the owner of 100 percent beneficial interest in Trust 3 (“Landowner”). The Applicant has, or will have, the option to purchase land from the Landowner at terms and conditions acceptable to all parties.

*Ownership in Blocks 50 and 51 was transferred to FNTA Trust No.30,006. Waiting on 12/9/13 Town Council meeting to approve Substitute Assurance Agreement which will allow the transfer (deed) back into FNTA Trust No. 30,007

The Property has been entitled for the development of residential single family homes, multi-family homes, commercial and industrial development in accordance with the Rancho Sahuarita Specific Plan. Upon build out, it is anticipated that the District will encompass approximately 3,267 single family units and over 1.25 million square feet of commercial (retail, office, multi-family, mixed use) and/or industrial gross leasable area in addition to roadways, rights-of-way, open space, and parks.

Description	Approximate Acreage	Approximate Number of Residential Units	Approximate Square Footage (GLA) of Commercial
Residential	738.04	3,267	N/A
Public Roadways (ROW)	34.24	N/A	N/A
Parks/Open Space	20.01	N/A	N/A
Booster/Reservoir Site	1.38	N/A	N/A
Retention	8.95	N/A	N/A
Commercial (Retail, Office, Multi-Family, Mixed Use) and/or Industrial	140.44	N/A	1,253,240
Total	943.06	3,267	1,253,240

The following are responses to information requested in Article 2 of the Town’s Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts (“CFD Policy Guidelines”).

Application Information

2.1.1 General Description. *A general description of the Applicant, including the corporate and organizational structure of the entity or individual making the Application to form a Community Facilities District (“CFD”). This description should also include the names of all officers and/or corporate directors directly related or associated with the proposed development and the proposed CFD.*

The Applicant is a limited liability company organized pursuant to the laws of the State of Arizona, and qualified to do business in the State of Arizona. The Developer has been an entity developing property within Rancho Sahuarita since 2003. Fred Lewis is the President of MKS Equitas Investment Group, Ltd., the Sole Member of the Applicant and Developer.

2.1.2 Contact(s). *The name, address, phone number and other relevant information of the primary contact for the Applicant. This information should also list the names (and other relevant information) of any legal representatives, engineers, architects, financial consultants and/or other consultants significantly involved in the Application.*

The primary contact for this Application will be Robert Sharpe, President of Sharpe & Associates, Inc., General Partner of Interchange Opportunity Fund Limited liability Limited Partnership, LLLP. In his capacity as the landowners’ representative, Mr. Sharpe will coordinate communications with the other team members on the Project. The following individuals will be working on the Project:

Applicant or Developer: Fred Lewis, President
MKS Equitas Investment Group, Ltd.
Sole Member of Rancho Sahuarita Management Company, LLC
4549 E. Fort Lowell Road
Tucson, Arizona 85712
Phone: (520) 299-8766
Email: fred@ranchosahuarita.com

Shareholder: Fred Lewis (100%)
Directors: Fred Lewis, Robert Sharpe, Deborah Sharpe
Officers: Fred Lewis- President

Landowner: Robert Sharpe, President
Sharpe & Associates, Inc., General Partner
Interchange Opportunity Fund Limited Liability Limited Partnership, LLLP
4549 E. Fort Lowell Road
Tucson, Arizona 85712
Phone: (520) 299-8766
Email: bsharpe@sharpeandassociates.com

Engineering & Land Planning: Michael Bowman, Vice-President of Development
Rancho Sahuarita Management Company, LLC
4549 E. Fort Lowell Road
Tucson, Arizona 85712
Phone: (520) 299-8766
Email: michaelb@ranchosahuarita.com

Corey Thompson, Managing Principal, Community Development
Stantec Engineering
5151 E. Broadway Blvd, Suite 400
Tucson, Arizona 85711
Phone: (520) 750-7474
Email: corey.thompson@stantec.com

William Baker, President
Baker & Associates Engineering Inc.
3561 E. Sunrise Drive #225
Tucson, Arizona 85718
Phone: (520) 318-1950
Email: bill@baetucson.com

Applicant's Legal Counsel: Dana Belknap, Esq.
Gallagher & Kennedy, P.A.
2575 E. Camelback Road, Ste. 1100
Phoenix, Arizona 85016
Phone: (602) 530-8348
Email: dsb@gknet.com

Lien Holders: None

Landscape Architect: Yvette Ensign
Ensign Design Group
801 E. Placita de Arnoldo
Tucson, AZ 85718
Phone: (520) 544-5138
Email: ensign@usa.net

2.1.3 *Experience. A general description of the Applicant's experience with similar types of projects as development of the Property.*

Mr. Lewis is a 34 year resident of Tucson, graduate of the University of Miami with both a bachelors and masters degree in education and is a Certified Public Accountant licensed in the State of Arizona. Mr. Lewis has been involved in homebuilding and land development for over three decades. In the 1980's, Mr. Lewis was employed by the Cienega Ltd. as a controller focused on residential and commercial projects within the Tucson metropolitan area. In the 1990's Mr. Lewis was employed by Canoa Development and its parent company, SunChase Holdings as the project accountant for their Sabino Springs Masterplanned Community. In 1999, Mr. Lewis began working for the Rancho Sahuarita Companies and in 2005 acquired ownership of all the developmental entities within the Project. Land sales within the Project by affiliates of the Applicant or Developer include the following:

AFFILIATES OF APPLICANT &/OR DEVELOPER	BLOCK	ACRES	LOTS	BUILDER / USER
OCEANHAVEN DEVELOPMENT COMPANY	16/19	16.58	79	INSIGHT
	16/19	19.46	102	RICHMOND
	57	7.25	16	TOWNSEND
	58	12.99	99	RICHMOND
THE JONATHAN GROUP	REGION 5	88	462	KB HOME
	25/28	70.6	253	MARACAY
	29	37.92	89	TOWNSWND
	6	6.12	Commercial	METHODIST CHURCH
RANCHO SAHUARITA VII LLC	REGION 10	89.69	245	DR HORTON
	REGION 10	58.7	278	RICHMOND
	REGION 10	51.6	121	DR HORTON
RSMC II, LLC	REGION 10	12.78	121	RICHMOND
RSMC III, LLC	REGION 6	6.86	Commercial	LDS CHURCH
RSMC VI, LLC	REGION 10	11.2	77	RICHMOND
	REGION 10	10.85	65	UNSOLD

2.1.4 **Financial Capability.** Evidence demonstrating the Applicant’s ability and capacity (including financial statements if necessary) to undertake the proposed development.

Future private development will be financed by the Applicant with a combination of internally generated cash flow, cash reserves, equity and borrowings as needed by the Applicant. The Applicant shall provide all relevant financial information to the appropriate parties as required.

2.2.1 **General Description.** A general description of the proposed CFD, its purpose, proposed public infrastructure and/or services to be provided, and a statement describing the overall community benefit or enhanced public services to be derived from the CFD. This description should include a statement of how the proposed CFD meets the existing development objectives of the Town, including the degree to which the CFD is consistent with the goals of the Town’s General Plan for promoting orderly development, consistent with growth management policies and zoning requirements and the degree to which the land use plan for the CFD is consistent with the Town’s General Plan.

The Town has approved a Development Agreement (“Development Agreement”) (1996) and Specific Plan (1996) for the Project. The Development Agreement contemplates the consideration by the Town of the formation of a CFD. The approved land use entitlements for the Project are consistent with the Town’s General Plan. Development of the Property, as part of the Project, and the use of the District will promote orderly development consistent with the Town’s growth management policies and zoning requirements by constructing Public Infrastructure in phases in an area identified in the General Plan as appropriate for planned growth. The creation of the District and the construction of Public Infrastructure in advance of specific development proposals will benefit the Town and its residents by advancing the timeline and availability of the required public infrastructure necessary to attract new business opportunities and economic development to the Town in a manner that would otherwise not be available without the creation of the District. Specifically, the proceeds of District bonds will be used exclusively for the financing, construction and/or acquisition of designated eligible Public Infrastructure within the District as described in the Section 2.3.2 table.

The Town’s General Plan contains numerous goals, policies and objectives that establish the publicly expressed policy directions of the Town related to growth and development. The use of CFD financing serves to expedite and enhance the development of the Property, and by extension, many lifestyle and economic aspects of the overall community. Development of the Property will provide a higher quality and quantity of public benefits for all potential homebuyers and commercial/industrial owners within the community, as well as existing Town residents.

- 2.2.2 Location. *A description of the proposed CFD's general location within the Town; an area site map illustrating the proposed boundaries and a legal description of the proposed boundaries. This description must include an analysis of the appropriateness of the CFD boundaries.*

The District will comprise the entire acreage of the Property which will be benefitting from the Public Infrastructure to be financed through the District. Maps depicting the proposed District, the location of the Project in the context of the surrounding vicinity, and the Property in the context of the Project are included in Appendix A. A legal description of the Property is included in Appendix B.

- 2.2.3 Ownership Interests. *The identity and address of all persons or entities with any interest in the property including lienholders and purchasers under pending sales contracts and the names and addresses of any qualified electors located within the proposed boundaries of the CFD. A certificate from the Pima County Assessor or, if not accurate, a current title report and certificate from the Pima County Elections Department shall be submitted as evidence of names or persons with any interest in the land and qualified electors, respectively.*

The Trusts, (whose contact information are set forth below), are the sole landowners within the District. The Landowner (whose address is set forth below), is the sole beneficiary under Trust 2 and 3, and a 99 percent owner of the sole beneficiary of Trust 1 and Trust 3. The Applicant has, or will have, the option to purchase land from Landowner at terms and conditions acceptable to both parties. The petition proposing the formation of the District will be signed by 100 percent of the landowners within the District. There are no qualified electors living within the boundaries of the proposed District. A Qualified Elector report has been provided as Appendix G.

There is one pending land sale contract to Reay's Ranch Investors, L.L.C., for an approximate 1.73 acre tract within the proposed District. Such purchaser has agreed to consent to the establishment of the District in its purchase agreement and shall execute and deliver to Applicant and/or District the necessary consents, authorizations and approvals required to include the tract within the boundaries of the District.

At present, there are no lienholders with encumbrances relating to the property to be contained within the boundaries of the District. See the title report included as Appendix C.

A title report for the Property is included in Appendix C. An Assessor's Certificate from the Pima County Assessor's Office and a Qualified Electors Report are included as Appendices F and G. Interchange Opportunity Fund Limited Liability Limited Partnership, LLLP, the Landowner as identified in Section 2.1.2, controls over 99% of beneficial member interest in each of the Landowner entities listed below. The following represents the contact information of Landowner entities and the other interested parties that will sign the petition for District formation as described above:

Landowners: Trust 1
Landmark Title Assurance Agency of Arizona, LLC., an Arizona limited liability company, as Trustee of Trust 18,336-T
Joyce M. Rodda
Trust Department/Trustee Sale Department
2730 E. Broadway Boulevard, Suite 100
Tucson, Arizona 85716
Phone: (520) 901-4438
Email: joyce.rodde@ltaz.com

Trust 2
Fidelity National Title Agency, Inc., an Arizona corporation, as
Trustee of Trust No. 30,007
Marty Hill
6245 East Broadway Blvd., Suite 200
Tucson, Arizona 85711
Phone: (520) 751-2970
Email: mhill@fnf.com

Trust 3
Title Security Agency of Arizona
Trustee of Trust No. 2,069
Diane Sloan
2730 East Broadway Blvd., Suite 100
Tucson, Arizona 85716
Phone: (520) 901-4439
Email: Diane.sloane@titlesecurity.com

Robert Sharpe, President
Sharpe & Associates Inc., Managing Member
Rancho Sahuarita XX LLC
4549 E. Fort Lowell Road
Tucson, Arizona 85712
Phone: (520) 299-8766
Email: bsharpe@sharpeandassociates.com

Robert Sharpe, President
Sharpe & Associates Inc., General Partner
Interchange Opportunity Fund Limited Liability Limited
Partnership. LLLP
4549 E. Fort Lowell Road
Tucson, Arizona 85712
Phone: (520) 299-8766
Email: bsharpe@sharpeandassociates.com

Applicant or Developer:

Fred Lewis, President
MKS Equitas Investment Group, Ltd.
Sole Member of Rancho Sahuarita Management Company, L.L.C.
4549 E. Fort Lowell Road
Tucson, Arizona 85712
Phone: (520) 299-8766
Email: fred@ranchosahuarita.com

***Land Purchaser:**

Reay's Ranch Investors, LLC
Richard Couch
2100 North Kolb Road
Tucson, Arizona 85715
Phone: (520) 722-9173
Email: RCouch@Reays.net

*Pending Land Sale- Block 36B (Parcel 303-06-45F) has been transferred into a Trust held by Title Security Agency of Arizona, an Arizona corporation, as Trustee under that certain Trust Agreement know as Trust Number 2,069 whose beneficiary is: RSMC VI, L.L.C., an Arizona limited liability company, 4549 E. Fort Lowell Road, Tucson, AZ 85712.

2.2.4 *Operating Plan. An operating plan for the CFD, describing the functions of the CFD and how the operation and maintenance of the public infrastructure will be provided.*

The District will be established exclusively for the financing, construction and/or acquisition of designated eligible Public Infrastructure as described in detail in Sections 2.3.2 and 2.3.3 below. Upon completion and/or reimbursement of the cost to construct and/or acquire Public Infrastructure, the Public Infrastructure will be dedicated to the Town, which will own, operate and maintain the Public Infrastructure.

The on-going administrative expenses of the District and operations and maintenance expenses of the Public Infrastructure will be offset by the proceeds of the \$0.30 per \$100 of secondary assessed valuation operations and maintenance tax (“O/M Tax”) assessed to the property contained within the boundaries of the District and as further detailed in the Development Agreement (“CFD DA”).

The District Board shall levy all or a portion of the O/M Tax and shall apply the collections of the O/M Tax first to pay the District Expenses and second to pay the O/M Expenses. To the extent the collections of the O/M Tax are not sufficient to pay the District Expenses and, the O/M Expenses, RSMC shall, to the extent of reasonable amounts necessary therefore, be liable and obligated, jointly and severally, to pay or, on a reasonable basis acceptable to the District Manager in his sole discretion, obligate a homeowner's or similar association to pay, to the District on July 1 of each Fiscal Year of the District the amount of any shortfall indicated in the District Budget with respect to the District Expenses and the O/M Expenses, up to a maximum amount not to exceed \$30,000 during any District Fiscal Year; provided, however, the foregoing shall only be effective until 1,634 building permits have been issued within the boundaries of the District and the lots upon which the dwellings subject to such building permits are to be constructed have been conveyed to the retail purchasers thereof. Any amount of such shortfall indicated in the District Budget with respect to the District Expenses and the O/M required because of any shortfall in the prior Fiscal Year as provided in such District Budget, and no matter how such shortfall was otherwise funded, that exceeds such \$30,000 per District Fiscal Year, shall not be accrued or carried forward from year-to-year. The District shall only levy the O/M Tax in an amount necessary for the District Expenses and the O/M Expenses reflected in the District Budget for the Fiscal Year of the District and only in reasonable amounts therefore.

RSMC will deposit \$30,000 as a deposit on account to be applied by the Municipality in its sole and absolute discretion to pay Initial Expenses upon written demand by the District Manager. When \$25,000 of the \$30,000 deposit is expended, an accounting will be made to RSMC of all amounts incurred by the Municipality for the Initial Expenses to date, and RSMC and IOF shall be liable and obligated, jointly and severally, to provide additional funds as necessary for the Initial Expenses in an amount requested by the Municipality which must be paid forthwith and which shall thereafter be the subject of a similar accounting. Amounts paid by RSMC and IOF which may be reimbursed under applicable law to RSMC and IOF from the proceeds of the sale of the Bonds shall, at the request of RSMC and IOF and to the extent of available amounts therefore, be included as part of the purpose of the Bonds. The obligations of RSMC and IOF shall only be effective until the July 1 after the date that the first collections of the O/M Tax are received by the District.

2.2.5 Status of Entitlements and Source of Water, Sewer Treatment and Other Utilities/Services. *The status of all entitlements with respect to the Property as well as the plan for providing water, sewer treatment and other utilities and services (fire, police, education, etc.) to the Property.*

The Town has approved the Specific Plan for the Project setting forth the authorized development thereof. Preliminary and final plats currently exist for the Property, however amendments to portions of the Property remain to be completed and approved by the Town.

Water to the Property is provided by Sahuarita Water Company, which has a Certificate of Assured Water Supply for the entire Property. Wastewater service is provided by the Town. Electrical power is provided by Tucson Electric Power Company and TRICO, depending upon the specific location of improvements within the Project. Cox Communications provides telephone, cable television and internet service to the Property. Southwest Gas provides natural gas service to the Property. Rural Metro provides fire service to the Property and the Town provides municipal services.

2.3.1 Description of Public Infrastructure. *A detailed description of the types of public infrastructure to be financed and/or acquired by the CFD. This description should include a proposed project schedule for commencement and completion of (a) public infrastructure and (b) the private development.*

Please refer to Sections 2.3.2 and 2.3.3.

2.3.2 Estimated Costs. *An estimate of the construction and/or acquisition costs of the public infrastructure to be completed by the CFD. This information shall include a detailed list of the estimated cost of each component of the public infrastructure.*

Depicted below are descriptions of the types of Public Infrastructure to be constructed and/or acquired by the District and their estimated cost. The cost estimates are 2013 current dollars may likely to increase over time due to inflation.

	Description of Public Infrastructure Excluding Intracts	Total Estimated Costs (1)	Costs Not Eligible for CFD Financing (1)	Costs Eligible for CFD Financing (1)	Costs To Be Financed via CFD (1)
1	Public Drainage and Retention Improvements	\$12,587,414	\$0	\$12,587,414	\$12,587,414
2	Landscaping Improvements	\$9,050,051	\$0	\$9,050,051	\$9,050,051
3	Road Improvements	\$11,328,963	\$0	\$11,328,963	\$11,328,963
4	Sewer System Improvements	\$5,625,310	\$0	\$5,625,310	\$5,625,310
5	Water Improvements	\$12,945,350	\$12,945,350	\$0	\$0
6	Other Private Improvements	\$3,953,981	\$3,953,981	\$0	\$0
	Total	\$55,491,069	\$16,899,331	\$38,591,738	\$38,591,738

(1) Costs are stated in terms of 2013 dollars and are expected to increase over time with inflation
Source: The Applicant

The Applicant will comply with all public procurement requirements applicable to the construction and/or acquisition of eligible Public Infrastructure in accordance with Title 34 and the Town’s public procurement ordinance and regulations.

Upon completion of Public Infrastructure construction for Regions 4 and 5 of the 2015 Bond Series Infrastructure improvements, this Public Infrastructure will be dedicated to the Town, which will own, operate and maintain such. The Developer shall supervise the CFD’s administration and performance of any construction contract for Public Infrastructure constructed by the District for Region 6 of the 2015 Bond Series Infrastructure improvements (Rancho Sahuarita Blvd., from Sahuarita Rd. through Region 6) in accordance with the Plans and Specifications therefore and shall be paid reasonable and customary fees for providing such services (including as part thereof the allocable portion of the actual general overhead of RSMC incurred in connection with providing such

services), payable by the District from available, unrestricted proceeds of the sale and delivery of Bonds or from funds loaned to the District for such purpose. RSMC shall provide the District with a budget detailing the expected cost of providing such services prior to bidding any such construction contract. The indenture trustee appointed with respect to any series of the Bonds shall be instructed to provide draws from proceeds. Upon completion of construction and/or the reimbursement of the costs to construct the Public Infrastructure, the Public Infrastructure will be dedicated to the Town, which will own, operate and maintain the Public Infrastructure.

As shown above, the total cost of Infrastructure for the Property, excluding in-tract improvements, is estimated to be approximately \$55.5 million. It is anticipated that the District will be requested to finance approximately \$38.6 million of Public Infrastructure costs through the issuance of general obligation bonds (“GO Bonds”). The Applicant will provide for the balance of the infrastructure through a combination of internally generated cash flow, cash reserves, equity and borrowings as needed by the Applicant. The GO Bond authorization amount shall not exceed \$60 million, which represents costs related to the bond offerings, District formation, Public Infrastructure and incidental items, as well as potential inflationary increases in such costs.

2.3.3 *Development Timetable. A detailed timetable describing the scheduling, timing or phasing of the public infrastructure. This schedule should include a timetable for constructing/acquiring both the public and private components of the overall development with respect to the Property. Each phase of the development should be shown separately.*

The Property has an estimated build-out schedule of approximately twenty-four years. Considering the cyclical nature of Arizona’s real estate market, it is difficult to estimate, with any degree of certainty, the completion schedule for all of the eligible Public Infrastructure. Below, however, is a summary of the estimated completion schedules for the infrastructure based on current market conditions and the anticipated construction phases for the Property. A detailed description of improvements can be found in Appendix D- Table 2.3.3.

Bond Series	Region(s)	Projected Start Date	Projected Completion Date
2015	4	Q1 2014	Q4 2014
	5	Q3 2014	Q3 2015
	6	Q3 2014	Q4 2015
2019	6, 7	Q3 2019	Q2 2020
2020	7	Q3 2020	Q2 2021
2021	7	Q3 2021	Q2 2022
2022	6, 7	Q1 2022	Q3 2022
2023	8	Q1 2023	Q4 2023
2024	8	Q1 2024	Q4 2024
2024	9	Q4 2024	Q3 2025
2027	9	Q3 2027	Q2 2028
2028	9	Q3 2028	Q2 2029

- 2.4.1 *Description of Financial Plan.* *A detailed description of the capital financing plan for the public infrastructure and the private development with respect to the Property, including both public and private components of such development. This description should include the proposed types of tax-exempt/taxable bonds to be issued for the public infrastructure as well as the financing plan of the Applicant for the private development and the sources of the proposed financing including any debt or equity.*

The following paragraphs provide a detailed description of the capital financing plan for the Public Infrastructure and the private development.

Public Financing

Formation and Authorization

The Town Council, in response to a petition from the landowners of one-hundred percent of the property within the proposed District, will adopt a resolution forming the District. As there are no other property owners residing within the proposed District, the current property owners will vote to authorize the issuance of GO Bonds in an amount not to exceed \$60,000,000 (which represents costs related to the bond offerings, District formation, Public Infrastructure and incidental items, as well as potential inflationary increases in such costs). The GO Bond Authorization is expected to have a term of 50 years and will be issued in series over time (see Appendix D).

Public Bidding

In the event that GO Bonds are issued to finance the construction or acquisition of the Public Infrastructure, the Applicant will work closely with the Town on all aspects of complying with the public procurement process in conformance with Title 34 and the Town's public procurement ordinance and regulations.

Ad Valorem Target Secondary Tax Rate

The District will issue GO Bonds to finance the construction and/or acquisition of eligible Public Infrastructure. The GO Bond amount will be established so as to be sufficiently supported by the District's then-current secondary assessed valuation, assuming a secondary assessed valuation tax rate of no greater than \$4.99 (\$4.69 for debt service plus \$0.30 O/M Tax) per \$100 of secondary assessed value ("Target Tax Rate"), or by other credit enhancement, including but not limited, to a stand-by contribution agreement ("Standby Contribution Agreement"), with terms and conditions pursuant to the Development Agreement.

As development and tax base growth occur, or an acceptable credit enhancement is provided, which would include the use of the Standby Contribution Agreement, it is anticipated that additional series of GO Bonds will be issued. A detailed analysis of the projected increase in the secondary assessed valuation of the property within the boundaries of the District is included in Appendix D- Table 2.4.1.

As summarized herein, the District's first issuance and sale of GO Bonds, in the estimated amount of \$7,160,000, is anticipated to occur in the first quarter of 2015, and the proceeds will be used to finance the construction and/or acquisition of public infrastructure in regions 4, 5, and 6. Since the secondary assessed valuation of the District, at the time of issuance, is approximately \$1,063,796 (based on 2013/14 estimate), the anticipated secondary property tax revenues will not be initially sufficient to pay the debt service on the bonds (See Appendix D, Section 2.4.1 Series 2014 (column 12)).

As a result, the Landowner has held discussions with Alliance Bank of Arizona, a Division of Western Alliance Bank and National Bank of Arizona, a Division of Zions Bank (the "Financial

Institutions”), and expects to be able to deliver an Irrevocable Letter of Credit (“LOC”), from one of the above Financial Institutions. The initial LOC (see attached draft as exhibit I) shall equal five (5) times the maximum annual debt service of Bonds issued. The LOC reduction features shall be consistent with the formula established in the Quail Creek Community Facilities District.

Such LOC would secure a Standby Contribution Agreement by and between the District and the Landowner. The initial LOC would be for a period of one year and would be renewed annually and, as such, would be available to help cure any covenant violations or events of default (“Default”) as outlined in the Standby Contribution Agreements. In the event the LOC was called upon, the District, at its discretion, could use such proceeds to cure such default. In the event the Financial Institutions do not provide the above collateral, the Landowner will obtain a LOC from another comparable financial institution or provide other acceptable collateral sufficient to pay the difference between the revenues produced by the secondary property tax rate and the actual debt service coming due in that fiscal year.

The Applicant understands that the District is required to reduce any risk of future property taxes potentially having to be increased in the event there was a severe financial problem with a major property owner within the boundaries of the District, including the Landowner and/or Applicant. Accordingly, an economic profile summary of the proposed District/Property is included on the next page.

		Source/Comments
2013/14 Estimated Full Cash Value:	\$6,590,399	Title Security Agency (a)
2013/14 Estimated Secondary Assessed Valuation:	\$1,063,796	Title Security Agency (a)
Number of Residential Homebuilders Interested in Acquiring Residential Lots within the District:	6: Pulte, Lennar, Richmond American, LGI Homes, Maracay Homes, DR Horton	All interested buyers of residential lots are aware of the CFD and sale of general obligation bonds
Timing of Potential Closings to Homebuilders:	Shortly after the sale of CFD Bonds, Series 2015 or construction of Public Infrastructure	Applicant & Developer

(a) Does not include Full Cash and Secondary Assessed Value of improvements to Parcel 303-06-0470, which the Applicant feels may not be accurate (see Appendix F).

Plan of Finance

The GO Bonds will have a final maturity of 25 years or the longest term allowed by law. The GO Bonds are initially anticipated to be unrated and will be sold through a private placement or limited offering, pursuant to A.R.S. Section 48-722. It is the intent of the Landowner or Applicant to initially purchase the GO Bonds. In the case of a sale, in other than a “public sale”, secondary transfers of the GO Bonds will be permitted through the broker dealer network so long as GO Bonds are sold to accredited investors (as defined in Rule 501(a)), qualified institutional investors (as defined in Rule 144A); and/or sophisticated municipal market participants (as such term is customarily used in the industry).

The Developer has, or will have, the option to purchase land from the Landowner at terms and conditions acceptable to both parties. The District will utilize the net GO Bond proceeds to finance the construction and/or acquisition of eligible Public Improvements. To the extent that the current existing secondary assessed valuation of the property contained within the boundaries of the District is insufficient to support the debt service of the anticipated GO Bond at the Target Tax Rate, the Applicant will enter into a Standby Contribution Agreement with District as outlined in Section 2.4.1 of this Application.

At the time of a GO Bond issuance, the Applicant, in conjunction with the District staff, will prepare a Feasibility Report as required by State statute for each issue of GO Bonds describing the specific

plan of finance for the GO Bond issue, and the cost and timing of the Public Infrastructure to be constructed and/or acquired with the proceeds of the GO Bonds. The Feasibility Report will be presented to the District Board at a public hearing and if the District Board approves the Feasibility Report, the Applicant and the District staff and their financial team will proceed with the issuance of the GO Bonds.

District/Town Reimbursement of Certain Infrastructure

It is anticipated that the CFD DA among the Town, the District, the Landowner, and the Applicant will provide for among other things the following:

The Town has adopted a policy that the construction sales tax (“CST”) periodically generated from construction activity benefiting the portion of the Property known as the Town Center after July 1, 2012, until such time as the last certificate of occupancy for the Town Center has been issued by the Town for buildings constructed within its boundaries, shall be allocated to pay for Public Infrastructure that serves such Town Center. The Town agrees to first use the CST to construct the sewer line through the power shopping center located at the southwest corner of Interstate 19 and Sahuarita Road (“Power Center Sewer Line”) when sufficient CST funds are available for such purpose, and shall not use or apply any portion of the CST for other Town Center Public Infrastructure until such time as the construction of the Power Center Sewer Line has been completed.

Thereafter, the Town agrees that the District will provide, among other things, for the following: (1) the establishment by the Town of a special account, into which the Town will deposit CST periodically generated from construction activity within the Town Center, and (2) at the request of the Developer, the periodic transfer of funds from the special account from the Town to the District, to be used by the CFD to either fund the construction of additional Public Infrastructure within the Town Center or reimburse the Developer for the cost of previously funded Public Infrastructure within the Town Center, or (3) at the request of the Developer, subsidize the debt service on outstanding GO Bonds in excess of the debt service target tax rate of \$4.69 per \$100 of secondary assessed valuation on the Property, or (4) at the request of the Developer, reduce the outstanding principal amount of any outstanding GO Bonds. Prior to Subparts (2), (3) or (4) above occurring, Developer or the District shall have constructed two lanes of Rancho Sahuarita Boulevard south from Sahuarita Road through the Town Center, which in no event shall the completion of such construction occur later than December 31, 2015, subject to delays caused by factors beyond Applicant’s control.

Private Development

The District’s overall capital infrastructure budget for the Property, (excluding in-tract improvements), is approximately \$38.6 million of Public Infrastructure that the District will be requested to finance through the issuance of GO Bonds as detailed in the response to Item 2.3.2. The Developer will provide for the remaining balance of the Public Infrastructure costs through a combination of internally generated cash flow, cash reserves, equity and/or borrowings as needed.

- 2.4.2 *Sources and Uses of Funds. A detailed sources and uses of funds for the public infrastructure with respect to the Property. This schedule should include the description of components of the public infrastructure that will be financed by the type of bonds to be issued.*

As summarized herein and outlined in Section 2.4.1, the Applicant is proposing a Series of GO bond sales, the timing of which will be largely dependent upon development progress and related annual

increases in the District’s secondary assessed valuation. The following represents an estimated sources and uses of funds for the proposed Series 2015 sale of bonds. Additional estimated bond sales and related sources and uses of funds are included in Appendix D- Table 2.4.2.

**Rancho Sahuarita Community Facilities District (Town of Sahuarita, Arizona)
General Obligation Bonding Analysis- Series 2015 Sale (a)**

PRELIMINARY SOURCES & USES

Series: **2015**
Dated Date: **1/1/2015**

Sources:

Bond Proceeds:	
Par Amount	\$7,160,000
Total Sources: <u>\$7,160,000</u>	

Uses:

Project Fund Deposit:	
	\$6,873,600
Placement Fees & Costs of Issuance (b):	
	\$286,400
Total Uses: <u>\$7,160,000</u>	

- (a) See Appendix D for details on the Series 2015 sale and subsequent phased GO Bond sales. Estimated bond sales were sized based on preliminary absorption assumptions outlined herein. All future bond sales will be dependent upon development progress and related secondary assessed valuation within the CFD.
- (b) Assumes 4% for each bond sale. Subject to change.

2.4.3 *Financial Feasibility.* *A 20-year financial feasibility study for the entire project being developed on the Property including both the public infrastructure and the private development. This feasibility study should include, if possible, a preliminary market absorption study for the private development.*

Market absorption projections with respect to the Property are based on historical data and included in Appendix D- Table 2.4.3. As required by law, a Feasibility Report for each GO Bond issue will be filed for District Board approval at the time of each bond issuance.

2.4.4 *Fiscal Impact.* *An analysis of the tax, assessment and utilities fee impact on the users/residents within the CFD, specifically, projected property tax rates and levies, special assessments, fees, charges and any other costs to be borne by the CFD. A comparative analysis of such taxes, assessments and fees of similar or adjoining areas and/or CFDs should also be provided*

It is anticipated that the District will levy no more than a \$4.99 (\$4.69 debt service + \$0.30 O/M tax) per \$100 of secondary assessed valuation tax rate on the property within the District. The Applicant believes that this tax rate will have no adverse impact on the marketing of homes within the District due to the enhanced level of Public Infrastructure and amenities and positive discussions with residential homebuilders, who have expressed interest in acquiring land for home construction and third-party sale to residential homebuyers. In addition, there has not been an adverse impact on the marketing of land to commercial users, like Reay’s Ranch Investors L.L.C., who is currently in escrow to acquire land within the District for a gas/convenience store.

The following table depicts the overlapping tax rate for the District assuming tax rates for the fiscal year 2013-14:

TOWN OF SAHUARITA, ARIZONA
RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
(Tax Area Codes for Town of Sahuarita and Sahuarita School District #30)

Overlapping Jurisdictions and Tax Rates (a)

Fiscal Year 2013/14

(1)	(2)	(3)	(4)	(5)
Taxing Authority	← Property Tax Rates (b) →			Monthly Cost @ \$200,000 Home Value (c)
	Primary	Secondary	Total	
Pima County	\$3.6665	\$0.7800	\$4.4465	\$62.99
Education Assistance	0.5123	0.0000	0.5123	7.26
Sahuarita Unified School District #30	4.1743	2.4598	6.6341	93.98
Pima County Community College District	1.2746	0.0187	1.2933	18.32
Joint Technical Education District	0.0000	0.0500	0.0500	0.71
Central Arizona Water Conservation District	0.0000	0.1400	0.1400	1.98
Pima County Flood Control District	0.0000	0.2635	0.2635	3.73
Pima County Library District	0.0000	0.3753	0.3753	5.32
Fire District Assistance	0.0000	0.0456	0.0456	0.65
Sub Total	\$9.6277	\$4.1329	\$13.7606	\$194.94
*Rancho Sahuarita CFD	\$0.0000	\$4.9900	\$4.9900	\$70.69
Grand Total	\$9.6277	\$9.1229	\$18.7506	\$265.63

Source: The Pima County Assessor's Office.

(a) Tax rates are per \$100 of assessed value. Tax Area Codes: 3002, 3003, 3004 and 3005.

Does not include \$2.21 for Green Valley Fire District in Tax Area Codes 3003 and 3004.

(b) Does not include a groundwater replenishment fee of \$473/acre-foot of excess water delivered to the area.

Included in Tax Area Codes: 3004 and 3005.

(c) Home Value is representative of Full Cash Value (\$170,000) and is estimated.

*Assumes 100% collection (no collection loss)

The following are comparative fiscal year 2013-14 combined tax rates for various communities in Pima County:

Municipality	CFD within City/Town	2013/14 Combined Tax Rate	
		Low	High
City of Tucson		\$13.38	\$17.46
Town of Oro Valley		\$13.05	\$15.01
Town of Sahuarita		\$8.78	\$15.97
Town of Marana		\$13.14	\$18.96
Town of Marana	Gladden Farms CFD	\$18.96	\$18.96
Town of Sahuarita	Quail Creek CFD	\$12.08	\$14.29
Town of Sahuarita*	Rancho Sahuarita CFD	\$13.76	\$18.75

*Does not include properties located within the Green Valley Fire District

- 2.4.5 Value-to-Lien Ratio Analysis. Based on the estimated value of the Property, including the acquisition and/or construction of the public improvements, an analysis of the value-to-lien ratios of the proposed public financing if in the form of general obligation or assessment bonds.

GO Bonds are secured by a property tax levied on and collected from all of the tax parcels within the District. The GO Bond amount will be established so as to be sufficiently supported by the District's then-current secondary assessed valuation assuming a secondary assessed valuation tax rate of no greater than \$4.99 per \$100 of secondary assessed value, or by other credit enhancement measures, including but not limited to a Standby Contribution Agreement with terms and conditions pursuant to the CFD DA.

As a consequence, a value-to-lien analysis is less relevant and the requirement for a formal appraisal can be waived. In addition, considering that the "as is" value of the land, the value of the improvements funded by the Applicant, as well as the value of the improvements contemplated to be financed by the first bond issue, the land will have sufficient value to prudently complete the proposed plan of finance.

- 2.4.6 Operation and Maintenance Costs. A detailed description and a financial pro-forma of the estimated annual operation and maintenance costs of the public infrastructure, including replacement reserves, if appropriate. The Application must clearly detail the specific entities such as CFD, Homeowners Associations, Applicant, Town etc. that will be responsible for funding the on-going operation and maintenance costs for all CFD improvements, including for replacement reserves, if appropriate. This section should also provide a description of the revenue source of each.

The District will be established for the financing, construction and/or acquisition of the Public Infrastructure and related Public Infrastructure purposes and will have no continuing obligation with respect to the operation and/or maintenance of the Public Infrastructure financed, constructed and/or acquired by the District and dedicated to the Town other than that which may be required by the Development Agreement.

Pursuant to the Development Agreement, the District's annual administration, operations and maintenance expenses of the District will be paid with the proceeds of the \$0.30 per \$100 of secondary assessed valuation operational tax assessed to the property contained within the boundaries of the District. The proceeds of this tax will be utilized by the District for administrative, operations

and maintenance expenses of the District. In the event that the CFD shall have insufficient money to pay such expenses, the Developer or Landowner shall pay such expenses in an aggregate amount not to exceed \$30,000.00 annually. The Developer or Landowner shall cause a community association (“Community Association”) to assume the responsibility to pay for landscaping operation and maintenance activities in the residential areas pursuant to the terms of the previously agreed upon and existing license agreement with the Town.

Applying the O/M Tax to all of the property contained within the District, the estimated O/M tax generation is estimated as follows:

**Rancho Sahuarita Community Facilities District
Estimated O & M Tax Revenues**

Tax Year	Total Est. Secondary Assessed Valuation	Total Est. District Revenues Generated by \$0.30 O&M Tax Rate
2014/15	\$1,063,796	\$3,032
2015/16	\$1,063,796	\$3,032
2016/17	\$3,647,796	\$10,396
2017/18	\$7,107,721	\$20,257
2018/19	\$10,523,446	\$29,992
2019/20	\$14,136,031	\$40,288
2020/21	\$19,159,531	\$54,605
2021/22	\$28,793,139	\$82,060
2022/23	\$35,159,091	\$100,203
2023/24	\$40,778,659	\$116,219

Note: 2014/15 & 2015/16 assumes no increase over Tax Year 2013/14 which represents the estimated actual.

2.5.1 *Marketing Plan.* A detailed description of the proposed marketing plan to be used by the Applicant to market the property within the CFD. This information may include comparisons of the proposed CFD to similar CFDs in the area.

The Developer estimates build out within the District of approximately 3,267 single-family homes and approximately 1.25 million square feet of commercial and/or industrial gross leasable area development (including multi-family).

As a result of the Project featuring amenities typically not offered in similar projects in the surrounding vicinity, the Project has reached a stabilized absorption rate averaging approximately 400 residential sales per year for the period from 2001 through 2012. The Property’s absorption rate has been projected to average approximately 155 new homes sales annually, which is sufficient to support the projected GO Bond program described in 2.4.2. Refer to Appendix D- Table 2.4.3 for detailed absorption projections with respect to the District.

In addition, the Applicant is requesting the future issuance of GO Bonds to provide for the financing, construction and/or acquisition of Public Infrastructure after sufficient absorption has occurred in the District to produce secondary assessed value to support additional GO Bond issuances or additional security has been provided by other credit enhancement, including but not limited, to a Standby Contribution Agreement, with terms and conditions pursuant to the CFD DA.

2.5.2 Disclosure to Prospective Property Owners. Information regarding the proposed disclosure form that will be used to describe to prospective buyers the potential tax, assessment and fee implications of the CFD. Such form shall have provisions for the signed acknowledgement of receipt of such disclosure form.

A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Subdivision Public Report. Prior to the home sale/lot sale, each homebuyer/lot buyer must be supplied a Subdivision Public Report, and the homebuyer/lot buyer must acknowledge by signature that they have read and accepted the Subdivision Public Report. In addition to this minimum requirement, the Applicant proposes a more comprehensive program of homebuyer/lot buyer disclosure.

First, all sales contracts with homebuilders will include a provision that states that the homebuilder agrees to comply with the disclosure requirements of State law referenced above, plus the additional requirements which follow.

Second, each homebuyer/lot buyer will receive a form detailing the existence of the District, the tax rate and its financial impact.

Third, receipt of this form will be acknowledged in writing by the homebuyer/lot buyer. A signed copy will be kept on file with the Town Clerk.

An example of the form of Disclosure Statement for the general obligation bonds is included in Appendix E.

2.5.3 Equity Contribution. Evidence of at least \$0.25 in infrastructure or community improvements benefitting the Property for each \$1.00 of debt to be issued by a CFD to finance public infrastructure purposes. If agreed to by the Board, in its sole and absolute discretion, prior infrastructure and community improvements constructed or acquired by the Applicant and benefitting the Property may be included in calculating the Applicant's compliance with this requirement.

The overall capital infrastructure budget for the Property, which includes the cost of public infrastructure, (as described in Item 2.3.2), plus in-tract subdivision improvements benefitting the Property, which are estimated to be in excess of \$100 million, is estimated to be approximately \$155.5 million. This amount includes \$38.6 million of Public Infrastructure that the District will be asked to finance and acquire through the issuance of GO Bonds. The Applicant or Developer will fund the balance of the infrastructure costs through a combination of internally generated cash flow, cash reserves, equity and borrowings as needed.

The equity contribution to the overall capital infrastructure budget for the Property will be in excess of 75% (\$116.9 million of costs not eligible for CFD financing / \$155.5 million of total estimated costs).

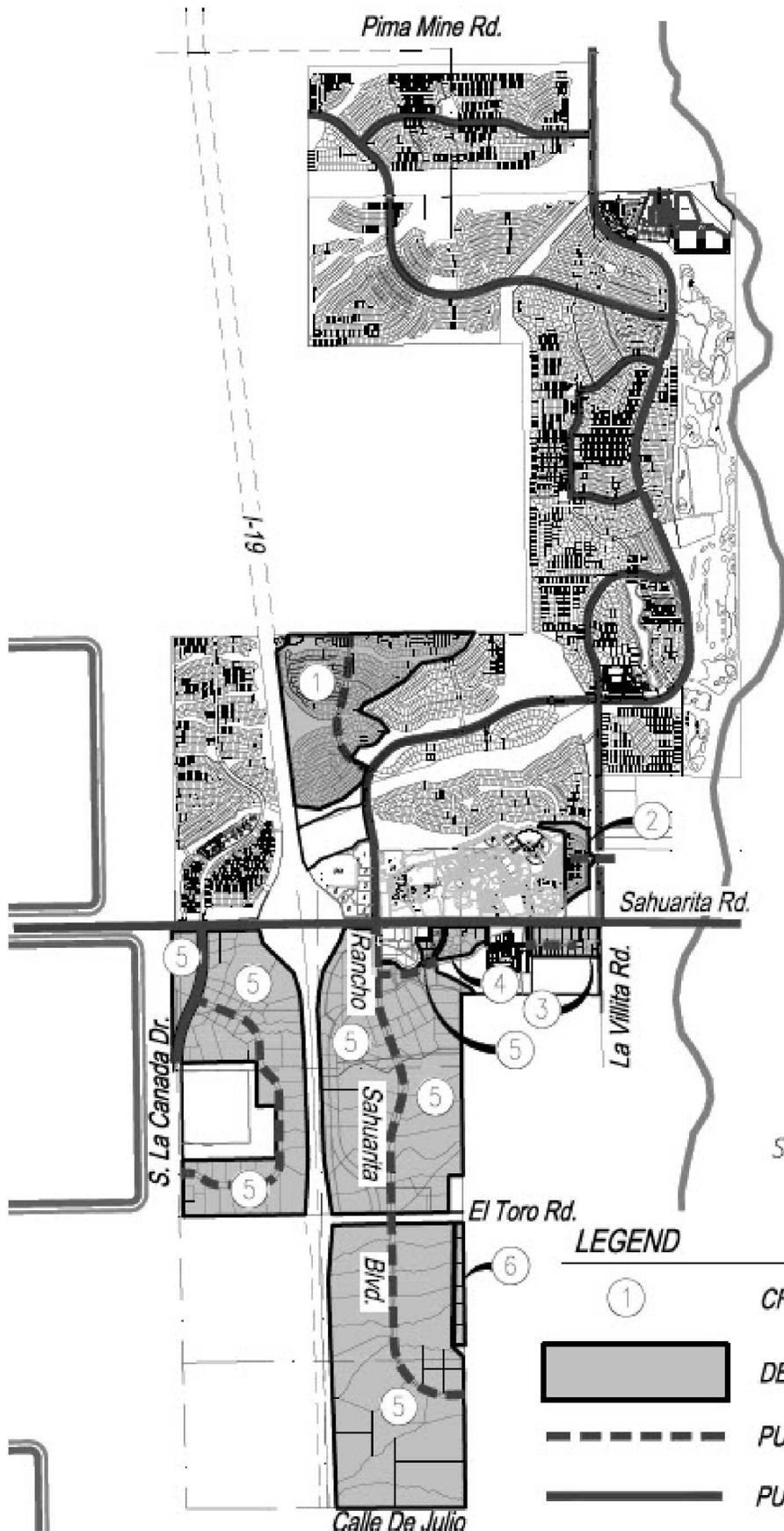
Excluding in-tract subdivision improvements benefitting the Property (\$100 million), the equity contribution to the overall capital infrastructure budget for the Property will be approximately 30.4% (\$16,889,331 of costs not eligible for CFD financing / \$55,491,069 total estimated costs).

2.5.4 Development Agreements. *As an appendix, any Development Agreements entered into between the Town and the Applicant relating to this proposed development.*

A copy of the CFD DA is included in Appendix I.

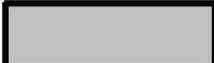
APPENDIX A

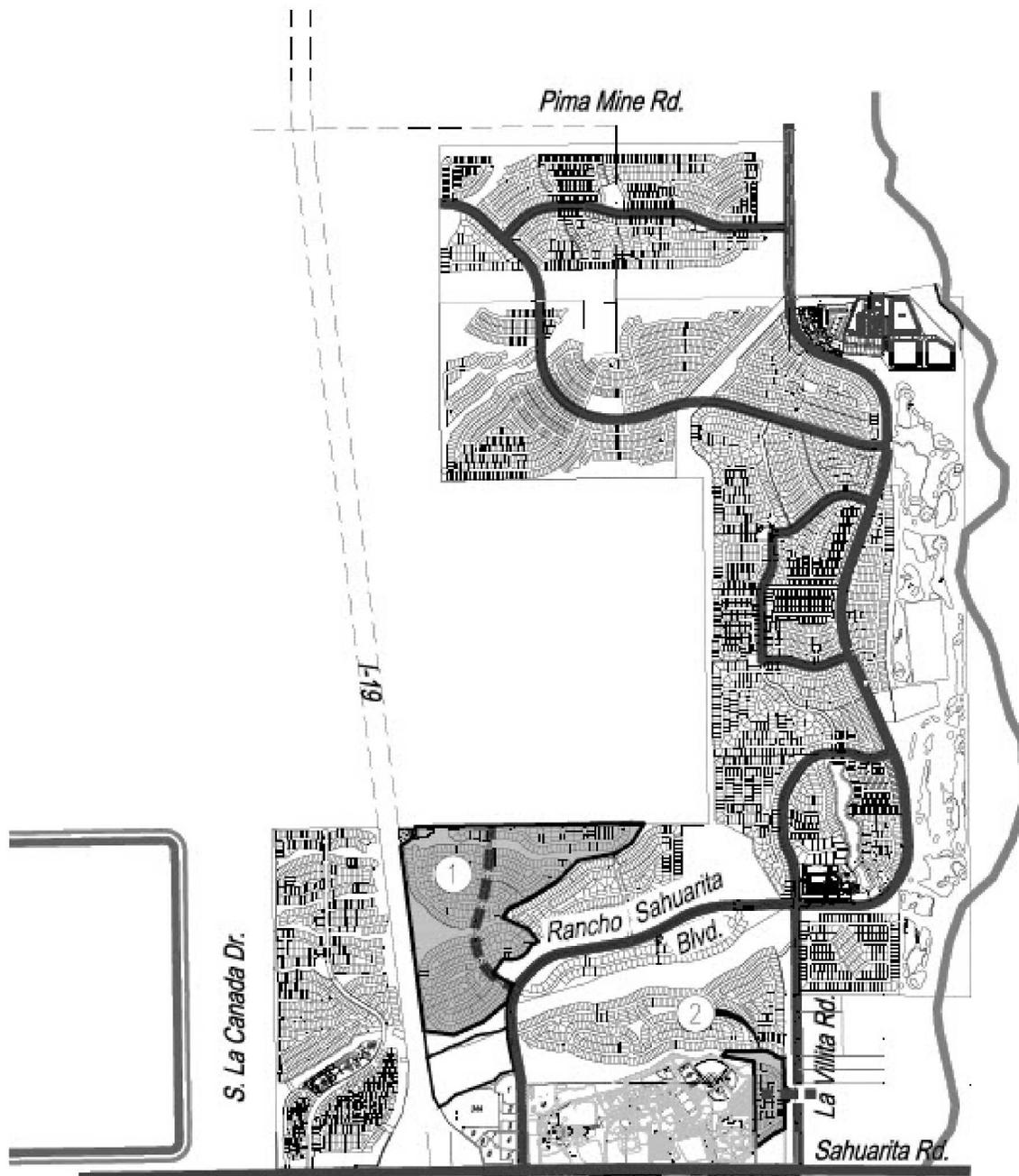
MAPS



Scale: 1"=3,000'

LEGEND

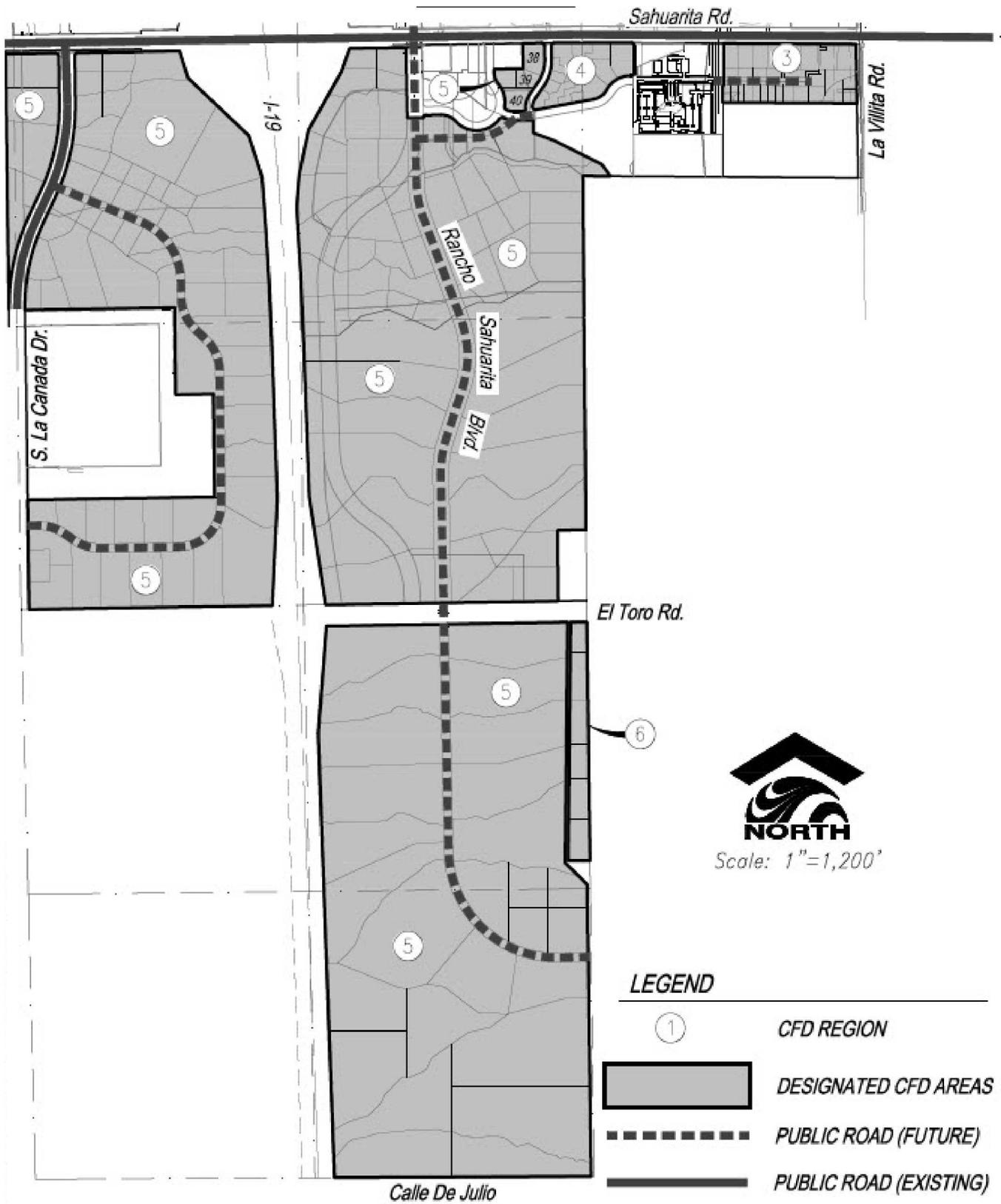
- ① **CFD REGION**
-  **DESIGNATED CFD AREAS**
-  **PUBLIC ROAD (FUTURE)**
-  **PUBLIC ROAD (EXISTING)**



Scale: 1"=2,500'

LEGEND

- ① CFD REGION
- DESIGNATED CFD AREAS
- PUBLIC ROAD (FUTURE)
- PUBLIC ROAD (EXISTING)



APPENDIX B

Legal Description

Legal Description of Property to be included in The Rancho Sahuarita Community Facilities District

Parcel 1:

Lots 1-564 and Common Areas "A" (Private Streets), "B" (Signage, Landscaping, Parks, Recreation and Public Utilities) and "C" (Drainage, Public Sewer and Public Utilities) of Entrada Del Rio recorded in Book 61 at Page 36 of Maps and Plats in the office of the Recorder, Pima County, Arizona.

Parcel 2:

Lots 1-74 and Common Areas "A" (Private Streets), "B" (Signage, Landscaping, Parks, Recreation and Public Utilities) and "C" (Drainage, Public Sewer and Public Utilities) of Entrada La Villita recorded in Book 62 at Page 14 of Maps and Plats in the office of the Recorder, Pima County, Arizona.

Parcel 3:

Block 36B recorded in Book 48 at Page 30 of Record of Surveys in the office of the Recorder, a County, Arizona as more particularly described as follows:

DESCRIPTION of a parcel of land, being a portion of Block 36, per the plat of Rancho Sahuarita, as recorded in Book 52 of Maps & Plats, Page 77 in the office of the Pima County Recorder, Pima County, Arizona, said parcel being located in Section 13, Township 17 South, Range 13 East, Gila and Salt River Meridian.

Said parcel being more fully described as follows:

COMMENCING at the North Quarter Corner of said Section 13, being a found brass stern, from which the Northwest corner of said section bears North 89°38'30" West a distance of 2600.43 feet;

Thence, along the north line of said section, North 89°38'30" West a distance of 1274.83 feet;

Thence, departing said line South 00°0'00" East a distance of 75.00 feet to a point on the south right-of-way line of Sahuarita Road said point being the **TRUE POINT OF BEGINNING**.

Thence, along said right-of-way, South 89°38'30" East a distance of 1232.75 feet to a point on the west right-of-way line of La Villita Road;

Thence, along said right-of-way, South 00°55'39" East a distance of 551.45 feet;

Thence, departing said right-of-way, North 89°38'30" West a distance of 1251.68 feet;

Thence, North 00°00'00" West a distance of 161.32 feet;

Thence, South 89°38'30" East a distance of 10.00 feet;

Thence, North 00°00'00" West a distance of 390.00 feet to the **TRUE POINT OF BEGINNING**.

Parcel 4:

Block 37C as recorded in Book 78 at Page 01 of Record of Surveys in the office of the Recorder, Pima County, Arizona.

Parcel 5:

Blocks 38, 39 and 40 as recorded in Book 78 at Page 1 of Record of Surveys in the office of the Recorder, Pima County, Arizona together with Blocks 41, 42, 43, 44, 46, 47, 48, 49, 50, 51 and 53, together with Common Area 'B' and Common Area 'C' adjacent to these Blocks, excluding any and all well, booster sites and any property condemned by Pima County on Block 48 described below, as recorded in Book 52 at Page 77 of Maps and Plats, in the office of the Pima County Recorder, Pima County, Arizona.

EXCLUDING THAT PORTION OF BLOCK 48 DESCRIBED AS FOLLOWS:

A portion of Section 14, Township 17 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

The south 150.00 feet of the southwest quarter of the northwest quarter, except the west 75.00 feet;

The south 150.00 feet of the west 150.00 feet of the southeast quarter of the northwest quarter;

The west 150.00 feet of the northwest quarter of the northeast quarter of southwest quarter, except the south 200.00 feet;

The west 150.00 feet of the south 200.00 feet of the northwest quarter of the northeast quarter of the southwest quarter;

The west 500.00 feet of the southwest quarter of the northeast quarter of the southwest quarter;

The west 500.00 feet of the north 300.00 feet of the northwest quarter of the southeast quarter of southwest quarter;

The north 300.00 feet of the southwest quarter of the southwest quarter except the west 75.00 feet;

ALSO EXCLUDING A PORTION OF BLOCK 48 including that portion of La Cañada Road Public Right of Way conveyed to the Town of Sahuarita in Docket 13534 at Page 1804, as contemplated in the Fourth Amendment to the Development Agreement recorded in Docket 13355 at Page 3117 (Sequence 20081430989 dated 07/24/2008) in the office of the Recorder, Pima County, Arizona more particularly described as follows:

A portion of Rancho Sahuarita Blocks 47a and 47b as recorded in Book 24 of Surveys at Page 100 and a portion of Rancho Sahuarita Block 48 as recorded in Book 52 of Maps and Plats at Page 77, records of Pima County, Arizona. Reference herein noted to the La Cañada Drive Phase III Monument Study as recorded in Book 67 of Surveys at Page 76, and lying within

Section 14, Township 17 South, Range 13 East of the Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

COMMENCING at the one-quarter corner between Section 14 and Section 15 of said Township, from which the section corner common to Sections 10, 11, 14 and 15 bears North 00 degrees 46 minutes 55 seconds West a distance of 2636.49 feet as shown in said La Cañada Drive hase III Monument Study;

THENCE upon the section line common to said Sections 14 and 15, North 00 degrees 46 minutes 55 seconds West a distance of 160.44 feet;

THENCE leaving said section line, North 89 degrees 13 minutes 05 seconds East a distance of 74.96 feet to the east right-of-way line of said La Cañada Drive and the **POINT OF BEGINNING**;

THENCE upon said east right-of-way line, North 00 degrees 46 minutes 37 seconds West a distance of 756.97 feet to a point on the arc of a non-tangent curve, from which the radius point of said curve bears South 68 degrees 21 minutes 36 seconds East;

THENCE northeasterly along said curve, to the right, having a radius of 1985.00 feet and a central angle of 03 degrees 34 minutes 28 seconds for an arc distance of 123.83 feet;

THENCE North 25 degrees 12 minutes 52 seconds East a distance of 250.42 feet to a point of curvature;

THENCE northeasterly along said curve, to the left, having a radius of 1835.00 feet and a central angle of 26 degrees 01 minutes 09 seconds for an arc distance of 833.31 feet;

THENCE North 00 degrees 48 minutes 17 seconds West a distance of 476.68 feet to a point of curvature;

THENCE northwesterly along said curve, to the left, having a radius of 25.00 feet and a central angle of 90 degrees 04 minutes 19 seconds for an arc distance of 39.30 feet to the south right-of-way line of Helmet Peak - Sahuarita Road as shown in Book 8 of Road Maps at Page 97, from which the northwest corner of said property described in Docket 11139 at Page 306 bears South 89 degrees 07 minutes 24 seconds West, a distance of 321.00 feet;

THENCE upon said south right-of-way line, North 89 degrees 07 minutes 24 seconds East, a distance of 200.00 feet to a point on the arc of a non-tangent curve, from which the radius point of said curve bears South 00 degrees 52 minutes 36 seconds East;

THENCE southwesterly along said curve, to the left, having a radius of 25.00 feet and a central angle of 89 degrees 55 minutes 41 seconds for an arc distance of 39.24 feet;

THENCE South 00 degrees 48 minutes 17 seconds East, a distance of 476.93 feet to a point of curvature;

THENCE southwesterly along said curve, to the right, having a radius of 1985.00 feet and a central angle of 26 degrees 01 minutes 09 seconds for an arc distance of 901.43 feet;

THENCE South 25 degrees 12 minutes 52 seconds West, a distance of 250.42 feet to a point of curvature;

THENCE southwesterly along said curve, to the left, having a radius of 1835.00 feet and a central angle of 25 degrees 59 minutes 29 seconds for an arc distance of 832.42 feet to the **POINT OF BEGINNING**.

TOGETHER WITH A PORTION OF PUBLIC RIGHT OF WAY including that portion of the former La Cañada Road Public Right of Way to be abandoned, as contemplated in the Fourth Amendment to the Development Agreement recorded in Docket 13355 at Page 3117 (Sequence 20081430989 dated 07/24/2008) in the office of the Recorder, Pima County, Arizona more particularly described as follows:

A portion of La Cañada Drive as shown in Book 9 of Road Maps at Page 75 and lying in Sections 14 and 15, Township 17 South, Range 13 East of the Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

COMMENCING at the one-quarter corner between said Sections 14 and 15, from which the section corner common to Sections 10, 11, 14 and 15 bears North 00 degrees 46 minutes 55 seconds West a distance of 2636.49 feet;

THENCE upon the section line common to said Sections 14 and 15, North 00 degrees 46 minutes 55 seconds West a distance of 171.83 feet;

THENCE leaving said section line, South 89 degrees 13 minutes 05 seconds West a distance of 75.00 feet to the west right-of-way line of said La Cañada Drive and the **POINT OF BEGINNING**;

THENCE upon said west right-of-way line, North 00 degrees 46 minutes 58 seconds West a distance of 2389.50 feet to its intersection with the south right-of-way line of Helmet Peak Road as shown in Book 8 of Road Maps at Page 97;

THENCE North 89 degrees 07 minutes 05 seconds East a distance of 150.03 feet to the intersection of said south right-of-way line of Helmet Peak Road with the east right-of-way line of said La Cañada Drive;

THENCE upon said east right-of-way line, South 00 degrees 46 minutes 57 seconds East a distance of 652.82 feet;

THENCE continuing upon said east right-of-way line, South 00 degrees 47 minutes 09 seconds East a distance of 780.71 feet;

THENCE continuing upon said east right-of-way line, South 00 degrees 46 minutes 37 seconds East a distance of 210.65 feet to a point of curvature of a non-tangent curve, from which the radius point bears South 68 degrees 21 minutes 36 seconds East;

THENCE southerly along said curve, to the left, having a radius of 1985.00 feet and a central angle of 22 degrees 05 minutes 19 seconds for an arc distance of 765.25 feet to the **POINT OF BEGINNING**.

Parcel 6:

That portion of the Northeast quarter of Section 23, Township 17 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona; more particularly described as follows:

BEGINNING at a point on the East line of said Section 23, from which the Northeast corner of said Section 23 bears North 00°46'20" East, a distance of 200.00 feet;

THENCE South 00°46'20" West along the East line of said Section 23, a distance of 2222.93 feet (2222.00 feet, recorded);

THENCE North 89°09'28" West (N. 86°50'00" W., recorded), a distance of 202.00 feet;

THENCE North 00°35'20" East (N. 01°21'33" E., recorded) along a line parallel with and 30.00 feet Easterly of the West line of the parcel of land recorded in Docket 2966, at Page 20 of Pima County, Arizona records, a distance of 2217.50 feet (2211.13 feet, recorded), to a point on a line which is 200.00 feet South of the North line of said Section 23;

THENCE North 89°05'24" East (N. 89°52'08" E., recorded) along the aforesaid line parallel with and 200 feet south of said North line a distance of 149.25 feet to the **POINT OF BEGINNING**

APPENDIX C

Title Report

CONDITION OF TITLE REPORT

Issued by

Title Security Agency of Arizona

SCHEDULE A

1. Effective Date: June 7, 2013 at 07:30AM, Our No.: 500-13559-JM.

FOR THE BENEFIT AND USE OF:

Rancho Sahuarita Management Company, LLC
4549 E. Fort Lowell Road
Tucson, AZ 85712

2. The estate or interest in the land described or referred to in this Report and covered herein is:

fee

3. Title to the estate or interest in said land is at the effective date hereof vested in:

Landmark Title Assurance Agency, Inc., an Arizona corporation, as Trustee under Trust No. 18336-T, as to Parcels 1, and 2; Title Security Agency of Arizona, an Arizona corporation, as Trustee under that certain Trust Agreement known as Trust Number 2069, as to Parcel 7; Fidelity National Title Agency Inc., an Arizona corporation, as Trustee under Trust no. 30,007, as to Parcel 8 and 9, Rancho Sahuarita XX LLC, an Arizona limited liability company as to parcel 9A, and Fidelity National Title Agency, an Arizona corporation, as Trustee under Trust No. 10728 as to Parcel 10.,

4. The land referred to in this Report is in the State of Arizona, County of Pima, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof.

EXHIBIT "A"

PARCEL 1:

Lots 1 through 564 and Common Areas "A", "B" and "C" of ENTRADA DEL RIO, a subdivision of Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 61 of Maps and Plats at page 36 thereof, being a resubdivision of Block 25B (as adjusted) per Record of Survey recorded in the office of the County Recorder of Pima County, Arizona in Book 45 of Record of Surveys at page 86.

PARCEL 2:

Lots 1 through 74 and Common Areas "A", "B" and "C" of ENTRADA LA VILLITA, a subdivision of Pima County, Arizona, according to the map or plat thereof of record in the office of the County Recorder of Pima County, Arizona, in Book 62 of Maps and Plats at page 14 thereof, being a resubdivision of Block 35A per Record of Survey recorded in the office of the County Recorder of Pima County, Arizona in Book 43 of Record of Surveys at page 84.

PARCEL 3:

Intentionally Omitted.

Parcel 4:

Intentionally Omitted.

Parcel 5:

Intentionally Omitted.

Parcel 6:

Intentionally Omitted.

Parcel 7:

Block 36B according to the Record of Survey recorded in Book 48 of Survey Maps at Page 30 in the office of the Pima County Recorder, Pima County, Arizona.

Except any portion thereof conveyed to the Town of Sahuarita by Warranty Deed recorded in Document Number 20112430824.

Parcel 8:

Block 37C as set forth on that certain Record of Survey recorded in Book 78 of Records of Survey at page 1, in the office of the County Recorder of Pima County, Arizona.

Parcel 9:

Blocks 38 39, and 40 as recorded in Book 78 at Page 1 of Record of Surveys in the office of the Recorder, Pima County, Arizona, together with Blocks 41, 42, 43, 44, 46, 47, 48, 49, 50, 51, and 53 and Common Area "B" and Common Area "C" adjacent to these Blocks, Excluding any and all well, booster sites and any property condemned by Pima County on Block 48 described below, as recorded in Book 52 at Page 77 of

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Maps and Plats, in the office of the Pima County Recorder, Pima County, Arizona.

Excluding that portion of Block 48 as described as follows:

Fee Take for Landfill Buffer

A portion of Section 14, Township 17 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona described as follows:

The South 150.00 feet of the Southwest quarter of the Northwest quarter, Except the West 75.00 feet;

the South 150 feet of the West 150 .00 feet of the Southeast quarter of the Northwest quarter;

the West 150.00 feet of the Northwest quarter of the Northeast quarter of the Southwest quarter ,
Except the South 200.00 feet;

the West 150.00 feet of the South 200 feet of the Northwest quarter of the Northeast quarter of the
Southwest quarter;

The West 500.00 feet of the Southwest quarter of the Northeast quarter of the Southwest quarter;

The West 500.00 feet of the North 300.00 feet of the Northwest quarter of the Southeast quarter of the
Southwest quarter;

The North 300.00 feet of the Southwest quarter of the Southwest quarter, Except the West 75.00 feet;

Also Excluding that portion of Block 48 that includes that portion of La Canada Road public Right of way that was conveyed to the Town of Sahuarita as contemplated in the Fourth Amendment Development agreement recorded In Docket 13355 at Page 3117 (Sequence 20081430989 dated 07/24/2008) in the office of the recorder, Pima County, Arizona, more particularly described as follows:

Acquisition of La Canada Drive Realignment

A portion of Rancho Sahuarita Blocks 47a and 47b as recorded in Book 24 of Surveys at Page 100 and a portion of Rancho Sahuarita Block 48 as recorded in Book 52 of Maps and Plats at Page 77, records of Pima County, Arizona. Reference herein noted to the La Canada Drive Phase III Monument Study as recorded in Book 67 of Surveys at Page 76, and lying within Section 14, Township 17 South, Range 13 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, being more particularly described as follows: Commencing at the one-quarter corner between said Sections 14 and 15 from which the section corner common to Sections 10, 11, 14, and 15 bears North 00 degrees 46 minutes 55 seconds West a distance of 2636.49 feet as shown in said La Canada Drive Phase III Monument Study;

thence upon the section line common to said Sections 14 and 15, North 00 degrees 46 minutes 55 seconds West a distance of 160.44 feet;

thence leaving said section line, North 89 degrees 13 minutes 05 seconds East a distance of 74.96 feet to the East right of way line of said La Canada Drive and the Point of Beginning;

thence upon said East right of way line, North 00 degrees 46 minutes 37 seconds West a distance of 756.97 feet to a point on the arc of a non tangent curve, from which the radius point of said curve bears South 68 degrees 21 minutes 36 seconds East;

thence Northeasterly along said curve, to the right, having a radius of 1985.00 feet and a central angle of

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03 degrees 34 minutes 38 seconds for an arc distance of 123.83 feet;

thence North 25 degrees 12 minutes 52 seconds East a distance of 250.42 feet to a point of curvature;

thence Northeasterly along said curve to the left, having a radius of 1835.00 feet and a central angle of 26 degrees 01 minutes 09 seconds for an arc distance of 833.31 feet;

thence North 00 degrees 48 minutes 17 seconds West a distance of 476.68 feet to a point of curvature;

thence Northwesterly along said curve, to the left, having a radius of 25.00 feet and a central angle of 90 degrees 04 minutes 19 seconds for an arc distance of 39.30 feet to the South right of way line of Helmet Peak - Sahuarita Road, as shown in Book 8 of Road Maps at Page 97, records of Pima County, Arizona;

thence upon said South right of way line, North 89 degrees 07 minutes 24 seconds East, a distance of 200.00 feet to a point on the arc of a non tangent curve, from which the radius point of said curve bears South 00 degrees 52 minutes 36 seconds East;

thence Southwest along said curve, to the left, having a radius of 25.00 feet and a central angle of 89 degrees 55 minutes 41 seconds for an arc distance of 39.24 feet;

thence South 00 degrees 48 minutes 17 seconds East, a distance of 476.93 feet to a point of curvature;

thence Southwesterly along said curve, to the right, having a radius of 1985.00 feet and a central angle of 26 degrees 01 minutes 09 seconds for an arc distance of 901.43 feet;

thence South 25 degrees 12 minutes 52 seconds West, a distance of 250.42 feet to a point of curvature;

thence Southwesterly along said curve, to the left, having a radius of 1835.00 feet and a central angle of 25 degrees 59 minutes 29 seconds for an arc distance of 832.42 feet to the Point of Beginning.

And Excluding that certain property conveyed to Rancho Sahuarita XX, LLC, an Arizona limited liability company by instrument recorded in Docket 13407 at Page 1366.

Together with that portion of Public Right of Way that includes that portion of the former La Canada Road Public Right of Way as contemplated in the Fourth Amendment to the Development Agreement recorded in Docket 13355 at Page 3117 (Sequence 20081430989 dated 07/24/2008) in the office of the Recorder, Pima County, Arizona more particularly described as follows:

Partial Abandonment of La Canada Drive

A portion of La Canada Drive as shown in Book 9 of road Maps at Page 75 and lying in Sections 14 and 15, Township 17 South, Range 13 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, being more particularly described as follows:

Commencing at the one quarter corner between said Sections 14 and 15, from which the section corner common to Sections 10, 11, 14, and 15 bears North 00 degrees 46 minutes 55 seconds West a distance of 2636.49 feet;

thence upon the section line common to said Sections 14 and 15, North 00 degrees 46 minutes 55 seconds West a distance of 171.83 feet;

Thence leaving said section line, South 89 degrees 13 minutes 05 seconds West a distance of 75.00 feet to the West right of way line of said La Canada Drive, and the Point of Beginning;

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thence upon said West right of way line, North 00 degrees 46 minutes 58 seconds West a distance of 2389.50 feet to its intersection with the South right of way line of Helmet Peak Road as shown in Book 8 of Road Maps at Page 97;

thence north 89 degrees 07 minutes 05 seconds East a distance of 150.03 feet to the Intersection of said South right of way line of Helmet peak Road with the East right of way line of said La Canada Drive;

thence upon said East right of way line, South 00 degrees 46 minutes 57 seconds East a distance of 652.82 feet;

thence continuing upon said right of way line, South 00 degrees 47 minutes 09 seconds East a distance of 780.71 feet;

thence continuing upon said East right of way line, South 00 degrees 46 minutes 37 seconds East a distance of 210.65 feet to a point of curvature on a non tangent curve , from which the radius point bears South 68 degrees 21 minutes 36 seconds East;

thence Southerly along said curve, to the left, having a radius of 1985.00 feet and a central angle of 22 degrees 05 minutes 19 seconds for an arc distance of 765.25 feet to the Point of Beginning.

Parcel 9A:

Description of a parcel of land located in Section 14, Township 17 South, Range 13 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, Said parcel of land being an adjustment of Common Area "B", as shown in Rancho Sahuarita Final Block Plat, recorded in Book 52, Maps and Plats, Page 77, Pima County Records, Pima County, Arizona.

Said Common Area "B" being adjusted and described as follows:

Commencing at the Intersection of Rancho Sahuarita Boulevard and Via Rancho Sahuarita, from where the Intersection of said Rancho Sahuarita Boulevard and Sahuarita Road bears North 00 degrees 56 minutes 50 seconds West a distance of 690.89 feet'

thence along the centerline of said Rancho Sahuarita Boulevard, North 00 degrees 56 minutes 50 seconds West, a distance of 306.49 feet;

thence departing said centerline, North 89 degrees 03 minutes 10 seconds East, a distance of 75.00 feet to a point on the East Right of Way of said Rancho Sahuarita Boulevard, said point being the True Point of Beginning;

thence departing said East Right of Way South 75 degrees 12 minutes 54 seconds East, a distance of 238.00 feet;

thence South 65 degrees 03 minutes 16 seconds East, a distance of 197.23 feet;

thence South 52 degrees 16 minutes 09 seconds East, a distance of 227.15 feet;

thence North 00 degrees 28 minutes 56 seconds West, a distance of 270.76 feet;

thence North 88 degrees 33 minutes 15 seconds East, a distance of 8.90 feet to a point on the West Right of way of said Via Rancho Sahuarita;

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thence Southeasterly along said West Right of way along a non -tangent curve to the left having a radius of 260.00 feet, through a central angle of 23 degrees 52 minutes 43 seconds, the long chord of which bears South 27 degrees 27 minutes 13 seconds East a distance of 107.58 feet with a radial line in of North 74 degrees 29 minutes 09 seconds East and a radial line out of South 50 degrees 36 minutes 26 seconds West, for an arc length of 108.36 feet to a point;

thence continuing along said West Right of Way along a reverse curve to the right, with a radius of 185.00 feet, a central angle of 177 degrees 15 minutes 37 seconds, (the chord of which bears South 49 degrees 14 minutes 14 seconds West, a distance of 369.89 feet) for an arc length of 572.35 feet;

thence continuing along said West Right of way along a reverse curve to the left, with a radius of 260.00 feet, a central angle of 260.00 feet, a central angle of 48 degrees 45 minutes 53 seconds, (the chord of which bears North 66 degrees 32 minutes 23 seconds West for a distance of 214.87 feet) for an arc length of 221.51 feet;

thence continuing along said West Right of way South 89 degrees 03 minutes 10 seconds West, a distance of 136.63 feet ;

thence along a tangent curve to the right with a radius of 25.00 feet, through a central angle of 90 00 minutes 00 seconds (the chord of which bears North 45 degrees 56 minutes 50 seconds West a distance of 35.36 feet for an arc length of 39.27 feet to a point on the East Right of Way of said Rancho Sahuarita Boulevard;

thence along said East Right of Way of Rancho Sahuarita Boulevard North 00 degrees 56 minutes 50 seconds West, a distance of 241.49 feet to the True Point of Beginning.

Parcel 10:

That portion of the Northeast quarter of Section 23, Township 17 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at a point on the East line of said Section 23, from which the Northeast corner of said Section 23 bears North 00 degrees 46 minutes 20 seconds East, a distance of 200.00 feet;

Thence South 00 degrees 46 minutes 20 seconds West along the East line of said Section 23, a distance of 2222.93 feet (2222.00 feet, recorded);

Thence North 89 degrees 09 minutes 28 seconds West (North 86 degrees 50 minutes 00 seconds West, recorded), a distance of 202.00 feet;

Thence North 00 degrees 35 minutes 20 seconds East (north 01 degree 21 minutes 33 seconds East, recorded) along a line parallel with and 30.00 feet Easterly of the West line of the parcel of land recorded in Docket 2986, at Page 20 of Pima county, Arizona records, a distance of 2217.50 feet (2211.13 feet, recorded), to a point on a line which is 200.00 feet South of the North line of said Section 23;

Thence North 89 degrees 05 minutes 24 seconds East (North 89 degrees 52 minutes 08 seconds East, recorded) along the aforesaid line parallel with and 200.00 feet South of said North line, a distance of 149.25 feet to the Point of Beginning.

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Condition of Title Report

500-13559

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SCHEDULE B

- A. The rights of parties in possession by reason of any unrecorded lease or month to month tenancies affecting any portion of the within described property.
- B. This report is for informational purposes only and is not to be considered a commitment to issue any form of title insurance. It is for the use only of the party who ordered it and liability, if any, is limited to the amount of the fee paid. Receipt and use of this report shall be evidence of the acceptance of the terms hereof.
- C. There are no other recorded matters affecting the title to the land described in this report.
- D. RESERVATIONS contained in the Patents from the United States of America recorded in Book 175 of Deeds at page 504, and in Docket 747 at page 192.
- E. TAXES for the year 2013, a lien not yet due and payable
- F. Taxes and Assessments of record
- G. EASEMENTS, RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIABILITIES AND OBLIGATIONS as shown on the plat recorded in Book 52 of Maps, page 77, as amended by Declarations of Scrivener's Error recorded in Docket 11147 at page 810, Docket 11236 at page 1166, in Docket 11667 at page 4526 and in Docket 12038 at page 1449.
- H. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:
 - Recorded in Docket 10694
 - Page 1728
 - Amended in Docket 11148
 - Page 3008
 - And in Docket 11171
 - Page 2141
 - and in Docket 12819 at Page 4516.
 - and as shown on the recorded plat of said subdivision.

Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded October 31, 2005 in Docket 12670, Page 7755.

Certificate of First Amendment to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded October 31, 2005 in Docket 12670, Page 7759, thereafter Re-recorded March 08, 2006 in Docket 12756, Page 2389 to correct the label from First Amendment to Third Amendment.

Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded February 27, 2006 in Docket 12749, Page 4344.

Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded October 17, 2006 in Docket 12911, page 1016.
- I. Inclusion within the Rancho Sahuarita Specific Plan Area as set forth in Docket 10427 at page 159 and in Docket 10470 at page 704, Sahuarita Resolution No. 2009-106 as set forth in instrument recorded in Docket 13518 at Page 683. Sahuarita Resolution No. 2010-217 as set forth in instrument recorded in Docket 13925 at Page 951.

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Sahuarita Resolution No. 1996-04 as set forth in instrument recorded in Docket 13518-654.
Supplements recorded in Docket 13518 at Page 654, 660, 666, 669, 676, 683, and 706
Amendments recorded in Docket 13518 at Page 673..
Town of Sahuarita Ordinance set forth in instrument recorded in Docket 13925 at Page 970.

J. AGREEMENT, according to the terms and conditions, contained therein:

Purpose Development
Dated December 12, 1996
Recorded January 28, 1997
Docket 10470
Page 670
First Amendment to Development Agreement
Recorded January 29, 2004
Docket 12227
Page 4128
and Second Amendment to Development Agreement
Recorded March 18, 2004
Docket 12261
Page 12
Re-Recorded July 20, 2004
Docket 12347
Page 2266
Third Amendment to Development Agreement
Recorded December 08, 2005
Docket 12696
Page 2433
Fourth Amendment to Development agreement recorded in Docket 13355 at Page 3117
Fifth Amendment to Development Agreement recorded in Docket 13956 at Page 2061.
Administrative Change to Rancho Sahuarita Specific Plan recorded July 24, 2008 in Docket 13355 at
Page 3153
Clarification of Recording recorded in Docket 13518 at Page 653.

K. Inclusion within Member Service Area as set forth in Agreement recorded in Docket 11102 at page 74.

L. Town of Sahuarita Resolution Number 2006-23 recorded in 12971 at Page 264, and rerecorded in Docket 12873 at Page 1277

M. AGREEMENT, according to the terms and conditions, contained therein:

Purpose Construction of a Public Sanitary Sewerage System and Provision of a Sanitary Sewerage
Service for Rancho Sahuarita and Rancho Resort
Recorded June 20, 2000
Docket 11323
Page 541
First Amendment recorded
In Docket 11401
Page 694
Second Amendment recorded
In Docket 12032
Page 927
Third Amendment to Sewer Service Agreement recorded in Docket 13355 at Page 3148.
Fourth Amendment to Sewer Service Agreement recorded in Docket 13956 at Page 2052.

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- N. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Amended and Restated in Docket	11444
Page 1890	
In Docket	11466
Page 1	
Amended in Docket	11505
Page 249	
Correction in Docket	11514
Page 2941	
Amended in Docket	11520
Page 177	
Assigned in Docket	12208
Page 6359	

Certificate of Third Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded in Docket 12267 at page 891.

Second Supplemental Declaration to Amended and Restated Declaration of Covenants, Conditions and Restrictions recorded in Docket 12270 at page 5.

Certificate of Fourth Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions Recorded in Docket 12349 at page 271 and Re-recorded in Docket 12378 at page 30.

Third Supplemental Declaration to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Village recorded June 21, 2005 in Docket 12578, at page 1354.

Certificate of Fifth Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Village recorded June 21, 2005 in Docket 12578, at page 1360.

Notice for Information for Rancho Sahuarita Village Program Association, Inc. recorded in Docket 12373 at page 2998 and restated in Docket 12446 at page 1927.

Certificate of First Amendment to By-Laws of Rancho Sahuarita Village Program Association, Inc. recorded in Docket 12362 at page 3092.

Certificate of Second Amendment to By-Laws of Rancho Sahuarita Village Program Association, Inc. recorded in Docket 13258 at page 3005.

Supplemental Declaration recorded in Docket 13853 at page 1138.
Amendment recorded in Instrument Number 20122790468
Amendment recorded in Instrument Number 20120320646
Amendment recorded in Instrument Number 20113340811 and 20113340810
Amendment recorded in Instrument Number 20113180682
Amendment recorded in Docket 13853 at Page 1138.
Amended Restrictions recorded in Docket 13275 at page 3265
Amended Restrictions recorded in Docket 13339 at Page 3021
Restrictions recorded in Docket 12373 at Page 2998.
Restrictions recorded in Docket 12749 at Page 4348.
Assignment of Community Enhancement Fees set forth in instrument recorded in Docket 12801 at Page

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1378.

Restrictions recorded in Docket 11952 at Page 2624.
Amended Restrictions recorded in Docket 11982 at Page 5486
Amended Restrictions recorded in Instrument Number 20122401010
Restrictions recorded in Docket 12373 at Page 3029
Restrictions recorded in Docket 12819 at Page 4513
Restrictions recorded in Docket 12911 at Page 1012.

- O. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIABILITIES AND OBLIGATIONS, including but not limited to any recitals creating easements or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Docket 12003
Page 1963
Corrected by Docket 12235
Page 2949

- P. THE RIGHT OF THE STATE OF ARIZONA to prohibit, limit, control or restrict access to the highway named below,
Name of Highway Interstate 19

- Q. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 3868
Page 481
Purpose drainage and associated matters

- R. TERMS, CONDITIONS AND RESTRICTIONS contained in Assurance Agreement between the Town of Sahuarita, The Jonathan Group, LTD, an Arizona corporation and Lawyers Title Of Arizona, Inc., an Arizona corporation as Trustee under Trust No 8051-T:

Recorded May 24, 2006
Docket 12281
Page 426

- S. MATTERS SHOWN ON SURVEY:

Recorded in Book 35 of Record of Surveys at Page 34

- T. (INTENTIONALLY OMITTED)

- U. MATTERS SHOWN ON SURVEY:

Recorded in Book 42 of Record of Surveys at Page 69

- V. MATTERS SHOWN ON SURVEY:

Recorded in Book 43 of Record of Surveys at Page 84

- W. MATTERS SHOWN ON SURVEY:

Recorded in Book 45 of Record of Surveys at Page 86

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- X. SAHUARITA RESOLUTION NO. 2005-40 regarding the realignment of Rancho Sahuarita Boulevard as set forth in instrument recorded in Docket 12562 at page 718.
- Y. EASEMENT and rights incident thereto, as set forth in instrument:
 - Recorded in Docket 12562
 - Page 726
 - Purpose existing sewer, gas, water or similar pipelines, canals, laterals or ditches, electric, telephone or similar lines and appurtenances
- Z. SAHUARITA RESOLUTION NO. 2005-41 regarding approval of split of Block 25, as set forth in instrument recorded in Docket 12562 at page 735
- AA. SAHUARITA RESOLUTION NO. 2005-42 regarding approval of split of Blocks 24, 25A, 25B, 28 and 29 and a portion of Common Area "C", as set forth in instrument recorded in Docket 12562 at page 746
- AB. EASEMENTS, restrictions, reservations and conditions as created on the recorded plat of said subdivision for Entrada Del Rio recorded in Book 61 of Maps and Plats at Page 36.
- AC. TERMS, CONDITIONS AND RESTRICTIONS contained in Assurance Agreement between the Town of Sahuarita, The Jonathan Group, LTD, an Arizona corporation and Lawyers Title Of Arizona, Inc., an Arizona corporation as Trustee under Trust No 8051-T:
 - Recorded May 24, 2006
 - Docket 12811
 - Page 654
- AD. SAHUARITA RESOLUTION NO. 2005-42 regarding approval of split of Block 35 and a portion of Common Area "C", as set forth in instrument recorded in Docket 12596 at page 602 and re-recorded in Docket 12650 at page 36
- AE. DECLARATION of Covenants Encumbering Real Property as set forth in instrument recorded in Docket 12819 at page 4555. And as affected by Declaration of Covenants, Conditions and Restrictions for Block 36B and 36C of Rancho Sahuarita recorded in Docket 12842 at page 1857
- AF. EASEMENTS, restrictions, reservations and conditions as set forth on the recorded plat of said subdivision for Entrada La Villita recorded in Book 62 of Maps and Plats at page 14.
- AG. TERMS, CONDITIONS AND RESTRICTIONS contained in Assurance Agreement between the Town of Sahuarita, The Jonathan Group, LTD, an Arizona corporation and Lawyers Title Of Arizona, Inc., an Arizona corporation as Trustee under Trust No 8051-T:
 - Recorded January 18, 2007
 - Docket 12973
 - Page 928
- AH. Water Company Lease for a term of 99 years as set forth in instrument recorded in Docket 13339 at Page 2957.
- AI. (INTENTIONALLY OMITTED)
- AJ. EASEMENT and rights incident thereto, as set forth in instrument:
 - Recorded in Document No.
 - Docket 12646

File No.: 500-13559-JM

Page 1830
Purpose Electric and communication facilities

AK. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No.
Docket 13639
Page 2956
Purpose electric lines

AL. Waiver of Claims for Diminution of Value as set forth in instrument recorded in Docket 13518 at Page 709.

AM. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. 20110900089
Docket
Page
Purpose Public Access

AN. (INTENTIONALLY OMITTED)

AO. (INTENTIONALLY OMITTED)

AP. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Recorded in Docket 11131
Page 150
Amended in Docket 11171
Page 352

Thereafter Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita (Removing Property) Recorded in Docket 12737 at Page 1505

AQ. (INTENTIONALLY OMITTED)

AR. DECLARATION of Covenants Encumbering Real Property as set forth in instrument recorded in Docket 12819 at page 4555. And as affected by Declaration of Covenants, Conditions and Restrictions for Block 36B and 36C of Rancho Sahuarita recorded in Docket 12842 at page 1857.

AS. MATTERS set forth in Sahuarita Resolution No. 2006-55 recorded in Docket 12891 at page 1291

AT. (INTENTIONALLY OMITTED)

AU. (INTENTIONALLY OMITTED)

AV. (INTENTIONALLY OMITTED)

AW. (INTENTIONALLY OMITTED)

AX. (INTENTIONALLY OMITTED)

AY. (INTENTIONALLY OMITTED)

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- AZ. TOWN OF SAHUARITA Resolution No. 2009-1076, regarding the Rancho Sahuarita Specific Plan, as set forth in instrument recorded in Docket 13518 at page 683.
- BA. RESERVATIONS contained in the Patent from the United States of America, recorded in Deed Book 175, Page 504 reading as follows:
RESERVED from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States of America. Excepting and reserving, however, to the United States all the coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same pursuant to the provisions and limitations of the Act of December 20, 1916 (30 Stat., 862)
- BB. RESERVATIONS contained in the Patent from the United States of America recorded in Docket 747 at page 192, reading as follows:

SUBJECT to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States of America. Reserving, also, to the United States all minerals in the land so granted, together with the right to prospect for, mine and remove the same.
- BC. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 1230
Page 409
Purpose The Tucson Gas, Electric Light and Power Company, a corporation
- BD. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 2852
Page 140
Purpose The Mountain States Telephone and Telegraph Company
- BE. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 5948
Page 515
Purpose electric transmission or distribution facilities
- BF. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 8012
Page 1577
Purpose telephone and telegraph facilities

File No.: 500-13559-JM

BG. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 12345
Page 6
Purpose gas pipelines

BH. (INTENTIONALLY OMITTED)

BI. Member Services Area AGREEMENT, according to the terms and conditions, contained therein, recorded in :

Docket 11102
Page 74

BJ. Sewer Service AGREEMENT, according to the terms and conditions, contained therein, recorded in:

Docket 11323
Page 541
Amended in Docket 11401
Page 694
Amended in Docket 12032
Page 927
Amended in Docket 13956 at Page 2052.

BK. (INTENTIONALLY OMITTED)

BL. (INTENTIONALLY OMITTED)

BM. (INTENTIONALLY OMITTED)

BN. (INTENTIONALLY OMITTED)

BO. (INTENTIONALLY OMITTED)

BP. (INTENTIONALLY OMITTED)

BQ. (INTENTIONALLY OMITTED)

BR. (INTENTIONALLY OMITTED)

BS. The effect of Second Amended and Restated Park and Special Recreational Facilities Agreement set forth in instrument recorded in Docket 11466 at Page 1

BT. The effect of Sahuarita Resolution No. 2005-41 as set forth in instrument recorded in Docket 12562 at Page 735.

BU. Easement Agreement recorded in Docket 11889 at Page 2267.

BV. (INTENTIONALLY OMITTED)

BW. (INTENTIONALLY OMITTED)

BX. (INTENTIONALLY OMITTED)

File No.: 500-13559-JM

BY. MATTERS SHOWN ON SURVEY:

Recorded in Book 48 of of Surveys
Page 30

BZ. Electric Easement of record in Docket 5328 at Page 459, and recorded in Docket 7701 at Page 1167, Agreement amending easement recorded in Docket 11542 at Page 2851..

CA. RESERVATIONS contained in the Patent from the United States of America, recorded July 27, 1936 in Deed Book 196, Page 28 reading as follows:

SUBJECT to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States of America.

EXCEPTING and RESERVING, also, to the United States, pursuant to the provisions of the Act of August 1, 1946 (60 Stat. 755), all uranium, thorium, or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the lands and prospect for, mine and remove the same. (as to a portion)

CB. EASEMENT and rights incident thereto, as set forth in instrument:

To The Mountain States Telephone and Telegraph co.
Recorded in Docket 698
Page 79

Affects The Easterly 30 feet of caption property only by reason of Release of Easement recorded March 23, 2006 in Docket 12767, Page 326.

CC. AGREEMENT, according to the terms and conditions, contained therein:

Purpose Construction of a Public Sanitary Sewerage System and Provision of a Sanitary Sewerage Service for Rancho Sahuarita and Rancho Resort

Dated February 24, 2000

Recorded June 20, 2000

Docket 11323

Page 541

First Amendment recorded

In Docket 11401

Page 694

Second Amendment recorded

In Docket 12032

Page 927

CD. (INTENTIONALLY OMITTED)

CE. MATTERS SHOWN ON SURVEY:

Recorded in Book 45 of Surveys
Page 63

File No.: 500-13559-JM

CF. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 12819
Page 4521
Purpose Public Utilities, Temporary Construction Access and Drainage Easement

CG. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Entitled Declaration of Covenants Encumbering Real Property
Recorded in Docket 12819
Page 4555

CH. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Entitled Declaration of Covenants Encumbering Real Property
Recorded in Docket 12819
Page 4567

CI. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Entitled Declaration of Covenants, Conditions and Restrictions for Blocks 36B and 36C of Rancho Sahuarita
Recorded in Docket 12842
Page 1857

CJ. Memorandum of Option, according to the terms and conditions, contained therein:

Optionor Trireme Investment Group II, Inc., an Arizona corporation
Optionee Carondelet Health Network, an Arizona non-profit corporation
Dated November 15, 2005
Recorded June 6, 2006
Docket 12819
Page 4531

CK. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. 20112430825
Docket
Page
Purpose slope and landscape

CL. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. 20112430826
Docket
Page
Purpose Public Improvement and Use Easement

File No.: 500-13559-JM

CM. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. 20112430827
Docket
Page
Purpose Drainage and Landscape Easement

CN. (INTENTIONALLY OMITTED)

CO. RESERVATIONS contained in the Patent from the United States of America recorded in Docket 747, page 192.

CP. MATTERS SHOWN ON SURVEY:

Recorded in Book 26 of Surveys
Page 75

CQ. (INTENTIONALLY OMITTED)

CR. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 13050
Page 3213
Purpose sewer lines

CS. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 13060
Page 2127
Purpose water and construction access

CT. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 13764
Page 278
Purpose sewer easement

CU. All matters as shown of Rancho Sahuarita Specific Plan recorded in Docket 10427, page 159 and recorded in Docket 10470, page 704.

Clarification of Recording recorded in Docket 13518 at Page 653.
Town of Sahuarita minutes set forth in instrument recorded March 19, 2009 in Docket 13518 at Page 660
Town of Sahuarita Ordinance No. 1997-10 recorded in Docket 13518 at Page 666
Town of Sahuarita Ordinance No. 2003-09 recorded in Docket 13518 at Page 669
Town of Sahuarita Ordinance No. 2006-14 recorded in Docket 13518 at Page 673
Town of Sahuarita Ordinance No. 2006-04 recorded in Docket 13518 at Page 676
Town of Sahuarita Ordinance No. 2009-106 recorded in Docket 13518 at Page 683
Town of Sahuarita Ordinance No. 2009-14 recorded in Docket 13518 at Page 706

File No.: 500-13559-JM

- CV. Terms and conditions of Member Service Area Agreement between Central Arizona Water Conservation District and Interchange Water Company, Inc., recorded in Docket 11102, page 74.
- CW. Town of Sahuarita Ordinance No. 996-04 recorded March 19, 2009 in Docket 13518 at Page 654
- CX. (INTENTIONALLY OMITTED)
- CY. (INTENTIONALLY OMITTED)
- CZ. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:
 - Recorded in Docket 10694
 - Page 1728
 - Recorded in Docket 11148
 - Page 3008
 - Recorded in Docket 11171
 - Page 2141
 - Recorded in Docket 12819
 - Page 4516
 - Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded October 31, 2005 in Docket 12670, Page 7755.
 - Certificate of First Amendment to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded October 31, 2005 in Docket 12670, Page 7759, thereafter Re-recorded March 08, 2006 in Docket 12756, Page 2389 to correct the label from First Amendment to Third Amendment.
 - Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded February 27, 2006 in Docket 12749, Page 4344.
 - Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita Commercial Properties recorded October 17, 2006 in Docket 12911, page 1016.
 - Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Ranch Sahuarita Commercial Properties recorded in Docket 13244, Page 2223
 - Certificate of Fourth Amendment to Declaration of Covenants, Conditions, and Restrictions recorded as Instrument Number 20110320363.
 - and as shown on the recorded plat of said subdivision.

DA. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No.
Docket 13552
Page 230
Purpose electric lines

DB. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIABILITIES AND OBLIGATIONS, including but not limited to any recitals creating easements or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded at Document No. 20111393301
Recorded in Docket
Page

DC. EASEMENT and rights incident thereto, as set forth in instrument:

File No.: 500-13559-JM

Recorded in Document No. 20112970280
Docket
Page
Purpose gas lines

DD. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. 20120200013
Docket
Page
Purpose sewer lines

DE. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. 20120200014
Docket
Page
Purpose sewer lines

DF. Town of Sahuarita Ordinance No. 2006-01 as set forth in instrument recorded in Docket 12736 at Page 2406.

DG. RESERVATIONS contained in the Patent from the United States of America recorded in Deed Book 61, page 399.

DH. RESERVATIONS contained in the Patent from the United States of America recorded in Deed Book 196, page 28.

DI. RESERVATIONS contained in the Patent from the United States of America recorded in Docket 910, page 242.

DJ. RESERVATIONS contained in the Patent from the United States of America recorded in Docket 1042, page 323.

DK. MATTERS SHOWN ON SURVEY:

Recorded in Book 24 of Surveys
Page 100

DL. MATTERS SHOWN ON SURVEY:

Recorded in Book 26 of Surveys
Page 75

DM. MATTERS SHOWN ON SURVEY:

Recorded in Book 30 of Surveys
Page 39

DN. MATTERS SHOWN ON SURVEY:

Recorded in Book 39 of Surveys
Page 75

File No.: 500-13559-JM

DO. MATTERS SHOWN ON SURVEY:

Recorded in Book 50 of Surveys
Page 58

DP. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 698
Page 79
Purpose telephone and telegraph lines and system

DQ. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 4216
Page 110
Purpose natural gas line and system

DR. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 4538
Page 276
Purpose communication lines and facilities

DS. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 4825
Page 208
Purpose utilities

DT. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 7705
Page 324
Purpose ingress, egress, and utilities

DU. Terms and conditions of Member Service Area Agreement between Central Arizona Water Conservation District and Interchange Water Company, Inc., recorded in Docket 11102, page 74.

File No.: 500-13559-JM

- DV. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Entitled Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita
Recorded in Docket 11131
Page 150

(Missing legal description, is referenced on Block Plat and affects all Blocks in Rancho Sahuarita)
Amended in Docket 11171
Page 352
(Amendment releases several Blocks from the Declaration)

Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita
Recorded in Docket 12737
Page 1505
(Amendment releases more Blocks from the Declaration)

Supplemental Declaration to Declaration of Covenants, Conditions and Restrictions for Rancho Sahuarita
Recorded in Docket 12819
Page 4509
(Amendment releases more Blocks from the Declaration)

- DW. Cable television non-exclusive License Agreement between CoxCom, Licensee and the Town of Sahuarita, Arizona, Town, recorded in Docket 11372, page 433.

- DX. Declaration approving the split of Block 47 recorded in Docket 11657, page 259.

- DY. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 12351
Page 904
Purpose electric and communication lines and facilities

- DZ. Any private rights or easements on, under, and across those portions of said land lying within that portion of Common Area B exchanged in Resolution or Ordinance No. 2006-01 recorded in Docket 12736, page 2406.

- EA. (INTENTIONALLY OMITTED)

- EB. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Recorded in Docket 12930
Page 2233

File No.: 500-13559-JM

EC. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 13050
Page 3213
Purpose sewer lines

ED. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 13060
Page 2127
Purpose water and construction access

EE. Assurance Agreement with the Town of Sahuarita recorded in Docket 11263, page 51

EF. Assurance Agreement with the Town of Sahuarita recorded in Docket 11609, page 1403.

EG. Annexation into the Green Valley Fire District as set forth in instrument recorded in Document Number 20111250285.

EH. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. []
Recorded in Docket 13552
Page 218
Purpose utilities

EI. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, LIABILITIES AND OBLIGATIONS, including but not limited to any recitals creating easements or party walls, omitting, if any, from the above, any restrictions based on race, color, religion, sex, handicap, familial status or national origin contained in instrument:

Recorded in Document No. 20111390301

EJ. Sahuarita Resolution No. 2011-0264 as set forth in instrument recorded in Document No. 20111880328.

EK. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No. []
Recorded in Docket 13764
Page 278
Purpose sewer

EL. Public Improvement and Use Easement set forth in instrument recorded in Document Number 20112430831

EM. Slope and Landscape Easement set forth in instrument recorded in Document Number 20112430832.

File No.: 500-13559-JM

- EN. Drainage, Slope and Landscape Easement set forth in instrument recorded in Document Number 20112430833
- EO. Sewer Easement set forth in instrument recorded in Docket 13819 at Page 4634, and rerecorded in Docket 13866 at Page 163..
- EP. Non Exclusive Easement for Ingress, egress, Utilities and Sign Facilities set forth in instrument recorded in Document Number 20111170013
- EQ. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Document No. 20113040965
Recorded in Docket []
Page []
Purpose utilities
- ER. AGREEMENT, according to the terms and conditions, contained therein:
Purpose Sewer Service Agreement
Dated September 28, 2009
Recorded September 30, 2009
Document No. []
Docket 13654
Page 2623

First Amendment recorded in Docket 13807 at Page 1148
- ES. Sahuarita Resolution No. 2011-0264 as set forth in instrument recorded in Document Number 20111880328
- ET. Drainage and Landscape Easement and Restrictive Covenant as set froth in instrument recorded in Document Number 20111950435.
- EU. Public Access Easement set forth in instrument recorded in Documents 20120790489.
- EV. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Document No.
Docket 11513
Page 968
Purpose utilities
- EW. AGREEMENT according to the terms and conditions contained therein:
Purpose Sewer Service Agreement
Dated September 28, 2009
Recorded September 30, 2009
Document No.
Docket 13654
Page 2623
First Ameindment recrded in Docket 13807 at Page 1148
- EX. EASEMENT and rights incident thereto, as set forth in instrument:

File No.: 500-13559-JM

Recorded in Document No.
Docket 11545
Page 286
Purpose sewer lines

EY. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No.
Docket 11545
Page 290
Purpose sewer and utilities

EZ. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No.
Docket 11781
Page 130 and 134
Purpose drainage

FA. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Document No.
Docket 13819
Page 4634
and as corrected in Docket 13886 at Page 163
Purpose sewer lines

END OF SCHEDULE B

APPENDIX D

**Schedules:
Plan of Finance and
Estimated Buildout Assumptions**

Appendix D- Table 2.3.3

Bond Series	Region	Description	Projected Start Date	Projected Completion Date	*Projected Cost
2015	4	Construction of Avenida Mitla from Sta. 00+00 to Sta. 27+73 (Public Arterial) Drainage Improvements (Along Avenida Mitla) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under Avenida Mitla)	Q1 2014 Q1 2014 Q1 2014 Q1 2014	Q4 2014 Q4 2014 Q4 2014 Q4 2014	\$ 2,315,922
	5	Construction of Placita Fara- 300 LF of 28.10 Wide Road (Public Street) Drainage Improvements (Along Placita Fara) Landscaping and Lineal Parks Along Public Streets Sewer Line (Under Placita Fara)	Q3 2014 Q3 2014 Q3 2014 Q3 2014	Q3 2015 Q3 2015 Q3 2015 Q3 2015	\$ 505,417
	6	RS Blvd. (2 lanes of) from Sahuarita Road to South End Pods 6C & 6H (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q3 2014 Q3 2014 Q3 2014 Q3 2014	Q4 2015 Q4 2015 Q4 2015 Q4 2015	\$ 1,876,719
	6	RS Blvd. (2 lanes of) from South End Pods 6C & 6H to South End Pods 6E & 6F (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd. and from Pod 6P to 7E)	Q3 2014 Q3 2014 Q3 2014 Q3 2014	Q4 2015 Q4 2015 Q4 2015 Q4 2015	\$ 1,892,296
	6	Construct 15" Sewer from existing in Desert Gem Lane to Pod 7a	Q3 2014	Q4 2015	\$ 562,184
					\$ 7,152,538
2019	6	Sahuarita Center Way from Desert Gem (810' East) Drainage Improvements (Along Sahuarita Center Way) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under Sahuarita Center Way)	Q3 2019 Q3 2019 Q3 2019 Q3 2019	Q2 2020 Q2 2020 Q2 2020 Q2 2020	\$ 746,295
	7	RS Blvd. (2 lanes of) from South End Pods 6E & 6F to South End Pod 7A & 7E (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q3 2019 Q3 2019 Q3 2019 Q3 2019	Q2 2020 Q2 2020 Q2 2020 Q2 2020	\$ 1,232,727
	6	Basin and Linear Park Improvements along Rancho Sahuarita Blvd.in Region 6	Q3 2019	Q2 2020	\$ 860,398
	7	Basin and Linear Park Improvements along Rancho Sahuarita Blvd.in Region 7	Q3 2019	Q2 2020	\$ 2,618,602
					\$ 5,458,021
2020	7	RS Blvd. (2 lanes of) from South End Pod 7A & 7E to SOUTH END OF PODS 7B & 7F (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q3 2020 Q3 2020 Q3 2020 Q3 2020	Q2 2021 Q2 2021 Q2 2021 Q2 2021	\$ 1,037,111
	7	Extend 15" sewer line from Pod 7e to El Toro Road	Q3 2020	Q2 2021	\$ 1,018,449
					\$ 2,055,560
2021	7	RS Blvd. (2 lanes of) from South End Pod 7B & 7F to El Toro Road (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q3 2021 Q3 2021 Q3 2021 Q3 2021	Q2 2022 Q2 2022 Q2 2022 Q2 2022	\$ 1,596,642
2022	6	RS Blvd additional 2 lanes (if required) from Sahuarita Rd south to Pods 6c and 6h (2 lanes)	Q1 2022	Q3 2022	\$ 465,342
	6	RS Blvd additional 2 lanes (if required) from Pods 6c & 6 h south to Pod 7a (2 lanes)	Q1 2022	Q3 2022	\$ 661,275
	7	RS Blvd additional 2 lanes (if required) from Pods 6e & 6f to south end of Pod 7a & 7e (2 lanes)	Q1 2022	Q3 2022	\$ 245,927
	7	RS Blvd additional 2 lanes (if required) from south end of Pod 7a & 7e to south end of Pods 7b & 7f (2 lanes)	Q1 2022	Q3 2022	\$ 203,266
	7	RS Blvd additional 2 lanes (if required) from south end of Pods 7b & 7f to El Toro Rd (2 lanes)	Q1 2022	Q3 2022	\$ 276,040
					\$ 1,851,850
2023	8	Street "A" from La Canada Road to South End Pods 8D & 8E (Public Arterial) Drainage Improvements (Along Street A) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under Street A)	Q1 2023 Q1 2023 Q1 2023 Q1 2023	Q4 2023 Q4 2023 Q4 2023 Q4 2023	\$ 2,274,525
	8	Basin and Linear Park Improvements along Street "A". to Pods 8d and 8e	Q1 2023	Q4 2023	\$ 718,245
					\$ 2,992,770
2024	8	Street "A" from La Canada Road to South End Pods 8D & 8E (Public Arterial) Drainage Improvements (Along Street A) Sewer Lines (Under Street A)	Q1 2024 Q1 2024 Q1 2024	Q4 2024 Q4 2024 Q4 2024	\$ 4,182,982
	8	Basin and Linear Park Improvements along Street "A". From Pods 8d and 8e to La Canada			\$ 1,470,158
					\$ 5,653,140
2024	9	RS Blvd and El Toro Road Intersection Improvements	Q4 2024	Q3 2025	\$ 1,466,567
	9	RS Blvd. from El Toro Road to South End Pod 9C (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q4 2024 Q4 2024 Q4 2024 Q4 2024	Q3 2025 Q3 2025 Q3 2025 Q3 2025	\$ 2,985,121
	9	Basin and Linear Park Improvements along Rancho Sahuarita Blvd. Phase 1 to Pod 9C and 9J	Q4 2024	Q3 2025	\$ 1,640,990
	9	EXTEND 12" SEWER MAIN FROM EL TORO ROAD TO SOUTH END OF POD 9J APPROXIMATELY 1700 LF.	Q4 2024	Q3 2025	\$ 611,069
					\$ 6,703,747
2027	9	RS Blvd. from South End Pod 9C&J to Pod 9D&K (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q3 2027 Q3 2027 Q3 2027 Q3 2027	Q2 2028 Q2 2028 Q2 2028 Q2 2028	\$ 569,258
	9	Basin and Linear Park Improvements along Rancho Sahuarita Blvd. Phase 2 from Pod 9C&J to Pods 9D&K	Q3 2027	Q2 2028	\$ 349,147
	9	EXTEND 12" SEWER MAIN FROM SOUTH END OF POD 9J TO SOUTH END OF POD 9K APPROXIMATELY 930 LF.	Q3 2027	Q2 2028	\$ 273,759
					\$ 1,192,164
2028	9	RS Blvd. from South End Pod 9D to Pod 9G (Public Arterial) Drainage Improvements (Along RS Blvd.) Landscaping and Lineal Parks Along Public Streets Sewer Lines (Under RS Blvd.)	Q3 2028 Q3 2028 Q3 2028 Q3 2028	Q2 2029 Q2 2029 Q2 2029 Q2 2029	\$ 1,646,578
	9	Basin and Linear Park Improvements along Rancho Sahuarita Blvd. Phase 3 from Pod 9D&K to Pods 9E&L	Q3 2028	Q2 2029	\$ 1,579,890
	9	EXTEND 12" SEWER MAIN FROM SOUTH END OF POD 9K TO SOUTH END OF POD 9G APPROXIMATELY 2400 LF.	Q3 2028	Q2 2029	\$ 708,840
					\$ 3,935,308
* Figures include an 11% Contingency Cost & 4% Issuance Cost					
Note- If the Developer has elected to cause the construction of all or any part of the Infrastructure above, total debt service will decreased as amortized interest will start at later date(s)					
Grand Total: \$ 38,591,738					

Estimated General Obligation Bonding Analysis-All Sales
\$38,625,000

	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	
	\$1,855,000 GO Bonds, Srs 2022 Bonds Dated: 1/1/2022			\$2,995,000 GO Bonds, Srs 2023 Bonds Dated: 1/1/2023			\$5,655,000 GO Bonds, Srs 2024 Bonds Dated: 1/1/2024			\$6,705,000 GO Bonds, Srs 2024 Bonds Dated: 10/1/2024			\$1,195,000 GO Bonds, Srs 2027 Bonds Dated: 7/1/2027			\$3,940,000 GO Bonds, Srs 2028 Bonds Dated: 7/1/2028									
Fiscal Year	Principal	Estimated Interest (e)	Est. Debt Service	Principal	Estimated Interest (e)	Est. Debt Service	Principal	Estimated Interest (e)	Net Debt Service	Principal	Estimated Interest (e)	Est. Debt Service	Principal	Estimated Interest (e)	Est. Debt Service	Principal	Estimated Interest (e)	Est. Debt Service	Combined Debt Service	Revenues @ \$4.69 Tax Rate (f)	Total GO Bond Tax Rate (f)	Estimated O&M Levy @ \$0.30 (f)	Total Tax Rate	Estimated Revenues (Shortfall)/ Surplus (g)	
2013/14																									
2014/15																			\$270,091	\$47,397	\$4.69	\$3,032	\$4.99	(\$222,694)	
2015/16																			501,200	47,397	4.69	3,032	4.99	(453,803)	
2016/17																			501,200	162,528	4.69	10,396	4.99	(338,672)	
2017/18																			501,200	316,685	4.69	20,257	4.99	(184,515)	
2018/19																			501,200	468,872	4.69	29,992	4.99	(32,328)	
2019/20																			1,073,263	629,831	4.69	40,288	4.99	(443,432)	
2020/21																			1,205,958	853,653	4.69	54,605	4.99	(352,305)	
2021/22		\$69,975	\$69,975																1,388,730	1,282,878	4.69	82,060	4.99	(105,852)	
2022/23		129,850	129,850		\$112,978	\$112,978													1,558,228	1,566,513	4.62	100,203	4.92	8,285	
2023/24		129,850	129,850		209,650	209,650		\$213,319	\$213,319										1,868,169	1,816,893	4.69	116,219	4.99	(51,276)	
2024/25		129,850	129,850		209,650	209,650		395,850	395,850		\$370,265	\$370,265							2,554,865	2,006,782	4.69	128,366	4.99	(548,083)	
2025/26		129,850	129,850		209,650	209,650		395,850	395,850		469,350	469,350							2,707,350	2,135,451	4.69	136,596	4.99	(571,899)	
2026/27	\$45,000	129,850	174,850		209,650	209,650		395,850	395,850		469,350	469,350	\$86,903	\$86,903					2,872,053	2,281,839	4.69	145,960	4.99	(590,214)	
2027/28	50,000	126,700	176,700	\$75,000	209,650	284,650		395,850	395,850		469,350	469,350	83,650	83,650					2,948,900	2,489,086	4.69	159,217	4.99	(459,814)	
2028/29	50,000	123,200	173,200	80,000	204,400	284,400	\$140,000	395,850	535,850		469,350	469,350	83,650	83,650		\$286,526	\$286,526		3,367,126	2,624,308	4.69	167,866	4.99	(742,818)	
2029/30	55,000	119,700	174,700	85,000	198,800	283,800	150,000	386,050	536,050	\$165,000	469,350	634,350	83,650	83,650		275,800	275,800		3,525,500	2,772,670	4.69	177,356	4.99	(752,830)	
2030/31	60,000	115,850	175,850	90,000	192,850	282,850	160,000	375,550	535,550	175,000	457,800	632,800	83,650	83,650		275,800	275,800		3,523,500	2,934,534	4.69	187,710	4.99	(588,966)	
2031/32	65,000	111,650	176,650	95,000	186,550	281,550	170,000	364,350	534,350	185,000	445,550	630,550	83,650	83,650		275,800	275,800		3,521,250	3,091,228	4.69	197,733	4.99	(430,022)	
2032/33	70,000	107,100	177,100	100,000	179,900	279,900	180,000	352,450	532,450	200,000	432,600	632,600	\$30,000	83,650	113,650		275,800	275,800		3,548,400	3,244,760	4.69	207,554	4.99	(303,640)
2033/34	70,000	102,200	172,200	110,000	172,900	282,900	195,000	339,850	534,850	215,000	418,600	633,600	30,000	81,550	111,550	\$95,000	275,800	370,800		3,642,500	3,360,368	4.69	214,949	4.99	(282,132)
2034/35	75,000	97,300	172,300	115,000	165,200	280,200	210,000	326,200	536,200	230,000	403,550	633,550	35,000	79,450	114,450	105,000	269,150	374,150		3,638,300	3,420,629	4.69	218,804	4.99	(217,671)
2035/36	85,000	92,050	177,050	125,000	157,150	282,150	220,000	311,500	531,500	245,000	387,450	632,450	35,000	77,000	112,000	110,000	261,800	371,800		3,641,750	3,464,826	4.69	221,631	4.99	(176,924)
2036/37	90,000	86,100	176,100	135,000	148,400	283,400	235,000	296,100	531,100	265,000	370,300	635,300	40,000	74,550	114,550	120,000	254,100	374,100		3,646,800	3,474,672	4.69	222,260	4.99	(172,128)
2037/38	95,000	79,800	174,800	145,000	138,950	283,950	255,000	279,650	534,650	280,000	351,750	631,750	40,000	71,750	111,750	125,000	245,700	370,700		3,642,750	3,482,512	4.69	222,762	4.99	(160,238)
2038/39	100,000	73,150	173,150	155,000	128,800	283,800	270,000	261,800	531,800	300,000	332,150	632,150	45,000	68,950	113,950	135,000	236,950	371,950		3,644,600	3,482,512	4.69	222,762	4.99	(162,088)
2039/40	110,000	66,150	176,150	165,000	117,950	282,950	290,000	242,900	532,900	320,000	311,150	631,150	45,000	65,800	110,800	145,000	227,500	372,500		2,966,300	3,490,351	3.94	223,263	4.24	524,051
2040/41	115,000	58,450	173,450	175,000	106,400	281,400	310,000	222,600	532,600	345,000	288,750	633,750	50,000	62,650	112,650	155,000	217,350	372,350		2,969,750	3,490,351	3.95	223,263	4.25	520,601
2041/42	125,000	50,400	175,400	190,000	94,150	284,150	330,000	200,900	530,900	370,000	264,600	634,600	55,000	59,150	114,150	165,000	206,500	371,500		2,974,800	3,502,894	3.94	224,066	4.24	528,094
2042/43	135,000	41,650	176,650	200,000	80,850	280,850	355,000	177,800	532,800	395,000	238,700	633,700	60,000	55,300	115,300	175,000	194,950	369,950		2,970,750	3,502,894	3.94	224,066	4.24	532,144
2043/44	145,000	32,200	177,200	215,000	66,850	281,850	380,000	152,950	532,950	420,000	211,050	631,050	60,000	51,100	111,100	190,000	182,700	372,700		2,967,600	3,502,894	3.93	224,066	4.23	535,294
2044/45	150,000	22,050	172,050	230,000	51,800	281,800	405,000	126,350	531,350	450,000	181,650	631,650	65,000	46,900	111,900	200,000	169,400	369,400		2,439,650	3,502,894	3.23	224,066	3.53	1,063,244
2045/46	165,000	11,550	176,550	245,000	35,700	280,700	435,000	98,000	533,000	485,000	150,150	635,150	70,000	42,350	112,350	215,000	155,400	370,400		2,257,950	3,502,894	2.99	224,066	3.29	1,244,944
2046/47				265,000	18,550	283,550	465,000	67,550	532,550	515,000	116,200	631,200	75,000	37,450	112,450	230,000	140,350	370,350		1,930,100	3,502,894	2.56	224,066	2.86	1,572,794
2047/48							500,000	35,000	535,000	555,000	80,150	635,150	80,000	32,200	112,200	250,000	124,250	374,250		1,656,600	3,502,894	2.19	224,066	2.49	1,846,294
2048/49										590,000	41,300	631,300	85,000	26,600	111,600	265,000	106,750	371,750		1,114,650	3,502,894	1.48	224,066	1.78	2,388,244
2049/50													90,000	20,650	110,650	285,000	88,200	373,200		483,850	3,502,894	0.64	224,066	0.94	3,019,044
2050/51													100,000	14,350	114,350	305,000	68,250	373,250		487,600	3,502,894	0.65	224,066	0.95	3,015,294
2051/52													105,000	7,350	112,350	325,000	46,900	371,900		484,250	3,502,894	0.64	224,066	0.94	3,018,644
2052/53																345,000	24,150	369,150		369,150	3,502,894	0.49	224,066	0.79	3,133,744
	<u>\$1,855,000</u>			<u>\$2,995,000</u>			<u>\$5,655,000</u>			<u>\$6,705,000</u>			<u>\$1,195,000</u>			<u>\$3,940,000</u>									

(a) Market valuations are based on assumptions provided herein (Plan of Finance and Estimated Buildout Assumptions). Assumes homes completed or sold by August 1 will pay taxes in the following fiscal year. Assumes commercial completed in each year will pay taxes in following fiscal year.
(b) Full Cash Value assumes 85% of market value for Residential Properties.
(c) Residential Secondary Assessed Valuation (SAV) estimated at 10% (assessment ratio) of Full Cash Value. Commercial SAV estimated at 18% (assessment ratio).
(d) Growth rate for existing properties is estimated at 0.00% annual growth.
(e) Interest is estimated at 7.00%. Assumes bonds are non-rated with an approximate 25-year amortization. Final interest rates are subject to change based on a variety of economic, market and credit considerations.
(f) Assumes a 5.0% delinquent tax collection factor.
(g) Estimated annual shortfall based on maximum annual debt less annual tax revenues generated by the \$5.30 tax levy on secondary assessed valuation. Estimated shortfall to be covered by Standby Contribution Agreement and the Development Agreement.

This material contains proposed terms and conditions that are indicative and for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation. This material is based on market and economic information currently available and changes may occur in the future.

Appendix D- Table 2.4.2

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT (TOWN OF SAHUARITA, ARIZONA)
Estimated Phased General Obligation Bonding Analysis-All Sales (a)
\$38,625,000

PRELIMINARY SOURCES & USES												
	Series: Dated Date:	2015 1/1/2015	2019 7/1/2019	2020 7/1/2020	2021 7/1/2021	2022 1/1/2022	2023 1/1/2023	2024 1/1/2024	2024 10/1/2024	2027 7/1/2027	2028 7/1/2028	Total Sources:
<i>Sources:</i>												
Bond Proceeds:												
Par Amount		\$7,160,000	\$5,460,000	\$2,060,000	\$1,600,000	\$1,855,000	\$2,995,000	\$5,655,000	\$6,705,000	\$1,195,000	\$3,940,000	\$38,625,000
Total Sources:		<u>\$7,160,000</u>	<u>\$5,460,000</u>	<u>\$2,060,000</u>	<u>\$1,600,000</u>	<u>\$1,855,000</u>	<u>\$2,995,000</u>	<u>\$5,655,000</u>	<u>\$6,705,000</u>	<u>\$1,195,000</u>	<u>\$3,940,000</u>	<u>\$38,625,000</u>
<i>Uses:</i>												
Project Fund Deposit:		\$6,873,600	\$5,241,600	\$1,977,600	\$1,536,000	\$1,780,800	\$2,875,200	\$5,428,800	\$6,436,800	\$1,147,200	\$3,782,400	\$37,080,000
Placement Fees & Costs of Issuance (b):		\$286,400	\$218,400	\$82,400	\$64,000	\$74,200	\$119,800	\$226,200	\$268,200	\$47,800	\$157,600	\$1,545,000
Total Uses:		<u>\$7,160,000</u>	<u>\$5,460,000</u>	<u>\$2,060,000</u>	<u>\$1,600,000</u>	<u>\$1,855,000</u>	<u>\$2,995,000</u>	<u>\$5,655,000</u>	<u>\$6,705,000</u>	<u>\$1,195,000</u>	<u>\$3,940,000</u>	<u>\$38,625,000</u>

(a) Estimated bond sales were sized based on preliminary absorption assumptions outlined herein. All future bond sales will be dependent upon development progress and related secondary assessed valuation within the CFD.

(b) Assumes 4% for each bond sale. Subject to change.

This material contains proposed terms and conditions that are for discussion purposes only and are subject to change. Finalized terms and conditions are subject to further discussion and negotiation. This material is based on market and economic information currently available and changes may occur in the future.

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT (TOWN OF SAHUARITA, ARIZONA)
Estimated Phased General Obligation Bonding Analysis-All Sales (a)
\$38,625,000

PRELIMINARY ANNUAL DEBT SERVICE BY SALE

Series:	2015		2019		2020		2021		2022		2023		2024		2024		2027		2028		Combined Debt Service:
Dated Date:	1/1/2015		7/1/2019		7/1/2020		7/1/2021		1/1/2022		1/1/2023		1/1/2024		10/1/2024		7/1/2027		7/1/2028		
Period Ending:	Principal	Total (b)																			
7/15/2014																					\$270,091
7/15/2015	-	\$270,091																			501,200
7/15/2016	-	501,200																			501,200
7/15/2017	-	501,200																			501,200
7/15/2018	-	501,200																			501,200
7/15/2019	-	501,200																			501,200
7/15/2020	\$175,000	676,200		\$397,063																	1,073,263
7/15/2021	185,000	673,950		382,200		\$149,808															1,205,958
7/15/2022	200,000	676,000		382,200		144,200		\$116,356		\$69,974											1,388,730
7/15/2023	215,000	677,000		382,200		144,200		112,000		129,850		\$112,978									1,558,228
7/15/2024	230,000	676,950		382,200		144,200		112,000		129,850		209,650		\$213,319							1,868,169
7/15/2025	245,000	675,850	\$135,000	517,200		144,200		112,000		129,850		209,650		395,850		\$370,265					2,554,865
7/15/2026	265,000	678,700	145,000	517,750	\$50,000	194,200		112,000		129,850		209,650		395,850		469,350					2,707,350
7/15/2027	280,000	675,150	150,000	512,600	55,000	195,700	\$40,000	152,000	\$45,000	174,850		209,650		395,850		469,350		\$86,903			2,872,053
7/15/2028	300,000	675,550	165,000	517,100	60,000	196,850	40,000	149,200	50,000	176,700	\$75,000	284,650		395,850		469,350		83,650			2,948,900
7/15/2029	320,000	674,550	175,000	515,550	60,000	192,650	45,000	151,400	50,000	173,200	80,000	284,400	\$140,000	535,850		469,350		83,650	\$286,526		3,367,126
7/15/2030	345,000	677,150	185,000	513,300	65,000	193,450	50,000	153,250	55,000	174,700	85,000	283,800	150,000	536,050	\$165,000	634,350		83,650		275,800	3,525,500
7/15/2031	370,000	678,000	200,000	515,350	70,000	193,900	50,000	149,750	60,000	175,850	90,000	282,850	160,000	535,550	175,000	632,800		83,650		275,800	3,523,500
7/15/2032	395,000	677,100	215,000	516,350	75,000	194,000	55,000	151,250	65,000	176,650	95,000	281,550	170,000	534,350	185,000	630,550		83,650		275,800	3,521,250
7/15/2033	420,000	674,450	230,000	516,300	80,000	193,750	60,000	152,400	70,000	177,100	100,000	279,900	180,000	532,450	200,000	632,600	\$30,000	113,650		275,800	3,548,400
7/15/2034	450,000	675,050	245,000	515,200	85,000	193,150	65,000	153,200	70,000	172,200	110,000	282,900	195,000	534,850	215,000	633,600	30,000	111,550	\$95,000	370,800	3,642,500
7/15/2035	480,000	673,550	260,000	513,050	90,000	192,200	65,000	148,650	75,000	172,300	115,000	280,200	210,000	536,200	230,000	633,550	35,000	114,450	105,000	374,150	3,638,300
7/15/2036	515,000	674,950	280,000	514,850	100,000	195,900	70,000	149,100	85,000	177,050	125,000	282,150	220,000	531,500	245,000	632,450	35,000	112,000	110,000	371,800	3,641,750
7/15/2037	550,000	673,900	300,000	515,250	105,000	193,900	75,000	149,200	90,000	176,100	135,000	283,400	235,000	531,100	265,000	635,300	40,000	114,550	120,000	374,100	3,646,800
7/15/2038	590,000	675,400	320,000	514,250	115,000	196,550	80,000	148,950	95,000	174,800	145,000	283,950	255,000	534,650	280,000	631,750	40,000	111,750	125,000	370,700	3,642,750
7/15/2039	630,000	674,100	345,000	516,850	120,000	193,500	90,000	153,350	100,000	173,150	155,000	283,800	270,000	531,800	300,000	632,150	45,000	113,950	135,000	371,950	3,644,600
7/15/2040			365,000	512,700	130,000	195,100	95,000	152,050	110,000	176,150	165,000	282,950	290,000	532,900	320,000	631,150	45,000	110,800	145,000	372,500	2,966,300
7/15/2041			395,000	517,150	140,000	196,000	100,000	150,400	115,000	173,450	175,000	281,400	310,000	532,600	345,000	633,750	50,000	112,650	155,000	372,350	2,969,750
7/15/2042			420,000	514,500	150,000	196,200	110,000	153,400	125,000	175,400	190,000	284,150	330,000	530,900	370,000	634,600	55,000	114,150	165,000	371,500	2,974,800
7/15/2043			450,000	515,100	160,000	195,700	115,000	150,700	135,000	176,650	200,000	280,850	355,000	532,800	395,000	633,700	60,000	115,300	175,000	369,950	2,970,750
7/15/2044			480,000	513,600	170,000	194,500	125,000	152,650	145,000	177,200	215,000	281,850	380,000	532,950	420,000	631,050	60,000	111,100	190,000	372,700	2,967,600
7/15/2045					180,000	192,600	130,000	148,900	150,000	172,050	230,000	281,800	405,000	531,350	450,000	631,650	65,000	111,900	200,000	369,400	2,439,650
7/15/2046							140,000	149,800	165,000	176,550	245,000	280,700	435,000	533,000	485,000	635,150	70,000	112,350	215,000	370,400	2,257,950
7/15/2047											265,000	283,550	465,000	532,550	515,000	631,200	75,000	112,450	230,000	370,350	1,930,100
7/15/2048													500,000	535,000	555,000	635,150	80,000	112,200	250,000	374,250	1,656,600
7/15/2049															590,000	631,300	85,000	111,600	265,000	371,750	1,114,650
7/15/2050																	90,000	110,650	285,000	373,200	483,850
7/15/2051																	100,000	114,350	305,000	373,250	487,600
7/15/2052																	105,000	112,350	325,000	371,900	484,250
7/15/2053																			345,000	369,150	369,150
	<u>\$7,160,000</u>		<u>\$5,460,000</u>		<u>\$2,060,000</u>		<u>\$1,600,000</u>		<u>\$1,855,000</u>		<u>\$2,995,000</u>		<u>\$5,655,000</u>		<u>\$6,705,000</u>		<u>\$1,195,000</u>		<u>\$3,940,000</u>		

(a) Estimated bond sales were sized based on preliminary absorption assumptions outlined herein. All future bond sales will be dependent upon development progress and related secondary assessed valuation within the CFD.

(b) Interest is estimated at 7.00%. Assumes bonds are non-rated with an approximate 25-year amortization. Final interest rates are subject to change based on a variety of economic, market and credit considerations.

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**Appendix D- Table 2.4.3
RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
(SAHUARITA, ARIZONA)**

PROJECTED ABSORPTION SCHEDULE*

Single Family Detached Residential ("SFR")

Average SFR Price per Home	\$ 200,000
On the tax rolls at	85%
Assessment Ratio	10%
SAV Growth Per Year	0%
Total Number of SFRs	3,267
Tax Rate for Debt Service	\$ 4.99

Commercial/Industrial

Average Price per Square Foot of Gross Leasable Area	\$ 115
On the tax rolls at	85%
Assessment Ratio	18%
SAV Growth Per Year	0%
Total Square Feet of Commercial Gross Leasable Area	1,253,240
Tax Rate for Debt Service	\$ 4.99

Year	SFR Buildout	Cumulative	Year	SF GLA Buildout	Cumulative
2014	32	32	2014	0	0
2015	184	216	2015	0	0
2016	172	388	2016	15,000	15,000
2017	144	532	2017	55,000	70,000
2018	184	716	2018	43,000	113,000
2019	192	908	2019	100,000	213,000
2020	178	1086	2020	360,080	573,080
2021	172	1258	2021	211,080	784,160
2022	198	1456	2022	128,080	912,240
2023	197	1653	2023	20,000	932,240
2024	158	1811	2024	25,000	957,240
2025	168	1979	2025	50,500	1,007,740
2026	174	2153	2026	60,500	1,068,240
2027	186	2339	2027	15,000	1,083,240
2028	186	2525	2028	25,000	1,108,240
2029	183	2708	2029	20,000	1,128,240
2030	189	2897	2030	25,000	1,153,240
2031	158	3055	2031	20,000	1,173,240
2032	117	3172	2032	18,000	1,191,240
2033	48	3220	2033	16,000	1,207,240
2034	47	3267	2034	10,000	1,217,240
2035			2035	0	1,217,240
2036			2036	10,000	1,227,240
2037			2037	0	1,227,240
2038			2038	10,000	1,237,240
2039			2039	0	1,237,240
2040			2040	16,000	1,253,240

*Average SFR home price and average price per square foot of gross leasable area were provided by the Applicant

APPENDIX E

Example Homebuyer Disclosure Form

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT

DISCLOSURE STATEMENT

Rancho Sahuarita Community Facilities District

This disclosure statement has been prepared by Rancho Sahuarita Management Company L.L.C. with regard to the Rancho Sahuarita master planned community ("Rancho Sahuarita") for the purpose of providing you with information about the Rancho Sahuarita Community Facilities District (the "CFD"). Your home and/or business will be located in the CFD. This disclosure statement will describe the ad valorem property tax and district special assessment liability for each residential property owner in the CFD, along with the benefits that each owner will derive because of the CFD.

Background

The CFD is a special district formed for the purpose of financing the construction and/or acquisition, operation and maintenance of certain public infrastructure benefiting Rancho Sahuarita. Specifically, the CFD will finance the construction and/or acquisition, operation and maintenance of various types of public infrastructure including:

- Roadways and Parking
- Sewer Systems
- Public Parks and Open Space
- Basin Improvements
- Pedestrian Walkways
- Public Landscaping
- Drainage Improvements

?

How the CFD Works

The CFD utilizes General Obligation bonds (i.e., debt) to finance public infrastructure. General obligation bonds are repaid by ad valorem property taxes levied on the taxable property within the CFD.

?

Ad Valorem Property Taxes of the CFD

General obligation bonds and the operation and maintenance expenses of the CFD are paid from ad valorem property taxes levied against all property within the CFD. In January 2014, Property owners within the CFD voted to authorize up to \$60,000,000 of ad valorem property tax bonds to be issued over time by the CFD. Although the specific amount and the associated financial terms of future general obligation bonds are unknown, it is anticipated that approximately \$4.69 per \$100 of assessed valuation will be added to the property tax rate to repay the general obligation bonds and \$0.30 will be levied to pay operation and maintenance expenses. Such adjustment to the tax rate could vary depending upon factors including the amount financed with general obligation bonds, the terms of the financing, and the assessed valuation (i.e. for tax purposes) of property within the CFD. Your share of general obligation bond payments and expenses are included as part of your regular Pima County property tax statement and are separately shown in addition to taxes levied by the Town of Sahuarita and other governmental jurisdictions.

Benefits to Property Owners

Property owners in Rancho Sahuarita CFD will benefit by using the public infrastructure financed by the bonds issued by the CFD. In addition, the ad valorem property tax that repays the general obligation bonds will be a part of your property tax bill and both the principal and the interest payments should be currently deductible from federal and state taxes. If the developer financed those same public improvements without a CFD, those costs would have been added to the purchase price of the home and/or business and the sales price of your home and/or business may have been greater. If all of that price increase was financed by a mortgage, only the mortgage interest expense on that incremental portion of your larger loan (and not the principal) for the cost of those public improvements would be deductible from federal and state taxes. Therefore, to the extent CFD general obligation bonds will be used to finance certain public improvements, the entire cost of those public improvements should be deductible from federal and state taxes.

Property Owner's Assessment and Tax Liability

The obligation to pay the debt service on the bonds is the responsibility of all property owners within the Rancho Sahuarita CFD. Beginning in the fiscal year 2016-2017, the CFD began collecting a total tax levy of \$4.99 per \$100.00 of assessed value to (i) provide for repayment of general obligation bonds and (ii) provide funds for operation and maintenance expenses of the CFD. The general obligation bonds will be structured with the expectation that the debt portion of the tax rate of \$4.99 will be sufficient to provide for the debt service on the general obligation bonds. However, under current law, there is no limit on what this tax rate may be. The tax will be collected and enforced like all other property taxes.

The following table illustrates the additional, projected annual liability imposed by the CFD, based on estimated residential and commercial values within Rancho Sahuarita:

Estimated Financial Impact of CFD on Each Residence/Lot

Fair Market Value	Full Cash Value (a)	Secondary Assessed Value @ 10% (b)	Additional Ad Valorem Tax Liability (c)	Monthly Ad Valorem Property Tax Cost (c)
\$200,000	\$170,000	\$17,000	\$806	\$67.16

(a) Fair Market Value is not the same as the Assessor's Full Cash Value. Full Cash Value on average represents approximately 85% of Fair Market Value

(b) Assumes Residential Property Secondary Assessment Ratio will remain at 10%

(c) Based on a \$4.99 Secondary Tax Rate per \$100 of Assessed Value. To determine your specific tax amount, locate the most recent or estimated Secondary Assessed Value of your Property (computed at 10% of the Full Cash Value). Divide the Secondary Assessed Value by 100, multiply by 95%, and multiply the result by \$4.99. This will result in the Annual Estimated in the Annual Estimated Tax Amount. Divide that number by 12 to determine the Estimated Monthly Cost

Estimated Financial Impact of CFD on Commercial/Industrial per Square Foot

Fair Market Value/SF	Full Cash Value/SF (a)	Secondary Assessed Value/SF @ 18% (b)	Additional Ad Valorem Tax Liability/SF (c)	Monthly Ad Valorem Property Tax Cost/SF (c)
\$115	\$98	\$17.64	\$0.84	\$0.07

(a) Fair Market Value is not the same as the Assessor's Full Cash Value. Full Cash Value on average represents approximately 85% of Fair Market Value

(b) Assumes a generalized Commercial/Industrial Property Secondary Assessment Ratio of 18%

(c) Based on a \$4.99 Secondary Tax Rate per \$100 of Assessed Value. To determine your specific tax amount, locate the most recent or estimated Secondary Assessed Value of your Property (computed at 18% of the Full Cash Value). Divide the Secondary Assessed Value by 100, multiply by 95%, and multiply the result by \$4.99. This will result in the Annual Estimated Tax Amount. Divide this number by the total square footage of building improvements and divide that number by 12 to determine the Estimated Monthly Cost

APPENDIX F

Qualified Electors Report

APPENDIX G

**Pima County Assessor's
Report**



P. O. Box 3145
Tucson, AZ 85702-3145

Located in the Old Courthouse at:
115 North Church Avenue, Tucson, AZ

<http://www.recorder.pima.gov>

F. Ann Rodriguez
Pima County Recorder

Recording history one document at a time.

Christopher J. Roads
Chief Deputy Recorder
Registrar of Voters

Document Recording: (520) 740-4350

Voter Registration: (520) 740-4330

Fax: (520) 623-1785

CERTIFICATE OF COUNTY RECORDER

Proposed Rancho Sahuarita Community Facilities District

I hereby certify that, as of June 27, 2013, there were 0 qualified active electors residing in the Rancho Sahuarita Community Facilities District, a legal description is attached.

Handwritten signature of Christopher J. Roads in blue ink.

Christopher J. Roads
Chief Deputy Recorder
Registrar of Voters
Pima County

Dated: June 27, 2013

13mem118

EXHIBIT B

Legal Description of Property to be included in The Rancho Sahuarita Community Facilities Dist

Parcel 1:

Lots 1-564 and Common Areas "A" (Private Streets), "B"(Signage, Landscaping, Parks, Recreation and "C" (Drainage, Public Sewer and Public Utilities) of Entrada Del Rio recorded in Book 61 at Page 36 of the office of the Recorder, Pima County, Arizona.

Parcel 2:

Lots 1-74 and Common Areas "A" (Private Streets), "B" (Signage, Landscaping, Parks, Recreation and "C" (Drainage, Public Sewer and Public Utilities) of Entrada La Villita recorded in Book 62 at Page 14 of the office of the Recorder, Pima County, Arizona.

Parcel 3:

Block 36B recorded in Book 48 at Page 30 of Record of Surveys in the office of the Recorder, a County, Arizona as more particularly described as follows:

DESCRIPTION of a parcel of land, being a portion of Block 36, per the plat of Rancho Sahuarita, as recorded in Book 52 of Maps & Plats, Page 77 in the office of the Pima County Recorder, Pima County, Arizona, said parcel being located in Section 13, Township 17 South, Range 13 East, Gila and Salt River Meridian.

Said parcel being more fully described as follows:

COMMENCING at the North Quarter Corner of said Section 13, being a found brass stem, from which the Northwest corner of said section bears North 89°38'30" West a distance of 2600.43 feet;

Thence, along the north line of said section, North 89°38'30" West a distance of 1274.83 feet;

Thence, departing said line South 00°0'00" East a distance of 75.00 feet to a point on the south right-of-way line of Sahuarita Road said point being the **TRUE POINT OF BEGINNING**.

Thence, along said right-of-way, South 89°38'30" East a distance of 1232.75 feet to a point on the west right-of-way line of La Villita Road;

Thence, along said right-of-way, South 00°55'39" East a distance of 551.45 feet;

Thence, departing said right-of-way, North 89°38'30" West a distance of 1251.68 feet;

Thence, North 00°00'00" West a distance of 161.32 feet;

Thence, South 89°38'30" East a distance of 10.00 feet;

Thence, North 00°00'00" West a distance of 390.00 feet to the **TRUE POINT OF BEGINNING**.

Parcel 4:

Block 37C as recorded in Book 78 at Page 01 of Record of Surveys in the office of the Recorder, Pima County, Arizona.

Parcel 5:

Blocks 38, 39 and 40 as recorded in Book 78 at Page 1 of Record of Surveys in the office of the Recorder, Pima County, Arizona together with Blocks 41, 42, 43, 44, 46, 47, 48, 49, 50, 51 and 53, together with Common Area 'B' and Common Area 'C' adjacent to these Blocks, excluding any and all well, booster sites and any property condemned by Pima County on Block 48 described below, as recorded in Book 52 at Page 77 of Maps and Plats, in the office of the Pima County Recorder, Pima County, Arizona.

EXCLUDING THAT PORTION OF BLOCK 48 DESCRIBED AS FOLLOWS:

A portion of Section 14, Township 17 South, Range 13 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

The south 150.00 feet of the southwest quarter of the northwest quarter, except the west 75.00 feet;

The south 150.00 feet of the west 150.00 feet of the southeast quarter of the northwest quarter;

The west 150.00 feet of the northwest quarter of the northeast quarter of southwest quarter, except the south 200.00 feet;

The west 150.00 feet of the south 200.00 feet of the northwest quarter of the northeast quarter of the southwest quarter;

The west 500.00 feet of the southwest quarter of the northeast quarter of the southwest quarter;

The west 500.00 feet of the north 300.00 feet of the northwest quarter of the southeast quarter of southwest quarter;

The north 300.00 feet of the southwest quarter of the southwest quarter except the west 75.00 feet;

ALSO EXCLUDING A PORTION OF BLOCK 48 including that portion of La Cañada Road Public Right of Way conveyed to the Town of Sahuarita in Docket 13534 at Page 1804, as contemplated in the Fourth Amendment to the Development Agreement recorded in Docket 13355 at Page 3117 (Sequence 20081430989 dated 07/24/2008) in the office of the Recorder, Pima County, Arizona more particularly described as follows:

A portion of Rancho Sahuarita Blocks 47a and 47b as recorded in Book 24 of Surveys at Page 100 and a portion of Rancho Sahuarita Block 48 as recorded in Book 52 of Maps and Plats at Page 77, records of Pima County, Arizona. Reference herein noted to the La Cañada Drive Phase III Monument Study as recorded in Book 67 of Surveys at Page 76, and lying within Section 14, Township 17 South, Range 13 East of the Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

COMMENCING at the one-quarter corner between Section 14 and Section 15 of said Township, from

which the section corner common to Sections 10, 11, 14 and 15 bears North 00 degrees 46 minutes 55 seconds West a distance of 2636.49 feet as shown in said La Cañada Drive Phase III Monument Study;

THENCE upon the section line common to said Sections 14 and 15, North 00 degrees 46 minutes 55 seconds West a distance of 160.44 feet;

THENCE leaving said section line, North 89 degrees 13 minutes 05 seconds East a distance of 74.96 feet to the east right-of-way line of said La Cañada Drive and the **POINT OF BEGINNING**;

THENCE upon said east right-of-way line, North 00 degrees 46 minutes 37 seconds West a distance of 756.97 feet to a point on the arc of a non-tangent curve, from which the radius point of said curve bears South 68 degrees 21 minutes 36 seconds East;

THENCE northeasterly along said curve, to the right, having a radius of 1985.00 feet and a central angle of 03 degrees 34 minutes 28 seconds for an arc distance of 123.83 feet;

THENCE North 25 degrees 12 minutes 52 seconds East a distance of 250.42 feet to a point of curvature;

THENCE northeasterly along said curve, to the left, having a radius of 1835.00 feet and a central angle of 26 degrees 01 minutes 09 seconds for an arc distance of 833.31 feet;

THENCE North 00 degrees 48 minutes 17 seconds West a distance of 476.68 feet to a point of curvature;

THENCEnorthwesterly along said curve, to the left, having a radius of 25.00 feet and a central angle of 90 degrees 04 minutes 19 seconds for an arc distance of 39.30 feet to the south right-of-way line of Helmet Peak - Sahuarita Road as shown in Book 8 of Road Maps at Page 97, from which the northwest corner of said property described in Docket 11139 at Page 306 bears South 89 degrees 07 minutes 24 seconds West, a distance of 321.00 feet;

THENCEupon said south right-of-way line, North 89 degrees 07 minutes 24 seconds East, a distance of 200.00 feet to a point on the arc of a non-tangent curve, from which the radius point of said curve bears South 00 degrees 52 minutes 36 seconds East;

THENCESouthwesterly along said curve, to the left, having a radius of 25.00 feet and a central angle of 89 degrees 55 minutes 41 seconds for an arc distance of 39.24 feet;

THENCESouth 00 degrees 48 minutes 17 seconds East, a distance of 476.93 feet to a point of curvature;

THENCESouthwesterly along said curve, to the right, having a radius of 1985.00 feet and a central angle of 26 degrees 01 minutes 09 seconds for an arc distance of 901.43 feet;

THENCESouth 25 degrees 12 minutes 52 seconds West, a distance of 250.42 feet to a point of curvature;

THENCESouthwesterly along said curve, to the left, having a radius of 1835.00 feet and a central angle of 25 degrees 59 minutes 29 seconds for an arc distance of 832.42 feet to the **POINT OF BEGINNING**.

TOGETHER WITH A PORTION OF PUBLIC RIGHT OF WAY including that portion of the former La Cañada Road Public Right of Way to be abandoned, as contemplated in the Fourth Amendment to the Development Agreement recorded in Docket 13355 at Page 3117 (Sequence 20081430989 dated 07/24/2008) in the office of the Recorder, Pima County, Arizona more particularly described as follows:

A portion of La Cañada Drive as shown in Book 9 of Road Maps at Page 75 and lying in Sections 14 and 15, Township 17 South, Range 13 East of the Gila and Salt River Meridian, Pima County, Arizona, being more particularly described as follows:

COMMENCINGat the one-quarter corner between said Sections 14 and 15, from which the section corner common to Sections 10, 11, 14 and 15 bears North 00 degrees 46 minutes 55 seconds West a distance of 2636.49 feet;

THENCEupon the section line common to said Sections 14 and 15, North 00 degrees 46 minutes 55 seconds West a distance of 171.83 feet;

THENCE leaving said section line, South 89 degrees 13 minutes 05 seconds West a distance of 75.00 feet to the west right-of-way line of said La Cañada Drive and the **POINT OF BEGINNING**;

THENCE upon said west right-of-way line, North 00 degrees 46 minutes 58 seconds West a distance of 2389.50 feet to its intersection with the south right-of-way line of Helmet Peak Road as shown in Book 8 of Road Maps at Page 97;

THENCE North 89 degrees 07 minutes 05 seconds East a distance of 150.03 feet to the intersection of said south right-of-way line of Helmet Peak Road with the east right-of-way line of said La Cañada Drive;

THENCE upon said east right-of-way line, South 00 degrees 46 minutes 57 seconds East a distance of 652.82 feet;

THENCE continuing upon said east right-of-way line, South 00 degrees 47 minutes 09 seconds East a distance of 780.71 feet;

THENCE continuing upon said east right-of-way line, South 00 degrees 46 minutes 37 seconds East a distance of 210.65 feet to a point of curvature of a non-tangent curve, from which the radius point bears South 68 degrees 21 minutes 36 seconds East;

THENCE southerly along said curve, to the left, having a radius of 1985.00 feet and a central angle of 22 degrees 05 minutes 19 seconds for an arc distance of 765.25 feet to the **POINT OF BEGINNING**.

Parcel 6:

That portion of the Northeast quarter of Section 23, Township 17 South, Range 13 East, Gila and Salt River Base and Meridian, Pima County, Arizona; more particularly described as follows:

BEGINNING at a point on the East line of said Section 23, from which the Northeast corner of said Section 23 bears North 00°46'20" East, a distance of 200.00 feet;

THENCE South 00°46'20" West along the East line of said Section 23, a distance of 2222.93 feet (2222.00 feet, recorded);

THENCE North 89°09'28" West (N. 86°50'00" W., recorded), a distance of 202.00 feet;

THENCE North 00°35'20" East (N. 01°21'33" E., recorded) along a line parallel with and 30.00 feet Easterly of the West line of the parcel of land recorded in Docket 2966, at Page 20 of Pima County, Arizona records, a distance of 2217.50 feet (2211.13 feet, recorded), to a point on a line which is 200.00 feet South of the North line of said Section 23;

THENCE North 89°05'24" East (N. 89°52'08" E., recorded) along the aforesaid line parallel with and 200 feet south of said North line a distance of 149.25 feet to the **POINT OF BEGINNING**

APPENDIX H

Community Facilities District Development Agreement

(To be included when complete)

APPENDIX I

Draft Letter of Credit

Alliance Bank

OF ARIZONA

A division of Western Alliance Bank. Member FDIC.

DRAFT

OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

DATE OF ISSUE: _____

PAGE: 1

APPLICANT:

BENEFICIARY:

(TYPE IN NAME AND ADDRESS)

(TYPE IN NAME AND ADDRESS)

AVAILABLE AMOUNT: MAXIMUM U.S.DOLLARS

(\$ _____)*****

EXPIRY DATE: (TYPE IN 1 YEAR FROM DATE OF LETTER OF CREDIT)

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF _____, _____, WE HEREBY ISSUE OUR IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR IN THE AMOUNT OF \$ _____ AVAILABLE WITH ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, 4703 E. CAMP LOWELL DRIVE, TUCSON, ARIZONA 85712; PROVIDED, HOWEVER, THAT SUCH AMOUNT SHALL BE REDUCED AUTOMATICALLY FROM TIME TO TIME UPON DELIVERY OF A REDUCTION CERTIFICATE IN THE FORM OF ANNEX A, SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY (SIGNING AS SUCH), TOGETHER WITH THE ORIGINAL OF THIS LETTER OF CREDIT. EACH REDUCTION WILL BE EVIDENCED BY OUR ENDORSEMENT OF THIS LETTER OF CREDIT, OR, AT OUR OPTION, BY THE ISSUANCE OF A REPLACEMENT LETTER OF CREDIT REFLECTING SUCH REDUCTION. YOU MAY DRAW UNDER THIS LETTER OF CREDIT BY PRESENTATION TO US AT 4703 E. CAMP LOWELL DRIVE, TUCSON, ARIZONA 85712 ATTN: STANDBY LETTER OF CREDIT DEPT., BEFORE THE HEREINAFTER DEFINED EXPIRATION DATE, OF YOUR DRAFT DRAWN ON US AT SIGHT ACCOMPANIED BY YOUR SIGNED AND DATED STATEMENT WORDED AS FOLLOWS:

“THE UNDERSIGNED, AN AUTHORIZED REPRESENTATIVE OF _____ (“BENEFICIARY”) UNDER ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, LETTER OF CREDIT NO. _____ (THE “ALLIANCE BANK CREDIT”) HEREBY CERTIFIES THAT THE AMOUNT DRAWN UNDER THE ALLIANCE BANK CREDIT IS AN AMOUNT DUE TO BENEFICIARY, AS DEPOSITORY IN CONNECTION WITH THE _____ AGREEMENT DATED AS OF _____ (AS SUCH AGREEMENT MAY BE AMENDED, RESTATED OR REPLACED) BY _____, (APPLICANT) AND _____ (BENEFICIARY).”

DRAFT

OUR IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

DATE OF ISSUE: _____

 **DRAFT**

PAGE: 2

 **DRAFT**

THIS LETTER OF CREDIT EXPIRES AT OUR ABOVE REFERENCED OFFICE ON _____ (THE "EXPIRATION DATE"). IF THIS LETTER OF CREDIT IS NOT EXTENDED BY THE 60TH DAY BEFORE THE EXPIRATION DATE, THEN YOU MAY ALSO DRAW UNDER THIS LETTER OF CREDIT BY PRESENTATION TO US AT 4703 E. CAMP LOWELL DRIVE, TUCSON, ARIZONA, 85712 ATTN: STANDBY LETTER OF CREDIT DEPT. BEFORE THE EXPIRATION DATE, OF YOUR DRAFT DRAWN ON US AT SIGHT ACCOMPANIED BY YOUR SIGNED AND DATED STATEMENT WORDED AS FOLLOWS:

"THE UNDERSIGNED AN AUTHORIZED REPRESENTATIVE OF _____ ("BENEFICIARY") UNDER ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, LETTER OF CREDIT NO. _____ (THE "ALLIANCE BANK CREDIT") HEREBY CERTIFIES THAT THE ALLIANCE BANK CREDIT WILL EXPIRE IN LESS THAN 60 DAYS AND AS OF THE DATE OF THIS STATEMENT (I) BENEFICIARY HAS NOT RELEASED _____ FROM ITS OBLIGATIONS TO BENEFICIARY UNDER THE _____ AGREEMENT DATED _____ (AS SUCH AGREEMENT MAY BE AMENDED, RESTATED OR REPLACED) BY AND BETWEEN APPLICANT AND BENEFICIARY AND (II) BENEFICIARY HAS NOT RECEIVED A LETTER OF CREDIT OR OTHER INSTRUMENT ACCEPTABLE TO BENEFICIARY AS A REPLACEMENT FOR THE ALLIANCE BANK CREDIT."

ANY DRAWING MADE UNDER THIS LETTER OF CREDIT MUST BE MADE ON A BUSINESS DAY (AS HEREINAFTER DEFINED) TO ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK ATTN: STANDBY LETTER OF CREDIT DEPT. AT OR BEFORE 5:00 P.M., CENTRAL STANDARD TIME, ON OR BEFORE THE EXPIRATION DATE. IF THE EXPIRATION DATE FALLS ON A DAY WHICH IS NOT A BUSINESS DAY, THEN SUCH EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED TO THE NEXT BUSINESS DAY AFTER SUCH EXPIRATION DATE. AS USED HEREIN, THE TERM "BUSINESS DAY" MEANS ANY DAY OTHER THAN A SATURDAY, SUNDAY, OR A DAY ON WHICH BANKS IN THE STATE OF ARIZONA ARE AUTHORIZED OR REQUIRED TO BE CLOSED, AND A DAY ON WHICH PAYMENTS CAN BE EFFECTED ON THE FEDWIRE SYSTEM.

ONLY ONE DRAFT MAY BE DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, AND SUCH DRAFT MUST BE FOR THE THEN AVAILABLE AMOUNT OF THIS LETTER OF CREDIT.

IN ADDITION TO THE OTHER REQUIREMENTS OF THIS LETTER OF CREDIT, EACH DRAFT MUST ALSO BE ACCOMPANIED BY THE ORIGINAL OF THIS LETTER OF CREDIT.

THE DRAFT MUST BE MARKED "DRAWN UNDER ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, LETTER OF CREDIT NO. _____."

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO AN ACCOUNT WITH US OR AT ANOTHER BANK, WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS EVEN IF THE NUMBER IDENTIFIES A PERSON OR ENTITY DIFFERENT FROM THE INTENDED PAYEE.

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE TO A SINGLE TRANSFEREE AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE LETTER OF CREDIT AT THE TIME OF SUCH TRANSFER. ANY SUCH TRANSFER MAY BE EFFECTED ONLY THROUGH OURSELVES

 **DRAFT**

OUR IRREVOCABLE STANDBY LETTER OF CREDIT
NO. _____

 **DRAFT**

DATE OF ISSUE: _____

 **DRAFT**

PAGE 3

AND ONLY UPON PAYMENT OF OUR USUAL TRANSFER FEE AND UPON PRESENTATION TO US AT OUR ABOVE-SPECIFIED OFFICE OF A DULY EXECUTED INSTRUMENT OF TRANSFER IN THE FORM ATTACHED HERETO TOGETHER WITH THE ORIGINAL OF THIS LETTER OF CREDIT. ANY TRANSFER OF THIS LETTER OF CREDIT MAY NOT CHANGE THE PLACE OF EXPIRATION OF THIS LETTER OF CREDIT FROM OUR ABOVE-SPECIFIED OFFICE. EACH TRANSFER SHALL BE EVIDENCED BY OUR ENDORSEMENT ON THE REVERSE OF THE ORIGINAL OF THIS LETTER OF CREDIT SO ENDORSED TO THE TRANSFERRED, OR, AT OUR OPTION, BY THE ISSUANCE OF A REPLACEMENT LETTER OF CREDIT ON THE TERMS AND WITH THE EXPIRATION DATE SPECIFIED HEREIN.

WE ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED AT OUR OFFICE AT 4703 E. CAMP LOWELL DRIVE, TUCSON, ARIZONA 85712, ATTN: STANDBY LETTER OF CREDIT DEPT. ON OR BEFORE THE EXPIRATION DATE OF THIS LETTER OF CREDIT. THE ORIGINAL LETTER OF CREDIT MUST ACCOMPANY THE DOCUMENTS PRESENTED FOR PAYMENT HEREUNDER FOR ENDORSEMENT.

EXCEPT AS OTHERWISE PROVIDED IN THIS LETTER OF CREDIT, THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600, AND ENGAGES US IN ACCORDANCE THEREWITH.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT DEPT., 4703 E. CAMP LOWELL DRIVE, TUCSON, ARIZONA, INCLUDING THE LETTER OF CREDIT NUMBER MENTIONED ABOVE. FOR TELEPHONE ASSISTANCE, PLEASE CONTACT CINDY FOLTZ AT 1-520-784-6018.

VERY TRULY YOURS,

ALLIANCE BANK OF ARIZONA,
A DIVISION OF WESTERN ALLIANCE BANK

BY: _____

 **DRAFT**

ANNEX A
REDUCTION CERTIFICATE
LETTER OF CREDIT NO. _____

 **DRAFT**

DATE: _____

TO: ALLIANCE BANK OF ARIZONA,
A DIVISION OF WESTERN ALLIANCE BANK
4703 E. CAMP LOWELL DRIVE
TUCSON, AZ 85712
ATTN: LETTER OF CREDIT DEPT.

LADIES AND GENTLEMEN:

REFERENCE IS MADE TO THAT CERTAIN IRREVOCABLE LETTER OF CREDIT NO. _____ DATED
_____, 2013 (THE "LETTER OF CREDIT"), ISSUED TO _____ ("BENEFICIARY").
THIS CERTIFICATE IS A REDUCTION CERTIFICATE REFERRED TO IN THE LETTER OF CREDIT. THE
UNDERSIGNED CERTIFIES, REPRESENTS AND WARRANTS THAT THE UNDERSIGNED IS AN AUTHORIZED
REPRESENTATIVE OF THE BENEFICIARY. THE UNDERSIGNED, IN SUCH CAPACITY, FURTHER AUTHORIZES
AND DIRECTS THE REDUCTION IN THE AMOUNT OF THE LETTER OF CREDIT FROM U.S.\$ _____ TO
U.S.\$ _____.

THIS REDUCTION CERTIFICATE IS DELIVERED TOGETHER WITH THE LETTER OF CREDIT IN ACCORDANCE
WITH THE TERMS OF THE LETTER OF CREDIT.

VERY TRULY YOURS,

By: _____

Its: _____
Title

 **DRAFT**

REQUEST FOR A FULL TRANSFER OF THE BELOW
REFERENCED STANDBY LETTER OF CREDIT

DATE: _____

 **DRAFT**

REFERENCE: _____

 **DRAFT**

(ISSUING BANK'S LETTER OF CREDIT NO.)

TO: ALLIANCE BANK OF ARIZONA, A DIVISION OF
OF WESTERN ALLIANCE BANK
"TRANSFERRING BANK"

(ADVISING BANK'S REFERENCE NO., IF
APPLICABLE)

WE, THE UNDERSIGNED "FIRST BENEFICIARY", HEREBY IRREVOCABLY TRANSFER ALL OF OUR RIGHTS TO
DRAW UNDER THE ABOVE REFERENCED LETTER OF CREDIT ("CREDIT") IN ITS ENTIRETY TO:

(Print Name and complete address of the Transferee) "Second Beneficiary"

ADVISE THROUGH:

(Print Name/address of Second Beneficiary's Bank, if known-if left blank, the Transferring
Bank will select the advising bank)

IN ACCORDANCE WITH UCP 500 ARTICLE 48 OR ISP 98, RULE 6 REGARDING TRANSFER OF DRAWING RIGHTS
(WHICHEVER SET OF RULES THE CREDIT IS SUBJECT TO), ALL RIGHTS OF THE UNDERSIGNED FIRST
BENEFICIARY IN SUCH CREDIT ARE TRANSFERRED TO THE SECOND BENEFICIARY. THE SECOND
BENEFICIARY SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS
RELATING TO ANY AMENDMENTS WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS AND
WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO
THE SECOND BENEFICIARY WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED
FIRST BENEFICIARY.

THE ORIGINAL CREDIT, INCLUDING AMENDMENTS TO THIS DATE, IS ATTACHED AND THE UNDERSIGNED
FIRST BENEFICIARY REQUESTS THAT YOU ENDORSE AN ACKNOWLEDGMENT OF THIS TRANSFER ON THE
REVERSE THEREOF. THE UNDERSIGNED FIRST BENEFICIARY REQUESTS THAT YOU NOTIFY THE SECOND
BENEFICIARY OF THIS CREDIT IN SUCH FORM AND MANNER AS YOU DEEM APPROPRIATE, AND THE TERMS
AND CONDITIONS OF THE CREDIT AS TRANSFERRED. THE UNDERSIGNED FIRST BENEFICIARY
ACKNOWLEDGES THAT YOU INCUR NO OBLIGATION HEREUNDER AND THAT THE TRANSFER SHALL NOT
BE EFFECTIVE UNTIL YOU HAVE EXPRESSLY CONSENTED TO EFFECT THE TRANSFER BY NOTICE TO THE
SECOND BENEFICIARY.

IF YOU AGREE TO THESE INSTRUCTIONS, PLEASE ADVISE THE SECOND BENEFICIARY OF THE TERMS AND
CONDITIONS OF THE TRANSFERRED CREDIT AND THESE INSTRUCTIONS.

PAYMENT OF TRANSFER FEE CALCULATED AT THE GREATER OF ¼ OF 1% OF THE AMOUNT OF THE
TRANSFER OR US\$150.00.

 **DRAFT**

DRAFT

DEBIT OUR DDA WITH ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, ACCOUNT NO. _____

CASHIER'S CHECK ENCLOSED FOR \$ _____.

REMITTING BY FED FUNDS TO ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, ABA NO. _____ FOR ACCOUNT NO. _____ UNDER ALLIANCE BANK OF ARIZONA, A DIVISION OF WESTERN ALLIANCE BANK, REFERENCE NO. _____

WE, THE UNDERSIGNED FIRST BENEFICIARY, AGREE TO PAY YOU ON DEMAND ANY EXPENSE OR COST YOU MAY INCUR IN CONNECTION WITH THE TRANSFER. RECEIPT OF SUCH SHALL NOT CONSTITUTE CONSENT BY YOU TO EFFECT THE TRANSFER.

FIRST BENEFICIARY REPRESENTS AND WARRANTS TO TRANSFERRING BANK THAT (i) OUR EXECUTION, DELIVERY, AND PERFORMANCE OF THIS REQUEST TO TRANSFER (a) ARE WITHIN OUR POWERS AND HAVE BEEN DULY AUTHORIZED (b) CONSTITUTE OUR LEGAL, VALID, BINDING AND ENFORCEABLE OBLIGATION (c) DO NOT CONTRAVENE ANY CHARTER PROVISION, BY-LAW, RESOLUTION, CONTRACT, OR OTHER UNDERTAKING BINDING ON OR AFFECTING US OR ANY OF OUR PROPERTIES AND (d) DO NOT REQUIRE ANY NOTICE, FILING OR OTHER ACTION TO, WITH, OR BY ANY GOVERNMENTAL AUTHORITY (ii) WE HAVE NOT PRESENTED ANY DEMAND OR REQUEST FOR PAYMENT OR TRANSFER UNDER THE CREDIT AFFECTING THE RIGHTS TO BE TRANSFERRED, AND (iii) THE SECOND BENEFICIARY'S NAME AND ADDRESS ARE CORRECT AND COMPLETE AND THE TRANSACTIONS UNDERLYING THE CREDIT AND THE REQUESTED TRANSFER DO NOT VIOLATE APPLICABLE UNITED STATES OR OTHER LAW, RULE OR REGULATION, INCLUDING WITHOUT LIMITATION U.S. FOREIGN ASSET CONTROL REGULATIONS.

WE FURTHER AGREE TO INDEMNIFY AND HOLD HARMLESS YOU AND EACH OF YOUR DIRECTORS, OFFICERS AND EMPLOYEES (EACH AN "INDEMNITOR" AND

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