MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
NOTICE AND AGENDA
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, November 19, 2019, at or after 7:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Marana Town Council and to the general public that the Town Council will hold a meeting open to the public on November 19, 2019, at or after 7:00 PM located in the Council Chambers of the Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona.

ACTION MAY BE TAKEN BY THE COUNCIL ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*.

As a courtesy to others, please turn off or put in silent mode all electronic devices.

Meeting Times
Welcome to this Marana Town Council meeting. Regular Council meetings are usually held the first and third Tuesday of each month at 7:00 PM at the Marana Municipal Complex, although the date or time may change and additional meetings may be called at other times and/or places. Contact the Town Clerk or watch for posted agendas for other meetings. This agenda may be revised up to 24 hours prior to the meeting. In such a case a new agenda will be posted in place of this agenda.

Speaking at Meetings
If you are interested in speaking to the Council during the Call to the Public or Public Hearings, you must fill out a speaker card (located in the lobby outside the Council Chambers) and deliver it to the Town Clerk prior to the convening of the meeting.

All persons attending the Council meeting, whether speaking to the Council or not, are expected to observe the Council rules, as well as the rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly will be removed from the meeting and will not be allowed to return.

Accessibility
To better serve the citizens of Marana and others attending our meetings, the Council Chambers are wheelchair and handicapped accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk at (520) 382-1999. Requests should be made as early as possible to arrange the accommodation.

Agendas
Copies of the agenda are available the day of the meeting in the lobby outside the Council Chambers or online at www.maranaaz.gov under Agendas and Minutes. For questions about the Council meetings, special services or procedures, please contact the Town Clerk, at (520) 382-1999, Monday through Friday from 8:00 AM to 5:00 PM.

This Notice and Agenda Posted no later than 24 hours prior to the meeting, at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaaz.gov under Agendas and Minutes.

REGULAR COUNCIL MEETING

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE

APPROVAL OF AGENDA

CALL TO THE PUBLIC
At this time any member of the public is allowed to address the Town Council on any issue within the jurisdiction of the Town Council, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Council must complete a speaker card located outside the Council Chambers and deliver it to the Town Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Council may respond to criticism made by those who have addressed the Council, and may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

PROCLAMATIONS

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

CONSENT AGENDA

The Consent Agenda contains items requiring action by the Council which are generally routine items not requiring Council discussion. A single motion and affirmative vote will approve all items on the Consent Agenda, including any resolutions or ordinances. Prior to a motion to approve the Consent Agenda, any Council member may remove any item from the Consent Agenda and that item will be discussed and voted upon separately.

C1 Resolution No. 2019-115: Relating to Development; acceptance of Dove Mountain Boulevard Station 320+27.73 to 337+15.66 for maintenance (Keith Brann)

C2 Resolution No. 2019-116**:** Relating to Development; approving a final plat for Gladden Farms Blocks 36 and 40 Lots 1-176, Common Areas "A-1" - "A-7" (Landscape, Utilities and Drainage) and "B-1" - "B-5" (Functional Open Space, Utilities and Drainage) located at the southeast corner of N. Midfield Road and W. Mike Etter Blvd. (Steven E. Vasquez)

C3 Resolution No. 2019-117: Relating to Community and Neighborhood Services; approving and authorizing the Mayor to execute Amendment No. 1 to the intergovernmental agreement between Pima County and the Town of Marana for the management and implementation of the 2019-2020 Community Development Block Grant Program (Lisa Shafer)

C4 Approval of the Regular Council Meeting Summary Minutes of November 5, 2019 (Cherry Lawson)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

B1 Resolution No. 2019-118: Relating to Benefits; appointing Yiannis Kalaitzidis as a Trustee for the Marana Health Care Benefits Trust for a four-year term; and making additional Trustee appointments for the Marana Health Care Benefits Trust (Jane Fairall)

COUNCIL ACTION

A1 PUBLIC HEARING: Resolution No. 2019-119: A resolution of the Mayor and Common Council of the Town of Marana, Arizona, a municipal corporation of Arizona, ordering and declaring formation of the Villages of Tortolita Community Facilities District and approving and authorizing the execution and delivery of a District Development, Financing Participation and Intergovernmental Agreement (Villages of Tortolita Community Facilities District) (Yiannis Kalaitzidis)

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Relating to Legislation and Government Actions; discussion and possible action regarding all pending state, federal, and local legislation/government actions and on recent and upcoming meetings of the other governmental bodies (Jamsheed Mehta)

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

E2 Executive Session pursuant to A.R.S. § 38-431.03 (A)(1) for discussion, consideration and possible interviews of candidates for appointment as Trustees to the Marana Health Care Benefits Trust.

E3 Executive session pursuant to A.R.S. § 38-431.03(A)(4) to consider the Council's position and instruct the Town's attorneys regarding settlement discussions to resolve litigation in Ashley v. Town of Marana, Pima County Superior Court case number C20184288.

FUTURE AGENDA ITEMS

Notwithstanding the mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT

Council-Regular Meeting **C1**

Meeting Date: 11/19/2019

To: Mayor and Council

Submitted For: Keith Brann, Town Engineer

From: Glenn Phillips, Civil Engineering Specialist

Date: November 19, 2019

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2019-115: Relating to Development; acceptance of Dove Mountain Boulevard Station 320+27.73 to 337+15.66 for maintenance (Keith Brann)

Discussion:

As a requirement for residential development in Dove Mountain, Cottonwood Properties has constructed the extension of Dove Mountain Blvd. in accordance with approved plans from Station 320+27.73 to 337+15.66. With this resolution, Marana will be accepting for maintenance all improvements within the segment of Dove Mountain Boulevard Right of Way including curbing, asphalt, drainage structures, and regulatory traffic control and street signs. The segment length is approximately 1,700 linear feet.

Staff Recommendation:

Staff recommends approval of the resolution accepting Dove Mountain Boulevard Station 320+27.73 to 337+15.66 for maintenance.

Suggested Motion:

I move to adopt Resolution No. 2019-115, accepting Dove Mountain Boulevard Station 320+27.73 to 337+15.66 for maintenance.

Attachments

MARANA RESOLUTION NO. 2019-115

RELATING TO DEVELOPMENT; ACCEPTANCE OF DOVE MOUNTAIN BOULEVARD STATION 320+27.73 TO 337+15.66 FOR MAINTENANCE

WHEREAS Cottonwood Properties has completed public improvements acceptable to Town standards in accordance with the Private Improvement Agreement for Dove Mountain Boulevard, Station 320+27.73 to 337+15.66.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Marana, accepting for maintenance, including maintenance of regulatory traffic control and street signs, approximately 1700 linear feet of Dove Mountain Boulevard and appurtenances (Dove Mountain Boulevard Station 320+27.73 to 337+15.66), as depicted on Exhibit A.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this ___ day of _____, 2019.

Mayor Ed Honea

ATTEST:

Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

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EXHIBIT A

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66

PUBLIC STREETS
ENG1706-005

GENERAL NOTES

1. ALL CONSTRUCTION AND TEST METHODS SHALL BE IN CONFORMANCE WITH PIMA ASSOCIATION OF GOVERNMENTS STANDARD SPECIFICATIONS FOR PUBLIC IMPROVEMENTS (PAG SSPN), 2015 EDITION, UNLESS NOTED.
2. BASIS OF BEARING FOR THIS PROJECT IS THE LINE BETWEEN THE EAST QUARTER CORNER OF SECTION 21,T-11-S, R-12-E, AND THE WEST QUARTER CORNER OF SAID SECTION, SAID BEARING BEING N89°48'34"W.
3. BASIS OF ELEVATION FOR THIS PROJECT IS THE AS-BUILT 3" TOWN OF MARANA BRASS CAP SURVEY MONUMENT STAMPED RLS "22245" AT THE CENTERLINE INTERSECTION OF DOVE MOUNTAIN BOULEVARD (STA 320+27.73) AND BRITTLE BUSH DRIVE (STA 18+65.16). SAID ELEVATION BEING 2443.20 FEET(NGVD 29 DATUM).
4. CONTRACTOR SHALL COMPLY WITH ALL APPLICABLE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) REGULATIONS.
5. CONTRACTOR SHALL CALL BLUESTAKE (1-800-STAKE-IT) TO VERIFY LOCATION OF UTILITIES TWO FULL WORKING DAYS PRIOR TO COMMENCEMENT OF ANY CONSTRUCTION.
6. CONTRACTOR SHALL OBTAIN ALL PERMITS REQUIRED BY GOVERNMENTAL AGENCIES.
7. ALL REVISIONS TO THESE PLANS MUST BE APPROVED BY TOWN ENGINEER PRIOR TO CONSTRUCTION.
8. ALL WORK SHALL CONFORM TO "STANDARDS FOR GRADING AND RELATED SITE WORK" TITLE 19 OF THE TOWN OF MARANA LAND DEVELOPMENT CODE.
9. ALL CONCRETE SHALL COMPLY WITH PAG SSPN SECTION 1006, CLASS S, 3,000 PSI COMPRESSIVE STRENGTH AT 28 DAYS, UNLESS OTHERWISE SPECIFIED.
10. CONTRACTOR SHALL GIVE FORTY-EIGHT (48) HOURS NOTICE WHEN HE SHALL REQUIRE SERVICES OF THE ENGINEER OR ANY OTHER PERSON PROPERLY AUTHORIZED FOR SUCH PURPOSE FOR LAYING OUT ANY PORTION OF THE WORK. HE SHALL ALSO DIG ALL STAKE HOLES NECESSARY TO GIVE LINE AND LEVELS.
11. THE CONTRACTOR SHALL PRESERVE ALL STAKES SET FOR THE LINES, LEVELS OR MEASUREMENTS OF THE WORK IN THEIR PROPER PLACES UNTIL AUTHORIZED TO REMOVE THEM BY THE ENGINEER. ANY EXPENSE INCURRED IN REPLACING ANY STAKES WHICH THE CONTRACTOR OR HIS SUBORDINATES MAY HAVE FAILED TO PRESERVE SHALL BE CHARGED TO THE CONTRACTOR.
12. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO FURNISH, HAUL AND APPLY ALL WATER REQUIRED FOR COMPACTION AND FOR THE CONTROL OF DUST FROM CONSTRUCTION ACTIVITY. THE COST THEREOF IS TO BE INCLUDED IN THE CONSTRUCTION PRICE.
13. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE CARE, MAINTENANCE, REPAIR OR REPLACEMENT OF EXISTING IMPROVEMENTS IN THE WORK AREA WHICH HAVE BEEN REMOVED OR DAMAGED DURING THE COURSE OF CONSTRUCTION. ALL REPAIR, REPLACEMENT OR CLEANUP SHALL BE DONE TO THE SATISFACTION OF THE OWNER.
14. OMISSIONS OR CONFLICTS BETWEEN VARIOUS ELEMENTS OF THE DRAWINGS, NOTES AND DETAILS SHALL BE BROUGHT TO THE ATTENTION OF THE ENGINEER AND RESOLVED BEFORE PROCEEDING WITH THE WORK.
15. UPON COMMENCEMENT OF WORK, TRAFFIC CONTROL DEVISES SHALL BE POSTED AND MAINTAINED BY THE CONTRACTOR UNTIL SUCH TIME AS THE WORK IS COMPLETED. ALL WARNING SIGNS, BARRICADES, ETC., SHALL BE IN ACCORDANCE WITH THE MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES ADOPTED BY THE STATE OF ARIZONA PURSUANT TO A.R.S. 28-650.
16. A COPY OF THE APPROVED PLAN SHALL BE KEPT IN AN EASILY ACCESSIBLE LOCATION ON THE SITE AT ALL TIMES DURING CONSTRUCTION.
17. IF UNANTICIPATED CONDITIONS ARE ENCOUNTERED DURING THE COURSE OF CONSTRUCTION AND ARE BEYOND THE SCOPE OF THE DESIGN, THE ENGINEER SHALL SUBMIT THE NECESSARY REVISED OR SUPPLEMENTAL IMPROVEMENT PLANS FOR AND ACCEPTANCE BY THE TOWN ENGINEER.
18. 30 DAYS PRIOR TO DESTRUCTION OR REMOVAL OF CACTUS THE CONTRACTOR SHALL NOTIFY THE ARIZONA DEPARTMENT OF AGRICULTURE AT (520)628-6310.
19. REPORTS OF SOILS INVESTIGATION INCLUDING RECOMMENDATIONS FOR GRADING PROCEDURES HAVE BEEN PREPARED BY PATTISON EVANOFF ENGINEERING, LLC, AS FOLLOWS:
    PROJECT NO. 13-029, DOVE MOUNTAIN WEST, DATED 4/2/13 & UPDATE LETTER DATED 1/4/16.
    ALL EARTHWORK SHALL CONFORM TO THE RECOMMENDATIONS CONTAINED IN SAID REPORTS.
20. THE SOILS ENGINEER SHALL OBSERVE, INSPECT AND TEST ALL EARTHWORK OPERATIONS INCLUDING, BUT NOT LIMITED TO, CLEARING, GRUBBING, SUBGRADE PREPARATION, STRUCTURAL AND TRENCH EXCAVATION AND BACKFILL, TOGETHER WITH PLACEMENT AND COMPACTION OF FILL.
21. COMPACTION IN ALL FILL AREAS SHALL BE TO A MINIMUM OF 95% OF THE MAXIMUM DENSITY AS DETERMINED BY AASHTO DESIGNATION T-99, METHOD A. THOSE AREAS TO RECEIVE FILL ARE TO BE SCARIFIED TO A DEPTH OF TEN (10) INCHES, BROUGHT TO THE PROPER MOISTURE CONTENT AND COMPACTED TO THE ABOVE DENSITY. THE AREA SOURCE OF FILL MATERIAL SHALL BE APPROVED BY THE OWNER PRIOR TO COMMENCEMENT OF WORK. TESTS OF FILL MATERIAL WILL BE DONE AT THE OWNER'S EXPENSE.
22. THE DESIGN SPEED IS 35 MPH, UNLESS OTHERWISE NOTED. THE DESIGN VEHICLE IS WB-40.
23. AGGREGATE BASE COURSE SHALL COMFORM TO PAG SSPN SECTION 303 AND BE COMPACTED TO 95% MAX. DENSITY.
24. ASPHALTIC CONCRETE SHALL COMFORM WITH PAG SSPN SECTION 406, MIX #2, SPECIFICATIONS (SUBDIVISION MIX 4.0%±0.2% AIR VOIDS).
25. A REGISTERED ENGINEER MUST CERTIFY THAT THIS PROJECT WAS CONSTRUCTED IN SUBSTANTIAL CONFORMANCE WITH THE APPROVED PLANS PRIOR TO THE REQUEST FOR FINAL INSPECTION/ CERTIFICATE OF OCCUPANCY OR RELEASE OF ASSURANCES.
26. NATIVE PLANTS MUST BE FLAGGED AND PROTECTIVE FENCING MUST BE INSTALLED AS REQUIRED BY THE NATIVE PLANT PRESERVATION PLAN PRIOR TO ANY GRADING ACTIVITY.
27. A RIGHT-OF-WAY PERMIT IS REQUIRED FOR CONSTRUCTION WITHIN THE PUBLIC RIGHT-OF-WAY AND DRAINAGEWAYS.
28. IF ARCHAEOLOGICAL MATERIALS ARE DISCOVERED DURING THE COURSE OF CONSTRUCTION, THESE MUST BE HANDLED PER THE CONDITIONS OF THE ARMY CORPS OF ENGINEERS 404 ISSUED FOR THIS PROJECT.
29. IF ANY HUMAN REMAINS OR FUNERARY ITEMS ARE DISCOVERED DURING CONSTRUCTION, ALL WORK MUST STOP IN THE AREA OF THE REMAINS AND MR. JOHN MADSEN, REPATRIATION COORDINATOR AT THE ARIZONA STATE MUSEUM, MUST BE CONTACTED IMMEDIATELY, PURSUANT TO A.R.S 41-865.
30. THE CONTRACTOR SHALL OBTAIN A TOWN OF MARANA RIGHT-OF-WAY PERMIT AND SCHEDULE A PRE-CONSTRUCTION CONFERENCE WITH THE TOWN OF MARANA RIGHT-OF-WAY INSPECTOR PRIOR TO COMMENCEMENT OF ANY WORK WITHIN THE PUBLIC RIGHT-OF-WAY.
31. THE CONTRACTOR AND ALL SUBCONTRACTORS SHALL OBTAIN A TOWN OF MARANA BUSINESS LICENSE PRIOR TO COMMENCEMENT OF ANY WORK.
32. TRACER WIRE REQUIRED FOR ALL IRRIGATION SLEEVES.
33. INSTALLATIONS OF ITEMS SUCH AS LANDSCAPE, IRRIGATION, HARDSCAPE, SIGNAGE, DECORATIVE PAVERS OR STAMPED CONCRETE; DECORATIVE MEDIANS, SLOPE & DRAINAGE IMPROVEMENTS, PATHS, MONUMENTATION AND WALLS ETC. WITHIN THE PUBLIC RIGHTS-OF-WAY SHALL REQUIRE A PERPETUAL LICENSE AGREEMENT FOR INSTALLATION, MAINTENANCE AND INDEMNIFICATION. THIS DOCUMENT SHALL BE EXECUTED AND RECORDED WITH THE COOPERATION OF THE MASTER COMMUNITY ASSOCIATION PRIOR TO ISSUANCE OF ANY PERMITS OR APPROVAL OF THE IMPROVEMENT PLAN, ALLOWING INSTALLATIONS WITHIN THE PUBLIC RIGHTS-OF-WAY

GENERAL NOTES, Continued

34. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO FULLY COMPLY WITH THE ARIZONA POLLUTANT DISCHARGE ELIMINATION SYSTEM CONSTRUCTION GENERAL PERMIT IN ACCORDANCE WITH THE STORMWATER POLLUTION PREVENTION PLAN (SWPPP) PREPARED FOR THIS PROJECT.
35. GRADING BOUNDARIES SHALL BE CLEARLY MARKED, AND ALL WORK WILL BE CONFINED TO THE APPROVED PROJECT DISTURBANCE LIMITS AS SHOWN ON THESE PLANS. NO WORK SHALL TAKE PLACE OUTSIDE OF THE LIMITS SHOWN ON THESE PLANS.
36. ALL PROTOCOL OUTLINED IN THE DOVE MOUNTAIN CONSERVATION PLAN WILL BE FOLLOWED.
37. THE CONTRACTOR SHALL SUBMIT TO THE TOWN OF MARANA A TRAFFIC CONTROL PLAN FOR EACH PHASE OF THE WORK A MINIMUM OF SEVEN (7) WORKING DAYS PRIOR TO COMMENCEMENT OF ANY WORK WITHIN THE PUBLIC RIGHT OF WAY. THE CONTRACTOR SHALL HAVE ON SITE, AT ALL TIMES, TRAFFIC CONTROL PLANS ACCEPTED (STAMPED) BY THE TOWN OF MARANA FOR ALL WORK BEING PERFORMED WITHIN THE PUBLIC RIGHT OF WAY
38. ANY SURVEY MONUMENTS THAT FALL ON A QUARTER-SECTION CORNER OR GREATER SHALL BE PER TOWN OF MARANA SD M-103A. (SURV-KAP, INC. M/M-BCS-3-1/4FS)
39. ALL CONSTRUCTION AND TEST METHODS FOR ADOT STRUCTURES/DETAILS SHALL BE IN CONFORMANCE WITH ADOT STANDARD STRUCTURE DETAIL DRAWINGS DATED 7/2012 AND 2008 ADOT CONSTRUCTION SPECIFICATIONS.

SEWER GENERAL NOTES-SEE SHEET 2

AS-BUILT CERTIFICATION:
I HEREBY CERTIFY THAT THE AS-BUILT ANNOTATIONS PROVIDED ON THIS DRAWING WERE BASED ON AN AS-BUILT SURVEY UNDER MY SUPERVISION AND ACCURATELY DEPICTS EXISTING FIELD CONDITIONS TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR — DATE

REGISTRATION NUMBER — EXPIRES

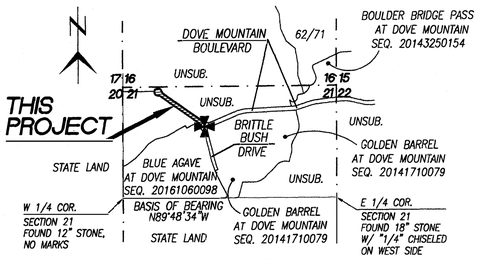
CAUTION: CONTRACTOR TO VERIFY LOCATION (HORIZONTAL & VERTICAL, IF NECESSARY) OF ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION

NOTE: ALL SPOT GRADES ARE TOP OF PAVEMENT/FINISHED GRADE UNLESS OTHERWISE INDICATED. ADD 0.5' FOR TOP OF CURB ELEVATIONS WHERE APPLICABLE

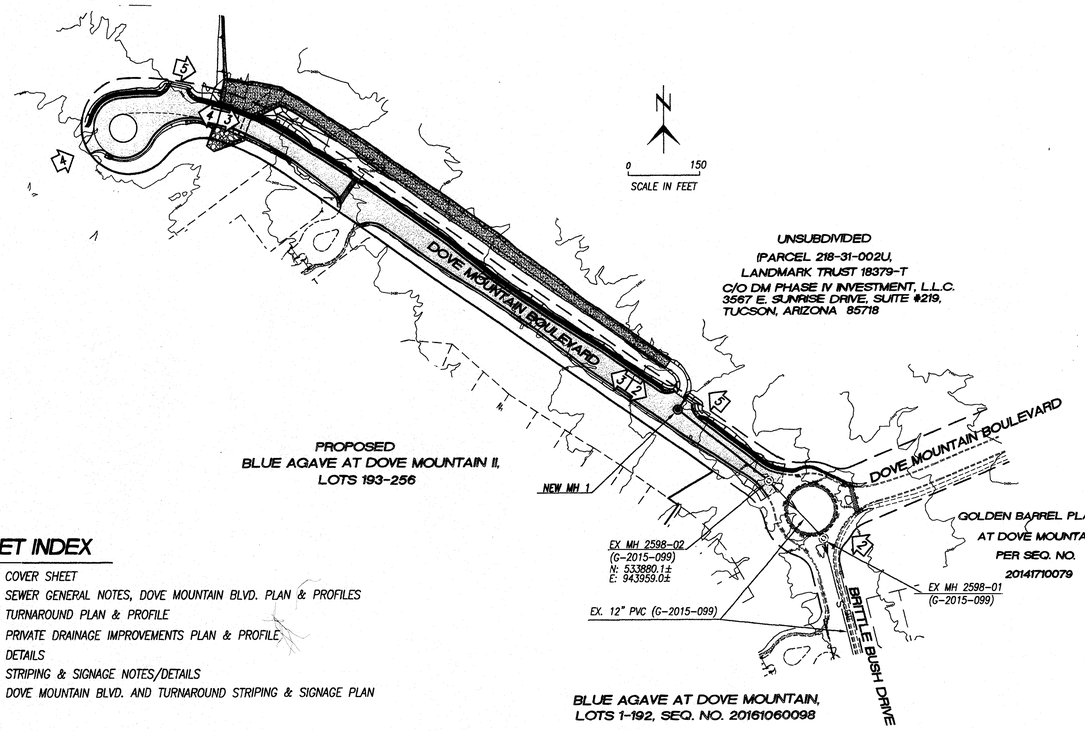
ALL GRADES SHOWN ARE ON NGVD DATUM UNLESS SPECIFICALLY IDENTIFIED WITH (NAVD 88). A VERTCON NGS CONVERSION OF +2.10' SHALL BE USED TO CONVERT NVGD 29 ELEVATIONS TO NAVD 88.

SHEET INDEX

1	COVER SHEET
2-3	SEWER GENERAL NOTES, DOVE MOUNTAIN BLVD. PLAN & PROFILES
4	TURNAROUND PLAN & PROFILE
5	PRIVATE DRAINAGE IMPROVEMENTS PLAN & PROFILE
6-8	DETAILS
9	STRIPING & SIGNAGE NOTES/DETAILS
10	DOVE MOUNTAIN BLVD. AND TURNAROUND STRIPING & SIGNAGE PLAN



LOCATION PLAN
SECTION 21, T-11-S, R-12-E, G&SRB&M,
TOWN OF MARANA, PIMA COUNTY, ARIZONA
SCALE: 3"=1 MILE



LEGEND

- SUBDIVISION BOUNDARY
- LOTLINE
- STREET CENTERLINE
- EXISTING EASEMENT (AS NOTED)
- NEW PUBLIC SEWER EASEMENT
- NEW ASPHALT PAVEMENT
- NEW DECORATIVE PAVEMENT & RIBBON CURB (SEE LANDSCAPE PLAN)
- EXISTING PAVEMENT
- FOUND SURVEY MONUMENT
- MATCHLINE
- SHEET REFERENCE
- NEW SURVEY MONUMENT PER T.O.M. M-103B
- 2650 EXISTING CONTOURS
- NEW PUBLIC SEWER LINE W/ NEW MANHOLE
- SP NEW PRIVATE SEWER STUBOUT
- S EXISTING SEWER LINE W/ MANHOLE (APPROX. LOCATION)
- W EXISTING/PROPOSED WATER LINE (APPROX. LOCATION)
- G EXISTING GAS LINE (APPROX. LOCATION)
- UGE- or -U3- EXISTING UNDERGROUND ELECTRIC (APPROX. LOCATION)
- CURB ACCESS RAMP AS NOTED
- X 88.1 DESIGN SPOT GRADE
- CROSS SECTION REFERENCE
- 100 YEAR FLOODPRONE LINE ("F.P.L.")
- EROSION SETBACK LINE ("E.S.L.")
- EXISTING STABILIZED SEWER PATH
- PROPOSED DECORATIVE DOVE MOUNTAIN HANDRAIL
- PROPOSED GUARDRAIL (SEE SHEET 9, ENG1402-002)
- PROPOSED 2-4" SCH.40 PVC IRRIGATION SLEEVES
- BASIS OF ELEVATION/BENCHMARK (SEE LOCATION MAP)

G-2017-064

ACCEPTED:
ACCEPTED BY THE TOWN OF MARANA

BY: _____ P.E. DATE: 9-5-17
TOWN ENGINEER/DEVELOPMENT ENGINEER

BY: _____ DATE: 9/6/17
FOR TOWN OF MARANA PLANNING DIRECTOR

ACCEPTED:

PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT (PCRWRD) — DATE

OWNER/DEVELOPER
DM PHASE IV INVESTMENT, L.L.C.
C/O: COTTONWOOD PROPERTIES, INC.
ATTN: WILLIAM HALLINAN
3567 E. SUNRISE DRIVE, #219
TUCSON, ARIZONA 85718
520-299-8424

ABBREVIATION LIST:

T.O.M.	TOWN OF MARANA
PT	POINT OF TANGENCY
PC	POINT OF CURVATURE
IC	INCLUDED CENTRAL ANGLE
R	RADIUS
L	LENGTH
SM	SURVEY MONUMENT
ECR	END CURB RETURN
BCR	BEGIN CURB RETURN
BCSM	BRASS CAP SURVEY MONUMENT

Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA811 Call 811 or click Arizona811.com

NO	DATE	REVISION	BY	CH	APPR

ENG1706-005 REF#PRV-1609-001 P17WI00040 G-2017-064

36655 MARTIN V. MAGELLI REGISTERED PROFESSIONAL ENGINEER ARIZONA U.S.A. EXPIRES 9/30/2018

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

SCALE: HORIZ: 1"=150' C.I.=1'	DRAWN BY: MVM	DATE: 6/21/17	DRAWING # 2393-OFFSITE-IP.DWG	SHEET 1 of 10
	DESIGNED BY: MVM	REV. DATE: 7/24/17		
	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393	

I:\PROJECTS\2393\civil\OFFSITE-IP.dwg

SEWER GENERAL NOTES

1. ALL DESIGN STANDARDS, MATERIALS AND WORKMANSHIP FOR PUBLIC SANITARY SEWERS SHALL BE IN ACCORDANCE WITH THE PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT (PCRWRD) ENGINEERING DESIGN STANDARDS 2016 (EDS 2016) AND THE STANDARD SPECIFICATIONS AND DETAILS FOR CONSTRUCTION 2016 (SSDC 2016). SAID DOCUMENTS ARE AVAILABLE THROUGH THE PCRWRD WEBSITE (www.pima.gov/wastewaterreclamation).

2. BASIS OF ELEVATION–SEE GENERAL NOTES, #3, SHEET 1

3. BASIS OF BEARING–SEE GENERAL NOTES, #2, SHEET 1

4. ANY CONSTRUCTION ACTIVITY HAVING THE POTENTIAL TO DAMAGE EXISTING PUBLIC SANITARY SEWERS OR ANY ACTIVITY THAT REQUIRES MATERIALS OR EQUIPMENT TO ENTER EXISTING PUBLIC SANITARY SEWERS SHALL REQUIRE A PIMA COUNTY RWRD SEWER CONSTRUCTION PERMIT PRIOR TO COMMENCING THAT ACTIVITY.

5. SEWER CONSTRUCTION SHALL NOT COMMENCE UNTIL: (A) THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ) OR ITS DELEGATED AUTHORITY HAS ISSUED A CONSTRUCTION AUTHORIZATION FOR THIS PROJECT; (B) THE CONTRACTOR HAS OBTAINED A PCRWRD PUBLIC SEWER CONSTRUCTION PERMIT (CONTACT THE PCRWRD PERMITS SECTION AT (520) 724–6649 FOR PERMIT APPLICATION REQUIREMENTS); (C) THE CONTRACTOR'S FLOW MANAGEMENT PLAN HAS BEEN SUBMITTED THIRTY (30) CALENDAR DAYS PRIOR TO THE PRE–CONSTRUCTION MEETING AND APPROVED BY PCRWRD FIELD ENGINEERING; AND (D) A PRE–CONSTRUCTION MEETING WITH THE ASSIGNED PIMA COUNTY PROJECT FIELD INSPECTOR IS SCHEDULED AT LEAST THREE (3) FULL BUSINESS DAYS PRIOR TO COMMENCING WITH SEWER CONSTRUCTION.

6. THE CONTRACTOR SHALL SUBMIT A FLOW MANAGEMENT PLAN (FMP) TO PCRWRD FIELD ENGINEERING FOR APPROVAL BEFORE PROCEEDING WITH ANY WORK THAT MAY AFFECT LIVE SEWERS. THE FMP SHALL IDENTIFY AND INCLUDE ALL FLOW MANAGEMENT COSTS IN THE CONSTRUCTION BID. THE FMP SHALL BE SUBMITTED THIRTY (30) CALENDAR DAYS PRIOR TO THE SEWER PRE–CONSTRUCTION MEETING. FIELD ENGINEERING WILL REVIEW THE FMP WITHIN TEN (10) BUSINESS DAYS TO ACCOMMODATE REVIEW AND REVISION CYCLES. REFER TO PCRWRD SSDC 2016, SECTION 2 FOR FMP REQUIREMENTS. PLEASE CONTACT PCRWRD FIELD ENGINEERING AT (520) 724–2651 FOR ANY QUESTIONS REGARDING FLOW MANAGEMENT.

7. THE CONTRACTOR SHALL FURNISH, OPERATE AND MAINTAIN ALL EQUIPMENT AND LABOR NECESSARY TO PROVIDE CONTINUOUS 24 HOURS PER DAY SANITARY SEWER SERVICE TO ALL PARTIES TRIBUTARY TO A LIVE SEWER TO WHICH A CONNECTION IS TO BE MADE. THE PCRWRD CONVEYANCE DIVISION SHALL BE NOTIFIED AT (520) 724–3400 A MINIMUM OF TWO (2) BUSINESS DAYS PRIOR TO COMMENCING ANY CONSTRUCTION ACTIVITIES THAT IMPACTS THE FLOW WITHIN A LIVE SANITARY SEWER SYSTEM OR INVOLVES CONNECTING TO A LIVE SANITARY SEWER. SEE PCRWRD SSDC 2016, SECTION 2 FOR MORE INFORMATION.

8. THE INSPECTION OF THE CONTRACTOR'S WORK BY AN AGENCY AND/OR PCRWRD STAFF SHALL IN NO WAY RELIEVE THE CONTRACTOR OF THE RESPONSIBILITY FOR COMPLIANCE WITH THE REQUIREMENTS OF THE APPROVED CONTRACT DOCUMENTS. IF THE DESIGN ENGINEER OR PCRWRD STAFF FAIL TO POINT OUT A DEFECT, DEFICIENCY OR ERROR IN THE WORK FROM LACK OF DISCOVERY OR ANY OTHER REASON, IT SHALL IN NO WAY PREVENT LATER REJECTION OR RELIEVE THE CONTRACTOR OF PERFORMING CORRECTIONS TO THE UNSATISFACTORY WORK WHEN DISCOVERED. THE CONTRACTOR SHALL NOT FILE A CLAIM FOR LOSSES SUFFERED DUE TO ANY NECESSARY REMOVALS OR REPAIRS RESULTING FROM THE UNSATISFACTORY WORK.

9. SEWER PLANS THAT BEAR THE PIMA COUNTY DEVELOPMENT SERVICES DEPARTMENT (DSD) APPROVAL STAMP OR THE PIMA COUNTY RWRD ACCEPTANCE SIGNATURE SHALL ONLY BE USED FOR THE CONSTRUCTION OF PUBLIC SANITARY SEWER FACILITIES. APPROVED PLANS REQUIRING DESIGN REVISIONS SHALL BE RESUBMITTED TO PIMA COUNTY DSD OR RWRD (AS APPROPRIATE) FOR REVIEW AND RE–APPROVAL PRIOR TO START OF THE REVISED SEWER WORK.

10. ANY SEWER CONSTRUCTION WORK THAT IS NOT INCLUDED IN THE APPROVED SEWER PLANS WILL NOT BE ACCEPTED BY PCRWRD. SEE PCRWRD SSDC 2016, SECTION 1.4.5 REGARDING THE APPROVAL OF FIELD CHANGES.

11. IMMEDIATELY REPORT ANY OF THE FOLLOWING TO THE PCRWRD OPERATIONS CONTROL CENTER (OCC) AT (520) 724–3400: ANY RELEASE OF SEWAGE, ANY DAMAGE TO THE PUBLIC SANITARY SEWER SYSTEM, OR THE DROPPING OF DEBRIS INTO A PUBLIC SANITARY SEWER MANHOLE. A PCRWRD REPRESENTATIVE WILL BE DISPATCHED TO THE SITE. THE CONTRACTOR SHALL TAKE IMMEDIATE ACTION TO CONTAIN A SANITARY SEWAGE OVERFLOW (SSO). THE CONTRACTOR SHALL BE RESPONSIBLE FOR ALL COSTS TO REPAIR THE SYSTEM, MITIGATE THE RELEASE OF SEWAGE, DISINFECT THE RELEASE AREAS, AND ANY REGULATORY PENALTIES LEVIED ON PCRWRD FOR SEWAGE ENTERING A NATURAL DRAINAGE WAY OR STORM WATER DRAINAGE SYSTEM. THE CONTRACTOR SHALL REPAIR ALL DAMAGE AS DIRECTED AND APPROVED BY THE PCRWRD FIELD REPRESENTATIVE.

12. THE CONTRACTOR SHALL CONTACT "ARIZONA 811" (DIAL 811 OR 1–800–782–5348) A MINIMUM OF TWO (2) BUSINESS DAYS PRIOR TO COMMENCING CONSTRUCTION ACTIVITIES. THE CONTRACTOR SHALL KEEP ALL UNDERGROUND FACILITY LOCATION REQUESTS UP–TO–DATE AND COMPLY WITH ARIZONA REVISED STATUTES (A.R.S.), TITLE 40, CHAPTER 1, ARTICLE 6.3, SECTION 40–360.22. CONCERNS REGARDING THE ACCURACY BETWEEN THE UNDERGROUND FACILITY MARKINGS AND THE PROJECT PLANS SHALL BE IMMEDIATELY REPORTED TO THE DESIGN ENGINEER.

13. CONTRACTOR SHALL MAINTAIN ACCESS TO ALL SANITARY SEWER MANHOLES AT ALL TIMES.

14. THE CONTRACTOR SHALL FIELD–VERIFY EXISTING SEWER LINE ELEVATIONS AND ALIGNMENTS PRIOR TO CONSTRUCTION. VERIFICATION MAY REQUIRE POT–HOLING.

15. ANY HOUSE CONNECTION SEWER (HCS) OR BUSINESS CONNECTION SEWER (BCS) LINES ENCOUNTERED DURING CONSTRUCTION SHALL BE PROTECTED, REPAIRED, OR REROUTED, AS THE SITUATION DICTATES, PER PCRWRD SSDC 2016 DETAIL NO. RWRD 400 AND AT NO EXPENSE TO THE PROPERTY OWNER OR PCRWRD. HCS AND BCS LINES ARE NOT OWNED OR MAINTAINED BY PCRWRD. PRIVATE CONNECTION SEWERS CONSTRUCTED PRIOR TO JANUARY 2006 ARE NOT REQUIRED TO BE LOCATED AND MARKED.

16. SURVEY LAYOUT AND SURVEY CONTROL SHALL BE PERFORMED BY, OR UNDER, THE DIRECT SUPERVISION OF AN ARIZONA RLS.

17. SURVEY CUT SHEETS SHALL BE PREPARED IN ACCORDANCE WITH PCRWRD SSDC 2016, SECTION 3.2.3(A)(i). CERTIFIED CUT SHEETS SHALL BE SUBMITTED TO THE PCRWRD FIELD ENGINEER PRIOR TO COMMENCEMENT OF SEWER CONSTRUCTION. CUT SHEETS ARE FOR PCRWRD REFERENCE ONLY AND SHALL NOT DELAY SEWER CONSTRUCTION DUE TO REVIEW OF THE DELIVERABLE. ANY ERRORS OR OMISSIONS RESULTING IN IMPROPER SEWER CONSTRUCTION SHALL NOT BE THE RESPONSIBILITY OF PCRWRD. REFER TO PCRWRD SSDC 2016, SECTION 3.2.3(A)(ii) FOR CONSTRUCTION SURVEY STAKING REQUIREMENTS.

18. THE DEVELOPER OR CONTRACTOR SHALL RETAIN AN ARIZONA–REGISTERED LAND SURVEYOR (RLS) FOR PREPARATION OF THE SEWER AS–BUILT PLANS. SEWER AS–BUILT PLANS SHALL CONFORM TO SSDC 2016, SECTION 1.4.7 AND ARE REQUIRED FOR FINAL ACCEPTANCE OF SEWER CONSTRUCTION BY PCRWRD. THE DEVELOPER OR CONTRACTOR SHALL SUBMIT TWO FULL–SIZE COPIES, AND AN ELECTRONIC VERSION, OF THE AS–BUILT SEWER PLANS TO THE PCRWRD FIELD ENGINEER.

19. NEW PUBLIC SANITARY SEWER FACILITIES MUST BE TESTED, INSPECTED AND AUTHORIZED FOR DISCHARGE BY PCRWRD AND ADEQ, OR IT'S DELEGATE, PRIOR TO DISCHARGING INTO THE EXISTING PUBLIC SANITARY SEWER SYSTEM.

20. THE CONTRACTOR SHALL COMPLY WITH APPLICABLE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) REGULATIONS AT ALL TIMES.

21. PRIOR TO THE INSTALLATION OF SANITARY SEWERS, ALL ROUGH GRADING, INCLUDING FILL, SHALL BE COMPLETED TO A MINIMUM OF 4 FEET OVER THE TOP OF THE SEWER PIPE. BEDDING, SHADING, AND TRENCH BACKFILL COMPACTION SHALL BE PERFORMED IN ACCORDANCE WITH PCRWRD SSDC 2016, DETAIL NO. RWRD 104, OR AS SHOWN ON THE PLANS. SHOULD GROUND WATER OR UNANTICIPATED SOIL CONDITIONS BE ENCOUNTERED, THE BEDDING SHALL BE MODIFIED BY THE DESIGN ENGINEER AND APPROVED BY THE PCRWRD FIELD ENGINEER. WHEN THE NEW SEWER IS LOCATED WITHIN A PUBLIC SEWER EASEMENT, COMPACTION OF BACKFILL SHALL BE IN ACCORDANCE WITH THE CONSTRUCTION DOCUMENTS OR AS OTHERWISE DIRECTED BY PCRWRD. WHEN THE NEW SEWER IS LOCATED WITHIN RIGHT–OF–WAY, COMPACTION OF BACKFILL SHALL BE IN ACCORDANCE WITH THE RIGHT–OF–WAY AGENCY HAVING JURISDICTION.

22. SANITARY SEWER CONSTRUCTION SHALL START AT THE LOWEST DOWNSTREAM POINT AND PROCEED UPSTREAM, REGARDLESS OF THE STATIONING SHOWN ON THE PLANS. IF CONSTRUCTION CANNOT BE PERFORMED IN THIS MANNER, THE CONTRACTOR SHALL PROVIDE AN OUT–OF–SEQUENCE LETTER FOR APPROVAL BY THE PCRWRD FIELD ENGINEER PRIOR TO THE START OF SEWER CONSTRUCTION.

23. THE HORIZONTAL AND VERTICAL SEPARATION BETWEEN PUBLIC WATER MAINS AND PUBLIC SEWER LINES SHALL COMPLY WITH ARIZONA ADMINISTRATIVE CODE (A.A.C.) R18–5–502 AND PCRWRD SSDC 2016, DETAIL NO. RWRD 108.

24. PLANTING WITHIN PUBLIC SEWER EASEMENTS SHALL ONLY BE ALLOWED WITH SPECIAL APPROVAL. TREES WITH BRANCHES OR ROOTS HAVING THE POTENTIAL TO EXTEND INTO PUBLIC SEWER EASEMENTS SHALL BE AVOIDED. IN SPECIAL CASES, WHERE THE PUBLIC SEWERS MUST BE LOCATED OUTSIDE PAVED OR STABILIZED AREAS, LANDSCAPING AND PLANTING SHALL ADHERE TO GUIDELINES IN PCRWRD EDS 2016, SECTION 7.7 AND PCRWRD SSDC 2016, DETAIL NO. RWRD 111.

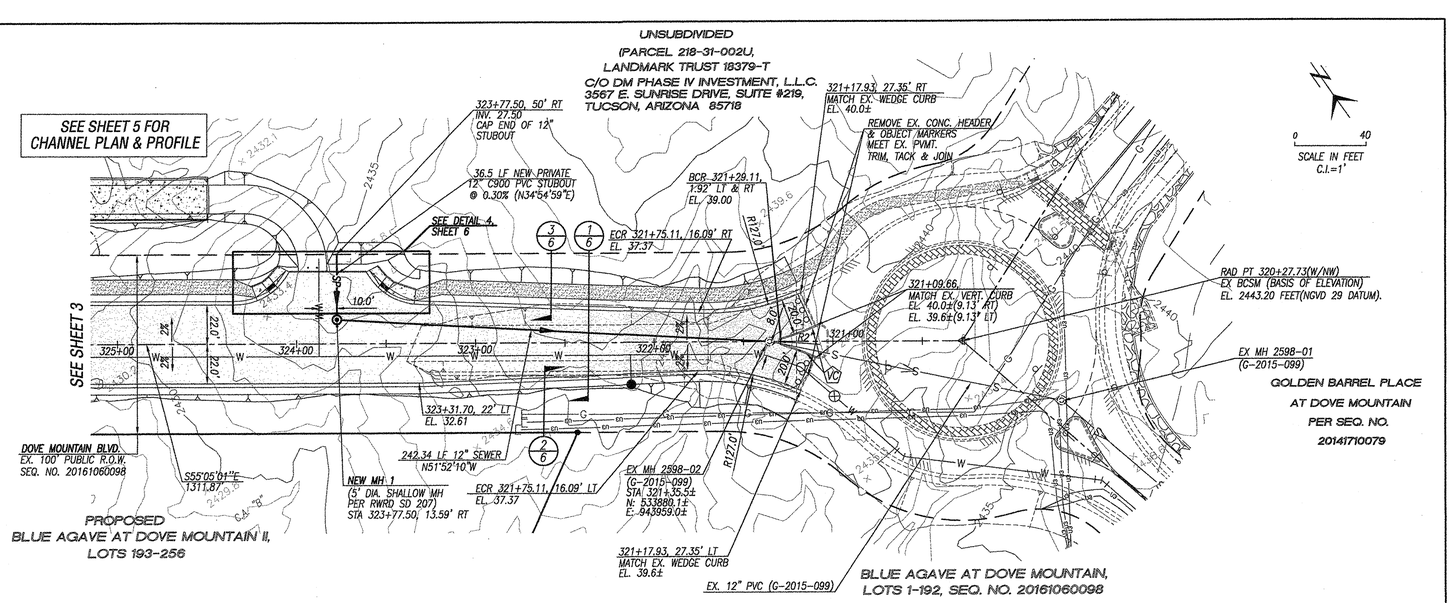
25. ALL STORM WATER POLLUTION PREVENTION PLAN (SWPPP) MEASURES SHALL BE INSTALLED TO PREVENT ALL STORM WATER, CONSTRUCTION WATER, FUELS, CHEMICALS, LIQUIDS, OR OTHER CONTAMINANTS, FROM BEING DIRECTED INTO OR ONTO ANY SANITARY SEWER FACILITIES. PROTECTION OF SANITARY SEWER FACILITIES SHALL BE A PART OF THE APPROVED CONSTRUCTION SWPPP AND BEST MANAGEMENT PRACTICES. PROTECTION DEVICES SHALL BE INSTALLED AND MAINTAINED AROUND ALL POTENTIALLY AFFECTED SANITARY SEWER FACILITIES WITHIN THE PROJECT LIMITS. ADDITIONAL MEASURES SHALL INCLUDE, BUT ARE NOT LIMITED TO, THE USE OF RAIN STOPPERS AND MANHOLE COVERS AS DEEMED NECESSARY BY PCRWRD.

26. ALL PROJECT ACTIVITIES MUST BE KEPT WITHIN THE PROJECT AREAS. CONCERNING HUMAN BURIAL REMAINS, ARCHAEOLOGICAL CLEARANCE RECOMMENDATIONS DO NOT EXEMPT THE DEVELOPMENT FROM COMPLYING WITH STATE BURIAL PROTECTION LAWS. IN THE EVENT THAT HUMAN REMAINS, INCLUDING HUMAN SKELETAL REMAINS, CREMATIONS, CEREMONIAL OBJECTS OR FUNERARY OBJECTS, ARE FOUND DURING EXCAVATION OR CONSTRUCTION, GROUND DISTURBING ACTIVITIES MUST CEASE IN THE IMMEDIATE VICINITY OF THE DISCOVERY. ARIZONA STATE LAWS ARS 41–844 AND 41–865 REQUIRE THAT THE ARIZONA STATE MUSEUM BE NOTIFIED OF THE DISCOVERY AT (520) 621–4795 SO THAT CULTURAL GROUPS WHO CLAIM CULTURAL OR RELIGIOUS AFFINITY TO THE REMAINS CAN MAKE APPROPRIATE ARRANGEMENTS FOR THE REPATRIATION AND REBURIAL OF THE REMAINS. THE HUMAN REMAINS WILL BE REMOVED FROM THE SITE BY A PROFESSIONAL ARCHAEOLOGIST PENDING CONSULTATION AND REVIEW BY THE ARIZONA STATE MUSEUM AND THE CONCERNED CULTURAL GROUPS.
Project Specific Notes

27. SPECIAL CARE SHALL BE TAKEN TO ENSURE DESIGN SLOPES ARE MAINTAINED. SEWERS CONSTRUCTED AT INSUFFICIENT SLOPES WILL NOT BE ACCEPTED BY PCRWRD FIELD ENGINEERING AND/OR ADEQ. CORRECTIVE ACTION, INCLUDING RE–CONSTRUCTION OF THE SEWER(S), WILL BE AT THE SOLE EXPENSE OF THE PROJECT OWNER/CONTRACTOR.

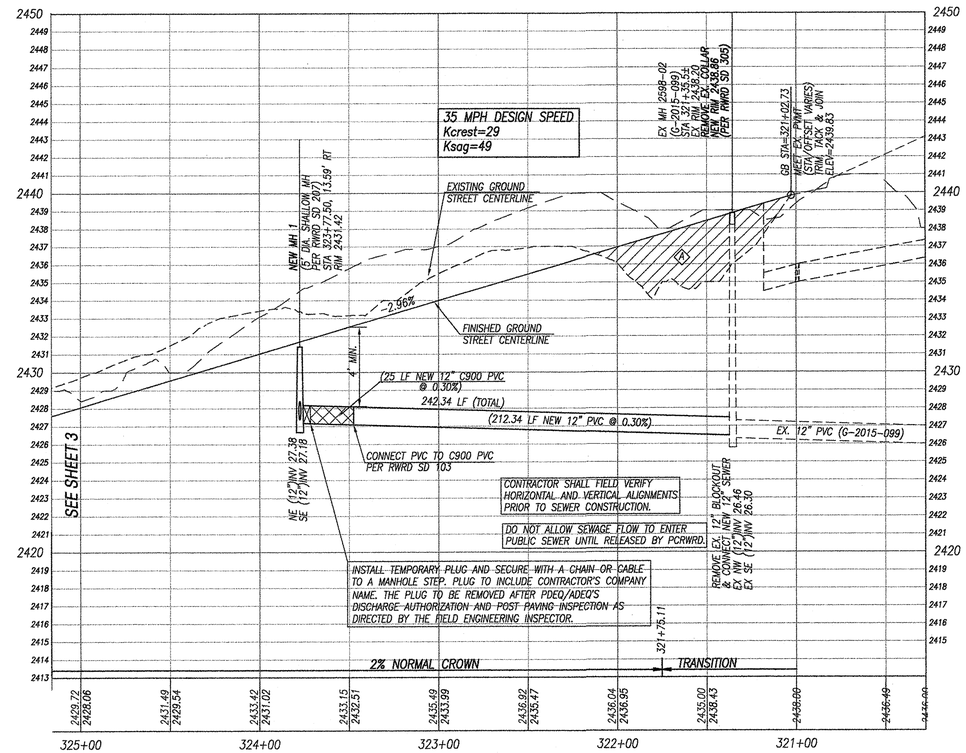
28. THE CONTRACTOR SHALL ADJUST OR RECONSTRUCT ALL SANITARY SEWER MANHOLES TO FINISHED GRADE. ALL FRAMES AND COVER ADJUSTMENTS SHALL BE IN ACCORDANCE WITH PCRWRD SSDC 2016, DETAIL NOS. RWRD 211, 212, 304 OR 305 (AS APPLICABLE). THE CONTRACTOR SHALL PROTECT THE BENCH AND FLOW CHANNELS WITH A COVER PER PCRWRD SSDC 2016, DETAIL NO. RWRD 306. PRIOR TO COMMENCING ANY WORK TO THE MANHOLE AND REMOVE THE COVER AFTER ALL WORK IS COMPLETED. THE CONTRACTOR SHALL ENSURE THAT FRAMES AND COVERS ARE CLEAN AND FREE FROM ANY AND ALL ATTACHED MATERIALS (ASPHALT, CONCRETE, ETC.) AND THAT ALL VENT HOLES ARE OPEN AND CLEAR OF OBSTRUCTIONS, AS APPROVED BY THE PCRWRD FIELD ENGINEER. EXISTING FRAMES AND/OR COVERS THAT ARE DAMAGED OR CANNOT BE COMPLETELY CLEANED SHALL BE REPLACED WITH A NEW FRAME AND COVER IN ACCORDANCE WITH PCRWRD SSDC 2016, DETAIL NO. RWRD 213 – 218. COSTS ASSOCIATED WITH EXISTING FRAMES AND COVERS THAT ARE LOST OR DAMAGED DUE TO THE CONTRACTOR'S OPERATIONS SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.

29. BACKWATER VALVES ARE NOT REQUIRED FOR PROJECT.



DOVE MOUNTAIN BOULEVARD (PUBLIC STREET)

NOTE: STATIONING ALONG ROADWAY CENTERLINE



ALL GRADES SHOWN ARE ON NGVD29 DATUM UNLESS SPECIFICALLY IDENTIFIED WITH (NAVD 88). A VERTCON NGS CONVERSION OF +2.10' SHALL BE USED TO CONVERT NVGD 29 ELEVATIONS TO NAVD 88.

NOTE: ALL SPOT GRADES ARE TOP OF PAVEMENT/FINISHED GRADE UNLESS OTHERWISE INDICATED.

CAUTION: CONTRACTOR TO VERIFY LOCATION (HORIZONTAL & VERTICAL, IF NECESSARY) OF ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION.

NOTE: THIS AREA HAS BEEN PREVIOUSLY GRADED BY PREVIOUS CONSTRUCTION PHASES AND THE EXISTING GROUND PROFILE SHOWN MAY NOT ACCURATELY REFLECT FIELD CONDITIONS

KEYNOTE

A. FILL & COMPACT TO 95% OF DRY DENSITY DETERMINED IN ACCORDANCE WITH ARIZONA METHODS PRIOR TO TRENCHING FOR SEWER.(TYP)

VC. 6" VERT CURB (TYPE 2) PAG SD 209

CR#. CURB ACCESS RAMP PER T.O.M. SD 600–2 w/ WING LENGTH AS NOTED(IN FT)

CH. 6"X12" CONCRETE HEADER PER PAG SD 213

IS. 2–4" SCH.40 PVC IRRIGATION SLEEVES

MANHOLE AS–BUILT INFO

MH #	AS–BUILT STATE PLANE COORD. (AZ CENTRAL) NAD 83 INTERNATIONAL FEET	
	NORTHING	EASTING
2598–02		
1		

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NO	DATE	REVISION	BY	CH	APPR

ENG1706-005 REF#PRV–1609–001 G–2017–064

36655 MARTIN V. MAGELLI, RLS
REGISTERED LAND SURVEYOR
ARIZONA U.S.A.
EXPIRES 9/30/2019

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

SCALE: HORIZ: 1"=40' VERT: 1"=4' C.I.=1'	DRAWN BY: MVM	DATE: 6/21/17	DRAWING #
	DESIGNED BY: MVM	REV. DATE: 7/24/17	2393-OFFSITE-IP.DWG
	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393

SHEET 2 of 10

UNSUBDIVIDED
(PARCEL 218-31-002U,
LANDMARK TRUST 18379-T
C/O DM PHASE IV INVESTMENT, L.L.C.
3567 E. SUNRISE DRIVE, SUITE #219,
TUCSON, ARIZONA 85718

SCALE IN FEET
C.I.=1'

SEE SHEET 5 FOR CHANNEL PLAN & PROFILE

CUL-DE-SAC DETAIL/DESIGN SEE SHEET 4

6' STABILIZED D.G. PATH (1' BEHIND CURB)

8' STABILIZED D.G. PATH (4' BEHIND CURB)

PC 333+39.60 NEW SM PER T.O.M. M-1038 EL. 17.78

333+25, 16' RT EL. 16.20

332+00, 22' RT EL. 19.61

331+81.92 8" PRIVATE SEWER SEE PRIVATE ONSITE PAVING/SEWER PLANS

329+76.55, 16' RT EL. 22.25

328+51.55, 16' RT EL. 23.27

327+07.58, 16' RT EL. 24.13

ROW CL Ic=20°35'38" R=600.00' L=215.66'

CONST. CL Ic=26°34'30" R=500.00' L=231.91'

ROW CL Ic=15°19'02" R=600.00' L=160.40'

ROW CL 335+00= CONST. CL 335+00

SEE DETAIL 13, SHEET 7

333+25, 16' LT EL. 17.56

SEE DETAIL 7, SHEET 6

ECR 332+29.28, 20.64' LT EL. 19.05

332+00.80, 39.98' LT END 10' CURB TRANS. PER PAG SD 210 EL. 19.67

CHAPARRAL SAGE ROAD SEE ONSITE PAVING PLAN

BCR 331+98.07, 49.93' LT BEGIN 10' CURB TRANS. PER PAG SD 210 EL. 19.85

SEE DETAIL 5, SHEET 6

PROPOSED UTILITY PAD

BCR 331+03.48, 22' LT EL. 20.75

329+76.55, 16' LT EL. 22.25

328+51.55, 16' LT EL. 23.27

327+07.58, 16' LT EL. 24.13

DOVE MOUNTAIN BLVD. EX. 100' PUBLIC R.O.W. SEQ. NO. 20161060098

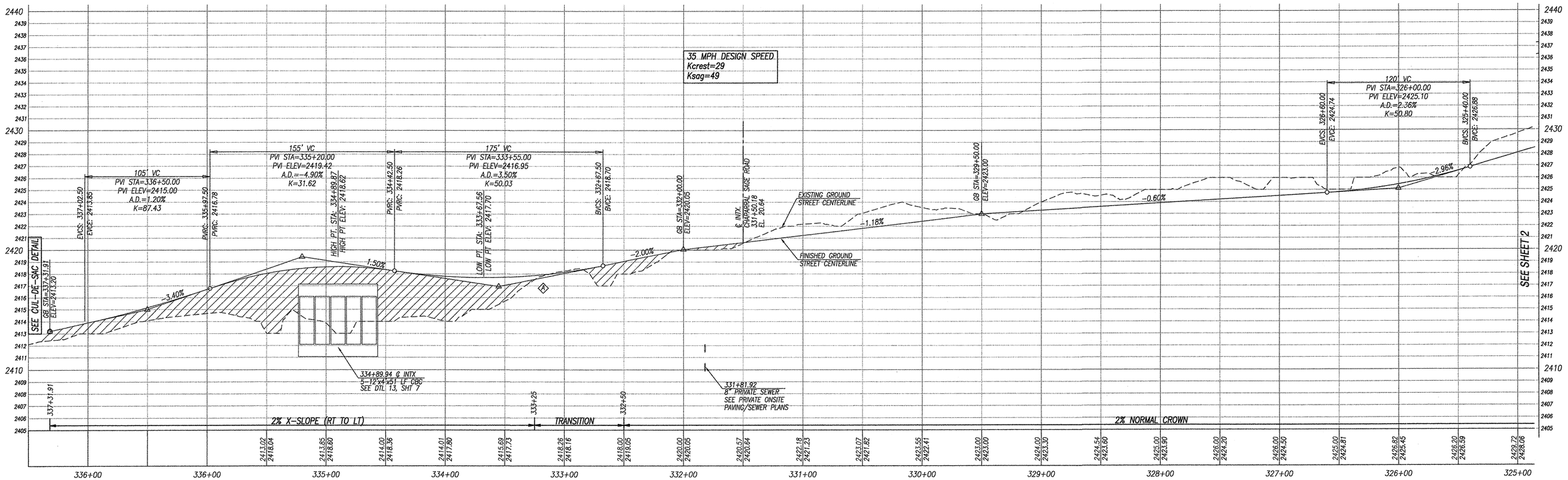
S55°05'01"E 1311.87'

PROPOSED UTILITY PAD

PROPOSED BLUE AGAVE AT DOVE MOUNTAIN II, LOTS 193-256

DOVE MOUNTAIN BOULEVARD (PUBLIC STREET)

NOTE: STATIONING ALONG ROADWAY CENTERLINE



KEYNOTE

- (A) FILL & COMPACT TO 95% OF DRY DENSITY DETERMINED IN ACCORDANCE WITH ARIZONA METHODS PRIOR TO TRENCHING FOR SEWER.(TYP)
- (VC) 6" VERT CURB (TYPE 2) PAG SD 209
- (CA#) CURB ACCESS RAMP PER T.O.M. SD 600-2 w/ WING LENGTH AS NOTED(IN FT)
- (CH) 6"X12" CONCRETE HEADER PER PAG SD 213
- (IS) 2-4" SCH.40 PVC IRRIGATION SLEEVES

NOTE: CONTRACTOR SHALL MAINTAIN 2' MINIMUM COVER OVER CULVERTS AT ALL TIMES DURING CONSTRUCTION UNTIL FINAL ROADWAY SECTION IS COMPLETED.

CAUTION: CONTRACTOR TO VERIFY LOCATION (HORIZONTAL & VERTICAL, IF NECESSARY) OF ALL UNDERGROUND UTILITIES PRIOR TO CONSTRUCTION.

ALL GRADES SHOWN ARE ON NGVD29 DATUM UNLESS SPECIFICALLY IDENTIFIED WITH (NAVD 88). A VERTCON NGS CONVERSION OF +2.10' SHALL BE USED TO CONVERT NVGD 29 ELEVATIONS TO NAVD 88.

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Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA811 BLUE STAKE, INC.
Call 811 or click Arizona811.com

NO	DATE	REVISION	BY	CH	APPR

ENG1706-005 REF#PRV-1609-001 G-2017-064

Registered Professional Engineer
Scott Gamelli
36655
MARTIN V. MAGELLI
Date Signed 9/28/17
ARIZONA U.S.A.
EXPIRES 9/30/2018

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

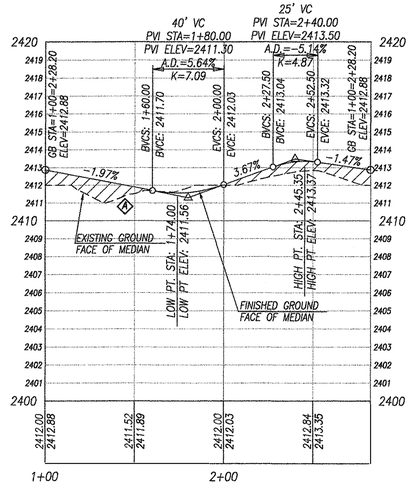
Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

SCALE:				
HORIZ: 1"=40' VERT: 1"=4' C.I.=1'	DRAWN BY: MVM	DATE: 6/21/17	DRAWING #	SHEET
	DESIGNED BY: MVM	REV. DATE: 7/24/17	2393-OFFSITE-IP.DWG	3 of 10
	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393	

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CUL-DE-SAC FACE OF MEDIAN CURB PROFILE

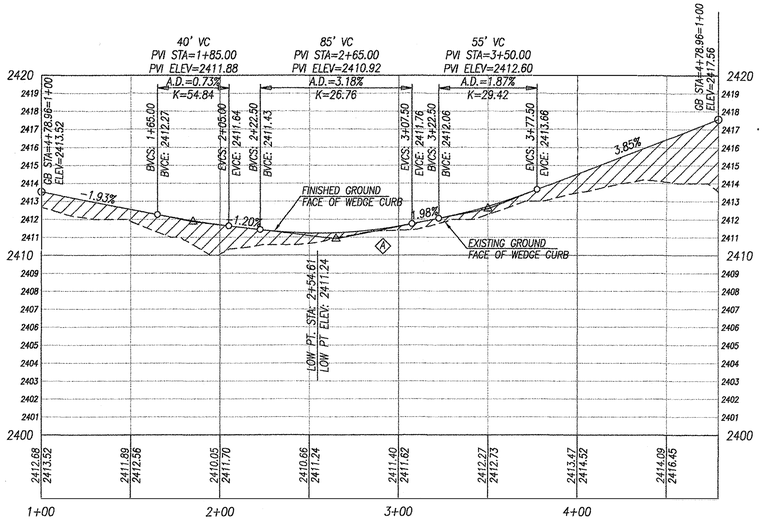
NOTE: STATIONING/PROFILE ALONG FACE OF MEDIAN CURB



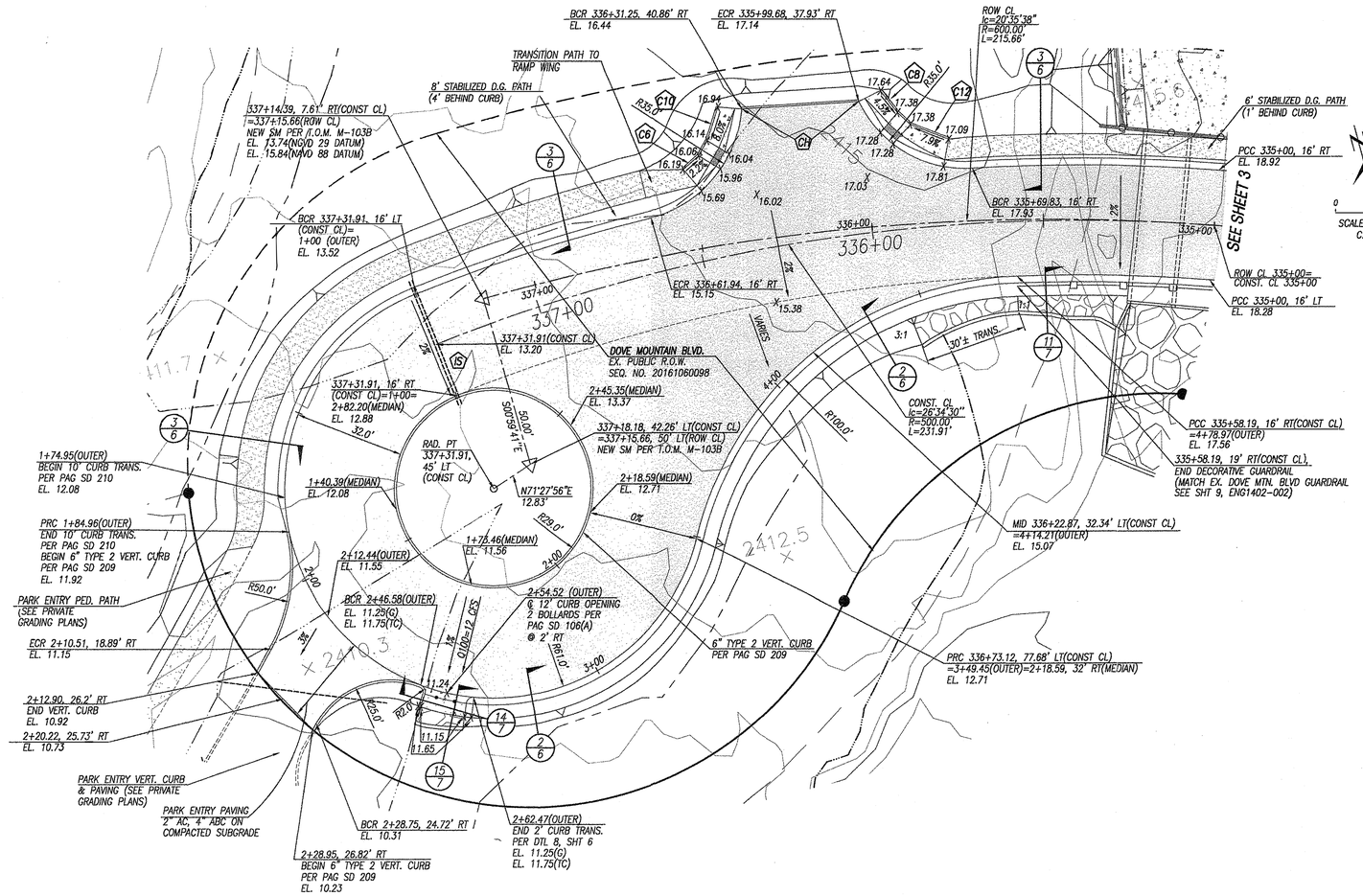
HORIZ: 1"=40'
VERT: 1"=4'

CUL-DE-SAC FACE OF OUTER CURB PROFILE

NOTE: STATIONING/PROFILE ALONG FACE OF MEDIAN CURB



HORIZ: 1"=40'
VERT: 1"=4'



CUL-DE-SAC NOTE: STATIONING/PROFILES ALONG FACE OF MEDIAN & OUTER CURBS

NOTE: ALL SPOT GRADES ARE TOP OF PAVEMENT/FINISHED GRADE UNLESS OTHERWISE INDICATED.

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KEYNOTES

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ENG1706-005 REF#PRV-1609-001 G-2017-064

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NO	DATE	REVISION	BY	CH	APPR

36655 MARTIN V. MAGELLI REGISTERED PROFESSIONAL ENGINEER ARIZONA U.S.A. EXPIRES 9/30/2018

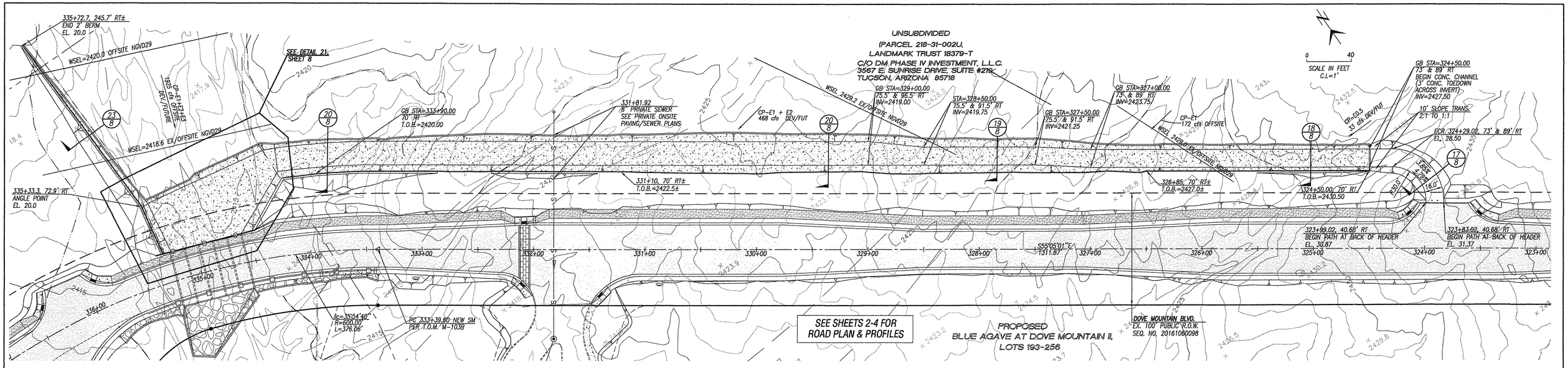
PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

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SCALE:	DRAWN BY: MVM	DATE: 6/21/17	DRAWING #
HORIZ: VARIES	DES. IGNED BY:MVM	REV. DAT E7/ 24/17	2393-DRSI E-IP.DWG
C.I.=1'	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393

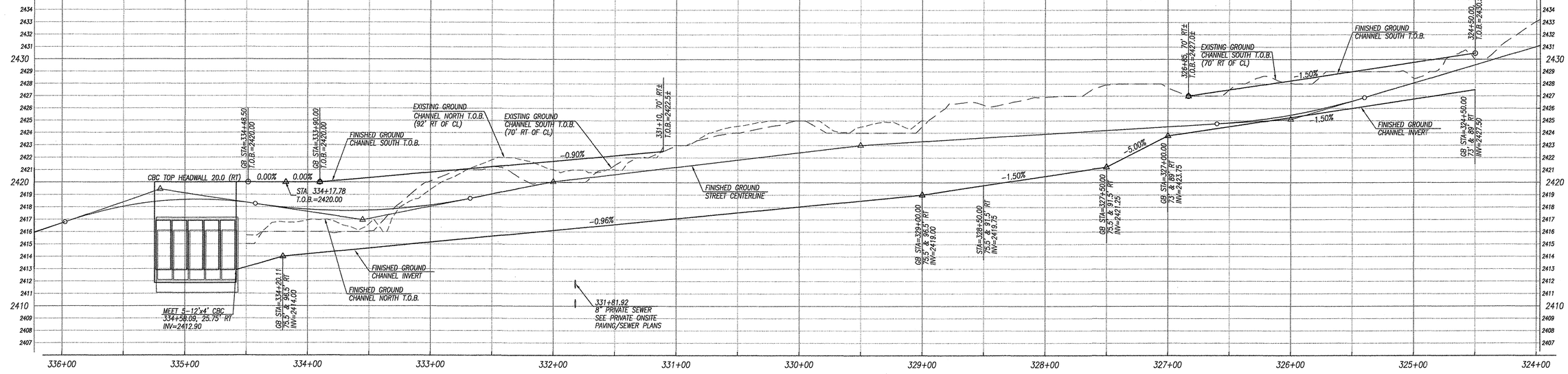
SHEET 4 of 10

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PRIVATE DRAINAGE IMPROVEMENTS

NOTE: STATIONING ALONG DOVE MOUNTAIN BOULEVARD R/W CENTERLINE



NOTE: ALL SPOT GRADES ARE TOP OF PAVEMENT/FINISHED GRADE UNLESS OTHERWISE INDICATED.

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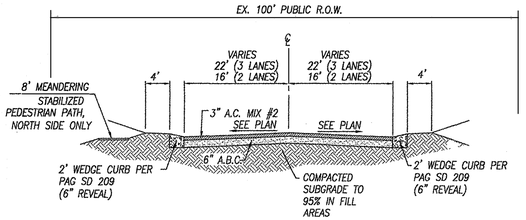
36655 MARTIN V. MAGELLI REGISTERED PROFESSIONAL ENGINEER CERTIFICATE NO. 36655 STATE OF ARIZONA U.S.A. EXPIRES 9/30/2019

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

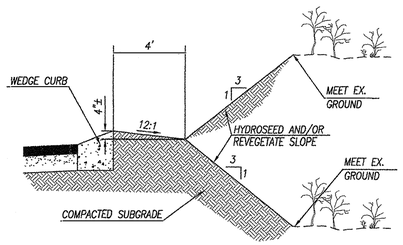
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HORIZ: 1"=40' VERT: 1"=4' C.I.=1'	DESIGNED BY: MVM	REV. DATE: 7/24/17	2393-OFFSITE-IP.DWG	5 of 10
	CHECKED BY: MVM	REV. DATE:	PLAN #2393	

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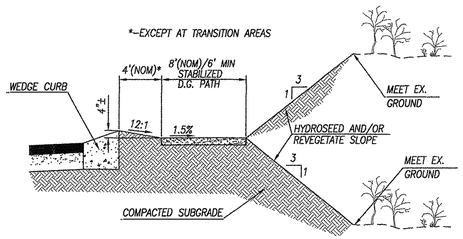
1 DOVE MOUNTAIN BOULEVARD 100' PUBLIC ROADWAY X-SECTION

NTS



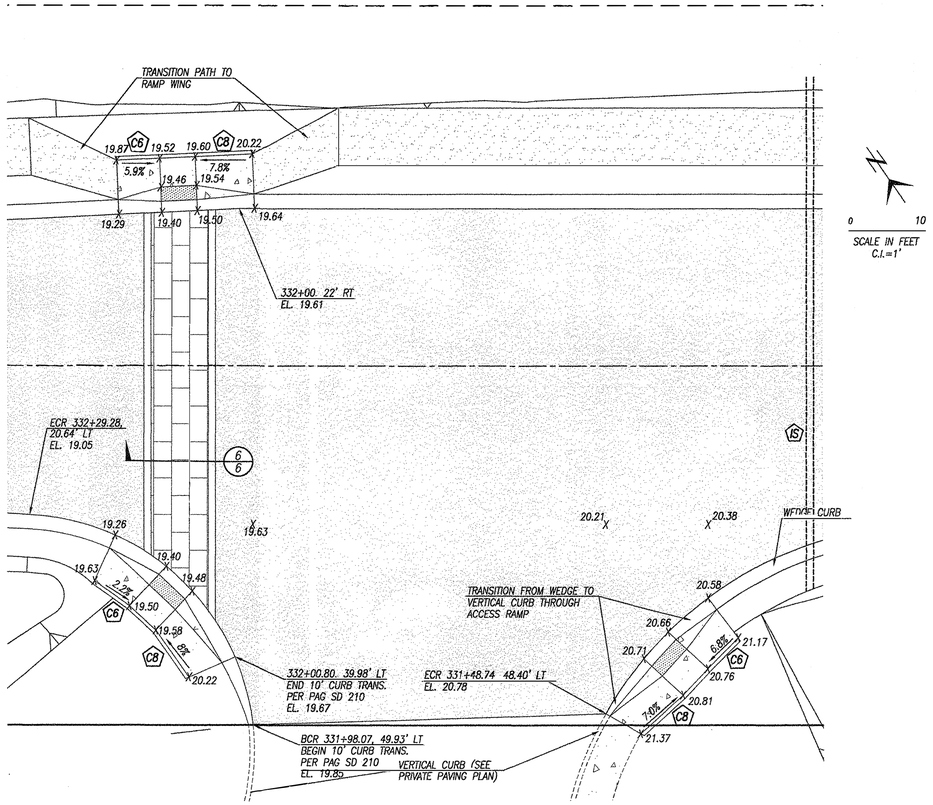
2 3:1 SLOPE TYPICAL X-SECTION (SOUTH SIDE)

NTS



3 3:1 SLOPE TYPICAL X-SECTION (NORTH SIDE)

NTS



5 CHAPARRAL SAGE ROAD CURB RAMP DETAIL

KEYNOTE

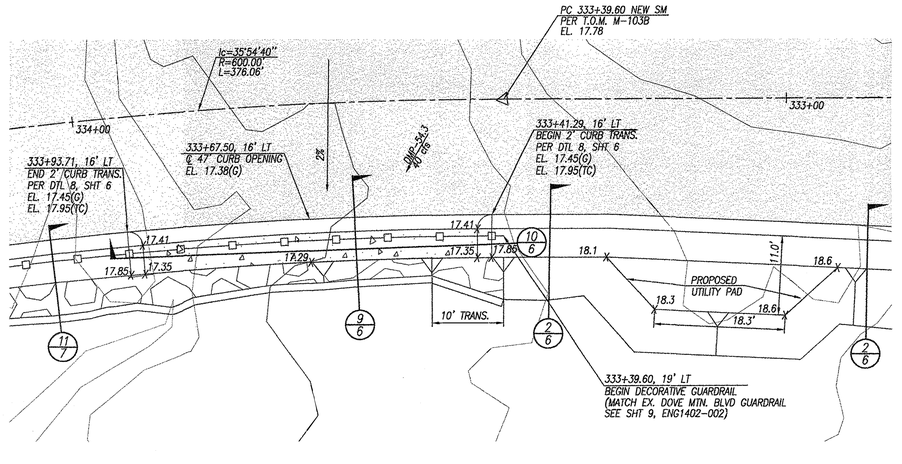
- IS — FILL & COMPACT TO 95% OF DRY DENSITY DETERMINED IN ACCORDANCE WITH ARIZONA METHODS PRIOR TO TRENCHING FOR SEWER.(TYP)
- VC — 6" VERT CURB (TYPE 2) PAG SD 209
- C# — CURB ACCESS RAMP PER T.O.M. SD 600-2 w/ WING LENGTH AS NOTED(IN FT)
- CH — 6"X12" CONCRETE HEADER PER PAG SD 213
- IS — 2-4" SCH.40 PVC IRRIGATION SLEEVES

4 EAST STUB STREET DETAIL

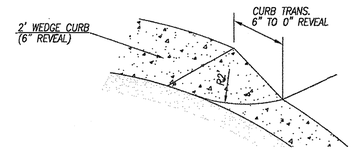
*-MEGA BURGERAC SIERRA BLEND,
3-1/8" THICK, 3-PIECE MODULAR SYSTEM.

6 TYPICAL BRICK PAVER CROSSWALK DETAIL

NTS

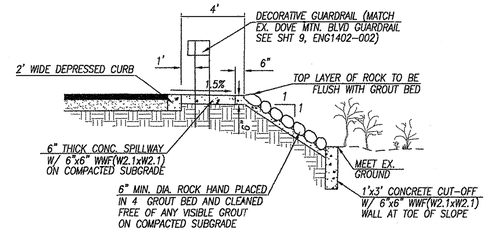


7 DRAINAGE OUTLET/UTILITY PAD DETAIL



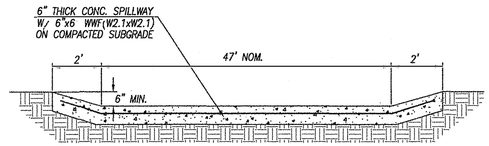
8 CURB END DETAIL

NTS



9 DRAINAGE OUTLET SPILLWAY X-SECTION (SLOPE PROTECTION)

NTS



10 DRAINAGE OUTLET SPILLWAY X-SECTION

NTS

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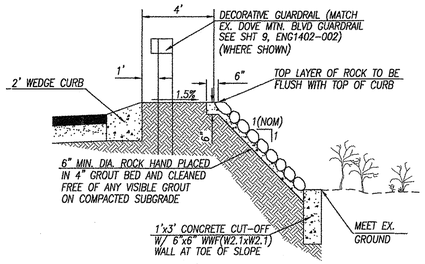
NO	DATE	REVISION	BY	CH	APPR

36655
MARTIN V.
MAGELLI
REGISTERED
CIVIL ENGINEER
ARIZONA U.S.A.
EXPIRES 9/30/2018

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

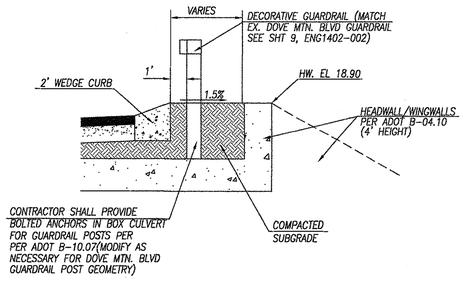
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	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393	



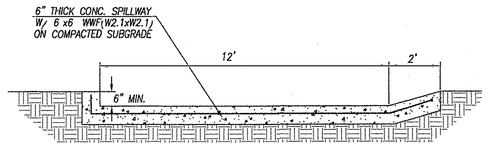
11 SLOPE PROTECTION X-SECTION (FILL SLOPE)

NTS



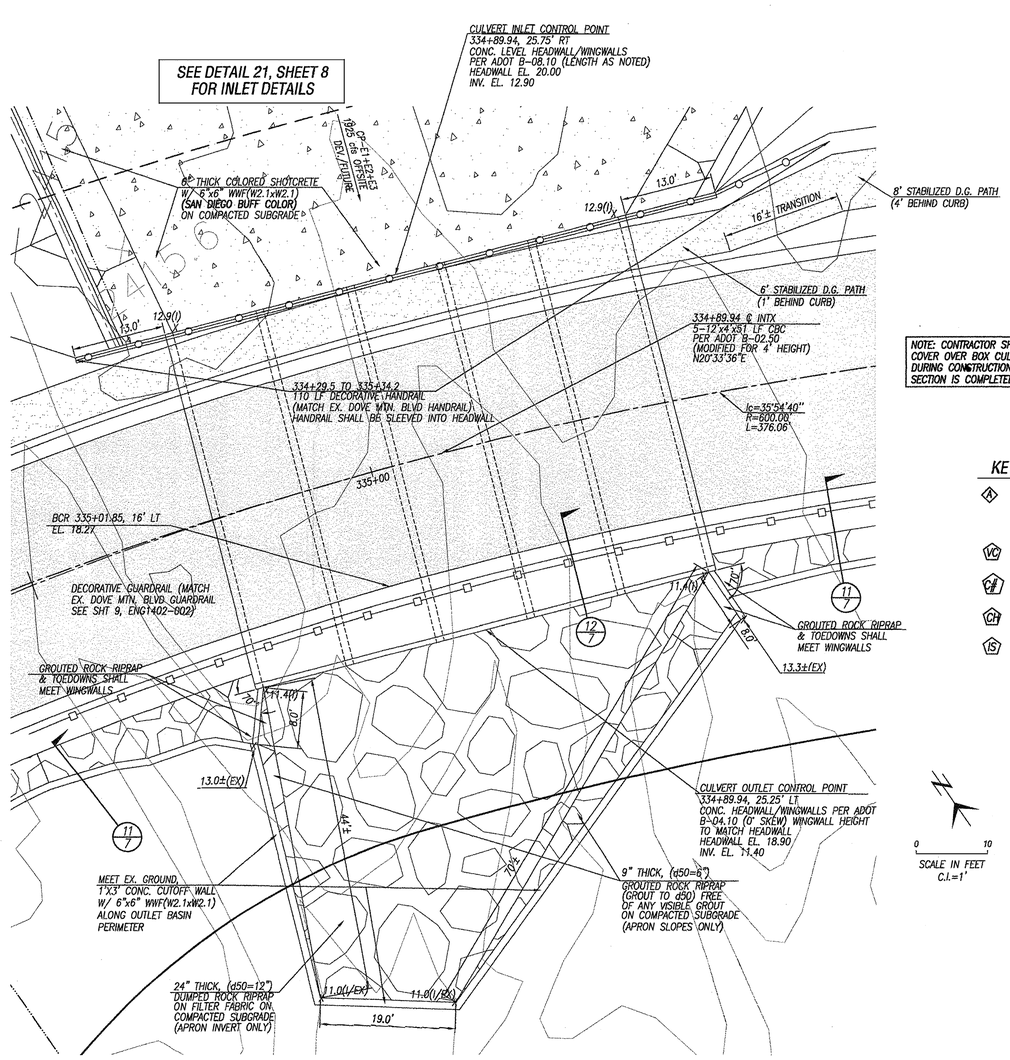
12 BOX CULVERT HEADWALL/GUARDRAIL DETAIL

NTS



14 CUL-DE-SAC DRAINAGE OUTLET SPILLWAY X-SECTION

NTS



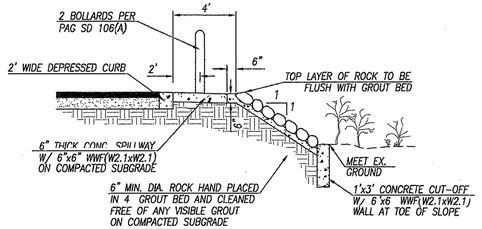
13 BOX CULVERT DETAIL

NOTE: STATIONING ALONG DOVE MOUNTAIN BOULEVARD R/W CENTERLINE

NOTE: CONTRACTOR SHALL MAINTAIN 2' MINIMUM COVER OVER BOX CULVERT AT ALL TIMES DURING CONSTRUCTION UNTIL FINAL ROADWAY SECTION IS COMPLETED.

KEYNOTE

- (A) FILL & COMPACT TO 95% OF DRY DENSITY DETERMINED IN ACCORDANCE WITH ARIZONA METHODS PRIOR TO TRENCHING FOR SEWER.(TYP)
- (VC) 6" VERT CURB (TYPE 2) PAG SD 209
- (CR) CURB ACCESS RAMP PER T.O.M. SD 600-2 w/ WING LENGTH AS NOTED(IN FT)
- (CH) 6"X12" CONCRETE HEADER PER PAG SD 213
- (IS) 2-4" SCH.40 PVC IRRIGATION SLEEVES



15 CUL-DE-SAC DRAINAGE OUTLET SPILLWAY X-SECTION (SLOPE PROTECTION)

NTS

16 NOT USED

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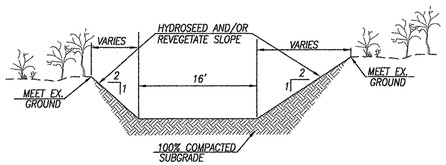
ENG1706-005 REF#PRV-1609-001 G-2017-064

36665 MARTIN V. MAGELLI DATE SIGNED 8/31/17 REGISTERED PROFESSIONAL ENGINEER ARIZONA U.S.A. EXPIRES 9/30/2018

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS
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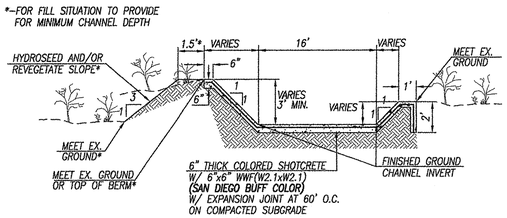
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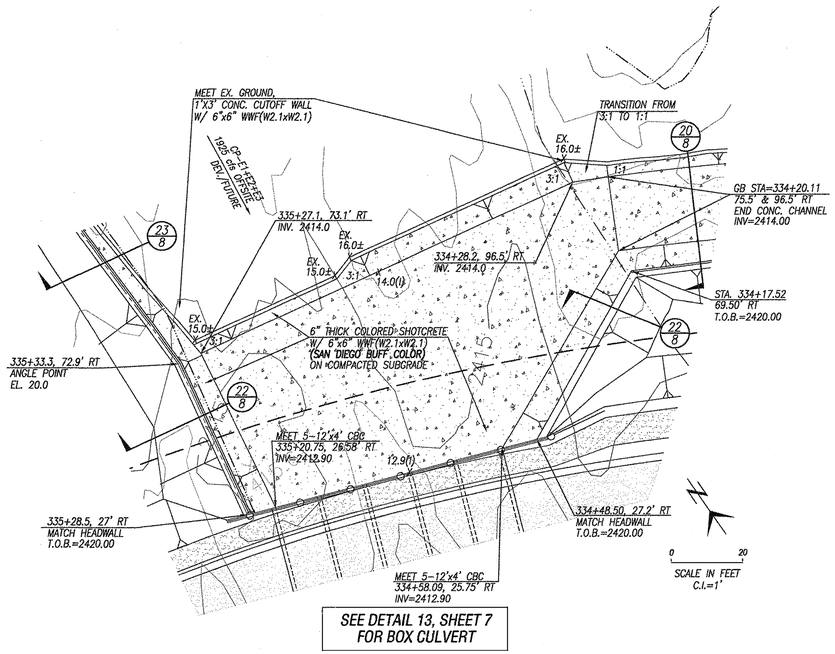
17 CHANNEL ACCESS PATH X-SECTION

NTS



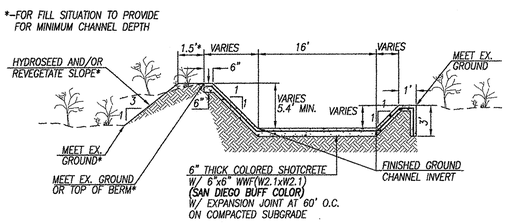
18 UPSTREAM CHANNEL X-SECTION (324+50 TO 327+00)

NTS



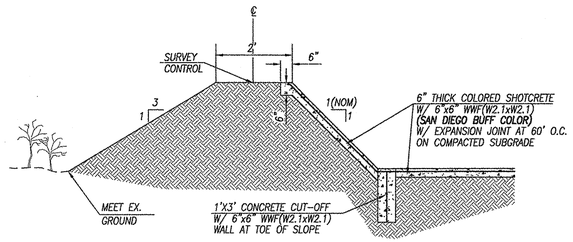
21 CHANNEL OUTLET/BOX CULVERT INLET DETAIL

NOTE: STATIONING ALONG DOVE MOUNTAIN BOULEVARD R/W CENTERLINE



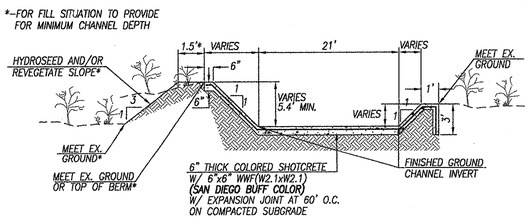
19 MIDDLE CHANNEL X-SECTION (327+50 TO 328+50)

NTS



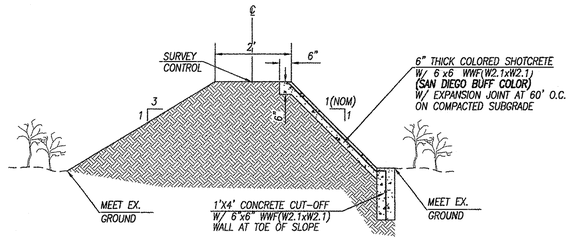
22 DOWNSTREAM BERM X-SECTION

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20 DOWNSTREAM CHANNEL X-SECTION (329+00 TO 334+20.11)

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23 DOWNSTREAM BERM X-SECTION

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NO	DATE	REVISION	BY	CH	APPR

REGISTERED PROFESSIONAL ENGINEER
36655
MARTIN V. MAGELLI
DATE SIGNED 9/30/17
ARIZONA U.S.A.
EXPIRES 9/30/2018

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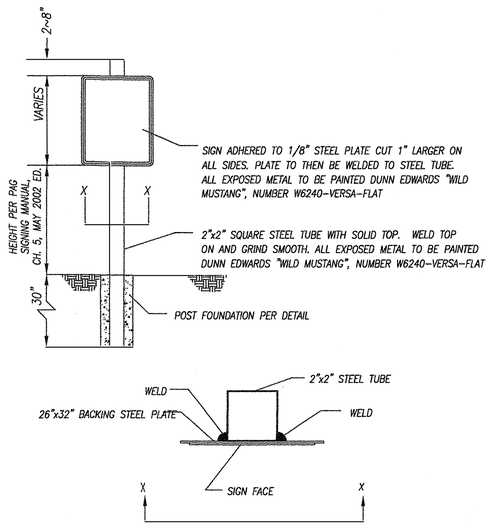
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GENERAL NOTES FOR SIGNING PLANS

1. ALL SIGNS SHALL BE IN COMPLIANCE WITH THE LATEST EDITION OF THE MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES, THE LATEST EDITION OF THE PIMA COUNTY TRAFFIC SIGNING DESIGN MANUAL, THE LATEST EDITION SUPPLEMENTAL SPECIFICATIONS, THESE PLANS, AND THE SPECIAL PROVISIONS.
2. SIGNS MAY BE MODIFIED AND LOCATIONS ADJUSTED TO FIT CONDITIONS AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
3. POST LENGTHS INDICATED ON THE SIGN SUMMARY SHEETS ARE APPROXIMATE. THE CONTRACTOR SHALL VERIFY ACTUAL POST LENGTHS.
4. ALL NEW AND EXISTING SIGNS SHALL BE INSTALLED ON 2 BY 2" SQUARE TUBE, 12-GAUGE GALVANIZED STEEL PERFORATED POST, AND SHALL BE INSTALLED IN A CONCRETE FOUNDATION (PER MARANA DETAIL NO. F-1) UNLESS OTHERWISE DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
5. (A). ALL SIGN STATION LOCATIONS ARE APPROXIMATE.THE CONTRACTOR SHALL VERIFY ACTUAL SIGN LOCATIONS WITH THE TOWN ENGINEER OR DESIGNEE PRIOR TO THE INSTALLATION OF ALL SIGNS. (B). THE CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATING ALL THE WORK WITH BLUE STAKE AND FOR INSTALLING ALL TRAFFIC SIGNS IN THE FIELD.
6. ALL SIGN PANELS SHALL BE MANUFACTURED OF ASTM D-4956-11A TYPE XI (DIAMOND GRADE) SHEETING MATERIAL. ALL SCHOOL ZONE & PEDESTRIAN SIGNS SHALL BE MANUFACTURED WITH ASTM TYPE XI (DIAMOND GRADE) FLUORESCENT YELLOW-GREEN SHEETING MATERIAL. SIGN IMAGING SHALL BE IN COMPLIANCE WITH THE REFLECTIVE SHEETING MANUFACTURER'S MATCHED COMPONENT SYSTEM. SIGN IMAGING SHALL CONSIST OF AN ACRYLIC BASED ELECTRONIC CUTTABLE FILM OR SILK SCREENED (DEPENDING ON THE QUANTITY OF SIGNS) WITH STANDARD HIGHWAY COLORS. A GRAFFITI-PROTECTIVE COATING OVERLAY, SUCH AS 3M 1160 OR EQUIVALENT, SHALL BE USED, WHICH IS DESIGNATED TO COMPLY WITH THE UNDERLYING REFLECTIVE SHEETING MATCH COMPONENT SYSTEM. ALL TYPE XI SIGN SHEETING MATERIAL TO BE MANUFACTURED BY 3M CORP. OR APPROVED EQUAL AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
7. ALL NEW SIGNS (EXCEPT STREET NAME SIGNS) PANELS SHALL BE FABRICATED FROM 0.080 INCH THICK, 5052-H38 ALUMINUM ALLOY CONFORMING TO THE REQUIREMENTS OF ASTM B 209, UNLESS OTHERWISE SPECIFIED. ALL STREET NAME SIGNS SHALL BE FABRICATED FROM 0.125 INCH THICK 5052-H38 ALUMINUM ALLOY CONFORMING TO THE REQUIREMENTS OF ASTM B 209.
8. ALL EXISTING SIGNS TO BE REMOVED AS PART OF THIS PROJECT ARE TO BE DELIVERED TO THE TOWN OF MARANA OPERATIONS CENTER AT 5100 W. INA ROAD (520-382-2500). THE CONTRACTOR IS RESPONSIBLE FOR UNLOADING THE SALVAGED MATERIAL. ANY SALVAGED SIGN THAT IS TO BE REUSED SHALL BE TEMPORARILY STORED IN A SAFE LOCATION UNTIL REINSTALLATION.
9. REMOVAL SHALL BE IN ACCORDANCE WITH SECTION 202-3.06 OF THE LATEST EDITION OF THE PIMA ASSOCIATION OF GOVERNMENTS STANDARD SPECIFICATIONS FOR PUBLIC IMPROVEMENTS.
10. THE DESIGN SPEED FOR THE ROAD(S) IS: 35 MPH. THE POSTED SPEED LIMIT FOR THE ROAD(S) IS 35 MPH. SIGN PLACEMENT SHALL BE BASED ON THE POSTED SPEED LIMIT.
11. FINAL INSPECTION/ACCEPTANCE OF SIGNING SHALL BE PERFORMED BY THE TOWN ENGINEER OR DESIGNEE.
12. THE CONTRACTOR SHALL CONTACT THE TOWN OF MARANA PUBLIC WORKS DEPARTMENT AT (520) 382-2600 WITH THE SIGN LAYOUT A MINIMUM OF ONE WEEK PRIOR TO ORDERING SIGNS FOR FINAL APPROVAL

GENERAL NOTES FOR PAVEMENT MARKING PLANS

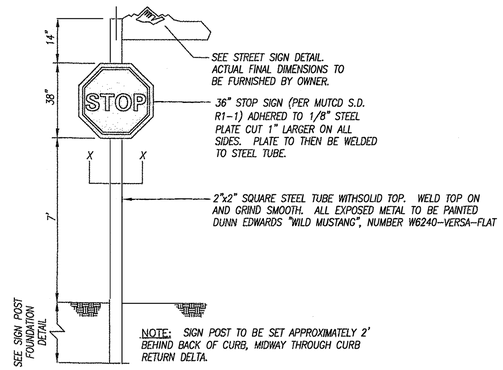
1. ALL PAVEMENT MARKINGS SHALL CONFORM TO THE LATEST EDITION OF THE MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES, THE LATEST EDITION OF THE PIMA ASSOCIATION OF GOVERNMENT STANDARDS AND SPECIFICATIONS, AND THE LATEST EDITION OF THE PIMA COUNTY PAVEMENT MARKING DESIGN MANUAL.
2. THE PERMANENT PAVEMENT MARKINGS MAY BE MODIFIED AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
3. THE DESIGN SPEED FOR THE ROAD(S) IS: 35 MPH. THE DESIGN VEHICLE FOR THE ROAD(S) IS: WB-40. THE POSTED SPEED LIMIT FOR THE ROAD(S) IS: 35 MPH.
4. ALL LANE DIMENSIONS ARE FROM CENTER OF LANE LINE, CENTER OF DOUBLE LANE LINE, FACE OF CURB, OR EDGE OF PAVEMENT UNLESS OTHERWISE NOTED.
5. THE PAVEMENT MARKING DRAWINGS ARE SCHEMATIC ONLY. THE CONTRACTOR SHALL FOLLOW ALL DIMENSIONS, DETAILS, AND STANDARDS WHEN INSTAWNG PAVEMENT STRIPING, MARKINGS, AND MARKERS.
6. THE FINAL TRANSVERSE AND LONGITUDINAL PAVEMENT MARKINGS SHALL BE A MINIMUM OF 60 MIL. (0.060.) THICK, EXTRUDED OR RIBBON DISPENSED, THERMOPLASTIC, REFLECTORIZED STRIPING PLACED OVER TEMPORARY PAINT STRIPING, 30-45 DAYS AFTER COMPLETION OF THE FINAL PAVEMENT SURFACE OR FINAL SEAL COAT (WHICHEVER IS LAST APPLIED), OR AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE. ALL OTHER MARKINGS SHALL BE APPLIED AT THE SAME TIME. THE TEMPORARY STRIPING SHALL BE PAINT AND SHALL BE INSTALLED WITHIN 72 HOURS FOLLOWING THE COMPLETION OF THE FINAL PAVEMENT SURFACE OR FINAL SEAL COAT, WHICHEVER IS LAST APPLIED, OR DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
7. ALL FINAL LEGEND MARKINGS (PAVEMENT ARROWS AND SURFACE LEGENDS) SHALL SHALL BE "STAMARK" BRAND SERIES "SMS-L270ES" PRESSURE-SENSITIVE ADHESIVE PREFORMED PAVEMENT MARKINGS MANUFACTURE BY THE 3M CORP. OR APPROVED EQUAL AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE. FOR ALL PREFORMED PAVEMENT MARKINGS, THE SURFACE SHALL BE PREPARED WITH VOE SURFACE PREPARATION ADHESIVE SPA 60 FOR 3M PAVEMENT MARKING TAPE MATERIAL OR APPROVED EQUAL AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE LAYOUT AND INSTALLATION OF PAVEMENT MARKINGS ON FINAL SURFACE COURSE FOLLOWING CONTROL POINTS THAT HAVE BEEN SET TO NO MORE THAN 50 FEET APART ALONG THE LINES TO BE STRIPED. IN TANGENT SECTIONS OF A ROAD WHERE THE PAVEMENT MARKING PATTERN DOES NOT CHANGE, CONTROL POINTS MAY BE SET AT 200 FEET APART. THE LAYOUT AND INSPECTION OF ALL PAVEMENT MARKINGS SHALL BE APPROVED BY THE TOWN ENGINEER OR DESIGNEE PRIOR TO THE APPLICATION OF MATERIALS.
9. IT IS THE CONTRACTOR'S RESPONSIBILITY TO ENSURE THAT THE FINAL SURFACE COURSE IS PLACED SO THAT THE CONSTRUCTION JOINTS ARE OFFSET NO MORE THAN ONE FOOT CLEAR OF THE CENTER OF THE STRIPING OR CENTER OF A LANE, UNLESS OTHERWISE DIRECTED BY THE ENGINEER.
10. THE CONTRACTOR SHALL CLEAN THE ROADWAY SURFACE TO THE SATISFACTION OF THE TOWN ENGINEER OR DESIGNEE BY SWEEPING AND AIR-JET BLOWING IMMEDIATELY PRIOR TO THE PLACEMENT OF ALL PAVEMENT MARKINGS. THE TEMPERATURE SHALL NOT BE LESS THAN 55 DEGREES F. FOR THE PLACEMENT OF HOT-SPRAY THERMOPLASTIC STRIPING, AND 40 DEGREES F. FOR THE PLACEMENT OF RPMS.
11. ALL RAISED PAVEMENT MARKERS (RPMS) SHALL BE INSTALLED SO THAT THE REFLECTIVE FACE OF EACH MARKER IS FACING THE DIRECTION OF TRAFFIC AND IS PERPENDICULAR TO THE DIRECTION OF TRAFFIC FLOW. TYPE C PAVEMENT MARKERS (RPMS) SHALL BE INSTALLED SO THAT THE CLEAR REFLECTIVE FACE OF EACH MARKER IS FACING THE APPROACHING TRAFFIC AND IS PERPENDICULAR TO THE DIRECTION OF TRAFFIC FLOW. ALL RPM'S SHALL BE INSTALLED PER PIMA COUNTY'S STANDARD DETAILS.
12. AT INTERSECTION APPROACHES ON ROADWAYS WITH MEDIANS, TYPE C RPMS SHALL BE PLACED AS PER PIMA COUNTY STANDARDS OR AS DIRECTED BY THE TOWN ENGINEER OR DESIGNEE.
13. THE REMOVAL OF EXISTING PAVEMENT MARKINGS SHALL BE ACCOMPLISHED IN ACCORDANCE WITH SECTION 701 OF THE PIMA ASSOCIATION OF GOVERNMENT STANDARD SPECIFICATIONS. PAINTING OVER EXISTING STRIPING DOES NOT CONSTITUTE APPROVED STRIPING OBLITERATION.
14. THE ENGINEER OF RECORD SHALL BE REQUIRED TO PRODUCE AS-BUILT STRIPING PLANS, USING INFORMATION FROM THE CONTRACTOR, WITHIN 90 DAYS OF STRIPING COMPLETION.
15. BLUE RAISED PAVEMENT MARKERS SHALL BE PLACED ADJACENT TO FIRE HYDRANTS AS SHOWN ON SHEET NO. 7-1 OF THE LATEST EDITION PC/COT PAVEMENT MARKING DESIGN MANUAL.
16. FOR ALL CONSTRUCTION, ALL PAVEMENT MARKINGS AND SIGNING SHALL BE INSTALLED AND SHALL BE PAID FOR BY THE PROJECT OWNER/DEVELOPER.
17. FINAL INSPECTION/ACCEPTANCE OF PAVEMENT MARKINGS SHALL BE PERFORMED BY THE TOWN ENGINEER OR DESIGNEE.



NOTE: SIGN POST TO BE SET APPROXIMATELY 2' BEHIND BACK OF CURB.

TYPICAL SIGN DETAIL

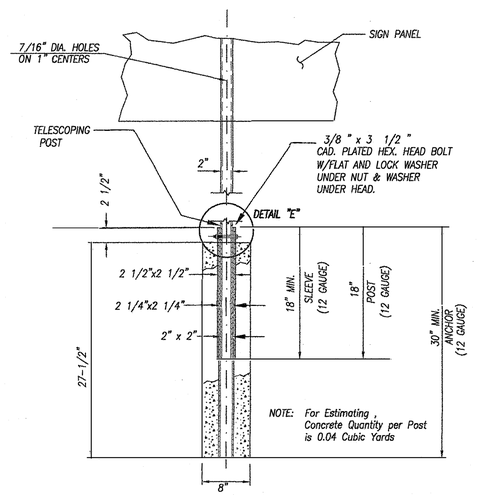
N.T.S.



NOTE: SIGN POST TO BE SET APPROXIMATELY 2' BEHIND BACK OF CURB, MIDWAY THROUGH CURB RETURN DELTA.

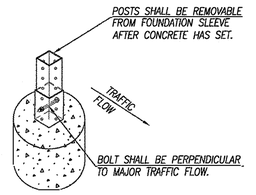
TYPICAL STOP SIGN AND STREET NAME SIGN DETAIL

N.T.S.



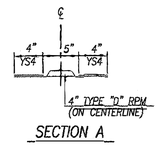
SIGN POST FOUNDATION DETAIL

NTS

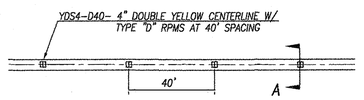


DETAIL "E"

NTS



SECTION A



YDS4-D40 STRIPING DETAIL

REFERENCE PAG PAVEMENT MARKING STDS 2-5(REV 5/14) NTS

Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA811
Call 811 or click Arizona811.com

NO	DATE	REVISION	BY	CH	APPR

36655 MARTIN V. MAGELLI REGISTERED PROFESSIONAL ENGINEER STATE OF ARIZONA U.S.A. EXPIRES 9/30/2019

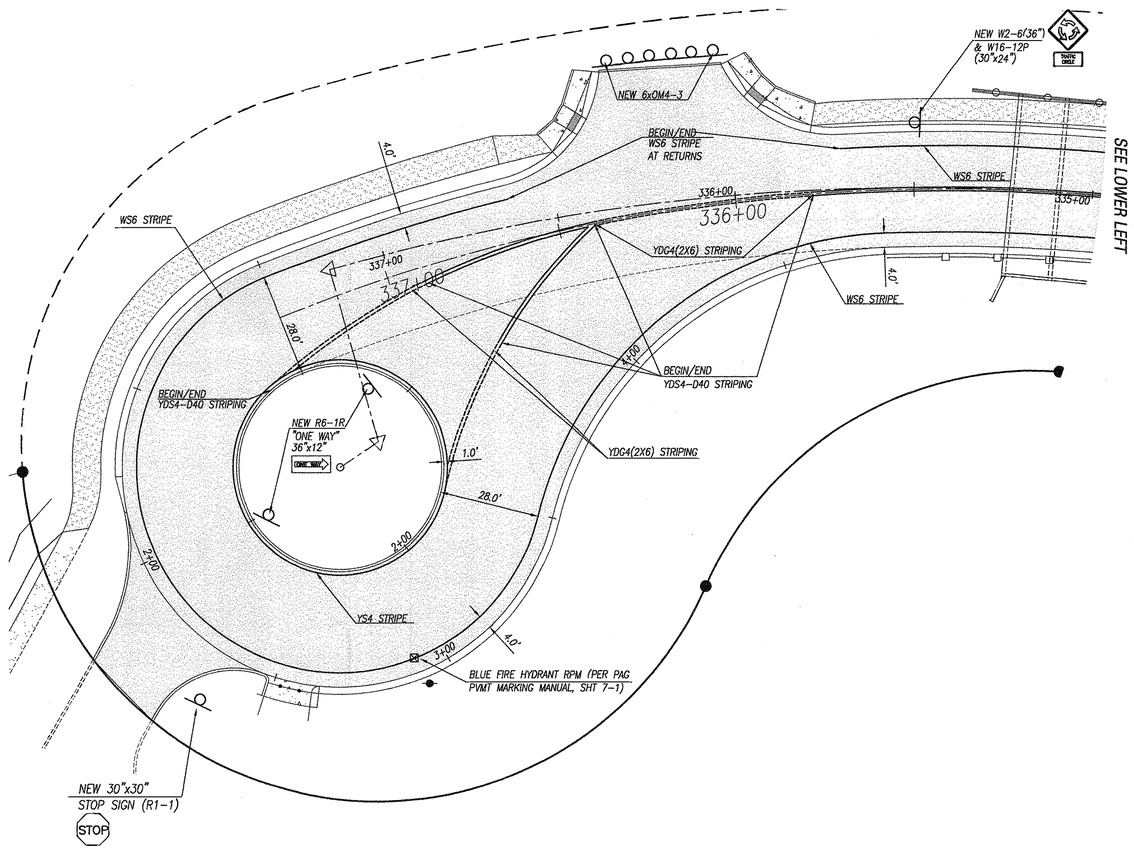
ENG1706-005 REF#PRV-1609-001 G-2017-064

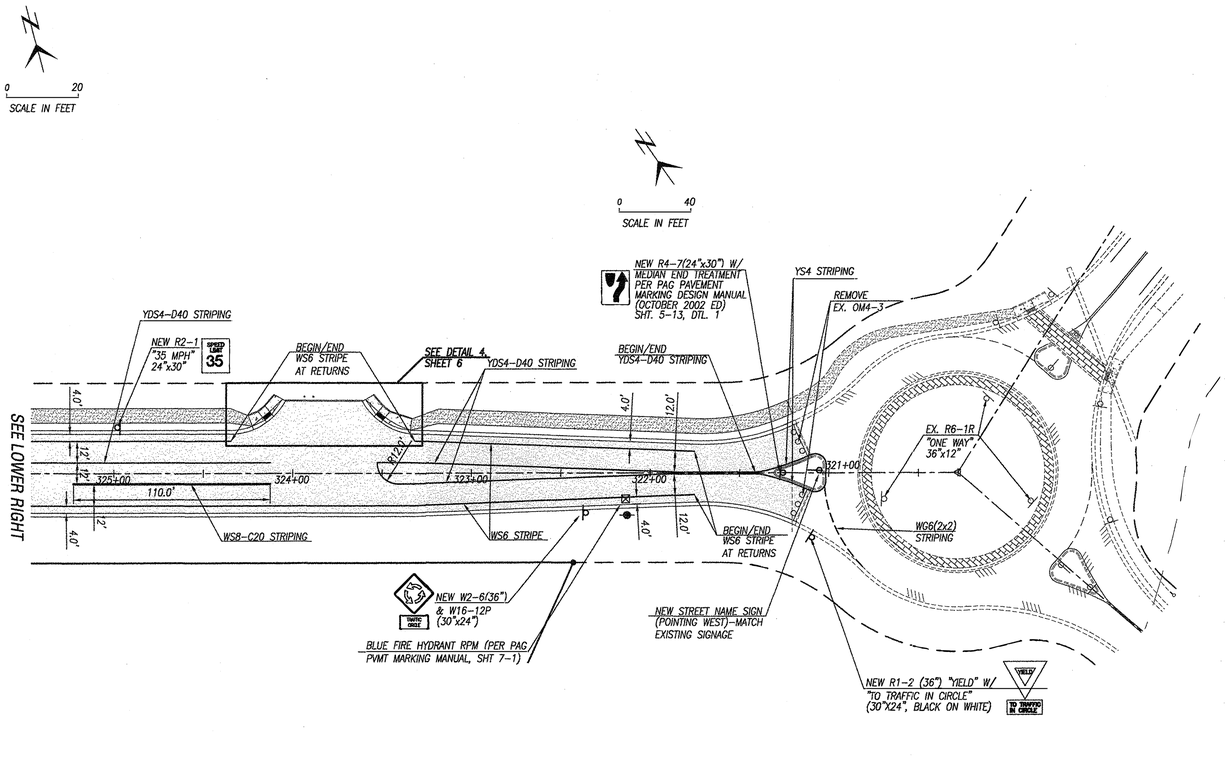
PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66

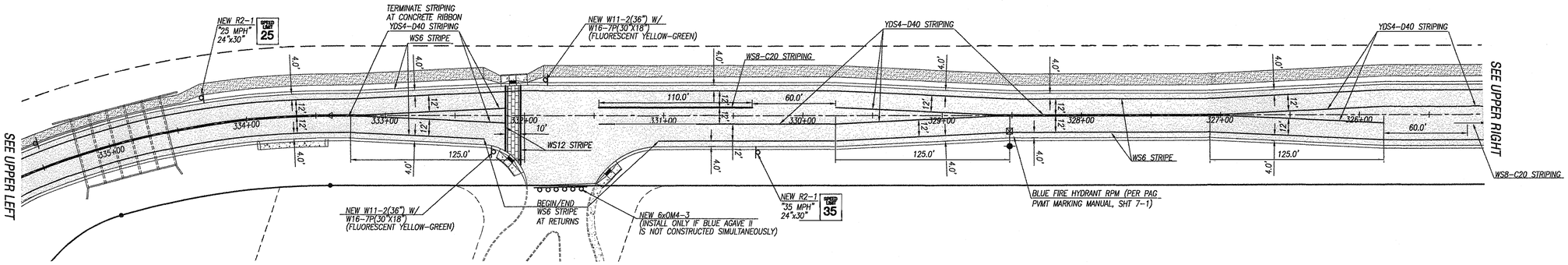
IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

SCALE: HORIZ: 1"=40' VERT: 1"=4' C.I.=1'	DRAWN BY: MVM	DATE: 6/21/17	DRAWING #	SHEET
	DESIGNED BY: MVM	REV. DATE: 7/24/17	2393-OFFSITE-IP.DWG	9 of 10
	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393	







ENG1706-005 REF#PRV-1609-001 **G-2017-064**

36655 MARTIN V. MAGELLI — Registered Professional Engineer — Date Signed 6/21/17 — ARIZONA U.S.A. — EXPIRES 9/30/2019

PUBLIC PAVING, DRAINAGE, SEWER AND PRIVATE GRADING/DRAINAGE IMPROVEMENT PLANS DOVE MOUNTAIN BOULEVARD, STA 320+27.73 TO 337+15.66

IN SECTION 21, T11S, R12E, G&SRBM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930

Contact Arizona 811 at least two full working days before you begin excavation — ARIZONA811 — Call 811 or click Arizona811.com

NO	DATE	REVISION	BY	CH	APPR

SCALE: AS NOTED	DRAWN BY: MVM	DATE: 6/21/17	DRAWING #	SHEET
	DESIGNED BY: MVM	REV. DATE: 7/24/17	2393-OFFSITE-IP.DWG	10 of 10
	CHECKED BY: MVM	REV. DATE: 8/28/17	PLAN #2393	

Council-Regular Meeting **C2**

Meeting Date: 11/19/2019

To: Mayor and Council

From: Steven Vasquez, Senior Planner

Date: November 19, 2019

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2019-116: Relating to Development; approving a final plat for Gladden Farms Blocks 36 and 40 Lots 1-176, Common Areas "A-1" - "A-7" (Landscape, Utilities and Drainage) and "B-1" - "B-5" (Functional Open Space, Utilities and Drainage) located at the southeast corner of N. Midfield Road and W. Mike Etter Blvd. (Steven E. Vasquez)

Discussion:

Rick Engineering, on behalf of Crown West Realty LLC and KB Home Tucson, is requesting the approval of a final plat consisting of 176 residential lots and common areas "A" and "B" on approximately 34.3 acres within the Gladden Farms II development.

Location

The proposed subdivision is located within Block 36 and a portion of Block 40 of the Gladden Farms Blocks 26-43 block plat (Book 62, Page 64) at the southeast corner of N. Midfield Road and W. Mike Etter Blvd.

Zoning

The zoning for Blocks 36 and 40 is F (Specific Plan - Gladden Farms II) with a land use designation of High Density Residential (HDR). The HDR land use permits small-lot, single-family detached homes with a minimum lot size of 3,500 square feet. The proposed average lot size is 5,157 square feet. The proposed minimum lot size is 4,472 square feet (Lot 25). The proposed maximum lot size is 7,925 square feet (Lot 53).

Transportation

One entry off Midfield Road is proposed at the northwest portion of the subdivision. Two other access points are proposed at the southern boundary of the

subdivision from Blocks 40 & 41 and from a future subdivision located to the southeast. The typical internal street section is a 42-foot wide public right-of-way.

Park Requirements
Per the Gladden Farms II Specific Plan, 185 square feet of on-site recreation area per single-family detached residence is required. This subdivision requires a minimum of 32,560 square feet of recreation area. The active recreation areas are planned for Common Area "B-2" and the eastern portion of "B-1" which total approximately 38,000 square feet in size. The passive recreation areas are planned for Common Areas "B-4," "B-5" and the northern portion of Common Area "B-1" which total approximately 81,555 square feet.

Preliminary Plat
The preliminary plat for Gladden Farms Blocks 36 & 40 was approved by Town Council on May 21, 2019 by adoption of Resolution No. 2019-044.

Staff Recommendation:

Staff has reviewed the request against the requirements of the Gladden Farms II Specific Plan, the Marana Land Development Code, the Town Code and the Marana General Plan. This final plat is in substantial conformance with all required development regulations and staff recommends approval.

Suggested Motion:

I move to adopt Resolution No. 2019-116 approving a final plat for Gladden Farms Blocks 36 and 40 Lots 1-176, Common Areas "A-1" - "A-7" (Landscape, Utilities and Drainage) and "B-1" - "B-5" (Functional Open Space, Utilities and Drainage) at the southeast corner of N. Midfield Road and W. Mike Etter Blvd.

Attachments

Resolution No. 2019-116
PRV1905-001 GF Blks 36 & 40 FP
PRV1905-001 GF Blks 36 & 40 FP Map
PRV1905-001 GF Blks 36 & 40 FP App

MARANA RESOLUTION NO. 2019-116

RELATING TO DEVELOPMENT; APPROVING A FINAL PLAT FOR GLADDEN FARMS BLOCKS 36 & 40 LOTS 1-176, COMMON AREAS "A-1" – "A-7" (LANDSCAPE, UTILITIES AND DRAINAGE) AND "B-1" – "B-5" (FUNCTIONAL OPEN SPACE, UTILITIES AND DRAINAGE) LOCATED AT THE SOUTHEAST CORNER OF N. MIDFIELD ROAD AND W. MIKE ETTER BLVD.

WHEREAS, on March 7, 2006, the Mayor and Town Council adopted Ordinance No. 2006.03, approving a rezoning to create the Gladden Farms II Specific Plan; and

WHEREAS, on May 16, 2007, the Mayor and Town Council adopted Resolution No. 2007-75, approving the final block plat for Gladden Farms Blocks 26 – 43, Book 62, Page 64; and

WHEREAS, on May 21, 2019, the Mayor and Town Council adopted Resolution No. 2019-044, approving the preliminary plat for Gladden Farms Blocks 36 & 40; and

WHEREAS, Rick Engineering, on behalf of Crown West Realty, LLC and KB Home Tucson, has applied for approval of a final plat for a 176-lot single-family residential home subdivision within Block 36 and a portion of Block 40 of the Gladden Farms Blocks 26 – 43 block plat located approximately at the southeast corner of Midfield Rd. and Mike Etter Blvd.; and

WHEREAS, the Marana Town Council, at the regularly scheduled meeting on November 19, 2019, determined that the final plat for Gladden Farms Blocks 36 & 40 should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Marana, Arizona, that the final plat for Gladden Farms Blocks 36 & 40 Lots 1-176, Common Areas A-1 – A-7 and Common Areas B-1 – B-5 is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 19th day of November, 2019.

Mayor Ed Honea

ATTEST:

Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS PROJECT IS WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 11 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA. SAID LINE MONUMENTED BY A FOUND 1 1/2" ALUM CAP STAMPED "17436" AT THE WEST QUARTER AND A FOUND 1/2" REBAR TAGGED "PCHD3" AT THE SOUTHWEST CORNER OF SAID SECTION. SAID BEARING BEING S00°30'03"E.

GENERAL NOTES

1. THE GROSS AREA OF THIS DEVELOPMENT IS 34.3 ACRES: 1,495,568 SQUARE FEET.

2. THE EXISTING ZONING IS F (SPECIFIC PLAN-GLADDEN FARMS) PER ORDINANCE NO. 2006.03. THE LAND USE DESIGNATION FOR BOTH BLOCKS IS HIGH DENSITY RESIDENTIAL (HDR).

3. THE TOTAL NUMBER OF RESIDENTIAL LOTS IS 176. THE DENSITY IS 5.13 RAC.

4. MINIMUM ALLOWABLE LOT SIZE IS 3,500 SQUARE FEET PER THE HDR LAND USE DESIGNATION.

5. MINIMUM LOT SIZE: 4,472 SF.
   MAXIMUM LOT SIZE: 7,925 SF.
   AVERAGE LOT SIZE: 5,157 SF.

6. MAXIMUM BUILDING HEIGHT: 30 FEET

7. MINIMUM SITE SETBACKS:
   FRONT: 10 FEET
   MAY BE REDUCED TO 5 FEET WITH REAR-OR SIDE-LOADED GARAGE*
   FRONT PORCH: 5 FEET*
   FRONT-LOADED GARAGE: 20 FEET
   SIDE-LOADED GARAGE: 5 FEET*
   * MAY NOT ENCROACH INTO THE PUBLIC UTILITY EASEMENT, IF REQUIRED.
   SIDE: 0 FEET
   MUST PROVIDE A 3-FOOT ACCESS EASEMENT ON ADJACENT LOT FOR Z-LOT LINES.
   REAR: 10 FEET
   PATIO STRUCTURES: 5 FEET IF OPEN ON 3 SIDES
   MAY BE REDUCED TO 5 FEET WITH REAR-LOADED GARAGE.

8. PARKING SPACES REQUIRED: (2 FOR EACH FAMILY UNIT) = 352 SPACES
   PARKING SPACES PROVIDED: (2 PER GARAGE & 2 PER DRIVEWAY) = 704 SPACES

9. THE TYPE AND AREA OF OPEN SPACE IS AS FOLLOWS:
   COMMON AREA "A" (LANDSCAPE, UTILITIES AND DRAINAGE) IS 0.56 AC, 24,438 SF
   COMMON AREA "B" (FUNCTIONAL OPEN SPACE AND DRAINAGE) IS 7.54 AC, 328,371 SF
   THE NET AREA OF THIS SUBDIVISION IS 34.3 AC, 1,495,568 SF.

10. NO FURTHER LOT SPLITTING SHALL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.

11. APPROVAL OF THIS PLAT DOES NOT AFFIRM, CERTIFY, OR APPROVE ANY LAND DIVISION THAT MAY BE CONTRARY TO STATE LAW, NOR DOES IT CERTIFY THE EXISTENCE OF, OR COMPLIANCE WITH, ANY DEED RESTRICTIONS OR EASEMENTS.

12. ALL NEW AND EXISTING UTILITIES WITHIN OR CONTIGUOUS TO THE SITE SHALL BE PLACED UNDERGROUND EXCEPT ELECTRICAL TRANSMISSION LINES CARRYING 48KV OR GREATER, AND THOSE LINES WHICH CAN BE SHOWN TO EXIST IN CURRENT OR FUTURE ELECTRICAL TRANSMISSION CORRIDORS.

13. OBJECTS AND MATERIALS WITHIN THE SIGHT VISIBILITY TRIANGLE EASEMENTS SHALL BE PLACED SO AS NOT TO INTERFERE WITH A VISIBILITY PLANE DESCRIBED BY TWO HORIZONTAL LINES LOCATED 30-INCHES AND 72-INCHES ABOVE FINISHED GRADE OF THE ROADWAY SURFACE, AND SHALL CONFORM TO THE TOWN OF MARANA SUBDIVISION STREET STANDARDS.

14. THE PROFESSIONAL ENGINEER OF RECORD SHALL CERTIFY AS TO FORM, LINE, AND FUNCTION OF ALL PUBLIC AND PRIVATE ROADWAYS AND DRAINAGE STRUCTURES BEFORE THE RELEASE OF ASSURANCES.

15. TOTAL MILES OF NEW PUBLIC STREET IS 1.06

16. INSTALLATION OF ITEMS SUCH AS LANDSCAPE, IRRIGATION, SIGNAGE, MONUMENTS, WALLS AND DRAINAGE IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY SHALL REQUIRE A PERPETUAL LICENSE AGREEMENT FOR INSTALLATION, MAINTENANCE AND INDEMNIFICATION. THIS DOCUMENT SHALL BE EXECUTED PRIOR TO FINAL APPROVAL OF LANDSCAPE PLANS OR IMPROVEMENT PLANS ALLOWING INSTALLATION WITHIN THE PUBLIC RIGHTS-OF-WAY.

17. THIS SUBDIVISION IS LOCATED WITHIN THE TOWN OF MARANA WATER SERVICE AREA, WHICH HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY UNDER A.R.S. § 45-576.

18. ALL WEATHER PAVED FIRE DEPARTMENT ACCESS ROADS AND REQUIRED FIRE HYDRANTS SHALL BE APPROVED, INSTALLED, TESTED, AND SERVICEABLE PRIOR TO THE INTRODUCTION OF COMBUSTIBLE CONSTRUCTION MATERIAL ON THE SITE.

19. POTABLE WATER FOR THIS SUBDIVISION SHALL BE PROVIDED BY THE TOWN OF MARANA WATER UTILITY AND NON-POTABLE WATER SHALL BE PROVIDED BY THE CORTARO-MARANA IRRIGATION DISTRICT.

20. PER THE GLADDEN II SPECIFIC PLAN SECTION III.L, OPEN SPACE, RECREATION, PARKS AND TRAILS CONCEPT AND SECTION IV.C.3.d DEVELOPMENT STANDARDS - SMALL - LOT SINGLE-FAMILY DETACHED - HDR LAND USE DESIGNATION, THE MINIMUM AREA (IN SQUARE FEET) FOR PRIVATE, COMMON ON-SITE RECREATION AREAS, SHALL BE 185 SQUARE FEET PER SINGLE FAMILY RESIDENCE. THIS PROJECT SHALL REQUIRE 32,560 SQUARE FEET OF DEVELOPED RECREATION AREA. A TOTAL OF 328,206 SQUARE FEET OF DEVELOPED RECREATION AREA IS PROVIDED.

21. THE RELOCATION OF ANY UTILITIES SHALL BE AT NO EXPENSE TO THE PUBLIC, THE TOWN OF MARANA, OR THE CORTARO MARANA IRRIGATION DISTRICT.

DEDICATION

WE, THE UNDERSIGNED, HEREBY WARRANT THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY FEE TITLE INTEREST IN THE LAND SHOWN ON THIS PLAT, AND WE CONSENT TO THE SUBDIVISION OF THIS LAND IN THE MANNER SHOWN ON THIS PLAT.

WE, THE UNDERSIGNED HEREBY DEDICATE TO THE TOWN OF MARANA ALL RIGHTS-OF-WAY SHOWN ON THIS PLAT, INCLUDING ALL STREETS, ALLEYS, DRAINAGEWAYS, AND EASEMENTS, INCLUDING NO ACCESS EASEMENTS. UTILITY EASEMENTS AS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA AND ALL PUBLIC AND PRIVATE UTILITY COMPANIES FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF, AND ACCESS TO, PUBLIC AND PRIVATE UTILITIES AND PUBLIC SEWERS. NO ACCESS EASEMENTS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA FOR THE PURPOSE OF ACCESS CONTROL TO ADJACENT RIGHTS-OF-WAY. OTHER EASEMENTS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA FOR THE PURPOSE OR PURPOSES NOTED ON THIS PLAT.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY HOLD THE TOWN OF MARANA, ITS EMPLOYEES, OFFICERS, AND AGENTS HARMLESS FROM ANY AND ALL CLAIMS FOR DAMAGES RELATED TO THE USE OF THESE LANDS NOW AND IN THE FUTURE BY REASON OF FLOODING, FLOWAGE, EROSION, OR DAMAGE CAUSED BY WATER, WHETHER SURFACE FLOOD, OR RAINFALL. NATURAL DRAINAGE SHALL NOT BE ALTERED, DISTURBED, OR OBSTRUCTED WITHOUT THE APPROVAL OF THE MARANA TOWN COUNCIL.

COMMON AREAS AS SHOWN ON THIS PLAT ARE RESERVED FOR THE PRIVATE USE AND CONVENIENCE OF ALL OWNERS OF PROPERTY WITHIN THIS SUBDIVISION AND INVITEES. COMMON AREA, BUT NOT PRIVATE DRAINAGEWAYS, ARE GRANTED AS EASEMENTS TO THE TOWN OF MARANA AND ALL PUBLIC AND PRIVATE UTILITY COMPANIES FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF, AND ACCESS TO, UNDERGROUND PUBLIC AND PRIVATE UTILITIES AND SEWERS. PRIVATE DRAINAGEWAYS ARE ALSO RESERVED FOR THE FLOW OF WATER, WHETHER SURFACE, FLOOD, OR RAINFALL, FROM THIS SUBDIVISION AND OTHER LANDS AS APPROVED BY THE TOWN ENGINEER. TITLE TO ALL PRIVATE DRAINAGEWAYS AND COMMON AREAS SHALL BE VESTED IN AN ASSOCIATION OF INDIVIDUAL LOT OWNERS AS ESTABLISHED BY COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED IN DOCKET 12103 AT PAGE 11266 AND CONSENT TO ANNEXATION OF ADDITIONAL PARCELS RECORDED IN DOCKET 13150, PAGE 7169 IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA. EACH AND EVERY LOT OWNER WITHIN THE SUBDIVISION SHALL BE MEMBER OF THE ASSOCIATION, WHICH IS RESPONSIBLE FOR THE CONTROL, MAINTENANCE, SAFETY, AND LIABILITY OF THE PRIVATE DRAINAGEWAYS AND COMMON AREAS WITHIN THIS SUBDIVISION.

FIDELITY NATIONAL TITLE AGENCY INC, AN ARIZONA CORPORATION, AS TRUSTEE UNDER TRUST NO. 60,423, AS TRUSTEE ONLY AND NOT AND NOT IN ITS CORPORATE CAPACITY.

BY: _____
RACHEL TURNIPSEED, TRUST OFFICER DATE

ACKNOWLEDGEMENT

STATE OF ARIZONA }
COUNTY OF PIMA } SS.

ON THIS ___ DAY OF_____, 2019, BEFORE ME PERSONALLY APPEARED RACHEL TURNIPSEED WHO ACKNOWLEDGED TO BE THE TRUST OFFICIAL OF FIDELITY NATIONAL TITLE AGENCY INC. TRUST NO. 60,423, AND BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN.

_____
MY COMMISSION EXPIRES NOTARY PUBLIC

TITLE SECURITY AGENCY, LLC, A DELEWARE LIMITED LIABILITY COMPANY, AS TRUSTEE UNDER TRUST NO. 201665-T, ONLY AND NOT AND NOT IN ITS CORPORATE CAPACITY.

BY: _____
DIANE L. SLOANE, TRUST OFFICER DATE

ACKNOWLEDGEMENT

STATE OF ARIZONA }
COUNTY OF PIMA } SS.

ON THIS ___ DAY OF_____, 2019, BEFORE ME PERSONALLY APPEARED DIANE L. SLOANE WHO ACKNOWLEDGED TO BE THE TRUST OFFICIAL OF TITLE SECURITY AGENCY, LLC, TRUST NO. 201665-T, AND BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN.

_____
MY COMMISSION EXPIRES NOTARY PUBLIC

BENEFICIARY

* PURSUANT TO A.R.S. SECTION 33-404(B), THE NAME AND ADDRESS OF THE SOLE BENEFICIARY OF TRUST NO. 60423, DESCRIBED ABOVE AS DISCLOSED BY THE RECORDS OF SAID TRUST IS:

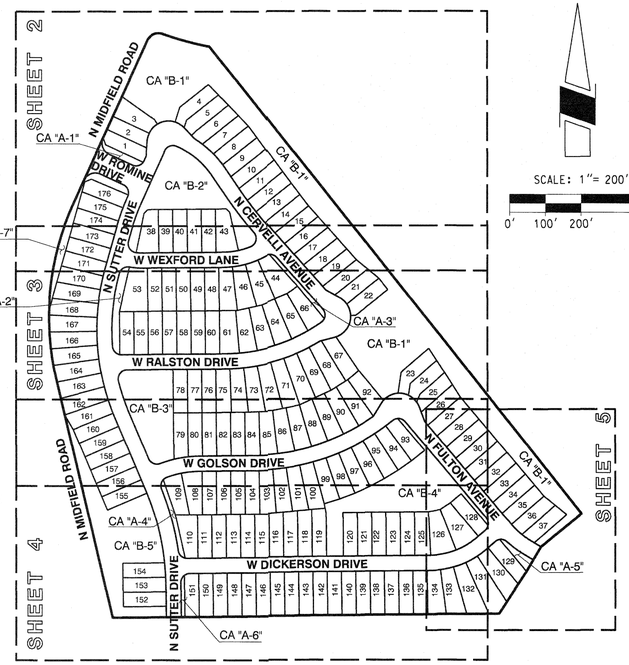
GLADDEN PHASE II, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY
1350 AVENUE OF THE AMERICAS, SUITE 1600
NEW YORK, NY 10019-4801

GLADDEN PHASE II DEV, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY
1350 AVENUE OF THE AMERICAS, SUITE 1600
NEW YORK, NY 10019-4801

BENEFICIARY

* PURSUANT TO A.R.S. SECTION 33-404(B), THE NAME AND ADDRESS OF THE SOLE BENEFICIARY OF TRUST NO. 201665-T, DESCRIBED ABOVE AS DISCLOSED BY THE RECORDS OF SAID TRUST IS:

KB HOME TUCSON, INC.
201 N. BONITA AVENUE
TUCSON, ARIZONA 85745



SCALE: 1"= 200'
0' 100' 200' 400'

ASSURANCES

ASSURANCES IN THE FORM OF A THIRD PARTY TRUST FROM TITLE SECURITY AGENCY, LLC, A DELEWARE LIMITED LIABILITY COMPANY, AS TRUSTEE UNDER TRUST NO. 201665-T, FOR LOTS 1-22, 38-78, 155-176 AND ASSOCIATED COMMON AREAS AND A THIRD PARTY TRUST NO. 60423 FROM FIDELITY NATIONAL TITLE AGENCY, AN ARIZONA CORPORATION, FOR LOTS 23-37, 79-154 AND ASSOCIATED COMMON AREAS AS RECORDED IN SEQ #2019_____ IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA HAVE BEEN PROVIDED TO GUARANTEE INSTALLATION OF REQUIRED STREET, SEWER, ELECTRIC, GAS AND WATER UTILITIES, DRAINAGE, FLOOD CONTROL AND OTHER SUBDIVISION IMPROVEMENTS MEETING ESTABLISHED MINIMUM STANDARDS OF DESIGN AND CONSTRUCTION.

BY: _____
TOWN OF MARANA DATE

RECORDING

SEQ: #2019_____

FEE: _____

STATE OF ARIZONA }
COUNTY OF PIMA } SS.

I HEREBY CERTIFY THAT THE INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF RICK ENGINEERING COMPANY, INC.
DATE_____
TIME_____
WITNESS MY HAND AND OFFICIAL SEAL DAY AND YEAR ABOVE WRITTEN
F. ANN RODRIGUEZ, COUNTY RECORDER
BY: _____
DEPUTY

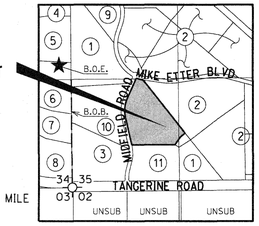
CERTIFICATION OF SURVEY

I HEREBY CERTIFY THAT THE BOUNDARY SURVEY AS SHOWN ON THIS PLAT WAS PERFORMED UNDER MY DIRECTION AND THAT ALL EXISTING AND PROPOSED SURVEY MONUMENTS AND MARKERS SHOWN ARE CORRECTLY DESCRIBED. I FURTHER CERTIFY THAT THIS PLAT WAS PREPARED UNDER MY DIRECTION.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17479
DOUGLAS E. SCHNEIDER
10/31/19
Signed
ARIZONA U.S.A.

(1) SEQ #20071020612
(2) SEQ #20181100137
(3) SEQ #20121740308
(4) SEQ #20040110791
(5) SEQ #20032160454
(6) SEQ #20052030148
(7) SEQ #20051970423
(8) SEQ #20072170310
(9) SEQ #20173130070
(10) SEQ #20182500081
(11) SEQ #20190530029

THIS PROJECT



SCALE: 3"= 1 MILE

LOCATION MAP

SECTION 35, T 11 S, R 11 E
G & SRM TOWN OF MARANA
PIMA COUNTY, ARIZONA

SHEET INDEX

1 COVER SHEET
2-4 PLAT SHEETS
5 PLAT SHEET AND DETAILS

LEGEND

SYMBOL	ITEM
▲	BOUNDARY MONUMENT NOT SET DUE TO ONGOING CONSTRUCTION
○	FOUND SURVEY MONUMENT, AS NOTED
●	LOT CORNER TO BE SET BY RLS FOLLOWING COMPLETION OF CONSTRUCTION (SEE GENERAL NOTE 26)
▣	2" BRASS CAP SURVEY MONUMENT TO BE STAMPED BY RLS FOLLOWING COMPLETION CONSTRUCTION
⊞	2" BRASS CAP SURVEY MONUMENT STAMPED "RLS 17479"
✳	DRIVEWAY ORIENTATION ON LOTS
SVT	SIGHT VISIBILITY TRIANGLE
14 ○ 13	QUARTER SECTION CORNER
23	LOT NUMBER
———	EXIST R/W
— — —	SECTION LINE
———	SUBDIVISION BOUNDARY
———	LOT LINE
——·——·——	CENTERLINE
— — — —	EASEMENT BOUNDARY

TOWN OF MARANA APPROVALS

_____,P.E.
MARANA TOWN ENGINEER/DEVELOPMENT ENGINEER DATE

_____
MARANA DEVELOPMENT SERVICES DIRECTOR DATE

_____
MARANA WATER DIRECTOR DATE

CERTIFICATION

I,_____, CLERK OF THE TOWN OF MARANA HEREBY CERTIFY THAT THIS PLAT WAS APPROVED BY THE TOWN COUNCIL OF THE TOWN OF MARANA ON THE _____DAY OF _____, 2019.

_____
CLERK OF THE TOWN OF MARANA DATE

ASSURED WATER SUPPLY

A CERTIFICATE OF ASSURED WATER SUPPLY HAS BEEN RECEIVED FROM THE DIRECTOR OF WATER RESOURCES.

_____
MARANA WATER DIRECTOR DATE

FINAL PLAT FOR

GLADDEN FARMS BLOCKS 36&40

LOTS 1-176 &
COMMON AREAS "A-1"-"A-7", "B-1"-"B-5"
COMMON AREA "A": (LANDSCAPE, UTILITIES AND DRAINAGE)
COMMON AREA "B": (FUNCTIONAL OPEN SPACE, UTILITIES AND DRAINAGE)
BEING A RESUBDIVISION OF BLOCKS 36 AND A PORTION OF BLOCK 40 OF GLADDEN FARMS 26-43 BOOK 62, PAGE 64, SECTION 35, TOWNSHIP 11 SOUTH RANGE 11 EAST, GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

PRV1901-002, PCZ-05028, PRV-06073F

PRV1905-001
SHEET 1 OF 5

SEQUENCE #2019

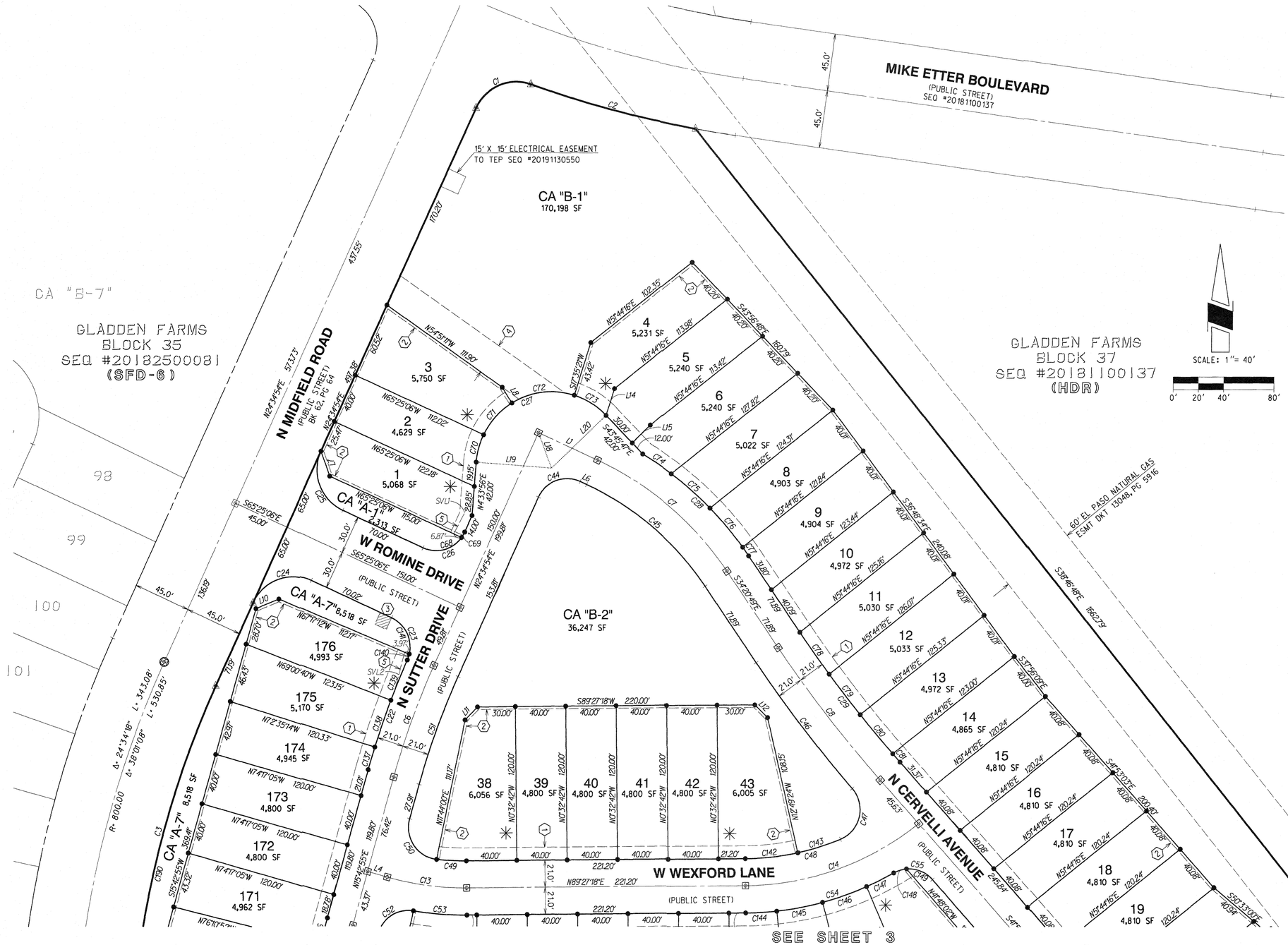
RICK ENGINEERING COMPANY
Tucson
3945 EAST FORT LOWELL ROAD - SUITE 111
TUCSON, AZ 85712
520-795-1000
J-4453
rickengineering.com
San Diego - Riverside - Orange - Sacramento - San Luis Obispo - Phoenix - Denver

© 2019 Rick Engineering Company

G:\GLADDEN_II\4453_Blocks_36_40\Civil\TUC CorpStds 2005.dscript

G:\GLADDEN_II\4453_Blocks_36_40\Civil\4453fp01.dgn 31-OCT-2019 10:07

SEQUENCE #2019 _____



GENERAL NOTES CONTINUED

22. ANY BUILDING OVER 3,600 SQUARE FEET UNDER ROOF MUST BE EVALUATED BY THE NORTHWEST FIRE DISTRICT FOR ADDITIONAL FIRE PROTECTION MEASURES. ANY DWELLING HAVING LIMITED ACCESS IN EXCESS OF 150-FEET, OR 12% ACCESS GRADE, OR LOW CLEARANCE MUST BE EVALUATED BY THE NORTHWEST FIRE DISTRICT FOR ADDITIONAL FIRE PROTECTION MEASURES.

23. FIRE HYDRANTS AT 500 FOOT MAXIMUM INTERVALS SHALL BE INSTALLED WITHIN PUBLIC STREETS. THE FIRE FLOW REQUIREMENT IS 1,500 GALLONS/MINUTE APPROVED BY NORTHWEST FIRE DISTRICT. ALL HYDRANTS MUST BE INSTALLED AND OPERATIONAL PRIOR TO BEGINNING COMBUSTIBLE CONSTRUCTION MATERIALS ON SITE.24. THIRTY DAYS PRIOR TO GRADING, PLEASE CONTACT THE TOWN ENVIRONMENTAL PROJECTS MANAGER AT (520) 382-2658 AND ALLOW ACCESS TO PERFORM A BURROWING OWL CLEARANCE SURVEY, PRIOR TO RECEIVING A GRADING PERMIT.

25. SOME OR ALL OF THE LANDS WITHIN THIS PROJECT SHALL CONTINUE TO BE SUBJECT TO TAX AND/OR ASSESSMENTS BY THE CORTARO-MARANA IRRIGATION DISTRICT AND CORTARO WATER USERS' ASSOCIATION.

26. INTERIOR PROPERTY CORNERS SHALL BE MONUMENTED AS SOON AS COMPLETION OF THE INFRASTRUCTURE AND IMPROVEMENTS MAKE IT PRACTICAL TO DO SO. IF SUCH MONUMENTS SHOULD DIFFER FROM THE TYPE DESCRIBED ON THE FINAL PLAT, A RECORD OF SURVEY SHALL BE FILED SHOWING THOSE DIFFERENCES. ALL MONUMENTS SET SHALL BE UNDER THE DIRECT SUPERVISION OF THE SURVERYOR OF RECORD. IF FOR ANY REASON THE SURVEYOR OF RECORD IS NOT AVAILABLE TO SUPERVISE THE SETTING OF THE INTERIOR CORNER MONUMENTS, SUBSEQUENT TO THE RECORDING OF THE FINAL PLAT, THE REPLACEMENT SURVEYOR SHALL SET MONUMENTS WITH HIS/HER IDENTIFYING NUMBER AND A RECORD OF SURVEY SHALL BE RECORDED IN ACCORDANCE WITH THE STATE STATUTES.

27. AN AVIGATION EASEMENT HAS BEEN RECORDED ON THIS PROPERTY. THIS PROPERTY IS IN THE AIRPORT INFLUENCE AREA FOR THE MARANA REGIONAL AIRPORT AND IS SUBJECT TO AIRCRAFT NOISE AND AIRCRAFT OVERFLIGHT. AVIGATION EASEMENT RECORDED AT DOCKET 13063, PAGE 4202.

28. THIS SUBDIVISION IS SUBJECT TO THE REQUIREMENTS OF MARANA ORDINANCE NO.2006.03 AS ADOPTED BY THE TOWN OF MARANA MAYOR AND COUNCIL ON MARCH 7, 2006. THIS DEVELOPMENT IS SUBJECT TO THE CONDITIONS AND AGREEMENTS OF REZONING ORDINANCE 2006.03, DEVELOPMENT AGREEMENT RESOLUTION 2006-38, THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT RESOLUTION 2006-218, THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT RESOLUTION 2018-074, AND THE THIRD RESOLUTION 2018-100.

29. THIS PLAT FALLS UNDER THE REQUIREMENTS OF THE GLADDEN FARMS II SPECIFIC PLAN. IF AN ISSUE, CONDITION OR SITUATION ARISES FROM THIS PLAT THAT IS NOT COVERED OR PROVIDED FOR IN THE SPECIFIC PLAN, THOSE REGULATIONS IN THE TOWN OF MARANA LAND DEVELOPMENT CODE THAT ARE APPLICABLE FOR THE MOST SIMILAR ISSUE, CONDITION OR SITUATION SHALL BE USED BY THE PLANNING DIRECTOR AS THE GUIDELINES TO RESOLVE THE UNCLEAR ISSUE, CONDITION OR SITUATION.

30. PER SECTION 6.5 OF THE GLADDEN FARMS II DEVELOPMENT AGREEMENT, A VOLUNTARY IMPROVEMENT IN-LIEU FEE OF $1,200 PER LOT SHALL BE PAID TO THE MARANA UNIFIED SCHOOL DISTRICT UPON THE ISSUANCE OF BUILDING PERMITS FOR EACH INDIVIDUAL RESIDENTIAL UNIT WITHIN THIS BLOCK.

31. THIS PROPERTY LIES WITHIN THE GLADDEN FARMS II COMMUNITY FACILITIES DISTRICT.

32. PER THE DEVELOPMENT AGREEMENT 2.6 BANK PROTECTION, IN COMPLIANCE WITH CONDITION 16 OF ORDINANCE NO. 99.02, DEVELOPER SHALL PAY $500 PER ACRE OF AFFECTED PROPERTY FOR BANK PROTECTION AS SET FORTH HEREINAFTER. THEREFORE, THE TOTAL OBLIGATION OF DEVELOPER FOR THE PROJECT IS $316,640 ($500 x 633.28 AFFECTED ACRES). EACH RESIDENTIAL OR COMMERCIAL SUBDIVISION PLAT SHALL BE REQUIRED TO PAY THEIR TOTAL OBLIGATION OF $18,625.88 PER BLOCK, PRIOR TO RELEASE OF ASSURANCES FOR THAT BLOCK. WITHIN BLOCKS THAT ARE NOT SUBDIVIDED AND DEVELOPMENT PLAT IS THE ONLY PROCESS. THE OBLIGATION FOR THOSE BLOCKS SHALL BE PAID PRIOR TO DEVELOPMENT PLAN APPROVAL.

KEYNOTES

(1) 10' PUBLIC UTILITY, ROADWAY MAINTENANCE AND SIGNAGE, AND HOME OWNERS ASSOCIATION STREET TREE LANDSCAPE EASEMENT BY THIS PLAT

(2) 1' NO ACCESS EASEMENT BY THIS PLAT

(3) 10'X10' ELECTRIC EASEMENT BY THIS PLAT

(4) 25' PUBLIC SEWER EASEMENT BY THIS PLAT

(5) SITE VISIBILITY EASEMENT BY THIS PLAT

(6) 10' STRIP ELECTRIC EASEMENT BY THIS PLAT

SEE SHEET 5 FOR LINE AND CURVE TABLES

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17479
DOUGLAS E. SCHNEIDER
Date Signed 10/31/19
ARIZONA U.S.A.

FINAL PLAT FOR
GLADDEN FARMS
BLOCKS 36&40
LOTS 1-176 &
COMMON AREAS "A-1"-"A-7", "B-1"-"B-5"

COMMON AREA "A": (LANDSCAPE, UTILITIES AND DRAINAGE)
COMMON AREA "B": (FUNCTIONAL OPEN SPACE, UTILITIES AND DRAINAGE)
BEING A RESUBDIVISION OF BLOCKS 36 AND A PORTION OF BLOCK 40 OF GLADDEN FARMS 26-43 BOOK 62, PAGE 64, SECTION 35, TOWNSHIP 11 SOUTH RANGE 11 EAST, GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

PRV1901-002, PCZ-05028, PRV-06073F

PRV1905-001
SHEET 2 OF 5

SEQUENCE #2019

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SEQUENCE #2019

SEQUENCE #2019

SEE SHEET 2

SEE SHEET 4

SEE SHEET 5

SCALE: 1"= 40'

0' 20' 40' 80'

W HANCOCK DRIVE

MIDFIELD ROAD (PUBLIC STREET) BK 62 PG 64

N SUTTER DRIVE (PUBLIC STREET)

W WEXFORD LANE (PUBLIC STREET)

N CERVELLI AVENUE (PUBLIC STREET)

W RALSTON DRIVE (PUBLIC STREET)

W GOLSON DRIVE (PUBLIC STREET)

N FULTON AVENUE (PUBLIC STREET)

CA "A-7" 8,518 SF

CA "A-2" 5,161 SF

CA "A-3" 2,464 SF

CA "B-1" 170,198 SF

CA "B-3" 30,022 SF

CA "B-5" 49,505 SF

60' EL PASO NATURAL GAS ESMT DKT 13046, PG 5916

GLADDEN FARMS
BLOCK 37
SEQ #20181100137
(HDR)

GLADDEN FARMS
BLOCK 35
SEQ #20182500081
(SFD-6)

KEYNOTES

1. 10' PUBLIC UTILITY, ROADWAY MAINTENANCE AND SIGNAGE, AND HOME OWNERS ASSOCIATION STREET TREE LANDSCAPE EASEMENT BY THIS PLAT
2. 1' NO ACCESS EASEMENT BY THIS PLAT
3. 10'X10' ELECTRIC EASEMENT BY THIS PLAT
4. 25' PUBLIC SEWER EASEMENT BY THIS PLAT
5. SITE VISIBILITY EASEMENT BY THIS PLAT
6. 10' STRIP ELECTRIC EASEMENT BY THIS PLAT

SEE SHEET 5 FOR LINE AND CURVE TABLES

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REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17479
DOUGLAS E. SCHNEIDER
11/1/19
DATE SIGNED
ARIZONA U.S.A.

FINAL PLAT FOR

GLADDEN FARMS BLOCKS 36&40

LOTS 1-176 &
COMMON AREAS "A-1"-"A-7", "B-1"-"B-5"
COMMON AREA "A": (LANDSCAPE, UTILITIES AND DRAINAGE)
COMMON AREA "B": (FUNCTIONAL OPEN SPACE, UTILITIES AND DRAINAGE)
BEING A RESUBDIVISION OF BLOCKS 36 AND A PORTION OF BLOCK 40
OF GLADDEN FARMS 26-43 BOOK 62, PAGE 64, SECTION 35, TOWNSHIP 11 SOUTH
RANGE 11 EAST, GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

PRV1901-002, PCZ-05028, PRV-06073F

PRV1905-001
SHEET 3 OF 5

SEQUENCE #2019 _____

SEE SHEET 3

SEE SHEET 5

SEQUENCE #2019

SCALE: 1"= 40'

0' 20' 40' 80'

W GOLSON DRIVE (PUBLIC STREET)

W DICKERSON DRIVE (PUBLIC STREET)

N SUTTER DRIVE (PUBLIC STREET)

N FULTON AVENUE (PUBLIC STREET)

MIDFIELD ROAD (PUBLIC STREET) BK 62, PG 64

CA "B-5" 49,055 SF

CA "B-4" 42,849 SF

CA "A-4" 2,696 SF

CA "A-6" 1,091 SF

CA "B-1"

GLADDEN FARMS
BLOCK 39
SEQ #20121740308
(SFD-7)

GLADDEN FARMS
BLOCKS 40&41
SEQ #20190530029
(HDR)

SOUTHWEST CORNER
SECTION 35
1/2" REBAR
"PCHD3"

SOUTH 1/4 CORNER
SECTION 35
1-3/4" OPEN PIPE

BASIS OF BEARINGS
S89°27'18"W 2645.36'
SOUTH LINE SOUTHWEST QUARTER SECTION 35

KEYNOTES

1. 10' PUBLIC UTILITY, ROADWAY MAINTENANCE AND SIGNAGE, AND HOME OWNERS ASSOCIATION STREET TREE LANDSCAPE EASEMENT BY THIS PLAT
2. 1' NO ACCESS EASEMENT BY THIS PLAT
3. 10'X10' ELECTRIC EASEMENT BY THIS PLAT
4. 25' PUBLIC SEWER EASEMENT BY THIS PLAT
5. SITE VISIBILITY EASEMENT BY THIS PLAT
6. 10' STRIP ELECTRIC EASEMENT BY THIS PLAT

SEE SHEET 5 FOR LINE AND CURVE TABLES

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17479
DOUGLAS E. SCHNEIDER
10/31/19
Date Signed
ARIZONA U.S.A.

FINAL PLAT FOR
GLADDEN FARMS
BLOCKS 36&40

LOTS 1-176 &
COMMON AREAS "A-1"-"A-7", "B-1"-"B-5"
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RANGE 11 EAST, GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

PRV1901-002, PCZ-05028, PRV-06073F

PRV1905-001

SHEET 4 OF 5

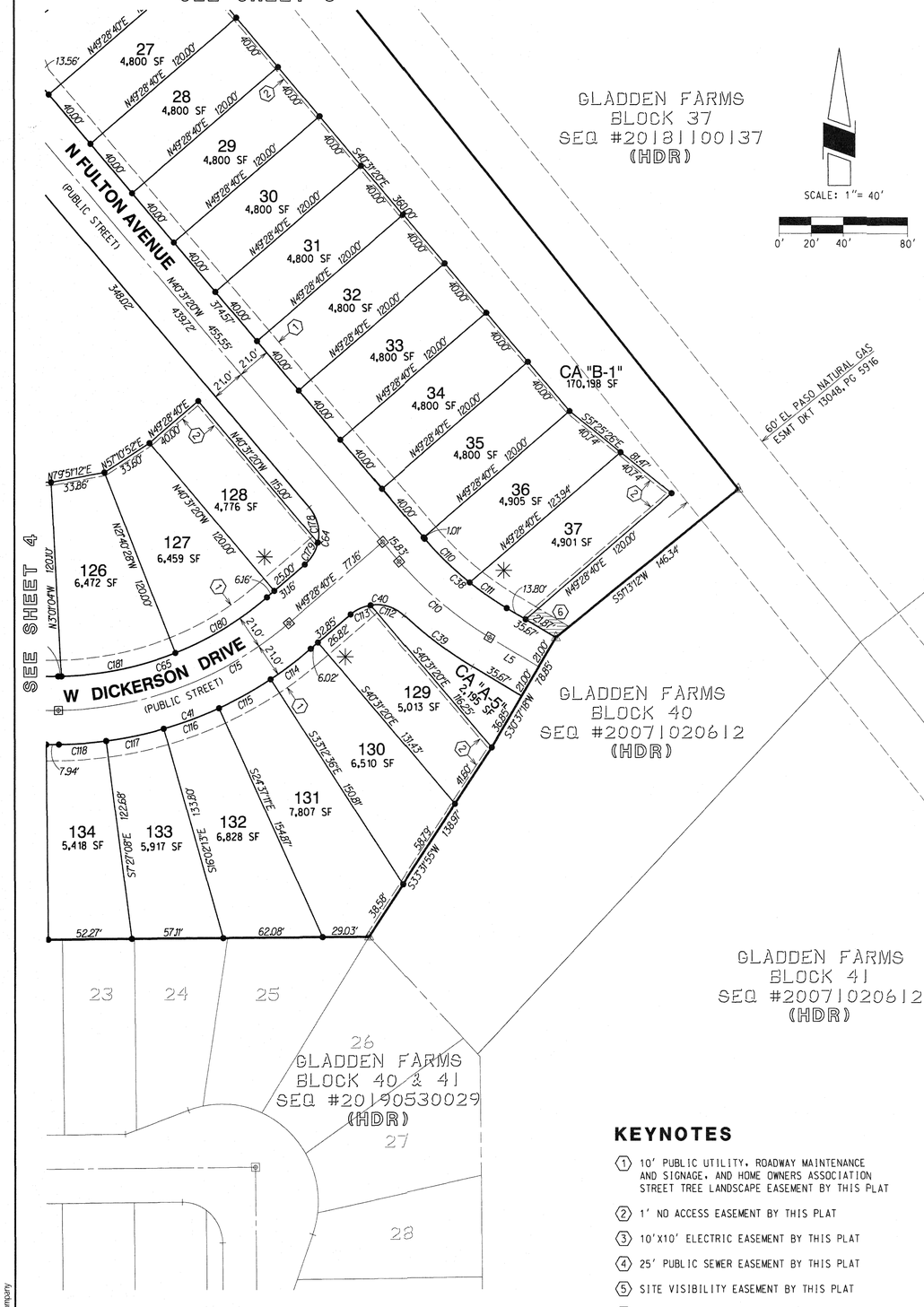
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SEQUENCE #2019



LINE TABLE		
LINE #	LENGTH	DIRECTION
L1	51.57'	S65°25'06"E
L2	26.30'	S49°28'40"W
L3	32.22'	S66°45'02"W
L4	16.13'	S74°17'05"E
L5	35.67'	N59°22'42"W
L6	5.57'	S65°25'06"E
L7	20.86'	S19°26'14"E
L8	14.59'	N31°38'17"W
L9	13.99'	S87°40'44"W
L10	19.77'	S67°42'48"W
L11	14.14'	S44°27'18"W
L12	14.14'	N45°32'42"W
L13	25.21'	S11°20'28"E
L14	21.98'	S17°42'18"W
L15	20.00'	N45°31'57"E
L16	32.94'	S08°31'26"W
L17	24.33'	S22°14'02"W
L18	29.70'	S20°25'06"E
L19	60.00'	S85°26'04"E
L20	60.00'	N46°14'13"E
L21	30.38'	N85°36'45"W
L22	60.00'	S28°06'00"W
L23	60.00'	S14°30'38"E
L24	29.68'	S04°30'31"W
L25	60.00'	S58°12'34"E
L26	60.00'	N69°29'38"E

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C1	51.79'	35.00'	84°47'03"
C2	135.21'	845.00'	9°10'05"
C3	500.98'	755.00'	38°01'08"
C4	277.39'	700.00'	22°42'16"
C5	408.04'	600.00'	38°57'54"
C6	92.85'	600.00'	8°51'58"
C7	135.58'	250.00'	31°04'17"
C8	131.55'	1000.00'	7°32'14"
C9	349.65'	500.00'	40°04'02"
C10	74.05'	225.00'	18°51'22"
C11	418.64'	600.00'	39°58'38"
C12	118.88'	300.00'	22°42'16"
C13	63.85'	225.00'	16°15'37"
C14	148.43'	225.00'	37°47'50"
C15	156.99'	225.00'	39°58'38"
C16	55.68'	700.00'	4°33'26"
C17	221.71'	700.00'	18°08'50"
C18	151.59'	600.00'	14°28'33"
C19	256.45'	600.00'	24°29'21"
C20	269.07'	679.00'	22°42'16"
C21	422.32'	621.00'	38°57'54"
C22	91.11'	621.00'	8°24'22"
C23	39.07'	25.00'	89°32'24"
C24	54.98'	35.00'	90°00'00"
C25	54.98'	35.00'	90°00'00"
C26	39.27'	25.00'	90°00'00"
C27	137.89'	60.00'	131°40'17"
C28	116.29'	271.00'	24°35'13"
C29	128.79'	979.00'	7°32'14"
C30	143.87'	60.00'	137°23'22"
C31	278.35'	521.00'	30°36'40"
C32	45.28'	25.00'	103°46'16"
C33	90.28'	579.00'	8°56'01"
C34	38.27'	25.00'	87°43'02"
C35	114.41'	321.00'	20°25'18"
C36	350.97'	579.00'	34°43'50"
C37	133.73'	60.00'	127°42'11"
C38	67.14'	204.00'	18°51'22"
C39	53.52'	246.00'	12°27'52"
C40	36.48'	25.00'	83°36'30"
C41	171.64'	246.00'	39°58'38"
C42	39.59'	25.00'	90°44'20"
C43	9.30'	721.00'	0°44'20"
C44	39.27'	25.00'	90°00'00"
C45	124.19'	229.00'	31°04'17"
C46	124.31'	1021.00'	6°58'33"
C47	47.55'	25.00'	108°58'20"
C48	77.64'	204.00'	21°48'20"
C49	23.69'	204.00'	6°39'17"
C50	43.46'	25.00'	99°36'20"

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C51	89.60'	579.00'	8°51'58"
C52	36.55'	25.00'	83°46'22"
C53	42.64'	246.00'	9°55'57"
C54	122.66'	246.00'	28°34'10"
C55	33.70'	25.00'	77°13'49"
C56	42.42'	25.00'	97°13'30"
C57	285.20'	479.00'	34°06'51"
C58	37.47'	25.00'	85°52'21"
C59	205.01'	579.00'	20°17'14"
C60	40.22'	25.00'	92°10'14"
C61	95.52'	279.00'	19°36'57"
C62	414.35'	621.00'	38°13'46"
C63	38.51'	25.00'	88°15'08"
C64	39.27'	25.00'	90°00'00"
C65	142.34'	204.00'	39°58'38"
C66	35.85'	25.00'	82°10'15"
C67	175.64'	721.00'	13°57'27"
C68	34.24'	25.00'	78°27'47"
C69	5.03'	25.00'	11°32'13"
C70	22.44'	60.00'	21°25'27"
C71	33.90'	60.00'	32°22'20"
C72	48.90'	60.00'	46°41'43"
C73	32.65'	60.00'	31°10'48"
C74	27.21'	271.00'	5°45'07"
C75	40.73'	271.00'	8°36'44"
C76	40.06'	271.00'	8°28'13"
C77	8.29'	271.00'	1°45'09"
C78	40.05'	979.00'	2°20'38"
C79	40.00'	979.00'	2°20'28"
C80	40.02'	1027.68'	2°13'53"
C81	8.71'	402.04'	1°14'29"
C82	28.18'	60.00'	26°54'45"
C83	34.21'	60.00'	32°39'59"
C84	77.19'	60.00'	73°42'49"
C85	4.29'	60.00'	4°05'49"
C86	35.04'	521.00'	3°51'12"
C87	38.53'	521.00'	4°14'14"
C88	38.53'	521.00'	4°14'14"
C89	38.53'	521.00'	4°14'14"
C90	38.53'	521.00'	4°14'14"
C91	38.53'	521.00'	4°14'14"
C92	38.53'	521.00'	4°14'14"
C93	12.13'	521.00'	1°20'04"
C94	40.66'	321.00'	7°15'25"
C95	40.59'	321.00'	7°14'41"
C96	33.17'	321.00'	5°55'13"
C97	12.58'	579.00'	1°14'42"
C98	48.36'	579.00'	4°47'10"
C99	48.36'	579.00'	4°47'10"
C100	48.36'	579.00'	4°47'10"

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C101	48.36'	579.00'	4°47'10"
C102	48.36'	579.00'	4°47'10"
C103	48.36'	579.00'	4°47'10"
C104	48.20'	579.00'	4°46'10"
C105	10.34'	60.00'	9°52'31"
C106	46.42'	60.00'	44°19'54"
C107	30.39'	60.00'	29°01'13"
C108	30.32'	60.00'	28°57'18"
C109	16.25'	60.00'	15°31'14"
C110	39.23'	204.00'	11°01'08"
C111	27.90'	204.00'	7°50'15"
C112	22.60'	25.00'	51°47'58"
C113	13.88'	25.00'	31°48'32"
C114	31.39'	246.00'	7°18'44"
C115	36.88'	246.00'	8°35'25"
C116	36.85'	246.00'	8°34'58"
C117	36.86'	246.00'	8°35'05"
C118	29.66'	246.00'	6°54'26"
C119	16.01'	25.00'	36°41'33"
C120	23.58'	25.00'	54°02'47"
C121	24.62'	679.00'	2°04'40"
C122	40.09'	679.00'	3°22'59"
C123	199.82'	679.35'	16°51'11"
C124	4.53'	332.04'	0°46'52"
C125	14.18'	621.00'	1°18'31"
C126	38.76'	621.00'	3°34'34"
C127	38.76'	621.00'	3°34'34"
C128	38.76'	621.00'	3°34'34"
C129	38.76'	621.00'	3°34'34"
C130	38.76'	621.00'	3°34'34"
C131	38.76'	621.00'	3°34'34"
C132	38.76'	621.00'	3°34'34"
C133	38.76'	621.00'	3°34'34"
C134	38.76'	621.00'	3°34'34"
C135	38.76'	621.00'	3°34'34"
C136	20.56'	621.00'	1°53'48"
C137	18.40'	621.00'	1°41'51"
C138	38.76'	621.00'	3°34'34"
C139	33.95'	621.00'	3°07'57"
C140	4.83'	25.00'	11°04'37"
C141	34.24'	25.00'	78°27'47"
C142	42.10'	204.00'	11°49'25"
C143	35.54'	204.00'	9°58'55"
C144	24.68'	246.00'	5°44'56"
C145	37.03'	246.00'	8°37'27"
C146	37.03'	246.00'	8°37'27"
C147	23.92'	246.00'	5°34'20"
C148	10.73'	25.00'	24°35'57"
C149	22.96'	25.00'	52°37'52"
C150	28.60'	25.00'	65°33'24"

CURVE TABLE			
CURVE #	LENGTH	RADIUS	DELTA
C151	13.82'	25.00'	31°40'06"
C152	43.47'	479.00'	5°12'00"
C153	50.58'	479.00'	6°02'59"
C154	50.58'	479.00'	6°02'59"
C155	50.58'	479.00'	6°02'59"
C156	50.58'	479.00'	6°02'59"
C157	39.41'	479.00'	4°42'53"
C158	4.97'	25.00'	11°23'35"
C159	32.50'	25.00'	74°28'46"
C160	28.28'	25.00'	64°48'48"
C161	11.94'	25.00'	27°21'27"
C162	42.00'	279.00'	8°37'33"
C163	53.52'	279.00'	10°59'25"
C164	8.35'	621.00'	0°46'14"
C165	38.21'	621.00'	3°31'32"
C166	38.11'	621.00'	3°30'59"
C167	38.16'	621.00'	3°31'16"
C168	38.16'	621.00'	3°31'16"
C169	38.16'	621.00'	3°31'16"
C170	38.16'	621.00'	3°31'16"
C171	38.16'	621.00'	3°31'16"
C172	38.16'	621.00'	3°31'16"
C173	38.16'	621.00'	3°31'16"
C174	38.16'	621.00'	3°31'16"
C175	24.37'	621.00'	2°14'55"
C176	15.32'	25.00'	35°07'19"
C177	23.18'	25.00'	53°07'48"
C178	23.18'	25.00'	53°07'48"
C179	16.09'	25.00'	36°52'12"
C180	67.11'	204.00'	18°50'52"
C181	73.15'	204.00'	20°32'45"
C182	2.08'	204.00'	0°35'01"
C183	5.73'	25.00'	13°08'02"
C184	30.12'	25.00'	69°02'13"
C185	41.64'	755.00'	3°09'37"
C186	46.89'	755.00'	3°33'30"
C187	47.02'	755.00'	3°34'07"
C188	47.16'	755.00'	3°34'45"
C189	13.13'	755.00'	0°59'47"
C190	305.13'	755.00'	23°09'22"

SVT LINE TABLE		
LINE #	LENGTH	DIRECTION
SVL1	33.57'	N28°09'28"E
SVL2	30.03'	S14°40'09"W

KEYNOTES

1. 10' PUBLIC UTILITY, ROADWAY MAINTENANCE AND SIGNAGE, AND HOME OWNERS ASSOCIATION STREET TREE LANDSCAPE EASEMENT BY THIS PLAT
2. 1' NO ACCESS EASEMENT BY THIS PLAT
3. 10'X10' ELECTRIC EASEMENT BY THIS PLAT
4. 25' PUBLIC SEWER EASEMENT BY THIS PLAT
5. SITE VISIBILITY EASEMENT BY THIS PLAT
6. 10' STRIP ELECTRIC EASEMENT BY THIS PLAT

SEE SHEET 5 FOR LINE AND CURVE TABLES

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
17479
DOUGLAS E. SCHNEIDER
Date Signed 10/31/19
ARIZONA U.S.A.

FINAL PLAT FOR

GLADDEN FARMS BLOCKS 36&40

LOTS 1-176 &
COMMON AREAS "A-1"-"A-7", "B-1"-"B-5"
COMMON AREA "A's (LANDSCAPE, UTILITIES AND DRAINAGE)
COMMON AREA "B's (FUNCTIONAL OPEN SPACE, UTILITIES AND DRAINAGE)
BEING A RESUBDIVISION OF BLOCKS 36 AND A PORTION OF BLOCK 40
OF GLADDEN FARMS 26-43 BOOK 62, PAGE 64, SECTION 35, TOWNSHIP 11 SOUTH
RANGE 11 EAST, GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

PRV 1901-002, PCZ-05028, PRV-06073F

PRV 1905-001
SHEET 5 OF 5

SEQUENCE #2019

SEQUENCE #2019 _____

RICK ENGINEERING COMPANY
Tucson
3945 EAST FORT LOWELL ROAD - SUITE 111
TUCSON, AZ 85712
520-795-1000
J-4453
rickengineering.com
San Diego - Riverside - Orange - Sacramento - San Luis Obispo - Phoenix - Denver

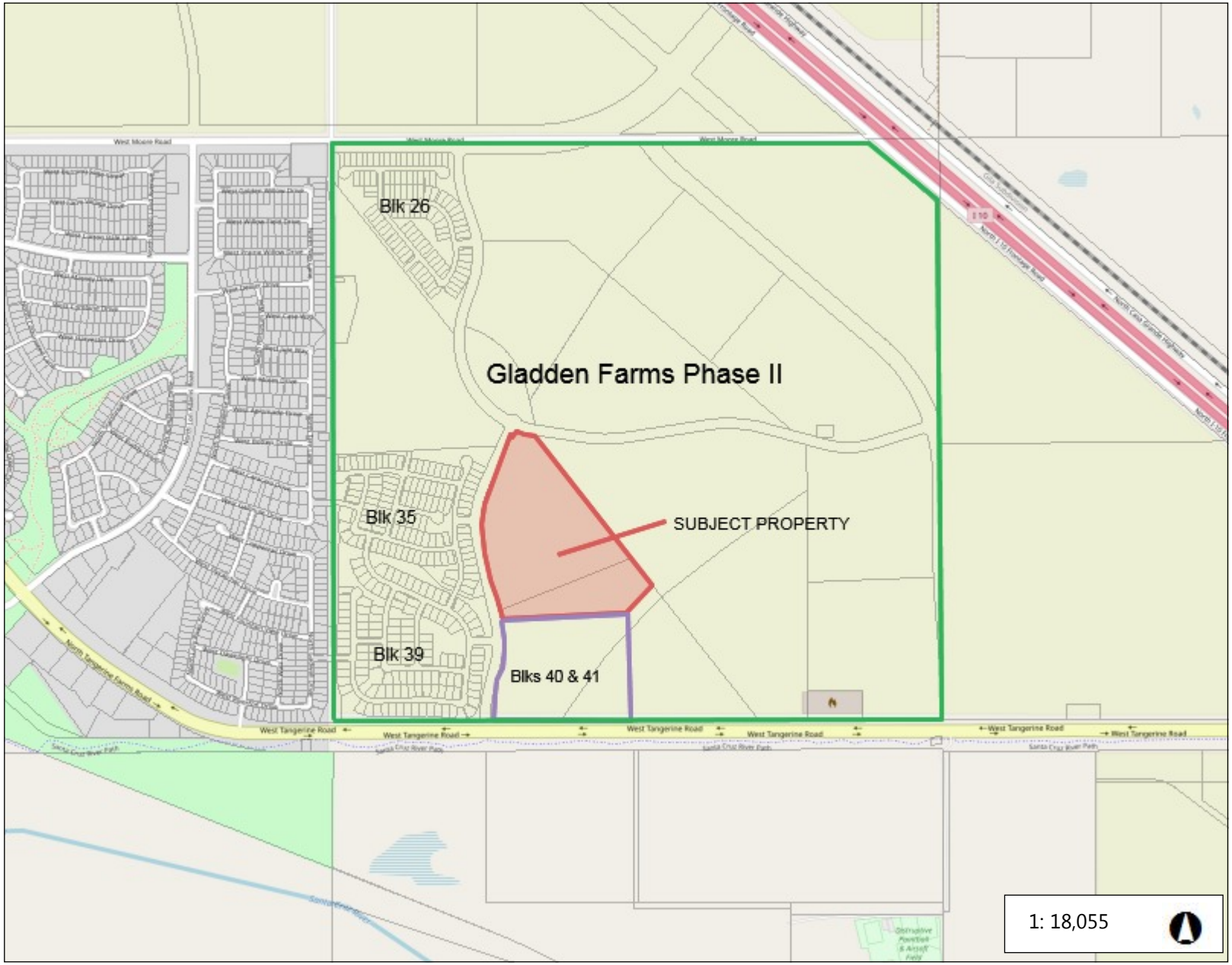
© 2019 Rick Engineering Company

G:\GLADDEN_II\4453_Blocks_36_40\Civil\TUC CorpStds 2005.dscript

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Town of Marana Planning

Gladden Farms Blocks 36 & 40





Legend

- Marana Addresses
- Marana Town Limits
- Parcels (Black)

Notes

0.6 0 0.28 0.6 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

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This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION

MARANA AZ

Development Services / maranaplanning@maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641 / maranaAZ.gov

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
❑ Rezone	❑ Minor Land Division	❑ Significant Land Use Change	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
☒ Plat	❑ Improvement Plan	❑ Report (Type): _____	❑ Other: _____

PROJECT INFORMATION

Project Name: Gladden Farms II Blocks 36 & 40	
Description of Project: Final Plat	Number of Lots: 176
Parcel No.(s): 217-54-0210 and a portion of 217-54-025A	Gross Area (Acres): 34.3
Project Address: Administrative Address: 12360 N Midfield Road, Marana, AZ 85653	
Ref. Project No.: PRV1901-002	

CONTACT INFORMATION

Owner: Fidelity National Title Agency Inc,Trust#60423	Contact Name: Dean Wingert		
Address: 333 E. Wetmore Road, Suite 250	City: Tucson	State: AZ	Zip: 85705
Email: dwingert@crownwest.com	Phone No.: (520) 888-3962		
Applicant: Rick Engineering Company, Inc.	Contact Name: Hannah Wong		
Address: 3945 E. Fort Lowell Road, Suite 111	City: Tucson	State: AZ	Zip: 85712
Email: hwong@rickengineering.com	Phone No.: (520) 795-1000		
Consultant/Engineer: Rick Engineering Company,Inc	Contact Name: Bruce Paton		
Address: 3945 E. Fort Lowell Road, Suite 111	City: Tucson	State: AZ	Zip: 85712
Email: bpaton@rickengineering.com	Phone No.: (520) 795-1000		

OWNER/APPLICANT AUTHORIZATION

I hereby certify that the information set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Hannah Wong		05/07/19
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY **Project No.** PRV1905-001 **Date Received** 5/8/19

Revision Date 03/29/2019

Council-Regular Meeting **C3**

Meeting Date: 11/19/2019

To: Mayor and Council

From: Lisa Shafer, Community Development Director

Date: November 19, 2019

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2019-117: Relating to Community and Neighborhood Services; approving and authorizing the Mayor to execute Amendment No. 1 to the intergovernmental agreement between Pima County and the Town of Marana for the management and implementation of the 2019-2020 Community Development Block Grant Program (Lisa Shafer)

Discussion:

The Community Development Block Grant (CDBG) program, established by Congress in 1974, provides communities with resources to address a wide range of unique community development needs. Administered by the U.S. Department of Housing and Urban Development (HUD), the CDBG program provides annual grant funding, on a formula basis, to 1209 general units of local government and states. HUD awards grants to entitlement community grantees to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.

Entitlement communities develop their own programs and funding priorities. However, grantees must give maximum feasible priority to activities which benefit low- and moderate-income persons. A grantee may also carry out activities which aid in the prevention or elimination of slums or blight. Additionally, grantees may fund activities when the grantee certifies that the activities meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet these broad national objectives.

Eligible grantees include: principal cities of Metropolitan Statistical Areas (MSAs); other metropolitan cities with populations of at least 50,000; and qualified urban counties with

populations of at least 200,000 (excluding the population of entitled cities). HUD determines the amount of each entitlement grant by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. Because the Town does not meet the entitled communities criteria yet, any CDBG funding received by the Town must be allocated by Pima County. These funds are subject to both the federal CDBG guidelines and the HUD-approved plan developed by Pima County. The Town is able to apply for use of a portion of Pima County's CDBG funding through an annual proposal process.

Earlier this year the Town applied for funding in four specific programs (Colonia Neighborhood Cleanup, Emergency Home Repair and Owner Occupied Housing Rehabilitation) and for funding to cover the cost of administering programs that address the needs of low-to moderate-income families. Pima County awarded the Town of Marana $60,000 from the 2019-2020 Community Development Block Grant Program. The grant provided funding for Administration ($13,000), Colonia Clean-up ($10,000), Emergency Home Repair ($18,500) and Owner Occupied Housing Rehabilitation ($18,500). This is same amount of funding from as the past two funding cycles. Pima County has chosen to amend the 2018-2019 contract by extending the termination date to September 30, 2020 and adding the new $60,000 award amount.

Financial Impact:

Fiscal Year:	2020
Budgeted Y/N:	Yes
Amount:	$60,000

This funding does not require any match or leveraged funding. All services will be provided with direct cost reimbursement.

Staff Recommendation:

Staff recommends approval of Amendment No. 1 to the intergovernmental agreement between Pima County and the Town of Marana for the management and implementation of the 2019-2020 Community Development Block Grant Program.

Suggested Motion:

I move to adopt Resolution No. 2019-117, approving and authorizing the Mayor to execute Amendment No. 1 to the intergovernmental agreement between Pima County and the Town of Marana for the management and implementation of the 2019-2020 Community Development Block Grant Program.

Attachments

Resolution No. 2019-117

MARANA RESOLUTION NO. 2019-117

RELATING TO COMMMUNITY AND NEIGHBORHOOD SERVICES; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 1 TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN PIMA COUNTY AND THE TOWN OF MARANA FOR THE MANAGEMENT AND IMPLEMENTATION OF THE 2019-2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

WHEREAS the Town of Marana recognizes the need to provide safe affordable housing and neighborhood infrastructure for its citizens and has applied for Community Development Block Grant (CDBG) funding for these purposes; and

WHEREAS on October 16, 2018 Council approved Resolution 2018-099 authorizing an intergovernmental agreement between Pima County and the Town of Marana for the management and implementation of the 2018-2019 CDBG program; and

WHEREAS Pima County has been awarded funding from the U.S. Department for Housing and Urban Development under the CDBG program for the 2019-2020 federal fiscal year; and

WHEREAS the Town of Marana has been selected as a sub-grantee through Pima County's proposal process; and

WHEREAS Pima County and the Town of Marana may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. §11-952 *et seq.*; and

WHEREAS the Mayor and Council of the Town of Marana find it is in the best interests of its citizens to approve this Amendment No. 1 to the intergovernmental agreement extending the term of the agreement to September 30, 2020 and approving a $60,000 maximum allocated amount for the 2019-2020 fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, AS FOLLOWS:

SECTION 1. Amendment No. 1 to the intergovernmental agreement between Pima County and the Town of Marana, in the form attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved, and the Mayor is hereby authorized and directed to execute it for and on behalf of the Town of Marana.

SECTION 2. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, and objectives of the intergovernmental agreement.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 19th day of November, 2019.

Mayor Ed Honea

ATTEST:

Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

Pima County Community Development and Neighborhood Conservation Department

Program: Management and Implementation of the Community Development Block Grant (CDBG) Program

Contractor: Town of Marana
11555 West Civic Center Drive
Marana, Arizona 85653

Contract No.: CT-CD-19-253

Contract Amendment No.: One (1)

Original Contract Term:	10/01/18-09/30/19	Orig. Contract Amount:	$60,000.00
Termination Date Prior Amendment:	N/A	Prior Amendments Amount:	-0-
Termination Date This Amendment:	09/30/2020	This Amendment Amount:	$60,000.00
		Revised Total Amount:	$120,000.00

DUNS No.: 098034143				
Research or Development:	☐ Yes ☒ No			
Federal Contract No.: B-19-UC-04-0502				
Required Match:	☐ Yes ☒ No	**Match Amount:**		
Indirect Cost Rate:	☐ Federal	☐ NICR	☐ de minimis	☒ None
Status of Contractor:	☒ Subrecipient	☐ Contractor		

CFDA	Program Description	Nation Funding	Pima County Award
14.218	Community Development Block Grant (CDBG)	FY19 $3,365,000,000	FY 19 $2,945,544.00

AMENDMENT NO. ONE (1)

1.0 BACKGROUND AND PURPOSE. .

1.1. Background.

1.1.1. On October 16, 2018, Pima County ("County") and the Town of Marana, ("Subrecipient"), entered into the above-referenced Intergovernmental Agreement to provide eligible CDBG activities for income-qualified persons and households in the Town of Marana.

1.1.2. County applied for and received Community Development Block Grant ("CDBG") funds in the amount of $2,945,544.00 from the U.S. Department of Housing and Urban Development ("HUD"), under Title I of the Housing and Community Development Act of 1974, as amended (Public Law 93-383) for Federal Fiscal Year 2019-2020 ("FY 2019-2020").

1.1.3. Under solicitation number CDNC-10-15-18-CDBG-ESG ("the 2019-20 Community Planning Application"), County sought proposals for programs and activities that would qualify for CDBG funding during Federal Fiscal Year 2019-20.

1.2. Purpose: This Amendment extends the term and increases CDBG funding to Subrecipient for the following reasons:

1.2.1. Subrecipient submitted response to the 2019-20 Community Planning Application seeking to continue providing the management and implementation of the CDBG program in the Town of Marana ("the Program").

1.2.2. County has determined that the continuation of the Program as proposed in Subrecipient's response to the Community Planning Application are eligible for CDBG funding and in the best interests of residents of Pima County.

1.2.3. On May 7, 2019 the Pima County Board of Supervisors:

1.2.3.1. Authorized inclusion of Subrecipient's proposal for use of CDBG funds in the 2019-2020 Community Planning Application that County submitted to HUD.

1.2.3.2. Passed Resolution No. 2019-31 approving the allocation of $60,000 of 2019-2020 CDBG funds to Subrecipient.

2.0 TERM AND EXTENSIONS, SECTION 1.0.

Pursuant to **paragraph 1.2.3**, County exercises one year of the available five years continuation period. This Contract will terminate on **September 30, 2020**.

3.0 COMPENSATION AND PAYMENT, SECTION 4.0.

3.1 **Paragraph 4.1** is amended to increase the Maximum Allocated Amount:

FROM: $60,000.00

TO: $120,000.00

3.2 **Paragraph 4.2**, is replaced with the following:

Payment will be made from CDBG grant funds County has been awarded from HUD ("the awarding Agency") as follows:

CDBG Grant Year	Maximum Allocated Amount	Amount Expended	Amount Available
FY 2018-2019	$60,000.00	$60,00.00	$0.00
FY 2019-2020	$60,000.00	-0-	$60,000.00
TOTAL	**$120,000.00**	$60,000.000	$60,00.00

3.3 **Paragraph 4.4** is amended to add the following:

Pursuant to the agreement between HUD and County (Pima County Contract No. B-19-UC-04-0502) **and the Pima County Board of Supervisor's approval of this allocation of CDBG funds to Subrecipient on May 7, 2019, Subrecipient may be reimbursed for FY 2019-2020 activities under this Agreement from and after October 1, 2019. Notwithstanding the limitations above, Subrecipient may be reimbursed for administrative costs incurred for performance under this Agreement between July 1, 2019 and June 30, 2020**.

3.4. Paragraph 4.18.1 is deleted in its entirety and replaced with the following:

Pursuant to 2 CFR §2400.101, unless excepted under 24 CFR chapters I through IX, the cost principles set forth in 2 CFR part 200, Subpart E, as may be modified by amendments and additions, will be used to determine whether an incurred cost will be reimbursed under this Agreement.

4.0 NOTICE, SECTION 18.0 is amended to change County's contact:

FROM: Margaret Kish, Director

TO: Daniel Tylutki, Interim Director

5.0 ISRAEL BOYCOTT CERTIFICATION, SECTION 33.0 – is added to read:

Pursuant to A.R.S. § 35-393.01, if Contractor engages in for-profit activity and has 10 or more employees, and if this Contract has a value of $100,000.00 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

6.0 EXHIBIT A – SCOPE OF WORK Except as set forth with specificity below, the provisions of **Exhibit A** remain in full force and effect:

6.1. **Budget, Section 8**, the table is deleted in its entirety and replaced with the following:

CDBG Activities	FY 2018-19 Budget	FY 2019-20 Budget
Administration	$13,000.00	$13,000.00
Colonia Neighborhood Cleanup	$10,000.00	$10,000.00
Emergency Home Repair	$18,500.00	$18,500.00
Owner-Occupied Housing	$18,500.00	$18,500.00
Total	**$60,000.00**	**$60,000.00**

6.2 Funds allocated for FY 2018-2019, but not expended, will not be available for services during FY 2019-2020.

This amendment is effective September 30, 2019.

All other provisions of this Agreement, not specifically changed by this amendment, will remain in effect and be binding upon the parties.

THIS AGREEMENT MAY BE SIGNED IN COUNTERPARTS

PIMA COUNTY

_____
Chairman, Board of Supervisors

Date: _____

ATTEST:

_____
Clerk of the Board Date

APPROVED AS TO CONTENT:

_____
Director, Community Development & Neighborhood Conservation

APPROVED AS TO FORM:

_____
Karen S. Friar, Deputy County Attorney

TOWN OF MARANA

_____
Mayor, Town of Marana

Date: _____

ATTEST:

_____
Town Clerk Date

APPROVED AS TO FORM:

_____
Frank Cassidy, Town Attorney

Council-Regular Meeting **C4**

Meeting Date: 11/19/2019

To: Mayor and Council

From: Cherry L. Lawson, Town Clerk

Date: November 19, 2019

Subject: Approval of the Regular Council Meeting Summary Minutes of November 5, 2019 (Cherry Lawson)

Attachments

Regular Council Meeting Summary Draft Minutes, 11/05/2019

MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING

11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers November 5, 2019, at or after 7:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Mayor Honea called the meeting to order at 7:00 PM and directed the Clerk to call the roll. **Vice Mayor Jon Post; Council Members Dave Bowen, Patti Comerford (Excused), Herb Kai, Roxanne Ziegler and John Officer** were present. There was a quorum of council members present constituting a quorum.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by **Mayor Honea**.

APPROVAL OF AGENDA

Council Member Kai moved and Council Member Ziegler second the motion approving the Agenda. Motion passes, 6-0.

CALL TO THE PUBLIC

Mayor Honea opened the meeting to receive public comment and the following individual provided comments.

Loren S. Gamez commented on the increased traffic near Marana High School and the Bayer Greenhouse. He asked whether the Town could do something to improve the traffic flow in that area.

PROCLAMATIONS

P1 Proclaiming support for the 2019 YMCA Community Military Celebration (Cherry Lawson)

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

Vice Mayor Post commented on having been away during the month of October, but thanked the Council for its graciousness to allow him the opportunity to take that time off each year. He reported on the events of the pumpkin patch stating he had approximately 90,000 people who came through the pumpkin patch. He appreciated the police for doing traffic control. This will be the last time it will be held in the Town, but appreciate everyone who came out.

Mayor Honea reported on several events that he had attended stating he and Paula Bloomer went to the K-8 Stem School at Dove Mountain and spoke to approximately 500 students as well as providing them swag from the Town. He commented on the Chamber Walk reaching out to businesses on Ina Road stating most of the businesses and owners were thrilled with it as well as the progress in Town. He and **Town Manager Jamsheed Mehta** had an opportunity to go with Sun Corridor to Caterpillar new plant. He spoke favorably about the new plant as well as the benefits to its employees. He and **Mr. Mehta** also attended Common Ground MPA the Star Pass, Marana did not win any of the awards; however, we were recognized for two of the projects Marana had completed—Sign Code and app for Ina Road Construction. Also reported that he had done the Wake-up Tucson Show.

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Mr. Mehta reported the Marana Sign Code Update was a finalist in the Common Ground Award through the efforts of Town Staff and approved by the Council six to eight months ago. The other award was the Project Ina Business Support Program. Several departments participated in that and Marana was a finalist in that category. He acknowledged the Executive Report materials provided to Council that provides updates on the number of building permits issued—81 new permits issued for single-family that includes model homes as well. The Town is hosting its' Town of Marana Rewards and Recognition Program. One of the elements of the program for employees is the service awards which is being hosted tomorrow, November 6, 2019 as a breakfast event from 9 a.m. until 10:30 a.m. The Town will host the Marana Momentum Alliance: Senior & Veterans Services Fair from 1 p.m. to 4 p.m. at the Marana Community Center on N. Lon Adams Road.

DRAFT

Council Member Ziegler commented on Sun Corridor stating they had never been her favorite type of people that Council renewed its contract after some 12 or more years had passed. She asked what they have done for Marana lately. That is one reason why she does not see them favorably. Sun Corridor had not done anything for Marana when the town was paying them over $50,000. Now that Council has brought them back paying them $10,000, she would like to see a report of its activities (six months to one year). Council needs to look at that after one year's time to see what they have actually done for Marana. **Mayor Honea** stated he spoke to the officials with Caterpillar that Sun Corridor worked very hard with Caterpillar and over 1/3 of the employees live in Marana. That Caterpillar is bringing in people to work.

Council Member Ziegler stated she has heard that for 15 years, but she is referring to businesses coming into Marana—not another pizza place, wine cellar, or nail salon. That is what we have been waiting for; some progress for some time. She does appreciate when Sun Corridor has something there, people move to Marana. She is looking at a direct impact to Marana.

Mr. Mehta stated he would be glad to provide Council with a six month report on the type of efforts that Marana and Sun Corridor are working on, and what those results may lead to. He would make that available to Council periodically. **Council Member Ziegler** a six month report would be good to receive. **Vice Mayor Post** offered **Council Member Ziegler** the opportunity to take his place at those meetings as Sun Corridor reviews its progress on projects.

Council Member Ziegler stated she stays on top of their activities as she reads notifications from them. When she sees a brick and mortar business being built in Marana, then she would support their efforts.

Town Attorney Frank Cassidy explained this is a time on the agenda for reports and does not allow for the interactive exchange of conversation.

PRESENTATIONS

P1 Relating to Budget; presentation of first quarter results (July-September) for the Town's General Fund and other selected major funds for the 2019-2020 fiscal year (Yiannis Kalaitzidis)

Finance Director Yiannis Kalaitzidis provided a PowerPoint Presentation on the first quarter results for the Town's General Fund and other selected major funds for the 2019-2020 fiscal year. *(A copy of the presentation is on file in the Town Clerk's Office, and the video is on available on the Town's website for viewing.)*

CONSENT AGENDA

DRAFT

C1 Relating to Procurement; ratifying the Town Manager's approval of seven change orders to the Pavex Corp. construction contract for the Airport Rehabilitation of Taxiways, Tie Downs, Helicopter Pad, and Terminal Apron (AP025) for a total amount of $169,917.97; authorizing the transfer of appropriations if necessary for the change orders; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change orders (Steve Miller)

C2 Resolution No. 2019-112: Relating to Personnel; approving and adopting amendments to the Town's Personnel Policies and Procedures, revising Chapter 4 - Employment Benefits and Leaves by amending Section 4-4-2 "Town-Approved Holidays" to add New Year's Eve (Curry C. Hale)

C3 Approval of Study Session Meeting Summary Minutes of October 29, 2019, the Regular Council Meeting Summary Minutes of October 15, 2019, and Study Session Meeting Summary Minutes of October 8, 2019 (Cherry L. Lawson)

Council Member Bowen moved and Council Member Kai second the motion approving the Consent Agenda. Motion passes, 6-0.

LIQUOR LICENSES

L1 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding a new series #012 Restaurant Liquor License application submitted by Jayesh C. Patel on behalf of Spice Garden Indian Cuisine, located at 5815 W. Arizona Pavilions Drive #155 Tucson, Arizona 85743 (Cherry L. Lawson)

Council Member Ziegler moved and Council Member Bowen second the motion approving a recommendation to the Arizona Department of Liquor Licenses and Control regarding a new series #012 Restaurant Liquor License application submitted by Jayesh C. Patel on behalf of Spice Garden Indian Cuisine, located5815 W. Arizona Pavilions Drive, #155 Tucson, Arizona 85743. Motion passes, 6-0.

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 Resolution No. 2019-113: Relating to Utilities; authorizing Town staff to apply for a Clean Water State Revolving Fund loan from the Water Infrastructure Finance Authority of Arizona (WIFA) to fund additional construction costs for the Adonis Lift Station and Force Main Project (WR015); and approving the transfer of up to $475,000 in budgeted expenditure authority from the General Fund contingency line item in the fiscal year 2019-2020 budget to the Adonis Lift Station and Force Main project (WR015)

DRAFT

to cover a budgetary shortfall for additional costs for the construction of the project (Scott Schladweiler)

Water Director Scott Schladweiler provided an overview of this item stating the Town recently open bids for the Adonis Lift Station and Force Main Project and the low bid came in at just over $1Mil which was 30% more than our consultant engineers had estimated. He has reviewed the bids and have spoken with two of the contractors. One of the things that they have seen over the last 12 months a steady increase to the material cost to the contractors that bid the project. He stated in order to continue this project, he is requesting an increase in budget capacity in the amount of $475,000. That amount over the $363,000 shortfall will cover any contingencies for unknown or unforeseen circumstances during construction. If the additional funds are not needed, the Town will not spend it.

The second request seeks Council's approval to apply for a second loan from WIFA. The loan proceeds would be used to cover the additional cost and reimburse the General Fund Contingency where funds would be temporary taken from to support the project. **Mr. Schladweiler** continued stating in speaking with WIFA, if the Town applies for the loan in the amount of $475,000, the same terms would apply as with the original loan. There would be a 50% forgivable principle available to the Town on that, though not guaranteed.

Council Member Kai ask whether the second loan through WIFA is difficult to obtain. **Mr. Schladweiler** replied stating the Town would go through the same process. In speaking with WIFA, the have the capacity and availability to do this and funds to disperse. The Town would have to complete the loan application, WIFA would have to take the application to its board in December for approval. At that point, it is likely to be approved in February 2020. Those funds would be available to us this fiscal year—February or early March.

Council Member Ziegler inquired about the interest rate of the second loan as the interest rate on the first was three (3%) percent. **Mr. Schladweiler** replied stating this second loan would be similar to the first, although he does not have the rate amount at hand until the loan has been locked in. **Council Member Ziegler** asked when the Town would have the interest rate. **Mr. Schladweiler** stated December would likely be the earliest time, but that the loan would be locked in until February.

Council Member Bowen commented on the bids stating he noticed the bid amount was approximately 30% higher than was originally estimated. He asked why the difference in the amount. **Mr. Schladweiler** stated in reviewing the bids, there was not one item that stood out and presented an issue within. The bid estimates were compared to the other submitted bids it was a steady percentage throughout the bid on all materials. **Council Member Bowen** asked how long ago was the original estimate provided. **Mr. Schladweiler** stated for this project, it was in April 2019.

Vice Mayor Post moved and Council Member Kai second the motion to approve Resolution No. 2019-113. Motion passes, 6-0.

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Relating to Public Art; presentation, discussion and feedback regarding multiple public art concepts for construction and installation in the newly designated Downtown Marana area, at the roundabout located at Sandario Road and Marana Main Street (Heath Vescovi-Chiordi)

Assistant to the Town Manager Heath Vescovi-Chiordi provided a PowerPoint overview of this item stating, the Town is presenting some public art concepts that the Town is looking to install in the downtown area at the roundabout at Sandario and Marana Main Street. This project is also a wonderful example of collaboration in utilizing Transportation Art by Youth, (TABY funds) provided by the Pima Association of Governments, as well as working with students and instructors from Marana High School Welding Program and local artist **Trevor O'Toole**. By leveraging the various resources, we are able to create a unique art install that the town will enjoy as well as being a unique identifier. He presented various renderings of public art for consideration to be installed and ask for direction of the Council.

The Town has secured the TABY grant once again from Pima Association of Governments in the amount of $75,000, and have transferred $25,000 from the Downtown Reinvestment Funds to augment that $75,000 for a total of $100,000. The Town would like to create an art piece for the center of the roundabout on Sandario that would act as a unique identifier for the town and as a gateway to the downtown Marana area. Through an RFP in May 2018, the Town was able to contract the same artist who sculpted the deer's at Tangerine Sky Park, **Mr. O'Toole** to design an art piece for the roundabout.

Mr. Vescovi-Chiordi stated in order to construct and design this new concept, the Town would once again work with MUSD its Welding Program and its instructor who will help to construct and install the art piece once it has been constructed. Three different concepts were presented to the Council for its consideration and direction: 1) Coyote Pack referencing the wildlife in Marana; 2) Deconstructed Abstract Marana Logo representing the fields and water in our agriculture; 3) Horse and Rider developed in house as well as with **Mr. O'Toole**, and the Communications Department and is an homage around Marana and the Sonoran Desert, and another version of 3) the Horse and Rider Concept.

Mayor Honea stated he had an opportunity to review the renderings on a larger scale in the Town Manager's Office. Although all are very good renderings, he likes the third option of the Rider and the Steer as it says North Marana. There are many ranches and burro races in this area, cap and steer roping in this area. If you want people to come

out to this area to see our history, he really likes those as well as the solid deer's that were built. He complimented **Mr. O'Toole** for his work. He would prefer the red color much like the deer at Tangerine Sky Park, and would give it a natural look.

Council Member Ziegler complimented **Mr. O'Toole** on the deer, but does not like the logo design. She too concur with **Mayor Honea** in his selection, but ask whether the design was only referring to North Marana or the entire Marana community.

Mayor Honea replied stating the deer is native to the area of Tangerine Sky Park, as there are many equestrian riders in this area of Marana. **Council Member Ziegler** asked whether the color of the paint would be the same as the deer. **Mr. Vescovi-Chiordi** stated the paint can be customized, but that having direction from Council would ensure that the artist and Town are aware at the start and place that information in the construction phase of the design with the welding students.

Mayor Honea stated he feels that the art install should be painted so to add a naturalness to the design.

Council Member Officer stated he likes the solid horse and rider without paint, and commented anything that is painted has to be painted in the future. **Mr. Vescovi-Chiordi** stated part of the TABY grant is that a maintenance program is built into the grant. The Town will work-out the details.

Council Member Ziegler inquired of the price of the project and what that amount includes. **Mr. Vescovi-Chiordi** stated the proposed landscaped area was originally projected to be much higher in cost, and the art would come in at $75,000. **Council Member Ziegler** stated Council would prefer the grass area be included. **Mr. Vescovi-Chiordi** stated there would be a landscaping element included with the project to compliment the work.

D2 Relating to Development and Public Works; update, discussion, and possible direction regarding public and private projects and development applications on the Town's Marana Current and Proposed Projects internet site (Jason Angell)

Development Services Director Jason Angell provided an overview of those projects new and ongoing that are currently on the Town's website. He responded to questions from Council.

D3 Relating to Legislation and Government Actions; discussion and possible action regarding all pending state, federal, and local legislation/government actions and on recent and upcoming meetings of the other governmental bodies (Jamsheed Mehta)

Mr. Mehta stated he does not have a report to provide to Council; however, Town staff would place on Council's calendar a legislative meeting for December 3 to include the Town's State Legislature District 9 and 11 for a breakfast meeting. This would provide Council with an opportunity to share its thoughts and hear what the priorities are from the legislature.

EXECUTIVE SESSIONS

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

FUTURE AGENDA ITEMS

Notwithstanding the mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT

Vice Mayor Post moved and Council Member Officer second the motion to adjourn the meeting. Motion passes, 6-0. Meeting adjourned at 7:59 PM.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on November 5, 2019. I further certify that a quorum was present.

_____

Cherry L. Lawson, Town Clerk

DRAFT

Council-Regular Meeting **B1**

Meeting Date: 11/19/2019

To: Mayor and Council

From: Jane Fairall, Deputy Town Attorney

Date: November 19, 2019

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2019-118: Relating to Benefits; appointing Yiannis Kalaitzidis as a Trustee for the Marana Health Care Benefits Trust for a four-year term; and making additional Trustee appointments for the Marana Health Care Benefits Trust (Jane Fairall)

Discussion:

At the Council's June 11, 2019 Study Session, Town staff gave a presentation regarding the Town's self-funded insurance program and the statutory requirement that the Town establish a trust fund for the program. A copy of the PowerPoint from that presentation is included within the agenda materials for the Council's information. To summarize, in 2014, the Town of Marana moved from fully-funded health and dental insurance benefits to a self-funded program for those benefits. A.R.S. §11-981 requires any municipality with a self-funded program that is located in a county with a population of more than one million people to establish a trust fund for the self-insurance program. As Pima County has now moved past the one million mark in population, the Town is required to establish a trust fund.

At the June 11 meeting, staff presented a draft Trust Document and sought feedback from the Council regarding the document, specifically regarding section 3.02, which sets forth the number and identity of the Trustees for the trust. Based on feedback from the Council, staff drafted section 3.02 to provide that there will be five Trustees, with no more than one Trustee being a Town employee, and no Trustees being a member of the Council. On August 6, 2019, the Council adopted Resolution No. 2019-068, establishing the Marana Health Care Benefits Trust and approving the Trust Document. A copy of the Trust Document is included in the Council's packet for reference.

After the August 6 meeting, Town staff advertised for applicants to serve in four of the Trustee positions for the Marana Health Care Benefits Trust. Per the approved Trust Document, applicants must have expertise in at least one of the following fields: finance, employee benefits, health care, human resources, or risk management, and must reside in Pima or Pinal County. Each Trustee will serve a four-year term, unless a term is terminated earlier. The initial terms for the first Trustees will be as follows: two Trustees to serve an initial term of two years; and three Trustees to serve an initial term of four years. The Council will determine which of the first four Trustees will serve the two-year and four-year terms.

On October 15, 2019, the Council adopted Resolution No. 2019-107, establishing a special council committee to receive and review applications for and make recommendations to the Town Council regarding appointment of Trustees for the Marana Health Care Benefits Trust, and authorizing the Mayor to appoint three members of the Marana Town Council to the special committee. The Mayor appointed Councilmembers Bowen, Comerford, and Kai to serve on the special committee.

On November 5, 2019, the Council Committee met and reviewed the application materials of the seven candidates who applied. The application materials for all seven candidates are attached to this item for the Council's convenience. After deliberation and discussion in executive session and in open session, the Council Committee voted to recommend to the full Town Council the following appointments: Cameron Lewis and Matthew Haertzen to serve 4-year terms, and Thomas Plantz and Franklin Garret to serve 2-year terms.

For the fifth Trustee, Town staff is recommending that the Council appoint the Town's Finance Director, Yiannis Kalaitzidis, to serve as a Trustee with a 4-year term.

Pursuant to section 2-6-2(E) of the Marana Town Code, at tonight's meeting, the Town Council may do one or more of the following:

1. Interview one or more applicants either in public or in an executive session scheduled for that purpose.
2. Make one or more appointments.
3. Order the solicitation of additional applications.
4. Take any other action it deems appropriate.

Staff Recommendation:

Staff recommends that Finance Director Yiannis Kalaitzidis be appointed as a Trustee for the Marana Health Care Benefits Trust, to serve a 4-year term, and that Council make additional appointments at its discretion. The Council Committee voted to recommend to the full Town Council the following appointments: Cameron Lewis and Matthew Haertzen to serve 4-year terms, and Thomas Plantz and Franklin Garret to serve 2-year terms.

Suggested Motion:

I move to adopt Resolution No. 2019-118, appointing Yiannis Kalaitzidis as a Trustee for the Marana Health Care Benefits Trust for a 4-year term; and appointing _____ and _____ as Trustees for the Marana Health Care Benefits Trust for 4-year terms; and appointing _____ and _____ as Trustees for the Marana Health Care Benefits Trust for 2-year terms.

Attachments

Resolution No. 2019-118
Power Point
Trust Document
Linda Crotts Cover Letter
Linda Crotts Email of Interest HBT
Linda Crotts Resume Updated
Franklin Garrett 2019 Resume
Franklin Garret Email of Interest HBT
Matt Haertzen HCBT Application
Matt Haertzen Email of Interest HBT
Virginia Lee Hockemeyer Resume 2019
Virginia Lee Hockemeyer Cover Letter
Cameron Lewis Current Resume
Cameron Lewis Cover Letter
David Parker Cover Letter
David Parker Resume
Thomas Plantz Resume
Thomas Plantz Email of Interest HBT
Thomas Plantz Letter of Interest

MARANA RESOLUTION NO. 2019-118

RELATING TO BENEFITS; APPOINTING YIANNIS KALAITZIDIS AS A TRUSTEE FOR THE MARANA HEALTH CARE BENEFITS TRUST FOR A FOUR-YEAR TERM; AND MAKING ADDITIONAL TRUSTEE APPOINTMENTS FOR THE MARANA HEALTH CARE BENEFITS TRUST

WHEREAS on August 6, 2019, the Town Council adopted Resolution No. 2019-068, establishing the Marana Health Care Benefits Trust and approving the Trust Document, to satisfy the requirements of Arizona Revised Statutes (A.R.S.) Section 11-981; and

WHEREAS section 3.02 of the Trust Document provides that there shall be five Trustees for the Trust, that no Trustee may be a current or former member of the Council, that no Trustee may be a former employee of the Town, and that no more than one Trustee may be an employee of the Town; and

WHEREAS on October 15, 2019, the Town Council adopted Resolution No. 2019-107, establishing a special Council Committee to receive and review applications for and make recommendations to the Town Council regarding appointment of Trustees for the Marana Health Care Benefits Trust; and

WHEREAS the Council Committee has reviewed the applications and has made its recommendation to the full Council; and

WHEREAS Town staff recommends the appointment of Finance Director Yiannis Kalaitzidis as a Trustee for the Marana Health Care Benefits Trust; and

WHEREAS the Mayor and Council find that the appointments addressed by this resolution are in the best interest of the Town and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, that Yiannis Kalaitzidis is hereby appointed as a Trustee for the Marana Health Care Benefits Trust for a 4-year term, that _____ and _____ are hereby appointed as Trustees for the Marana Health Care Benefits Trust for 4-year terms, and that _____ and _____ are hereby appointed as Trustees for the Marana Health Care Benefits Trust for 2-year terms.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 19th day of November, 2019.

Mayor Ed Honea

ATTEST:

Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

MARANA AZ

Health Benefits Trust

Curry C. Hale, Human Resources Director
Jane Fairall, Deputy Town Attorney

Background

- In 2014, the Town moved from a fully-funded model to a self-funded model for health insurance benefits
  - Had previously moved to self-funded for dental benefits in 2010
- Rather than paying a fixed premium to an insurance carrier, the Town budgets for and pays claims costs based on participant utilization of benefits

MARANA AZ

Benefits of Self-Funding

- Control/flexibility of plan design
  - Allows for more customized, tailored plan design
  - Better aligns funding with wellness and population health management strategies
- Better/more timely access to claims data
- Cost
  - Mitigates marginal risk and profit charge inherent in fully-insured premium
  - Improved cash flow and interest earning

MARANA AZ

Current Status of Self-Funded Program

	Employees	Premium Paid [1]	Medical Paid Claims [2]	Rx Paid Claims	Stop Loss	Total Net Paid Claims	Fixed Costs [3]	Estimated Gain / (Loss)	Total Loss Ratio
18-19 Net Avg PEPM	326	$1,030.65	$1,058.93	$210.64	($496.44)	$773.14	$164.21	$93.30	90.9%
17-18 Net Avg PEPM	309	$1,037.25	$647.85	$309.51	($36.50)	$920.87	$172.11	($55.73)	105.4%
16-17 Net Avg PEPM	316	$1,000.77	$509.27	$256.88	($14.03)	$752.12	$172.41	$76.24	92.4%
15-16 Net Avg PEPM	317	$942.34	$587.29	$200.90	($28.17)	$760.01	$162.04	$20.28	97.8%
14-15 Net Avg PEPM	305	$958.06	$499.05	$146.65	$0.00	$645.71	$153.08	$159.28	83.4%

- Medical plan self-funded 7/1/14
- Total Loss Ratio (premiums paid by employee and employer vs. claims paid out)
  - Below 100% is a gain (funds reserves)
  - Above 100% is a loss
- FY18 loss funded through reserves
- Medical reserve- $640,407.18*
  - *includes a receivable of $1,207,406.89 in June

Current Status of Self-Funded Program

	Employees	Premium Funding	Paid Claims	Fixed Costs	Total Cost	Estimated Gain / (Loss)	Total Loss Ratio
18-19 Net Avg PEPM	331	$78.64	$65.52	$4.85	$70.37	$8.36	89.5%
17-18 Net Avg PEPM	299	$80.24	$61.72	$4.85	$66.57	$13.67	83.0%
16-17 Net Avg PEPM	299	$80.24	$64.21	$4.69	$68.90	$11.34	85.9%
15-16 Net Avg PEPM	282	$82.91	$58.38	$4.79	$63.18	$19.74	76.2%
14-15 Net Avg PEPM	264	$78.08	$61.62	$4.60	$66.22	$11.86	84.8%
13-14 Net Avg PEPM	255	$77.94	$52.86	$4.58	$57.44	$20.50	73.7%
12-13 Net Avg PEPM	239	$76.89	$56.90	$4.29	$61.19	$15.70	79.6%
11-12 Net Avg PEPM	223	$75.77	$56.06	$4.33	$60.38	$15.38	79.7%
10-11 Net Avg PEPM	214	$64.90	$61.99	$4.44	$66.43	($1.52)	102.3%

- Dental plan self-funded 7/1/2010
- Total Loss Ratio- gains funding reserves since FY12
- Dental reserve- $443,246.04

Note: Total self-funded reserve (medical & dental)- $1,083,653.22

MARANA AZ

A.R.S. §11-981

State statute provides requirements for a municipality that establishes a self-funded program for employee benefits, when that municipality is located in a county with a population of 1,000,000 people or more

Statutory Requirements

- The Town shall:
  - Place the funds for the self-funded program in a trust fund, in amounts as determined by the Council
  - Designate a licensed risk management consultant or insurance administrator to assist in administration of the fund; license must be verified by Council
  - Appoint at least 5 joint trustees to administer the trust
  - Bond the trustees

Statutory Requirements (Continued)

- The Town shall:
  - Incorporate a stop-loss provision in the trust agreement
    - Stop-loss insurance creates maximum liability for the trust – insurance carrier assumes risk of loss beyond the stop loss threshold
  - Procure an annual audit by an external auditor; keep a copy of the audit report on file with the Town for at least 5 years
  - Not spend any money from the trust fund for any purpose not related to the fund
  - Revert funds in the trust fund to the general fund if the trust fund is no longer used by the Town

Miscellaneous Statutory Provisions

- Expenditures from and monies in the trust fund are not subject to statutory local government budget process
- Town's authority under this statute not subject to A.R.S. Title 20 (Insurance), but the insurance plans shall conform to the requirements of title 20
- Town not authorized to procure insurance from an insurer not authorized by the state Department of Insurance

Draft Trust Document

- Draft Trust Document created
  - Keeping in mind general purposes behind the creation of the trust
  - Reviewed best practices around the state
    - Cities of Peoria and Chandler
    - Town of Gilbert
    - Northern Arizona Public Employees Benefit Trust
    - Dysart Unified School District

Responsibilities & Powers of Trustees

- The Trustees may:
  - Adopt policies, rules and procedures for the administration of the Trust
  - Authorize the Plan Administrator (HR Director) or designee to retain the services of actuaries, auditors, engineers, private consultants, administrators and advisors as the Trustees consider necessary to carry out the business and purposes of the Trust
  - Seek private outside legal counsel when legal advice is considered necessary; for routine matters associated with administration of the Trust, the Trustees may seek counsel from the Town Attorney or designee
  - Recommend modifications of the terms and conditions of the Trust document to the Council
  - Authorize the Plan Administrator or designee to administer the day-to-day affairs of the Trust

MARANA AZ

Management of Trust

- The Trustees have the power to manage the Trust as follows:
  - To maintain the funds in a separate Trust account, at a financial institution approved by the Town
  - To request that appropriate Town staff provide services to the Trust
  - To keep full and accurate accounts, books, and records concerning the fund
  - To prosecute or defend actions, claims, or proceedings necessary or advisable for the protection of the Trust

Management of Trust (continued)

- The Trustees have the power to manage the Trust as follows:
  - To determine the appropriate amount of funds that the Trust should hold as Restricted Reserve, based on accepted actuarial standards and consistent with accounting principles generally accepted in the United States
    - Restricted Reserve = amount needed to pay Plan claims that are incurred but not reported, and also Plan claims that are incurred but not paid; amount must be attested to by an actuary who has been engaged to provide services to the Trust
  - To permit a Premium Holiday (i.e., period of time in which the Trust waives the total premium), but only if the holiday would not cause the funds to fall below the Restricted Reserve plus an amount equal to 6 months of premium payments for the Plan

Management of Trust (continued)

- The Trustees do NOT have authority or responsibility for the following:
  - Selecting and engaging an external auditor for the Trust
  - Selecting and purchasing stop-loss coverage for the Trust
  - Engaging third parties to provide services for the Plan
  - Designing, adopting, amending, or terminating the Plan
  - Ensuring that the Plan complies with state or federal laws mandating the terms of the Plan
  - Determining what portion of Plan premiums should be paid by Participants and Beneficiaries
  - Collecting premiums from Participants or Beneficiaries
- These responsibilities remain with the Town

Contributions

- The Trustees shall determine the total premium that shall be required to participate in the Plan at each coverage level (e.g., individual coverage, family coverage)
- In determining premiums, the Trustees shall consult with the risk management consultant or insurance administrator engaged to assist the Trust, the Plan Administrator, and the Finance Director, and shall also consult with an actuary familiar with the Trust and the Plan
- The Trustees shall consider all reasonable factors, including:
  - Amount of reserves in the Trust,
  - Claims experience of the Plan and Trust
  - Market conditions
  - Cost trends
- The Trustees shall determine the total premium no less frequently than annually, but the Trustees have the authority to increase premiums more frequently if reasonably necessary to protect the financial stability of the Trust

Contributions (continued)

- The Town determines if a portion of the premium should be paid by Participants and Beneficiaries, and what portion
- The Town is responsible for collecting such portion from Participants and Beneficiaries and forwarding those monies to the Trust for deposit

Specific Decision Points

- Town must appoint at least 5 joint trustees to administer the trust
  - 1 trustee may be – but is not required to be - a member of the Council
  - 1 trustee may be – but is not required to be – an employee of the Town
  - No guidance in statute as to trustees otherwise

MARANA AZ

Health Benefits Trust

Feedback and Questions

MARANA HEALTH CARE BENEFITS TRUST

RECITALS

WHEREAS the Town of Marana, Arizona ("Marana") currently provides certain welfare benefits for certain of its employees, former employees, elected officials, and their beneficiaries;

WHEREAS Arizona law permits Marana to establish a self-insurance program for the management and administration of health benefits;

WHEREAS Arizona law requires that the funding for such self-insurance program be deposited in a trust;

WHEREAS Marana has established such a self-insurance program;

WHEREAS Marana intends the trust established by this document (this "Trust Document") to satisfy the requirements of Arizona Revised Statutes (A.R.S.) Section 11-981;

WHEREAS Marana intends the trust established by this Trust Document to be exempt from taxation pursuant to Section 115 of the Internal Revenue Code; and

WHEREAS Marana wishes trustees to hold and administer the Funds (defined below), in trust, pursuant to the terms of this Trust Document;

NOW, THEREFORE, in consideration of the foregoing Marana establishes the following Trust:

ARTICLE I
DEFINITIONS

"Account" means the bank or investment account(s) established by the Trustees to hold some or all of the Funds.

"Beneficiary" means a person designated by a Participant who is or may become entitled to a benefit under the Plan.

"Code" means the Internal Revenue Code of 1986, as amended.

"Council" means the Marana Town Council.

"Employee" means an individual that Marana classifies and treats as an employee (not as an independent contractor) for payroll purposes, regardless of whether the individual is subsequently reclassified as an employee of Marana in a court order, in a settlement of an administrative or judicial proceeding, or in a determination by the Internal Revenue Service, the Department of the Treasury, or the Department of Labor.

"Finance Director" means the individual engaged by the Town Manager to select, manage, and invest Marana's funds, subject to the investment guidelines established by the Council and Marana's Finance Department.

"Funds" means the assets of the Trust, in whatever form or location.

"Governmental Trust" means a trust that is exempt from taxation pursuant to Section 115 of the Internal Revenue Code.

"Marana" means the Town of Marana, Arizona.

"Participant" means an Employee or Marana elected official who is eligible to participate and is participating in the Plan; for purposes of this definition, a former Employee who has elected continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 is a Participant.

"Plan" means the specified group insurance pursuant to which Marana provides self-insured health care benefits to Participants and Beneficiaries and shall include any amendments, endorsements, or riders attached to the insurance.

"Plan Administrator" means Marana's Human Resources Director.

"Plan Year" means the fiscal year of the Plan.

"Premium Holiday" means a designated period of time in which the Trust waives the total premium (the amount established by the Trustees pursuant to Section 5.01(a)).

"Restricted Reserve" means the amount needed to pay Plan claims that are incurred but not reported, and also Plan claims that are incurred but not paid. The amount shall be as attested

to by an actuary who has been engaged to provide services to the Trust and as approved by the Trustees.

"Restricted-Plus-Six Reserve" means the Restricted Reserve plus an amount equal to six months of premium payments for the Plan.

"Trust" means the legal entity established pursuant to this Trust Document.

"Trustees" means the Trustees described in this Trust Document.

ARTICLE II
ESTABLISHMENT OF TRUST

Section 2.01. Establishment. Marana hereby establishes the Trust, consisting of such monies as Marana may deposit from time to time in the Account; plus all other money or property as shall lawfully become a part of the Trust; plus all the earnings, income, gains, appreciation and all other increments of any nature from the foregoing; and less payments made pursuant to this Trust Document. The Trust shall become effective only upon the determination of Marana's Town Attorney that this document is in proper form and is within the power and authority of the Council, and upon the approval of the Council.

Section 2.02. Name. The Trust shall be known as the Marana Health Care Benefits Trust.

Section 2.03. Purpose.

(a) The Funds shall be held, invested, reinvested, and administered by the Trustees in accordance with the terms of the Plan and the terms of this Trust Document, solely in the interest of Participants and Beneficiaries and for the purpose of providing benefits to the Participants and their Beneficiaries and defraying the reasonable expenses of administering the Plan and the Trust.

(b) The purpose of the Trust is to fund health, welfare and related benefits, consistent with the restrictions contained in Code Section 115 and other applicable law, for the benefit of Participants and Beneficiaries, in accordance with the Plan.

(c) The successful operation and administration of the Trust requires communication and cooperation among the Trustees, the Council, Town Management, Town Staff, Employees, and other third parties. Decisions made by the Trustees regarding operation and administration of the Trust should take into account input from designated stakeholders.

ARTICLE III
ORGANIZATION AND OPERATION OF TRUSTEES

Section 3.01. Appointment. The Council shall appoint individuals to serve as Trustees overseeing the management and administration of the Trust. The Council shall consider and may appoint any individual, provided that the number and identity of the appointed Trustees shall conform to the requirements of this Article. Each Trustee so appointed shall accept the appointment in writing and shall confirm in writing that the Trustee agrees to hold and administer the Funds, in trust, pursuant to the terms of this Trust Document.

Section 3.02. Number and Identity. There shall be five Trustees. No Trustee may be a member of the Council. No more than one Trustee may be an employee of Marana. No former member of the Council or former employee shall be a Trustee. With the exception of the employee Trustee, if any, a Trustee shall have expertise in the field of finance, employee benefits, health care, human resources, or risk management, and shall reside in Pima or Pinal County.

Section 3.03. Bonding. All Trustees shall be bonded in an amount to be approved by the Town Manager. This requirement may be satisfied by a blanket performance bond or other coverage provided by Marana.

Section 3.04. Officers. At the commencement of each Plan Year, the Trustees shall elect a Chairperson and a Secretary from among themselves. The Chairperson shall preside over the work of the Trustees pursuant to this Trust Document. The Secretary shall preside in the Chairperson's absence. The Secretary shall cause to be maintained accurate records of all actions of the Trustees, including minutes from all Trustees' meetings. A copy of the minutes shall be retained as a record of the Trust's activities.

Section 3.05. Term. Each Trustee shall serve a four-year term, unless a term is terminated earlier as described in this Article. Notwithstanding the foregoing, the initial terms for the first five Trustees shall be as follows: two Trustees to serve an initial term of two years; and three Trustees to serve an initial term of four years. The Council shall determine which of the first five Trustees shall serve the two-year and four-year terms.

Section 3.06. Termination. The term of any Trustee shall automatically terminate upon the earliest of the following: death; resignation; removal; failure to attend three consecutive meetings; or, for a Trustee who is an employee of Marana, the termination of such employment.

Section 3.07. Resignation of a Trustee. A Trustee may resign by giving 60 days' prior written notice to the Chairman. The Chairman may exercise discretion to waive or reduce the 60-day requirement, but shall not waive the written-notice requirement. The notice shall state the effective date of resignation. The resignation shall take effect on its stated effective date unless a new Trustee is appointed and accepts appointment prior to the stated effective date, in which case the date of acceptance shall constitute the effective date of the resignation. Upon the effective date of the resignation, the resigning Trustee shall be discharged from any further duty or responsibility under the Trust, and the resigning Trustee shall deliver to the Chairman (or to the Secretary, if the Chairman is resigning) any and all property in his or her possession or control which belongs to the Plan or Trust.

Section 3.08. Removal of a Trustee. A Trustee may be removed pursuant to Marana Town Code Section 2-6-2(G). Upon the effective date of the removal, the removed Trustee shall be discharged from any further duty or responsibility under the Trust, and the removed Trustee shall deliver to the Chairman (or to the Secretary, if the Chairman is being removed) any and all property in his or her possession or control which belongs to the Plan or Trust.

Section 3.09. Meetings. The Trustees shall meet whenever required to provide for the orderly and timely administration of the business of the Plan and the Trust at such location as may be acceptable to the Trustees, but no less than four times per Plan Year. In calling, providing notice of, and holding meetings, the Trustees shall conform to applicable law.

Section 3.10. Quorum. A quorum shall consist of three Trustees.

Section 3.11. Voting. Each Trustee shall have one vote. All actions by and decisions of the Trustees shall be the affirmative vote of a majority of the number of the Trustees attending a duly called meeting of the Trustees at which there is a quorum present.

Section 3.12. Exculpation and Indemnification of the Trustees.

(a) ***Reliance***. A Trustee may act or rely upon any of the following:

(i) Any instrument, application, notice, request, signed letter, telegram or other paper or document believed by the Trustee to be genuine and to contain a true statement of facts and to be signed or sent by the proper person; or

(ii) The advice, opinion, records, reports or recommendations of any accountant, actuary, administrator, attorney, consultant, co-trustee, investment agent or investment manager or any other advisor selected by the Trustees with reasonable care.

(b) ***Exculpation of Trustees***. No Trustee shall incur any liability individually or on behalf of other individuals for any action or omission, unless such action or omission is due to the Trustee's own gross negligence, criminal conduct, willful misconduct, or lack of good faith.

(c) ***Indemnification of Trustees***. The Trustees shall cause any person who is or has served as a Trustee to be indemnified out of the Trust against all damages, liabilities and expenses incurred by or imposed on the person in connection with any claim, suit, action or proceeding concerning the Trust or the person's acts or omissions as a Trustee, including, without limitation, legal fees and amounts paid in any compromise or settlement, unless such acts or omissions constitute gross negligence, criminal conduct, willful misconduct, or lack of good faith. Any indemnification provided herein shall be limited to amounts not collected pursuant to valid and enforceable liability insurance policies.

(d) ***Indemnification of Others***. To the extent permitted by law, the Trustees, in their discretion, may also cause the Trust to indemnify any person who is rendering services to the Trust or Plan against all damages, liabilities and expenses incurred by or imposed upon such a person in connection with any claim, suit, action or proceeding concerning the Plan or Trust or the acts or omissions of such a person, including, without limitation, legal fees and amounts paid in any compromise or settlement, unless such act or omission constitutes gross negligence, criminal conduct, willful misconduct, or lack of good faith.

(e) ***Limitation on Indemnification***. Notwithstanding the foregoing, no indemnification shall be provided unless and until:

(i) It is adjudicated that the action or omission did not constitute gross negligence, criminal conduct, willful misconduct, or lack of good faith; or

(ii) The Trust receives a written opinion from legal counsel for the Trust that any such adjudication would have determined that the action or omission did not constitute gross negligence, criminal conduct, willful misconduct, or lack of good faith.

Section 3.13. Compensation of Individual Trustees. An individual Trustee shall not be paid any compensation or reimbursement from the Trust for services provided to the Trust.

Section 3.14. Conflicts of Interest. Each Trustee shall comply with applicable state and federal law concerning conflicts of interest.

Section 3.15. Service in More Than One Fiduciary Capacity. Any individual, entity or group of persons may serve in more than one fiduciary capacity with respect to the Plan, the Trust, or both to the extent such is permitted by law.

ARTICLE IV
RESPONSIBILITIES AND POWERS OF THE TRUSTEES

Section 4.01. In General. The Trustees shall have the power to perform all acts, to take all proceedings, and to exercise all rights and privileges, although not specifically mentioned herein, as the Trustees may deem necessary or advisable to administer and manage the Trust so as to carry out the purposes of this Trust Document and the Plan. The Trustees shall discharge their responsibilities under this Trust Document:

(a) For exclusively governmental purposes, namely providing benefits to Participants and Beneficiaries and defraying the reasonable expenses of administering the Plan and Trust;

(b) With the care, skill, prudence, and diligence under the circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(c) By diversifying the investments of the Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) In accordance with the provisions of the Plan and this Trust Document.

Section 4.02. Discretionary Powers. The Trustees may without limitation do all of the following:

(a) Adopt policies, rules and procedures for the administration of the Trust; provided, however, that these policies, rules and procedures may not be inconsistent with the provisions of this Declaration of Trust or any applicable local, state, or federal law or regulations.

(b) Authorize the Plan Administrator or designee on behalf of the Trust to retain the services of actuaries, auditors, engineers, private consultants, administrators and advisors as the Trustees consider necessary to carry out the business and purposes of the Trust. The Trustees may seek private outside legal counsel when legal advice is considered necessary. For routine matters associated with administration of the Trust, the Trustees may seek counsel from the Town Attorney or designee.

(c) Recommend modifications of the terms and conditions of this Trust document to the Council.

(d) Authorize the Plan Administrator or designee to administer the day-to-day affairs of this Trust.

Section 4.03. Statutory Requirements.

(a) ***Risk Management Consultant or Insurance Administrator.*** Prior to paying Plan expenses on a self-insured basis, the Trustees shall confirm that the Town Manager has designated a risk management consultant or insurance administrator licensed pursuant to Title 20, Chapter 2 of the Arizona Revised Statutes, and the Trustees shall further confirm that such license was verified by the Council prior to such designation.

(b) ***Auditor.*** Marana shall engage an external auditor to perform an annual audit of the Trust. Each audit report shall be kept on file for five years with the Town Clerk. The Trustees shall work and cooperate with such auditor.

(c) ***Stop-Loss.*** Prior to paying any Plan claims on a self-insured basis, the Trustees shall confirm that Marana has procured stop-loss insurance for the Trust from an insurer authorized to do business in Arizona.

Section 4.04. Management. The Trustees shall have the power to manage the Trust, including the acquisition and disposition of property that is in or part of the Trust, as follows:

(a) ***General Authority.*** The Trustees shall have exclusive authority and responsibility with respect to the custody and management of the Trust, except to the extent any such authority has been assigned elsewhere by this Trust Document or has been delegated by the Trustees pursuant to this Trust Document.

(b) ***Separate Account.*** The Trustees have the exclusive responsibility and authority to maintain the Funds in Trust. The Trustees shall maintain the Funds at a financial institution approved by Marana.

(c) ***Contributions and Distributions.*** The Trustees have the authority and responsibility to determine the required contributions to and appropriate distributions from the Trust, as more fully described in Article V.

(d) ***Restricted Reserve.*** The Trustees have the authority and responsibility to determine the appropriate amount of Funds that the Trust should hold as Restricted Reserve, based on accepted actuarial standards and consistent with accounting principles generally accepted in the United States.

(e) ***Premium Holidays.*** No Premium Holiday shall be permitted unless it is recommended by the Trustees. The use of Funds for a Premium Holiday is subject to the following limitations:

(i) ***Premium Holiday.*** The Trustees may determine that Funds in excess of the Restricted-Plus-Six Reserve be used to pay for a Premium Holiday. The Trustees shall not approve a Premium Holiday if the use of Funds for the Premium Holiday would cause the total Funds to fall below the level of the Restricted-Plus-Six Reserve.

(f) ***Service Providers.***

(i) ***For the Trust.*** The Trustees have the authority to request that appropriate Marana staff provide services to the Trust. In addition, the Trustees have the authority to engage suitable third parties to provide services for the Trust. Such authority is exclusive to the Trustees, with the following exceptions: Marana has the authority to select and engage an external auditor for the Trust, and Marana has the authority to select and purchase stop-loss coverage for the Trust.

(ii) ***For the Plan.*** The Trustees do not have the authority to engage third parties to provide services for the Plan.

(iii) ***Payment.*** The Trustees have the authority to pay reasonable compensation and expenses for any parties engaged to provide services for the Trust as set forth above.

(iv) ***Compliance.*** All engagements and payments pursuant to this Section shall comply with applicable procurement laws, policies, and procedures.

(g) ***Accounts, Books, and Records.*** The Trustees have the authority and responsibility to keep full and accurate accounts, books, and records concerning the Fund. All such accounts, books, and records shall be open to inspection in accordance with applicable law.

(i) ***Valuation.*** The Trustees shall cause the Fund to be valued no less than annually and shall forward notice of such value to the Town Council and the Plan Administrator.

(ii) ***Accounting.*** Within a reasonable time after the end of each Plan Year, the Trustees shall provide the Plan Administrator an accounting of the administration of the Trust since the previous accounting. The accounting shall include all transactions of the Trust during the relevant period, as well as all property in the Trust and its fair market value at the end of the relevant period.

(h) ***Legal.*** The Trustees have the authority to prosecute or defend actions, claims, or proceedings necessary or advisable for the protection of the Trust.

Section 4.05. Investments. The Trustees will, through the Finance Director and in accordance with the reasonably prudent investment standard for Trustees, provide for the investment of Trust monies in a manner consistent with the provisions of Arizona Revised Statutes Title 35, Chapter 2, Article 2.1 regarding management of public monies.

Section 4.06. Responsibilities Not Assigned to the Trustees. The Trustees shall have no authority or responsibility for:

(a) Designing, adopting, amending, or terminating the Plan;

(b) Ensuring that the Plan complies with state or federal laws mandating the terms of the Plan;

(c) Determining what portion of Plan premiums should be paid by Participants and Beneficiaries;

(d) Collecting premiums from Participants or Beneficiaries.

Authority and responsibility for the foregoing items in this Section are assigned to Marana, which may delegate this authority and responsibility to a third party.

ARTICLE V
CONTRIBUTIONS TO AND DISTRIBUTIONS FROM THE TRUST

Section 5.01. Contributions

(a) ***Premiums.***

(i) ***Amount***. The Trustees shall determine the total premium that shall be required to participate in the Plan at each coverage level (e.g., individual coverage, family coverage). In determining premiums, the Trustees shall consult with the risk management consultant or insurance administrator engaged to assist the Trust, the Plan Administrator, and the Finance Director, and shall also consult with an actuary familiar with the Trust and the Plan. In determining the total premium, the Trustees shall consider all reasonable factors, including but not limited to the amount of reserves in the Trust, the claims experience of the Plan and Trust, market conditions, and cost trends. The Trustees shall determine the total premium no less frequently than annually, but the Trustees have the authority to increase premiums more frequently if reasonably necessary to protect the financial stability of the Trust. The Trustees may recommend Premium Holidays subject to Section 4.04(e).

(ii) ***Administration***. At its discretion, the Trustees may establish a contribution schedule, adopting a funding policy, or using any similar mechanism to arrange for the orderly contribution of funds to the Trust. Marana shall forward the premiums to the Trust no less frequently than monthly, in accordance with the arrangement adopted by the Trustees. Upon the Trustees' knowledge that Marana is delinquent in its contributions, the Trustees shall promptly provide written notice of the delinquency to the Council, the Town Manager, and the Town Attorney.

(iii) ***Payment By Participants and Beneficiaries***. Marana may determine that a portion of the premium should be paid by Participants and Beneficiaries. In such event, Marana shall be responsible for collecting such portion from Participants and Beneficiaries and forwarding those monies to the Trust for deposit. If a Participant or Beneficiary fails to pay the appropriate portion of his or her premium, Marana shall ensure that the total premium shall nevertheless be paid to the Trust. Marana shall be responsible for recovering delinquent amounts from Participants or Beneficiaries.

(b) ***Other Funding***. The Trustees may permit the Trust to receive additional funding, including but not limited to any one or more of the following: interest, dividends, rebates, gifts, grants, special taxes levied to satisfy judgments, recovery from insurers, subrogation, or reimbursement.

Section 5.02. Distributions. Distributions from the Trust may be made for any of the following:

(a) Paying for or providing benefits to Participants or Beneficiaries, in accordance with the terms, provisions and conditions of the Plan, as determined and directed by the Plan Administrator.

(b) Paying all reasonable expenses of operating, administering, or managing the Plan or Trust, including but not limited to:

(i) Where third parties are engaged to provides services to the Plan or Trust, as described above, compensating such third parties;

(ii) Where Marana employees render services to the Trust or Plan, compensating Marana for such services;

(iii) Where taxes or assessments are levied or imposed upon the Trust or the Plan, paying such taxes or assessments.

(c) Upon termination, pursuant to Section 6.03.

Section 5.03. No Inurement to Private Interests. Except as specified in Section 5.02, at no time shall any part of the principal or income of the Trust inure to the benefit of a private individual or entity.

ARTICLE VI
AMENDMENT AND TERMINATION

Section 6.01. Amendment of Trust. This Trust Document may be amended in writing at any time by the Council. The Trustees may recommend amendments to the Council. Notwithstanding the foregoing, no amendment shall be adopted which alters the basic purpose of the Trust, causes the Trust to lose its status as a Governmental Trust, conflicts with any applicable law or government regulation, causes the use or diversion of any part of the Trust for purposes other than those authorized herein, or retroactively deprives anyone of a vested right or interest.

Section 6.02. Termination of Trust. The Trust shall continue until terminated by the Council in writing. The Council shall supply a copy of the writing to all the Trustees and to the Plan Administrator.

Section 6.03. Distribution Upon Termination.

(a) Upon termination of the Trust, the Trustees shall use the Funds to pay or to provide for the payment of any and all obligations of the Trust and the Plan, and the Trustees shall distribute and allocate the Funds in accordance with the then-current provisions of the Trust and the Plan; provided that, notwithstanding any Plan provision to the contrary, the Funds shall be allocated and distributed in the priorities and according to the categories required by applicable law.

(b) Upon termination of the Trust, after all obligations of the Trust and Plan have been satisfied, any remaining Funds shall revert and be distributed to Marana's general fund.

Section 6.04. Amendment and Termination of Plan. Nothing in this Trust Document shall affect Marana's ability to amend or terminate the Plan.

ARTICLE VII
GENERAL PROVISIONS

Section 7.01. No Right, Title, or Interest. No Employer, Employee, Participant, or Beneficiary shall have any right, title or interest in the Trust or any right to contributions to be made thereto, or any claim against the Trust on account thereof, except as may be provided from time to time by this Trust Document or the Plan, and then only to the extent of the benefits payable to such person under the Plan.

Section 7.02. Nonalienation of Benefits. The Trust shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse, former spouse or any relative, until such payment has been actually received by the person entitled to it. Any attempt to anticipate, alienate, settle, transfer, assign, pledge, encumber, charge or otherwise dispose of the same shall be void. The Trust shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements or torts of any person entitled to benefits under the Plan.

Section 7.03. Prohibition of Diversion.

(a) It shall be impossible by operation of the Trust or by its natural termination, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of the Trust or any funds contributed thereto to be used for or diverted to purposes other than as described herein.

(b) Notwithstanding the foregoing, a contribution made by Marana as the result of a mistake may be returned to Marana if the Trustee so directs, provided that the repayment is not prohibited by applicable law.

Section 7.04. Incompetency. If it is determined that any person entitled to receive benefits is unable to care for his or her affairs because of mental or physical incapacity, the benefits due such person may be paid to his or her legal guardian or conservator, or to any relative by blood or by marriage to be used and applied for the benefit of such person. Payment to such legal representative or relative of the person on whose account benefits are payable shall operate to discharge the payor from any liability to such person or to anyone representing him or her (or his or her interest), and the Trustees shall have no duty or obligation to see that the funds are used or applied for the benefit of such person.

Section 7.05. Notice and Delivery of Documents. Any notice required to be given under this Trust Document may be given in person or by first-class mail. When notice is given by mail, it shall be deemed to have been given as of the date of posting to the last-known address of the addressee available from the Trust records.

Section 7.06. Headings. Titles of articles and headings of sections and subsections are inserted for convenience of reference. They constitute no part of this Trust Document and are not to be considered in the construction hereof.

Section 7.07. Construction. This Trust Document is created and accepted in the State of Arizona. All questions pertaining to its validity or construction not otherwise preempted by federal law shall be determined in accordance with the laws of the State of Arizona. If any provision contained in this Trust Document or in any collective bargaining agreement pursuant to which this Trust Document is created should be held unlawful, such provision shall be of no force and effect and this Trust Document or any such collective bargaining agreement shall be treated as if such provision had not been contained therein.

IN WITNESS HEREOF, the Town of Marana hereby establishes the Marana Healthcare Benefits Trust.

DATED this 6th day of August 2019

TOWN OF MARANA, ARIZONA
A Municipal Corporation

Ed Honea, Mayor

ATTEST:

Cherry Lawson, Town Clerk

APPROVED AS TO FORM

Frank Cassidy, Town Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this 7th day of August 2019, by Ed Honea, the Mayor of the TOWN OF MARANA, ARIZONA, a municipal corporation, on its behalf.

(Seal)

Suzanne Sutherland
Notary Public
Pima County, Arizona
My Comm. Expires 09-11-2022
Commission No. 551302

Notary Public

Linda Crotts

[redacted]

[redacted]

[redacted]

September 5, 2019

Town of Marana/Health Benefits Trust Board

Human Resources Director Curry C. Hale

To: Whom It May Concern

I am interested in the volunteer position as Trustee for the Marana Health Care Benefits Trust. I have experience in Banking, office experience, computer experience and treasurey experience, customer service, management as well as cash handling. I am honest and hard working and strive to do my best.

I would like to be considered for the Trustee position and meet for an interview. I can be reached at [redacted]

Thank you for your consideration and look forward to meeting with you.

Respectfully,

Linda Crotts

Cherry Lawson

From: Curry Hale
Sent: Thursday, October 24, 2019 6:26 PM
To: Cherry Lawson
Subject: FW: Board of Trustees Inquiry

Curry C. Hale, SHRM-SCP, IPMA-SCP
Human Resources Director
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653
(520) 382-1920 (office)
(520) 382-3500 (fax)
www.maranaaz.gov



From: linda crotts [redacted]
Sent: Thursday, September 12, 2019 11:59 AM
To: Curry Hale <chale@MARANAAZ.GOV>
Subject: Re: Board of Trustees Inquiry

PLEASE BE CAUTIOUS
THIS MESSAGE AND SENDER COME FROM OUTSIDE THE TOWN OF MARANA. IF YOU DID NOT EXPECT THIS MESSAGE, PROCEED WITH CAUTION. VERIFY THE SENDER'S IDENTITY BEFORE PERFORMING ANY ACTION, SUCH AS CLICKING ON A LINK OR OPENING AN ATTACHMENT.

Good Morning Mr. Hale,

My banking experience was several years ago as a teller in New Mexico and Arizona. Upon moving back to Arizona I worked at then Valley Bank which is now Chase in Douglas, Az.. I also worked for Banking institutions in Tucson, but they are no longer in existence or have changed to existing Banks. My experience expanded for 4 yrs., I did teller duties and vault duties and then drive through as well as some opening of accounts and Certificates of Deposit and my last Banking duties were in 1993. I was Owner Operator and Treasurer for our Well Co-op "Trico Marana Parcels 9&10" for almost 15 yrs. I handed over the management duties to the now Acting Owner Operator Ken Caproni but I still hold the duties as Treasurer for the Well Co-op account for all members. Mr. Caproni's phone number is [redacted] for a reference. I hope that this will be helpful to you.

Respectfully,
Linda Crotts

> On Wednesday, September 11, 2019, 3:39:06 PM MDT, Curry Hale <chale@MARANAAZ.GOV> wrote:

Ms. Crotts,

Please provide more detailed information regarding your experience in banking and treasury.

Thanks.

Curry C. Hale, SHRM-SCP, IPMA-SCP

Human Resources Director

Town of Marana

11555 West Civic Center Drive

Marana, AZ 85653

(520) 382-1920 (office)

(520) 382-3500 (fax)

www.maranaaz.gov



From: Heath Vescovi-Chiordi <hvchiordi@MARANAAZ.GOV>
Sent: Tuesday, September 10, 2019 4:21 PM
To: Curry Hale <chale@MARANAAZ.GOV>
Cc: Linda Crotts [redacted]>
Subject: Board of Trustees Inquiry

Curry,

Please see the attached documentation from Linda Crotts regarding the Health Benefits Trust Board of Trustees. She has provided her cover letter, as well as her resume. Linda is currently on the Marana Citizens' Forum and is actively engaged within the Town, and would like to throw her name into the ring for consideration for the Board of Trustees.

If you have any questions, please let me know. I have CCd her on this email so you have her contact information.

Thank you, sir.

Heath Vescovi-Chiordi - MPA, AZED Pro

Economic/Downtown Development Specialist

Dept. of Economic Development, Town of Marana

Email:hvchiordi@maranaAZ.gov,

Office: (520) 382-1981
Cell: (480) 252-5808

Instagram:https://www.instagram.com/hvchiordi/?r=nametag

Facebook:https://www.facebook.com/profile.php?id=10127808

MARANA AZ
ECONOMIC DEVELOPMENT
& TOURISM

LINDA S. CROTTS

PERMANENT ADDRESS
[redacted]

Mailing:
[redacted]
Home phone: [redacted]
Email: [redacted]

EDUCATION
High School Diploma, General Education, /1969

Eastern Arizona College 2yrs
Business Administration and Administrative Law

Rio Salado College, State Training and Education programs

Associates Degree in General Studies May of 2011

Member of The Marana Town Council Forum

Experiences:

20 yrs experience working with the public both private and community positions: in Banking, Title agencies and 21 yrs as a State of Arizona Employee helping to ensure that the elderly and disabled individuals have and live a quality of life. Ensuring that needs where met through Health agencies and schools that provide health care services and educational skills. To attend and hold meetings as required. Experince as well as a cashier for the past 6yrs.

I have also servered as the Trico Marana Parcels 9&10 Co-op Well Owner, Treasurer for 15 yrs. Overseeing the management of funds and holding annual meetings with all members to ensure the validity of the Well and operations of the well.

I have been a member of the Town of Marana Council Forum for the past 3 yrs

FRANKLIN G. GARRETT

RESUME`

OF

QUALIFICATIONS

[redacted]

Telephone: [redacted]

SUMMARY: Over 30 years of human resource management experience with an emphasis in benefits planning, implementation, communication and administration. Successful record of helping employees understand and appreciate their health and welfare benefits.

HIGHLIGHTS:

- Set up new Personnel Department for recently expanded community hospital. Directed department growth for 13 years.
- Established and administered one of the first defined-contribution retirement savings plans in a San Diego area hospital.
- Assisted with installation of corporate-wide flexible benefits program for a local affiliate hospital.
- Organized and supervised retirement education programs for employees and their spouses at a 2,200-employee medical center.

EXPERIENCE:

1997 – 2000 **Tri-City Medical Center, Oceanside, CA**
Compensation/Benefits/HRIS Manager

1985 - 1997 **ScrippsHealth, La Jolla, CA**
Director, Employee Relations, Scripps Memorial Hospital-La Jolla

Director of Human Resources, Green Hospital of Scripps Clinic

1971 - 1985 **Bay Hospital Medical Center, Chula Vista, CA**
Director of Personnel Services

1969 - 1971 **Huntington Memorial Hospital, Pasadena, CA**
Personnel Assistant, part time while attending college.

1960 - 1968 **U.S. Navy, Active Duty, various stations including Vietnam theater.**
Enlisted Personnel Specialist, E-6.

EDUCATION: BS in Business Administration, 1971, Major in Personnel Management, California State University, Northridge, California. MBA, 1978, Healthcare Administration, National University, San Diego, California.

Cherry Lawson

From: Curry Hale
Sent: Thursday, October 24, 2019 6:27 PM
To: Cherry Lawson
Subject: FW: Health Care Benefits Trustee Position
Attachments: RESUME' 2019.doc

Curry C. Hale, SHRM-SCP, IPMA-SCP
Human Resources Director
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653
(520) 382-1920 (office)
(520) 382-3500 (fax)
www.maranaaz.gov



From: Frank Garrett [redacted]
Sent: Saturday, September 28, 2019 11:44 AM
To: Curry Hale <chale@MARANAAZ.GOV>
Subject: Health Care Benefits Trustee Position

PLEASE BE CAUTIOUS
THIS MESSAGE AND SENDER COME FROM OUTSIDE THE TOWN OF MARANA. IF YOU DID NOT EXPECT THIS MESSAGE, PROCEED WITH CAUTION. VERIFY THE SENDER'S IDENTITY BEFORE PERFORMING ANY ACTION, SUCH AS CLICKING ON A LINK OR OPENING AN ATTACHMENT.

Greetings,

My name is Franklin "Frank" Garrett and I am applying for a position as trustee for the Marana Health Care Benefits Trust. I believe I have the background you are seeking.

I have attached my resume' to show my qualifications for this position. I am very interested, willing and able to contribute to the community in this capacity.

My contact information includes phone/text: [redacted] or email: [redacted]

Thank you for considering my application.

Sincerely,

Frank Garrett

September 30, 2019

Curry C. Hale
Human Resources Director
Town of Marana
11555 W Civic Center Drive
Marana, AZ 85653

Dear Mr. Hale:

Please accept this letter and résumé as my application for the Marana Health Care Benefits Trust Trustee position advertised in the *Explorer* newspaper.

During my investment career, I have worked with several non-profit investment pools including endowments for both the University of Minnesota and State of Idaho. In addition, I have worked on retirement plans for a small healthcare company and a charter school. I very much enjoy helping non-profit investors to make sure their investments are properly structured and working for them. Beyond the investment industry, I am also currently a member of the Finance faculty and teach Finance classes at the University of Arizona Eller College of Management.

My investing passion and career success both stem from my more than 25 years in the investment community. I began my career with Ameriprise Financial, where I managed a staff of analysts supporting the quantitative mutual fund product line. From there, I went on to work for the University of Minnesota Endowment, a $650 million fund where I was responsible for asset allocation and manager selection. I then joined a trust company in Washington, where I was responsible for managing $600 million in large capitalization stocks. I transitioned to manage a combined $1 billion in assets for the Idaho Endowment Fund, Judge's Retirement System and the Idaho State Insurance Fund in Boise, Idaho.

Though I am relatively new to Tucson, having lived here just over one year now, I currently serve on the board of the Tucson CFA Society. In addition to that, I volunteer as a Study Group Leader for the Osher Lifelong Learning Institute. I enjoy taking an educational focus in my service and have an emphasis on helping everyone understand the true impact of fees and asset allocation on their long-term returns.

I would welcome the opportunity to serve as a trustee on the Marana Health Care Benefits Trust. My background and experience would help me to provide significant contributions to the Town of Marana and its citizens.

Thank you for your consideration of my application.

Sincerely,

[redacted]

Matthew J. Haertzen
Lecturer of Finance
Eller College of Management
Phone: [redacted]
Email: [redacted]

Contact

[redacted]

[redacted]

(LinkedIn)

Top Skills

Portfolio Management

Investments

Valuation

Certifications

Chartered Financial Analyst

Honors-Awards

Eller MBA Most Valuable Professor of the Year Award

Publications

An Investment Analysis of Honduran Teak Plantations

Investing - Challenging Times

Matthew J. Haertzen, CFA

Lecturer of Finance at the University of Arizona - Eller College of Management

Tucson, Arizona

Summary

Experienced educator and investment professional with a demonstrated history of working in the higher education industry. Skilled in Asset Management, Mutual Funds, Corporate Finance, Investment Management, and Alternative Assets. Strong consulting professional.

Experience

University of Arizona - Eller College of Management

Lecturer of Finance

June 2017 - Present

Tucson, Arizona Area

Teach finance and investment courses to undergraduate and graduate students.

Osher Institute at University of Arizona

Volunteer Instructor

September 2018 - Present

Tucson, Arizona Area

Teach several investment related classes in both Tucson and Oro Valley.

WT Wealth Management

Senior Investment Advisor Providing an Education Focused Financial Planning Approach

January 2018 - Present

Tucson, Arizona Area

WT Wealth Management is an SEC registered investment adviser, with in excess of $100 million in assets under management (AUM) with offices in Flagstaff, Scottsdale, Sedona and Tucson AZ.

Four Peaks Wealth Management

Founding Partner and Chief Executive Officer

January 2013 - December 2017 (5 years)

Flagstaff, Arizona Area

Four Peaks Wealth Management, LLC is an independent, employee owned investment management firm dedicated to providing institutional asset management for the individual investor.

* Managed a global tactical asset allocation portfolio on behalf of individual investors.
* Developed marketing material and promoted the Four Peaks investment management product.

Georgia Biofuels, LLC

Consultant

September 2011 - December 2017 (6 years 4 months)

Flagstaff, Arizona Area

Provided financial modeling support for a wood pellet production facility.

* Worked with potential investors to assist in fundraising to move the $80 million project forward.

Northern Arizona University

Senior Lecturer of Finance

August 2008 - May 2017 (8 years 10 months)

Flagstaff, Arizona Area

Taught a wide array of investment courses to undergraduate and graduate students.

* Specialties included investments and portfolio management.

Cogent Partners

Chief Investment Officer - Timber

June 2005 - April 2013 (7 years 11 months)

Dallas/Fort Worth Area

Portfolio Manager for a publicly traded investment vehicle designed to invest in a global timber portfolio for high net worth and institutional clientele.

* Successful IPO in February 2007 raising in excess of $200 million USD.
* Reviewed day-to-day investment decisions based on detailed financial analysis and modeling.
* Oversaw a global group of strategic forestry partners who source deals and manage the timberland.
*Served as a subject matter expert in both marketing and client service capacities.

Beyond Forestry, Ltd.

Director

January 2009 - June 2012 (3 years 6 months)

Portfolio management and investment analysis for accelerated growth Panamanian teak plantations.

* Performed due diligence and negotiation with a strategic partner to manage the plantations in Panama.
* Led development of marketing material and strategies.

Wyoming Lawyers
Expert Financial Witness
March 2008 - June 2008 (4 months)
Rock Springs, WY

Evaluated the financial implications of various interpretations of a series of contracts between the client, his employer, and a family member.

* Completed recommendations as to the intended meaning of certain financial terms, and provided a workable glossary of key financial items to facilitate the courtroom discussions.
* Prepared to offer testimony of behalf of the client. Testimony was not needed as the written report led to an out-of-court settlement.

Idaho Endowment Fund Investment Board
Chief Investment Officer
January 2003 - May 2005 (2 years 5 months)

Chief Investment Officer for the $835 million Idaho Endowment Fund, $385 million Idaho State Insurance Fund, and the $55 million Idaho Judge's Retirement Fund.

Washington Trust Bank
Vice President, Equity Portfolio Manager
March 2001 - December 2002 (1 year 10 months)

Managed equity investments for $650 million in separate account assets.

University of Minnesota
Assistant Director, Office of Asset Management
March 1999 - March 2001 (2 years 1 month)

Responsible for overall investment management of the $800 million University Endowment Fund.

Ameriprise Financial
Manager, Structured Products Quantitative Support
April 1994 - March 1999 (5 years)
Greater Minneapolis-St. Paul Area

Managed a staff of three quantitative analysts supporting a product line of $10 billion.

Education

University of Minnesota - Carlson School of Management

M.B.A, Finance · (1993 - 1994)

Penn State World Campus

Graduate Certificate in Applied Statistics · (2015 - 2016)

University of Minnesota-Morris

BA, Business, Economics · (1990 - 1993)

Cherry Lawson

From: Curry Hale
Sent: Thursday, October 24, 2019 6:28 PM
To: Cherry Lawson
Subject: FW: Marana Health Care Benefits Trust - Trustee Position
Attachments: Marana HCBT Application.pdf

Curry C. Hale, SHRM-SCP, IPMA-SCP
Human Resources Director
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653
(520) 382-1920 (office)
(520) 382-3500 (fax)
www.maranaaz.gov



From: Matt Haertzen [redacted]
Sent: Monday, September 30, 2019 1:37 PM
To: Curry Hale <chale@MARANAAZ.GOV>
Subject: Marana Health Care Benefits Trust - Trustee Position

PLEASE BE CAUTIOUS
THIS MESSAGE AND SENDER COME FROM OUTSIDE THE TOWN OF MARANA. IF YOU DID NOT EXPECT THIS MESSAGE, PROCEED WITH CAUTION. VERIFY THE SENDER'S IDENTITY BEFORE PERFORMING ANY ACTION, SUCH AS CLICKING ON A LINK OR OPENING AN ATTACHMENT.

Mr. Hale,
Please accept the attached PDF as my application for the Trustee Position.

If you need anything further please let me know.

Thanks,
Matt Haertzen
[redacted]

Virginia Lee Hockemeyer
[redacted]

Administrative and HR Assistant who excels in a personalized touch for all customers, vendors, management, and employees • Managed all areas of office such as HR, payroll, AP/AR, general office supply maintenance, schedule appointments and travel • Acclimates easily to new situations and personnel • Facilitated open and positive communication between all levels of employees to create a more stable workforce * Willing to learn and earn any certificate or skill necessary to enhance my job duties

Skills

- General Office, Administrative Assistant, and Human Resources
- Flexible multi-tasking skills with ability to switch priorities easily
- Excellent communication and interpersonal skills with individuals of all levels and backgrounds
- FMLA, I-9, OSHA log, Workman's Compensation, STD, LTD, Background Checks, Drug Testing, COBRA, Payroll, Unemployment Law, Employee Assistance Program referrals
- Confident, professional manner
- Microsoft Office Suite, Medical Manager, Allegra, Kronos, PeopleSoft, Groupwise, ADP, AOD, Citrix, MyPeopleNet, MAS90, Ariba/SAP, AccuFund, Power Point, Internet Explorer, Google Chrome, Doubleknot, Telestaff, IFAS, Enterprise Reporting, OneSolution, Taleo, Workday, Kronos Workforce Telestaff

Professional Experience

Administrative Specialist !!! - Employee Services Assistant July 2015 – August 2019

Sarasota County Government (Sarasota, FL)

- 1st point of contact via phone, email, & in person for 500+ employees w/payroll, FMLA, benefits questions, issues, concerns
- Prepare and process payroll for 500+ employees utilizing 3 different computer software programs and systems, including Kronos Workforce Telestaff
- Keep Access/HRIS database updated with employee data and license(s) information
- Utilize Taleo to download and coordinate applications, schedules, and procedures for new hires
- Assist with personnel authorization forms (PAF)
- Special projects as requested by upper management
- Coordinate with several other departments in county and clerk office to process employee payroll and benefit needs

Administrative Coordinator and Property Reservations Sept 2014 – July 2015

Girl Scouts of Gulfcoast Florida, Inc (Sarasota, FL)

- First point of contact for council headquarters via phone, fax, in person, email
- Processed property reservations for 10 council properties
- Assisted volunteers with various issues and on helpdesk
- Supported all department in various areas including office supply maintenance

Human Resources Specialist and Administrative Assistant Sept 2013 – June 2014

Galveston County Health District (Texas City, TX)

- First point of contact for Human Resources department
- New hire orientations
- Applicant tracking; employment reference checks; background checks; drug screens
- Records Retention and Public Information liaison; Credentialing Coordinator
- Assisted employees with issues
- Recruiting for new employees; assisted with interview questions and job descriptions

Welcome Center Staff (part time) May 2013 – April 2014

Chamber of Commerce (Galveston, TX)

- First point of contact in welcome center
- Assist visitors to the center with questions about activities, attractions, and restaurants

Owner Liaison/Executive Assistant to Owner (temporary position) June 2013 – Sept 2013

Spectrum Organization, Inc (Galveston, TX)

- First point of contact for owners and company
- Orient new owners to procedures and association rules
- Administrative support to other departments
- Assist owners with questions, concerns, and issues

Office Administrator/Human Resources Generalist Jan 2009 – March 2013

Pack Air, Inc (Neenah, WI)

- First point of contact for customers, vendors, and employees
- Set up, designed, utilized manual of instructions for office management procedures and forms
- Accounts payable, accounts receivable, posted checks and ACH deposits
- Provided administrative support to senior management and all departments through creation of business correspondence, company forms, procedure updates, and edited as needed
- Set up domestic and Canadian travel arrangements for employees to include flights, car rentals, hotel accommodations, per diem, and expense reports
- New hire paperwork per regulations, creation of new forms for managers to perform reviews, discipline, and procedures for their employees and department; organized confidential personnel and medical files; processed employee leave (STD, LTD, FMLA), workman's compensation, and unemployment paperwork; and assisted employees with payroll, benefit, insurance, and personal issues; processed payroll to include wage garnishments, federal/state tax payments, child support payments, direct deposit set up, and 401(k) loan payments/contributions which resulted in uniform standard of employee relations and stable workforce

Office Administrator Dec 2005 – Oct 2008

Realogy Corporation/Coldwell Banker (Venice FL)

- First point of contact for customers, vendors, co-workers, agents
- Oriented new agents and completed necessary paperwork after initial meeting with broker
- Maintained personnel files; assisted customers/co-workers/agents with questions/concerns
- Accounts payable/receivable, posted billing, collected closing payments and posted to sale
- Scheduled office meetings; ordered office supplies; hired/termed vendors based on quality of work
- Proofed and edited outgoing advertising materials for agents

Education

- University of Wisconsin-Oshkosh Bachelor's Degree Dean's List

Virginia Lee Hockemeyer
[redacted]

Dear C Hales and Marana Town Council,

Experience in employee benefits and relations, payroll processing, human resources, providing guidance and support to various levels of employees, a professional outgoing demeanor, plus strong oral and written communication skills make me a model candidate for the volunteer Trustee for the Marana Health Care Benefits trust.

In my most recent position with Sarasota County Government, not only was I an employee under a county's self-funded insurance plan, but I also dealt with a firefighter union who had a health trust fund for their retirees'. I learned what it is like to be on both sides of a health trust.

Throughout my years in various Human Resources and Financial positions, I have been counted on for my objective wisdom in dealing with situations and circumstances with kindness, compassion, and adherence to budgets and contracts.

In my position at Pack Air, Inc, I was able to recommend, develop, and coordinate a system of training and development activities along with employee recognition programs that resulted in an 85% employee retention rate. That stable workforce enabled the company to grow and expand its workforce. New business sales almost tripled within a couple of years!

With each career move, I love to advantage of every opening for growth. I enjoy opportunities to improve and expand my skills and knowledge in any way possible.

This all points to my ability to be a strong asset from the very beginning to the Town of Marana.

I look forward to hearing from you soon to discuss how my skills, abilities, and qualities can fill the missing pieces the Town of Marana needs.

Thank you very much for your consideration and time for this important position.

Virginia Lee Hockemeyer

Virginia Lee Hockemeyer
[redacted]

Cameron Lewis

[redacted] [redacted]

EXPERIENCE

COO, Northwest Medical Center
Tucson, AZ | 03/18 – Present
300 beds | $350 million annual net revenue
A Community Health Systems Affiliate

- Day-to-day oversight of the operational, financial and clinical functions of the hospital
- Admissions growth of 9.3% and Surgical growth of 12% during tenure
- Managing design, development and construction of 7 projects totaling over $150 Million – projects include 2 new hospitals, an OP Imaging Center and a hospital refresh
- Oversaw acquisition and employment of 2 Hospital Based Physician groups
- Implemented new cardiac programs to include TAVR and Watchman

CEO, AllianceHealth Clinton
Clinton, OK | 09/15 – 3/18
56 beds | $22 million annual net revenue
A Community Health Systems Affiliate

- Direct oversight of the operational, financial and clinical functions of the hospital
- Admissions growth of 6.9% during tenure
- Recruitment of 7 providers including general surgeon, ENT and PCP's
- Growth of orthopedic surgical cases by 29% during tenure
- Growth of total surgical cases by 14% during tenure
- Oversaw launch of new bariatric surgery service line
- Achieved hospital re-accreditation from The Joint Commission and initial lab accreditation from The Joint Commission
- Elimination of 100% of contract labor expense during tenure
- Improved physician overall physician satisfaction by 44 percentage points

Assistant CEO, MountainView Regional Medical Center
Las Cruces, New Mexico | 03/14 – 09/15
168 beds | $200 million annual net revenue
A Community Health Systems Affiliate

- Direct administrative oversight of seven departments

Cameron Lewis

[redacted]

- Team leader for OR throughput team; helped manage surgical volume increase of nearly 30% during tenure through a lean/six sigma project
- Managing design, development and construction of the first Freestanding ED in New Mexico ($11 million dollar project)
- Managing design, development and construction of ED remodel and expansion ($5 million dollar project)
- Implemented one-call regional transfer center; increased transfer calls by 115%
- Responsible for physician practice acquisitions in the market; complete oversight of six acquisitions worth approximately $8 million
- Oversaw resyndication of MountainView Ambulatory Surgical Center
- Increased O/P imaging volumes (excluding ED) by 47% during tenure
- Participated in recruitment of 21 physicians during tenure
- Oversight of new construction medical office building project ($2 million dollar project)
- 2014 EBITDA improvement of 58%; 2015 EBITDA improvement of 10%

Administrative Specialist, Carlsbad Medical Center

Carlsbad, New Mexico | 01/13 – 03/14
115 beds | $96 million annual net revenue
A Community Health Systems Affiliate

- Direct administrative oversight of six departments
- Oversaw purchase, remodel and opening of new Radiation Oncology service line ($2.3 million dollar project)
- Implemented transport program with a new ALS ambulance service
- Ensured regulatory and legal compliance as the Facility Compliance Officer
- Led physician recruitment efforts

EDUCATION

M.S., Healthcare Administration

Trinity University | San Antonio, Texas

B.S., Business Administration

Utah State University | Logan, Utah

NORTHWEST HEALTHCARE
Northwest Medical Center | Oro Valley Hospital

To Whom it May Concern,

I have been informed of an opportunity to serve as a trustee of the Marana Healthcare Benefits Trust and believe my knowledge and skills within the healthcare industry would prove a benefit to the Trust. I have worked in executive roles within the hospital industry for the past 7 years and have an in-depth knowledge of both the operational and financial aspects of healthcare. I have been serving as the Chief Operating Officer at Northwest Medical Center since March of 2018 and have had the opportunity in this role to facilitate work and negotiations between both payers and providers. I believe these experiences, in addition to my interest in Marana's success as a resident of the town, will contribute to the success of the Marana Healthcare Benefits Trust.

It is my desire to offer my expertise in this field to the Trust and I am grateful for your consideration. Thank you for this opportunity and please let me know if there are any questions.

Sincerely,

[redacted]

Cameron Lewis
Chief Operating Officer
Northwest Medical Center

September 21, 2019

Mr. Curry Hale, Human Resources Director
Town of Marana
11555 W. Civic Center Drive
Marana, AZ 85653

Dear Mr. Hale:

I am very interested in serving the Town of Marana as a member of its Health Care Benefits Trust Board of Trustees.

My family relocated to Marana in 1996 when I accepted the appointment as Director of Pima County's Risk Management Department. I administered a self-insurance trust and had the privilege of working with very experienced and dedicated Trustees. I have read the Trust Document and commit to holding and administering the Funds, in trust, pursuant to the Trust Document.

The attached resume provides more detail of my thirty years of public sector risk management administration and consultation. Industry certifications include risk management and human resources designations. I currently serve on the boards of directors for Arizona chapters of public sector risk management and human resources associations.

I work for Central Arizona Project and am Phoenix based during a portion of the workweek. I can schedule work at CAP's Field Office on Twin Peaks Road if Trustee meetings are scheduled on Monday – Thursday and would participate in person. Fridays are normal days off.

Please accept my gratitude to you, Mayor, and Council for your consideration. I look forward to participation in the selection process. If selected, I will serve the Town of Marana well.

Sincerely,

David M. Parker, ARM-P, CPM®, IPMA-SCP

DAVID PARKER

[redacted]

OVERVIEW

I have led the risk management efforts for a large state department, large Arizona county, large Sheriff's Department, mid-sized state university, and special district, and consulted with public entities of all types across the nation. My image of success as a risk manager is to lead and facilitate a framework that best enable the organization to best achieve its strategic objectives and foster opportunity while protecting the organization, its assets, and its reputation from unnecessary loss.

My background includes over ten years administering an ARS § 11-981 self-insurance trust for property, casualty, workers' compensation, and a portion of the benefits program that was self-insured; I served as the risk management consultant for the self-insurance program. Today, I assist in management of a Captive insurer that provides employee health benefits for my employer.

Leadership development includes Kennedy School of Government's *Senior Executives in State and Local Government*, AZ POST's *Leadership in Police Organizations*, and ASU's *Certified Public Manager* programs. Industry designations include The Institutes' *Associate in Risk Management*, ASU's *Certified Public Manager*, and the International Public Management Association for Human Resources' *Senior Certified Professional* designations. Certificate programs include FEMA's *Master Continuity Practitioner* and Texas A&M Engineering Extension's *Infrastructure Protection* certificates.

My family moved to Marana in 1996. My ties to the community are strong and I am a strong believer in community volunteerism. My goal is to make a greater difference for my community.

EMPLOYMENT

RISK MANAGEMENT ANALYST (2017 - PRESENT)
Central Arizona Project (Central Arizona Water Conservation District) *Phoenix/Tucson, Arizona*

DIRECTOR OF RISK AND EMERGENCY MANAGEMENT, EMERGENCY MANAGEMENT COORDINATOR (2016 - 2017)
ADMINISTRATOR OF RISK AND EMERGENCY MANAGEMENT (PART TIME, REMOTE) (2017 - 2018)
Angelo State University, a member of the Texas Tech University System *San Angelo, Texas*

PUBLIC/EDUCATION SECTOR PRACTICE LEADER (2011 - 2015)
Midwest Employers Casualty Company *Tucson, Arizona*

SHERIFF'S DEPARTMENT RISK MANAGER (2007 - 2011)
DIRECTOR OF RISK MANAGEMENT (1996 - 2007)
Pima County Government *Tucson, Arizona*

RISK MANAGER (1988 - 1996)
Arizona Department of Transportation *Phoenix, Arizona*

ASSISTANT EXECUTIVE DIRECTOR (1987)
Arizona Board of Pardons and Paroles *Phoenix, Arizona*

TRAFFIC SAFETY INVESTIGATOR (1985 - 1987)
County of San Diego *San Diego, California*

POLICE OFFICER, DETECTIVE (1979 - 1985)
City of San Diego *San Diego, California*

EDUCATION, DESIGNATIONS, CERTIFICATIONS

CRITICAL INFRASTRUCTURE PROTECTION CERTIFICATE (2019)
TEEX *College Station, TX*

SENIOR CERTIFIED PROFESSIONAL DESIGNATION (2018)
IPMA-HR *Alexandria, VA*

CERTIFIED PUBLIC MANAGER DESIGNATION (2018)
Bob Ramsey Executive Education, Arizona State University *Tempe, AZ*

MASTER CONTINUITY PRACTITIONER CERTIFICATE (2017)
FEMA Emergency Management Institute *Emmitsburg, MD*

ADVANCED PROFESSIONAL SERIES CERTIFICATE (2017)
Arizona POST *Emmitsburg, MD*

LEADERSHIP IN POLICE ORGANIZATIONS (2010)
Arizona POST *Tucson, AZ*

SENIOR EXECUTIVES IN STATE AND LOCAL GOVERNMENT (1999)
Kennedy School of Government, Harvard University *Cambridge, MA*

ASSOCIATE IN RISK MANAGEMENT DESIGNATION (ARM 1997, RMPE & ARM-P 2001)
The Institutes (Insurance Institute of America) *Malvern, PA*

CERTIFICATE OF ADVANCED RISK MANAGEMENT (1997)
Public Risk Management Association *Alexandria, VA*

SAN DIEGO POLICE ACADEMY (1979)
Miramar College *San Diego, CA*

COMMUNITY SERVICE AND ASSOCIATIONS

GRAND CANYON STATE CHAPTER – INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION FOR HUMAN RESOURCES (2019 - PRESENT)
Board Member *Phoenix, AZ*

EMERGENCY PREPAREDNESS ADVISORY COMMITTEE (2016 - 2017)
Concho Valley Council of Governments *San Angelo, TX*

INDUSTRIAL COMMISSION OF ARIZONA (2009 - 2015)
Chairman (2012 – 2015) *Phoenix, AZ*

CHRISTIAN YOUTH THEATER - TUCSON (2005 - 2014)
Technical Director, Board Member/Chairman, National Advisory Council Member *Tucson, AZ*

YMCA OF METROPOLITAN TUCSON (2004 - 2016)
Volunteer Pilates Instructor *Tucson, AZ*

TOWN OF MARANA PLANNING COMMISSION (1998 - 2005)
Chairman (2001 – 2005) *Marana, AZ*

PUBLIC RISK MANAGEMENT ASSOCIATION (1988 - PRESENT)
Board Member (2009 – 2011) *Alexandria, VA*
Core Competency, Education, External Affairs, Conference Planning Committees
Conference Speaker, Instructor, Moderator, Facilitator, Corporate Partner

ARIZONA CHAPTER - PUBLIC RISK MANAGEMENT ASSOCIATION (1988 - PRESENT)
Past Board Member, Officer, and Chairman, Current Secretary *Phoenix, AZ*

Thomas D. Plantz

[redacted]

Health Care Management Executive

Dynamic, entrepreneurial, results-driven healthcare professional and executive with over forty years experience in leadership and management roles encompassing profit and loss responsibilities in multi-million dollar hospital and healthcare systems. Key strengths: strategic planning, business operations, community relations, physician-hospital-trustee relationships, start-ups and turnarounds, writing and speaking.

- Consistently recognized for exceeding key strategic goals in the areas of quality, patient satisfaction and fiscal performance.
- Successful in creating positive organizational cultures through collaborative team building dedicated to ensuring high levels of service and patient satisfaction measured by internal metrics.
- Key performance metrics: financial performance, growth in market share and earnings, coalition-building, community relations, quality care and service, positive organizational climate, strategic directions and, board-medical staff-hospital relationships.

Professional Experience

SUMMIT REGIONAL MEDICAL CENTER **2006-2010**
Show Low, AZ
Chief Executive Officer

Under the auspices of Brim Healthcare (now Health Tech), Nashville, a provider of healthcare management to over 50 hospitals throughout the U.S., served as the CEO responsible for achieving…

- A totally new 5-story, 120 bed patient care tower serving the White Mountains and rural northeastern Arizona.
- The recruitment of 21 new permanent physicians (largely specialists)
- A cardiac cath lab which dramatically slowed the rate of helicopter transports to Phoenix and Tucson for cardiac workups and/or therapeutic procedures.
- New specialty services in medical and radiation oncology, gastroenterology, nephrology, pulmonology, and vascular surgery.
- Net profit margins of 8%-12% during four year tenure as CEO.

UPSON REGIONAL MEDICAL CENTER **2000-2005**
Atlanta, GA
Chief Executive Officer

Worked with Brim Healthcare on a new startup management contract moving from interim CEO to permanent CEO and serving in that capacity for five years. Responsible for achieving…

- A $40 million hospital expansion.
- A financial turnaround with 6%-9% net profit margins.
- A positive employee morale turnaround and new organizational culture.
- Strong board-medical staff-management-employee relationships.
- A vibrant medical center/civic community relations.
- A near perfect score from the Joint Commission on Accreditation of Hospitals.

TUCSON HEART HOSPITAL **1996-2000**
Tucson, AZ
President & Chief Executive Officer

Worked with MedCath, Inc., a heart hospital developer and manager, responsible for achieving…

- The total development, construction and complete organization of this new $45million regional cardiac care hospital, the first in Arizona and the third in the U.S.
- Solid working relationships with the hospital's shareholders, a group of twenty-four cardiologists and cardiovascular surgeons.
- The successful recruitment of Jack Copeland, M.D., Chief of Cardiothoracic Surgery, University of Arizona to serve as the initial Chief of Cardiothoracic Surgery.

CARONDELET HEALTH NETWORK **1983-1995**
Tucson, AZ
Chief Executive Officer

CHN, a subsidiary of Carondelet Health System, a St. Louis based fifteen hospital holding company sponsored by the Sisters of St. Joseph of Carondelet, owned and operated three acute care hospitals, St. Mary's, St. Joseph's of Tucson and Holy Family of Nogales, AZ.

As CEO, reporting to the local corporate board in Tucson and the Sisters of St. Joseph, was instrumental in the company's growth from $83 million in 1983 to $780 million in 1995. Achievements included…

- Led the expansion of the Carondelet healthcare delivery system through the merger of the two Tucson hospitals and the acquisition of a third in Nogales.
- Guided the planned growth of the corporation moving Tucson market-share from 20% to 38%.
- Recruited over 150 new physicians to the 3 hospitals within a 10 year period.
- Creation and implementation of strategic business plans to ensure quality of care and service, positive financial programs and improvement in productivity, profitability, and quality care.
- Worked effectively with elected legislators at both the state and federal levels.

ST. MARY'S HOSPITAL & HEALTH CENTER **1979-1983**
Tucson, AZ
Executive Vice President & Administrator

Under the sponsorship of the Sisters of St. Joseph of Carondelet, became the first lay Administrator in the 100 year history of St. Mary's. Achievements included…

- Initiated a total hospital financial turnaround of this negative bottom line healthcare organization, achieving a bottom line net profit of $2 million annually at the end of year one.
- Positioned St. Mary's for the 21st Century in the areas of quality of care, financial stability and innovative state-of-the-art medical and computer technology.
- Became the first "Magnet Hospital" in Arizona (1982) endorsed by the American Nurses Association and the American Hospital Association.
- Rebuilt the medical staff with the recruitment of 65 physicians in family practice, internal medicine and medical/surgical specialties.

PREVIOUS LEADERSHIP ROLES

- **Administrator**, Mount Sinai Medical Center, Minneapolis, MN **1973-1979**
- **Asst. Administrator,** Abbott-Northwestern Hospitals (Allina Health System) Mpls. **1967-1971**
- **Captain**, United States Air Force & Vietnam veteran **1963-1967**

EDUCATION

- Masters in Health Care Administration **(MHA)**, University of Minnesota **1971-1973**
- **Bachelor of Arts**, University of St. Thomas, St. Paul, MN **1958-1963**

PROFESSIONAL & COMMUNITY AFFILIATIONS

- Fellow, American College of Healthcare Executives
- Chairman, Arizona Hospital Association Board of Directors
- President, Southern Arizona Hospitals' Council
- Governor, American Hospital Association Health Industry-Business Council
- Board Member, Arizona Cancer Center, University Health Sciences, Tucson
- Board Chairman, American Cancer Society, Arizona and Georgia
- Board Chairman, American Heart Association, Arizona and Georgia
- Board Member, United Way, Arizona and Georgia
- Board Member, Carondelet Health Network, Tucson
- Tucson Conquistadores
- Tucson Rotary

HONORS & AWARDS

- Founder & Professor **James A. Hamilton Achievement Award**, Program in Hospital and Healthcare Administration, University of Minnesota.

- Dean of the School of Public Health, **Stewart Thomson, M.D. Memorial Award** for recognition of enthusiasm, fraternalism and selflessness toward classmates

- **Executive of the Year Award**, Atlanta-area Chamber of Commerce.

- **Fellow,** American College of Healthcare Executives

PUBLICATIONS

- **Author, <u>The Sacred Trust,</u>** published December 2016 by Archway Publishing, a division of Simon-Schuster. This is a historical account of commitments and failed promises to our American veterans leading up to a systemic healthcare failure, crisis and scandal within the Veterans' healthcare delivery system.

Cherry Lawson

From: Curry Hale
Sent: Thursday, October 24, 2019 6:27 PM
To: Cherry Lawson
Subject: FW: Health Care Benefits Trust App
Attachments: Marana Health Benefits Trust.docx; TDP Bio.docx; TDP Resume.docx

Curry C. Hale, SHRM-SCP, IPMA-SCP
Human Resources Director
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653
(520) 382-1920 (office)
(520) 382-3500 (fax)
www.maranaaz.gov



From: thomas plantz [redacted]
Sent: Saturday, September 28, 2019 3:36 PM
To: Curry Hale <chale@MARANAAZ.GOV>
Subject: Health Care Benefits Trust App

PLEASE BE CAUTIOUS
THIS MESSAGE AND SENDER COME FROM OUTSIDE THE TOWN OF MARANA. IF YOU DID NOT EXPECT THIS MESSAGE, PROCEED WITH CAUTION. VERIFY THE SENDER'S IDENTITY BEFORE PERFORMING ANY ACTION, SUCH AS CLICKING ON A LINK OR OPENING AN ATTACHMENT.

Hi Curry: Attached info as you requested re: above subject.

Thx, tom

Thomas D. Plantz
[redacted]

September 28, 2019

Curry C. Hale
Human resources Director
Town of Marana

Please accept my interest in serving as a trustee for the Marana Health Care Benefits Trust.

I offer my attached Bio and Resume for your review.

I believe my 40 years experience in managing hospitals and healthcare systems such as Carondelet may be of some benefit in oversite and administration.

Thank you for the opportunity to apply for this important community service.

Warm regards,

Tom Plantz

Attch: Bio & Resume

Council-Regular Meeting **A1**

Meeting Date: 11/19/2019

To: Mayor and Council

Submitted For: Yiannis Kalaitzidis, Finance Director

From: Frank Cassidy, Town Attorney

Date: November 19, 2019

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Resolution No. 2019-119: A resolution of the Mayor and Common Council of the Town of Marana, Arizona, a municipal corporation of Arizona, ordering and declaring formation of the Villages of Tortolita Community Facilities District and approving and authorizing the execution and delivery of a District Development, Financing Participation and Intergovernmental Agreement (Villages of Tortolita Community Facilities District) (Yiannis Kalaitzidis)

Discussion:

On October 1, 2019, TMR Investors, LLC submitted an application for the formation of the Villages of Tortolita Community Facilities District. A copy of the application and the exhibits in support of the application are included in the backup materials. Arizona law (A.R.S. § 48-702 paragraph B) now calls for the Town Council to hold a public hearing on the application within 60 days after submission of a completed application. It provides:

> B. On presentation of a petition signed by the owners of at least twenty-five percent of the land area proposed to be included in the district and a completed application for formation of a district by an individual or entity, the governing body of a municipality or county within sixty days after submission of the completed application shall hold a public hearing to consider the application for formation of the district. Immediately after completion of the hearing, the governing body may adopt a resolution declaring its intention to form a community facilities district that shall include contiguous or noncontiguous property that is wholly within the corporate boundaries of the municipality or county. If the governing body does not adopt a resolution declaring its intention to form a district, the governing body

shall provide a written basis for not adopting the resolution and shall identify the specific changes needed for the application to be approved. This subsection does not create a presumption of district formation.

Town staff has reviewed the application and finds that it is incomplete and does not comply with the Town's adopted CFD Policy. A copy of the Town Finance Director's comment letter to the applicant is included in the backup materials, along with a copy of the Town's adopted CFD Policy.

After the Town Finance Director's comment letter was delivered, Town staff asked the applicant to voluntarily waive the 60-day public hearing requirement to allow the application to be amended and heard by the Town Council at a later public hearing. The applicant prefers to move forward with the public hearing within the 60-day period.

Arizona law does not give Town staff authority to act on this application; rather, it is within the authority of the Town Council to determine whether the application is complete and complies with the Town's CFD Policy and to decide whether to form the CFD or decline to form the CFD and give written reasons for not forming it.

Financial Impact:

If the CFD is formed, Staff time and resources will be used to support the CFD, but formation of the CFD is not expected to have significant direct financial impact on the Town.

Staff Recommendation:

Town staff has prepared three options for the proposed motion associated with this agenda item. Town staff recommends Option 1, the proposed motion to deny the CFD formation and adopting the Finance Director's October 30 letter as the written basis for not adopting the resolution and identifying the specific changes needed for the application to be approved.

If the applicant waives the 60-day public hearing requirement at any time before the motion is made, Town staff recommends Option 3, continuing the public hearing to allow the submission of the additional required information.

The Town Council also has the option to form the CFD. Option 2 is the motion that should be used if the Town Council chooses to form the CFD.

Suggested Motion:

Option 1 (recommended): I move to adopt by reference the October 30 letter prepared by Town Finance Director Yiannis Kalaitzidis as the written basis for not adopting a resolution to form the Villages of Tortolita Community Facilities District at this time, and identifying the specific changes needed for the application to be approved.

Option 2: I move to adopt Resolution No. 2019-119, ordering and declaring formation of the Villages of Tortolita Community Facilities District and approving and authorizing

the execution and delivery of a District Development, Financing Participation and Intergovernmental Agreement (Villages of Tortolita Community Facilities District).

Option 3 (only if applicant waives the 60-day public hearing): I move to continue the public hearing on the formation of the Villages of Tortolita Community Facilities District to the Council's meeting on _____.

Attachments

Resolution No. 2019-119
YK to applicant letter
Town CFD Policy
VoT CFD Application
VoT App Exhibits

DRAFT
11/05/19

MARANA RESOLUTION NO. 2019-119

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, A MUNICIPAL CORPORATION OF ARIZONA, ORDERING AND DECLARING FORMATION OF THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT AND APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT)

BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, as follows:

1. Findings.

a. On a date prior to the date of the adoption hereof, there was presented to us, the governing body of the Town of Marana, Arizona, an incorporated municipality of the State of Arizona (hereinafter called the "Municipality"), a Petition for Adoption of a Resolution Ordering and Declaring Formation of The Villages of Tortolita Community Facilities District, dated as of even date herewith (hereinafter referred to as the "Petition"), signed by the entities which, on the date hereof, are the "owners" of all real property as shown on the assessment roll for State and county taxes for Pima and Pinal Counties, Arizona, or, if such persons shown on such assessment roll are no longer the owners of land in The Villages of Tortolita Community Facilities District are the entities which are the successor owners which have become known and have been verified by recorded deed or similar evidence of transfer of ownership to be the owners of such real property (hereinafter referred to as, collectively, the "Petitioners") described in the Petition to be in the community facilities district, the formation of which is prayed for by the Petitioners in the Petition, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Act") and a completed application for formation of a district by TMR Investors, LLC (hereinafter referred to as the "Application").

b. The Petitioners have requested the following:

I.

The name of the community facilities district of which formation is prayed pursuant to the Petition to be "The Villages of Tortolita Community Facilities District" (hereinafter called the "District"),

II.

The District to be formed and exist pursuant to the terms and provisions of the Act as such terms and provisions are modified, waived or restricted pursuant to agreements to be entered into by and among certain of the Petitioners (hereinafter called the "Agreement Petitioners") , the Municipality and the District, subject to Section V,

III.

The District to contain an area of approximately 1,520 acres of land, more or less, wholly within the corporate boundaries of the Municipality and to be composed of the land included in the parcels described in the Exhibit to the Petition, which is made a part of the Petition for all purposes and is all the land to be included within the boundaries of the District (hereinafter referred to as the "Property"),

IV.

The District to be a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, Arizona Revised Statutes; except as otherwise provided in the Act, to be considered a municipal corporation and political subdivision of the State of Arizona separate and apart from the Municipality; and to be formed for, and to have, all the purposes of a "district" as such term is defined, and as provided, in the Act,

V.

The formation of the District to result in the levy of *ad valorem* taxes to pay costs of improvements constructed or acquired by the District and for their operation and maintenance,

VI.

The District to be governed by a board of directors of the District that consists of the members of the governing body of the Municipality, *ex officio*, with the two additional members who are designated by the Petitioners in the Application, the Petitioners being those who own the largest amount of privately owned acreage in the District, such directors to be appointed initially by the governing body of the Municipality (hereinafter called the "First Appointed Members") and on the expiration of the term of an additional appointed director, the governing body of the Municipality to appoint a person according to the process for designating a director for a term of office as prescribed in the Application and if a vacancy occurs on the board of directors because of death, resignation or inability of either of the additional appointed members to discharge the duties of director, the governing body of the Municipality to appoint a person according to the process for designating a person to fill a vacancy on the board of directors of the board as prescribed in the Application,

VII.

The Clerk of the Municipality to accept the filing of a "General Plan for the Proposed The Villages of Tortolita Community Facilities District" for the District setting out a general description of the improvements for which the District is proposed to be formed, the general areas to be improved within the District and the estimated costs of construction or acquisition of the public infrastructure to be financed, constructed or acquired by the District (hereinafter referred to as the "General Plan"), and

VIII.

The Municipality to determine that public convenience and necessity require the adoption of this Resolution.

c. The Petitioners further attested and declared that on the date hereof, as shown on the assessment roll for State and county taxes in Pima and Pinal Counties, Arizona, the Property is owned by the Petitioners and shall be benefited from the improvements for which the District is proposed to be formed; that there are no residents on the Property and there shall be no residents within fifty (50) days preceding the first anticipated election of the District; that the District shall be formed and exist pursuant to the terms and provisions of the Act as such terms and provisions are modified, waived or restricted pursuant to agreements to be

entered into by and among the Petitioners, the Municipality and the District and subject to Section V; that public convenience and necessity require the adoption of this Resolution; and that the Municipality shall in no way be liable for the payment of any of the costs of the public infrastructure described in the General Plan, nor liable for any liability, debt or obligation of the District.

d. After showing the preceding, the Petitioners respectfully prayed that the Petition be properly filed as provided by law and that, as the Petition is signed by all of the owners of the Property and there are not now, and shall not be within fifty (50) days preceding the first anticipated election of the District, residents on the Property, any requirements of posting, publication, mailing, notice, hearing and election otherwise required by the Act in connection with the adoption of this Resolution are waived, the Municipality, on receipt of the Petition, declare the District formed without being required to comply with such provisions for posting, publication, mailing, notice, hearing or election.

e. Pursuant to the Act and Section 9-500.05, Arizona Revised Statutes, the Municipality, the District and the Agreement Petitioners are entering into a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

f. With regard to the real property included within the boundaries of the District, the Municipality and the Agreement Petitioners determined to specify some of such matters in such an agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of the Petitioners with respect thereto, all pursuant to the Act.

g. Pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, the District, and the Municipality may enter into an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure.

h. Pursuant to the Act, the District may also enter into an agreement with the Agreement Petitioners with respect to the advance of moneys for public infrastructure purposes and the repayment of such advances and to obtain credit enhancement for, and process

disbursement and investment of proceeds of, general obligation bonds of the District to be hereafter issued.

i. There has been presented to us in connection with the purposes described in paragraphs 1.e. through h. a District Development, Financing Participation and Intergovernmental Agreement (The Villages of Tortolita Community Facilities District), to be dated as of January 1, 2020 (hereinafter referred to as the "Development Agreement"), by and among the Municipality, the District and the Agreement Petitioners.

2. Matters Noticed by the Municipality.

a. The Petitioners seek formation of the District to exercise the powers and functions set forth in the Act as such powers and functions are modified, waived or restricted pursuant to agreements to be entered into by and among the Agreement Petitioners, the Municipality and the District.

b. The General Plan and the Application have been filed with the Clerk of the Municipality.

c. The Petition, the Application and all necessary supporting materials have been filed with us, and the showings in the Petition are each noticed by us and are hereby incorporated at this place as if set forth hereat in whole.

d. The purposes for which organization of the District is sought are as described in the Petition and are purposes for which a district created pursuant to the Act may be lawfully formed.

e. The public convenience and necessity require us to adopt this Resolution.

3. Granting of Petition; Formation of District. The Petition attached hereto as the Exhibit and made a part hereof for all purposes is hereby granted, and the District is hereby formed as a district pursuant to the terms and provisions of, and with the powers and authority established by, the Act, subject to the restrictions and modifications set forth in the Petition, with jurisdiction over the Property and that, as the Petition is signed by the owners of the Property and there are not now, and shall not be within fifty (50) days preceding the first anticipated election of the District, residents on the Property, requirements of posting, publication, mailing, notices, hearing and election otherwise required by the Act with respect to formation of the District are hereby found to be unnecessary.

4. District Board and Officers. The District shall be governed by a "District Board" comprised of the members of the governing body of the Municipality, *ex officio*, and the First Appointed Members. The "Chairperson of the District Board" and the "Vice Chairperson of the District Board" shall be determined at the first meeting of the board of directors of the District, and the Town Clerk of the Municipality shall be the "District Clerk"; the Town Treasurer of the Municipality shall be the "District Treasurer"; the Town Manager of the Municipality shall be the "District Manager" and the Town Attorney of the Municipality shall be the "District Counsel." The first meeting of the board of directors of the District shall not be held until the Insurance required by the Development Agreement for the District itself and the board of directors of the District is in place as determined by the District Manager.

5. District Boundaries and Map. The District boundaries are as described in metes and bounds in the Exhibit to the Petition. A map showing the District boundaries is hereby ordered to be drawn and provided by the District Manager.

6. Dissemination of this Resolution. The Petitioners shall cause a copy of this Resolution to be delivered to the County Assessor and the Board of Supervisors of each of Pima and Pinal Counties, Arizona, and to the Department of Revenue of the State of Arizona.

7. Authorization and Approval of Development Agreement. The Development Agreement is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Mayor of the Municipality, with the advice of the Town Manager of the Municipality and the Town Attorney of the Municipality, shall authorize, the execution and delivery of the Development Agreement to be conclusive evidence of the propriety of such document and the authority of the person or persons executing the same. The Mayor of the Municipality, with the advice of the Town Manager of the Municipality and the Town Attorney of the Municipality, is hereby authorized and directed to execute, and the Town Clerk of the Municipality to attest and deliver, the Development Agreement on behalf of the Municipality.

8. No Liability of or for the Municipality. Neither the Municipality nor the State of Arizona or any political subdivision of either (other than the District) shall be directly, indirectly or morally liable or obligated for the costs of the public infrastructure contemplated by the General Plan and the Development Agreement nor for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District, and neither the credit nor the

taxing power of the Municipality, the State of Arizona or any political subdivision of either (other than the District) shall be pledged therefor.

9. Effect of Resolution.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

PASSED by the Mayor and Common Council of the Town of Marana, Arizona, this 19th day of November, 2019.

.....
Mayor, Town of Marana, Arizona

ATTEST:

.....
Town Clerk, Town of Marana,
Arizona

APPROVED AS TO FORM:

.....
Town Attorney, Town of Marana,
Arizona

REVIEWED BY:

.....
Town Manager, Town of Marana,
Arizona

ATTACHMENTS:

EXHIBIT -- Conformed Copy of Petition for Adoption of this Resolution

* * *

EXHIBIT

CONFORMED COPY OF PETITION
FOR ADOPTION OF THIS RESOLUTION

MARANA AZ
FINANCE

October 30, 2019

Via fax (carter@launch-dfa.com) & U.S. Mail

Mr. Carter T. Froelich, CPA
LAUNCH DEVELOPMENT FINANCE ADVISORS
4900 N. Scottsdale Road, Suite 3000
Scottsdale, AZ 85251

Re: The Villages of Tortolita Community Facilities District ("District") Application

Dear Mr Froelich,

Town of Marana staff and consultants have received and completed our initial review of the application you submitted on October 1, 2019 on behalf of your client, TMR Investors, LLC (TMR) for the Marana Town Council's consideration of the proposed establishment of the District.

Arizona Revised Statutes section (A.R.S. §) 48-702 paragraph B provides for the holding of a public hearing within 60 days after the submission of a completed application for the formation of a community facilities district (CFD). Town staff is prepared to schedule a November 19 Marana Town Council public hearing on TMR's application to form the District, but Town staff concludes that the application, as submitted, is incomplete for failure to include documentation required by the Town's revised CFD policy and does not comply in several respects with the CFD statutes.

In its current form, the proposed application will not receive a Town staff recommendation for establishment of the District.

Town staff requests that TMR agree not to set a public hearing on this application, but instead to work with the Town's staff and consultants to submit a revised application for formation of the District, providing the missing documentation and correcting non-compliant elements of the application.

A list of the missing documentation and non-compliant elements of the application is provided on the following pages. We will be happy to meet with you and your client to review these items or address any other concerns you might have.

We look forward to continuing to work with you on the formation of the District.

Sincerely,

TOWN OF MARANA

By:_____
Yiannis Kalaitzidis, Finance Director

Section 2.2 of the Town's CFD Policy—Petition in Favor of Formation

- The petition in favor of formation (Exhibit B to the application) is on the wrong form. Michael Cafiso will send you the correct form by email.
- To avoid elections by taking advantage of the exception in A.R.S. § 48-707(F), the petition needs to be signed by all of the owners of the land, including any parties with equitable interests—in this case, lienholders. According to the title reports submitted with the application, the following lienholders will need to sign either the petition itself or a consent to formation of the District:
    - TMR Funding, LLC
    - TMR Mezzanine Funding, LLC
    - Lund Investment Partnership III
    - FNBN-RESCON I LLC
- The general plan attached as Exhibit B to the petition does not include all of the information required by A.R.S. § 48-702(D)(3), which provides that the general plan shall include "a general description of the public infrastructure for which the district is proposed to be formed, the general areas to be improved and the estimated costs of construction or acquisition of the public infrastructure to be financed, constructed or acquired by the district." To comply with the statute, the lists of infrastructure types and estimated costs found on pages 9-12 of the application should be copied into and be made part of the general plan.
- The petition includes a map of the proposed District, but not a legal description. Exhibit F to the application includes legal descriptions and maps, but the legal descriptions are not identical to those found in the title reports, and the depictions in Exhibit F do not clearly show the boundaries of the District and do not tie to the legal descriptions. For clarity, Town staff requests the use of the same set of legal descriptions and property depictions for all documents associated with the District. Town staff recommends the use of the legal descriptions in exactly the form attached to the title reports as the formal legal description of the District, and recommends creation of a clean map depiction, fully readable in black and white, that ties to the legal description in the title reports. The title report for the District

property located in Pima County lists "Parcel No. 1" through "Parcel No. 17," and the title report for the District property located in Pinal County lists "Parcel No. 1" and "Parcel No. 2." We request that the map depiction identify these same parcels, perhaps using separate depictions for the parcels located in Pima County versus those located in Pinal County, or perhaps using one depiction but adding "Pima" to the parcels in Pima County and "Pinal" to the parcels in Pinal County. For the sake of clarity and consistency, Town staff requests that these identical legal descriptions and depictions be used in all documents and supporting materials where the description of the District is identified.

Section 2.3 of the Town's CFD Policy—Applicant Information

- Please confirm that Mike Zipprich will be the Applicant's primary contact, and provide his email address (see Section 2.3, paragraph b).
- Please provide the information required by Section 2.3, paragraph e: "Evidence demonstrating the Applicant's ability and capacity (*including financial statements and supporting information*) to undertake the proposed public infrastructure and private development." (Emphasis added.) The statements on page 5 of the application, suggesting that financial information will be provided "in conjunction with the first bond issuance" and indicating that "the Applicant has invested approximately $64 million in the Project" do not comply with the Policy. Financial statements and supporting information are required.

Section 2.4 of the Town's CFD Policy—Board Member Information

- Provide information confirming that the proposed independent Board members do not fail any of the tests in A.R.S. § 48-711(E) ("An appointed director shall not be a landowner owning more than forty acres in the district, an elected official of the municipality or county or an employee or agent of the landowner or municipality or county...").
- For each of the proposed Board members please provide:
    - Email addresses
    - Additional information on background/qualifications
    - Written acknowledgement of statutory obligations

  - Written/notarized hold harmless
- Michael Cafiso will send you by email an instrument for each of the proposed Board members to sign, to comply with these requirements. Town staff will not recommend forming a District naming proposed Board members who have not provided the required information and indicated in writing their understanding of their obligations and their consent to be included as Board members of the District.

Section 2.5 of the Town's CFD Policy—Proposed CFD

- Provide justification for "appropriateness" of the proposed District boundaries in light of the non-contiguity of its boundaries. Specifically, please explain how "Tortolita Island" (described and depicted on pages 31-32 of the exhibits) benefits from the District.

Section 2.6 of the Town's CFD Policy— Project Description and Proposed Improvements

- Please provide a narrative description/explanation for the infrastructure listed on pages 9-12 of the application.
- Please address what is included in the listed infrastructure.
  - Does the construction cost for a treatment plant include recharge facilities?
  - Are the professional services costs associated with a 208 amendment (required for the new treatment plant) shown in the estimated cost tables?
  - Will annual operating and maintenance costs for the new treatment plant and associated infrastructure be funded with the District's operations and maintenance tax?
- Northwest Fire District is listed as the fire provider. However, the District has not yet been annexed into Northwest Fire District. Please include a statement in the application stating that the applicant will submit an application for annexation into a fire district before any bonds are issued by the District.
- The Town does not provide trash service. Please make necessary corrections to the application. (See the table on page 14 of the application.)
- The phasing summary in the table on page 15 of the application does not match the phasing shown in Exhibit M. Please clarify/correct any existing inconsistencies.

Section 2.7 of the Town's CFD Policy—Financing Plan

- The "Reimbursement Mechanism" discussed in "General" subparagraphs (vi)-(viii) (page 16 of the application) requires separate legislative action by the Town and is subject to limitations imposed on municipalities that will make it nearly impossible to achieve 100% fair-share reimbursement by other benefiting property owners. These paragraphs should be revised to reflect that the Town will use its best efforts, subject to separate discretionary legislative action, to require other benefiting property owners to pay their pro-rata share of the costs of regional Public Infrastructure.
- The description of the credits against development impact fees available under A.R.S. § 9-463.05 (subparagraph (ix) on page 16 of the application) is an overbroad paraphrase of the statute; in particular, A.R.S. § 9-463.05(B), subparagraphs (7)(c), (10), and (14). We request that the text be revised to something like: "Pursuant to A.R.S. §9-463.05, the Applicant will be entitled to receive development impact fee credits or reimbursement for dedication of public sites, improvements and other necessary public services or facility expansions included in the infrastructure improvements plan and for which a development fee is assessed, to the extent the public sites, improvements and necessary public services or facility expansions are provided by the developer."
- Special Assessment Bonds subparagraph (ii) (page 17 of the application) is not in compliance with section 4.6 of the CFD Policy in several respects, including:
    - There are no exceptions or alternatives to the 6 to 1 and 4 to 1 value to debt ratios as described in section 4.6.
    - Section 4.6 does not allow a second series of special assessment bonds on the same property.
- Special Assessment Bond subparagraph (iii) (page 17 of the application) requires revision and clarification:
    - Pre-payments will follow the CFD Policy and include the normal processes required by the Town, to include among other expenses, delinquent installments, delinquency management fees (if applicable) and Town Administrative fees, which should include bond call processing costs, release of lien fees, and staff & consultant time spent preparing the prepayment.

  - Need to take into account time for notice and processing requirements.
- General Obligation Bonds subparagraph (i) (page 18 of the application): The Town will review the suggested amount of $30 million to determine if it is adequate for the Town's future needs.

Section 2.8 of the Town's CFD Policy—Financial Feasibility Study

- Several items required by the CFD Policy are missing. Please review this section of the policy and provide all required elements including:
  - financial feasibility study that includes all requested elements - complete time period, entire project, both public and private infrastructure, financing plan for private infrastructure, etc.
  - market absorption study prepared by independent consultant
  - amounts and timing of equity contributions
- A comment is made on Page 20 that SAs are comparable to other in Pinal and Pima County. Please provide more detailed information on this comment for the presentation to Council.

Section 2.9 of the Town's CFD Policy—Insurance

- Please provide a detailed layman's explanation of the proposed coverage.
- The anticipated cost of the proposed insurance is not clear.
- The documents do not appear to provide general liability or securities coverage for the proposed additional Board members. Please explain.

Section 2.10 of the Town's CFD Policy—Indemnification

- The CFD Policy requires, in pertinent part, as follows: "The Completed Application shall include financial statements and other supporting information for the entity providing the indemnification and shall provide appropriate collateral to cover the indemnity." This information has not been provided in the application.

Section 2.11 of the Town's CFD Policy—Other Information

- Please provide a proposed marketing plan as required by the policy.

- Please update/amend the required homebuyer disclosure sample form to include all elements required by the policy; for example the sample form is missing information on the assessment and other financial burdens of the CFD.
- The current description of the signing and record-keeping processes do not include a requirement that a copy of the signed homebuyer disclosure will be filed with the Town within 30 days of sale. Please review this section and ensure all elements required by the policy are included.
- The proposed development agreement will need to be consented to by lienholders.

Additional comments and considerations

- One of proposed additional Board member Dan Post's sons is the Vice Mayor of the Town of Marana, and another of his sons is the Applicant's attorney. Please provide an analysis and determination of the potential effect of these close family relationships on proposed additional Board member Dan Post's ability to participate in voting on matters as a Board member and on Vice Mayor Jon Post's ability to participate in voting on District matters as a Marana Town Council member.

TOWN OF MARANA, ARIZONA
POLICY GUIDELINES AND APPLICATION PROCEDURES
FOR THE ESTABLISHMENT OF
COMMUNITY FACILITIES DISTRICTS[*]

In order to secure for the Town of Marana, Arizona (the "Town") the benefits of the Community Facilities Act[†] (the "Act") and to promote the best interests of the Town, the following CFD Policy Guidelines and Application Procedures (these "CFD Policy Guidelines") have been adopted by the Town Council.

A community facilities district ("CFD") provides a funding mechanism to finance construction, operation, and maintenance of public infrastructure within the boundaries of the CFD, and to better enable the Town to provide municipal services within the boundaries of the CFD. The Town Council recognizes the ability of the CFD to permit the construction of infrastructure that might otherwise not be constructed. For these reasons, the Town Council has established these CFD Policy Guidelines.

Considering that the establishment of a CFD is the legal equivalent of the establishment of an entirely new municipal entity within the boundaries of the Town, the Town Council believes that the formation of the CFD should be entered into carefully, to ensure its lasting success.

ARTICLE 1. GENERAL POLICIES

1.1. CFDs should be utilized primarily in connection with the financing of major infrastructure for development of residential projects, master planned communities or projects which include resort hotels or substantial commercial development.

1.2. Priority should be given to CFDs that provide an enhanced level of public infrastructure amenities and/or municipal services. CFD financing will not be provided for public infrastructure improvements which are normally expected as part of a development. Public improvements financed by a CFD should be in conformance with the Town's General Plan in order to encourage orderly growth and development.

1.3. All costs incurred by the Town and the CFD in connection with the CFD application, formation, and administration, and all operation expenses appurtenant to the CFD, will be paid by the developer/landowner (the "Applicant") through advance payments as provided in these CFD Policy Guidelines. Payment shall include payment for services rendered by Town and CFD staff as well as services rendered by outside consultants who may be retained by the Town or the CFD, including but not limited to bond counsel, financial advisors, engineers, and appraisers. If the Town or CFD uses outside consultants as "staff," such as attorneys or engineers, those consultants will also be paid their customary rate for services. If authorized by the CFD Board, exercising its sole discretion, all or part of such costs may be paid by a CFD tax levy or reimbursed to the Applicant from a CFD tax levy, CFD assessment, CFD revenues, or CFD bond proceeds, so long as such reimbursement is in conformance with federal law, state law, and these CFD Policy Guidelines.

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[*] Adopted by Marana Resolution No. 97-42 (5/21/1997); amended by Marana Resolution No. 2004-161 (11/5/04), Marana Resolution No. 2019-034 (06/04/2019), and Marana Resolution No. 2019-074 (08/06/2019).

[†] Arizona Revised Statutes section (A.R.S. §) 48-701 *et. seq.*, as amended.

1.4. The Town will encourage an area to be governed by as few CFDs as possible, and a preference will be given to one master CFD. These CFD Policy Guidelines are adopted to provide ease of administration and the largest tax/revenue base possible. The decision to form a CFD shall be a decision of the Town Council exercised in its sole and absolute discretion.

1.5. Unless otherwise agreed to by the Town, a CFD formed after 2018 will be governed by a board of directors comprised of the members of the Town Council, ex officio, with two additional members designated by the owner of the largest amount of privately-owned acreage in the proposed district and who are appointed by Town Council. The day-to-day responsibilities of the CFD will be performed by Town staff or, pursuant to a contract, by outside personnel. At the sole option of the CFD Board, advisory committees may be utilized.

1.6. Unless otherwise agreed to by the Town, the CFD must be self-supporting from the standpoints of financing, operations, and maintenance. No Town funds will be used for CFD purposes. Notwithstanding anything contained in these CFD Policy Guidelines, neither the property, the full faith and credit, nor the taxing power of the Town shall be pledged to the payment of any CFD obligation or indebtedness.

1.7. The CFD Board will determine, in its sole and absolute discretion, the amount, timing, and form of financing to be used by a CFD after review of the project feasibility report, Member Appraisal Institute ("MAI") property appraisals (utilizing the appropriate appraisal methodology) acceptable to the CFD Board, and other required pertinent information.

1.8. A key tenet of these CFD Policy Guidelines is the financial protection of homeowners within a CFD. As such, these CFD Policy Guidelines include provisions that attempt to protect homeowners from financial liability in excess of targeted tax rates and assessments. Similarly, these CFD Policy Guidelines include provisions designed to meet all financial obligations and/or legal exposures of the CFD.

1.9. The CFD will construct all public improvements utilizing public bidding procedures in accordance with applicable laws, rules, and regulations and as would be applied by the Town in a construction project for the Town. In general, this requires compliance with Arizona Revised Statutes Title 34 and the Town of Marana Procurement Code (Town Code Chapter 3-4).

1.10. The CFD will not use bond proceeds or other CFD funds to purchase public rights-of-way or other real property to be used for public infrastructure improvements, if such real property would be required to be dedicated and conveyed to the Town by the Applicant upon development of its property.

1.11. CFD bond proceeds will not be used for public infrastructure improvements which are included in an infrastructure improvements plan adopted in support of a development impact fee.

1.12. The Town retains the right to select all consultants necessary for the evaluation of any application and the proceedings for the formation of a CFD and the issuance of CFD bonds. This includes but is not limited to any special tax consultant, bond counsel, underwriter, appraiser, engineer, or any other consultant deemed necessary by the Town or the CFD Board.

1.13. These CFD Policy Guidelines may be modified from time to time by the Town. Any applicant will be given the opportunity to propose alternative approaches to those provided herein, with the understanding that concerns of the Town must be adequately addressed before the staff of the Town will recommend approval of a CFD by the Town Council.

ARTICLE 2. CONTENT OF APPLICATION

2.1. **Completed Application**. Pursuant to A.R.S. § 48-702(B), the Applicant shall submit a completed application for the formation of a CFD (the "Completed Application") to the Town's Finance Department before the Town will consider forming a CFD. The Completed Application shall, at a minimum, contain the information set forth below and must be organized in the manner described in this Article.

2.2. **Petition in Favor of Formation**. The Completed Application shall include a petition signed by the owners of at least 25% of the land area proposed to be included in the CFD. The petition must include a list of all parcels in the proposed CFD along with the parcel number, owner names, situs address and lot size (parcel square footage or acreage) for each individual parcel.

2.3. **Applicant Information**. The Completed Application shall include:

a. A description of the Applicant, including its corporate and organizational structure, and the names of all officers and corporate directors of the Applicant.

b. The name, address, telephone number, and email address of the Applicant's primary contact.

c. The names, addresses, telephone numbers, and email addresses of any legal representatives, engineers, architects, financial consultants or other consultants of the Applicant or significantly involved in the application.

d. A general description of the Applicant's experience with similar types of developments.

e. Evidence demonstrating the Applicant's ability and capacity (including financial statements and supporting information) to undertake the proposed public infrastructure and private development.

2.4. **Board Member Information**. The Completed Application shall describe the process for the designation of two additional CFD Board members, including the following:

a. Provide the names, addresses, telephone numbers, email addresses, backgrounds, qualifications, and other relevant information of the two proposed additional CFD Board members to be designated by the owner of the largest amount of privately owned acreage in the proposed CFD.

b. State the process for the designation of the two additional CFD Board members on completion of the development of all property in the CFD.

c. Provide documentation evidencing each proposed CFD Board member's acknowledgment of his or her obligation to comply with Arizona Revised Statutes Title 38 ("Public Officers and Employees"), Chapter 3 ("Conduct of Office"), Articles 3.1 ("Public Meetings and Proceedings") and 8 ("Conflict of Interest of Officers and Employees").

d. Provide unqualified hold harmless and indemnity guarantees to the Town, the CFD, and officers, agents and employees of the Town and the CFD for the actions and conduct of each proposed CFD Board member.

2.5. **Proposed CFD**. The Completed Application shall include:

a. A description 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 Map for the area.

b. A general description of the proposed CFD with an analysis of the appropriateness of the CFD boundaries.

c. A legal description of the proposed CFD boundaries with an accompanying depiction.

d. A current title report showing the names and addresses of persons with any interest in the land within the proposed CFD boundaries.

e. A certificate from the respective county elections department(s) showing the names and addresses of all qualified electors in the proposed CFD boundaries.

2.6. **Project Description and Proposed Improvements**. The Completed Application shall include:

a. A general plan setting out a detailed description of the types of public infrastructure to be financed by the CFD, including the estimated construction or acquisition costs of the public infrastructure and the annual operation and maintenance costs of the public infrastructure and the governmental approvals that will be required for both the public and private improvements to be constructed and operated within the proposed CFD.

b. A proposed project schedule for commencement and completion of the public infrastructure and the private development within the proposed CFD.

2.7. **Financing Plan**. The Completed Application shall include a detailed description of the financing plan that includes the sources and uses of monies to be used to cover the capital, operating, and maintenance costs for the public infrastructure within the proposed CFD, including the proposed types and amounts of tax-exempt/taxable bonds requested to be considered for the public improvements.

2.8. **Financial Feasibility Study**. The Completed Application shall include a financial feasibility study, covering the period of time until the last proposed bond of the CFD will be paid, for the entire project being developed on the property in the proposed CFD, including both the public infrastructure and the private development. The financial feasibility study shall include:

a. An analysis of how the proposed debt financing, operation and maintenance costs, user charges and other CFD costs will be allocated and what will be the impact to the ultimate end users of the property, specifically projected property taxes and property tax rates, special assessments, fees, charges and any other costs that would be borne by property in the CFD. The analysis shall also address the impact these costs will have on the marketability of the private development and a comparison of proposed tax rates or charges within the proposed CFD contrasted with the tax rates and charges within the proposed CFD contrasted to the tax rates and changes in adjoining and similar areas outside of the proposed CFD.

b. A financing plan for the private development in the CFD.

c. A market absorption study for the private development in the CFD, prepared by an independent consultant acceptable to the Town, which shall include estimates of the

revenue to be generated by the development, an estimate of the ability of the market to absorb the development, and a market absorption calendar for the development.

d. A value-to-lien ratio analysis based on the requirements of these CFD Policy Guidelines. The value portion of the analysis shall be the estimated value of the property within the CFD determined per subparagraph 4.6.g.iii below. The lien portion of the analysis shall be the sum of the principal amount of any outstanding CFD public financing and the proposed public financing.

e. A description and estimated amounts of the proposed equity contribution from the Applicant and a calendar showing the timing of such equity contribution.

2.9. **Insurance**. The Completed Application shall provide an explanation of how insurance coverage shall be provided by the Applicant and how assurances will be provided that premiums and deductibles will be paid in the future. The Applicant is responsible for the cost of insurance to cover all actions and activities taken by the Board of Directors and officers of the CFD relating to the CFD formation, financing, administrative actions or other related activities of the types, in amounts and with deductibles determined by the Risk Manager of the Town. Insurance must include "per occurrence coverage" including a "securities" rider if bonds are to be sold.

2.10. **Indemnification**. The Completed Application shall indicate how indemnification as required by the Development Agreement will be provided by the Applicant to the Town and the CFD and their agents, officers, and employees for, from, and against any and all liabilities, claims, costs and expenses, including attorneys' fees, incurred in any challenge or proceeding to the formation, operation, administration of the CFD, the offer and sale of CFD bonds, the levying by the CFD of any tax, assessment or charge and the operation and maintenance of public infrastructure financed or owned by the CFD. The Completed Application shall include financial statements and other supporting information for the entity providing the indemnification and shall provide appropriate collateral to cover the indemnity.

2.11. **Other Information**. The Completed Application shall include:

a. A detailed description of the proposed marketing plan to be used by the Applicant and/or home builders to market property within the CFD. This information may include, but is not limited to, descriptions and cost estimates of public infrastructure improvements to be financed by the CFD and a comparison of the proposed CFD to similar CFDs in the area.

b. A homebuyer disclosure form with a signed acknowledgement of receipt by the initial homebuyer of each lot in the CFD, in which the Applicant or home builder explains to prospective CFD landowners all of the following:

i. The existence of the CFD.

ii. The purposes for which the CFD was formed.

iii. The CFD's expected and possible secondary property tax rate.

iv. The estimated annual secondary tax amount based on applying the CFD's expected and possible secondary property tax rate to a representative residential property value.

v. Assessment and other financial burdens of the CFD.

c. The Applicant's description of the signing and record-keeping processes to be used for retaining all signed homebuyer disclosure forms, which shall include a requirement that the Applicant or home builder shall file with the Town a copy of each signed homebuyer disclosure form within 30 days of sale.

d. An operating plan for the CFD, explaining what functions the CFD will provide and how the operation and maintenance of the infrastructure and all other services in the CFD will be provided.

e. The District Development and Financing Participation Agreement between the Town and the Applicant (the "Development Agreement") in substantially final form, including all terms and provisions to be approved by the Town if formation of a CFD is approved. The Development Agreement must include matters required by the Act, including without limitation the subdivision public report requirements at A.R.S. § 48-708 (D), and must have been fully negotiated by the Applicant and Town staff, with agreement by both parties.

ARTICLE 3. APPLICATION PROCEDURES

3.1. The original and one electronic copy of the application for the formation of a CFD shall be submitted to the Finance Director of the Town who will coordinate an interdepartmental analysis of each application.

3.2. At the time of submission of the application, the applicant shall pay an application fee of $**15,000.00**.

3.3. Prior to submission of a Completed Application, and at the request of a potential Applicant, the Finance Director may arrange a pre-application conference with the potential Applicant, appropriate Town staff, and outside professionals and consultants, for the purpose of discussing the possible submission of a Completed Application for conformity with these CFD Policy Guidelines.

3.4. The Applicant shall provide any and all supplemental information requested by Town staff at or following the pre-application conference or any other time during the application process.

3.5. The review, analysis and consideration of a Completed Application will include:

a. A comprehensive review of the completed application to determine whether the completed application is consistent with these CFD Policy Guidelines, identification of missing or incomplete information and identification and discussion of any concerns with the Applicant. This will include, but will not be limited to, examining the project feasibility, analysis of land ownership interests, financing analyses, risk analysis and evaluation of community benefits.

b. Under the direction of the Finance Director, a report may be prepared including recommendations related to the proposed CFD and an analysis of the impact of the formation of the proposed CFD and its effects on the Town. The report may recommend that additional requirements be placed on the Applicant, on any related developer, landowner, or builder, and/or on the proposed CFD itself. This review will include the preliminary approval of the form, terms and provisions of the "substantially complete" Development and Financing Participation Agreement necessary for formation of a CFD.

3.6. Within 60 days after the Applicant's submission of a Completed Application, the Town Council shall hold a public hearing to consider the Completed Application. A resolution

declaring the intent to form a CFD may be considered by Town Council immediately following the public hearing. If the Town Council does not adopt the resolution, it will provide a written basis for not adopting the resolution and shall identify the specific changes needed for the completed application to be approved.

3.7. If an application includes a petition for formation signed by owners of all of the land in the proposed CFD and meets all the requirements of Article 2 in form satisfactory to the Town, the Town may declare the CFD formed without posting, publication, mailing, notice and public hearings or landowner election. Otherwise, the alternative provisions of the Act must be followed.

3.8. If the Town Council approves the formation of a CFD, any existing agreements with the Applicant for the provision of infrastructure proposed to be furnished by the CFD will be deemed amended to reflect the agreements and conditions pertaining to the CFD. The amendments will reflect that such infrastructure improvements will be provided (including by acquisition) by either the Applicant or the CFD.

3.9. If the Town Council approves an application for formation of a CFD, the Applicant and Town staff shall coordinate a schedule of events for formation of the CFD and shall finalize negotiation of the Development Agreement, which shall be entered into prior to or concurrently with formation of the CFD and which shall incorporate the requirements of any report or recommendations of Town staff relating to the CFD, the requirements of these CFD Policy Guidelines, and any other restrictions and provisions required by the Town.

ARTICLE 4. CFD OPERATIONS AND DEBT FINANCING

4.1. The Applicant shall be obligated to pay costs and expenses incurred in connection with the formation, review of any feasibility study, election costs, administration, operation, and maintenance of the CFD or its public improvements.

a. Upon formation of a CFD the Applicant shall deposit with the Town's Finance Department a non-refundable administrative expense fee in the amount of $50,000. The administrative expense fee shall be applied by the Town to the costs and expenses incurred in connection with the formation, review of any feasibility study, election costs, administration, operation, and maintenance of the CFD or its public improvements. From time to time, upon depletion of the administrative expense fee, the Town may request, and the Applicant shall promptly deposit, additional $25,000 deposits to be applied to the purposes contemplated in this Section 4.1.

b. An ad valorem tax of $.30 per $100 of assessed valuation for all real and personal property in the CFD shall be assessed pursuant to A.R.S. § 48-723 to cover administrative, operation, and maintenance expenses incurred by the CFD and by the Town for the benefit of the CFD. CFD administration, operation, and maintenance costs will be paid first from the proceeds of this ad valorem tax, and then from the Applicant's deposit referenced in subsection 4.1.a above.

c. The Applicant shall provide $100,000 in the form of a cash contribution, letter of credit, or other acceptable form of security, which shall be bankruptcy proof, as required by the CFD Board, to secure the Applicant's obligation to pay costs and expenses incurred in connection with administration, operation, and maintenance of the CFD or its public improvements.

d. The security required under subsections 4.1.a and 4.1.c above shall remain in full force and effect until the assessed value of real property in the CFD generates at least $100,000 per year ad valorem taxes from the $.30 per $100 of assessed valuation assessed pursuant to A.R.S. § 48-723 for a period of three consecutive years or until the CFD is dissolved pursuant to A.R.S. § 48-724.

e. The Applicant remains obligated to pay costs and expenses incurred in connection with the CFD notwithstanding any release of security.

4.2. In connection with any request for debt financing, the Applicant shall provide a current appraisal of the fair cash market value of the property within the proposed CFD which is to be taxed or assessed, prepared by a person who is designated as a Member Appraisal Institute ("MAI") and a certified general real estate appraiser (such person hereafter referred to as an "MAI Appraiser"), such appraisal to be in form and substance acceptable to the Town, in its sole discretion.

4.3. The amount of CFD debt shall not have any substantial direct or indirect negative impacts on the debt or financing capabilities of the Town, and the CFD debt shall not impose an unreasonable financial burden on future CFD residents.

4.4. General obligation bonds of the CFD are secured by an ad valorem tax on all taxable property located within the CFD. An Applicant seeking the issuance of CFD general obligation bonds shall describe in each project feasibility report the following:

a. The current direct and overlapping tax and assessment burden on the taxable property that is proposed to be taxed and the full cash value and assessed valuation of the taxable property as shown on the most recent assessment roll.

b. The amount and timing of CFD general obligation bonds to be issued.

c. The expected market absorption of development within the CFD.

d. The effect of the CFD bond issuance on CFD tax rates, calculated as of the beginning, midway through, and at the end of the market absorption period, or based on the phasing of the project to be financed, as applicable.

e. Estimated savings, if any, to residents in the form of reduced home sales prices which are projected to result from CFD financing.

f. The proposed total tax rate of the CFD.

i. If the pre-established debt service target tax rate is not sufficient to pay the entire debt service in respect of outstanding general obligation bonds when due at the time of issuance thereof, the Applicant will be required to contribute an amount annually sufficient to pay the difference between the revenues produced by the pre-established target tax rate and the actual CFD debt service coming due in that fiscal year.

ii. To secure the Applicant's payment of the contribution described in the preceding subparagraph, the Applicant shall provide security in the form of a cash contribution, letter of credit, or other acceptable form of security, which shall be bankruptcy proof, as required by the CFD Board, such that the total amount of all such security is equal to the larger of (i) three times the difference between Cumulative Maximum Annual Debt Service ("CMADS") and the estimated taxes to be collected in the year

immediately following the year of bond issuance or (ii) one times CMADS. Any security provided by the Applicant and held by the CFD for prior bond sales will be taken into account for the purpose of determining the amount of security required for each subsequent bond issuance. CMADS is the maximum annual debt service with respect to all series of bonds outstanding, including, on the date of issuance of a series of bonds, the series of bonds then being issued. All of the foregoing items need to be described in detail. A cash flow schedule illustrating the security amount and the time period required to cover such shortfall will be required to be submitted by the Applicant prior to the issuance of general obligation bonds. The security shall remain in full force and effect until all of the bonds are paid off or the assessed value of real property in the CFD generates ad valorem taxes at the pre-established CFD target tax rate sufficient to pay CMADS for a period of three consecutive tax years beginning the year immediately following the final bond issuance.

g. Whether the bonds will be publicly offered or privately placed. Publicly offered bonds must be rated in one of the four highest investment grade ratings from Standard & Poor's Corporation, Moody's Investors Services, Inc., or another nationally recognized bond rating service. Privately placed bonds need not be rated; however, the purchasers of such general obligation bonds must be "qualified institutional buyers" (as that term is defined in Rule 144A of the Securities Exchange Commission) and must agree not to resell the bonds except to "qualified institutional buyers" in a private placement; provided, however, that a purchaser of general obligation bonds in a private placement may sell the bonds in a public offering if the CFD board approves the public sale and the bonds have an investment grade rating.

4.5. Revenue bonds shall be payable from a CFD revenue source. An Applicant seeking the issuance of CFD revenue bonds must describe in each project feasibility report, the following:

a. The current direct and overlapping tax and assessment burdens on the taxable property within the CFD and the full cash value and assessed valuation of that taxable property as shown on the most recent assessment roll.

b. The revenue source from which bonds will be payable. The Town reserves the right to require the applicant to produce such independently prepared feasibility studies or reports as it deems necessary to confirm the amount and availability of revenues.

c. The expected market absorption of development within the CFD.

d. The amount and timing of CFD revenue bonds to be issued.

e. The financial impact of the proposed issue(s) on prospective residents.

f. Whether the bonds will be publicly offered or privately placed. Publicly offered revenue bonds must be rated in one of the four highest investment grade ratings from Standard & Poor's Corporation, Moody's Investors Service, Inc., or another nationally recognized bond rating service. Privately place bonds need not be rated; however, the purchasers of such revenue bonds must be "qualified institutional buyers" and must agree not to sell the bonds except to "qualified institutional buyers" in a private placement; provided, however, that a purchaser of a revenue bond in a private placement may sell the bonds in a public offering if the CFD board approves the public sale and the bonds have an investment grade rating.

4.6. Assessment bonds shall be secured by first lien (subject only to the lien for general taxes and prior special assessments) on the property benefited. An Applicant seeking the issuance of CFD assessment bonds shall describe in the application and in each project feasibility report, the following:

a. The current direct and overlapping tax and assessment burdens on real property to comprise the CFD and the full cash value and assessed valuation of that property as shown on the most recent assessment roll.

b. The amount and timing of CFD assessment bonds to be issued.

c. The expected market absorption of development within the CFD.

d. The assessment burden to be placed on prospective residents.

e. Whether the assessments will be paid upon the sale of lots by the Applicant or will remain on the property after sale.

f. If assessed parcels of land are expected to be subdivided, the process by which the assessments will be allocated to the subdivided land.

g. Whether the assessment bonds will be publicly offered or privately placed.

i. Publicly offered assessment bonds must be rated in one of the four highest investment grade ratings from Standard & Poor's Corporation, Moody's Investors Service, Inc., or another nationally recognized bond rating service. Alternatively, in an unrated public offering, the Applicant shall provide an independent fee appraisal of the land to be encumbered, prepared by an MAI Appraiser and in form and substance acceptable to the CFD Board, in its sole discretion, evidencing

1) A land value to debt ratio of at least 4 to 1 prior to the issuance of debt for extraordinary public infrastructure requirements (as defined in subparagraph 5.5.b below).

2) A land value to debt ratio of at least 6 to 1 prior to the issuance of debt in all other circumstances.

ii. Privately placed bonds need not be rated; however the purchasers of such assessment bonds must be "qualified institutional buyers" who must agree to hold the bonds for their own account or agree not to sell the bonds except to "qualified institutional buyers." In connection with the sale of unrated privately placed assessment bonds, the Applicant shall provide an independent fee appraisal of the land to be encumbered, prepared by an MAI Appraiser and in form and substance acceptable to the CFD Board, in its sole discretion, indicating a land value to debt ratio of at least 4 to 1 as of a date prior to the issuance of debt.

iii. The independent fee appraisal provided by the Applicant for an unrated public offering (subparagraph i above) or for privately placed bonds (subparagraph ii above) shall value the property as follows:

1) Where the bonds will be used to pay for extraordinary public infrastructure requirements (as defined in subparagraph 5.5.b below), the appraisal shall be based on the appraised value of the land to be encumbered including the value of constructed or expected to be constructed public improvements. The value of public

improvements expected to be constructed will only be considered if adequate security (performance bond or similar) is in place to ensure that the assets are constructed.

2) In all other circumstances, the appraisal shall be based on the appraised value of the land to be encumbered at its bulk wholesale value prior to any private or public improvements being installed.

4.7. Notwithstanding the restrictions pertaining to public sales and private placements of the bonds set forth in this Article 4, the restrictions may be modified if other financing structures are presented which, in the sole discretion of the CFD Board, provide other means to address CFD concerns.

ARTICLE 5. FINANCING CONSIDERATIONS

5.1. The Applicant shall provide at least $0.25 in infrastructure or community improvements for each $1.00 of debt to be issued by a CFD to finance public infrastructure purposes. If agreed to by the CFD, prior infrastructure and community improvements constructed or acquired by the Applicant and benefiting the property within the CFD may be included in calculating the Applicant's compliance with this Section 5.1.

5.2. If allowed by law, all bond issues shall include a debt service reserve fund in an amount acceptable to the CFD Board.

5.3. Privately placed bonds shall have minimum authorized denominations of $100,000.

5.4. A general obligation bond authorization for a CFD shall expire no later than the earlier of the 15th anniversary of the first bond issuance or 75% of development lots. Under extenuating circumstances the CFD Board may, in its sole and absolute discretion, extend this period.

5.5. In further consideration of the types of debt obligations used to finance the acquisition or construction of eligible public infrastructure, the following shall guide CFD obligations:

a. Routine Public Infrastructure Requirements. General obligation bonds shall be the preferred financing mechanism for CFDs with routine public infrastructure requirements. The pre-established debt service target tax rate shall be levied upon all CFD taxable property.

b. Extraordinary Public Infrastructure Requirements. General obligation bonds and/or special assessment bonds may be used for any portion of extraordinary public infrastructure required for the CFD. Extraordinary public infrastructure requirements are those infrastructure elements not routinely required for a development project. Examples of extraordinary public infrastructure include but are not necessarily limited to transportation interchanges, water reclamation facilities, water treatment campuses, and similar regional public infrastructure improvements. The pre-established debt service target tax rate shall not be exceeded and shall be levied upon all CFD taxable property for any general obligation bonds, as applicable. Special assessment liens shall not exceed the value-to-lien ratio described in subparagraph 4.6.g above on a per lot basis.

5.6. The Applicant or a third party acceptable to the Town and the CFD Board shall indemnify the Town and the CFD and their agents and employees and shall hold the Town and the CFD and their agents and employees harmless for, from and against any and all liabilities, claims, costs and expenses, including attorneys' fees, incurred in any challenge or proceeding to the

formation, operation, administration of the CFD, the offer and sale of CFD bonds, the levying by the CFD of any tax, assessment or charge and the operation and maintenance of public infrastructure financed or owned by the CFD.

5.7. The Applicant shall obtain and pay the cost of a directors and officers (D&O) insurance policy to cover all actions and activities taken by the CFD Board and officers of the CFD relating to the CFD formation, financing, administrative actions and other related activities. The Applicant shall deposit the amount of any deductible under the D&O insurance policy in escrow with the CFD Board or shall provide security acceptable to the CFD Board for the amount of the deductible. The amount of the D&O coverage shall at all times equal or exceed $2,000,000 per occurrence and $2,000,000 aggregate. The CFD Board may increase the D&O coverage from time to time commensurate with increases in coverage obtained by the Town for its directors and officers.

5.8. Unless otherwise provided to the Town pursuant to other requirements, prior to CFD financing and acquisition by the CFD or Town, the CFD or Town will require an independent environmental report or assessment of any real property which will be dedicated to or otherwise owned, leased or operated by the Town or the CFD and a proposed form or indemnity agreement with respect to all environmental liability.

Application for the Formation of

THE VILLAGES OF

Tortolita

Community Facilities District
Marana, Arizona

September 30, 2019

Submitted By:

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APPLICATION FOR THE FORMATION OF THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT MARANA, ARIZONA

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APPLICATION FOR THE FORMATION OF THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT MARANA, ARIZONA

LISTING OF EXHIBITS

Exhibit A - Conceptual Master Plan

Exhibit B - Petition in Favor of Formation / General Plan

Exhibit C - Applicant Resumes

Exhibit D - Land Owner Board Representatives

Exhibit E - Location Map

Exhibit F - District Map and Legal Description

Exhibit G - Title Report

Exhibit H - Qualified Elector's Reports

Exhibit I - County Assessor's Reports

Exhibit J - Cost Estimates

Exhibit K - CFD Development Agreement

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APPLICATION FOR THE FORMATION OF THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT MARANA, ARIZONA

1.0 INTRODUCTION/APPLICATION FEE

This application ("Application") for the Villages of Tortolita development project ("Project") is being submitted by TMR Investors, LLC an Arizona limited liability company (the "Applicant"), to request the formation of a community facilities district (the "District" and/or "CFD") pursuant to Arizona Revised Statute ("ARS") 48-701 et seq. as amended (the "Act"), for the financing of certain Public Infrastructure (the "Public Infrastructure") relating to the development of the Project, a master planned residential and commercial development located in the Town of Marana, Arizona ("Town").

Project and District Overview

The Project is an approximate 1,780 acre master planned community located within the boundaries of the Town. Upon build-out the Project is estimated to include 6,500 single family, multifamily, mixed use units as well as commercial land uses. Given the fact that multiple parties own property comprising the Project area and given the fact that some of the land owners are not willing to participate in the CFD (e.g. Barnett, Kai, Wong and Holsclaw), the Applicant requests that only approximately 1,520 acres owned by the Applicant be contained within the boundaries of the proposed District, as illustrated below.

The Villages of Tortolita
Community Facilities District
Land Use Plan

	Project Total		Included in CFD	
Description	Acres	Residential Units (1)	Acres	Residential Units (1)
Medium-Low Density Residential	422.68	1,214	257.60	740
Medium Density Residential	789.69	3,054	708.45	2,740
Medium-High Density Residential	62.96	452	62.96	404
Mixed Use	411.94	1,780	411.94	1,780
Industrial	93.17	-	78.87	-
Total	**1,780.44**	**6,500**	**1,519.82**	**5,664**

Source: Applicant

Footnote:

(1) Unit counts are approximate and provided by the Applicant.

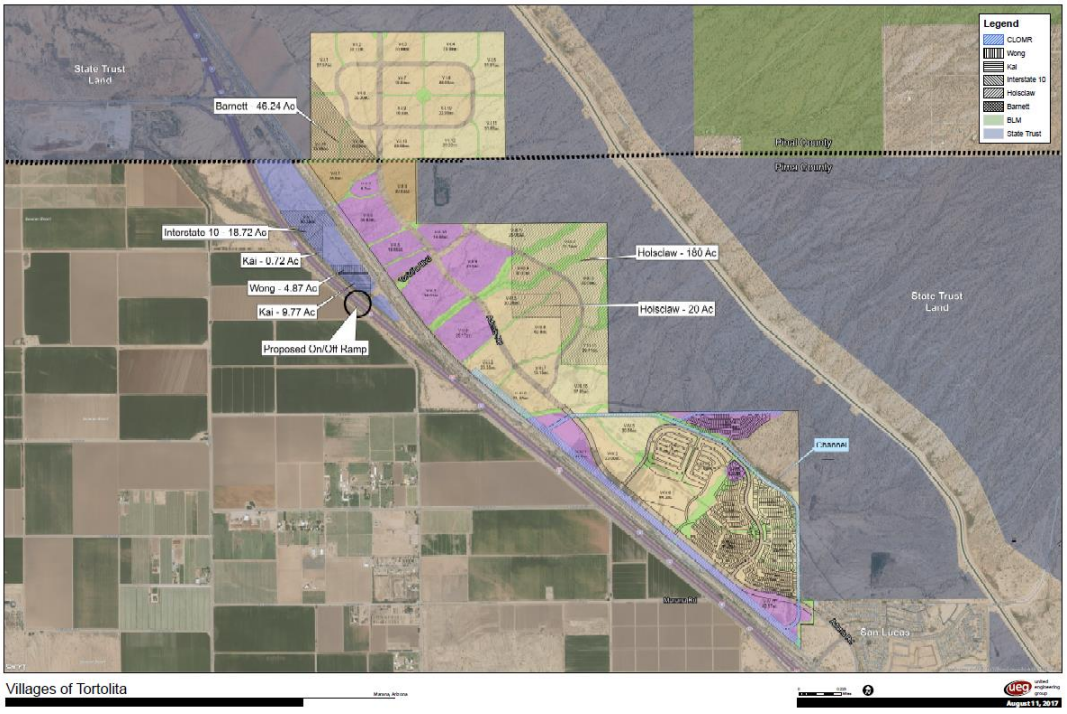
The Project's conceptual master use plan has been included in the Appendix to this Application as **Exhibit A**. The exhibit illustrates the land areas to be included within the District as well as those parcels that will be excluded from the District.

Upon formation of the District, the land uses anticipated to be contained within the District's boundaries are illustrated in the table below.

The Villages of Tortolita
Community Facilities District
Land Use To Be Included In District

Description		Included in CFD			Excluded From CFD			Project Total
Phase	Village	Acres	Residential Units (1)	MF Units (1)	Acres	Residential Units (1)	MF Units (1)	Acres
Phase I	Village IV	536.75	1,405	217	-	-	-	536.75
Phase II	Village III	190.89	642	-	200.08	673	-	390.97
Phase III	Village II	320.10	-	2,015	-	-	-	320.10
Phase IV	Village I	393.21	1,385	-	46.24	163	-	439.45
Phase V	Industrial	78.87	-	-	14.30	-	-	93.17
Total		**1,519.82**	**3,432**	**2,232**	**260.62**	**836**	**-**	**1,780.44**

Source: Applicant
Footnote:
(1) Unit counts are approximate and provided by the Applicant.



Application Fees

The Applicant has previously provided the town with the non-refundable $75,000 application fee in addition to an initial $25,000 deposit. As part of the resubmission of the Application, the Applicant requests that no additional fees be required. The Town acknowledges receipt of payment of an application fee for a CFD on the subject property

pursuant to the Town's community facilities district policy as it existed at the time the fee was paid. The Town agrees not to charge any additional fees for the Town's consideration of the creation of the first CFD for the subject property, and TMR agrees not to seek a refund of fees already paid. The Applicant will pay for any additional costs incurred by the Town relating to the review of the Application and formation of the District that are in excess of the funds previously provided. The Applicant shall also pay any one-time costs associated with the issuance of the bonds that are incurred by the Town and not funded out of bond proceeds. To the extent the Applicant pays expenses related to the issuance of bonds, such expenditures shall be eligible for reimbursement through bond proceeds to the extent allowable by law.

2.0 APPLICATION

The following information is arranged pursuant to the Town of Marana, Arizona Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts (the "CFD Policy") adopted by the Town Council on June 4, 2019. As Section 2.1 of the CFD Policy relates to the submission of the CFD Application, it has been excluded this from the number system below which follows the order of the CFD Policy.

Petition in favor of formation (Section 2.2 of the Policy)

A petition in favor of creation of the CFD as well as the general plan is attached as **Exhibit B**. The petition includes a list of all the parcels in the proposed CFD along with the parcel number and owner names for each parcel. The petition is signed by all of the owners of and those having an interest in the land area proposed to be included in the CFD. The general plan includes a general description of the public infrastructure to be financed by the District.

Applicant Information (Section 2.3 of the Policy)

TMR Management, LLC, the manager of TMR Investors, LLC, its affiliates and predecessors also known as the Applicant, are a group of privately held real estate development and investment companies continuously active in the acquisition, development and management of a variety of real estate projects and business activities. The Applicant's real estate holdings include residential developments and master-planned communities.

The Applicant's managing member is TMR Management, LLC.

The managing members of the Applicant's managing member are as follows:

TMR Management, LLC
Inca Capital I, LLC
William Cleverly
7377 E Doubletree Road, Suite #190
Scottsdale, AZ 85258
Phone: (480) 947-5900
Email: cleverly@incacapital.com

TMR Management, LLC
Zipprich Group, LLC
Michael Zipprich
7377 E Doubletree Road, Suite #190
Scottsdale, AZ 85258
Phone: (480) 947-5900
Email: mzipprich@enrpi.com

Resumes of the Applicant's co-managing members as well as the primary contacts for the Applicant have been included as **Exhibit C**.

Legal Representatives
Post Law Firm
Del Post
201 W. Main St, Suite 101
Missoula, MT 59802
Phone: (406) 926-3416
Email: dpost@postlawmt.com

Engineer
United Engineering Group
Scott Lenz
3205 W. Ray Road
Chandler, AZ 85226
Phone: (480) 705-5372
Email: slenz@unitedeng.com

Land Planner
Greey Pickett
Wendell Pickett
7144 E Stetson Drive, Suite 205
Scottsdale, AZ 85251
Phone: (480) 609-0009 ext. 121
Email: wpickett@GreeyPickett.com

Financial Advisor
Launch Development Finance Advisors, LLC
Carter Froelich, CPA
4900 N. Scottsdale Road, Suite 3000
Scottsdale, AZ 85251
Phone: (480) 941-2800
Email: carter@launch-dfa.com

A sample listing of the Applicant's managing member's, co-managing member's current and existing development projects are listed below.

Anderson Parc – Comprises 59.24 acres and is located within the Watson Road Community Facilities District. It is located at the southeast corner of Yuma Road and Apache Road in the Town of Buckeye, AZ. At build out, the project is estimated to contain 242 single family residential lots that vary in size. The property is currently zoned Planned Residential and will begin development shortly.

Apache Farms - Annexed, zoned, and preliminary platted 277 single family detached home-sites located in the Town of Buckeye, Arizona. Developed all water and wastewater solutions for Valencia Water Company and the Town of Buckeye. Served as key leaders and managers in the formation of the Watson Road Community Facilities District for wastewater service. Sold to Evergreen Development in the 3rd Quarter of 2004.

Bell Pointe - Developed 405 single family detached home-sites located in Surprise, Arizona that the Applicant zoned, engineered, final platted and sold to KB Homes in the 1st Quarter of 2004.

Jackrabbit Estates - Zoned, engineered and final platted 364 single family detached home-sites on approximately 140 acres located within Maricopa County, Arizona. Sold to Shea Homes in the 1st Quarter of 2005.

McClellan Meadows - Engineered and final platted 323 single family detached home-sites located in Coolidge, Arizona. The land was eventually sold to Sunwest Homes in the 4th Quarter of 2005.

Palomino Ranch – Developed 2,100 single family detached home-sites on approximately 640 acres in Pinal County, Arizona. The Applicant zoned, preliminary platted, and had

engineering performed on the infrastructure before selling the project to Trend Homes in the 2nd Quarter of 2004.

Rainbow Ranch - Annexed, zoned, and preliminary platted 606 single family detached home-sites located in Buckeye, Arizona. Served as key managers and leaders in the establishment of offsite water and wastewater solution groups to serve east Buckeye. Eventually, the land was sold to D.R. Horton Homes in the 4th Quarter of 2005.

Walden Ranch - Assembled approximately 542 acres located in Maricopa County, Arizona, part of the City of Surprise Special Planning Area No. 5. Processed the Development's Master Plan for approximately 1,500 home-sites through Maricopa County. Developed regional wastewater development plan with Maricopa County and the City of Surprise. The land was subsequently sold to Woodside Homes in the 2nd Quarter of 2005.

Watson Estates – The parcel consists of 234.63 acres with an estimated 868 residential lots and is in Buckeye, AZ. The developer has entered into a contract with three homebuilders: Shea Homes Limited Partnership for 254 lots; Woodside Homes of Arizona, Inc. for 308 lots; and Morrison Homes, Inc. for 306 lots. Similar to Anderson Parc, Watson Estates is located within the Watson Road Community Facility District in Buckeye, AZ.

The financing for the private development will be provided from Applicant equity, third party lending sources, and/or internal cash flow as required. Evidence of such funding will be provided to the Town and/or District representatives in conjunction with the first bond issuance as may be required. As of September 1, 2019 the Applicant has invested approximately $64 million in the Project to fund land acquisition, planning, entitlements and financing costs.

Board member information (Section 2.4 of the Policy)

Board Member Information - The names, addresses, telephone numbers, backgrounds and qualifications, and other relevant information for the two additional board members designated by the Applicant are provided as **Exhibit D**.

On-going Land Owner board member appointment - Pursuant to the Act, on the expiration of the term of an additional appointed board member, or if a vacancy occurs because of death, resignation, or inability of either of the additional appointed members to discharge the duties of a board member, the Town will appoint a person designated by the largest land owner within the boundaries of the District to fill the position. It is the intention of the largest owner to appoint individuals to the district board who have professional experience in real estate development, finance law accounting engineering or the relevant management experience. At the sole discretion of the largest landowner consideration will be given to appointing a District resident to the District Board. Upon completion of development of the Project, as certified by the Applicant or its successor, the Town will appoint persons designated by the homeowners' association for the Project to fill the positions.

Conflicts of Interest Compliance - Each such additional district board member will be provided with the League of Arizona Cities & Towns publication entitled "You as A Public Official", which describes each member's obligation to comply with Title 38, Chapter 3, Articles 3.1 and 8, ARS, and will attend the training session provided by the Town (if any) for its appointed board and commission members. Each such member will sign an annual statement of understanding and agreement to comply with Title 38, Chapter 3, Articles 3.1 and 8, ARS.

Hold Harmless - In addition, each additional board member will sign "hold harmless" guarantees for the Town, the CFD and officers, agent and employees thereof in the form provided by the Town.

Proposed CFD (Sections 2.5 of the Policy)

Town Development Objectives - Through the development of the Project, the Town will receive valuable Public Infrastructure (e.g. Adonis Road, Marana Road interchange improvements; the I-10 interchange, roadways, water improvements, sewer improvements, and parks) which will assure the Town that development will continue to occur in those areas designated in the Town's General Plan.

The Applicant believes that the proposed CFD structure is an important factor in the current plan to create a master-planned community that provides both required and enhanced Public Infrastructure for the ultimate use and enjoyment of retail homebuyers and other end-users within the Project. Formation of the District and utilization of the proposed financing structure will also result in the accelerated construction of the designated Public Infrastructure, including but not limited to roadway, water, sewer improvements, parks and other amenity improvements, as set forth in Section 2.6, while permitting the ultimate housing product to remain affordable to homebuyers. The Town will benefit from the formation of the District and use of the CFD financing through the accelerated construction of major Public Infrastructure and growth of the Town's property tax base.

Legal Description and Area Map - The District will include approximately 1,520 acres of land located on the east side of Interstate 10. The Project is bounded by the Interstate on the West, the CAP Canal on the East and is irregular in shape, encompassing land areas included in both Pima and Pinal Counties.

A location map of the Project has been included in the Appendix to this Application as **Exhibit E**. A map of the Project, which comprises the property to be included within the boundaries of the District, and the respective legal description, have been included in the Appendix to this Application as **Exhibit F**.

Landowner Interests - Contact information for the landowner ("Landowner") of the property contained within the boundaries of the proposed District as evidenced by the title report included in this Application under **Exhibit G** are listed below.

TMR Investors, LLC
c/o TMR Management, LLC
Inca Capital I, LLC
William Cleverly, Managing Member
Zipprich Group, LLC
Michael Zipprich, Managing Member
7377 E Doubletree Road
Suite #190
Scottsdale, AZ 85258
Phone: (480) 947-5900

The Landowner owns 100 percent of the real property to be contained within the District. The petition proposing the formation of the District will be signed by the Landowner of 100 percent of the land to be contained within the District. The Applicant will develop the infrastructure for the Project and obtain all governmental approvals necessary for both the public and private improvements to be constructed and comply with all public procurement requirements applicable to the acquisition and/or construction of eligible Public Infrastructure in accordance with ARS Title 34, and the Town's public procurement ordinance and regulations. The Applicant will also submit to the District all necessary documentation required for reimbursement through the CFD.

The following entities have placed liens and/or encumbrances on the Property as evidenced by the title report included in this Application under **Exhibit G**. All lienholders will consent to the formation of the District.

TMR Funding, LLC
($5,000,000)
c/o TMR Management, LLC
Inca Capital I, LCC
William Cleverly, Managing Member
Zipprich Group, LLC
Michael Zipprich, Managing Member
7377 E Doubletree Road
Suite #190
Scottsdale, AZ 85258
Phone: (480) 947-5900

TMR Mezzanine Funding, LLC
($9,040,000)
c/o TMR Management, LLC
Inca Capital I, LLC
William Cleverly, Managing Member
Zipprich Group, LLC
Michael Zipprich, Managing Member
7377 E Doubletree Road
Suite #190
Scottsdale, AZ 85258
Phone: (480) 947-5900

Lund Investment Partnership III
($5,000,000)
c/o First Republic Trust Company
1888 Century Park East, 2nd Floor
Los Angeles, CA 90067

Qualified Electors and County Assessor's Reports - There are no qualified electors within the proposed District boundaries. Qualified Electors Reports from both the Pima County Recorder's Office and Pinal County Recorder's office have been included as **Exhibit H**. Ownership Reports from both Pima and Pinal County Assessor's Offices have been included as **Exhibit I**.

Project Description (Sections 2.6 of the policy)

The Project will be constructed in five (5) Villages. Development of the Project will begin in Village IV, the Project's southernmost Village. Development will occur in Village IV due to the existing access to the Project provided by the Marana Road interchange as well as Adonis Road. As part of the development of the Project, the Applicant as agreed to improve the Marana Road interchange as well as Adonis Road.

The estimated Project costs, development related to the development of Villages I through Village V are illustrated in the tables on the following pages. These schedules also indicate the Applicant's estimation as to which bond type (general obligation or special assessment) will be utilized to finance the Public Infrastructure Project. To the extent that special assessment bonds are insufficient to finance the Public Infrastructure, general obligation bonds will be utilized to finance the shortfalls.

Estimated Construction Costs -The table on the following page represents a summary description of the eligible Public Infrastructure identified as of the date of this Application. The cost estimates are in 2019 current dollars (uninflated) and will increase over time with inflation. Cost estimates may be found under **Exhibit J** to the Application.

The Villages of Tortolita
Community Facilities District
Summary of Estimated Public Infrastructure Costs

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs
Fees, Engineering, and Other (1)	$ 4,629,485	$ 4,483,301
Land Planning	378,995	-
Removals & Abandonments (2)	280,456	216,569
Soils & Compaction Testing (3)	438,987	263,393
Grading (4)	3,793,418	2,276,051
Tortolita Blvd. Expansion (5)	291,610	291,610
Tortolita Parkway Expansion (5)	5,275,065	5,275,065
Internal Collector Roads (6)	2,998,553	2,998,553
Wastewater Treatment Plant (7)	35,100,000	30,585,600
Wet Utilities (6)	26,125,909	26,125,909
Concrete	470,799	470,799
Drainage Channels	3,197,637	3,197,637
Dry Utilities	1,406,614	-
Street Lighting	533,409	533,409
Walls and Monuments (8)	584,736	314,025
Recreational Amenities (9)	10,867,689	10,867,689
Landscaping (10)	10,224,210	10,224,210
Signage and Striping	122,881	119,373
Clean Up	108,284	-
Sales Tax (11)	4,868,912	4,626,248
Contingency	7,736,630	7,305,249
I-10 Interchange (12)	33,800,000	16,900,000
Offsite Roadway Improvements (Adonis Road)	1,350,000	1,147,500
Offsite Roadway Improvements (Marana Road TI)	4,500,000	3,825,000
Intract Improvements (13)	119,000,000	-
Total Costs	$ 278,084,279	$ 132,047,188
Estimated Number of Units	5,664	5,664
Estimated Cost Per Unit	$ 49,097	$ 23,313
	100%	47%

Source: Applicant

Footnotes:

(1) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(2) Includes costs for well abandonment, and irrigation ditches for housing.

(3) Includes costs for all soils and compaction testing. Eligible CFD costs only include the testing associated with road construction.

(4) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction excluding clear and grub.

(5) Expansion costs include: paving, curb, gutter, median, and sidewalk.

(6) Includes costs for: water main pipes, valves, manholes, wastewater treatment, hydrants, two million gallon storage tank, 1000 GPM water well, and a lift station.

(7) Assumes 1.95 MGD plant (6,500 units X 300 gpd) and an average cost of $18 per gallon. Only 5,664 units are assumed to be financed by the CFD. Plant to be constructed in phases over time.

(8) Includes the costs for: major entry monuments, minor entry monuments, and a railroad sound barrier wall. Estimated eligible CFD costs only include the railroad sound barrier wall.

(9) Includes costs for: community parks, open spaces, recreational areas, and park amenities.

(10) Includes landscaping for Tortolita Parkway, Tortolita Boulevard, and collector roads.

(11) Includes sales tax for all construction costs. Estimated eligible costs only includes the sales tax for eligible facilities.

(12) Includes concrete, traffic signals landscaping, sidewalk, curb, gutter, clear and grub, pedestrian bridge railing, freeway bridge superstructure, freeway bridge substructure, railroad bridge superstructure and railroad bridge substructure. It is anticipated that the CFD will only fund its pro-rata share (50%) of the interchange.

(13) Assumes $21,000 per unit.

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Timetable

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs	Anticipated Timing Start	Anticipated Timing Completion	Bond Type (1)
PHASE I - VILLAGE IV					
Fees, Engineering, and Other (2)	$ 1,002,197	$ 998,948	Q2 2021	Q1 2022	GO
Land Planning	$ 54,142	$ -	Q2 2021	Q1 2022	-
Soils & Compaction Testing (3)	$ 108,990	$ 65,395	Q2 2021	Q1 2022	GO
Grading (4)	$ 1,013,542	$ 608,125	Q2 2021	Q1 2022	SA
Tortolita Parkway Expansion (5)	$ 876,035	$ 876,035	Q2 2021	Q1 2022	SA
Internal Collector Roads (6)	$ 1,279,561	$ 1,279,561	Q2 2021	Q1 2022	SA
Wastewater Treatment Plant (7)	$ 10,051,589	$ 8,758,800	Q2 2021	Q1 2022	GO/SA
Wet Utilities (8)	$ 6,354,560	$ 6,354,560	Q2 2021	Q1 2022	GO
Concrete	$ 141,095	$ 141,095	Q2 2021	Q1 2022	SA
Drainage Channels	$ 414,729	$ 414,729	Q2 2021	Q1 2022	GO
Dry Utilities	$ 576,073	$ -	Q2 2021	Q1 2022	-
Street Lighting	$ 137,088	$ 137,088	Q2 2021	Q1 2022	SA
Removals & Abandonment	$ 18,408	$ -	Q2 2021	Q1 2022	-
Recreational Amenities (9)	$ 2,966,179	$ 2,966,179	Q2 2021	Q1 2022	GO/SA
Landscaping (10)	$ 398,486	$ 398,486	Q2 2021	Q1 2022	GO
Signage and Striping	$ 32,529	$ 32,529	Q2 2021	Q1 2022	SA
Clean Up	$ 21,657	$ -	Q2 2021	Q1 2022	-
Sales Tax (11)	$ 1,079,898	$ 1,006,347	Q2 2021	Q1 2022	GO
Contingency	$ 1,724,382	$ 1,604,773	Q2 2021	Q1 2022	GO
Offsite Roadway Improvements (Adonis Road)	$ 1,350,000	$ 1,147,500	Q2 2021	Q1 2022	SA
Offsite Roadway Improvements (Marana Road)	$ 4,500,000	$ 3,825,000	Q2 2021	Q1 2022	SA
Intract Improvements (12)	$ 29,695,077	$ -	Q2 2021	Q1 2022	-
Sub Total	$ 63,796,216	$ 30,615,149			
PHASE II - VILLAGE III					
Fees, Engineering, and Other (2)	$ 982,219	$ 978,971	Q1 2024	Q1 2025	GO
Land Planning	$ 54,142	$ -	Q1 2024	Q1 2025	-
Removals & Abandonment	$ 45,479	$ -	Q1 2024	Q1 2025	-
Soils & Compaction Testing (3)	$ 87,949	$ 52,769	Q1 2024	Q1 2025	GO
Grading (4)	$ 851,792	$ 511,075	Q1 2024	Q1 2025	SA
Tortolita Parkway Expansion (5)	$ 1,710,355	$ 1,710,355	Q1 2024	Q1 2025	SA
Internal Collector Roads (6)	$ 802,257	$ 802,257	Q1 2024	Q1 2025	SA
Wastewater Treatment Plant (7)	$ 3,978,496	$ 3,466,800	Q1 2024	Q1 2025	GO/SA
Wet Utilities (8)	$ 4,548,376	$ 4,548,376	Q1 2024	Q1 2025	GO
Concrete	$ 145,296	$ 145,296	Q1 2024	Q1 2025	SA
Drainage Channels	$ 657,286	$ 657,286	Q1 2024	Q1 2025	GO
Dry Utilities	$ 311,859	$ -	Q1 2024	Q1 2025	-
Street Lighting	$ 157,554	$ 157,554	Q1 2024	Q1 2025	SA
Recreational Amenities (9)	$ 1,868,717	$ 1,868,717	Q1 2024	Q1 2025	GO/SA
Landscaping (10)	$ 4,084,486	$ 4,084,486	Q1 2024	Q1 2025	GO
Signage and Striping	$ 34,066	$ 34,066	Q1 2024	Q1 2025	SA
Clean Up	$ 21,657	$ -	Q1 2024	Q1 2025	-
Sales Tax (11)	$ 1,097,221	$ 1,045,402	Q1 2024	Q1 2025	GO
Contingency	$ 1,746,071	$ 1,659,661	Q1 2024	Q1 2025	GO
Intract Improvements (12)	$ 24,074,615	$ -	Q1 2024	Q1 2025	-
I-10 Interchange (13)	$ 33,800,000	$ 16,900,000	Q1 2030	Q1 2032	SA
Sub Total	$ 81,059,893	$ 38,623,072			

Source: Applicant

Footnotes:

(1) Bond types represent the Applicant's best estimation of the bond type which will be utilized to finance the specific improvement. The Applicant reserves the right to finance any eligible public improvements pursuant to the Act via any bond type allowable.

(2) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(3) Includes costs for all soils and compaction testing. Eligible CFD Costs only include the testing associated with road construction.

(4) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction.

(5) Expansion costs include: paving, curb, gutter, median, and sidewalk.

(6) Includes costs for: paving, curb, gutter, and sidewalk.

(7) Assumes 1.95 MGD Plant, 300 GPD, and an average cost of $18 per gallon.

(8) Includes costs for: water main pipes, valves, manholes, wastewater treatment, hydrants, two million gallon storage tank, 1000 GPM water well, and a lift station.

(9) Includes costs for: community parks, open spaces, recreational areas, and park amenities.

(10) Includes landscaping for Tortolita Parkway, Tortolita Boulevard, and collector roads.

(11) Includes sales tax for all construction costs. Estimated eligible costs only includes the sales tax for eligible facilities.

(12) Assumes $21,000 per unit.

(13) Includes concrete, traffic signals landscaping, sidewalk, clear and grub curb, gutter, pedestrian bridge railing, freeway bridge superstructure, freeway bridge substructure, railroad bridge superstructure and railroad bridge substructure.

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Timetable

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs	Anticipated Timing Start	Anticipated Timing Completion	Bond Type (1)
PHASE III - VILLAGE II					
Fees, Engineering, and Other (2)	$ 1,894,883	$ 1,761,693	Q1 2027	Q1 2028	GO
Land Planning	$ 162,427	$ -	Q1 2027	Q1 2028	-
Soils & Compaction Testing (3)	$ 167,370	$ 100,422	Q1 2027	Q1 2028	GO
Grading (5)	$ 453,441	$ 272,064	Q1 2027	Q1 2028	SA
Tortolita Blvd. Expansion (5)	$ 291,610	$ 291,610	Q1 2027	Q1 2028	SA
Tortolita Parkway Expansion (5)	$ 1,544,712	$ 1,544,712	Q1 2027	Q1 2028	SA
Internal Collector Roads (6)	$ 181,918	$ 181,918	Q1 2027	Q1 2028	SA
Wastewater Treatment Plant (7)	$ 12,487,023	$ 10,881,000	Q1 2027	Q1 2028	GO/SA
Wet Utilities (8)	$ 13,449,383	$ 13,449,383	Q1 2027	Q1 2028	GO
Concrete	$ 50,006	$ 50,006	Q1 2027	Q1 2028	SA
Drainage Channels	$ 750,411	$ 750,411	Q1 2027	Q1 2028	GO
Dry Utilities	$ 162,427	$ -	Q1 2027	Q1 2028	-
Street Lighting	$ 73,092	$ 73,092	Q1 2027	Q1 2028	SA
Walls and Monuments (11)	$ 584,736	$ 314,025	Q1 2027	Q1 2028	SA
Recreational Amenities (9)	$ 3,521,949	$ 3,521,949	Q1 2027	Q1 2028	GO/SA
Landscaping (10)	$ 3,679,503	$ 3,679,503	Q1 2027	Q1 2028	GO
Signage and Striping	$ 15,495	$ 13,741	Q1 2027	Q1 2028	SA
Clean Up	$ 21,657	$ -	Q1 2027	Q1 2028	-
Sales Tax (13)	$ 1,784,184	$ 1,738,254	Q1 2027	Q1 2028	GO
Contingency	$ 2,878,920	$ 2,774,278	Q1 2027	Q1 2028	GO
Intract Improvements (12)	$ 36,890,000	$ -	Q1 2027	Q1 2028	-
Sub Total	$ 81,045,146	$ 41,398,061			
PHASE IV - VILLAGE I					
Fees, Engineering, and Other (2)	$ 564,225	$ 560,977	Q1 2030	Q1 2032	GO
Land Planning	$ 54,142	$ -	Q1 2030	Q1 2032	-
Soils & Compaction Testing (3)	$ 45,091	$ 27,055	Q1 2030	Q1 2032	GO
Grading (4)	$ 529,240	$ 317,544	Q1 2030	Q1 2032	SA
Tortolita Parkway Expansion (5)	$ 1,143,964	$ 1,143,964	Q1 2030	Q1 2032	SA
Internal Collector Roads (6)	$ 734,818	$ 734,818	Q1 2030	Q1 2032	SA
Wastewater Treatment Plant (7)	$ 8,582,892	$ 7,479,000	Q1 2030	Q1 2032	GO/SA
Wet Utilities (8)	$ 1,091,669	$ 1,091,669	Q1 2030	Q1 2032	GO
Concrete	$ 65,101	$ 65,101	Q1 2030	Q1 2032	SA
Drainage Channels	$ 921,500	$ 921,500	Q1 2030	Q1 2032	GO
Dry Utilities	$ 200,326	$ -	Q1 2030	Q1 2032	-
Street Lighting	$ 87,710	$ 87,710	Q1 2030	Q1 2032	SA
Recreational Amenities (9)	$ 2,510,844	$ 2,510,844	Q1 2030	Q1 2032	GO/SA
Landscaping (10)	$ 2,061,734	$ 2,061,734	Q1 2030	Q1 2032	GO
Signage and Striping	$ 22,826	$ 21,072	Q1 2030	Q1 2032	SA
Clean Up	$ 21,657	$ -	Q1 2030	Q1 2032	-
Sales Tax (13)	$ 676,180	$ 644,829	Q1 2030	Q1 2032	GO
Contingency	$ 1,073,103	$ 1,018,882	Q1 2030	Q1 2032	GO
Intract Improvements (12)	$ 28,340,308	$ -	Q1 2030	Q1 2032	-
Sub Total	$ 48,727,328	$ 18,686,698			

Source: Applicant

Footnotes:

(1) Bond types represent the Applicant's best estimation of the bond type which will be utilized to finance the specific improvement. The Applicant reserves the right to finance any eligible public improvements pursuant to the Act via any bond type allowable.

(2) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(3) Includes costs for all soils and compaction testing. Eligible CFD Costs only include the testing associated with road construction.

(4) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction.

(5) Expansion costs include: paving, curb, gutter, median, and sidewalk.

(6) Includes costs for: paving, curb, gutter, and sidewalk.

(7) Assumes 1.95 MGD Plant, 300 GPD, and an average cost of $18 per gallon.

(8) Includes costs for: water main pipes, valves, manholes, wastewater treatment, hydrants, two million gallon storage tank, 1000 GPM water well, and a lift station.

(9) Includes costs for: community parks, open spaces, recreational areas, and park amenities.

(10) Includes landscaping for Tortolita Parkway, Tortolita Boulevard, and collector roads.

(11) Includes costs for: major entry monuments, minor entry monuments, and a railroad sound barrier wall. Estimated eligible CFD costs only include the railroad sound barrier

(12) Assumes $21,000 per unit.

(13) Includes sales tax for all construction costs. Estimated eligible costs only includes the sales tax for eligible facilities.

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Timetable

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs	Anticipated Timing Start	Anticipated Timing Completion	Bond Type (1)
PHASE V - VILLAGE V					
Fees, Engineering, and Other (2)	$ 185,960	$ 182,711	Q1 2032	Q1 2036	GO
Land Planning	$ 54,142	$ -	Q1 2032	Q1 2036	-
Removals & Abandonment (3)	$ 216,569	$ 216,569	Q1 2032	Q1 2036	SA
Soils & Compaction Testing (4)	$ 29,588	$ 17,752	Q1 2032	Q1 2036	GO
Grading (5)	$ 945,404	$ 567,242	Q1 2032	Q1 2036	SA
Wastewater Treatment Plant (6)	$ -	$ -	Q1 2032	Q1 2036	-
Wet Utilities (7)	$ 681,921	$ 681,921	Q1 2032	Q1 2036	GO
Concrete	$ 69,302	$ 69,302	Q1 2032	Q1 2036	SA
Drainage Channels	$ 453,711	$ 453,711	Q1 2032	Q1 2036	GO
Dry Utilities	$ 155,929	$ -	Q1 2032	Q1 2036	-
Street Lighting	$ 77,965	$ 77,965	Q1 2032	Q1 2036	SA
Signage and Striping	$ 17,964	$ 17,964	Q1 2032	Q1 2036	SA
Clean Up	$ 21,657	$ -	Q1 2032	Q1 2036	-
Sales Tax	$ 231,430	$ 191,415	Q1 2032	Q1 2036	GO
Contingency	$ 314,154	$ 247,655	Q1 2032	Q1 2036	GO
Intract Improvements (8)	$ -	$ -	Q1 2021	Q1 2036	-
Sub Total	$ 3,455,696	$ 2,724,209			
Total - All Phases	**$ 278,084,279**	**$ 132,047,188**			

Source: Applicant

Footnotes:

(1) Bond types represent the Applicant's best estimation of the bond type which will be utilized to finance the specific improvement. The Applicant reserves the right to finance any eligible public improvements pursuant to the Act via any bond type allowable.

(2) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(3) Includes costs for well abandonment, and irrigation ditches for housing. Estimated eligible CFD costs include the removal of the existing I-10 frontage road.

(4) Includes costs for all soils and compaction testing. Eligible CFD Costs only include the testing associated with road construction.

(5) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction.

(6) Assumes 1.95 MGD Plant, 300 GPD, and an average cost of $18 per gallon.

(7) Includes costs related to the Project's water system including: dry wells, excavation, lining, perimeter edging, pumping/recirculation, and perimeter landscaping.

(8) Village V is an industrially zoned area. As such, intract improvement costs are not applicable.

Annual Operations and Maintenance Costs - Once development has begun, the District will be established for the financing, construction and/or acquisition of designated eligible Public Infrastructure. Upon completion of such facilities the Public Infrastructure will be dedicated to the Town or other respective agencies. Accordingly, the District is not anticipated to have any costs and/or expenses related to the operation of the District except as expressly provided in the District Development, Financing Participation, Waiver and Intergovernmental Agreement ("CFD Development Agreement") in substantially final form, attached as **Exhibit K.**

Once development of the Project has begun, the on-going annual administration and operational expenses of the District are anticipated to be approximately $60,000 per year, which includes Directors & Officer's insurance, trustee fees, professional fees and administrative charges. These costs will be paid with the proceeds of the $0.30 per $100 of limited property valuation operational tax, ("O&M Tax") assessed to the property contained within the boundaries of the District. To the extent that a shortfall may exist; the Applicant agrees to pay such shortfalls pursuant to the CFD Development Agreement.

The estimated revenue to be generated by the O&M Tax is estimated on the table below. The proceeds of this tax will be utilized by the District for administrative and operational expenses of the District and, to the extent there are excess proceeds, for the maintenance expenses related to the Public Improvements in accordance with the CFD Development Agreement.

The Villages of Tortolita
Community Facilities District
Estimated Operation and Maintenance Tax Revenues

Tax Year	Estimated Secondary Assessed Valuation (1)	Estimated O & M Funds Generated by $0.30 Tax (1)
2020	$ 34,020	$ 102
2021	$ 443,520	$ 1,331
2022	$ 1,977,584	$ 5,933
2023	$ 5,047,132	$ 15,141
2024	$ 9,447,554	$ 28,343
2025	$ 15,576,397	$ 46,729

Source: Applicant

Footnote:

(1) Figures have not been adjusted for the effects of inflation. See Exhibit M for further details.

The Applicant will establish a homeowner's association ("HOA") for the Project that will assess all property owners within the Project a monthly fee to be utilized primarily for the maintenance of landscaped areas, neighborhood parks and other areas which are deeded to, or are the maintenance responsibility of the HOA and not the responsibility of the Town and/or District.

Status of Entitlements - On April 3, 2007, the Town created the Villages of Tortolita Specific Plan by adoption of Marana Ordinance No. 2007.09. On November 7, 2017, the Town amended the Specific Plan and approved the Villages of Tortolita Development Agreement ("DA") attached hereto as **Exhibit L.** The Project will be developed pursuant to the DA. A preliminary block plat was previously approved by the Town for the Project on October 21, 2008. Prior to submitting a final block plat for the Town's consideration, the Applicant will submit construction drawings to the Town, coordinate with the Town regarding necessary utility improvements and/or extensions and ensure that all other conditional approvals are satisfied. Additionally, the Applicant anticipates entering into the CFD Development Agreement, prepared pursuant to the terms outlined in the Application.

The Applicant anticipates that the construction activities of the Project will be in compliance with all mandates of the Federal Water Pollution Control Act ("Clean Water Act") and anticipates obtaining all necessary certifications and permits to satisfy the requirements of Section 404 of the Clean Water Act. The Applicant does not anticipate any Section 404 related issues to adversely affect the development of the Project. Since 2014, the Town has been the Designated Management Agency under Section 208 of the federal Clean Water Act for the Project area. The Applicant is currently working with the Town to ensure that the consistency review requirements outlined in Section 208 of

the Clean Water Act will be met relating to wastewater treatment infrastructure. The Applicant anticipates receiving the requisite 208 Amendment and does not anticipate that any Section 208 related issues will adversely affect the development of the Project.

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

The Applicant believes that the proposed CFD structure is a material factor in the current plan to create a master-planned community that provides both required and enhanced Public Infrastructure for the ultimate use and enjoyment of retail homebuyers and other end-users within and surrounding the Project. Formation of the District and utilization of the proposed financing structure will also result in the accelerated construction of the designated Public Infrastructure, including but not limited to traffic interchange, roadway, water and sewer improvements, parks and other amenity improvements, as set forth in this section, while permitting the ultimate housing product to remain affordable to homebuyers. The Town will benefit from formation of the District and use of the CFD financing through the accelerated construction of major Public Infrastructure and growth of the Town's property tax base.

Utility Providers - Utility services for the Project are available as indicated in the below. It is expected that all necessary utility services will be available to the Project.

The Villages of Tortolita
Community Facilities District
Utility Service Providers

Utility Description	Provider
Water Services:	Town of Marana
Sewer Services:	Town of Marana
Electrical Services:	Trico Electric
Telephone:	Qwest
Cable TV:	Cox
Gas:	Southwest Gas
Police:	Town of Marana
Fire:	Northwest Fire District
Trash Services:	Town of Marana

Source: Applicant

The Project has an estimated absorption schedule of approximately fifteen (15) years however, the actual build out of the Project will be dependent upon the dictates of the Arizona real estate market in general and the Tucson MSA real estate market specifically. Accordingly, it is difficult to estimate with any degree of certainty the completion schedule of the entire eligible Public Infrastructure. Set forth on the following page is the current anticipated completion schedules for the eligible Public Infrastructure for Villages I through V, as well each Village's estimated construction costs as of 2019.

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Summary

Phase	Village	Acres	Units (1)	Construction Costs (2)	Eligible Costs (2)	Start Date (2)	Completion Date (2)
Phase I	Village IV	536.75	1,622	$ 63,796,216	$ 30,615,149	Q2 2021	Q2 2022
Phase II	Village III	190.89	642	$ 81,059,893	$ 38,623,072	Q1 2024	Q1 2025
Phase III	Village II	320.10	2,015	$ 81,045,146	$ 41,398,061	Q1 2027	Q1 2028
Phase IV	Village I	393.21	1,385	$ 48,727,328	$ 18,686,698	Q1 2030	Q1 2032
Phase V	Village V	78.87	-	$ 3,455,696	$ 2,724,209	Q1 2032	Q1 2036
Totals		**1,519.82**	**5,664**	**278,084,279**	**132,047,188**		

Source: Applicant
Footnote:
(1) Includes medium-low, medium, medium-high, mixed use and industrial products.
(2) Estimate.

Financing Plan (Sections 2.7 of the policy)

The financing plan for eligible Public Infrastructure of the District is described below:

General

i) The Town Council, in response to a petition from the Applicant will consider adopting a resolution declaring its intention to form the District.

ii) Upon formation of the CFD, the District will be governed by a Board of Directors ("District Board") comprised of the members of the Town Council ex officio plus two (2) landowner representatives chosen by the largest landowner of property contained with the District. The day-to-day responsibilities of the CFD will be performed pursuant to a contract by outside personnel or by the Town staff as determined by the District Board.

iii) The District will be requested to issue general obligation bonds and special assessment bonds to finance, construct and/or acquire eligible Public Infrastructure, and other eligible related expenditures pursuant to the Act in accordance with the terms of the DA as well as the CFD Development Agreement.

iv) The Landowners will vote to authorize the District to levy a $0.30 per $100 of limited property valuation operational tax over all property contained within the boundaries of the District, to pay administrative and operational expenses of the District.

v) Before issuing any bond to finance the construction and/or acquisition of eligible Public Infrastructure, the Applicant, in conjunction with the District staff, will prepare a study of the feasibility and benefits of the project as required by the Act. The feasibility study ("Study") will be presented to the District Board at a public hearing as required by the Act.

If the District Board approves the Study, the Applicant and the District staff will proceed with the issuance of bonds.

vi) The Town will require that any property owners benefiting from the public improvements funded by the Applicant pay 100% of their fair share cost allocation plus applicable interest charges (if applicable) to the Applicant and/or their related entities upon the earlier of: (i) recording of the first plat map or, (ii) issuance of the first building permit through participation in a Reimbursement Mechanism ("Reimbursement Mechanism")

vii) It is anticipated that the CFD will only finance its pro-rata share of regional Public Infrastructure. Costs in excess of the District's pro-rata share will be funded by the Applicant with reimbursements for such excess capacity costs to be reimbursed by Reimbursement Mechanisms and/or other financing vehicle allowed pursuant to the Development Agreement.

viii) The Applicant may request that the Town and the CFD establish a means of collecting reimbursements from other real property owners for the CFD's and/or Applicant's costs of installing public facilities that are of the size, length or capacity greater than that needed to serve or mitigate the impacts of development of the Project and which will serve other property along the guidelines established in Section (v) above.

ix) Pursuant to A.R.S. §9-463.05, the Applicant shall receive development impact fee ("DIF") credits for all public improvements constructed by the Applicant and/or the CFD which are similar in nature to those public improvements for which DIFs are being assessed. Such DIFs shall be assignable to others by the Applicant at their discretion.

Special Assessment Bonds

i) The Applicant anticipates that special assessment bonds will be issued over time to finance, acquire and/or construct eligible Public Infrastructure and related costs. The special assessment bonds are anticipated to have the maximum maturity allowed by the Act. Special assessment liens, which will encumber building lots and be passed on to retail homebuyers or other end-users, are estimated to average approximately $6,500 (2019 current dollars) per lot depending upon the type of lot being assessed, the costs of the Public Infrastructure and the benefits which have been estimated to be received by each lot type. The special assessment bonds are anticipated to be unrated, will be sold to institutional buyers, accredited investors, or other sophisticated municipal market participants, and will be secured by the assessment lien placed upon each benefited lot based on the benefit received and in no event shall the value-to-lien ratio as determined by property ownership be less than 4-to-1. The value-to-lien ratios will be estimated based upon an appraisal prepared by an MAI appraiser which values the overall bulk wholesale value of the property on which the assessment lien is to be placed by property owner, assuming that the eligible Public Infrastructure to be financed, acquired and/or

constructed by the District and/or for which performance bonds (or other form of assurance acceptable to the District) have been obtained, has been constructed and is in place as of the date of valuation.

ii) In the event that an overall 4-to-1 value-to-lien ratio is not achieved, the Applicant shall have the ability to propose alternative security structures to the District including but not limited to the following: (i) posting a letter of credit or providing additional real property having an appraised value in an amount sufficient to cover that portion of the special assessment bonds not supported by the overall value-to-lien ratio requirement, (ii) escrowing that portion of the proceeds of the special assessment bonds not supported by the overall value-to-lien ratio requirement, (iii) issuing a second series of special assessment bonds for the benefited area in question at such time as the overall value-to-lien ratio requirement is achieved, and/or (iv) providing additional collateral to be determined in an amount sufficient to cover that portion of the special assessment bonds not supported by the overall value-to-lien ratio requirement.

iii) The special assessment liens will be passed on to the retail homebuyer or other end-user of the assessed lots; provided, however, the special assessment liens may be prepaid in whole or in part at any time by any owner of an assessed lot in accordance with the following formula below:

Principal Amount Outstanding (at time of prepayment)
Plus: Accrued Interest Through The Next Interest Payment Date
Plus: Prepayment Penalty (if any)
Plus: Town Administration Fee
Less: <Reserve Fund Credit> (1)
Less: <Capitalized Interest Credit> (If any)
Equals = Prepayment Amount

Footnote:
(1) The reserve fund credit shall equal the lesser of: (a) the expected reduction in the reserve requirement associated with the redemption of the outstanding bonds because of the prepayment (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of outstanding bonds as the result of the prepayment from the balance in the reserve fund on the payment date.

The Town and/or the CFD agree to allow the sale of special assessment bonds in $1,000 denominations more than the minimum authorized denominations established by the District Board and/or equivalent mechanism to facilitate the potential prepayment of assessments.

iv) The District's first issuance and sale of special assessment bonds is anticipated to occur during the second half of 2020 for the construction of Public Infrastructure necessary to service Phase I (Village 4) of the Project. The total bond amount is estimated to be approximately $3,250,000 and will be secured by special assessment liens on approximately 500 single family residential lots. The special assessment liens are anticipated to average approximately $6,500 per lot depending upon the size of the lot and the amount of benefit determined to have been

received by each lot type. The per lot special assessment payment is estimated to be approximately $483 per year.

General Obligation Bonds

i) The Landowners will vote to authorize the District to finance, construct and/ or acquire Public Infrastructure in the amount of $180,000,000; $150,000,000 of which will be intended for use by the Applicant while $30,000,000 will be available for use by the District pursuant to the terms of the CFD Development Agreement.

ii) The general obligation bond authorization is anticipated to have the maximum term allowed by the Act.

iii) It is anticipated that the District will issue general obligation bonds to finance, construct and/or acquire eligible Public Infrastructure and related costs. The general obligation bond amount will be established to be sufficiently supported by the District's then-current limited property valuation assuming a limited property valuation tax rate of no greater than $4.55 ($4.25 debt service + $0.30 administrative and operational expenses) per $100 of limited property value, or by other credit enhancement, which shall be provided on terms and conditions determined by the District in conjunction with the Applicant. As development and tax base growth occur or acceptable credit enhancement is provided, it is anticipated that additional series of general obligation bonds will be issued. The estimated general obligation bonding capacity, assuming a maximum limited property valuation tax rate of $4.25 for debt service, is illustrated in the table on the following page. A detailed analysis of the projected increase in the limited property valuation of the property within the boundaries of the District may be found in **Exhibit M** located in the Appendix to the Application. The District's first issuance and sale of general obligation bonds is anticipated to occur in fiscal year 2020-2021.

Revenue Bonds

i) At the Applicant's discretion, the Applicant may request that the District issue revenue bonds in accordance with the CFD Policy and the CFD Development Agreement.

The Villages of Tortolita
Community Facilities District
Estimated Secondary Assessed Valuation
and Potential Bonding Capacity

Tax Year	Estimated Secondary Assessed Valuation	Potential Gross Bonding Capacity (1)
2020	$ 34,020	$ 19,359
2021	$ 443,520	$ 252,382
2022	$ 1,977,584	$ 892,307
2023	$ 5,047,132	$ 1,765,175
2024	$ 9,447,554	$ 2,521,531
2025	$ 15,576,397	$ 3,504,108
2026	$ 24,140,205	$ 4,888,206
2027	$ 32,704,950	$ 4,887,237

Source: Applicant

Footnotes:

(1) Represents the annual potential bonding capacity based on the estimated secondary assessed valuation of the property contained within the District as of the associated fiscal year (Uninflated). Additional details have been provided to this application as Exhibit M.

iv) The general obligation bonds are anticipated to have the maximum maturity allowed by the Act, which is consistent with other general obligation bond issues within the State of Arizona. The bonds will be unrated, will be sold to institutional buyers, accredited investors, and/or other sophisticated entities or persons pursuant to the Study, and are anticipated to be repaid with proceeds of the limited property valuation tax revenues of the District.

v) At the maximum limited property valuation tax rate (i.e. $4.25), assuming an average home price of $260,000, the District portion of the real property tax bill for a homeowner in the District will be approximately $58 per month or $696 annually.

Financial Feasibility Study (Sections 2.8 of the policy)

It is anticipated that the District will issue special assessment bonds from time-to-time over the life of the Project. Special assessment liens are projected to average approximately $6,500 (2019 current dollars) per lot depending upon the lot type and the amount and kind of eligible Public Infrastructure that is financed, acquired and/or constructed with the proceeds of the special assessment bonds. Annual Special assessment payments would, in such event, average approximately $483 (2019 current dollars). It is expected that this range of special assessment liens and resulting special assessment payments will not have a negative impact on the marketability of homes within the District given the experience of other development projects with comparable

CFD structures within the State of Arizona. The projected range of assessment liens is comparable to the range established for the established and/or other community facilities districts currently being planned for development projects within Pinal County and Pima County.

As also described above, it is anticipated that the Landowners will vote to authorize and that the District will issue general obligation bonds from time to time over the life of the Project totaling approximately $180,000,000 in the aggregate of which $30,000,000 will be set aside for the non-Applicant uses pursuant to the terms of the CFD Development Agreement. It is further expected that, to pay debt service on the general obligation bonds and certain administrative, operational and other costs of the District, the District will levy an ad valorem tax of no greater than $4.55 per $100 of limited property valuation on the property located within the District. That portion of the tax that will be used for the repayment of general obligation bonds is projected to be $4.25 per $100 of limited property value, and $.30 per $100 of limited property value will be used for the administration and operation of the District. The Applicant believes that the $4.55 increase in the ad valorem tax rate will not have an adverse impact on the marketability of homes within the District due to the enhanced level of Public Infrastructure being provided as compared to other competitive developments which are not utilizing CFD financing tools.

A summary of the overlapping tax rates of the property within the boundaries of the proposed District including the proposed District levy is shown in the table on the following page. It is anticipated the Project will be annexed into the Town and subsequently Pima County. The tax rate shown on the table below is reflective of Project parcels currently located in Pima County the location of the majority of the property contained within the proposed District.

The Villages of Tortolita
Community Facilities District
Combined Tax Rate of Overlapping Jurisdictions 2018-2019

Overlapping Municipality	2018-2019 Primary Tax Rate	2018-2019 Secondary Tax Rate	2018-2019 Combined Tax Rate
Pima County Primary	$ 4.070	$ -	$ 4.070
State School Equalization Primary	$ 0.474	$ -	$ 0.474
Marana Unified District 6 Primary	$ 4.169	$ -	$ 4.169
Pima County Community College District Primary	$ 1.398	$ -	$ 1.398
Town of Marana Primary	$ -	$ -	$ -
State of Arizona Primary	$ -	$ -	$ -
Pima County Bonds Secondary	$ -	$ 0.690	$ 0.690
Marana Unified District 6 Secondary	$ -	$ 1.915	$ 1.915
Joint Technical Education District Secondary	$ -	$ 0.050	$ 0.050
Pima County Community College District Secondary	$ -	$ -	$ -
Town of Marana Secondary	$ -	$ -	$ -
Northwest Fire District Secondary	$ -	$ 3.050	$ 3.050
Central AZ Water Cons District Secondary	$ -	$ 0.140	$ 0.140
Pima County Flood District Secondary	$ -	$ 0.334	$ 0.334
Pima County Library District Secondary	$ -	$ 0.515	$ 0.515
Fire District Assistance	$ -	$ 0.044	$ 0.044
CFD Tax Rate GO and O&M	$ -	$ 4.550	$ 4.550
CFD Tax Rate SA Equivalent (1)	$ -	$ 3.090	$ 3.090
Total	**$ 10.1108**	**$ 14.3782**	**$ 24.4890**

Source: Pima County Assessor's Office

Footnotes:

(1) Special Assessment bonds have an interest rate of 5.25%, amortized over 24 years, 4.0% cost of issuance, 2.0% underwriter fee, 1 year of capitalized interest, and a 10.0% reserve fund.

The table on the following page shows the overlapping tax rates for other Pima County and Pinal County master-planned communities for fiscal year 2018-2019.

The Villages of Tortolita
Community Facilities District
Overlapping Tax Rates For Nearby Master Planned Communities

Combined Tax Rates - Other Area Master Planned Communities:	2018-2019 Total Tax Rates (1)
Gladden Farms (Marana, AZ)	$ 22.0890
Saguaro Springs (Marana, AZ)	$ 22.4490
Rancho Sahuarita (Pima Co., AZ)	$ 20.2622
Merrill Ranch - Anthem (Florence, AZ)	$ 23.5039
Villago (Casa Grande, AZ)	$ 19.6674
Cadence (Mesa, AZ)	$ 18.2621
Eastmark (Mesa, AZ)	$ 18.1483

Source: County Treasurer's Office

Footnotes:

(1) Tax rates reflect existing/anticipated CFD Tax Structures.

The Villages of Tortolita
Community Facilities District
Estimated Home Buyer Annual CFD Payment

Description	Amount	Est. Annual Payment	Est. Per Month Payment
Estimated Avg. Home Price	$ 260,000		
Est. Assessment Lien/Unit (1)	$ 6,500	$ 483	$ 40
Estimated G.O. Debt. Service Tax Rate (2)	$ 4.25	$ 696	$ 58
Estimated O&M	$ 0.30	$ 49	$ 4
Total		**$ 1,228**	**$ 102**

Footnotes:

(1) Special Assessment bonds have an interest rate of 5.25%, amortized over 24 years, 4.0% cost of issuance, 2.0% underwriter fee, 1 year of capitalized interest, and a 10% reserve fund.

(2) General Obligation bonds have an interest rate of 5.00%, amortized over 25 years, 4.0% cost of issuance, and 2.0% underwriter fee.

Financing Plan for the Private Development in the CFD - The financing of the private development will flow from four sources as circumstances dictate. These sources include third party loans, internal cash flow, equity capital provided as needed by the principals of the Applicant and District bond financing.

As a general District financing plan, Public Infrastructure which benefits a discernable area of the Project as a whole will be financed by special assessment bonds while Public Infrastructure that benefits the Project will be financed by general obligation bonds. Additional detail related to what bond types are anticipated to finance what Public Infrastructure is included in Section 2.2(i).

A Sources and Uses of Funds necessary for the construction of the public and private infrastructure has been included in the Appendix to this Application as **Exhibit N**.

Market Absorption Study - Market studies are not being provided and will be provided as part of the bond issuance as required.

Value-to-Lien Ratio Analysis – The table below shows the Value to Lien Analysis for residential single lot with a home price of $260,000 and an estimated special assessment of $6,500.

The Villages of Tortolita
Community Facilities District
Value to Lien Analysis

Description	Residential - Single Lot
Super Pad Value (1)	$ 31,000
Estimated Assessment (2)	$ 6,500
Value to Lien Ratio (to 1)	**4.77**

Source: Applicant/Launch

Footnotes:
(1) Assumes $260,000 home price, 20% finished lot cost to home price, $21,000 to complete intract improvements.
(2) Per CFD Application.

Equity Contribution - As of June 1, 2019, the Applicant has contributed approximately $64 million to cover the costs of land acquisition, due diligence, planning, engineering, financing costs and entitlement costs. For further additional information related to the timing of additional equity contributions see the Sources and Uses of Funds included as **Exhibit N**.

Insurance (Sections 2.9 of the policy)

The Applicant currently is working with an insurance broker to procure insurance coverage for the District Board members. The insurance coverage will include a Directors & Officers Insurance, general liability insurance as well as a securities rider. The cost of insurance will be a District Expense as provided in the CFD Development Agreement. Current insurance quotes have been included as **Exhibit O**.

Indemnification (Sections 2.10 of the policy)

The CFD Agreement requires that the Applicant, with certain exceptions, indemnify the Town and the District, and their agents, officers, and employees for, from, and against any and all liabilities, claims, costs and expenses, including attorneys' fees, incurred in any challenge or proceeding to the formation, operation, administration of the District, the offer and sale of CFD bonds, and the levying by the District of any tax, assessment, or charge. The Applicant agrees to the indemnification obligation. The Applicant further agrees to work with the Town in relation to all reasonable requests for financial information.

Other Information (Sections 2.11 of the policy)

Proposed Marketing Plan - The Applicant has engaged a national brokerage firm to market and sell final platted parcels to individual builders. A national firm will prepare a marketing package which will be distributed to each prospective builder and builders will submit offers. After acquisition of a parcel, each builder will build show models and will market their homes both on-site and on-line to individual homebuyers.

Disclosure to Prospective Property Owners - 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 as well as any other requirements which may be imposed by the District Board.

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, and a signed copy kept on file with the Town Clerk.

An example of the form of Disclosure Statement for both the special assessment and general obligation bonds is illustrated in the Appendix as **Exhibit P**.

Operating Plan for the District - The District will be established initially for the financing, construction and/or acquisition of designated eligible Public Infrastructure and will have no continuing obligation with respect to the operation and/or maintenance of Public Infrastructure financed, constructed and/or acquired, once completed and dedicated to the Town. Accordingly, the District is not anticipated to have any costs and/or expenses related to the operation or maintenance of eligible Public Infrastructure except as expressly provided below. In the event proceeds of the $0.30 operational tax levy exceed the amount required to pay the District's administrative costs, such excess

tax proceeds shall be applied to pay the cost of the maintenance of the public improvements described in Section 2.7.

Upon the start of development activities, the on-going administration and operation of the District is anticipated to result in costs of approximately $60,000 per year, which includes directors & officers insurance, trustee fees, professional fees and administrative charges. These costs will be paid with the proceeds of the $0.30 per $100 of limited property valuation operational tax assessed to the property contained within the boundaries of the District.

When the District's administrative costs are fully paid with proceeds of the $0.30 operational tax levy, the excess tax proceeds will be applied to pay the cost of the maintenance of the public improvements described in Section 2.7 pursuant to the CFD Development Agreement.

At the $0.30 per $100 of limited property valuation ad valorem operational tax rate applied to all the property contained within the District, the estimated revenue would be as reflected in the table below. The proceeds of this tax will be utilized by the District for administrative and operational expenses of the District and, to the extent there are excess proceeds, to the maintenance expenses related to the public improvements described in Section 2.7.

The Villages of Tortolita
Community Facilities District
Estimated Operation and Maintenance Tax Revenues

Tax Year	Estimated Secondary Assessed Valuation (1)	Estimated O & M Funds Generated by $0.30 Tax (1)
2020	$ 34,020	$ 102
2021	$ 443,520	$ 1,331
2022	$ 1,977,584	$ 5,933
2023	$ 5,047,132	$ 15,141
2024	$ 9,447,554	$ 28,343
2025	$ 15,576,397	$ 46,729

Source: Applicant

Footnote:

(1) Figures have not been adjusted for the effects of inflation. See Exhibit M for further details.

District Development and Financing Participation Agreement - The Applicant will continue to work with Town Staff and their consultants to finalize the CFD Development Agreement in a manner mutually agreeable to all parties.

Respectfully submitted this 30th of September, 2019.

TMR INVESTORS, LLC, an Arizona limited liability company

By: TMR MANAGEMENT, LLC, an Arizona limited liability company, its Manager

By: ZIPPRICH GROUP, LLC, an Arizona limited liability company, its Member

By: _____
Michael B. Zipprich, Manager

Date: 9/20/19

By: INCA CAPITAL I, LLC, an Arizona limited liability company, its Member

By: _____
William Cleverly, Manager

Date: 9.20.19

STATE OF ARIZONA)
) ss
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 20 day of September 2019, by William Cleverly and Michael Zipprich the co-managers of the manager of TMR Investors, LLC, an Arizona limited liability company.

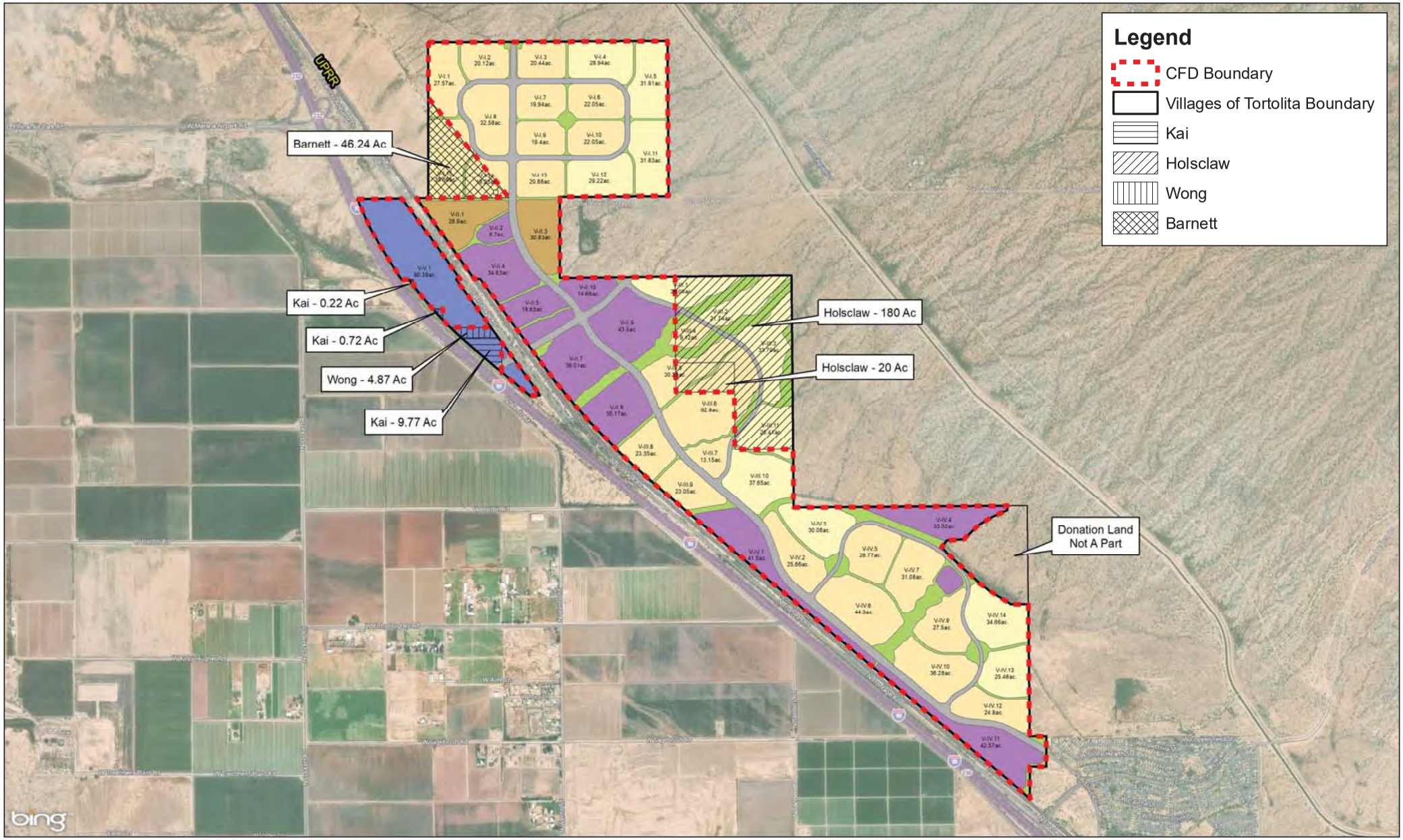
Notary Public Pamela Harris

My Commission Expires: 7/24/20

Pamela J. Harris
Notary Public - Arizona
Maricopa County
My Commission Expires
July 24, 2020

Exhibit A

The Villages of Tortolita Community Facilities District
Conceptual Master Plan



Villages of Tortolita - CFD Boundary

Marana, Arizona

0 1,650 Feet

united engineering group

November 7, 2018

Exhibit B

The Villages of Tortolita Community Facilities District
Petition in Favor of Formation / General Plan

PETITION FOR ADOPTION OF A RESOLUTION

ORDERING AND DECLARING

FORMATION OF

THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT

STATE OF ARIZONA)
COUNTY OF PIMA) ss.
TOWN OF MARANA)

THE UNDERSIGNED OWNER (hereinafter referred to as, collectively, "Petitioner") OF ALL OF THE REAL PROPERTY hereinafter described by the attached parcels, acting pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), respectfully petitions The Honorable Town Council of the Town of Marana, Arizona (hereinafter referred to as the "Municipality"), to adopt a resolution (hereinafter referred to as the "Resolution") declaring and ordering formation of a community facilities district (hereinafter referred to as the "District") and would respectfully request the following with respect thereto:

I.

The name of the District to be "The Villages at Tortolina Community Facilities District,"

II.

The District to be formed and exist pursuant to the terms and provisions of the Act as such terms and provisions are modified, waived or restricted pursuant to agreements to be entered into by and among Petitioner, the Municipality and the District,

III.

The District to contain an area of approximately 1,520 acres of land, more or less, wholly within the corporate boundaries of the Municipality and to be composed of the land included in the parcels described by metes and bounds as provided in the Exhibit hereto, which is made a part hereof for all purposes,

IV.

The District to be a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, Arizona Revised Statutes, as amended; except as otherwise provided in the Act, to be considered a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Municipality; and to be formed for, and to have, all the purposes of a "district" as such term is defined, and as provided, in the Act,

V.

The formation of the District to result in the levy of ad valorem property taxes to pay costs of improvements constructed by the District and for their operation and maintenance,

VI.

Before the Resolution is adopted, the Clerk of the Municipality to accept the filing of a "general plan" (as such term is defined in the Act and hereinafter referred to as the "General Plan") for the District setting out a general description of the improvements for which the District is proposed to be formed and the general areas to be improved, and

VII.

The Municipality to determine that public convenience and necessity require the adoption of the Resolution; WHEREFORE, Petitioner attests and declares that on the date hereof, as shown on the assessment roll for State and county taxes in Pinal and Pima Counties, Arizona, all of the land to be in the District is owned by Petitioner or, if a person listed on such assessment roll is no longer the owner of land in the District, that the name of the successor owner has become known and has been verified by recorded deed or other similar evidence of transfer of ownership to be Petitioner; that there currently are no residents on the land to be in the District and there shall be no residents within fifty (50) days preceding the first anticipated election for the District; that the land to be included in the District shall be benefited from the improvements for which the District is proposed to be formed; that the District shall be formed and exist pursuant to the terms and provisions of the Act as such terms and provisions are modified, waived or restricted pursuant to agreements to be entered into by and among Petitioner, the Municipality and the District; that public convenience and necessity require the adoption of the Resolution; and that the Municipality shall in no way be liable for the payment of any of the costs of the public infrastructure described in the General Plan, nor liable for any liability, debt or obligation of the District;

WHEREFORE, as this Petition is signed by the owners of all the land to be in the District and there are not now, and shall not be within fifty (50) days preceding the first anticipated election of the District, residents on the land in the District, any requirements of posting, publication, mailing, notice, hearing and election otherwise required by the Act in connection with adoption of the Resolution are waived, and the Municipality may, on receipt of this Petition, adopt the Resolution to declare the District formed without being required to comply with such provisions for posting, publication, mailing, notice, hearing or election; and

WHEREFORE, Petitioner respectfully prays that this Petition be properly filed as provided by law; that the Municipality adopt the Resolution and declare and order the District formed without being required to comply with the provisions for posting, publication, mailing, notice, hearing and election otherwise required by the Act in connection with the Resolution; and that such other orders, acts, procedure and relief

as are proper, necessary and appropriate to the purposes of organizing the District and to the execution of the purposes for which the District shall be organized be granted as The Honorable Town Council of the Municipality shall deem proper and necessary.

"PETITIONER"

TMR INVESTORS, LLC, an Arizona limited liability company

By: TMR MANAGEMENT, LLC, an Arizona limited liability company, its Manager

By: ZIPPRICH GROUP, LLC, an Arizona limited liability company, its Member

By: _____
Michael B. Zipprich, Manager

Date: 9/20/19

By: INCA CAPITAL I, LLC, an Arizona limited liability company, its Member

By: _____
William Cleverly, Manager

Date: 9.20.19

STATE OF ARIZONA)

) ss

COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 20 day of September 2019, by Michael B. Zipprich, Manager of ZIPPRICH GROUP, LLC, an Arizona limited liability company, Manager of TMR MANAGEMENT, LLC, an Arizona limited liability company, Manager of TMR INVESTORS, LLC, an Arizona limited liability company, as Petitioner.

Pamela J. Harris
Notary Public - Arizona
Maricopa County
My Commission Expires
July 24, 2020

Pamela Harris

Notary Public

STATE OF ARIZONA)

) ss

COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 20 day of September 2019, by William Cleverly, Manager of INCA CAPITAL I, LLC, an Arizona limited liability company, a Member of TMR INVESTORS, LLC, as Petitioner.

Pamela J. Harris
Notary Public - Arizona
Maricopa County
My Commission Expires
July 24, 2020

Pamela Harris

Notary Public

EXHIBIT A

List of Parcels in Proposed CFD

Parcel Number	Owner
21706001C	TMR INVESTORS LLC
21706001F	TMR INVESTORS LLC
21706001G	TMR INVESTORS LLC
21706001H	TMR INVESTORS LLC
21707001A	TMR INVESTORS LLC
217070020	TMR INVESTORS LLC
21707003C	TMR INVESTORS LLC
217080030	TMR INVESTORS LLC
21708004C	TMR INVESTORS LLC
21708004D	TMR INVESTORS LLC
217080060	TMR INVESTORS LLC
21716001A	TMR INVESTORS LLC
217170010	TMR INVESTORS LLC
21725001A	TMR INVESTORS LLC
217270030	TMR INVESTORS LLC
410250010	TMR INVESTORS LLC
410250020	TMR INVESTORS LLC

GENERAL PLAN
FOR
THE PROPOSED
The Villages of Tortolita
COMMUNITY FACILITIES DISTRICT

TO: CLERK, TOWN OF MARANA, ARIZONA

For the purposes of Section 48-702(B), Arizona Revised Statutes, the following is the general plan for the proposed, captioned district (the "District"):

GENERAL AREA TO BE IMPROVED WITHIN THE DISTRICT:

All that area in the parcels described in Exhibit "A" attached hereto and made a part hereof for all purposes.

GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE IMPROVEMENTS FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED:

All that "public infrastructure" (as such term is defined in Section 48-701, Arizona Revised Statutes) described in Exhibit "B" attached hereto and made a part hereof for all purposes.

Respectfully submitted this 30th of September, 2019.

"TMR":
TMR INVESTORS, LLC, an Arizona limited liability company

By: TMR MANAGEMENT, LLC, an Arizona limited liability company, its Manager

By: ZIPPRICH GROUP, LLC, an Arizona limited liability company, its Member

By: _____
Michael B. Zipprich, Manager

Date: 9/20/19

By: INCA CAPITAL I, LLC, an Arizona limited liability company, its Member

By: _____
William Cleverly, Manager

Date: 9.20.19

STATE OF ARIZONA)
) ss
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 20 day of September 2019, by Michael B. Zipprich as Manager of Zipprich Group, LLC, a Member of TMR Management, LLC, the Manager of TMR Investors, LLC, an Arizona limited liability company.

Notary Public Pamela J. Harris

My Commission Expires: 7/24/20

Pamela J. Harris
Notary Public - Arizona
Maricopa County
My Commission Expires
July 24, 2020

STATE OF ARIZONA)
) ss
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 20 day of September 2019, by William Cleverly the Manager of Inca Capital I, LLC, a Member of TMR Management, LLC, the Manager of TMR Investors, LLC, an Arizona limited liability company.

Notary Public Pamela J Harris

My Commission Expires: 7/24/20

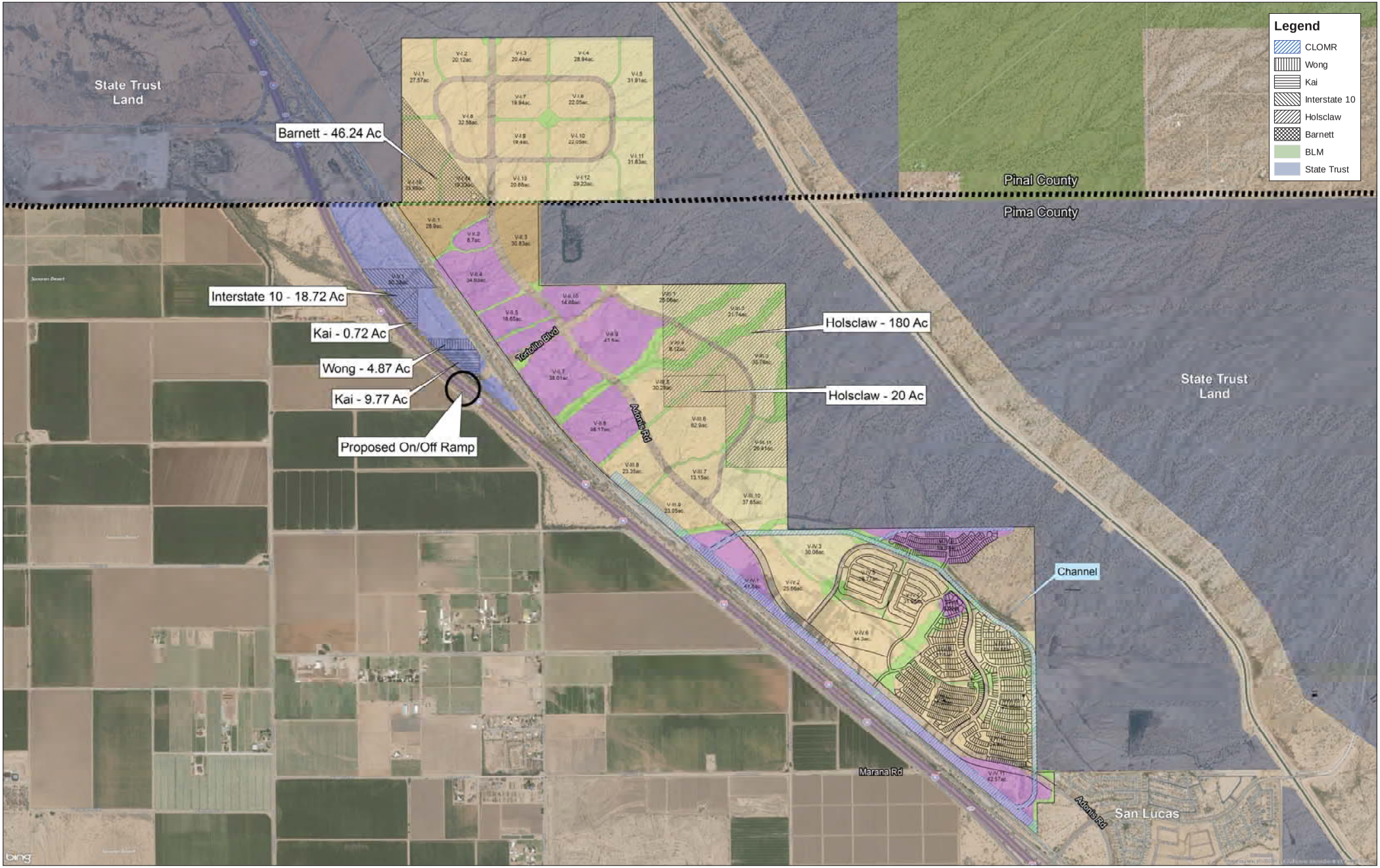
Pamela J. Harris
Notary Public - Arizona
Maricopa County
My Commission Expires
July 24, 2020

EXHIBIT "A" -- General Area To Be Improved Within The District

EXHIBIT "B" -- General Description Of Public Infrastructure Improvements For Which The District Is Proposed To Be Formed

EXHIBIT A

GENERAL AREA TO BE IMPROVED WITHIN THE DISTRICT



Villages of Tortolita

Marana, Arizona

0 0.225 Miles

united engineering group

August 11, 2017

EXHIBIT B

GENERAL DESCRIPTION OF PUBLIC INFRASTRUCTURE IMPROVEMENTS FOR WHICH THE DISTRICT IS PROPOSED TO BE FORMED

(a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge.

(b) Drainage and flow control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge.

(c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for the repair or replacement of existing facilities when required by other improvements permitted by this article.

(d) Highways, streets, roadways and parking facilities including all areas for vehicular use for travel, ingress, egress and parking.

(e) Areas for pedestrian, equestrian, bicycle or other nonmotor vehicle use for travel, ingress, egress and parking.

(f) Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly and recreation.

(g) Landscaping including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems.

(h) Public buildings, public safety facilities and fire protection facilities.

(i) Lighting systems.

(j) Traffic control systems and devices including signals, controls, markings and signage.

(k) Equipment, vehicles, furnishings and other personality related to the items listed hereinabove.

Exhibit C

The Villages of Tortolita Community Facilities District
Applicant Resumes

TMR INVESTORS, LLC

Résumes of Managers and Key Personnel

William Cleverly co-founded Monterey Homes Corporation in 1985 and served as an Owner and President from its inception until December of 1996 when Monterey Homes closed an unusual reverse merger with an existing NYSE public company, Homeplex Investments. After the firm became public, Monterey Homes changed its name to Meritage Corporation and is listed on the New York Stock Exchange as MTH. In December 1996, he was elected to the position of Chairman of the Board and Co-Chief Executive Officer of Meritage. Meritage Corporation designs, builds and sells distinctive single-family homes ranging from entry-level to semi-custom luxury and has built approximately 32,000 homes in its 19 year history. The Company was recently ranked 11th on Fortune Magazine's "Fastest Growing Companies in America" list, it's third appearance in this category. In addition, Meritage has been named the 15th largest builder in the U.S. by Builder Magazine and realized revenues of $2,015,000,000 in 2004. In early 2004, Meritage was named as a FORTUNE 1000 Company (becoming a member of one of the largest companies in the United States). Meritage operates in the Phoenix and Tucson, Arizona markets under the Monterey Homes, Hancock Communities and Meritage Homes brand names, in the Dallas/Ft. Worth, Austin, Houston and San Antonio, Texas markets as Legacy Homes, Hammond Homes, and Monterey Homes, in the East San Francisco Bay and Sacramento, California markets as Meritage Homes, in Las Vegas, Nevada as Perma-Built Homes, in the Southern California market as Citation Homes, in the Denver market as Meritage Homes and as Colonial Homes in Florida.

Mr. Cleverly retired from the company and the Board of Directors in June 2002. He is the Chief Executive Officer and Managing Member of INCA Capital. Since its inception, INCA has funded and closed more than $400,000,000 in off-balance sheet financing for private and public homebuilders. In addition, the company is presently developing approximately 13,000 single-family lots in the Metro Phoenix and Tucson market. He currently serves on the Arizona Board of Directors of Compass Bancshares (a $25 billion U.S. Bank). From 1983 to 1985, Mr. Cleverly was Owner-President of a company that developed, constructed and marketed multifamily communities in the Phoenix area. He earned his undergraduate degree in Business from the University of Arizona in 1980.

MICHAEL ZIPPRICH

(602) 882-7451 • mzipprich@enrpi.com

REAL ESTATE MANAGEMENT EXECUTIVE

30 Years of Experience managing all Aspects of Land Development from Acquisition, Finance, Concept Development, and Sales

OVERVIEW

Michael Zipprich is the Managing Partner of Equity National Real Property Investments LLC, a group committed to a culture of excellence and accountability at every level of business development and operations. With partners and highly experienced development team, he currently manages several communities ranging from the new custom lot community at Chaney Ranch to three master planned communities in Arizona, Texas and Louisiana.

As a recognized leader in the acquisition, development and sales of real estate since the 1980's, Mike has quarterbacked numerous projects and has been the driving force in strategically developing residential and commercial assets, land and lots. His diverse proficiencies include the ability to quickly identify and capitalize on opportunities and develop and implement multifaceted, strategic plans resulting in highly successful real estate transactions.

SPECIALTIES

- Vision and Leadership
- Identify, Underwrite and Manage Real Estate Assets
- Real Estate Development
- Property Management
- Property Preservation
- Real Estate Acquisitions
- Real Estate Systems Solutions

CAREER HISTORY / REAL ESTATE HIGHLIGHTS

2007 - Present	Leader in managing real estate assets and investor capital preservation. Currently in the design and planning of 3 apartment / condominium communities in Louisiana and Scottsdale, Arizona. Since 2012, acquisitioned, engineered and sold residential lot communities to national and local builders.
2001 - 2007	Acquired 12 projects that encompassed 22,000 residential lots and several commercial properties. Engineered, designed water and sewer solutions resulting in over 15,000+ engineered residential lots, communities sold to National and local homebuilders.
1984 - 2001	Principal of Cavalier Homes. Developed and built in excess of 3000 condominiums, townhomes and single family homes in Scottsdale and sold real estate company in 2000 to Montalbano Homes.
1979 - 1982	Purchased real estate company and within three years hired over 125 agents and accomplished $50,000,000 in yearly sales.
1978 - 1979	Top Performing Agent for Red Carpet; within first 12 months sold single family homes.

Over the years, Mr. Zipprich has been the visionary and rainmaker in evaluating the supply and demand of commodities that are needed. Whether the need is for housing, oil and gas or agricultural, he has capitalized on the opportunities. All his business decision are predicated on supply and demand markets. He utilizes high-end expert management teams and advisors to capitalize on potentials.

Projects in planning stage: 1). 11,000 acre master plan with over 26,500 residential lots, 8+ million square feet of office, retail and municipal government buildings, college campus site, and 1,500 acre Union Pacific approved inland port industrial park, one of the largest diverse master plans in Arizona. 2). Three existing communities under development in Midland Texas. 3). Three developments in Lake Charles, Louisiana scheduled to commence development in early 2016.

With over 30 completed communities in his career, selected achievements include: The Pointe Tapatio 391 Condo / Townhome Units; The Pointe South Mountain,105 Court Homes; Scottsdale Bay Club, 190 units; Jack Rabbit Estates, 369 lots; The Domain, 299 student housing units; and Palomino Ranch, 2400 lots.

Exhibit D

The Villages of Tortolita Community Facilities District
Land Owner Board Representatives

Land Owner Board Representatives

Clay Parsons
14901 W. Kirby Hughes, Rd.,
Marana, Arizona
(520) 444-7650

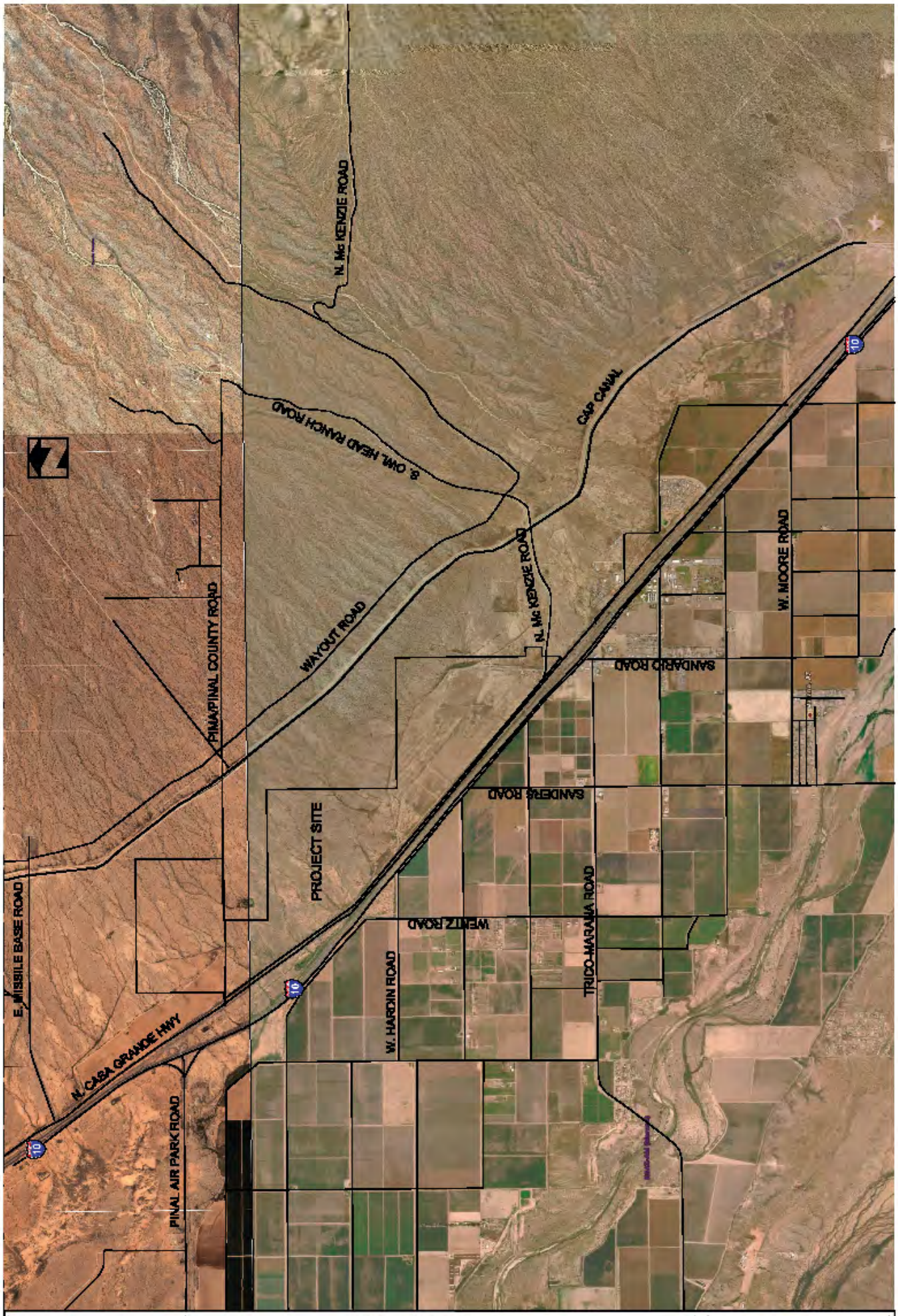
Experience/Community Involvement
Marana Stockyards & Livestock Market, Inc. - Owner
Marana Western Heritage Committee - Member Marana
Planning and Zoning Commission - Past member

Dan Post
12253 W. Grier Rd.
Marana, Arizona 85653
(520) 248-1736

Experience/Community Invovlement
Marana Unified School District - Board Member
Cortaro Water Users' Association Governing Board - President
Marana Western Heritage Committee - Chairman

Exhibit E

The Villages of Tortolita Community Facilities District
Location Map



MORRISON MAIERLE, INC.

THE VILLAGES OF Tortolita

VICINITY MAP

Exhibit F

The Villages of Tortolita Community Facilities District
District Map and Legal Description

Tortolita Boundary Except Donation Land:

Those portions of Sections 6, 7, 8, 16, 17, 21 and 22, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona and those portions of the South Half of Section 31, Township 10 South, Range 11 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the Section corner common to said Section 31 and Section 36, Township 10 South, Range 10 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona; **thence** North 00°09'17" West, along the line common to said Sections 31 and 36, a distance of 2637.73 feet to the East Quarter corner of said Section 36; **thence** North 00°09'28" West, along said common line, 908.93 feet to the Northwest corner of Government Lot 14 of said Section 31; **thence** North 89°38'59" East, along the North lines of said Government Lot 14 and Government Lots 13, 12 and 11, a distance of 5413.55 feet to the Northeast corner of said Government Lot 11; **thence** South 00°26'42" East, along the East line of said Section 31, a distance of 3520.07 feet to the Southeast corner of said Section 31; **thence** South 89°22'45" West, along the South line to said Section 31, a distance of 126.71 feet to an angle point in said South line; **thence** South 89°29'41" West, along said South line, 2373.24 feet to the Northeast corner of said Section 6; **thence** South 00°24'55" East, along the East line of said Section 6, a distance of 1820.37 feet to the Section corner common to said Sections 6, 7, 8 and Section 5; **thence** North 89°21'32" East, along the North line of said Section 8, a distance of 2644.85 feet to the North Quarter corner of said Section 8; **thence** North 89°28'44" East, along said North line, 2639.34 feet to the Northeast corner of said Section 8; **thence** South 00°40'53" East, along the East line of said Section 8, a distance of 2639.22 feet to the East Quarter corner of said Section 8; **thence** South 00°34'50" East, along said East line, 2639.54 feet to the Section corner common to said Sections 8, 16, 17 and Section 9; **thence** North 89°27'49" East, along the North line of said Section 16, a distance of 2646.43 feet to the North Quarter corner of said Section 16; **thence** North 89°24'59" East, along said North line, 2639.91 feet to the Northeast corner of said Section 16; **thence** South 00°36'52" East, along the East line of said Section 16, a distance of 2632.76 feet to the East Quarter corner of said Section 16; **thence** South 00°36'59" East, along said East line, 2633.52 feet to the Section corner common to said Sections 16, 21, 22 and Section 15; **thence** North 89°23'16" East, along the North line of said Section 22, a distance of 370.00 feet; **thence** South 00°25'40" East, parallel with and 370.00 feet East of the line common to said Sections 21 and 22, a distance of 660.00 feet; **thence** South 89°23'16" West, parallel with and 660.00 feet South of said North line of Section 22, a distance of 370.00 feet to a point on said line common to Sections 21 and 22; **thence** South 00°25'40" East, along said common line, 691.21 feet to a point on the Northerly right-of-way line of the Union Pacific Railroad; **thence** North 50°11'10" West, along said Northerly right-of-way line, 11,470.47 feet; **thence** along said Northerly right-of-way through the following courses and distances which approximate the 100-foot offset from the railroad centerline spiral curve, based on the Southern Pacific Company Right-of-Way and Track Map and the current as-built tracks:

North 50°10'41" West, 47.96 feet; **thence** North 50°07'49" West, 47.87 feet; **thence** North 50°02'03" West, 47.79 feet; **thence** North 49°53'25" West, 47.71 feet; **thence** North 49°41'53" West, 47.62 feet

to the beginning of a circular curve concave to the Northeast, having a radius point which bears North 40°24'50" East, 11,357.74 feet; **thence** Northwesterly, along said Northerly right-of-way line and the arc of said curve, through a central angle of 13°18'06", an arc distance of 2636.79 feet; **thence** along said Northerly right-of-way through the following courses and distances which approximate the 100-foot offset from the railroad centerline spiral curve, based on the Southern Pacific Company Right-of-Way Map and the current as-built tracks:

North 36°10'20" West, 47.64 feet; **thence** North 35°58'50" West, 47.71 feet; **thence** North 35°50'11" West, 47.79 feet; **thence** North 35°44'26" West, 47.83 feet; **thence** North 35°41'33" West, 47.99 feet;

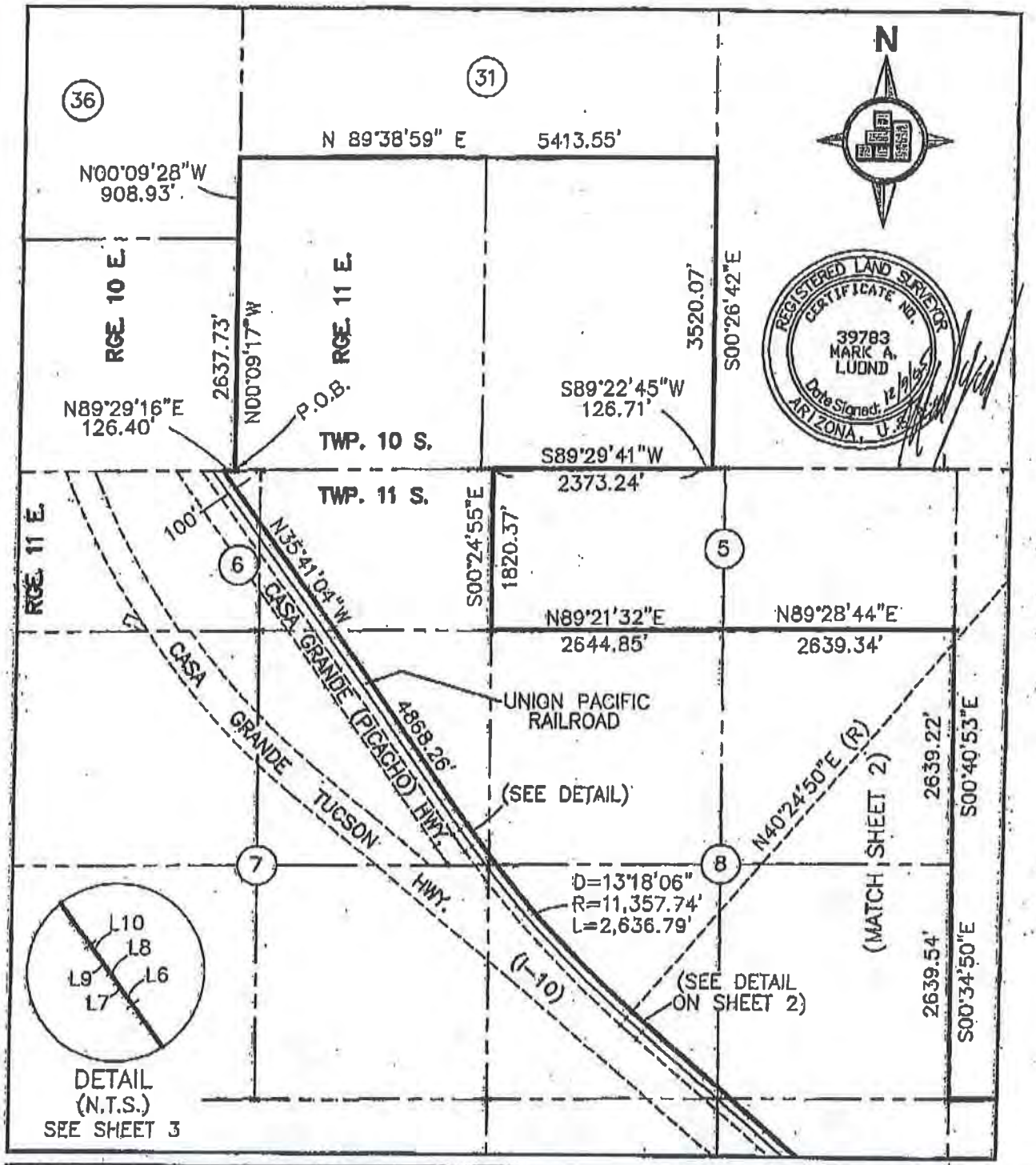
thence North 35°41'04" West, along said Northerly right-of-way line, 4868.26 feet to a point on the North line of said Section 6; **thence** North 89°29'16" East, along said North line, 126.40 feet to the Point of Beginning.

EXCEPT that portion of the Northeast Quarter of Section 16, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian described as follows:

Beginning at the Northeast corner of said Section 16; **thence** South 00°36'52" East, along the East line of said Section 16, a distance of 2236.55 feet; **thence** South 89°23'08" West, 395.10 feet; **thence** North 47°21'31" West, 42.83 feet; **thence** North 55°51'00" West, 33.67 feet; **thence** North 59°15'22" West, 102.76 feet; **thence** North 54°44'07" West, 54.36 feet; **thence** North 59°46'23" West, 151.61 feet; **thence** North 62°37'47" West, 71.81 feet; **thence** North 58°52'53" West, 121.26 feet; **thence** North 48°44'27" West, 132.43 feet; **thence** North 52°02'22" West, 99.93 feet; **thence** North 48°24'39" West, 99.93 feet; **thence** North 48°26'41" West, 199.87 feet; **thence** North 48°09'01" West, 193.78 feet; **thence** North 46°32'28" West, 347.38 feet; **thence** North 45°15'57" West, 182.46 feet; **thence** North 44°13'00" West, 221.47 feet; **thence** North 41°17'24" East, 189.74 feet; **thence** North 86°10'55" East, 381.50 feet; **thence** North 47°05'13" East, 523.16 feet; **thence** North 59°05'24" East, 298.36 feet; **thence** North 66°16'37" East, 382.50 feet; **thence** North 00°35'01" West, 97.80 feet to a point on the North line of said Section 16; **thence** North 89°24'59" East, along said North line, 450.80 feet to the **Point of Beginning.**

(Containing 1,687.27 acres, more or less)





IN SECTIONS 6, 7, 8, 16, 17, 21 & 22, TWP. 11 S., RGE. 11 E., G. & S.R.B. & M.

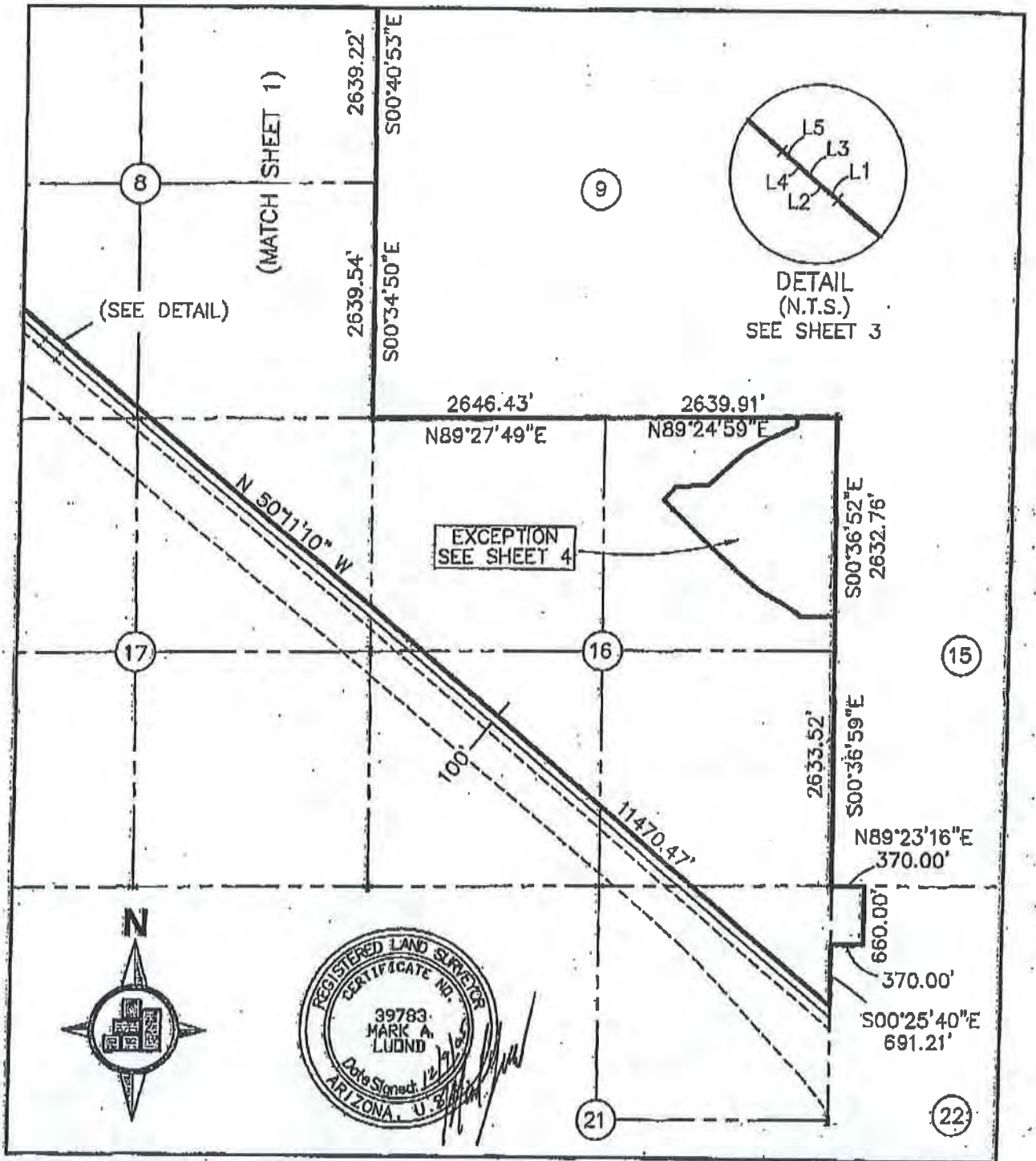
SCALE: 1" = 1500'

SHEET 1 OF 4

MORRISON MAIERLE, INC.
an Arizona Corporation

DRAWING: Tortolita-leas
PROJECT: 8358009
DRAWN: WJ
CHECKED: MAL

TORTOLITA BOUNDARY



IN SECTIONS 6, 7, 8, 16, 17, 21 & 22, TWP. 11 S., RGE. 11 E., G. & S.R.B. & M.

SCALE: 1" = 1500'

SHEET: 2 OF 4

MORRISON MAIERLE, INC.
an Arizona Corporation

DRAWING: Tortolita-lease
PROJECT: 8358009
DRAWN: WJ
CHECKED: MAL

TORTOLITA BOUNDARY

LINE TABLE

LINE	BEARING	DISTANCE
L1	N50°10'41"W	47.96'
L2	N50°07'49"W	47.87'
L3	N50°02'03"W	47.79'
L4	N49°53'25"W	47.71'
L5	N49°41'53"W	47.62'
L6	N36°10'20"W	47.64'
L7	N35°58'50"W	47.71'
L8	N35°50'11"W	47.79'
L9	N35°44'26"W	47.83'
L10	S35°41'33"W	47.99'

DETAIL SHEET 2

DETAIL SHEET 1

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
39783
MARK A.
LUEND
Date Signed 12/9/05
ARIZONA U.S.A.

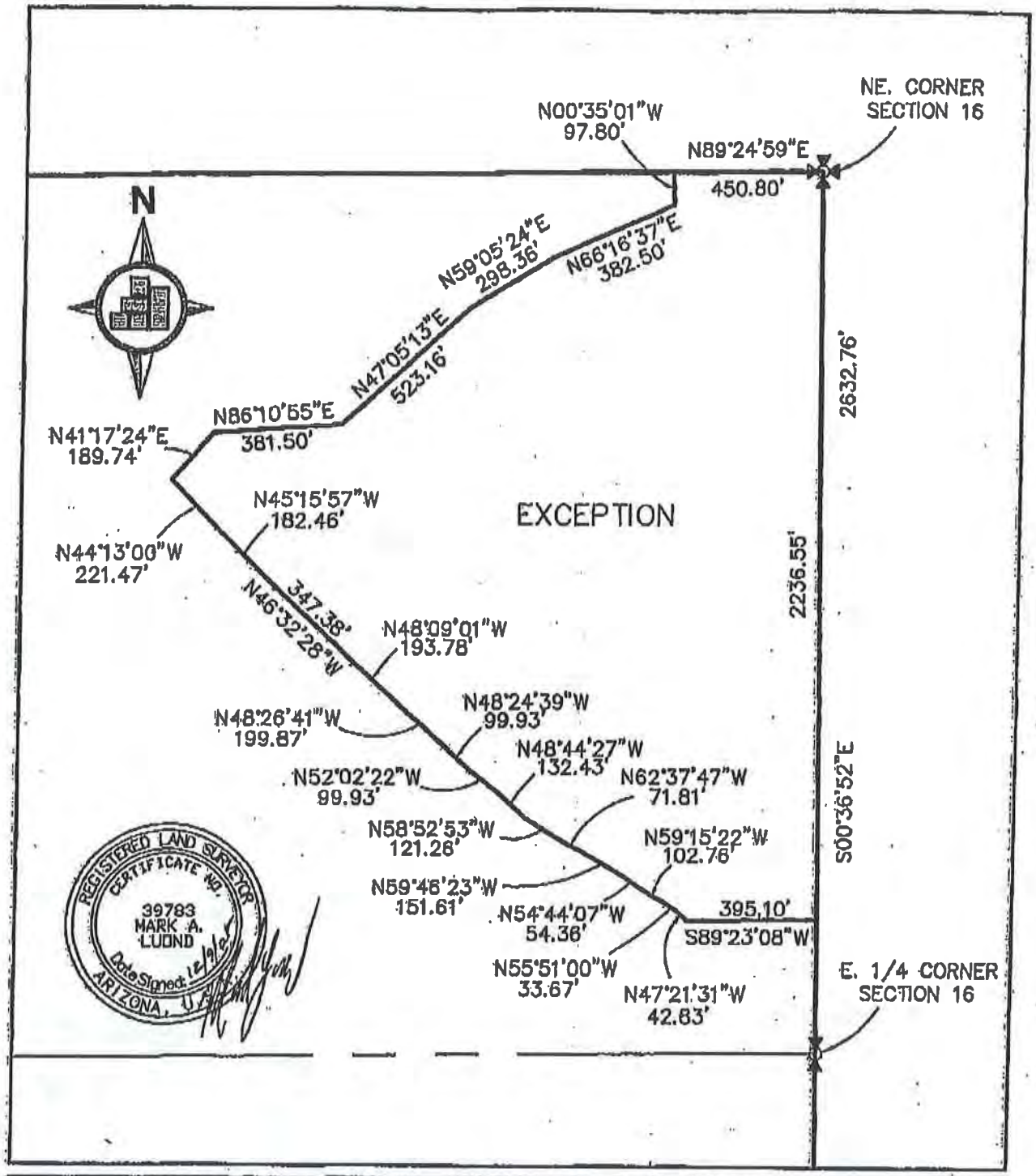
IN SECTIONS 6, 7, 8, 16, 17, 21 & 22, TWP. 11 S., RGE. 11 E., G. & S.R.B. & M.

SCALE: N/A
SHEET 3 OF 4

MORRISON MAIERLE, INC.
an Arizona Corporation

DRAWING: Tortolita--less
PROJECT: 8358009
DRAWN: WJ
CHECKED: MAL

TORTOLITA BOUNDARY



IN SECTIONS 6, 7, 8, 16, 17, 21 & 22, TWP. 11 S., RGE. 11 E., G. & S.R.B. & M.

SCALE: 1" = 400'
SHEET: 4 OF 4

MORRISON MAIERLE, INC.
an Arizona Corporation

DRAWING: Tortolita-less
PROJECT: 8358009
DRAWN: WJ
CHECKED: MAL

TORTOLITA BOUNDARY

Tortolita Island Boundary:

Those portions of Section 6 and the North Half of Section 7, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Section corner common to Section 31, Township 10 South, Range 11 East and Section 36, Township 10 South, Range 10 East of the Gila and Salt River Base and Meridian; **thence** South 89°29'16" West, along the line common to said Sections 6 and 36, a distance of 126.40 feet to a point on the Northerly right-of-way line of the Union Pacific Railroad; **thence** continuing South 89°29'16" West, along said common line, 538.27 feet to a point on the Southwesterly right-of-way line of Casa Grande (Picacho) Highway and the **POINT OF BEGINNING; thence** South 35°41'04" East, along said Southwesterly right-of-way line, 5178.33 feet; **thence** along said Southwesterly right-of-way line through the following courses and distances which approximate the 340-foot Southwesterly offset from the railroad centerline spiral curve, based on the Southern Pacific Company Right-of-Way Map and the current as-built tracks:

South 35°41'33" East, 48.05 feet; **thence** South 35°44'25" East, 48.57 feet; **thence** South 35°50'11" East, 48.71 feet; **thence** South 35°58'50" East, 49.00 feet; **thence** South 36°10'24" East, 49.23 feet;

To the beginning of a circular curve concave to the Northeast, having a radius point which bears North 53°42'56" East, 11,797.74 feet; **thence** Southeasterly, along said Southwesterly right-of-way line and the arc of said curve, through a central angle of 00°05'36", an arc distance of 19.22 feet to a point on the East-West mid-section line of said Section 7; **thence** South 89°31'37" West, along said mid-section line, 216.30 feet to the Northeasterly right-of-way line of Casa Grande Tucson Highway (Interstate 10); **thence** North 50°29'20" West, along said Northeasterly right-of-way line, 1736.55 feet to the beginning of a curve to the right having a radius of 8344.37 feet; **thence** Northwesterly, along said Northeasterly right-of-way line and the arc of said curve, through a central angle of 14°18'35", an arc distance of 2084.02 feet to a point on the line common to said Sections 6 and 7; **thence** South 89°25'20" West, along said common line and said Northeasterly right-of-way line, 122.62 feet to the beginning of a non-tangent curve concave to the Northeast, having a radius point which bears North 54°18'18" East, 8444.37 feet; **thence** Northwesterly, along said Northeasterly right-of-way line and the arc of said curve, through a central angle of 13°01'56", an arc distance of 1920.72 feet; **thence** North 22°39'46" West, along said Northeasterly right-of-way line, 133.93 feet to a point on said line common to Sections 6 and 36; **thence** North 89°29'16" East, along said common line, 916.37 feet to the **POINT OF BEGINNING.**

(Containing 93.17 acres, more or less)

Tortolita Island Boundary:

Those portions of Section 6 and the North Half of Section 7, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, described as follows:

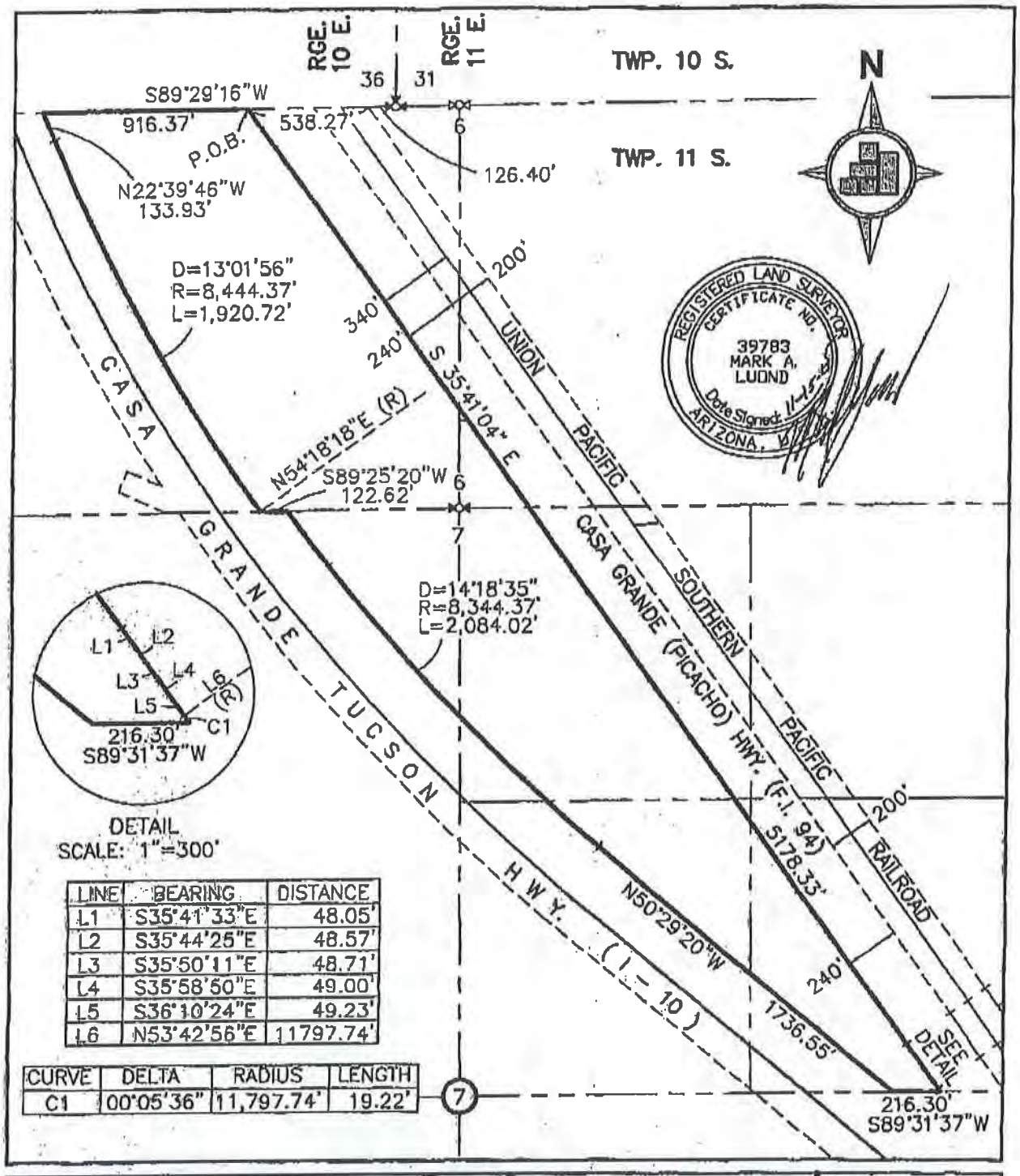
COMMENCING at the Section corner common to Section 31, Township 10 South, Range 11 East and Section 36, Township 10 South, Range 10 East of the Gila and Salt River Base and Meridian; **thence** South 89°29'16" West, along the line common to said Sections 6 and 36, a distance of 126.40 feet to a point on the Northerly right-of-way line of the Union Pacific Railroad; **thence** continuing South 89°29'16" West, along said common line, 538.27 feet to a point on the Southwesterly right-of-way line of Casa Grande (Picacho) Highway and the **POINT OF BEGINNING**; **thence** South 35°41'04" East, along said Southwesterly right-of-way line, 5178.33 feet; **thence** along said Southwesterly right-of-way line through the following courses and distances which approximate the 340-foot Southwesterly offset from the railroad centerline spiral curve, based on the Southern Pacific Company Right-of-Way Map and the current as-built tracks:

South 35°41'33" East, 48.05 feet; **thence** South 35°44'25" East, 48.57 feet; **thence** South 35°50'11" East, 48.71 feet; **thence** South 35°58'50" East, 49.00 feet; **thence** South 36°10'24" East, 49.23 feet;

To the beginning of a circular curve concave to the Northeast, having a radius point which bears North 53°42'56" East, 11,797.74 feet; **thence** Southeasterly, along said Southwesterly right-of-way line and the arc of said curve, through a central angle of 00°05'36", an arc distance of 19.22 feet to a point on the East-West mid-section line of said Section 7; **thence** South 89°31'37" West, along said mid-section line, 216.30 feet to the Northeasterly right-of-way line of Casa Grande Tucson Highway (Interstate 10); **thence** North 50°29'20" West, along said Northeasterly right-of-way line, 1736.55 feet to the beginning of a curve to the right having a radius of 8344.37 feet; **thence** Northwesterly, along said Northeasterly right-of-way line and the arc of said curve, through a central angle of 14°18'35", an arc distance of 2084.02 feet to a point on the line common to said Sections 6 and 7; **thence** South 89°25'20" West, along said common line and said Northeasterly right-of-way line, 122.62 feet to the beginning of a non-tangent curve concave to the Northeast, having a radius point which bears North 54°18'18" East, 8444.37 feet; **thence** Northwesterly, along said Northeasterly right-of-way line and the arc of said curve, through a central angle of 13°01'56", an arc distance of 1920.72 feet; **thence** North 22°39'46" East, along said Northeasterly right-of-way line, 133.93 feet to a point on said line common to Sections 6 and 36; **thence** North 89°29'16" East, along said common line, 916.37 feet to the **POINT OF BEGINNING.**

(Containing 93.17 acres, more or less)





DETAIL
SCALE: 1"=300'

LINE	BEARING	DISTANCE
L1	S35°41'33"E	48.05'
L2	S35°44'25"E	48.57'
L3	S35°50'11"E	48.71'
L4	S35°58'50"E	49.00'
L5	S36°10'24"E	49.23'
L6	N53°42'56"E	11797.74'

CURVE	DELTA	RADIUS	LENGTH
C1	00°05'36"	11,797.74'	19.22'

IN SECTIONS 6 & 7, TWP. 11 S., RGE. 11 E., G. & S.R.B. & M.

SCALE: 1" = 600'
SHEET: 1 OF: 1

MORRISON MAIERLE, INC.
an Arizona Corporation

DRAWING: island.dwg
PROJECT: 8358009
DRAWN: WJ
CHECKED: MAL

TORTOLITA ISLAND BOUNDARY

Villages at Tortolita
Legal Description Exceptions

Exhibit G

The Villages of Tortolita Community Facilities District
Title Report

Title Report for Property Located Within Pima County

Fidelity National Title - Pima
1745 E. River Rd, Suite145 , Tucson, AZ 85718

Commitment

Fidelity National Title Agency, Inc.
1745 E. River Rd, Suite145 , Tucson, AZ 85718

Escrow Officer: Pima Title Only
File No.: 51009097 -051 -51 -PK3

Your Reference No: 3674TAZ

Property Address: Land , Tucson, AZ

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COMMITMENT FOR TITLE INSURANCE

Issued by

Fidelity National Title Insurance Company

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, **Fidelity National Title Insurance Company**, a Florida Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within 180 Days after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

Countersigned by:

Natalie Bombardieri

Authorized Signature

FIDELITY NATIONAL TITLE INSURANCE COMPANY CORPORATE SEAL

By:

ATTEST President

Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Fidelity National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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AMERICAN LAND TITLE ASSOCIATION

COMMITMENT CONDITIONS

1. DEFINITIONS

(a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.

(b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.

(c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.

(d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.

(e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.

(f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.

(g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.

(h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

(a) the Notice;
(b) the Commitment to Issue Policy;
(c) the Commitment Conditions;
(d) Schedule A;
(e) Schedule B, Part I—Requirements;
(f) Schedule B, Part II—Exceptions; and
(g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

(a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:

(i) comply with the Schedule B, Part I—Requirements;
(ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
(iii) acquire the Title or create the Mortgage covered by this Commitment.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Fidelity National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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(b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
(c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
(d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
(e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
(f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
(g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

(a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
(b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
(c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
(d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
(e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
(f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is $2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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Transaction Identification Data for reference only:

Issuing Agent:	**Fidelity National Title Agency, Inc.**
Issuing Office:	1745 E. River Rd, Suite145, Tucson, AZ 85718
Escrow Officer:	Pima Title Only
Title Officer:	Pam Kreis
ALTA® Universal ID:	
Loan ID Number:	
Reference Number:	3674TAZ
Issuing Office File Number:	51009097-051-51-PK3
Property Address:	Land, Tucson, AZ
Revision Number:	Amendment No. 1, Amendment Date: September 4, 2019

SCHEDULE A

AMERICAN LAND TITLE ASSOCIATION COMMITMENT

1. Commitment Date: **August 20, 2019 at 7:30 a.m.**

2. Policy to be issued:

   (a) **ALTA Extended Owners Policy (6-17-06)**

   Proposed Insured: **Purchaser with contractual rights under a purchase agreement with the vested owner identified at Item 4 below**

   Proposed Policy Amount: in an amount not to exceed **$100,000.00**

   (b) **ALTA Extended Loan Policy (6-17-06)**

   Proposed Insured: **Lender with contractual obligations under a loan agreement with either the vested owner identified at Item 4 below or the Proposed Insured owner identified at this Item 2**

   Proposed Policy Amount: in an amount not to exceed **$100,000.00**

   (c) **None**

   Proposed Insured:

   Proposed Policy Amount: in an amount not to exceed **$0.00**

3. The estate or interest in the Land described or referred to in this Commitment is:

   A FEE

4. Title to the Land is at the Commitment Date vested in:

   TMR Investors, LLC, an Arizona limited liability company

5. The Land is described as follows:

   See Exhibit A attached hereto and made a part hereof.

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SCHEDULE A
(Continued)

Countersigned by:

Natalie Bombardieri

Authorized Signature



By:

ATTEST President

Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Fidelity National Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED TUCSON, IN THE COUNTY OF PIMA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1:

That portion of Section 6, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, lying Southwesterly of the Southwesterly right-of-way line of Casa Grande (Picacho) Highway and lying Northeasterly of the Northeasterly right-of-way line of Casa Grande-Tucson Highway (Interstate 10) and also lying North of a line which is parallel with and 395.00 feet North, as measured at a right angle of the South line of said Section 6.

Parcel No. 2:

That portion of the East half of Section 6, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the Southeast corner of said Section 6;

Thence North 00 degrees 24 minutes 55 seconds West along the East line of said Section 6, a distance of 1820.37 feet to the Northeast corner of said Section 6;

Thence South 89 degrees 29 minutes 41 seconds West, along the North line of said Section 6, a distance of 133.64 feet to the South quarter corner of Section 31, Township 10 South, Range 11 East of the Gila and Salt River Base and Meridian;

Thence South 89 degrees 20 minutes 37 seconds West, along said North line of Section 6, a distance of 26.46 feet;

Thence South 00 degrees 24 minutes 55 seconds East, parallel with and 160.10 feet West of said East line of Section 6, a distance of 1820.05 feet to a point on the South line of said Section 6;

Thence North 89 degrees 35 minutes 04 seconds East, along said South line, 160.10 feet to the POINT OF BEGINNING.

Parcel No. 3:

That portion of Section 6, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at the Southeast corner of said Section 6;

Thence South 89 degrees 35 minutes 04 seconds West, along the South line of said Section 6, a distance of 1138.65 feet to the TRUE POINT OF BEGINNING;

Thence North 00 degrees 24 minutes 55 seconds West, parallel with and 1138.65 feet West of the East line of said Section 6, a distance of 1814.57 feet to a point on the North line of said Section 6;

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EXHIBIT A
(Continued)

Thence South 89 degrees 15 minutes 07 seconds West, along said North line, 1792.88 feet to the Southeast corner of Section 36, Township 10 South, Range 10 East of the Gila and Salt River Base and Meridian, Pima County, Arizona;

Thence South 89 degrees 29 minutes 16 seconds West, along the South line of said Section 36 being said North line of Section 6, a distance of 126.40 feet to a point on the Northeasterly line of the Union Pacific Railroad right of way;

Thence South 35 degrees 41 minutes 04 seconds East, along said Northeasterly line, 2209.50 feet to a point on said South line of Section 6;

Thence North 89 degrees 35 minutes 04 seconds East, along said South line 643.45 feet to the TRUE POINT OF BEGINNING.

Parcel No. 4:

That portion of the East half of Section 6, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at the Southeast corner of said Section 6;

Thence South 89 degrees 35 minutes 04 seconds West, along the South line of said Section 6, a distance of 160.10 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 89 degrees 35 minutes 04 seconds West, along said South line, 978.55 feet;

Thence North 00 degrees 24 minutes 55 seconds West, parallel with and 1138.65 feet West of the East line of said Section 6, a distance of 1814.57 feet to a point on the North line of said Section 6;

Thence North 89 degrees 15 minutes 07 seconds East, along said North line, 855.08 feet to an angle point in said North line;

Thence North 89 degrees 20 minutes 37 seconds East, along said North line, 123.49 feet;

Thence South 00 degrees 24 minutes 55 seconds East, parallel with and 160.10 feet West of said East line of Section 6, a distance of 1820.05 feet to the TRUE POINT OF BEGINNING.

Parcel No. 5:

All that certain real property, situated in the County of Pima, State of Arizona, being a part of the Northeast quarter of the Northeast quarter of the Northwest quarter of Section 7, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the North quarter corner of said Section 7;

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EXHIBIT A
(Continued)

Thence from said point of beginning, Southerly along the East line of said Northeast quarter of the Northeast quarter of the Northwest quarter of said Section 7, South 00 degrees 14 minutes 41 seconds East, 78.25 feet to a point thereon;

Thence leaving said East line, South 53 degrees 45 minutes 16 West, 570.78 feet to a point on the Northeast right of way line of Interstate Highway I-10, as described in Final Order of Condemnation, recorded in Docket 2333, Page 222 thereof, records of Pima County, Arizona;

Thence Northwesterly along said right of way line, from a tangent which bears North 39 degrees 23 minutes 00 seconds West, along the arc of a curve to the right, having a radius of 8344.37 feet and a central angle of 02 degrees 12 minutes 45 seconds, an arc distance of 322.22 feet to a point on the West line of said Northeast quarter of the Northeast quarter of the Northwest quarter;

Thence leaving said right of way line, Northerly along said West line, North 00 degrees 14 minutes 53 seconds West, 180.21 feet to the Northwest corner of said Northeast quarter of the Northeast quarter of the Northwest quarter;

Thence Easterly along the North line of said Northeast quarter of the Northeast quarter of the Northwest quarter, North 89 degrees 46 minutes 50 seconds East, 680.34 feet to the Point of Beginning;

Except all percolating water, contained within, underlying or which may be produced except such water as may be used by the owners and inhabitants for domestic purposes as reserved in Deed recorded in Book 314 of Deeds, Page 445.

Parcel No. 6:

All that certain real property, situated in the County of Pima, State of Arizona, being a part of the Northeast quarter of the Northeast quarter of the Northwest quarter of Section 7, Township 11 South, Range 11 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 Northeast quarter of the Northeast quarter of the Northwest quarter of said Section 7, from which said point the North quarter corner of said Section 7 bears North 00 degrees 14 minutes 41 seconds West, 78.25 feet distant;

Thence from said point of beginning, Southerly along said East line, South 00 degrees 14 minutes 41 seconds East, 581.02 feet to the Southeast corner of said Northeast quarter of the Northeast quarter of the Northwest quarter;

Thence Westerly along the South line of said Northeast quarter of the Northeast quarter of the Northwest quarter, South 89 degrees 47 minutes 58 seconds West, 253.31 feet to a point on the Northeast right of way line of Interstate Highway I-10, as described in the Final Order of Condemnation, described in Docket 2333, Page 222 thereof, records of Pima County, Arizona;

Thence Northwesterly along said right of way line, from a tangent which bears North 41 degrees 35 minutes 45 seconds West, along the arc of a curve to the right, having a radius of 8344.37 feet and central angle of 02 degrees 12 minutes 45 seconds, an arc distance of 322.22 feet to a point thereon, said point being the mid-point of that portion of said curve, from its intersection with said South line of said Northeast quarter of the Northeast

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EXHIBIT A
(Continued)

quarter of the Northwest quarter of its intersection with the West line of said Northeast quarter of Northeast quarter of the Northwest quarter;

Thence leaving said right of way line, North 53 degrees 45 minutes 10 seconds East, 570.78 feet to the POINT OF BEGINNING;

Except all percolating water, contained within, underlying or which may be produced except such water as may be used by the owners and inhabitants from domestic purposes as reserved in Deed recorded in Book 314 of Deeds, Page 445.

Parcel No. 7:

All that certain real property, situated in the County of Pima, State of Arizona, being a part of the South half of Section 6, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Beginning at the South quarter corner of said Section 6;

Thence from said point of beginning, Westerly along the South line of the Southwest quarter of said Section 6, South 89 degrees 46 minutes 50 seconds West, 900.39 feet to a point of intersection with Northeast right of way line of Interstate Highway I-10, as described in the Final Order of Condemnation, recorded in Docket 2322, Page 360 thereof, records of Pima County, Arizona;

Thence Northwesterly along said right of way line, from a tangent which bears North 35 degrees 19 minutes 19 West, along the arc of a curve to the right having a radius of 8444.37 feet and a central angle of 03 degrees 12 minutes 52 seconds, an arc distance of 473.75 feet to a point thereon;

Thence leaving said right of way line, Easterly along a line being parallel with and 395.00 feet North of said South line of said Southwest quarter of said Section 6, North 69 degrees 46 minutes 50 seconds East, 1201.80 feet to a point of intersection with the Southwest line of Casa Grande Highway, as described in Easement to State of Arizona, recorded in Docket 189, Page 228 thereof, records of Pima County, Arizona;

Thence Southeasterly along said Southwest line, South 35 degrees 18 minutes 46 seconds East, 483.15 feet to a point of intersection with the South line of the Southeast quarter of Section 6;

Thence Westerly along said South line, South 89 degrees 49 minutes 54 seconds West, 317.76 feet to the POINT OF BEGINNING;

Except all percolating water, contained within, underlying or which may be produced except such water as may be used by the owners and inhabitants from domestic purposes as reserved in Deed recorded in Book 314 of Deeds, Page 445.

Parcel No. 8:

The North half of the Northeast quarter of Section 7, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

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EXHIBIT A
(Continued)

Except railroad right of way;

Except therefrom that portion thereof lying within Old Casa Grande (Picacho) Highway;

Except therefrom that portion thereof described as follows:

Beginning at a point on the West line of the Northeast quarter of said Section 7, from whence the North quarter corner of said Section 7 bears North 00 degrees 13 minutes 10 seconds West, a distance of 935.23 feet;

Thence South 00 degrees 13 minutes 10 seconds East, along said West line, a distance of 387.32 feet;

Thence North 89 degrees 49 minutes 55 seconds East, along the South line of the Northwest quarter of Northeast quarter of said Section 7, a distance of 399.08 feet;

Thence along a curve, concave Northeastward, with a radius of 8,344.37 feet, a distance of 536.49 feet to the POINT OF BEGINNING;

Except therefrom that portion thereof described as follows:

Beginning at the point of intersection of the Northeasterly right of way line of the Casa Grande-Tucson Interstate Highway 10, and the South line of the Northwest quarter of the Northeast quarter of said Section 7;

Thence East along the South line of the Northwest quarter of the Northeast q of said Section 7, to the point of intersection of said South line and the Southwesterly right of way of the Picacho-Tucson Highway, F.I. 94;

Thence Northwesterly along the Southwesterly right of way line of said Picacho-Tucson Highway, a distance of 300 feet;

Thence Westerly parallel to the South line of the Northwest quarter of the Northeast quarter to a point on the Northeasterly line of the Casa Grande-Tucson Interstate Highway 10;

Thence Southeasterly along the Northeasterly line of said Casa Grande-Tucson Interstate Highway to the POINT OF BEGINNING.

Parcel No. 9:

The Southeast quarter of the Northeast quarter of Section 7, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona;

Except therefrom that portion thereof lying within the right of way of the Southern Pacific Railroad; and

Except therefrom that portion thereof lying within the Casa Grande Highway; and

Except therefrom that portion thereof described as follows:

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EXHIBIT A
(Continued)

Beginning at a point on the South line of Southeast quarter of the Northeast quarter of said Section 7, from whence the Southwest corner of said Southeast quarter of the Northeast quarter of Section 7 bears South 89 degrees 53 minutes 00 seconds West, a distance of 17.23 feet;

Thence North 89 degrees 53 minutes 00 seconds East, along the South line of the Southeast quarter of the Northeast quarter of said Section 7, a distance of 639.31 feet;

Thence North 50 degrees 07 minutes 00 seconds West, a distance of 840.86 feet;

Thence South 00 degrees 36 minutes 20 seconds East, a distance of 525.95 feet;

Thence South 50 degrees 01 minutes 00 seconds East, a distance of 22.65 feet to the POINT OF BEGINNING.

Parcel No. 10:

The North half of the Northwest quarter of Section 8, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona.

Parcel No. 11:

That portion of Section 8, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at the East quarter corner of said Section 8;

Thence South 00 degrees 34 minutes 50 minutes East, along the East line of the Southeast quarter of said Section 8, a distance of 133.10 feet;

Thence South 89 degrees 26 minutes 45 seconds West, parallel with and 133.10 feet South of the East-West midsection line of said Section 8, a distance of 1321.60 feet to a point on the East line of the Northwest quarter of the Southeast quarter of said Section 8 and the TRUE POINT OF BEGINNING;

Thence continuing South 89 degrees 26 minutes 45 seconds West, parallel with and 133.10 feet South of said East-West midsection line, 1321.60 feet to a point on the North-South midsection line of said Section 8;

Thence South 89 degrees 24 minutes 43 seconds West, parallel with and 133.10 feet South of said East-West midsection line, 1672.88 feet;

Thence North 00 degrees 35 minutes 42 seconds West, parallel with and 972.06 feet East of the West line of the Northwest quarter of said Section 8, a distance of 1452.69 feet to a point on the North line of the South half of said Northwest quarter of Section 8;

Thence North 89 degrees 23 minutes 08 seconds East, along said North line, 1672.89 feet to a point on said North-South midsection line of Section 8;

Thence South 00 degrees 35 minutes 58 seconds East, along said North-South midsection line, 1320.36 feet to the center of said Section 8;

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EXHIBIT A
(Continued)

Thence North 89 degrees 26 minutes 45 seconds East, along said East-West midsection line, 1321.56 feet to the Northeast corner of said Northwest quarter of the Southeast quarter of Section 8;

Thence South 00 degrees 33 minutes 45 seconds East, along the East line of said Northwest quarter of the Southeast quarter, 133.10 feet to the TRUE POINT OF BEGINNING.

Parcel No. 12

That portion of Section 8, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at the East quarter corner of said Section 8;

Thence South 00 degrees 34 minutes 50 minutes East, along the East line of the Southeast quarter of said Section 8, a distance of 133.10 feet;

Thence South 89 degrees 26 minutes 45 seconds West, parallel with and 133.10 feet South of the East-West midsection line of said Section 8, a distance of 1321.60 feet to a point on the East line of the Northwest quarter of the Southeast quarter of said Section 8 and the TRUE POINT OF BEGINNING;

Thence continuing South 89 degrees 26 minutes 45 seconds West, parallel with and 133.10 feet South of said East-West midsection line, 1321.60 feet to a point on the North-South midsection line of said Section 8;

Thence South 89 degrees 24 minutes 43 seconds West, parallel with and 133.10 feet South of said East-West midsection line, 1672.88 feet;

Thence North 00 degrees 35 minutes 42 seconds West, parallel with and 972.06 feet East of the West line of the Northwest quarter of said Section 8, a distance of 1452.69 feet to a point on the North line of the South half of said Northwest quarter of Section 8;

Thence South 89 degrees 23 minutes 08 seconds West, along said North line, 972.06 feet to a point on said West line of the Northwest quarter of Section 8;

Thence South 00 degrees 35 minutes 42 seconds East, along said West line, 1203.98 feet to a point on the Northeasterly line of the Union Pacific Railroad Right-of-Way and the beginning of a non-tangent curve having a radius point which bears North 52 degrees 43 minutes 38 seconds East, 11,357.74 feet;

Thence Southeasterly, along said right-of-way and said curve, through a central angle of 09 degrees 40 minutes 32 seconds, an arc distance of 1917.98 feet to a point on the South line of the North half of the Southwest quarter of said Section 8;

Thence North 89 degrees 24 minutes 45 seconds East, along said South line, 1374.09 feet to the Southwest corner of said Northwest quarter of the Southeast quarter of Section 8;

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EXHIBIT A
(Continued)

Thence North 89 degrees 27 minutes 33 seconds East, along said South line of said Northwest quarter of the Southeast quarter, 1321.98 feet to the Southeast corner of said Northwest quarter of the Southeast quarter of Section 8;

Thence North 00 degrees 33 minutes 45 seconds West, along said East line of the Northwest quarter of the Southeast quarter, 1186.36 feet to the TRUE POINT OF BEGINNING.

Parcel No. 13:

All that portion of the South half of the South half of Section 8, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, lying Northeasterly of the Southern Pacific Railroad Right-of-Way.

Parcel No. 14:

All that portion of Section 16, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona, lying North and East of the Southern Pacific Railroad Right-of-Way.

Parcel No. 15:

All that portion of the Northeast quarter of Section 17, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, lying North and East of the Southern Pacific Railroad Right-of-Way.

Parcel No. 16:

All that portion of the Northeast quarter of Section 21, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, lying North and East of the Southern Pacific Railroad Right-of-Way.

Parcel No. 17:

The North 660 feet of the West 370 feet of the Northwest quarter of Section 22, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPT all minerals, ores and metals of every kind and character and all coal, asphaltum, oil, gases, fertilizers, fossils and other like substances in or under said land, as reserved in Patent recorded in Book 74 of Deeds, Page 53.

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SCHEDULE B

PART I – REQUIREMENTS

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

2. Pay the agreed amount for the estate or interest to be insured.

3. Pay the premiums, fees, and charges for the Policy to the Company.

4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

6. The Proposed Policy Amount(s) must be increased to the full value of the estate or interest being insured, and any additional premium must be paid at that time. An Owner's policy should reflect the purchase price or full value of the Land. A Loan Policy should reflect the loan amount or value of the property as collateral. Proposed Policy Amount(s) will be revised and premiums charged consistent therewith when the final amounts are approved.

7. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

   Party(s): TMR Investors, LLC, an Arizona limited liability company

   The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

8. An inspection of said Land has been ordered; upon its completion the Company reserves the right to except additional items and/or make additional requirements.

9. Furnish a plat of an ALTA/NSPS Land Title Survey. If the owner of subject property is in possession of a current ALTA/NSPS Land Title Survey, this Company will require that said Survey be submitted for review and approval. Otherwise, a new survey, satisfactory to the Company, must be prepared by a registered land surveyor and supplied to the Company prior to the close of escrow. The Company reserves the right to except additional items and/or make additional requirements after review of such survey.

   Said Plat of Survey shall include the recommended certification and at the minimum, also have shown thereon Items 1, 2, 6, 8, 10, 11, 16, 18 and 19 from Table A thereof.

   Note: If an ALTA 3.1 Zoning Endorsement is requested, Items 7a, 7b, 7c and 9 of Table A will also be required. The number and type of parking spaces must be shown on the survey. Property use information must also be provided to Fidelity National Title Insurance Company.

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SCHEDULE B
PART I – Requirements
(Continued)

10. The name(s) of the proposed insured(s) was not furnished with the application for title insurance. Please provide the name(s) of the buyer(s) as soon as possible.

    The Company reserves the right to add additional items or make further requirements after review of the requested information.

11. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

    Limited Liability Company: TMR Investors, LLC, an Arizona limited liability company

    a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member

    b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps

    c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member

    d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created

    e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

    The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

12. Furnish for recordation a partial release/reconveyance of deed of trust:

Amount:	$5,000,000.00
Dated:	July 05, 2006
Trustor/Grantor:	TMR Investors, LLC, an Arizona limited liability company
Trustee:	First American Title Insurance Company
Beneficiary:	TMR Funding, LLC, an Arizona limited liability company
Recording Date:	September 08, 2006
Recording No:	Docket 12885, Page 4905

    An agreement recorded December 15, 2015 in Recording No. 2015-3490440 which states that this instrument was subordinated to the document or interest described in the instrument

Recording Date:	December 15, 2015
Recording No.:	2015-3490439

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SCHEDULE B
PART I – Requirements
(Continued)

An agreement to modify the terms and provisions of said deed of trust as therein provided

Recording Date: February 01, 2016
Recording No: 2016-0320549
(Parcel No. 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14,15, 16, 17)

13. Furnish for recordation a partial release/reconveyance of deed of trust:

Amount: $9,040,000.00
Dated: May 29, 2013
Trustor/Grantor: TMR Investors, LLC, an Arizona limited liability company
Trustee: Chicago Title Insurance Company, a Missouri corporation
Beneficiary: TMR Mezzanine Funding, LLC, an Arizona limited liability company
Recording Date: October 23, 2013
Recording No: 2013-2960370

An agreement recorded December 15, 2015 in Recording No. 2015-3490441 which states that this instrument was subordinated to the document or interest described in the instrument

Recording Date: December 15, 2015
Recording No.: 2015-3490439

An agreement to modify the terms and provisions of said deed of trust as therein provided

Recording Date: February 01, 2016
Recording No: 2016-0320550
(Parcel No. 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17)

14. Furnish for recordation a partial release/reconveyance of deed of trust:

Amount: $5,000,000.00
Dated: December 08, 2015
Trustor/Grantor: TMR Investors, LLC, an Arizona limited liability company
Trustee: Chicago Title Agency, an Arizona corporation
Beneficiary: Lund Investment Partnership III, a California General Partnership
Recording Date: December 15, 2015
Recording No: 2015-3490439
(Parcel No. 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17)

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SCHEDULE B
PART I – Requirements
(Continued)

15. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

    Upon confirmation by the owner of no open Deeds of Trust or Mortgages encumbering the Land described herein, furnish the Company an owner's Affidavit of no open Deed of Trust(s).
    (Parcel No. 5 through 7)

16. Intentionally Deleted

17. Furnish for recordation a deed as set forth below:

Type of deed:	Warranty Deed
Grantor(s):	TMR INVESTORS, LLC, an Arizona limited liability company
Grantee(s):	TBD

18. Furnish for recordation a deed of trust, securing an indebtedness,

Executed by:	TBD
Beneficiary:	TBD
Amount:	$TBD

19. For each policy to be issued as identified in Schedule A, Item 2; the Company shall not be liable under this commitment until it receives a designation for a Proposed Insured, acceptable to the Company. As provided in Commitment Condition 4, the Company may amend this commitment to add, among other things, additional exceptions or requirements after the designation of the Proposed Insured.

    Tax Note:

Year:	2018
Tax Parcel No:	217-06-001C
Total Tax:	$1,378.37
First Installment Amount:	$Paid
Second Installment Amount:	$Paid
Parcel No. 1	

    Tax Note:

Year:	2018
Tax Parcel No:	217-06-001F
Total Tax:	$10.35
First Installment Amount:	$10.35 Paid
Second Installment Amount:	$0.00
Parcel No. 2	

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SCHEDULE B
PART I – Requirements
(Continued)

Tax Note:

Year:	2018
Tax Parcel No:	217-06-001G
Total Tax:	$11.42
First Installment Amount:	$11.42 Paid
Second Installment Amount:	$0.00
Parcel No. 3	

Tax Note:

Year:	2018
Tax Parcel No:	217-06-001H
Total Tax:	$10.35
First Installment Amount:	$10.35 Paid
Second Installment Amount:	$0.00
Parcel No. 4	

Tax Note:

Year:	2018
Tax Parcel No:	217-07-003C
Total Tax:	$972.15
First Installment Amount:	$Paid
Second Installment Amount:	$Paid
Parcel Nos. 5 through 7	

Tax Note:

Year:	2018
Tax Parcel No:	217-07-001A
Total Tax:	$1,846.54
First Installment Amount:	$Paid
Second Installment Amount:	$Paid
Parcel No. 8	

Tax Note:

Year:	2018
Tax Parcel No:	217-07-0020
Total Tax:	$10.35
First Installment Amount:	$10.35 Paid
Second Installment Amount:	$0.00
Parcel No. 9	

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SCHEDULE B
PART I – Requirements
(Continued)

Tax Note:

Year:	2018
Tax Parcel No:	217-08-0030
Total Tax:	$11.42
First Installment Amount:	$11.42 Paid
Second Installment Amount:	$0.00
Parcel No. 10	

Tax Note:

Year:	2018
Tax Parcel No:	217-08-004C
Total Tax:	$12.24
First Installment Amount:	$12.24 Paid
Second Installment Amount:	$0.00
Parcel No. 11	

Tax Note:

Year:	2018
Tax Parcel No:	217-08-004D
Total Tax:	$13.61
First Installment Amount:	$13.61 Paid
Second Installment Amount:	$0.00
Parcel No. 12	

Tax Note:

Year:	2018
Tax Parcel No:	217-08-0060
Total Tax:	$13.10
First Installment Amount:	$13.10 Paid
Second Installment Amount:	$0.00
Parcel No. 13	

Tax Note:

Year:	2018
Tax Parcel No:	217-16-001A
Total Tax:	$69.52
First Installment Amount:	$69.52 Paid
Second Installment Amount:	$0.00
Parcel No. 14	

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SCHEDULE B
PART I – Requirements
(Continued)

Tax Note:

Year:	2018
Tax Parcel No:	217-17-0010
Total Tax:	$11.42
First Installment Amount:	$11.42 Paid
Second Installment Amount:	$0.00
Parcel No. 15	

Tax Note:

Year:	2018
Tax Parcel No:	217-25-001A
Total Tax:	$10.35
First Installment Amount:	$10.35 Paid
Second Installment Amount:	$0.00
Parcel No. 16	

Tax Note:

Year:	2018
Tax Parcel No:	217-27-0030
Total Tax:	$12.64
First Installment Amount:	$12.64 Paid
Second Installment Amount:	$0.00
Parcel No. 17	

END OF SCHEDULE B, PART I–REQUIREMENTS

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SCHEDULE B

PART II – EXCEPTIONS

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

A. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2019.

2. Any rights, liens, claims or equities, if any, in favor of Cortaro Water Users Association.
(Affects Parcel No. 1, 3, 4, 8, 9, 10, 11, 12,13, 15, 16, 17)

3. Any rights, liens, claims or equities, if any, in favor of Cortaro Marana Irrigation District.
(Affects Parcel No. 1, 3, 4, 8, 9, 10, 11, 12,13, 15, 16, 17)

4. Reservations contained in the Patent

   From: The United States of America
   Recording Date: July 23, 1908
   Recording No: Book 44 of Deeds, Page 413

   Which among other things recites 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 the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.
   (Affects Parcel No. 1, 2, 3, 4, 7, 8, 9, 10, 11, 12 Section 6)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

5. Reservations contained in the Patent

From: The United States of America
Recording Date: May 18, 1916
Recording No: Book 61 of Deeds, Page 344

Which among other things recites 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 the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.
(Affects Parcel No. 5, 6 Section 7)

6. Reservations contained in the Patent

From: The United States of America
Recording Date: October 29, 1926
Recording No: Book 111 of Deeds, Page 369

Which among other things recites 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 the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.
(Affects Parcel No. 13 - Section 8 Township 11 South Range 11 East)

7. Reservations contained in the Patent

From: The United States of America
Recording Date: October 29, 1926
Recording No: Book 52 of Deeds, Page 375

Which among other things recites 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 the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.
(Affects Parcel No. 15 - Section 17 Township 11 South Range 11 East)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

8. Reservations contained in the Patent

From: The United States of America
Recording Date: May 08, 1916
Recording No: Book 61 of Deeds, Page 302

Which among other things recites 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 the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.
(Affects Parcel No. 16)

9. Reservations contained in the Patent

From: State of Arizona
Recording Date: November 21, 1919
Recording No: Book 74 of Deeds, Page 53

Which among other things recites as follows:

Subject to any and all easements or rights of way heretofore legally obtained and now in full force and effect.
(Affects Parcel No. 17)

10. The right of entry to prospect for, mine and remove the minerals excepted from the description of said Land in Schedule A.
(Affects Parcel No. 17)

11. Water rights, claims or title to water, whether or not disclosed by the public records.
(Affects All Parcels)

12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: communication facilities
Recording Date: January 13, 1912
Recording No: Book 52 of Deeds, Page 141
(Affects Parcel No. 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

13. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: communication facilities
Recording Date: July 20, 1912
Recording No: Book 52 of Deeds, Page 348
(Affects Parcel No. 1, 2, 3, 4, 7, 8, 9, 11, 12, 13, 17)

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: highway
Recording Date: January 17, 1931
Recording No: Book 44 of Miscellaneous, Page 8
(Affects Parcel No. 1, 2, 3, 4, 8, 9, 11, 12, 13)

15. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: gas pipelines and facilities
Recording Date: November 25, 1933
Recording No: Book 51 of Miscellaneous, Page 185 and
Recording No: Book 51 of Miscellaneous, Page 275 and
Recording No: Book 51 of Miscellaneous, Page 304 and thereafter Partially Release
Recording Date: November 16, 1960
Recording No: Docket 1698, Page 277
(Affects Parcel No. 1, 2, 3, 4, 7, 8, 9, 11, 12, 13, 15, 16, 17)

16. The effect of Deed from Western Gas Company to El Paso Natural Gas Company recorded July 02, 1936 in Book 190 of Deeds, Page 544.
(Affects Parcel No. 1, 3, 4, 8, 9, 10, 11, 12, 13, 15, 16 17)

17. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: electrical facilities
Recording Date: January 13, 1946
Recording No: Book 76 of Miscellaneous, Page 580
(Affects Parcel No. 1,2, 3, 4, 7, 8, 9)

18. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: communication facilities
Recording Date: March 20, 1947
Recording No: Book 108 of Miscellaneous, Page 301
(Affects Parcel No. 1, 2, 3, 4, 7, 8, 9, 11, 12, 13)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

19. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: use and enjoyment
Recording Date: July 02, 1936
Recording No: Book 226 of Deeds, Page 618
(Affects Parcel No. 1, 2, 8, 9, 10, 11, 12, 13, 15, 16)

20. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: highway
Recording Date: August 15, 1949
Recording No: Docket 189, Page 228
(Affects Parcel No.1, 2, 3, 4, 8, 9, 11, 12)

21. The right of the State of Arizona to prohibit, limit, control or restrict access to Highway Intestate I-10, as set forth in the document

Recording Date: July 26, 1961
Recording No: Docket 1807, Page 563; and
Recording No: Docket 1807, Page 565; and
Recording No: Docket 1807, Page 568; and
Recording No: Docket 1807, Page 570; and
Recording Date: July 03, 1964
Recording No: Docket 2322, Page 360 and
Recording Date: October 06, 1964
Recording No: Docket 2344, Page 268 and
Recording Date: April 05, 1964
Recording No: Docket 2464, Page 217
(Affects Parcel No. 1, 2, 3, 4, 8, 9, 11, 12, 13, 15, 16)

22. Matters contained in that certain document

Entitled: Joint Resolution between Cortraro-Marana Irrigation District and Cortraro-Marana Water Users Association
Recording Date: December 12, 1977
Recording No: Docket 5670, Page 603

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

23. A resolution in favor of Pima County Board of Supervisors (Resolution No. 1997-71)

For: use of appropriated water
Recording Date: April 18, 1997
Recording No: Docket 10527, Page 1726
(Affects Parcel No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17)

24. Matters contained in that certain document

Entitled: Town of Marana General Plan
Recording Date: April 22, 1997
Recording No: Docket 10529, Page 1892

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17)

25. Matters contained in that certain document

Entitled: Marana Ordinance No. 99.10, approving a Rezone
Recording Date: April 23, 1999
Recording No: Docket 11032, Page 1212

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 3, 4, 5, 6, 7, 8, 9)

26. Matters contained in that certain document

Entitled: Grant of Easement for pipelines and access
Recording Date: April 29, 2005
Recording No: Docket 12542, Page 12794

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 3, 4, 8, 9, 10, 11, 12, 13)

27. Matters contained in that certain document

Entitled: Ordinance Number 2007-32
Recording Date: April 16, 2007
Recording No: Docket 13034, Page 790

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 17)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

28. Matters contained in that certain document

Entitled: Consent to Conditions of Rezoning and Waiver of Claims for Possible Diminution of Value
Recording Date: June 01, 2007
Recording No: Docket 13067, Page 1236

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 15, 16, 17)

29. Matters contained in that certain document

Entitled: Marana Ordinance No. 2007-09, Rezoning
Recording Date: June 01, 2007
Recording No: Docket 13067, Page 1240 and

Waiver of Claims for Possible Diminution of Value
Recording No: December 22, 2017
Recording No: 2017-3560115
Recording No: 2017-3560116
Recording No: 2017-3560117 and

Waiver of Claims for Possible Diminution of Value
Recording Date: March 09, 2018
Recording No: 2018-0680061

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17)

30. Rights, easements, interest or title of the Railroad Company hereinafter set forth, as to any portion of said Land lying within the lines of the right-of-way granted to said Railroad.

Railroad: Southern Pacific Railroad
(Affects Parcel No. 3, 12, 13, 15, 16)

31. Any outstanding liabilities and obligations, including unpaid assessments, imposed upon said Land by reason of inclusion thereof within the boundaries of the Cortaro Water User's Association recorded in Book 107 of Miscellaneous, Page 151.
(Affects Parcel No. 5 through 7)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

32. Matters contained in that certain document

Entitled: Deed
Recording Date: December 26, 1961
Recording No: Docket 1872, Page 373

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

33. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: roadway and public utilities
Recording Date: January 17, 1975
Recording No: Docket 4936, Page 251
(Affects Parcel No. 5)

34. Matters contained in that certain document

Entitled: Annexation Petition
Recording Date: January 18, 1989
Recording No: Docket 8456, Page 812; and
Recording Date: February 16, 1989
Recording No: Docket 8476, Page 2057

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

35. Matters contained in that certain document

Entitled: Ordinance No 89.09
Recording Date: May 16, 1989
Recording No: Docket 8538, Page 776

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

36. Matters contained in that certain document

Entitled: Ordinance No 89-16
Recording Date: June 29, 1989
Recording No: Docket 8569, Page 1379

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

37. Matters contained in that certain document

Entitled: Resolution of the Northwest Fire District
Recording Date: October 23, 1998
Recording No: Docket 10908, Page 837

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

38. Matters contained in that certain document

Entitled: Ordinance No 99.06
Recording Date: March 19, 1999
Recording No: Docket 11007, Page 692

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

39. Matters contained in that certain document

Entitled: Ordinance No 99.16
Recording Date: June 11, 1999
Recording No: Docket 11066, Page 508

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7, 8, 9, 10, 11, 12, 13, 15, 16, 17)

40. Matters contained in that certain document

Entitled: Ordinance No 2001.9
Recording Date: October 18, 2001
Recording No: Docket 11657, Page 2167

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

41. Matters contained in that certain document

Entitled: Marana/I-10 Community Facilities District Resolution No 2005-01
Recording Date: April 07, 2005
Recording No: Docket 12526, Page 142

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

42. Matters contained in that certain document

Entitled: Town of Marana Resolution No 2005-31
Recording Date: April 07, 2005
Recording No: Docket 12526, Page 154

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

43. Matters contained in that certain document

Entitled: Affidavit of Disclosure
Recording Date: August 24, 2018
Recording No: 2018-2360556

Reference is hereby made to said document for full particulars.
(Affects Parcel No. 5 through 7)

44. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: communication facilities
Recording Date: November 02, 1946
Recording No: Book 103 of Miscellaneous, Page 225 and thereafter Release of Easement
Recording Date: January 06, 1999
Recording No: Docket 10957, Page 843; and Release of Easement
Recording Date: May 02, 2016
Recording No: 2016-1230401
(Affects Parcel No. 8, 9, 15, 16, 17)

45. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: pipe lines
Recording Date: August 12, 1955
Recording No: Docket 878, Page 291
(Affects Parcel No. 8, 9)

46. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: gas pipe lines
Recording Date: June 09, 1960
Recording No: Docket 1622, Page 222
(Affects Parcel No. 8, 9)

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SCHEDULE B
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(Continued)

47. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: roadway and public utilities
Recording Date: December 23, 1974
Recording No: Docket 4919, Page 555
(Affects Parcel No. 8, 9)

48. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: billboard signs
Recording Date: September 30, 2005
Recording No: Docket 12650, Page 11504
(Affects Parcel No. 8, 9, 10, 11, 12, 13)

49. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: pipe lines
Recording Date: January 18, 1954
Recording No: Docket 678, Page 53
(Affects Parcel No. 10, 11, 12)

50. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: communication facilities
Recording Date: July 19, 1947
Recording No: Docket 3, Page 106
(Affects Parcel No. 11, 12, 13)

51. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: gas pipe line, telephone lines power transmission line and road
Recording Date: January 20, 1954
Recording No: Docket 679, Page 75
(Affects Parcel No. 11, 12)

52. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: perpetual right-of-way
Recording Date: January 04, 1952
Recording No: Docket 417, Page 241
(Affects Parcel No. 16)

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SCHEDULE B
PART II – EXCEPTIONS
(Continued)

53. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	pipe lines
Recording Date:	July 29, 1955
Recording No:	Docket 873, Page 146
(Affects Parcel No. 16)	

54. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

55. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

END OF SCHEDULE B, PART II – EXCEPTIONS

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Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened**. DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
http://www.fbi.gov

Internet Crime Complaint Center:
http://www.ic3.gov

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FIDELITY NATIONAL FINANCIAL, INC.
PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected
We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:
- contact information (*e.g.,* name, address, phone number, email address);
- demographic information (*e.g.,* date of birth, gender, marital status);
- identity information (*e.g.,* Social Security Number, driver's license, passport, or other government ID number);
- financial account information (*e.g.,* loan or bank account information); and
- other personal information necessary to provide products or services to you.

Browsing Information. FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:
- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website

How Personal Information is Collected
We may collect Personal Information about you from:
- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected
If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics
Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

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Use of Personal Information
FNF uses Personal Information for three main purposes:
- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and third parties' products and services, jointly or independently.

When Information Is Disclosed
We may make disclosures of your Personal Information and Browsing Information in the following circumstances:
- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

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- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see "**Choices With Your Information**" to learn the disclosures you can restrict.

Security of Your Information
We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information
If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law.

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For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

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By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

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Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

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ATTACHMENT ONE (01-01-08)

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   - land use
   - improvements on the land
   - land division
   - environmental protection

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   - a notice of exercising the right appears in the public records on the Policy Date
   - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
   - that are created, allowed, or agreed to by you
   - that are known to you, but not to us, on the Policy Date—unless they appeared in the public records
   - that result in no loss to you
   - that first affect your title after the Policy Date—this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   - to any land outside the area specifically described and referred to in Item 3 of Schedule A

     OR
   - in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH A.L.T.A. ENDORSEMENT–FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or
   (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
   (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
   (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
      (a) to timely record the instrument of transfer; or
      (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
   a. building
   b. zoning
   c. Land use
   d. improvements on Land
   e. land division
   f. environmental protection

   This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

   This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
   a. notice of exercising the right appears in the Public Records at the Policy Date; or
   b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records.
   b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.d., 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16, and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1% of Policy Amount or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 15:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 16:	1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 18:	1% of Policy Amount or $2,500.00 (whichever is less)	$5,000.00

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01-01-08)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date—this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	**$**10,000.00
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	**$**25,000.00
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	**$**25,000.00
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	**$**5,000.00

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records a Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
   (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth-in-lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
   (a) The time of the advance; or
   (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (01-01-08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

Title Report for Property Located Within Pinal County

First American Title™	ALTA Commitment for Title Insurance
	ISSUED BY **First American Title Insurance Company**
Commitment	File No. 3675TAZ

COMMITMENT FOR TITLE INSURANCE

Issued By

FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, **First American Title Insurance Company**, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

Countersigned
Thomas Title and Escrow Agency

By: Frank W Bunch
Authorized Signature

First American Title Insurance Company

Dennis J. Gilmore, President

Jeffrey S. Robinson, Secretary

If this jacket was created electronically, it constitutes an original document.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by ** ERROR RETRIEVING DATA **. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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COMMITMENT CONDITIONS

1. **DEFINITIONS**
   (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
   (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
   (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
   (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
   (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
   (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
   (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
   (h) "Title": The estate or interest described in Schedule A.
2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.
3. The Company's liability and obligation is limited by and this Commitment is not valid without:
   (a) the Notice;
   (b) the Commitment to Issue Policy;
   (c) the Commitment Conditions;
   (d) Schedule A;
   (e) Schedule B, Part I—Requirements;
   (f) Schedule B, Part II—Exceptions; and
   (g) a counter-signature by the Company or its issuing agent that may be in electronic form.
4. **COMPANY'S RIGHT TO AMEND**
   The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.
5. **LIMITATIONS OF LIABILITY**
   (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
      (i) comply with the Schedule B, Part I—Requirements;
      (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
      (iii) acquire the Title or create the Mortgage covered by this Commitment.
   (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
   (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
   (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
   (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
   (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
   (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.
6. **LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT**
   (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
   (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
   (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
   (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.

(e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
(f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is $2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at http://www.alta.org/arbitration.

Transaction Identification Data for reference only:
Issuing Agent: Thomas Title and Escrow Agency
Issuing Office: Thomas Title and Escrow Agency (Scottsdale)
Issuing Office's ALTA Registry ID:
Commitment Number: Amended
Issuing Office File Number: 3675TAZ
Escrow Officer: Cathy Criner
Title Officer: Teri Guevara

COMMITMENT FOR TITLE INSURANCE
Issued by
First American Title Insurance Company

SCHEDULE A

1. Commitment Date: **August 16, 2019, 05:00 pm**

2. Policy to be issued:
   (a) 2006 ALTA® Extended Coverage Owner's Policy
   Proposed Insured: **To be determined**
   Proposed Policy Amount: **$0.00**

   (b) 2006 ALTA® Loan Policy Extended Coverage
   Proposed Insured: **To be determined**
   Proposed Policy Amount: **$0.00**

3A. The estate or interest in the land described in this Commitment and covered herein is **Fee Simple** and title thereto is at the effective date hereof vested in:

TMR Investors, LLC, an Arizona limited liability company

3B. Title to the estate herein described upon issuance of the Policy shall be vested in:

To be determined

4. The proposed mortgage and assignment(s) thereof, if any, are described as follows:
   a. Deed of Trust given to secure an indebtedness in the original principal amount shown therein, together with any and all other obligations secured thereby:
   Trustor: **To be determined**
   Beneficiary: **To be determined**
   Amount: **$0.00**
   Trustee: **Thomas Title and Escrow Agency**

5. The land referred to in this Commitment is described as follows:

SEE ATTACHED EXHIBIT "A"

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; and Schedule B, Part II-Exceptions.

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EXHIBIT "A"

PARCEL NO. 1:

ALL OF LOTS 11, 12, 13, 17, 18, 19, AND 20 AND PARTS OF LOTS 14, 15, 16, AND 21, ALL IN SECTION 31, TOWNSHIP 10 SOUTH, RANGE 11 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 31;

THENCE SOUTH 89 DEGREES 46 MINUTES 42 SECONDS WEST ALONG THE SOUTH LINE OF SAID SECTION 31, A DISTANCE OF 127.05 FEET;

CONTINUE THENCE ALONG SAID SOUTH LINE SOUTH 89 DEGREES 47 MINUTES 41 SECONDS WEST, A DISTANCE OF 2657.61 FEET;

CONTINUE THENCE ALONG SAID SOUTH LINE SOUTH 89 DEGREES 33 MINUTES 20 SECONDS WEST, A DISTANCE OF 348.65 FEET;

THENCE NORTH 37 DEGREES 32 MINUTES 27 SECONDS WEST, A DISTANCE OF 3760.98 TO A POINT ON THE WEST LINE OF SAID SECTION 31;

THENCE NORTH 00 DEGREES 09 MINUTES 29 SECONDS EAST ALONG THE WEST LINE OF SAID SECTION 31, A DISTANCE OF 514.39 FEET TO THE NORTHWEST CORNER OF LOT 14 OF SAID SECTION 31;

THENCE NORTH 89 DEGREES 35 MINUTES 54 SECONDS EAST ALONG THE NORTH LINE OF LOTS 14, 13, 12, AND 11 OF SAID SECTION 31, A DISTANCE OF 5414.71 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 31;

THENCE SOUTH 00 DEGREES 07 MINUTES 48 SECONDS EAST ALONG THE EAST LINE OF SAID SECTION 31, A DISTANCE OF 3521.80 TO THE POINT OF BEGINNING;

EXCEPTING AND RESERVING TO THE UNITED STATE 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 12, 1916 (39 STAT.862) AS SET FORTH IN THE PATENT RECORDED IN BOOK 71 OF DEEDS, PAGE 225.

PARCEL NO. 2:

ALL THAT PART OF SECTION 31, TOWNSHIP 10 SOUTH, RANGE 11 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 31;

THENCE NORTH 89 DEGREES 33 MINUTES 20 SENCONDS EAST ALONG THE SOUTH LINE OF SAID SECTION 31, A DISTANCE OF 1832 FEET TO THE TRUE POINT OF BEGINNING;

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THENCE CONTINUING NORTH 89 DEGREES 33 MINUTES 20 SECONDS EAST ALONG THE SOUTH LINE OF SECTION 31, A DISTANCE OF 468.00 FEET;

THENCE NORTHWESTERLY TO A POINT ON THE WEST LINE OF SECTION 31, SAID POINT BEING 3000 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID SECTION 31;

THENCE SOUTH 00 DEGREES 09 MINUTES 18 SECONDS WEST ALONG THE WEST LINE OF SECTION 31, A DISTANCE OF 361.26 FEET TO THE EAST QUARTER CORNER OF SECTION 36, TOWNSHIP 10 SOUTH, RANGE 10 EAST;

THENCE SOUTH 00 DEGREES 09 MINUTES 29 SECONDS WEST ALONG THE WEST LINE OF SECTION 31, A DISTANCE OF 438.74 FEET;

THENCE SOUTHEASTERLY TO A POINT OF THE SOUTH LINE OF SAID SECTION 31, WHICH IS NORTH 89 DEGREES 33 MINUTES 20 SECONDS EAST OF THE SOUTHWEST CORNER OF SAID SECTION 31, SAID POINT BEING THE TRUE POINT OF BEGINNING.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; and Schedule B, Part II-Exceptions.

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COMMITMENT FOR TITLE INSURANCE
Issued by
First American Title Insurance Company
SCHEDULE B, PART I
Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

2. Pay the agreed amount for the estate or interest to be insured.

3. Pay the premiums, fees, and charges for the Policy to the Company.

4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

5. All of 2018 taxes are paid in full.

   NOTE: Taxes are assessed in the total amount of $91.06 for the year 2018 under Assessor's Parcel No. 410-25-0010.

   NOTE: Taxes are assessed in the total amount of $8.02 for the year 2018 under Assessor's Parcel No. 410-25-0020.

6. Furnish full and complete copy of any unrecorded lease, agreement, contract and/or license with all supplements, assignments and amendments and fully executed owner's affidavit prior to close of transaction. The owner's affidavit shall also state that none of the leases referred to in the affidavit contain a first right of refusal or option to purchase. Thomas Title & Escrow reserves the right to except additional items and/or make requirements after review of the foregoing documents.

7. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in accordance with the "Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys" which became effective February 23, 2011. Said Plat of survey shall include the required certification and, at a minimum, also have shown thereon Items 1, 8, 11(b), 16, 17, 20(a), and 20(b) from Table A thereof. If zoning assurances are requested, Items 7(a), 7(b), 7(c) and 9 from Table A and information regarding the usage of the property must be included.

   NOTE: if a Zoning Endorsement is requested, Items 7(a), 7(b) and 7(c) of Table A will also be required. If "parking" is to be added to the endorsement, the number and type of parking spaces must be shown on the survey. Property use information must also be provided to Thomas Title & Escrow.

8. Completion of inspection now in progress by an employee of Thomas Title & Escrow. If said inspection discloses the necessity for additional exceptions and/or requirements, you will be notified.

9. Furnish a copy of the Articles of Organization, stamped “filed” by the Arizona Corporation Commission; a fully executed copy of the Operating Agreement, and any amendments thereto; and a list of the current members of TMR Investors, LLC, a(n) Arizona limited liability company. NOTE: Final determination as to which parties must execute all documents on behalf of the company shall be made upon compliance with above.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; and Schedule B, Part II-Exceptions.

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10. **OMITTED INTENTIONALLY**

11. Record Full Reconveyance of a Deed of Trust securing an original indebtedness in the amount of $19,000,000.00, dated June 29, 2006, recorded July 5, 2006 as 2006-095026, of Official Records, by TMR Investors, LLC, an Arizona limited liability company, Trustor, First National Bank of Arizona, Trustee, and First National Bank of Arizona, Beneficiary.

    The beneficial interest in the Deed of Trust was assigned to FNBN-RESCON I LLC, a Delaware limited liability company by assignment recorded April 13, 2009 as 2009-036636, of Official Records.

12. Record Full Reconveyance of a Deed of Trust securing an original indebtedness in the amount of $5,000,000.00, dated July 5, 2006, recorded September 8, 2006 as 2006-126921, of Official Records, by TMR Investors, LLC, an Arizona limited liability company, Trustor, First American Title Insurance Company, Trustee, and TMR Funding, LLC, an Arizona limited liability company, Beneficiary.

    A document recorded September 8, 2006 as 2006-126922, of Official Records provides that the lien or charge of the above Deed of Trust was subordinated to the lien or charge of the Deed of Trust recorded July 5, 2006 as 2006-095026, of Official Records.

    A document recorded December 15, 2015 as 2015-079973, of Official Records provides that the lien or charge of the above Deed of Trust was subordinated to the lien or charge of the Deed of Trust recorded December 15, 2015 as 2015-079972, of Official Records.

13. Record Full Reconveyance of a Deed of Trust securing an original indebtedness in the amount of $5,000,000.00, dated December 8, 2015, recorded December 15, 2015 as 2015-079972, of Official Records, by TMR Investors, LLC, an Arizona limited liability company, Trustor, Chicago Title Insurance Company, a Missouri corporation, Trustee, and Lund Investment Partnership III, a California general partnership, Beneficiary.

14. Record Warranty Deed from TMR Investors, LLC, an Arizona limited liability company, to Buyer(s).

15. Record Deed of Trust shown as Item 4, Schedule A.

NOTE: The Company reserves the right to make further requirements and/or exception based upon its review of the documentation submitted to satisfy the above requirements.

NOTE: If Thomas Title and Escrow Agency is named as Trustee in the Deed of Trust, the correct name and address is:

Thomas Title and Escrow Agency, LLC, an Arizona Limited Liability Company
7150 East Camelback Rd., Ste 195
Scottsdale, AZ 85251

End of Schedule B - Section One

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SCHEDULE B, PART II
Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.

2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records

3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession thereof.

4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.

6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

7. Any lien or right to a lien for services, labor or material not shown by the Public Records.

Exceptions above will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Homeowner's Policy, A.L.T.A. Expanded Coverage Residential Loan Policy and any short form versions thereof. However, the same or similar exception may be made in Schedule B of those policies in conformity with Schedule B, Part Two of this Commitment.

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8. Taxes for the full year of 2019. (The first half is due October 1, 2019 and is delinquent November 1, 2019. The second half is due March 1, 2020 and is delinquent May 1, 2020).

9. Reservations or exceptions in Patents, or in Acts authorizing the issuance thereof.

10. Water rights, claims or title to water, whether or not shown by the public records.

11. All matters as set forth in Resolution #2005-02 regarding inclusion within the Avra Valley Fire District, recorded August 18, 2006 as 2006-117058, of Official Records.

12. All matters as set forth in Consent to Conditions of Rezoning and Waiver of Claims for Possible Diminution of Value Resulting from Town of Marana Ordinance No. 2007.09, recorded May 31, 2007 as 2007-064326, of Official Records and Amendment recorded March 19, 2018 as 2018-019851, of Official Records.

13. All matters as set forth in Villages of Tortolita Development Agreement, recorded April 18, 2018 as 2018-028230, of Official Records.

14. Any facts, rights, interests or claims that would be disclosed by a correct ALTA/NSPS survey.

15. Any rights, interest or claims of parties in possession of the land not shown by the public records.

NOTE: This matter will be more fully set forth or deleted upon compliance with the applicable requirement.

End of Schedule B - Section Two

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THOMAS Title & Escrow

7150 East Camelback Rd., Suite 195
Scottsdale, AZ 85251
Phone: 480-222-1116
Fax: 480-222-1117

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information
In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information-particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information that you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability
This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information
Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means.
- Information abut your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer-reporting agency.

Use of Information
We request information from you for our own legitimate business purposes and not for benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us, or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers
Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities that need to know the information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

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Exhibit H

The Villages of Tortolita Community Facilities District
Qualified Electors Reports

PINAL COUNTY RECORDER

VIRGINIA ROSS

Villages at Tortilla Community Facilities District
CFD
August 27, 2019

CERTIFICATION OF COUNTY RECORDER

I hereby certify to the best of my knowledge and according to the Pinal County Voter Registration records that, as of August 27, 2019, there are no qualified electors residing in the area of the proposed Villages at Tortolita Community Facilities District, CFD, a legal description and boundary map of which is attached hereto.

Dated: August 27, 2019

Virginia Ross

Pinal County Recorder

The content of this correspondence is for general informational purposes only. It does not constitute legal, tax, or other professional business advice and does not constitute solicitation for such services. The information contained in the correspondence should not be used as a substitute for engaging the advice of legal counsel, tax advisor, or other professional business individual. You should contact your attorney, accountant or other professional business representative to obtain advice with respect to any particular issue or problem.

31 N PINAL ST BUILDING E * PO BOX 848 * FLORENCE, AZ 85132
PH (520) 866-6830 * FAX (520) 866-6831 * TDD (520) 866-6851
pinalcountyaz.gov/Departments/Recorder

RESULTS OF SURVEY

OF A PORTION OF SECTION 31, TOWNSHIP 10 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA AND PORTIONS OF SECTIONS 6, 7, 8, 16, 17, 21 AND 22 TOWNSHIP 11 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

LEGAL DESCRIPTIONS:

[illegible]

LEGAL DESCRIPTIONS:

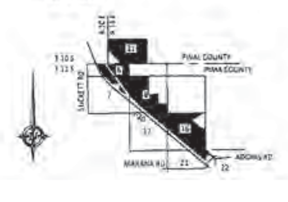
[illegible]

LEGAL DESCRIPTIONS:

[illegible]

VICINITY MAP:

NOT TO SCALE



AREA CALCULATIONS:

TAX PARCELS 66,232,614 SQ. FT. 1520.49 ACRES

GENERAL NOTES:

1.) EXCEPT AS NOTED, SURVEYOR HAS MADE NO INDEPENDENT INVESTIGATION OR SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE OR ANY OTHER MATTER THAT AN ACCURATE AND CURRENT TITLE REPORT MAY DISCLOSE.
2.) DECLARATION IS MADE TO ORIGINAL PURCHASER ONLY. SURVEY IS NOT TRANSFERABLE TO SUBSEQUENT OWNERS OR ADDITIONAL INSTITUTIONS WITHOUT WRITTEN PERMISSION OF THE SURVEYOR.
3.) SURVEY IS VALID ONLY IF PRINT BEARS SEAL AND SIGNATURE OF SURVEYOR.
4.) FIELDWORK PERFORMED DURING DECEMBER 2018 - JANUARY 2019.
5.) CONDITIONS SHOWN ARE THOSE THAT EXISTED AT THE TIME OF THE SURVEY.
6.) THIS IS A PERIMETER BOUNDARY SURVEY ONLY. INTERIOR PROPERTY LINES ARE SHOWN FOR REFERENCE ONLY.
7.) SEE SHEET 4 FOR NUMBERED LINE AND CURVE DATA.
8.) ALL DIMENSIONS SHOWN ARE MEASURED OR CALCULATED.

SURVEYOR'S CERTIFICATION:

I, MATTHEW A. GRAHAM, A DULY REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, DO HEREBY CERTIFY THAT THIS PLAT IS BASED ON A SURVEY PERFORMED BY ME DURING DECEMBER 2018 AND JANUARY 2019, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

2/11/19

MATTHEW A. GRAHAM
ARIZONA R.L.S. 39744

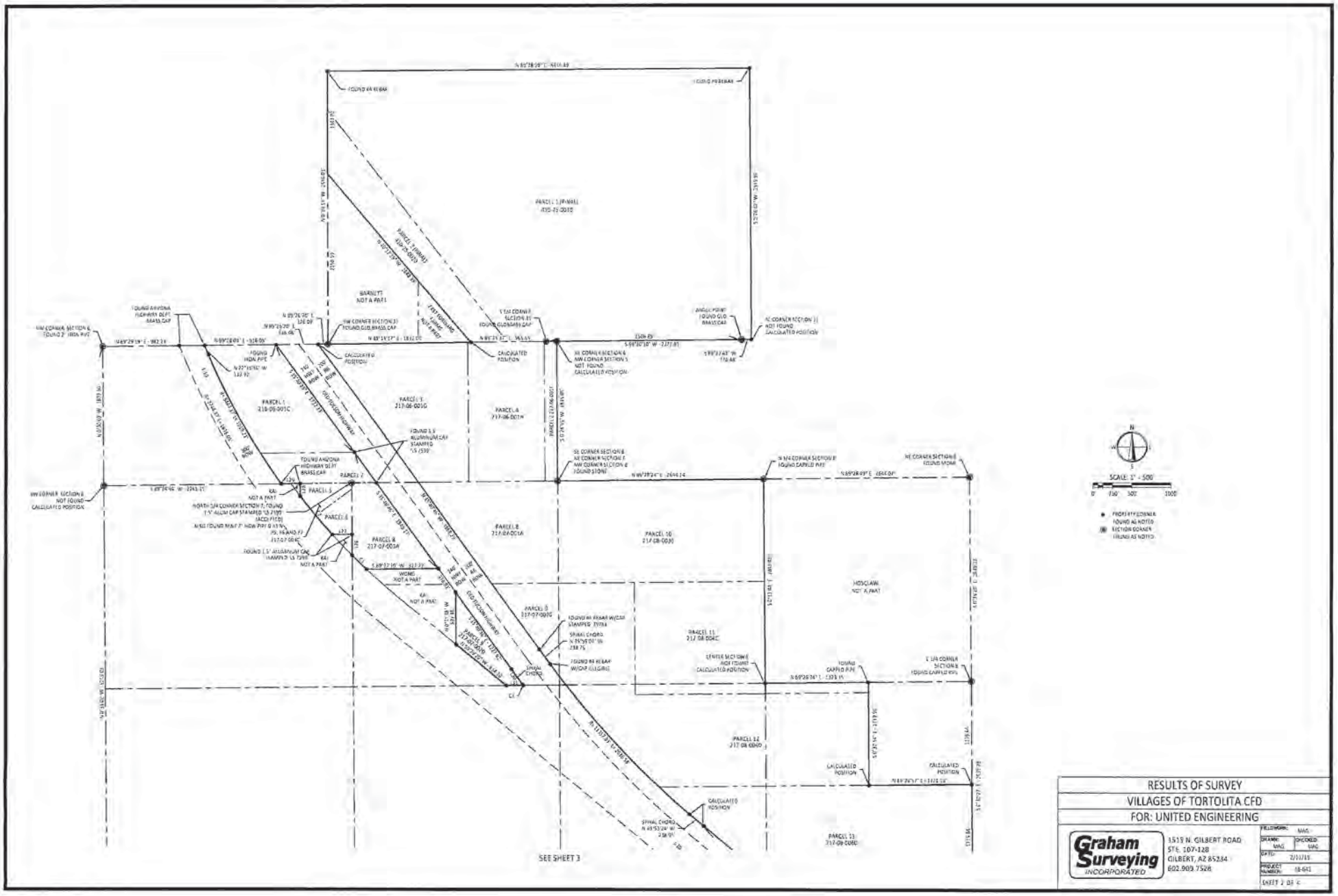
EXPIRES 3/31/19

RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED

1515 N. GILBERT ROAD
STE. 107-128
GILBERT, AZ 85234
602.909.7528

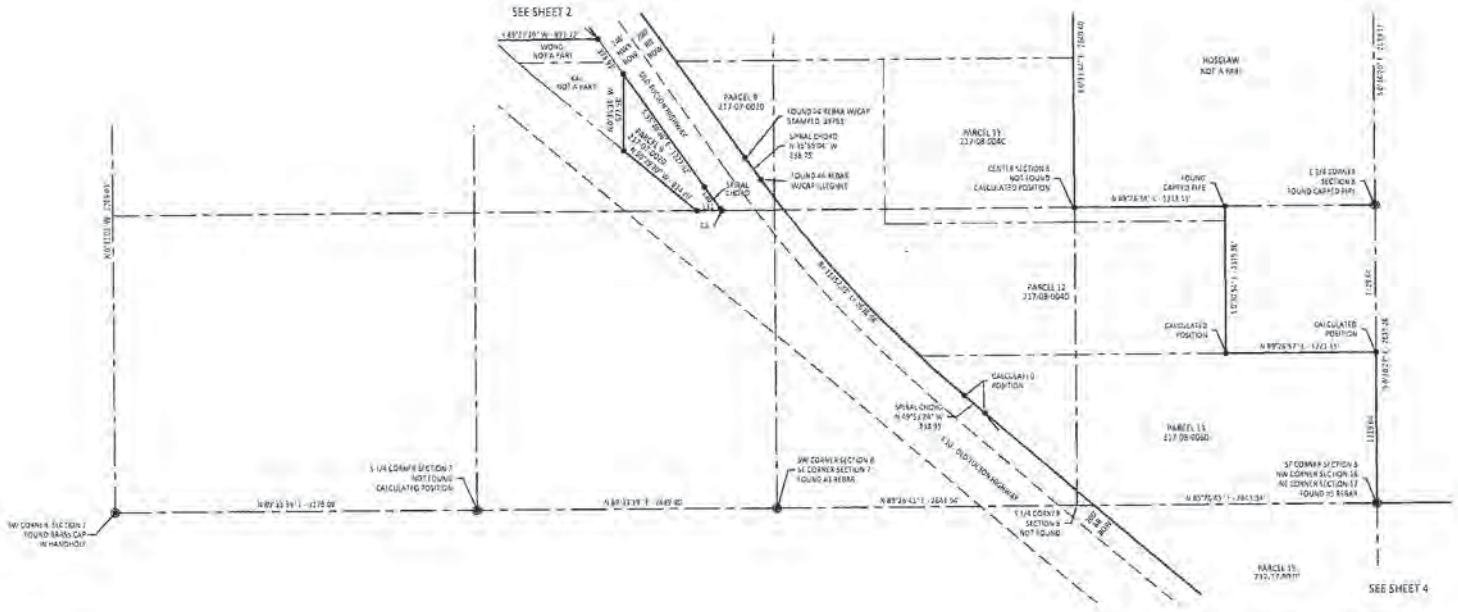
FIELDWORK: MAG	
DRAWN: MAG	CHECKED: MAG
DATE: 2/11/19	
PROJECT NUMBER: 18-643	
SHEET 1 OF 4	



RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1519 N. GILBERT ROAD
STE. 107-128
GILBERT, AZ 85234
602.909.7528

FIELDWORK:	MAG
DRAWN: MAG	CHECKED: MAG
DATE:	2/11/19
PROJECT NUMBER:	18-641
SHEET 2 OF 4	



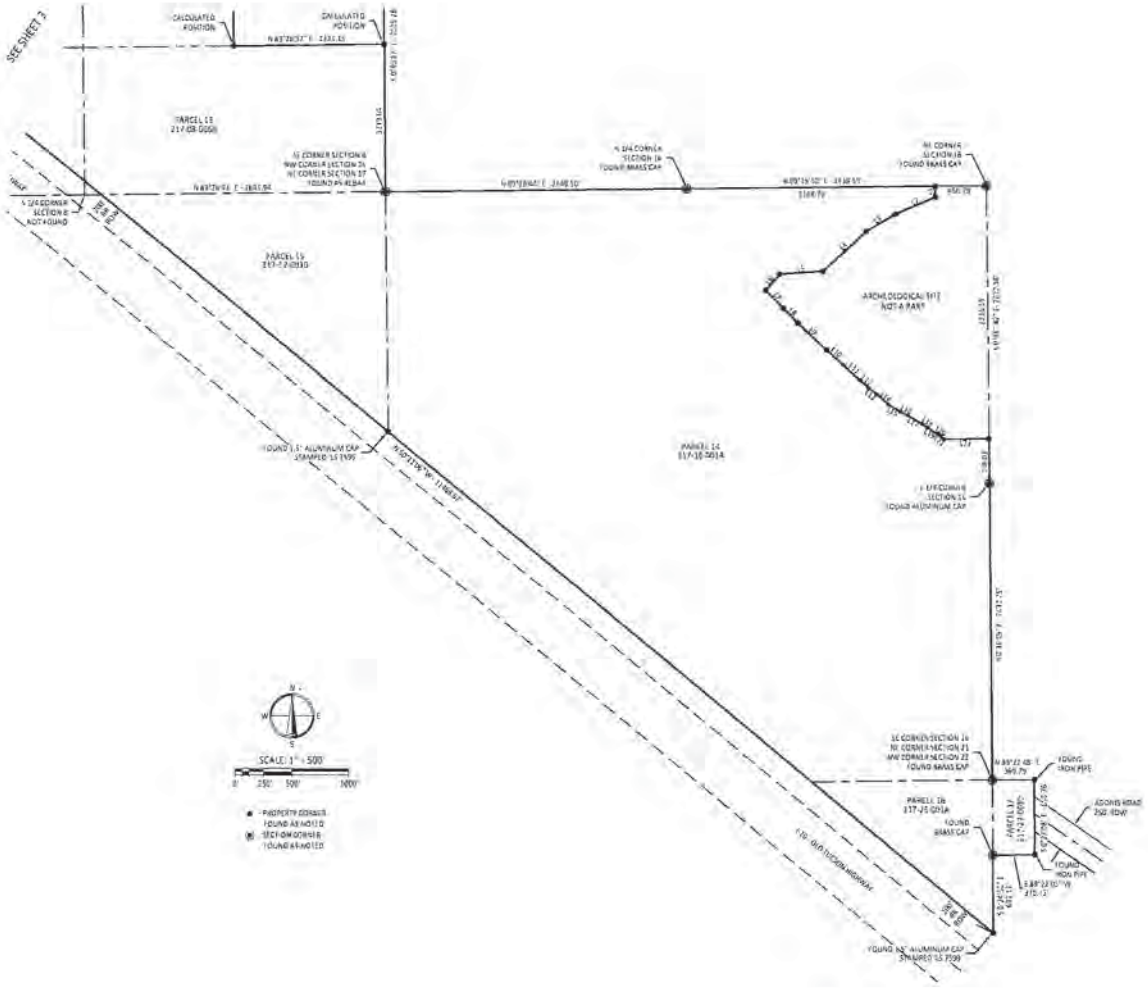


- = PROPERTY CORNER FOUND AS NOTED
- = SECTION CORNER FOUND AS NOTED

RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1515 N. GILBERT ROAD
STE. 107-128
GILBERT, AZ 85234
602.509.7528

FIELDWORK:	MAG
DRAWN: MAG	CHECKED: MAG
DATE:	2/11/19
PROJECT NUMBER:	18-043
SHEET 3 OF 4	



CURVE DATA

C1	3804.51'	246.39'	3°42'53"
C2	6394.19'	884.68'	7°55'39"
C3	11797.97'	15.64'	0°04'56"

LINE DATA

L1	S 0°30'51" E	97.81'
L2	S 84°16'37" W	181.70'
L3	S 59°06'36" W	498.36'
L4	S 47°05'23" W	542.61'
L5	S 86°19'55" W	681.19'
L6	S 61°17'36" W	189.49'
L7	S 44°13'50" E	221.43'
L8	S 49°15'47" E	180.56'
L9	S 46°32'16" E	897.34'
L10	S 46°08'51" E	191.78'
L11	S 46°46'41" E	193.67'
L12	S 48°26'29" E	89.91'
L13	S 87°02'37" E	99.44'
L14	S 68°04'57" E	122.64'
L15	S 56°54'56" E	121.39'
L16	S 42°13'37" E	71.61'
L17	S 19°44'13" E	151.65'
L18	S 5°43'33" E	69.80'
L19	S 5°21'55" W	102.76'
L20	S 25°36'06" E	66.84'
L21	S 49°21'05" E	42.84'
L22	N 89°22'58" E	383.10'
L23	N 0°26'52" W	374.61'
L24	S 89°28'55" W	253.41'
L25	N 0°30'47" W	160.15'
L26	S 89°24'32" W	248.92'
L27	S 26°01'30" E	243.58'
L28	S 89°30'02" W	717.09'

RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1515 N. GILBERT ROAD
STE. 107-128
GILBERT, AZ 85234
602.909.7528

FIELDWORK:	MAG
DRAWN: MAG	CHECKED: MAG
DATE:	2/12/19
PROJECT NUMBER:	18-691
SHEET 4 OF 4	

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

County Public Service Center
240 North Stone Avenue, 1st Floor
Tucson, AZ

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) 724-4350
Voter Registration: (520) 724-4330
Fax: (520) 623-1785
www.recorder.pima.gov

COUNTY RECORDER'S CERTIFICATE OF VOTER REGISTRATION

Christopher J. Roads, Chief Deputy Recorder and Registrar of Voters for Pima County Recorder, F. Ann Rodriguez, Certifies as follows:

We have reviewed the maps and legal description for the Proposed Villages of Tortolita Community Facilities District. As of August 27, 2019, there are 0 qualified electors residing within the boundaries of that proposed district that are located within Pima County.

Dated this 27th day of August, 2019.

Christopher J. Roads
Chief Deputy Recorder/Registrar of Voters for
F. Ann Rodriguez
Pima County Recorder

19MEM109

RESULTS OF SURVEY

OF A PORTION OF SECTION 31, TOWNSHIP 10 SOUTH, RANGE 11 EAST,
GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA AND
PORTIONS OF SECTIONS 6, 7, 8, 16, 17, 21 AND 22 TOWNSHIP 11 SOUTH, RANGE 11 EAST,
GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

LEGAL DESCRIPTIONS:

[illegible]

LEGAL DESCRIPTIONS:

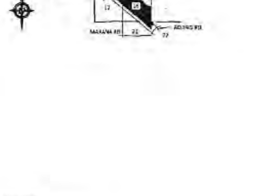
[illegible]

LEGAL DESCRIPTIONS:

[illegible]

VICINITY MAP:

NOT TO SCALE



AREA CALCULATIONS:

TWK PARCELS 46,212,424 SQ. FT. 1520.43 ACRES

GENERAL NOTES:

1.) EXCEPT AS NOTED, SURVEYOR HAS MADE NO INDEPENDENT INVESTIGATION OR SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER MATTER THAT AN ACCURATE AND CURRENT TITLE REPORT MAY DISCLOSE.
2.) DECLARATION IS MADE TO ORIGINAL PURCHASER ONLY. SURVEY IS NOT TRANSFERABLE TO SUBSEQUENT OWNERS OR ADDITIONAL INSTITUTIONS WITHOUT WRITTEN PERMISSION OF THE SURVEYOR.
3.) SURVEY IS VALID ONLY IF PRINT BEARS SEAL AND SIGNATURE OF SURVEYOR.
4.) FIELDWORK PERFORMED DURING DECEMBER 2018 - JANUARY 2019.
5.) CONDITIONS SHOWN ARE THOSE THAT EXISTED AT THE TIME OF THE SURVEY.
6.) THIS IS A PERIMETER BOUNDARY SURVEY ONLY. INTERIOR PROPERTY LINES ARE SHOWN FOR REFERENCE ONLY.
7.) SEE SHEET 4 FOR NUMBERED LINE AND CURVE DATA.
8.) ALL DIMENSIONS SHOWN ARE MEASURED OR CALCULATED.

SURVEYOR'S CERTIFICATION:

I, MATTHEW A. GRAHAM, A DULY REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA, DO HEREBY CERTIFY THAT THIS PLAT IS BASED ON A SURVEY PERFORMED BY ME DURING DECEMBER 2018 AND JANUARY 2019, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

2/11/19

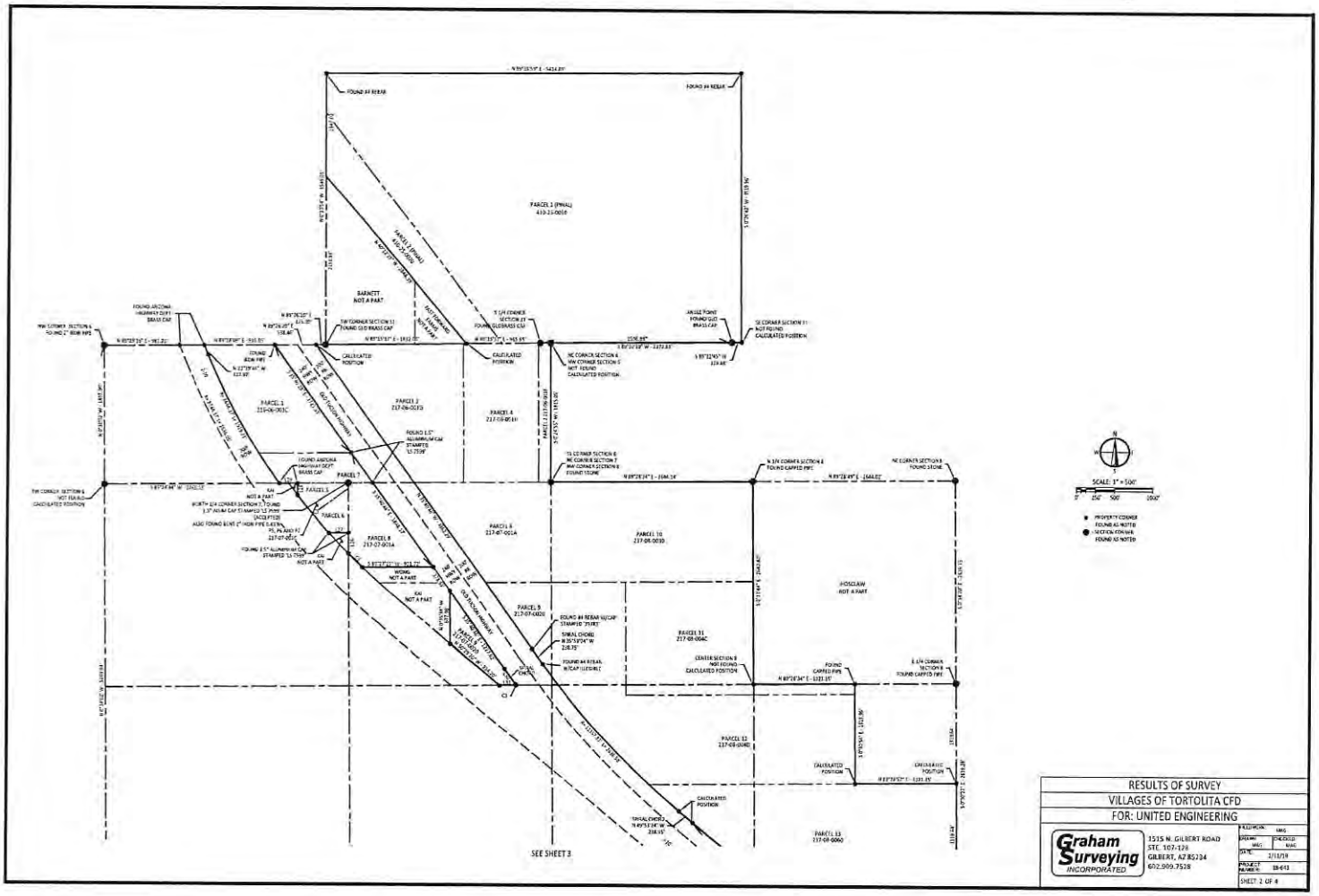
MATTHEW A. GRAHAM
ARIZONA R.L.S. 28774

EXPIRES 3/31/19

RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1515 N. GILBERT ROAD
STE. 107 128
GILBERT, AZ 85234
602.909.7528

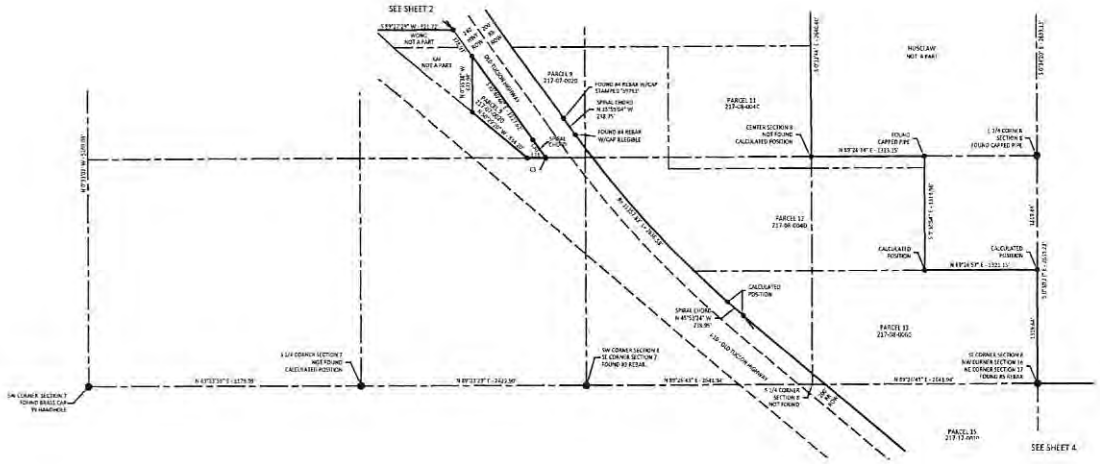
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DRAWN: MAG	CHECKED: MAG
DATE: 2/11/19	
PROJECT NUMBER: 18-643	
SHEET 1 OF 4	



RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1515 N. GILBERT ROAD
STE. 107-128
GILBERT, AZ 85234
602.909.7528

FIELDWORK:	MAG
DRAWN: MAG	CHECKED: MAC
DATE:	2/13/19
PROJECT NUMBER:	18-043
SHEET:	2 OF 4

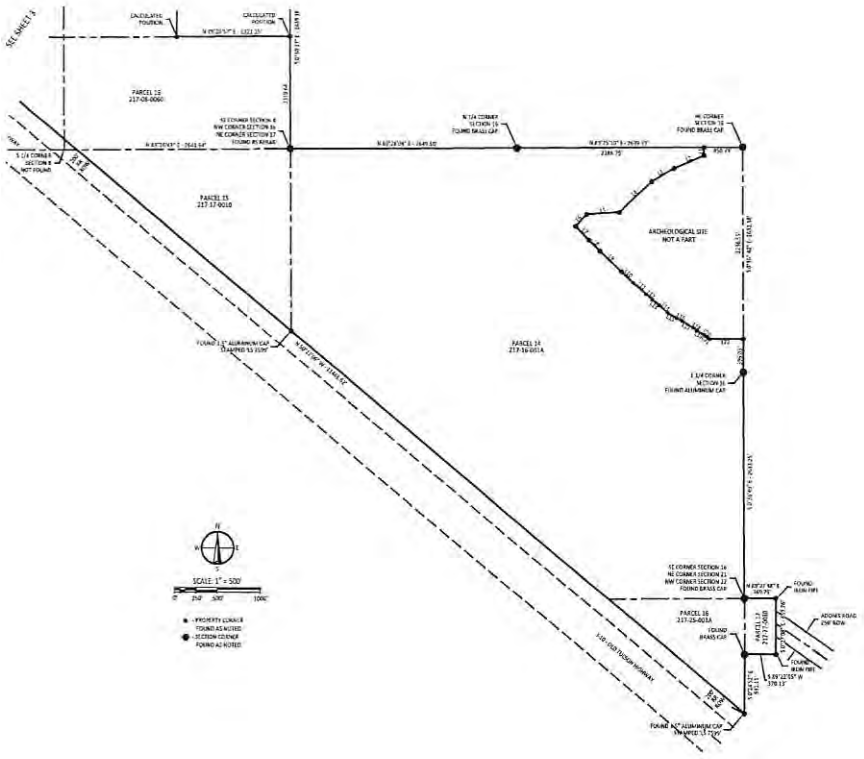




RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1515 N. GILBERT ROAD
STE. 107-328
GILBERT, AZ 85234
602.900.7528

FIELDWORK:	MAG
DRAWN:	MAG
CHECKED:	MAG
DATE:	2/14/19
PROJECT NUMBER:	SR-043
SHEET 1 OF 4	



CURVE DATA

C1	1744.37'	156.39'	5°08'59"
C2	1744.37'	644.84'	84°55'46"
C3	1179.93'	15.93'	0°46'24"

LINE DATA

L1	S 0°24'55" E	57.91'
L2	S 46°36'47" W	48.51'
L3	S 59°39'34" W	298.76'
L4	S 45°59'25" W	528.16'
L5	S 68°01'07" W	68.53'
L6	S 41°07'34" W	689.94'
L7	S 44°32'06" E	224.47'
L8	S 45°01'47" E	68.94'
L9	S 44°32'18" E	347.58'
L10	S 48°34'51" E	193.29'
L11	S 46°26'31" E	154.87'
L12	S 45°34'29" E	59.91'
L13	S 43°10'17" E	99.87'
L14	S 45°44'17" E	132.43'
L15	S 56°12'59" E	221.26'
L16	S 42°37'37" E	75.41'
L17	S 52°49'15" E	151.11'
L18	S 54°43'57" E	54.16'
L19	S 57°01'17" E	102.26'
L20	S 51°56'50" E	93.59'
L21	S 47°23'13" E	43.83'
L22	N 89°23'18" E	195.12'
L23	N 0°24'51" W	274.61'
L24	S 89°35'09" W	153.41'
L25	N 0°24'51" W	162.75'
L26	S 89°25'35" W	347.56'
L27	S 0°34'39" E	243.58'
L28	S 89°50'07" W	211.96'

RESULTS OF SURVEY
VILLAGES OF TORTOLITA CFD
FOR: UNITED ENGINEERING

Graham Surveying INCORPORATED
1515 N. GILBERT ROAD
STE. 107-328
GILBERT, AZ 85234
602.909.7528

DRAWN:	MAG
CHECKED:	MAG
DATE:	2/11/19
PROJECT NUMBER:	18-042

SHEET 4 OF 4

Exhibit I

The Villages of Tortolita Community Facilities District
County Assessor's Reports

The Villages of Tortolita
Community Facilities District
Pinal County Assessors Report

ACCOUNTNO	PARCELNO	PARCEL	Owner1	Address	CITY	STATECODE	ZIPCODE	PROPERTYCITY	PROPERTYZIPCODE	TAXYEAR	FCV	LPV	Net Assess FCV	Net Assess LPV
R000135899	410250010	410-25-0010	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE 190	SCOTTSDALE	AZ	852582053	MARANA	85658	2020	3989	3966.2	598	595
R000135900	410250020	410-25-0020	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE 190	SCOTTSDALE	AZ	852582053	MARANA	85658	2020	353	351.28	53	53

Real Property Values

Parcel	AsessmentType	ValueType	TotalValue	TotalAssessed	TotalExempts	NetTaxable
21706001C	Locally Valued	Full Cash Values	92478	13,872	0	13,872
21706001F	Locally Valued	Full Cash Values	500	75	0	75
21706001G	Locally Valued	Full Cash Values	556	83	0	83
21706001H	Locally Valued	Full Cash Values	500	75	0	75
21707001A	Locally Valued	Full Cash Values	103011	15,452	0	15,452
217070020	Locally Valued	Full Cash Values	500	75	0	75
21707003C	Locally Valued	Full Cash Values	57086	8,563	0	8,563
217080030	Locally Valued	Full Cash Values	800	120	0	120
21708004C	Locally Valued	Full Cash Values	593	89	0	89
21708004D	Locally Valued	Full Cash Values	1,201	180	0	180
217080060	Locally Valued	Full Cash Values	951	143	0	143
21716001A	Locally Valued	Full Cash Values	5,080	762	0	762
217170010	Locally Valued	Full Cash Values	647	97	0	97
21725001A	Locally Valued	Full Cash Values	500	75	0	75
217270030	Locally Valued	Full Cash Values	500	75	0	75
21706001C	Locally Valued	Limited Values	69922	10,488	0	10,488
21706001F	Locally Valued	Limited Values	500	75	0	75
21706001G	Locally Valued	Limited Values	556	83	0	83
21706001H	Locally Valued	Limited Values	500	75	0	75
21707001A	Locally Valued	Limited Values	93673	14,051	0	14,051
217070020	Locally Valued	Limited Values	500	75	0	75
21707003C	Locally Valued	Limited Values	49316	7,397	0	7,397
217080030	Locally Valued	Limited Values	579	87	0	87
21708004C	Locally Valued	Limited Values	593	89	0	89
21708004D	Locally Valued	Limited Values	695	104	0	104
217080060	Locally Valued	Limited Values	662	99	0	99
21716001A	Locally Valued	Limited Values	3,528	529	0	529
217170010	Locally Valued	Limited Values	579	87	0	87
21725001A	Locally Valued	Limited Values	500	75	0	75
217270030	Locally Valued	Limited Values	500	75	0	75

TOTAL FULL CASH VALUE	264,903	39,736	0	39,736
TOTAL LIMITED VALUE	222,603	33,389	0	33,389

Real Property Owners Name and Mailing

Parcel	Mail1	Mail2	Mail3	Mail4	Mail5	Zip	Zip4
21706001C	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21706001F	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21706001G	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21706001H	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21707001A	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
217070020	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21707003C	TMR INVESTORS LLC	8501 N SCOTTSDALE RD STE 165	SCOTTSDALE AZ			85253	2749
217080030	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21708004C	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21708004D	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
217080060	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21716001A	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
217170010	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
21725001A	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038
217270030	TMR INVESTORS LLC	7377 E DOUBLETREE RANCH RD STE	SCOTTSDALE AZ			85258	2038

Real Property Situs Address

Parcel	Address
21706001C	None on record
21706001F	None on record
21706001G	None on record
21706001H	None on record
21707001A	None on record
217070020	None on record
21707003C	None on record
217080030	None on record
21708004C	None on record
21708004D	None on record
217080060	None on record
21716001A	None on record
217170010	12744 W I10 FRONTAGE RD
21725001A	None on record
217270030	14398 N ADONIS RD

VILLAGES OF TORTOLIA C.F.D.
ANNEXATION REQUEST

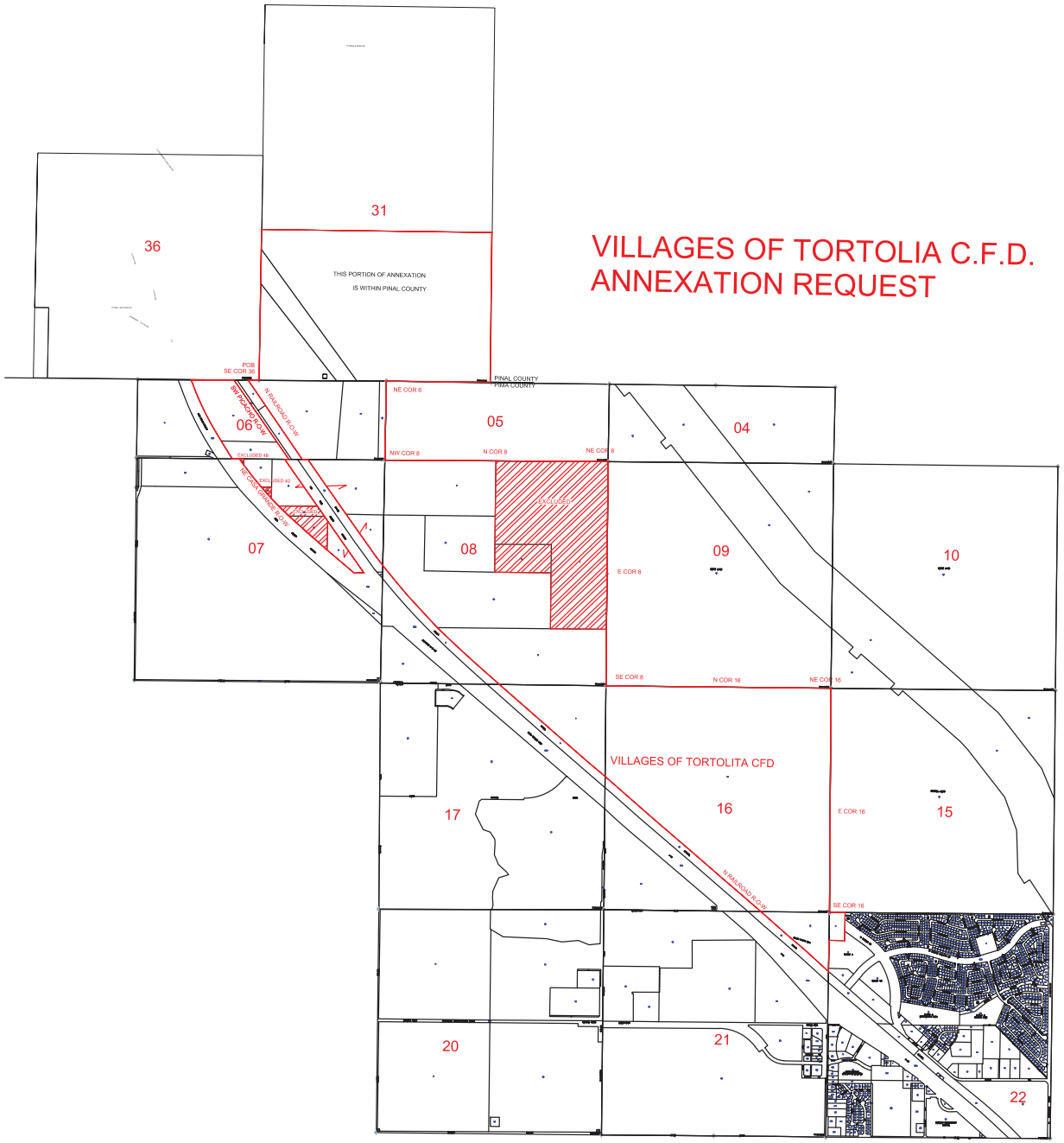


Exhibit J

The Villages of Tortolita Community Facilities District
Cost Estimates

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Timetable

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs	Anticipated Timing Start	Anticipated Timing Completion	Bond Type (1)
PHASE I - VILLAGE IV					
Fees, Engineering, and Other (2)	$ 1,002,197	$ 998,948	Q2 2021	Q1 2022	GO
Land Planning	$ 54,142	$ -	Q2 2021	Q1 2022	-
Soils & Compaction Testing (3)	$ 108,990	$ 65,395	Q2 2021	Q1 2022	GO
Grading (4)	$ 1,013,542	$ 608,125	Q2 2021	Q1 2022	SA
Tortolita Parkway Expansion (5)	$ 876,035	$ 876,035	Q2 2021	Q1 2022	SA
Internal Collector Roads (6)	$ 1,279,561	$ 1,279,561	Q2 2021	Q1 2022	SA
Wastewater Treatment Plant (7)	$ 10,051,589	$ 8,758,800	Q2 2021	Q1 2022	GO/SA
Wet Utilities (8)	$ 6,354,560	$ 6,354,560	Q2 2021	Q1 2022	GO
Concrete	$ 141,095	$ 141,095	Q2 2021	Q1 2022	SA
Drainage Channels	$ 414,729	$ 414,729	Q2 2021	Q1 2022	GO
Dry Utilities	$ 576,073	$ -	Q2 2021	Q1 2022	-
Street Lighting	$ 137,088	$ 137,088	Q2 2021	Q1 2022	SA
Removals & Abandonment	$ 18,408	$ -	Q2 2021	Q1 2022	-
Recreational Amenities (9)	$ 2,966,179	$ 2,966,179	Q2 2021	Q1 2022	GO/SA
Landscaping (10)	$ 398,486	$ 398,486	Q2 2021	Q1 2022	GO
Signage and Striping	$ 32,529	$ 32,529	Q2 2021	Q1 2022	SA
Clean Up	$ 21,657	$ -	Q2 2021	Q1 2022	-
Sales Tax (11)	$ 1,079,898	$ 1,006,347	Q2 2021	Q1 2022	GO
Contingency	$ 1,724,382	$ 1,604,773	Q2 2021	Q1 2022	GO
Offsite Roadway Improvements (Adonis Road)	$ 1,350,000	$ 1,147,500	Q2 2021	Q1 2022	SA
Offsite Roadway Improvements (Marana Road)	$ 4,500,000	$ 3,825,000	Q2 2021	Q1 2022	SA
Intract Improvements (12)	$ 29,695,077	$ -	Q2 2021	Q1 2022	-
Sub Total	$ 63,796,216	$ 30,615,149			
PHASE II - VILLAGE III					
Fees, Engineering, and Other (2)	$ 982,219	$ 978,971	Q1 2024	Q1 2025	GO
Land Planning	$ 54,142	$ -	Q1 2024	Q1 2025	-
Removals & Abandonment	$ 45,479	$ -	Q1 2024	Q1 2025	-
Soils & Compaction Testing (3)	$ 87,949	$ 52,769	Q1 2024	Q1 2025	GO
Grading (4)	$ 851,792	$ 511,075	Q1 2024	Q1 2025	SA
Tortolita Parkway Expansion (5)	$ 1,710,355	$ 1,710,355	Q1 2024	Q1 2025	SA
Internal Collector Roads (6)	$ 802,257	$ 802,257	Q1 2024	Q1 2025	SA
Wastewater Treatment Plant (7)	$ 3,978,496	$ 3,466,800	Q1 2024	Q1 2025	GO/SA
Wet Utilities (8)	$ 4,548,376	$ 4,548,376	Q1 2024	Q1 2025	GO
Concrete	$ 145,296	$ 145,296	Q1 2024	Q1 2025	SA
Drainage Channels	$ 657,286	$ 657,286	Q1 2024	Q1 2025	GO
Dry Utilities	$ 311,859	$ -	Q1 2024	Q1 2025	-
Street Lighting	$ 157,554	$ 157,554	Q1 2024	Q1 2025	SA
Recreational Amenities (9)	$ 1,868,717	$ 1,868,717	Q1 2024	Q1 2025	GO/SA
Landscaping (10)	$ 4,084,486	$ 4,084,486	Q1 2024	Q1 2025	GO
Signage and Striping	$ 34,066	$ 34,066	Q1 2024	Q1 2025	SA
Clean Up	$ 21,657	$ -	Q1 2024	Q1 2025	-
Sales Tax (11)	$ 1,097,221	$ 1,045,402	Q1 2024	Q1 2025	GO
Contingency	$ 1,746,071	$ 1,659,661	Q1 2024	Q1 2025	GO
Intract Improvements (12)	$ 24,074,615	$ -	Q1 2024	Q1 2025	-
I-10 Interchange (13)	$ 33,800,000	$ 16,900,000	Q1 2030	Q1 2032	SA
Sub Total	$ 81,059,893	$ 38,623,072			

Source: Applicant

Footnotes:

(1) Bond types represent the Applicant's best estimation of the bond type which will be utilized to finance the specific improvement. The Applicant reserves the right to finance any eligible public improvements pursuant to the Act via any bond type allowable.

(2) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(3) Includes costs for all soils and compaction testing. Eligible CFD Costs only include the testing associated with road construction.

(4) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction.

(5) Expansion costs include: paving, curb, gutter, median, and sidewalk.

(6) Includes costs for: paving, curb, gutter, and sidewalk.

(7) Assumes 1.95 MGD Plant, 300 GPD, and an average cost of $18 per gallon.

(8) Includes costs for: water main pipes, valves, manholes, wastewater treatment, hydrants, two million gallon storage tank, 1000 GPM water well, and a lift station.

(9) Includes costs for: community parks, open spaces, recreational areas, and park amenities.

(10) Includes landscaping for Tortolita Parkway, Tortolita Boulevard, and collector roads.

(11) Includes sales tax for all construction costs. Estimated eligible costs only includes the sales tax for eligible facilities.

(12) Assumes $21,000 per unit.

(13) Includes concrete, traffic signals landscaping, sidewalk, clear and grub curb, gutter, pedestrian bridge railing, freeway bridge superstructure, freeway bridge substructure, railroad bridge superstructure and railroad bridge substructure.

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Timetable

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs	Anticipated Timing Start	Anticipated Timing Completion	Bond Type (1)
PHASE III - VILLAGE II					
Fees, Engineering, and Other (2)	$ 1,894,883	$ 1,761,693	Q1 2027	Q1 2028	GO
Land Planning	$ 162,427	$ -	Q1 2027	Q1 2028	-
Soils & Compaction Testing (3)	$ 167,370	$ 100,422	Q1 2027	Q1 2028	GO
Grading (5)	$ 453,441	$ 272,064	Q1 2027	Q1 2028	SA
Tortolita Blvd. Expansion (5)	$ 291,610	$ 291,610	Q1 2027	Q1 2028	SA
Tortolita Parkway Expansion (5)	$ 1,544,712	$ 1,544,712	Q1 2027	Q1 2028	SA
Internal Collector Roads (6)	$ 181,918	$ 181,918	Q1 2027	Q1 2028	SA
Wastewater Treatment Plant (7)	$ 12,487,023	$ 10,881,000	Q1 2027	Q1 2028	GO/SA
Wet Utilities (8)	$ 13,449,383	$ 13,449,383	Q1 2027	Q1 2028	GO
Concrete	$ 50,006	$ 50,006	Q1 2027	Q1 2028	SA
Drainage Channels	$ 750,411	$ 750,411	Q1 2027	Q1 2028	GO
Dry Utilities	$ 162,427	$ -	Q1 2027	Q1 2028	-
Street Lighting	$ 73,092	$ 73,092	Q1 2027	Q1 2028	SA
Walls and Monuments (11)	$ 584,736	$ 314,025	Q1 2027	Q1 2028	SA
Recreational Amenities (9)	$ 3,521,949	$ 3,521,949	Q1 2027	Q1 2028	GO/SA
Landscaping (10)	$ 3,679,503	$ 3,679,503	Q1 2027	Q1 2028	GO
Signage and Striping	$ 15,495	$ 13,741	Q1 2027	Q1 2028	SA
Clean Up	$ 21,657	$ -	Q1 2027	Q1 2028	-
Sales Tax (13)	$ 1,784,184	$ 1,738,254	Q1 2027	Q1 2028	GO
Contingency	$ 2,878,920	$ 2,774,278	Q1 2027	Q1 2028	GO
Intract Improvements (12)	$ 36,890,000	$ -	Q1 2027	Q1 2028	-
Sub Total	$ 81,045,146	$ 41,398,061			
PHASE IV - VILLAGE I					
Fees, Engineering, and Other (2)	$ 564,225	$ 560,977	Q1 2030	Q1 2032	GO
Land Planning	$ 54,142	$ -	Q1 2030	Q1 2032	-
Soils & Compaction Testing (3)	$ 45,091	$ 27,055	Q1 2030	Q1 2032	GO
Grading (4)	$ 529,240	$ 317,544	Q1 2030	Q1 2032	SA
Tortolita Parkway Expansion (5)	$ 1,143,964	$ 1,143,964	Q1 2030	Q1 2032	SA
Internal Collector Roads (6)	$ 734,818	$ 734,818	Q1 2030	Q1 2032	SA
Wastewater Treatment Plant (7)	$ 8,582,892	$ 7,479,000	Q1 2030	Q1 2032	GO/SA
Wet Utilities (8)	$ 1,091,669	$ 1,091,669	Q1 2030	Q1 2032	GO
Concrete	$ 65,101	$ 65,101	Q1 2030	Q1 2032	SA
Drainage Channels	$ 921,500	$ 921,500	Q1 2030	Q1 2032	GO
Dry Utilities	$ 200,326	$ -	Q1 2030	Q1 2032	-
Street Lighting	$ 87,710	$ 87,710	Q1 2030	Q1 2032	SA
Recreational Amenities (9)	$ 2,510,844	$ 2,510,844	Q1 2030	Q1 2032	GO/SA
Landscaping (10)	$ 2,061,734	$ 2,061,734	Q1 2030	Q1 2032	GO
Signage and Striping	$ 22,826	$ 21,072	Q1 2030	Q1 2032	SA
Clean Up	$ 21,657	$ -	Q1 2030	Q1 2032	-
Sales Tax (13)	$ 676,180	$ 644,829	Q1 2030	Q1 2032	GO
Contingency	$ 1,073,103	$ 1,018,882	Q1 2030	Q1 2032	GO
Intract Improvements (12)	$ 28,340,308	$ -	Q1 2030	Q1 2032	-
Sub Total	$ 48,727,328	$ 18,686,698			

Source: Applicant

Footnotes:

(1) Bond types represent the Applicant's best estimation of the bond type which will be utilized to finance the specific improvement. The Applicant reserves the right to finance any eligible public improvements pursuant to the Act via any bond type allowable.

(2) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(3) Includes costs for all soils and compaction testing. Eligible CFD Costs only include the testing associated with road construction.

(4) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction.

(5) Expansion costs include: paving, curb, gutter, median, and sidewalk.

(6) Includes costs for: paving, curb, gutter, and sidewalk.

(7) Assumes 1.95 MGD Plant, 300 GPD, and an average cost of $18 per gallon.

(8) Includes costs for: water main pipes, valves, manholes, wastewater treatment, hydrants, two million gallon storage tank, 1000 GPM water well, and a lift station.

(9) Includes costs for: community parks, open spaces, recreational areas, and park amenities.

(10) Includes landscaping for Tortolita Parkway, Tortolita Boulevard, and collector roads.

(11) Includes costs for: major entry monuments, minor entry monuments, and a railroad sound barrier wall. Estimated eligible CFD costs only include the railroad sound barrier wall.

(12) Assumes $21,000 per unit.

(13) Includes sales tax for all construction costs. Estimated eligible costs only includes the sales tax for eligible facilities.

The Villages of Tortolita
Community Facilities District
Estimated Public Infrastructure Phasing Timetable

Descriptions	Estimated Total Costs	Estimated Eligible CFD Costs	Anticipated Timing Start	Anticipated Timing Completion	Bond Type (1)
PHASE V - VILLAGE V					
Fees, Engineering, and Other (2)	$ 185,960	$ 182,711	Q1 2032	Q1 2036	GO
Land Planning	$ 54,142	$ -	Q1 2032	Q1 2036	-
Removals & Abandonment (3)	$ 216,569	$ 216,569	Q1 2032	Q1 2036	SA
Soils & Compaction Testing (4)	$ 29,588	$ 17,752	Q1 2032	Q1 2036	GO
Grading (5)	$ 945,404	$ 567,242	Q1 2032	Q1 2036	SA
Wastewater Treatment Plant (6)	$ -	$ -	Q1 2032	Q1 2036	-
Wet Utilities (7)	$ 681,921	$ 681,921	Q1 2032	Q1 2036	GO
Concrete	$ 69,302	$ 69,302	Q1 2032	Q1 2036	SA
Drainage Channels	$ 453,711	$ 453,711	Q1 2032	Q1 2036	GO
Dry Utilities	$ 155,929	$ -	Q1 2032	Q1 2036	-
Street Lighting	$ 77,965	$ 77,965	Q1 2032	Q1 2036	SA
Signage and Striping	$ 17,964	$ 17,964	Q1 2032	Q1 2036	SA
Clean Up	$ 21,657	$ -	Q1 2032	Q1 2036	-
Sales Tax	$ 231,430	$ 191,415	Q1 2032	Q1 2036	GO
Contingency	$ 314,154	$ 247,655	Q1 2032	Q1 2036	GO
Intract Improvements (8)	$ -	$ -	Q1 2021	Q1 2036	-
Sub Total	$ 3,455,696	$ 2,724,209			
Total - All Phases	**$ 278,084,279**	**$ 132,047,188**			

Source: Applicant

Footnotes:

(1) Bond types represent the Applicant's best estimation of the bond type which will be utilized to finance the specific improvement. The Applicant reserves the right to finance any eligible public improvements pursuant to the Act via any bond type allowable.

(2) Costs include: county health department fees, town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, a traffic study, soils report, and archeology discovery. Estimated eligible CFD costs include town permit fees, town inspection fees, Pima County waste management fees, preliminary survey, civil plans, construction observation, and a traffic study.

(3) Includes costs for well abandonment, and irrigation ditches for housing. Estimated eligible CFD costs include the removal of the existing I-10 frontage road.

(4) Includes costs for all soils and compaction testing. Eligible CFD Costs only include the testing associated with road construction.

(5) Includes costs for: clear and grub, importing, and excavation. Eligible CFD costs only include the grading costs associated with road construction.

(6) Assumes 1.95 MGD Plant, 300 GPD, and an average cost of $18 per gallon.

(7) Includes costs related to the Project's water system including: dry wells, excavation, lining, perimeter edging, pumping/recirculation, and perimeter landscaping.

(8) Village V is an industrially zones area. As such, intract improvement costs are not applicable.

Exhibit K

The Villages of Tortolita Community Facilities District
CFD Development Agreement

[AREA RESERVED FOR RECORDING INFORMATION]

DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT
(VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT)

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THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT), dated as of _____, 2019 (hereinafter referred to as this "*Agreement*"), is being entered into by and among the Town of Marana, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"); Villages of Tortolita Community Facilities District, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*") and TMR Investors, LLC, a limited liability company duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as "TMR Investors").

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, as amended, the Municipality, the District and TMR Investors enter into this Agreement as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time from funds derived from the District's sale of the hereinafter defined Developer Bonds; and

WHEREAS, with regard to the real property described in Exhibit "A" hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District, the Municipality, the District and TMR Investors determined to specify some of such matters in this Agreement, particularly matters relating to the construction or acquisition of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of TMR Investors with respect thereto, from both Developer GO Bonds and Assessment Bonds, all pursuant to the Act, such public infrastructure being necessary for TMR Investors to develop the Property prior to the time at which the District will have the necessary funds to itself pay for the construction and/or acquisition thereof; and

WHEREAS, this Agreement as a "development agreement" is consistent with the "general plan" of the Municipality, as defined in Section 9-461, Arizona Revised Statutes, as amended, applicable to the Property on the date this Agreement is executed; and

WHEREAS, pursuant to an election to hereinafter be held in and for the District, questions authorizing the district board of the District (i) to issue certain general obligation bonds of the District in an amount of $180,000,000, including to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District and in this Agreement (hereinafter referred to as the "*GO Bonds*") including the levy, assessment and collection of a debt service tax against all real and personal

property in the District, unlimited as to rate or amount therefor, and (ii) to levy, assess and collect an additional operation and maintenance tax in an amount up to $0.30 per $100.00 of assessed valuation for all real and personal property in the District (hereinafter referred to as the "*O/M Tax*") to provide for amounts which become attributable to the operation and maintenance expenses of the District in the future, all of which are expected to be approved pursuant to the Act; and

WHEREAS, it is anticipated that with respect to the $180,000,000 of general obligation bonding capacity, $150,000,000 shall be used for Developer GO Bonds (as defined herein) and the remainder for Town and District purposes, subject to the terms and conditions specified herein; and

WHEREAS, the use of the proceeds of the sale of the Developer Bonds and amounts which will be collected with respect to the O/M Tax in the future is a subject of this Agreement; and

WHEREAS, pursuant to the Act, the District enter into this Agreement with TMR Investors with respect to the advance of moneys for public infrastructure purposes by TMR Investors and the repayment by the District of such advances and to obtain credit enhancement for, and process disbursement and investment of disbursements from the proceeds derived from the sale of the Developer Bonds; and

WHEREAS, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District and the Municipality entered into the specified sections of this Agreement as an "intergovernmental agreement" with one another for joint or cooper-

ative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of "public infrastructure," including particularly to provide for the timely acceptance by the Municipality of the public infrastructure constructed for the benefit of, or acquired by, the District;

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein, the parties hereto agree that:

ARTICLE I

DEFINED TERMS; MISCELLANEOUS MATTERS RELATING TO USE THEREOF

Section 1.1. (a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section have the meanings assigned to them in this Section and include, as appropriate, the plural as well as the singular:

"*Acquisition Infrastructure*" means that portion of the Infrastructure other than that which is the subject of a request of TMR Investors and approval of the District Manager described in Section 2.1.

"*Acquisition Project*" means each project which is a part of the Acquisition Infrastructure on a project-by-project basis.

"*Acquisition Project Construction Contract*" means a construction contract for an Acquisition Project.

"*Act*" means Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

"*Agreement*" means this District Development, Financing Participation and Intergovernmental Agreement (Villages of Tortolita Community Facilities District), dated as of _____, 2019, by and among the Municipality, the District, and TMR Investors, as amended from time to time.

"Assessment Bonds" means special assessment lien bonds payable from the special assessment described in Section 6.3 (referred to as originally levied and as thereafter may be reallocated).

"*Certificate of the Engineers*" means a certificate of the TMR Investors Engineer and the District Engineer in substantially the form of Exhibit "C" hereto.

"Complete" means, with respect to each Segment, that the items listed in Section 4.2(a) through (f) have been provided as set forth in Section 4.2.

"*Construction Contract*" means a construction contract for a Project.

"*Conveyance*" means a conveyance for a Segment in substantially the form of Exhibit "D" hereto.

"*Court*" means Pima County Superior Court.

"Cure Period" has the meaning provided thereto in Section 10.20(b).

"Developer *Bonds*" means the bonds of the District authorized to be sold and issued by the District for the benefit of the Developer as described in this Agreement, which bonds consist of the Developer GO Bonds and the Assessment Bonds.

“Developer GO Bonds” means Developer Bonds issued as GO Bonds.

"*Disclosure Statement*" means the disclosure statement substantially in the form of Exhibit "E" hereto.

"*District*" means Villages of Tortolita Community Facilities District, a community facilities district formed by the Municipality, and organized and existing, pursuant to the laws of the State.

"*District Board*" means the district board of the District.

"*District Budget*" means the budget of the District required for each Fiscal Year by the Act.

"*District Engineer*" means the Engineer for the Municipality.

"*District Expenses*" means the reasonable expenses and costs of the operation and administration of the District including the reasonable expenses and costs incurred by the Municipality in connection with the formation of the District; its operations; its relationship with the Municipality; its issuance of the Developer Bonds or any similar matters and reasonable fees and related actual costs and expenses of staff of the Municipality, financial advisors, engineers, appraisers, attorneys and other consultants and including any overhead incurred by the Municipality with respect thereto.

"*District Indemnified Party*" means the Municipality and each legislator, director, trustee, member, officer, official or employee thereof or of the District.

"*Engineers*" means, collectively, the TMR Investors Engineer and the District Engineer; provided, however, that neither may be changed upon less than ten (10) days' prior written notice and, in the case of the TMR Investors Engineer, without compliance with the other provisions hereof with respect to such change.

"Fiscal Year" means the twelve (12) month period beginning on July 1 of any year and ending on June 30 of the following year.

"*Force Majeure*" means any condition or event not reasonably within the control of a party obligated to perform hereunder, including, without limitation, "acts of God"; strikes, lock-outs, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any state thereof or any of their departments, agencies, or officials (including, without limitation, moratoria of any type and duration), or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosion; unavailability of goods and/or materials; and partial or entire failure of utilities. Failure to settle strikes, lock-outs and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either case when such course is in the judgment of the

party hereto unfavorable to such party, shall not constitute failure to use its best efforts to remedy such a condition or event.

"GO Bonds" means general obligation bonds of the District to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District and in this Agreement and including the levy, assessment and collection of a debt service tax against all real and personal property in the District, unlimited as to rate or amount therefore.

"*Indemnified Party*" means the Municipality and the District and each legislator, director, trustee, partner, member, officer, official, independent contractor or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act.

"*Infrastructure*" means, collectively, that public infrastructure (as such term is defined in the Act) that is either (i) set forth in the Land Development Agreement and the zoning for the Property or (ii) that portion of the Twin Peaks Road adjacent to the Property.

"*Intergovernmental Agreement Act*" means Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended.

"*Initial Expenses*" means The District Expenses prior to receipt of collections of the first levy of the O/M Tax.

"*Initiation Notice*" has the meaning provided in Section 10.20(d).

"*Land Development Agreement*" means the Villages of Tortolita Development Agreement, by and between the Municipality and TMR Investors, recorded in the Pima County Recorder's office on April 16, 2018, at Sequence 20181060069, and recorded in the Pinal County Recorder's office on April 17, 2018, at Fee Number 2018-028230, and as further amended from time to time.

"*Municipality*" means the Town of Marana, Arizona, a municipality incorporated and existing pursuant to the laws of the State.

"*O/M Expenses*" means the reasonable expenses and actual costs of the operation and maintenance of the Projects and for accumulating a Replacement Reserve Amount with respect to the Projects including any overhead incurred by the Municipality with respect thereto.

"*O/M Tax*" means an operation and maintenance tax in the amount up to $0.30 per $100.00 of assessed valuation for all real and personal property in the District.

"*Panel*" has the meaning provided in Section 10.20(d).

"*Plans and Specifications*" means the plans and specifications for a Project which shall be prepared and reviewed in accordance with the requirements for plans and specifications for construction projects of the Municipality similar to the Project or the Acquisition Project, as applicable.

"*Process*" has the meaning provided in Section 10.20(d).

"*Project*" means each discrete item of the Infrastructure that is subject to a separate procurement process pursuant to the

terms of this Agreement, and, if constructed in phases, which is a “Segment” (as defined herein) when Complete.

"*Property*" means the real property described in Exhibit "A" to this Agreement.

"*Replacement Reserve Amount*" means an amount calculated using reasonable accounting practices based on the useful life of the various assets composing the Projects, as established by the Internal Revenue Code of 1986, as amended.

"*Report*" means the study of the feasibility and benefits required by the Act for the applicable Project or Acquisition Project.

“TMR Investors Engineer” means any firm of professional engineers hired by TMR Investors to perform the services required therefrom for the purposes hereof.

“TMR Investors, LLC” means TMR Investors, LLC, a limited liability company organized and existing pursuant to the laws of the State of Arizona.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Segment*" means a Complete, discrete portion of an Acquisition Project.

"*Segment Price*" means an amount equal to the sum of the amounts paid by TMR Investors for (1) design of the Segment (including the costs of the review of such design by the District Engineer), (2) construction of the Segment pursuant to the Acquisition Project Construction Contract for such Segment (such amount to be equal to the contract amount plus any increases to such contract amount approved as

described in Section 3.5 less any change orders decreasing the contract amount), (3) inspection and supervision of performance under such Acquisition Project Construction Contract and (4) an interest in land not actually or beneficially owned by TMR Investors but necessary for the Segment, as described in Section 2.1.1, and (5) other miscellaneous costs for such Segment attributable to construction of the Segment approved by the Engineers as certified in the Certificate of the Engineers for that Segment, including, without limitation, any temporary facilities of the Project.

"*S&P*" shall mean Standard & Poor's Ratings Group, a Division of the McGraw Hill Companies, or any successor thereto.

"*State*" means the State of Arizona.

"*Total Debt Service*" means, collectively, amounts for debt service for the next succeeding tax year with respect to the Developer Bonds and for payment of the amounts described in Section 9.1 for such year.

"Town Council" means the governing body of the Municipality.

(b) All references in this Agreement to designated "Exhibits," "Articles," "Sections" and other subdivisions are to be deemed to refer to the designated Exhibits, Articles, Sections and other subdivisions of this Agreement as originally executed.

(c) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or other subdivision.

ARTICLE II

CONSTRUCTION OF PROJECTS BY THE DISTRICT;

ACQUISITION OF PLANS AND SPECIFICATIONS

Section 2.1. Upon a written request of TMR Investors and after approval by the District Manager prior to the construction procurement therefor, the District may and, if the Project which is the subject of such request is not on real property in which TMR Investors has an interest, shall, at the sole cost and expense of TMR Investors cause any portion of the Infrastructure to be constructed pursuant to the Plans and Specifications in a fashion which, in the sole discretion of the District Board, allows for development of the Property to proceed in accordance with the terms of the Land Development Agreement. TMR Investors shall be liable, jointly and severally, for the cost and expense of such portion of the Infrastructure pursuant to a separate completion guaranty and indemnity in form acceptable to the District Manager provided with the request described in the first sentence of this Section. (Underlying ownership of real property shall be determined in the final plat or final development plan process of the Municipality.)

Section 2.2. (a) The construction of the Infrastructure which is the subject of this Article shall be procured, and such Infrastructure shall be constructed, in accordance with the requirements for publicly procuring and constructing projects of the Municipality similar to the Projects.

(b) Such Infrastructure (or any Project which is a part thereof) shall be procured in one or more parts by and in the

name of the District, and Construction Contracts shall be entered into with the contractors selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Construction Contracts as specified in Article 3-4 of the Marana Code and any procurement guidelines promulgated in connection therewith.

Section 2.3. TMR Investors (or any entity related to either of them) shall not be compensated more than once by the Municipality or the District for any costs of any Project.

Section 2.4. Construction of any Project which is the subject of this Article shall be financed (a) at any time before the sale and delivery of the Developer Bonds (or after there are no available, unrestricted proceeds of the sale of the Developer Bonds remaining) only pursuant to Section 5.1(a) and (b) at any time after the sale and delivery of the Developer Bonds (and while there are remaining available, unrestricted proceeds of the sale of the Developer Bonds) only pursuant to Section 5.1(b).

Section 2.5. (a) Unless the financial assurances described in the next subsection are provided, any advertisement for bids for construction of any Project which is the subject of this Article pursuant to Section 2.1 shall include the following language: "**THE INFRASTRUCTURE WHICH IS THE SUBJECT OF THIS BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCIAL PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT BETWEEN THE OWNER, THE TOWN OF MARANA, ARIZONA AND TMR INVESTORS, LLC. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH TOWN OR OWNER FOR ANY COSTS UNDER ANY CONSTRUCTION CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING**

THEREFROM. TMR INVESTORS, LLC SHALL HAVE SOLE LIABILITY THEREFOR." (The District is "OWNER" for purposes of the foregoing.)

(b) Each Construction Contract for such a Project shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Construction Contract or any liability, claim or expense arising therefrom and that TMR Investors shall have sole liability therefor. In lieu of the foregoing, TMR Investors may post financial assurances in a form and an amount determined acceptable in the sole and absolute discretion of the District Manager to provide for amounts due with respect to any of such Construction Contracts.

Section 2.6. Plans and Specifications for any such Projects shall be prepared by the TMR Investors Engineer and shall be acquired by the District pursuant to Section 5.2(b) simultaneously with the financing of the construction of the related Project pursuant to Section 5.1(b). The District shall not be liable for any payment or repayment to TMR Investors with respect to such Plans and Specifications except as provided by this Agreement.

ARTICLE III

CONSTRUCTION OF ACQUISITION PROJECTS BY THE OWNER; CERTAIN MATTERS RELATED TO PLANS AND SPECIFICATIONS

Section 3.1. Subject to the terms of this Agreement including the obligation under the circumstances described herein to pay the Segment Price for a Segment as hereinafter provided, TMR

Investors shall cause the remainder of the Infrastructure (i.e., the Acquisition Infrastructure) to be constructed at the location denoted on, and in accordance with, the Plans and Specifications. The construction of the Infrastructure shall initially be at the sole cost and expense of TMR Investors. (Underlying ownership of real property in and on which the Acquisition Infrastructure is to be built shall be determined in the final plat or final development plan process of the Municipality.)

Section 3.2. (a) The construction of the Acquisition Infrastructure and the preparation of the Plans and Specifications shall be procured pursuant to the provisions of Title 34, Chapter 2, Article 1, Arizona Revised Statutes, as amended, and in accordance with the requirements for construction projects and plans and specifications, respectively, of the Municipality similar to the Acquisition Projects and the Plans and Specifications as specified in Article 3-4 of the Marana Code and any procurement guidelines promulgated in connection therewith. Acquisition Project Construction Contracts shall be entered into with the contractors selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Acquisition Project Construction Contracts as specified by such Code and guidelines, and contracts for preparation of the Plans and Specifications shall be entered into with the contractor selected in accordance with the requirements for awarding contracts for preparing plans and specifications of the Municipality similar to the Plans and Specifications as specified by such Code and guidelines.

(Compliance with such requirements with respect to the Acquisition Projects shall be evidenced by a Certificate of the Engineers.)

(b) As between TMR Investors and the District, TMR Investors shall bear all risks, liabilities, obligations and responsibilities under each Acquisition Project Construction Contract and all risk of loss of or damage to any Acquisition Project (or any part thereof) occurring prior to the time of acquisition of such Acquisition Project (or part thereof) pursuant to Article IV.

(c) The Municipality and the District shall be named as an additional named insured on any insurance policies required under a bid for an Acquisition Project and as a third party beneficiary with respect to all warranties, guarantees and bonds, if any, with respect thereto.

(d) An indication of final payment and contract closeout shall be provided to the District Manager before any acquisition pursuant to Article IV. If any liens are placed on any Segment of an Acquisition Project which is the subject of an Acquisition Project Construction Contract or if litigation ensues between TMR Investors and any contractor with respect to an Acquisition Project Construction Contract, the District shall not acquire such Segment until such liens are removed or such litigation is resolved or bonded.

Section 3.3. (a) Subsequent to the execution and delivery of this Agreement, any advertisement for bids for construction of any Acquisition Project or provision of any Plans and Specifications to be acquired shall clearly indicate that TMR Investors will be the "owner" for purposes of the Acquisition Project Construction Contract or

contract for such Plans and Specifications and shall include the following language: "**THE WORK WHICH IS THE SUBJECT OF THE BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTER-GOVERNMENTAL AGREEMENT AMONG OWNER, THE TOWN OF MARANA, ARIZONA, AND VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED BY SUCH COMMUNITY FACILITIES DISTRICT. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH TOWN OR COMMUNITY FACILITIES DISTRICT FOR ANY COSTS UNDER ANY CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM. OWNER SHALL HAVE SOLE LIABILITY THEREFOR."** (TMR Investors is "OWNER" for purposes of the foregoing.)

(b) Each Acquisition Project Construction Contract or contract for such Plans and Specifications shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Acquisition Project Construction Contract or contract for such Plans and Specifications or any liability, claim or expense arising therefrom and that TMR Investors shall have sole liability therefor. In lieu of the foregoing, TMR Investors may post financial assurances in a form and an amount determined acceptable in the sole and absolute discretion of the District Manager to provide for amounts due with respect to any of such Construction Contracts.

Section 3.4. TMR Investors shall provide for inspection of work performed under any Acquisition Project Construction Contract by the Engineers.

Section 3.5. Any change order to any Acquisition Project Construction Contract shall be subject to approval by the Engineers (which approval shall not be unreasonably withheld or delayed) and shall be certified to in the applicable Certificate of the Engineers; provided, however, that any change order expected to increase the amount of an Acquisition Project Construction Contract by more than ten (10) percent shall be the subject of the same approval requirements that a change order to increase the cost of a construction contract of the Municipality would be subject unless modified by action of the District Board and, specifically, the approval of the District Manager.

Section 3.6. Notwithstanding anything to the contrary in this Agreement, this Agreement shall not and does not obligate TMR Investors to construct any Infrastructure or to develop the Property in any particular manner or at all. This Agreement does not modify in any way any rights, duties or obligations set forth in the Land Development Agreement or in the zoning for the Property.

ARTICLE IV

ACQUISITION OF ACQUISITION PROJECTS FROM THE OWNER

Section 4.1. (a) Subject to the other terms of this Agreement, TMR Investors shall sell to the District, and the District shall acquire from TMR Investors, each Segment for the applicable Segment Price.

(b) Acquisition of a Segment shall be financed (1) at any time before the sale and delivery of the applicable Developer

Bonds (or after there are no available, unrestricted proceeds of the sale of the Developer Bonds remaining) only pursuant to Section 5.2(a) hereof and (2) at any time after the sale and delivery of the Developer Bonds (and while there are available, unrestricted remaining proceeds of the sale of the Developer Bonds) only pursuant to Section 5.2(b) hereof.

(c) The District shall not be liable for any payment or repayment to TMR Investors with respect to the Acquisition Infrastructure except as provided by this Agreement and applicable law.

Section 4.2. The District shall acquire from TMR Investors and, to the extent it has available funds, pay the Segment Price for each Segment as provided in Section 4.1, but no more than thirty (30) days after receipt by the District manager of the below stated items (a through f) relating to each Segment, and TMR Investors shall accept the Segment Price for and sell to the District, each Segment as provided in Section 4.1 after the approval of the Report pursuant to ARS 48-715, and within thirty (30) days after receipt by the District Manager of the following with respect to such Segment, in form and substance reasonably satisfactory to the District Manager:

(a) the Certificate of the Engineers;

(b) the Conveyance;

(c) evidence that public access to the Segment or the Acquisition Project, as applicable, has been or eventually will be provided to the Municipality;

(d) the assignment of all contractors' and materialmen's warranties and guarantees and to the extent assignable, the assignment of payment and performance bonds;

(e) an acceptance letter issued by the Municipality and by its terms subject specifically to recordation of the Conveyance which is the subject of such letter and

(f) such other documents, instruments, approvals or opinions as may reasonably be requested by the District Manager including, with respect to any real property related to the Acquisition Project, title reports, insurance and consultant reports that provide evidence, satisfactory to the District Manager, that such real property does not contain environmental contaminants which make such real property unsuitable for its intended use or, to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such real property will be made suitable for its intended use and the sources of funds necessary to accomplish such purpose.

ARTICLE V

FINANCING OF COSTS OF PROJECTS AND PLANS AND SPECIFICATIONS

Section 5.1 (a) (1) To provide for amounts due pursuant to any Construction Contract (including incidental costs relating

thereto) before the sale and delivery of any of the Developer Bonds and after there are no remaining, available, unrestricted proceeds of the sale of the Developer Bonds, such amounts shall be advanced by TMR Investors and the obligation to advance such amounts shall be the obligation of TMR Investors pursuant to the terms of this Agreement. Each such advance shall be evidenced by a written acknowledgement of the District Manager included as part of the written approval of the Engineers with each pay request of the contractor for each Construction Contract.

(2) As soon as possible after the sale and delivery of any of the Developer Bonds, the total amounts so advanced by TMR Investors for such purpose prior to the sale and delivery of the Developer Bonds shall be immediately paid to TMR Investors the available, unrestricted proceeds of the sale of the Developer Bonds, but only to the extent of the remaining amounts thereof. Neither the District nor the Municipality shall be liable to TMR Investors (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds from the sale of the Developer Bonds are available for such purpose, and no representation or warranty is given that the Developer Bonds can be sold or that sufficient proceeds from the sale of the Developer Bonds shall be available to pay such amounts.

(3) Until the sale and delivery of future series of the Developer Bonds if the District does not have any remaining, available, unrestricted proceeds from the sale of the Developer Bonds, the District shall not have any obligation to repay

TMR Investors for any advance made by TMR Investors to pay such amounts.

(b) (1) Any amounts due pursuant to any Construction Contract (including incidental costs relating thereto) after the sale and delivery of any of the Developer Bonds (and while there are remaining, available, unrestricted proceeds of the sale of the Developer Bonds) shall be provided for by the payment of such amounts from, and only from, the available, unrestricted proceeds from the sale of current and future series of the Developer Bonds to the extent only of the remaining amounts thereof.

(2) In the event there are no available unrestricted proceeds from the sale of current or prior series of Developer Bonds, then until the sale and delivery of future series of the Developer Bonds, the District shall not have any obligation to pay such amounts. Furthermore, in such an event, neither the District nor the Municipality shall be liable to TMR Investors (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds from the sale of future series of the Developer Bonds are available for such purpose, and no representation or warranty is given that the Developer Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of such future series of the Developer Bonds shall be available to pay such amounts.

Section 5.2. (a) (1) To provide for any acquisition of a Segment occurring before the sale and delivery of the Developer Bonds and during such time as there are no remaining, available,

unrestricted proceeds from the sale of current or prior series of the Developer Bonds, the Segment Price of that Segment shall be advanced by TMR Investors pursuant to the terms of this Agreement and the Conveyance for that Segment.

(2) As soon as possible after the sale and delivery of each series of the Developer Bonds, the amount advanced by TMR Investors for the Segment Price of a Segment prior to the sale and delivery of such Developer Bonds shall, subject to the requirements of Section 4.2, be paid to TMR Investors (without interest for the period during which it was unpaid) from, and only from, the available, unrestricted proceeds of the sale of Developer Bonds, but only to the extent of the remaining amounts thereof. Neither the District nor the Municipality shall be liable to TMR Investors (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price except to the extent available, unrestricted proceeds from the sale of the Developer Bonds are available for such purpose, and no representation or warranty is given that the Developer Bonds can be sold or that sufficient available, unrestricted proceeds from the sale of the Developer Bonds shall be available to pay any specific Segment Price.

(3) Until the sale and delivery of the Developer Bonds and during any time when there are no available, unrestricted remaining proceeds of the sale of the Developer Bonds, the District shall not have any obligation to repay TMR Investors for any advance made by TMR Investors to pay a Segment Price.

(b) (1) Any acquisition of a Segment or of Plans and Specifications for a Project occurring after the sale and delivery of the Developer Bonds (and while there are remaining, available, unrestricted proceeds from the sale of the Developer Bonds) shall, subject to the requirements of Section 4.2, be provided for by the payment of the Segment Price for such Segment or the costs of such Plans and Specifications, whichever is applicable, as determined by the District Engineer and the District Manager based on actual amounts paid by TMR Investors to the TMR Investors Engineer therefor from, and only from, the available, unrestricted proceeds from the sale of the Developer Bonds, but only to the extent of the remaining amounts thereof. The District shall pay the costs of such Plans and Specifications to TMR Investors as provided in Section 2.6 after approval of the Report and within thirty (30) days after receipt by the District Manager of evidence of exclusive ownership of the architectural materials (including memoranda, notes and preliminary and final drawings) and the related intellectual property rights (including copyright, if any) related to such Plans and Specifications, in all media, including electronic, for the limited purpose of operating and maintaining the Segment(s) that are the subject of the Plans and Specifications, and that the District shall be held harmless and be free to use such Plans and Specifications for the limited purpose of such operation and maintenance.

(2) Until the sale and delivery of a series of Developer Bonds, the District shall not have any obligation to pay such Segment Price or such costs of such Plans and Specifications.

Neither the District nor the Municipality shall be liable to TMR Investors (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price or for the costs of such Plans and Specifications except to the extent available, unrestricted proceeds from the sale of the Developer Bonds are available for such purpose, and no representation or warranty is given that the Developer Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Developer Bonds shall be available to pay such Segment Price or such costs of such Plans and Specifications.

ARTICLE VI

MATTERS RELATING TO THE DEVELOPER BONDS AND OTHER OBLIGATIONS OF THE DISTRICT; PROVISIONS RELATED TO GENERAL OBLIGATION BONDS AND SPECIAL ASSESSMENT BONDS

Section 6.1. (a) Pursuant to ARs 48-715 and upon dates established by the District Manager in his sole and absolute discretion, but at the request of TMR Investors, the District Board shall, from time to time, take all such reasonable action necessary for the District to issue and sell, pursuant to the provisions of the Act, an applicable amount of the Developer Bonds in an amount sufficient to repay all then outstanding and pending advances for, or to pay directly from the available, unrestricted proceeds thereof, the total of all amounts due for the purposes of any Construction Contract for the Infrastructure and the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the

Infrastructure to be acquired, established or reasonably expected to be established pursuant hereto plus all relevant issuance costs related thereto. (To the extent the District is not otherwise prohibited from agreeing pursuant to applicable law, except at the request of, or with the written consent of, TMR Investors (1) the District shall not undertake the issuance of any general obligation bonds until the earlier of (i) twenty-five (25) years from the date hereof and (ii) the issuance of all of the Developer GO Bonds by the District and, (2) the District shall not undertake the issuance of special assessment bonds until less than 15% of the assessment to be levied to secure the special assessment bonds will be levied on property owned by the Developer, in each case, to finance costs of any public infrastructure other than the Infrastructure (for which the District may at any time in its sole and absolute discretion undertake such financing.))

(b) If the Developer Bonds are not issued or if the available, unrestricted proceeds of the sale of the Developer Bonds are insufficient to pay all of the amounts due described in Section 5.1(b) or all of the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, then there shall be no recourse against the District or the Municipality for, and neither the District nor the Municipality shall have liability with respect to, such amounts so due or the Segment Prices for the Acquisition Infrastructure, except from the available, unrestricted proceeds from the sale of the Developer Bonds, if any and as applicable.

Section 6.2. (a) The District shall, subject to the other conditions of this Agreement, issue, in one or more series in principal amounts to be determined by the District Board, the Developer Bonds at the sole discretion of the District Board. The District shall not issue any series of the Developer GO Bonds unless the corresponding series of the Developer GO Bonds shall receive one of the four highest investment grade ratings by a nationally recognized bond rating agency or shall be sold in other than a "public sale" (as such term is used in the Act) and with restrictions on subsequent transfer thereof under such terms as the District Board shall, in their sole discretion, approve.

(b) The total aggregate principal amount of all of the series of the Developer GO Bonds shall not exceed $150,000,000, leaving $30,000,000 aggregate principal amount of GO Bonds approved at the election described in the recitals to this Agreement which are not controlled by the terms of this Agreement but subject to the provisions of Section 6.1(a) hereof.

(c) Unless the provisions of subsection (d) of this section are satisfied, a series of the Developer GO Bonds shall only be issued if the debt service therefor can be amortized with substantially equal amounts of annual debt service from amounts generated by a tax rate of not to exceed $4.25 per one hundred dollars of assessed valuation of property within the boundaries of the District as indicated on the tax roll for the current tax year. For purposes of the foregoing, a delinquency factor for tax collections equal to the greater of five percent (5%) and the historic, average,

annual, percentage delinquency factor for the District as of such Fiscal Year shall be assumed; all property in the District owned by TMR Investors or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), TMR Investors shall be assigned the last value such property had when categorized as "vacant" for purposes of assessed valuation and the debt service for any outstanding series of the Developer GO Bonds theretofore issued shall be taken into account in determining whether such tax rate will produce adequate debt service tax collections; provided, however, that the first series of the Developer GO Bonds shall be issued as soon as practicable to accomplish the goal of having the debt service tax costs therefor appear on the first tax bill applicable to any single family residential dwelling unit to be located within the boundaries of the District to be owned by other than TMR Investors or any entity owned or controlled (as such term is used in the Securities Act) by TMR Investors or any homebuilder to whom TMR Investors or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), TMR Investors sells property within the boundaries of the District.

(d) (1) If necessary in the sole discretion of the District Board, the "sale proceeds" from the sale of each series of the Developer GO Bonds shall include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on that series of the Developer GO Bonds, in an amount equal

to the maximum amount permitted by the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto.

Section 6.3. (a) Assessment Bonds shall be special assessment lien bonds payable from amounts collected from, among other sources, the hereinafter described special assessment (referred to as originally levied and as thereafter may be reallocated as described herein as the "*Assessments*").

(b) The Assessments shall be based on the Financeable Amount indicated in the Report. None of the Acquisition Project Construction Contracts or the Construction Contracts applicable to any Project shall be required to be publicly procured or awarded as a prerequisite to the levying of the Assessments.

(c) The Assessments shall be levied pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable or such other procedures as the District provides. Prior to the issuance of special assessment bonds, at the request of TMR Investors, the district will enter into a written agreement as to the manner in which the assessment is to be allocated if the land is to be divided into more than one parcel. If the special assessment lien bond is to finance more than one purpose or service, the benefit received by the land, may be determined by reference to the purpose and service as a whole or individually. In the event of nonpayment of the Assessment, the procedures for collection thereof and sale of the applicable portion of the Property may be established by the District, or the District

may adopt the procedures prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes, as amended, as nearly as practicable, except that, under all procedures, neither the District nor the Municipality is required to purchase any of the Property at the sale if there is no other purchaser.

(d) To prepay, from property owner payments, in whole or in part the applicable portion of the Assessment, on any interest payment date, the following shall be paid in cash to the District: (A) the interest on such portion to the next date Assessment Bonds may be redeemed plus (B) the unpaid principal amount of such portion of the Assessment Bonds, plus (C) any premium due on such redemption date with respect to such portion plus (D) any administrative or other fees charged by the District with respect thereto, less (D) the amount by which any reserve therefore may be reduced on such redemption date as a result of such prepayment. The resulting prepayment amount shall then be rounded up to the next highest multiple of one thousand ($1,000)dollars.

(e) TMR Investors hereby acknowledges that lenders and other parties involved in financing future improvements on the Property (including mortgages for single family residences) may require that liens associated with the Assessment (or applicable portions thereof) be paid and released, prior to accepting a lien with respect to any such financing.

(f) Requirements for Assessment Bonds.

(i) Town CFD Policies Apply. Proceeds of the Assessment Bonds may be used for any purpose permitted by the

Act. The terms and provisions of the Assessment Bonds and the manner of sale shall be established by the Town CFD Policies (as defined below), except as such Town CFD Policies are modified by or inconsistent with, this Agreement or the District's approval of the Report.

(ii) Appraisal; Coverage Ratio. At the time of sale of the Assessment Bonds, an appraisal dated not earlier than six (6) months prior to the date of sale of the Assessment Bonds, in form and substance satisfactory to the District, in its sole and absolute discretion, and prepared by an MAI appraiser (the "*Appraisal*") must show that the wholesale (bulk) value of the property contained within the assessment area securing the Assessment Bonds (as improved by the public infrastructure described in the relevant Report including any improvements for which completion guarantees have been obtained), is worth at least six times (in the case of a public sale of Assessment Bonds) and four times (in the case of a sale of the Assessment Bonds to qualified institutional buyers [as defined in Rule 144A of the Securities Act of 1933, as amended], accredited investors [as defined in Rule 501(a), Regulation A of the Securities and Exchange Commission, as amended]) or sophisticated municipal market participants [as defined by the Municipal Securities Rulemaking Board], as much as the principal amount of the Assessment Bonds.

(iii) Financial Assurance. At the time of sale of the Assessment Bonds, and to the extent not already provided by

the contractors pursuant to the public procurement requirements, TMR Investors shall provide or cause to be provided financial assurances in the form of escrowed cash, bonds, letter of credit or other similar assurances, accessible by the District and in each case in form reasonably acceptable to both the District Manager and TMR Investors, for amounts necessary to pay all costs and expenses associated with providing all the public infrastructure purposes described in the Report as well as any unpaid costs and expenses of any public infrastructure purposes not paid or payable from the proceeds of the sale of the Assessment Bonds because such proceeds are insufficient in amount for such purposes. The foregoing is not intended to limit the right of TMR Investors to reimbursement for any amount advanced in excess of the proceeds from the sale of the Assessment Bonds if the District is able to finance such amount from other or future Assessment Bond proceeds, and the District and the Municipality shall reasonably cooperate with TMR Investors in preserving the right to any such future reimbursement.

(iv) Reserve Fund. Unless reduced by the District Board in the Approval, the amount of the Assessment Bonds and the "*sale proceeds*" thereof shall be sized to include an amount sufficient to fund a reserve to secure payment of debt service on the Assessment Bonds for a period of one (1) year. Payment from such reserve shall not affect a reduction in the amount of the Assessment, and any amount collected with respect to the

Assessment thereafter shall be deposited to such reserve to the extent the Assessment is so paid therefrom.

(v) Billings and Collections. Unless otherwise agreed to by the District, the District shall enter into an agreement with the Pima County Treasurer and the Pinal County Treasurer to collect the District's special assessments as provided in A.R.S. §48-721B.

Section 6.4. (a) Other than (1) this Agreement, (2) the Developer GO Bonds secured by ad valorem taxes as described in Section 6.2 above, (3) any obligations necessary in connection with either of the foregoing, (4) revenue bonds as described below and (5) assessment bonds as described in Section 6.3 above, the District shall not incur, or otherwise become obligated with respect to, any other obligations.

(b) The District may issue revenue bonds only in accordance with the Town's Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts originally approved by the Town Council on June 4, 2019, as amended from time to time by the Town (the "Town CFD Policies").

ARTICLE VII

ACCEPTANCE BY THE MUNICIPALITY

Section 7.1. Simultaneously with the payment of the related Segment Price or completion of construction of a Project, the Segment of Acquisition Infrastructure, to the extent of the interest retained by TMR Investors therein, or the Project constructed is

hereby accepted (including for purposes of maintenance and operation thereof if not theretofore provided) by the Municipality, subject to the conditions pursuant to which facilities such as the Acquisition Projects and the Projects so constructed are typically accepted by the Municipality and thereafter shall be made available for use by the general public.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. (a) TMR Investors (1) shall, jointly and severally, indemnify and hold harmless each Indemnified Party for, from and against any and all losses, claims, damages or liabilities, joint or several, arising from the actions of TMR Investors (including, without limitation, the provision of information pertaining to the formation of the District by TMR Investors) or a failure of performance by TMR Investors, relating to the formation, activities or administration of the District, or the carrying out of the provisions of this Section, including particularly but not by way of limitation and as limited by the aforesaid for any losses, claims or damages or liabilities (A) related to any Acquisition Project Construction Contract or Project constructed pursuant to a Construction Contract including claims of any contractor, vendor, subcontractor or supplier, (B) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue

statement or alleged untrue statement of a material fact set forth in any offering document relating to the Developer Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of TMR Investors (which consent shall not be unreasonably withheld) and (2) shall reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) Section 8.1(a) shall, however, not be applicable to any of the following:

(1) matters involving any gross negligence or willful misconduct of any Indemnified Party,

(2) any loss, claim, damage or liability for which insurance coverage is actually procured which names the District as an insured, in order to provide insurance against the errors and omissions of the District Board or the other representatives, agents or employees of the District and any loss, claim, damage or liability that is covered by any commercial general liability insurance policy actually procured which names the District as an insured (including

those of TMR Investors under which the District is to be added as an additional named insured),

(3) any loss, claim, damage or liability arising from or relating to defects in any Infrastructure that are not known to TMR Investors and are discovered one (1) year or more following acceptance thereof by the Municipality pursuant to Section 7.1 or

(4) matters arising from or involving any breach of this Agreement by the District or any other Indemnified Party.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against TMR Investors, notify TMR Investors in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified Party. Failure of the Indemnified Party to give such notice shall reduce the liability of TMR Investors by the amount of damages attributable to the failure of the Indemnified Party to give such notice to TMR Investors, but the omission to notify TMR Investors of any such action shall not relieve TMR Investors from any liability that any of them may have to such Indemnified Party otherwise than under this section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify TMR Investors of the commencement thereof, TMR Investors may, or if so requested by such Indemnified Party shall, participate therein or defend the Indemnified Party therein, with

counsel satisfactory to such Indemnified Party and TMR Investors (it being understood that, except as hereinafter provided, none of TMR Investors shall be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from TMR Investors to such Indemnified Party of an election so to assume the defense thereof, TMR Investors shall not be liable to such Indemnified Party under this section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that unless and until TMR Investors defends any such action at the request of such Indemnified Party, TMR Investors shall have the right to participate at its own expense in the defense of any such action. If TMR Investors shall not have employed counsel to defend any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to TMR Investors (in which case TMR Investors shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, the legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by TMR Investors.

(d) TMR Investors shall not have any obligation to indemnify or hold harmless any Indemnified Party until such time that the Indemnified Party has exhausted all other insurance, risk retention or other indemnification options or remedies available to it. In the event that the insurance, risk retention or other

indemnification options or remedies of the Indemnified Party are insufficient to reimburse the Indemnified Party for its actual losses, claims, damages or liabilities, then, and only then, shall the Indemnified Party have a right to indemnification from TMR Investors and even then only to the extent that indemnification by TMR Investors will be secondary to, and in excess of, the primary insurance, risk retention or other indemnification options or remedies of the Indemnified Party.

Section 8.2. To the extent permitted by applicable law, the District shall indemnify, defend and hold harmless each Indemnified Party for, from and against any and all liabilities, claims or demands for injury or death to persons or damage to property arising from in connection with, or relating to the performance of this Agreement. The District shall not, however, be obligated to indemnify the District Indemnified Parties with respect to damages caused by the negligence or willful misconduct of the District Indemnified Parties. The District shall not indemnify, defend and hold harmless the Municipality with respect to matters relating to public infrastructure owned by the Municipality.

Section 8.3. The District shall maintain primary general liability and public official liability insurance for the District and each member of the District Board with limits of two million ($2,000,000) dollars per occurrence or claim. The deductible associated with the insurance obtained for the District and the District Board shall not be more than $15,000 per occurrence or claim.

ARTICLE IX

PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 9.1. To provide for expenses and costs for agents or third parties required to administer the Developer Bonds and to levy and collect *ad valorem* taxes for payment of the Developer Bonds and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and shall be paid from amounts available from the tax levy described in Section 6.2(d).

Section 9.2. To provide for the payment of the District Expenses and the O/M Expenses, 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. To the extent the collections of the O/M Tax are not sufficient to pay the District Expenses, TMR Investors shall, to the extent of reasonable amounts necessary therefor, 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, including any amount 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. 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 therefor. TMR Investors' obligation relates only to the payment of District Expenses. To the extent the O/M Tax generates revenues in excess of the District Expenses, such overage will be applied to O/M Expenses. The obligation of TMR Investors pursuant to this Section shall not exceed $100,000 in total per Fiscal Year beginning with the first full Fiscal Year after the execution and delivery hereof by the District [provided, however, that for any period prior thereto such obligations shall not exceed $100,000 times the number of full months remaining in such Fiscal Year divided by twelve (12)] and shall only be effective until the July 1 after the levy of the O/M Tax at $0.30 per $100.00 of assessed valuation could first result in collections of $100,000, given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%).

Section 9.3. TMR Investors shall advance $50,000, as a deposit on account, to be applied by the Municipality to pay Initial Expenses upon written demand by the District Manager. When $25,000 of the $50,000 deposit is expended, an accounting will be made to TMR Investors of all amounts incurred by the Municipality for the Initial Expenses to date, and TMR Investors 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 pursuant to this Section by TMR Investors which may be reimbursed under applicable law to TMR

Investors from the proceeds derived from the sale of the Developer Bonds shall, without the need for further request by TMR Investors, but subject to the extent of available amounts therefor, be included as part of the purpose of the Developer Bonds. The obligations of TMR Investors pursuant to this Section 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.

ARTICLE X

MISCELLANEOUS

Section 10.1. None of the Municipality, the District, TMR Investors shall knowingly take, or cause to be taken, any action which would cause interest on any Developer Bond to be includable in gross income for federal income tax purposes pursuant to Section 61 of the Internal Revenue Code of 1986, as amended.

Section 10.2. (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Developer Bonds may be then or in the future, be outstanding, the Disclosure Statement shall be produced by TMR Investors, or, subsequent to a sale of land by TMR Investors, shall be produced by each homebuilder to whom TMR Investors has sold land; provided, however, that the Disclosure Statement may be modified as necessary in the future to adequately describe the District and the Developer Bonds and the source of payment for debt service therefor as agreed by the District Manager and TMR Investors.

(b) TMR Investors shall or shall require each homebuilder to whom TMR Investors has sold land to:

(1) cause any purchaser of land to sign the Disclosure Statement upon entering into a contract for purchasing such land;

(2) provide a copy of each fully executed Disclosure Statement to be filed with the District Manager and

(3) provide such information and documents, including audited financial statements to any necessary repository or depository, but only to the extent necessary for the underwriters of the Developer Bonds to comply with Rule 15c2-12 of the Securities Exchange Act of 1934.

Section 10.3. This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns and the rights and obligations under the Agreement are attached to and run with the Property; provided, however, that none of the parties hereto shall be entitled to assign its right hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Agreement. This Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on the language of this Section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and

not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer or commercial purchaser by a recorded deed. For purposes of this Section, "lot" shall be any lot upon which a home or commercial building has been completely constructed and approved to be occupied that is contained in a recorded subdivision plat that has been approved by the Municipality.

Section 10.4. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

Section 10.5. This Agreement sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and as such no rule of strict construction shall be applied against any party.

Section 10.6. This Agreement shall be governed by and interpreted in accordance with the laws of the State.

Section 10.7. The waiver by any party hereto of any right granted to it under this Agreement shall not be deemed to be a waiver of any other right granted in this Agreement nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the

continuation of any matter previously waived under or by this Agreement.

Section 10.8. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 10.9. The Municipality and the District may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, is, at any time while this Agreement is in effect, an employee or agent of TMR Investors in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement and, if applicable, may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, from TMR Investors arising as the result of this Agreement. TMR Investors has not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of TMR Investors in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

Section 10.10. The term of this Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of (i) the agreement of the

District, the Municipality, TMR Investors to the termination hereof, (ii) September 1, 2069, and (iii) the date on which all of the Developer Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 10.11. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:

11555 North Civic Center Drive
Marana, Arizona 85653
Attention: Manager

If to the District:

11555 North Civic Center Drive
Marana, Arizona 85653
Attention: Manager

If to TMR Investors:

7377 E. Doubletree Ranch Rd., Suite 190
Scottsdale, AZ 85258
Attn: Michael B. Zipprich

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.12. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other

provision thereof, and such ruling person or tribunal shall not deem the entire Agreement to be invalid or unenforceable.

Section 10.13. The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

Section 10.14. This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law; provided, however, that if the provisions of this Agreement conflict in any particular with those of the Land Development Agreement relating to the District, the provisions of the Land Agreement, as amended, shall supersede and control those of this Agreement, as amended, in all respects.

Section 10.15. No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, TMR Investors shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorders of Pima County, Arizona and Pinal County, Arizona.

Section 10.16. Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

Section 10.17. If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of *Force Majeure*, then the failure to observe or perform such covenant or con-

dition shall not constitute a default hereunder so long as such party shall use its best efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time.

Section 10.18. Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed unless specifically otherwise limited as provided herein.

Section 10.19. Notwithstanding any other provision of this Agreement to the contrary, the provisions of Sections 7.1, 8.1, 8.2, 9.3, 10.1, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.17, 10.18, 10.19 and 10.20 are the only provisions that are effective against the Municipality for purposes of the Intergovernmental Agreement Act as the Intergovernmental Agreement Act is intended to be applied for purposes of this Agreement.

Section 10.20. (a) This Agreement in no way acquiesces to or obligates the Municipality or the District to perform a legislative act.

(b) Failure or unreasonable delay by any party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (hereinafter referred to as the "Cure Period") after actual receipt of written notice thereof from any other party, shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to

perform such action or comply with any term or provision hereof, or there is existing a Force Majeure event, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within a reasonable period of time under the facts applicable to each situation; provided further that the foregoing shall not apply to the last sentence of Section 9.2. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, any non-defaulting party shall have all rights and remedies that are set forth in the next subsection.

(c) Except as provided in subsection (b), the parties shall be limited to the remedies and the dispute resolution procedure set forth in this subsection and subsection (d). Any decision rendered by the Panel pursuant to the provisions of subsection (d) shall be binding on the parties unless and until a court of competent jurisdiction renders a conflicting final decision on the disputed issue, and if any party does not abide by the decision rendered by the Panel during the pendency of an action before the court of competent jurisdiction or otherwise (if no court action), any other party may institute an action for money damages on the issues that were the subject of the Panel's decision and/or any other relief as may be permitted by law.

(d) (1) If an event of default is not cured within the Cure Period, any non-defaulting party may institute the dispute resolution process set forth in this subsection (hereinafter referred

to as the "Process") by providing written notice initiating the Process (hereinafter referred to as the "Initiation Notice") to the defaulting party.

(2) Within thirty (30) days after delivery of the Initiation Notice, each involved party shall appoint one person to serve on an arbitration panel (herein referred to as the "Panel"). Within twenty-five (25) days after delivery of the Initiation Notice, the persons appointed to serve on the Panel shall themselves jointly appoint one person to serve as a co-member of the Panel. Such jointly appointed person shall function as the chairperson of the Panel.

(3) The remedies available for award by the Panel shall be limited to specific performance, declaratory relief and injunctive relief, all other forms of relief being herein expressly waived by all parties.

(4) Any party can petition the Panel for an expedited hearing if circumstances justify it. Such circumstances shall be similar to what a court would view as appropriate for injunctive relief or temporary restraining orders. In any event, the hearing of any dispute not expedited shall commence as soon as practicable, but in no event later than forty-five (45) days after selection of the chairperson of the Panel. This deadline can be extended only with the consent of all parties to the dispute or by decision of the Panel upon a showing of emergency circumstances.

(5) The chairperson of the Panel shall conduct the hearing pursuant to the Center For Public Resources' Rules for Non-Administered Arbitration of Business Disputes then in effect. The

chairperson of the Panel shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence, consistent with the deadlines provided herein, and the parties' objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The chairperson of the Panel upon proper application shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Court to have a protective order entered as may be appropriate to confirm such orders of the chairperson of the Panel.

(6) The hearing, once commenced, shall proceed from business day to business day until concluded, absent a showing of emergency circumstances. Except as otherwise provided herein, the Process shall be governed by the Uniform Arbitration Act as enacted in the State.

(7) The Panel shall, within fifteen (15) days from the conclusion of any hearing, issue its written decision, including the rationale and support for its decision. The decision shall be rendered in accordance with this Agreement and the laws of the State.

(8) Any involved party may appeal the decision of the Panel to the Court for a *de novo* review of the issues decided by the Panel, so long as such appeal is made within thirty (30) days after the Panel’s decision is actually received by such party. The remedies available for award by the Court shall be limited to specific

performance, declaratory relief and injunctive relief, with all other forms of relief being herein expressly waived by all parties. During any pendency of an appeal, the decision of the Panel shall be binding on both parties until the Court renders a binding decision. If a non-prevailing party in the Process fails to appeal to the Court within the time frame set forth herein, the decision of the Panel shall be final and binding. If one party does not comply with the decision of the Panel during the pendency of the action before the Court or otherwise, then another party shall be entitled to exercise all rights and remedies that may be available under law or equity, including without limitation the right to institute an action for money damages related to the default that was the subject of the Panel's decision and the provisions of this subsection shall not apply to such an exercise of rights and remedies.

(9) All fees and costs associated with the Process before the Panel, including without limitation the fees of the Panel, other fees, and the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party or parties. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Panel. Similarly, all fees and costs associated with an appeal to the Court or any appellate court thereafter, including without limitation, the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party. The determination of prevailing and non-prevailing parties, and the

appropriate allocation of fees and costs, shall be included in the decision by the Court.

* * *

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the duly authorized officer(s) of TMR Investors have affixed their signatures, all as of the day and year first written above.

TOWN OF MARANA, ARIZONA

By.....
_____, Mayor

ATTEST:

.....
Jocelyn C. Bronson, Town Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the Municipality who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the Municipality

.....
Frank Cassidy, Town Attorney

VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT

By.....
Chairperson,
District Board

ATTEST:

.....
Jocelyn C. Bronson, District Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the District, who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the District

.....
Frank Cassidy, District Counsel

TMR INVESTORS, LLC, an Arizona limited liability company

By: TMR Management, LLC, an Arizona limited liability company, its Manager

By: Zipprich Group, LLC, an Arizona limited liability company, its Member

By:_____
Michael B. Zipprich, Manager

By: INCA Capital, LLC, an Arizona limited liability company, its Member

By:_____
William Cleverly, Manager

ATTACHMENTS:

EXHIBIT A -- Legal Description Of The Property
EXHIBIT B -- *Intentionally left blank*
EXHIBIT C -- Form Of Certificate Of Engineers For Conveyance Of Segment Of Project
EXHIBIT D -- Form Of Conveyance Of Segment Of Project
EXHIBIT E -- Form Of Disclosure Statement

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

[intentionally omitted]

EXHIBIT C

FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(insert description of Acquisition Project/Segment)

STATE OF ARIZONA)
COUNTY OF PIMA)
TOWN OF MARANA) ss.
VILLAGES OF TORTOLITA COMMUNITY)
FACILITIES DISTRICT)

We the undersigned, being Professional Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for Villages of Tortolita Community Facilities District (hereinafter referred to as the "District"), and the engineer employed by TMR Investors, LLC (hereinafter referred to as "TMR Investors"), each hereby certify for purposes of the District Development, Financing Participation and Intergovernmental Agreement (Villages of Tortolita Community Facilities District), dated as of _____, 2019 (hereinafter referred to as the "Agreement"), by and among the District, the Town of Marana, Arizona, TMR Investors, LLC, that:

1. The Segment indicated above has been performed in every detail pursuant to the Plans and Specifications (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) and the Acquisition Project Construction Contract (as modified by any change orders permitted by the Agreement) for such Segment.

2. The Segment Price as publicly bid and including the cost of approved change orders for such Segment is $.....

3. TMR Investors provided for compliance with the requirements for public procurement for such Segment as required by the Agreement (including, particularly but not by way of limitation, Title 34, Chapter 2, Article 1, Arizona Revised Statutes, as amended) in connection with award of the Acquisition Project Construction Contract for such Segment.

4. TMR Investors filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.

5. TMR Investors obtained good and sufficient performance and payment bonds in connection with such Contract.

DATED AND SEALED THIS ..... DAY OF ....., 200..

By.....
District Engineer

[P.E. SEAL]

[P.E. SEAL]

By.....
Engineer for TMR Investors

[Confirmed for purposes of Section 3.5 of the Development Agreement by

.....
Manager for
Villages of Tortolita Community Facilities
District*]

[THIS WILL BE REQUIRED FOR EVERY SEGMENT ACQUIRED WITH PROCEEDS OF THE SALE OF THE DEVELOPER BONDS!!!]

---

* To be inserted if the provisions of Section 3.5 hereof are applicable to the respective Segment of the Project

EXHIBIT D

FORM OF CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT
(Insert description of Acquisition Project/Segment)

STATE OF ARIZONA)
COUNTY OF PIMA)
TOWN OF MARANA) ss.
VILLAGES OF TORTOLITA COMMUNITY)
FACILITIES DISTRICT)

KNOW ALL MEN BY THESE PRESENTS THAT:

..... ("....."), for good and valuable consideration received by ..... from Villages of Tortolita Community Facilities District, a community facilities district formed by the Town of Marana, Arizona (the "Municipality"), and duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), receipt of which is hereby acknowledged [, and the promise of the District to hereafter pay the amounts described in the hereinafter described Development Agreement],* does by these presents grant, bargain, sell and convey to the District, its successors and assigns, all right, title and interest in and to the following described property, being the subject of a District Development, Financing Participation and Intergovernmental Agreement (Villages of Tortolita Community Facilities District), dated as of _____ 1, 2019, by and among Municipality, the District, and TMR Investors, LLC and more completely described in such Development Agreement:

[Insert description of Acquisition Project/Segment]

together with any and all benefits, including warranties and performance and payment bonds, under the Acquisition Project Construction Contract (as such term is defined in such Development Agreement) or relating thereto, all of which are or shall be located within utility or other public easements dedicated or to be dedicated by plat or otherwise free and clear of any and all liens, easements, restrictions, conditions, or encumbrances affecting the same [, such subsequent dedications not affecting the promise of the District to hereafter pay the amounts described in such Development Agreement],* but subject to all taxes and other assessments, reservations in patents,

* Insert with respect to any acquisition financed pursuant to Section 5.2(a) hereof.

and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, leases, and liabilities or other matters as set forth on Exhibit I hereto.

TO HAVE AND TO HOLD the above-described property, together with all and singular the rights and appurtenances thereunto in anywise belonging, including all necessary rights of ingress, egress, and regress, subject, however, to the above-described exception(s) and reservation(s), unto the District, its successors and assigns, forever; and ..... does hereby bind itself, its successors and assigns to warrant and forever defend, all and singular, the above-described property, subject to such exception(s) and reservation(s), unto the District, its successors and assigns, against the acts of ..... and no other.

..... binds and obligates itself, its successors and assigns, to execute and deliver at the request of the District any other or additional instruments of transfer, bills of sale, conveyances, or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the transfer to the District of the above-described property, subject to the exception(s) and reservation(s) hereinabove provided.

This conveyance is made pursuant to such Development Agreement, and ..... hereby agrees that the amounts specified above and paid [or promised to be paid*] to ..... hereunder satisfy in full the obligations of the District under such Development Agreement and hereby releases the District from any further responsibility to make payment to ..... under such Development Agreement except as above provided.

....., in addition to the other representations and warranties herein, specifically makes the following representations and warranties:

1. ..... has the full legal right and authority to make the sale, transfer, and assignment herein provided.

2. ..... is not a party to any written or oral contract which adversely affects this Conveyance.

3. ..... is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.

4. ..... is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of this Conveyance.

5. The person executing this Conveyance on behalf of ..... has full authority to do so, and no further official action need be taken by ..... to validate this Conveyance.

6. The facilities conveyed hereunder are all located within property owned by ..... or utility or other public easements dedicated or to be dedicated by plat or otherwise.

IN WITNESS WHEREOF, ... has caused this Conveyance to be executed and delivered this ..... day of ....., 200..

.....

By.....

By.....

Title:.....

STATE OF .....)
) ss.
COUNTY OF .....)

This instrument was acknowledged before me on ....., 200.. by ....., of ....., an Arizona limited liability company, on behalf of said corporation.

.....
Notary Public

.....
Typed/Printed Name of Notary

[NOTARY SEAL]

My Commission Expires:.....

EXHIBIT I

TO

CONVEYANCE OF SEGMENT OF PROJECT

(Insert description of Project/Segment)

EXHIBIT E

FORM OF DISCLOSURE STATEMENT

VILLAGES OF TORTOLITA COMMUNITY FACILITIES DISTRICT
DISCLOSURE STATEMENT

TMR Investors, LLC, an Arizona limited liability company (the "Developer"), in conjunction with the Town of Marana, Arizona (the "Town"), has established a community facilities district ("CFD") at the development known as "Villages of Tortolita." The CFD has financed and, in the future, will finance certain public infrastructure improvements, which will result in a property tax liability for each property owner of Villages of Tortolita resulting from being in the CFD.

BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona municipalities to form CFDs for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

HOW THE CFD WORKS

On _____, 2019, the Mayor and Council of the Town formed the CFD which includes all of the residential and commercial property in Villages of Tortolita. An election was held on ....., 2019, at which time the owners of the property within the CFD voted to authorize up to $_____ of *ad valorem* tax bonds to be issued over time by the CFD to finance the acquisition or construction of water, sewer, road and park improvements. The improvements have been or will be dedicated to the Town after acquisition or construction of such public infrastructure by the CFD. The Town will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance up to $_____ in public infrastructure improvements within or benefiting Villages of Tortolita including financing costs related to such improvements. The initial bond issue is expected to be approximately $.....,000. The proceeds of this bond issue is currently expected to be utilized to finance the engineering, design and construction of a portion of the .....

improvements for Villages of Tortolita. In addition, it is anticipated that approximately $.....,000 in bonds will be issued over the next approximately ..... years for future phases of infrastructure at Villages of Tortolita. Thereafter, any remaining bond authorization would be available for issuance to finance other improvements.

AD VALOREM TAXES OF THE CFD

General obligation bonds and the CFD's operation and maintenance expenses are paid from ad valorem taxes levied against all 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 Florence and other political subdivisions.

SPECIAL ASSESSMENTS OF THE CFD

Special assessment bonds are paid from special assessment payments secured by an assessment lien on each benefited lot within a special assessment area. Special assessment areas are formed from time to time based on the public improvements being constructed or acquired with proceeds of the special assessment bonds. The amount of the special assessment liens may vary depending upon the size of the lot within the special assessment area, the benefit estimated to be received by each such lot, the cost of the public improvements to be acquired, and the financing terms of the applicable special assessment bonds. The special assessment payments as well as the applicable administration charges are anticipated to be collected through your regular Maricopa County property tax bill.

BENEFITS TO RESIDENTS

The bond issues by the CFD will benefit all residents within Villages of Tortolita by providing public roadway, utility, drainage, park and recreation and other public infrastructure improvements. This benefit was taken into account by the Developer in connection with establishing the price of the lot on which your home is to be located. Each resident of the CFD will participate in the repayment of the bonds in the form of an additional property tax to the current property taxes assessed by other governmental entities. This added tax is currently deductible for purpose of calculating federal and state income taxes.

PROPERTY OWNERS' TAX LIABILITY

The obligation to retire the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Pima County Treasurer in addition to all other property tax payments. **(PLEASE NOTE THAT AT THIS TIME, OTHER THAN GLADDEN FARMS COMMUNITY FACILITIES DISTRICT, NO OTHER AREA WITHIN THE**

BOUNDARIES OF THE TOWN IS SUBJECT TO A PROPERTY TAX LEVIED BY ANY OTHER COMMUNITY FACILITIES DISTRICT.) Beginning in fiscal year 201____, the CFD levied a not to exceed $_____ per $100.00 of assessed valuation tax rate to provide for repayment of the bonds and the payment of certain administrative expenses associated therewith and to provide for the expenses of the CFD and of operation and maintaining the infrastructure it finances.

Although the level of the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed $_____ per $100.00 of assessed valuation for as long as the bonds are outstanding. The tax rate will be maintained initially at the $_____ level by means of agreements with the Developer which require the Developer to provide for the difference above such $_____ rate. **(There can be no guarantee that the Developer will be able to make such payments in the future and, if it cannot, tax rates will be increased to provide for such repayment.)** As growth of the tax base occurs within the CFD, it is anticipated that such payments from the Developer will no longer be necessary if debt service is covered by the $_____ tax rate at which time the District may release the developers from such obligations.

INITIAL FINANCING'S COST TO HOMEOWNER

The District has formed a special assessment area (the "Special Assessment Area") that includes Parcel ____ for the construction and/or acquisition of certain public improvements, i.e., construction of _____. The District has assessed Lot ____ within Parcel _____ in the amount of $_____ (the "Assessment").

IMPACT OF ADDITIONAL CFD PROPERTY TAX

The following shows the total annual District taxes including the District operational and maintenance tax, for repayment of expected District general obligation bonds as well as the anticipated special assessment obligation.

Market Value of Residence(1)	(A) Estimated Annual General Obligation and Expense Payment(2)	(B) Estimated Annual Special Assessment Payment(3)	(A) + (B) Estimated Total Annual CFD Tax Payments(4)
$250,000	-	-	-
275,000	-	-	-
300,000	-	-	-
325,000	-	-	-
350,000	-	-	-
375,000	-	-	-
400,000	-	-	-

Footnotes

(1) Market value is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.

(2) General obligation bond debt service and operations and maintenance expenses assuming a $_____ increase in the ad valorem property tax rate per $100 of assessed value. The estimated annual additional tax liability will vary depending upon the final terms of the General Obligation Bonds.

(3) All lots located within the boundaries of the District are anticipated to have a special assessment lien.

(4) All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the Town of Florence or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

_____

*Assumptions:

A. Assumes residential property assessment ratio will remain at 10%.

B. Tax amount is computed by multiplying the tax rate per $100 of assessed value by full cash value times the assessment ratio.

Additional information regarding the description of infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the Town of Marana Town Clerk's office.

Your signature below acknowledges that you have read this disclosure document at the time you made your decision to purchase property at Villages of Tortolita and you signed your purchase contract and that you understand the property you are purchasing will be taxed to pay the CFD bonds described above.

.....	.....
Home Buyer(s) Signature/Date	Home Buyer(s) Printed Name(s)
.....	.....
Home Buyer(s) Signature/Date	..... Parcel No. ..... Lot No. .....

Exhibit L

The Villages of Tortolita Community Facilities District
Development Agreement

F. ANN RODRIGUEZ, RECORDER
Recorded By: LMK
DEPUTY RECORDER
4983

SMARA
TOWN OF MARANA
PICKUP

SEQUENCE: 20181060069
NO. PAGES: 19
04/16/2018
9:43:10

VILLAGES OF TORTOLITA DEVELOPMENT AGREEMENT

Town of Marana, Arizona

THIS VILLAGES OF TORTOLITA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into by and between the TOWN OF MARANA (the "Town"), an Arizona municipal corporation; and TMR INVESTORS, LLC ("TMR"), an Arizona limited liability company. The Town and TMR are sometimes collectively referred to as the "Parties," either of which is sometimes individually referred to as a "Party."

RECITALS

A. On April 3, 2007, the Town Council created The Villages of Tortolita Specific Plan by its adoption of Marana Ordinance No. 2007.09 ("Ordinance 2007.09"), recorded in the Pima County Recorder's office at Docket 13067, Page 1240 (Sequence 20071060205).

B. The Villages of Tortolita Specific Plan governs the development of approximately 1780.44 acres of land referred to in this Agreement as the "Subject Property," depicted and legally described in Exhibit A and Exhibit B to Ordinance 2007.09, and consisting of land located on the east side of Interstate 10 extending from just northwest of the San Lucas Development project and extending about two-thirds of a mile into Pinal County.

C. TMR is the largest single landowner of the Subject Property.

D. Other landowners of the Subject Property (collectively the "Other Property Owners") are INTERSTATE TEN 18.7 ACRES; KAI TRUST; JOHN KAI, JR.; HERBERT KAI; DANIEL K. WONG & DARRYL K. WONG; DOUGLAS S. HOLSCLAW, JR.; BARNETT FAMILY TRUST; and FAST FORWARD FARMS, LLC, an Arizona limited liability company.

E. Together, TMR and the Other Property Owners own all of the Subject Property and are referred to in this agreement as the "Villages of Tortolita Landowners."

F. This Agreement is intended to satisfy rezoning condition 2 of Ordinance 2007.09, which requires adoption of a development agreement before Town Council approval of the first preliminary plat or development plan.

G. Rezoning condition 14 of Ordinance 2007.09 provides:

> The developer will be responsible for the design and construction of the Tortolita Traffic Interchange prior to occupancy of any house or commercial building. Other roadway improvements as required by the Development Agreement and based on the data and findings of the accepted traffic impact analysis and other traffic studies that will be required at the platting or development plan stages of this project.

H. The Town has a pressing need for the Marana TI Improvements and the Adonis Road Improvements.

I. This Agreement is approved, and the Town's Mayor is authorized to sign it, by virtue of the Town Council's adoption of Marana Ordinance No. 2017.____ (the "Concurrent Ordinance"), which also amends Ordinance 2007.09 so that it is consistent with the terms of this Agreement.

J. In order to satisfy the Villages of Tortolita Landowners about the specific terms of the Concurrent Ordinance, which is an inducement to the Other Property Owners' signing of the Waivers (see paragraph 2 below) and to TMR's signing of this Agreement, TMR has received and reviewed an advance draft copy of the Concurrent Ordinance, and the Other Property Owners have been given the opportunity to delay signing the Waivers and TMR has been given the opportunity to delay signing this Agreement until the Marana Town Council's adoption of the Concurrent Ordinance.

K. The development contemplated by this Agreement is in compliance with the Town's adopted and approved General Plan (as defined in A.R.S. § 9-461).

L. The development contemplated by this Agreement is in compliance with The Villages of Tortolita Specific Plan as amended by the Concurrent Ordinance.

M. The Town is authorized by A.R.S. § 9-500.05 to enter into a development agreement with a land owner or other person or entity having an interest in real property located within the Town to facilitate development of the property by providing for, among other things, the conditions, terms, restrictions, and requirements for development and public infrastructure and the financing of public infrastructure.

N. The Town has determined that the Marana TI Improvements, the Adonis Road Improvements, and the Tortolita TI are in the best interests of the region and will enhance circulation for the broader community.

O. The Marana TI Improvements and the Adonis Road Improvements will benefit the Subject Property and enhance overall traffic circulation within the area.

P. The Marana TI Improvements are in the process of being added to the Town of Marana's infrastructure improvements plan supporting a proposed development impact fee which is proposed to be forwarded to Council for consideration of adoption within the next year.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Agreement as though fully restated here, and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. *Definitions*. The following definitions shall apply to this Agreement:

a. The "Adonis Road Improvements" means the design and construction and one-year warranty of the two-lane paved roadway extending from the current eastern terminus of Grier Road pavement (located about 770 feet east of Grier Road's intersection with Galleno Avenue) to Tangerine Road, as detailed in Exhibit B. No Tangerine Road signalization costs shall be included in the Adonis Road Improvements.

b. The "Adonis Road Public Improvement Costs" means all costs, expenses, fees, transaction privilege taxes and charges actually incurred and paid by or on behalf of TMR to contractors, architects, engineers, surveyors, governmental agencies, other professionals and consultants, and other third parties for materials, labor, planning, design, engineering, surveying, site

excavation and preparation, governmental permits and payments, payment and performance bonds, other professional services, and all other costs and expenses related or incidental to and reasonably necessary for, the acquisition, improvement, construction, installation, or provision of the Adonis Road Improvements and warranting them for one year after completion. The Adonis Road Public Improvement Costs shall not include and shall not accrue interest.

c. "Construction Sales Tax Revenues" mean those portions of the Town's transaction privilege taxes (currently 4%) generated pursuant to Section 8-415 or 8-416 of the Marana Tax Code (or corresponding sections of successor codes) from construction contracting or speculative builder activities (i) on the Subject Property and (ii) from the construction of the Marana TI Improvements, the Adonis Road Improvements, and the Tortolita TI.

d. "Development Regulations" is defined in paragraph 23 below.

e. The "Marana TI Improvements" means the design and construction and one-year warranty of the roadway improvements to the existing Interstate 10 traffic interchange at Marana Road detailed in Exhibit A.

f. The "Marana TI Public Improvement Costs" means all costs, expenses, fees, transaction privilege taxes and charges actually incurred and paid by or on behalf of TMR to contractors, architects, engineers, surveyors, governmental agencies, other professionals and consultants, and other third parties for materials, labor, planning, design, engineering, surveying, site excavation and preparation, governmental permits and payments, payment and performance bonds, other professional services, and all other costs and expenses related or incidental to and reasonably necessary for, the acquisition, improvement, construction, installation, or provision of the Marana TI Improvements and warranting them for one year after completion. The Marana TI Public Improvement Costs shall not include and shall not accrue interest.

g. The "Northwest Marana Roadway Development Impact Fee" is the fee currently anticipated to be adopted by the Town pursuant to A.R.S. § 9-463.05 to fund public roadway improvements in the northwest area of the jurisdictional limits of the Town of Marana; that is, the geographic area that includes the Marana TI Improvements and the Subject Property.

h. The "Other Property Owners" means the persons or entities other than TMR who own portions of the Subject Property. To the best of the Parties' knowledge and information, the names of the Other Property Owners are listed in recital D above.

i. The "Proportionate DIF Collections" means those portions of the Town's Northwest Marana Roadway Development Impact Fee collections which are attributable to the Marana TI Improvements and the Tortolita TI. For context and reference, the Road Facilities Infrastructure Improvements Plan presented at the Marana Town Council's August 1, 2017 meeting included a $6,000,000 anticipated cost of the Marana TI Improvements (called "Marana Road Interchange, Phase I" in the Road Facilities Infrastructure Improvements Plan) out of total Northwest Marana Roadway costs of $23,452,000 (not including reimbursable expert and financing costs); so as of August 1, 2017, the Parties anticipate that the Proportionate DIF Collections will be less than 26% of the Town's total Northwest Marana Roadway Development Impact Fee collections. Proportionate DIF Collections will not include any Northwest Marana Roadway Development Impact Fee collections attributable to the Tortolita TI until the Town's Road Facilities Infrastructure Improvements Plan is amended to add the Tortolita TI and the

Northwest Marana Roadway Development Impact Fee is readopted pursuant to the Road Facilities Infrastructure Improvements Plan as so amended. See paragraph 13 below

j. "Reimbursement Account" means a separate account within the Town's General Fund or accounted for by an appropriate book or ledger entry designation for the purpose of making Reimbursement Payments.

k. "Reimbursement Payments" is defined in paragraph 9 below.

l. The "Subject Property" is defined in recital B above.

m. The "Tortolita TI" means the Tortolita traffic interchange—the currently-planned freeway interchange, bridge, ramps, and approaches at approximately milepost 233 on Interstate 10 approximately three miles northwest of the existing Marana traffic interchange. The Tortolita TI is currently planned to connect Interstate 10 to the proposed Tortolita Mountain Parkway within the Subject Property.

n. The "Tortolita TI Obligation Date" is the date when all relevant permits and clearances have been granted for the construction of the Tortolita TI, all funding for the Tortolita TI is in place, and a construction contract is in place for the construction of the Tortolita TI in accordance with State of Arizona and Town public infrastructure construction procurement laws and procedures.

o. The "Tortolita TI Public Improvement Costs" means all costs, expenses, fees, transaction privilege taxes and charges actually incurred and paid by or on behalf of TMR to contractors, architects, engineers, surveyors, governmental agencies, other professionals and consultants, and other third parties for materials, labor, planning, design, engineering, surveying, site excavation and preparation, governmental permits and payments, payment and performance bonds, other professional services, and all other costs and expenses related or incidental to and reasonably necessary for, the acquisition, improvement, construction, installation, or provision of the Tortolita TI and warranting them for one year after completion. The Tortolita TI Public Improvement Costs shall not include and shall not accrue interest.

p. The "Villages of Tortolita Landowners" means TMR and the Other Property Owners, collectively (see recital E above)

q. The "Waivers" are waivers of rights under the Private Property Rights Protection Act, A.R.S. § 12-1131 *et seq.*, signed by the Other Property Owners in substantially the form attached as Exhibit C to this Agreement (see paragraph 2 below).

2. *Prop 207 Waivers*. By signing this Agreement, TMR waives any and all rights to make a claim for diminution in value under the Private Property Rights Protection Act, A.R.S. § 12-1131 *et seq.*, resulting from this Agreement or the Concurrent Ordinance, or resulting from remedies resulting from enforcing the terms of this Agreement or the Concurrent Ordinance. In addition, TMR shall be responsible for obtaining waivers (the "Waivers") of rights under the Private Property Rights Protection Act, A.R.S. § 12-1131 *et seq.*, signed by the Other Property Owners in substantially the form attached as Exhibit C to this Agreement. TMR understands that the Town will not sign this Agreement until all of the Waivers have been delivered to the Town.

3. *Construction of the Marana TI Improvements and the Adonis Road Improvements*. As a condition of the Town's amendment of rezoning condition 14 of Ordinance 2007.09 pursuant to the Concurrent Ordinance, and not as a separate legal obligation, TMR shall design and construct

the Marana TI Improvements and the Adonis Road Improvements in accordance with the terms of this Agreement.

a. *Adonis Road Improvements start.* TMR shall submit the design of the Adonis Road Improvements to the Town no later than 150 calendar days after the Town Engineer certifies in writing that the Town has obtained the right-of-way needed for the construction. TMR shall begin construction of the Adonis Road Improvements no later than 180 calendar days after the Town approves the design of the Adonis Road Improvements.

b. *Adonis Road Improvements completion.* Construction of the Adonis Road Improvements shall be substantially completed no later than the first anniversary of the start of construction of the Adonis Road Improvements.

c. *Marana TI Improvements start.* TMR shall begin construction of the Marana TI Improvements no later than the first anniversary of the substantial completion of construction of the Adonis Road Improvements; provided, however, that if by 30 days prior to the first anniversary the Arizona Department of Transportation, Union Pacific Railroad, Cortaro-Marana Irrigation District, or any other entity with approval authority over the Marana TI Improvements has not given approval of the Marana TI Improvements, the start of construction shall occur no later than 30 days after the date of the last such entity's approval of the Marana TI Improvements.

d. *Marana TI Improvements completion.* Construction of the Marana TI Improvements shall be substantially completed no later than the first anniversary of the start of construction of the Marana TI Improvements.

e. *Effect.* The Town will not allow occupancy of any structure authorized by The Villages of Tortolita Specific Plan other than model homes until construction of the Adonis Road Improvements and the Marana TI Improvements has begun and the Town Engineer has approved a traffic study that supports such occupancy. Model home lots may not be sold until they have been released from subdivision assurances. Once construction of the Adonis Road Improvements and the Marana TI Improvements has been completed, and until the fourth anniversary of their completion date, the Town will treat the Marana TI Improvements and the Adonis Road Improvements as having created transportation capacity for up to 400 single family residences even if the actual capacity has by that time been displaced by other development. Nothing in this paragraph shall be interpreted as the Town's waiver of other infrastructure capacity requirements. The Marana Water Department believes that existing water delivery and sewer conveyance capacity in the vicinity of the Subject Property is not sufficient for 400 single family residences without the construction of system improvements. The Parties acknowledge that water and sewer capacity issues are being addressed by separate agreements between the Parties.

4. *Effect of TMR's failure to construct.* TMR's failure to comply with the requirements set forth in paragraph 3 above triggers the Town's right to revert the Concurrent Ordinance's modifications to rezoning conditions 2 and 14 of Ordinance 2007.09, pursuant to the procedure set forth in the Concurrent Ordinance, which shall be the Town's sole remedy for TMR's failure to comply with the requirements set forth in paragraph 3 above.

5. *Marana TI Improvements and Adonis Road Improvements construction and reimbursement.* As a condition precedent to receiving Reimbursement Payments for the Marana TI Public Improvement Costs under paragraph 9 of this Agreement, and not as a separate contractual obligation, TMR shall, in conjunction with development of the Subject Property:

a. Design and construct the Marana TI Improvements in accordance with State of Arizona and Town public infrastructure construction procurement laws and procedures; and

b. Design and construct the Adonis Road Improvements; and

c. Pay all Marana TI Public Improvement Costs and Adonis Road Public Improvement Costs as they become due.

6. *Tortolita TI construction and reimbursement.* As a condition precedent to receiving Reimbursement Payments for up to half of the Tortolita TI Public Improvement Costs under paragraph 9 of this Agreement, and not as a separate contractual obligation, TMR shall, in conjunction with their development of the Subject Property:

a. Design and construct the Tortolita TI in accordance with State of Arizona and Town public infrastructure construction procurement laws and procedures; and

b. Pay all Tortolita TI Public Improvement Costs as they become due.

7. *Reimbursement amount.* The Town shall make Reimbursement Payments to TMR for the Marana TI Public Improvement Costs and up to half of the Tortolita TI Public Improvement Costs pursuant to paragraph 9 below. In no event shall interest accrue on any costs reimbursed by the Town pursuant to this Agreement. TMR shall submit to the Town quarterly statements showing the actual Marana TI Public Improvement Costs and Tortolita TI Public Improvement Costs incurred and paid to date. Quarterly statements shall be provided until (i) the total amount of all Reimbursement Payments to TMR equals the Marana TI Public Improvement Costs plus half of the Tortolita TI Public Improvement Costs or (ii) the 30th anniversary of the Effective Date, whichever first occurs. Within 60 days thereafter, TMR shall provide a final statement to the Town. TMR shall provide the Town with invoices or other backup information reasonably requested by the Town to confirm the accuracy of TMR's quarterly statement of costs and contributions or credits.

8. *Reimbursement Account.* Beginning with the first Construction Sales Tax Revenues generated from the Marana TI Improvements, the Adonis Improvements, and the development of the Subject Property; subject to the limitations of paragraph 10 below; and ending upon the expiration of this Agreement; the Town shall deposit into the Reimbursement Account all of the following:

a. The Construction Sales Tax Revenues as they are received from the Arizona Department of Revenue; and

b. The Proportionate DIF Collections as they are received from all payers of the Northwest Marana Roadway Development Impact Fee.

9. *Reimbursement Payments.* Within the first 30 days of each calendar quarter, the Town shall pay TMR all funds in the Reimbursement Account ("Reimbursement Payments"). Reimbursement Payments shall begin the first calendar quarter after all of the following have occurred: (a) TMR has incurred Marana TI Public Improvement Costs; (b) TMR has submitted the first quarterly statement pursuant to paragraph 7 above; and (c) the Town has received Construction Sales Tax

Revenues generated by the Marana TI Improvements, the Adonis Improvements, or by improvements constructed on the Subject Property. Any funds accrued in the Reimbursement Account and owed to TMR for the Marana TI Public Improvement Costs and half of the Tortolita TI Public Improvement Costs but not yet disbursed to TMR upon the expiration of this Agreement shall be paid to TMR within 30 days after the expiration of this Agreement.

10. *Accounting of Reimbursement Payments*. The following accounting rules apply to the Reimbursement Account and Reimbursement Payments:

a. *Accounting of Proportionate DIF Collections.* Under all circumstances:

i. Marana Roadway Development Impact Fee collections which are attributable to the Marana TI Improvements will be accounted toward repayment of the Marana TI Public Improvement Costs; and

ii. Marana Roadway Development Impact Fee collections which are attributable to the Tortolita TI will be accounted toward repayment of half of the Tortolita TI Public Improvement Costs.

b. *Order of application of Construction Sales Tax Revenues*. All Construction Sales Tax Revenues shall be applied first to repayment of the Marana TI Public Improvement Costs and then to repayment of half of the Tortolita TI Public Improvement Costs.

c. *Termination of development impact fees*. When the Marana TI Public Improvement Costs have been fully paid, the Town will cease Northwest Marana Roadway Development Impact Fee collections attributable to the Marana TI Improvements. When half of the Tortolita TI Public Improvement Costs have been paid, the Town will cease Northwest Marana Roadway Development Impact Fee collections attributable to the Tortolita TI.

d. *Effect of Tortolita TI construction delay*. If the Tortolita TI Obligation Date has not yet occurred when the total funds deposited into the Reimbursement Account equal the Marana TI Public Improvement Costs,

i. the Town will stop making deposits into the Reimbursement Account; and

ii. the Town will treat all Construction Sales Tax Revenues as general revenues of the Town and not subject to the Town's reimbursement obligations to TMR under this Agreement until the Tortolita TI Obligation Date.

e. *Deposits after Tortolita TI Obligation Date*. If the Town has stopped depositing Construction Sales Tax Revenues into the Reimbursement Account by operation of subparagraph 10.d above, the Town shall re-commence deposit of Construction Sales Tax Revenues into the Reimbursement Account beginning with the first Construction Sales Tax Revenues received from the Arizona Department of Revenue after the Tortolita TI Obligation Date. All Construction Sales Tax Revenues received while deposits were not being made into the Reimbursement Account are general revenues of the Town and not subject to the Town's reimbursement obligations to TMR under this Agreement.

11. *Effect of loss of Construction Sales Tax Revenues*. If the laws of the State of Arizona are revised in a way that reduces or eliminates Construction Sales Tax Revenues, the Town shall make deposits into the Reimbursement Account from such funding, if any, that the Town receives under then-existing laws of the State of Arizona to replace the reduced or eliminated Construction Sales Tax Revenues, in an amount that is proportional, in the Town's Finance Director's reasonable

opinion, to the Construction Sales Tax Revenues that the Town would have received if the laws of the State of Arizona had not been so revised.

12. *No Town representation of sufficiency of Reimbursement Payments*. TMR acknowledges and understands that the amount of the Construction Sales Tax Revenues depends on many factors and may be insufficient to pay all of the Marana TI Public Improvement Costs and half of the Tortolita TI Public Improvement Costs.

13. *Development impact fees for Tortolita TI*. The Town must amend the Road Facilities Infrastructure Improvements Plan associated with the Town's Northwest Marana Roadway Development Impact Fee to include the Tortolita TI no later than the first anniversary of the Tortolita TI Obligation Date.

14. *Owners' audit*. Not more than once each calendar year, TMR may, at its own cost, audit Town sales tax returns and other appropriate financial records of the Town to assure prompt and accurate deposit into the Reimbursement Account of all revenues as required pursuant to this Agreement. TMR's audit authorized by this paragraph shall be subject to all applicable laws that may prohibit or limit the dissemination or use of transaction privilege tax and related information. Before TMR's audit occurs, TMR shall obtain and provide to the Town written waivers of confidentiality sufficient to satisfy the requirements of Arizona Revised Statutes § 42-2003(A)(6) from each taxpayer whose sales tax returns and other financial records are provided by the Town in connection with the audit.

15. *Annual report*. Within 45 days following the end of each Town fiscal year, the Town shall deliver to TMR a report of all Construction Sales Tax Revenues which have been utilized by the Town in determining the amount deposited into the Reimbursement Account. The report shall be restricted to information that may be released by the Town without violating applicable laws that may prohibit or limit the dissemination or use of transaction privilege tax and related information. The report will not contain information capable of identifying confidential information of any particular taxpayer unless and until TMR has obtained and provided to the Town written waivers of confidentiality sufficient to satisfy the requirements of Arizona Revised Statutes § 42-2003(A)(6) from each taxpayer whose confidential information is revealed in the report.

16. *Limitations*. During the Term of this Agreement, the Town shall not enter into any agreement or transaction which impairs the Town's ability to make Reimbursement Payments or the rights of TMR under this Agreement, including, without limitation, the right to receive the Reimbursement Payments and the proceeds of the Reimbursement Account in accordance with the procedures established in this Agreement.

17. *Contractor and subcontractor disaggregation of tax information for the Subject Property; release of tax information*. TMR shall require each contractor and subcontractor responsible for the payment of Construction Sales Tax Revenues to separately report construction sales tax attributable to the Subject Property, the Marana TI Improvements, the Adonis Road Improvements, and the Tortolita TI. TMR shall exercise reasonable efforts to obtain from each contractor and subcontractor doing work attributable to the Subject Property, the Marana TI Improvements, the Adonis Road Improvements, or the Tortolita TI a consent to release of tax information in a form reasonably acceptable to the Town. If the separate report required by this paragraph is not provided to the Town, the Town shall make a reasonable estimate of Construction Sales Tax Revenues based on all information available to the Town, including information provided by TMR, and the good faith certification by the Town's Finance Director shall be considered final and binding upon TMR.

The final certification of the Town's Finance Director shall be subject to all applicable laws that may prohibit or limit the dissemination or use of transaction privilege tax and related information.

18. *Water amenities.* TMR may, in its sole and absolute direction, elect to design, construct and develop recreational lakes, water features, and other compatible improvement and amenities (the "Water Amenities"). The Town supports the concept of providing Water Amenities to current and future residents of the Town, so long as TMR provides the permanent water resources necessary for any and all Water Amenities, and that those water resources shall not include treated effluent from the Subject Property (all of which the Town requires for its long-term water resource obligations, separate from and not including any Water Amenities). The Town recognizes the public value created by incorporating Water Amenities into neighborhood and commercial centers of the Town. The Parties acknowledge that future agreements may be necessary to address regulatory, permitting, design, management, and ownership aspects of the Water Amenities. As development of the Subject Property progresses, the Parties agree to cooperate in identifying all agreements necessary to develop the Water Amenities. TMR acknowledges and agrees that any future agreement relating to Water Amenities is subject to federal, state, and county regulatory requirements and approvals and as such would be would be subject to the approval by the Town Council in its sole and absolute discretion.

19. *CFD application fee.* The Town acknowledges receipt of payment of an application fee for a community facilities district (CFD) on the Subject Property pursuant to the Town's CFD policy as it existed at the time the fee was paid. The Town agrees not to charge any additional fees for the Town's consideration of the creation of the first CFD for the Subject Property, and TMR agrees not to seek a refund of fees already paid.

20. *Other future economic incentives.* The absence of language in this Agreement to address a particular form or type of economic incentive is not intended to imply that no such economic incentives will be available or forthcoming. On the contrary, the Parties anticipate that future economic incentives will be the subject of future agreements or amendments to this Agreement if and when the Parties determine the economic incentives are necessary or beneficial (i) to induce one or more retail business facilities to locate on the Subject Property, (ii) to assist in the creation or retention of jobs, and/or (iii) to otherwise improve or enhance the economic welfare of the Town's inhabitants.

21. *Term.* This Agreement shall become effective (the "Effective Date") upon the later of (i) its date of recording pursuant to paragraph 33 below and (ii) the effective date of the Concurrent Ordinance. The term of this Agreement shall begin on the Effective Date and, unless sooner terminated by the mutual consent of the Parties, shall automatically terminate and shall thereafter be void for all purposes on the 30th anniversary of the Effective Date. The Town's reimbursement obligations under paragraph 9 above shall terminate on the earlier of (i) the date the Town has reimbursed TMR for all of the Marana TI Public Improvement Costs and half of the Tortolita TI Public Improvement Costs or (ii) the 30th anniversary of the Effective Date.

22. *Maintenance*. Once the Marana TI Improvements and the Adonis Road Improvements are completed by TMR and accepted by the Town, and the one-year warranty applicable to each has expired, the Town shall have full maintenance responsibility for the Marana TI Improvements and the Adonis Road Improvements. The Parties anticipate that the Arizona Department of Transportation will have full maintenance responsibility for the Tortolita TI after it is completed by TMR

and accepted by the Arizona Department of Transportation, and the one-year warranty applicable to its construction has expired.

23. *Development regulations*. The Subject Property shall be governed by The Villages of Tortolita Specific Plan and this Agreement. The Marana Land Development Code, including the written rules, regulations, substantive procedures, and policies relating to development of land, adopted or approved by the Mayor and Council (collectively the "Marana Development Code") in effect on the Effective Date shall apply to the extent not covered by The Villages of Tortolita Specific Plan or this Agreement. The requirements of this paragraph are collectively referred to as the "Development Regulations." In the event of any express conflict, the following rules shall apply:

a. The Villages of Tortolita Specific Plan as amended by the Concurrent Ordinance shall control over the terms of the Marana Development Code on all matters.

b. The Villages of Tortolita Specific Plan as amended by the Concurrent Ordinance and the Marana Development Code shall control over the terms of this Agreement as to any zoning or other legislative matter.

c. This Agreement shall control over the terms of The Villages of Tortolita Specific Plan as amended by the Concurrent Ordinance and the Marana Development Code as to any administrative or procedural matter.

24. *Development review*. The Subject Property shall be developed in a manner consistent with the Development Regulations and this Agreement, which together establish the basic land uses, and the densities, intensities and development regulations that apply to the land uses authorized for the Subject Property. Upon the Villages of Tortolita Landowners' compliance with the applicable development review and approval procedures and substantive requirements of the Development Regulations, the Town agrees to issue such permits or approvals for the Subject Property as may be requested by the Villages of Tortolita Landowners.

25. *Permit and review fee waiver*. The Town will waive all Town plan review fees and inspection and construction permit fees for the Marana TI Improvements, the Adonis Road Improvements, and the Tortolita TI. TMR will be responsible to pay all applicable fees to other government entities, including the Arizona Department of Transportation.

26. *Town review and approval of plans*. Except as expressly provided in this Agreement, the development and construction of the Marana TI Improvements, the Adonis Road Improvements, and the Tortolita TI are subject to the Town's normal plan submittal, review and approval procedures and construction inspection requirements.

27. *Development impact fees*. Nothing in this Agreement shall be construed as a waiver or reduction of development impact fees properly adopted by the Town pursuant to A.R.S. § 9-463.05 and applicable to the Subject Property.

28. *No partnership or joint venture*. Nothing in this Agreement shall be understood or construed to create or imply a partnership or joint venture between or among TMR, the Town, and any of the Other Property Owners.

29. *Other development agreements*. Subject to the limitations set forth in paragraph 16 above, nothing in this Agreement shall preclude the Other Property Owners from entering into one or

more development agreements with the Town to facilitate development on the real property owned by the Other Property Owners.

30. *Effect on other properties; exercise of eminent domain.* This Agreement shall not be construed to convey any interest in real property owned by the Other Property Owners to TMR, nor shall it be construed to obligate TMR to construct any improvements on real property owned by the Other Property Owners. If TMR and the Town mutually determine that acquisition of third-party property rights are necessary and appropriate for the construction of public infrastructure contemplated by this Agreement or by The Villages of Tortolita Specific Plan as amended by the Concurrent Ordinance, TMR will use commercially reasonable efforts to acquire the third-party property rights. TMR shall not construct public infrastructure requiring acquisition of third-party property rights until either (i) TMR has acquired the necessary third-party property rights pursuant to this paragraph or, (ii) the Town has obtained possession of the necessary third-party property rights by eminent domain, which the Town shall exercise by filing a condemnation lawsuit in the Superior Court of the county where the third-party property rights are located within 180 days after TMR advises the Town in writing that it has been unable to obtain the necessary third-party property rights. If the Town exercises its power of eminent domain pursuant to this paragraph, TMR shall pay all of the Town's costs of condemnation, including but not limited to the condemnation award to the property owners, costs of litigation, and the Town's reasonable attorneys' fees. If the Town settles a condemnation lawsuit, TMR shall pay the settlement costs, provided that those costs do not exceed the higher of (a) 120% of the appraised value of the third-party property rights acquired or (b) an amount approved by TMR.

31. *Cooperation and alternative dispute resolution.*

a. *Appointment of representatives.* To further the commitment of the Parties to cooperate in the development of the Subject Property and the construction of the public improvements discussed in this Agreement, the Town and TMR each shall designate and appoint a representative to act as a liaison between the Town and its various departments and TMR. The initial representative for the Town (the "Town Representative") shall be the Town Manager, and the initial representative for TMR shall be Michael B. Zipprich or a replacement to be selected by TMR. The representatives shall be available at all reasonable times to discuss and review the performance of the Parties in the development of the Subject Property and the construction of the public improvements discussed in this Agreement.

b. *Non-performance; remedies.* If any Party does not perform under this Agreement (the "Non-Performing Party") with respect to any of that Party's obligations under this Agreement, any other Party (the "Demanding Party") shall be entitled to give written notice in the manner prescribed in paragraph 32 below to the Non-Performing Party, which notice shall state the nature of the non-performance claimed and make demand that such non-performance be corrected. The Non-Performing Party shall then have (i) 15 days from the date of the notice within which to correct the non-performance if it can reasonably be corrected by the payment of money, or (ii) 30 days from the date of the notice to cure the non-performance if action other than the payment of money is reasonably required, or if the non-monetary non-performance cannot reasonably be cured within 30 days, then such longer period as may be reasonably required, provided and so long as the cure is promptly commenced within 30 days and thereafter diligently prosecuted to completion. If any non-performance is not cured within the applicable time period set forth in this paragraph, then the Demanding Party shall be entitled to begin the mediation and arbitration proceedings set forth in this paragraph. The Parties agree that due to

the size, nature and scope of the Subject Property and the construction of the public improvements discussed in this Agreement, and due to the fact that it may not be practical or possible to restore the property to its condition prior to TMR's development and improvement work, once implementation of this Agreement has begun, money damages and remedies at law will likely be inadequate and that specific performance will likely be appropriate for the non-performance of a covenant contained in this Agreement. This paragraph shall not limit any contract or other rights, remedies, or causes of action that any Party may have at law or in equity.

c. *Mediation.* If there is a dispute under this Agreement which the Parties cannot resolve between themselves, the Parties agree that there shall be a 45-day moratorium on arbitration during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of arbitration. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by TMR and the Town. If the Parties cannot agree upon the selection of a mediator within seven days, then within three days thereafter the Town and TMR shall request the presiding judge of the Superior Court in and for the County of Pima, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five years' experience in mediating or arbitrating disputes relating to real estate development. The cost of any such mediation shall be divided equally between the Town and TMR. The results of the mediation shall be nonbinding on the Parties, and any Party shall be free to initiate arbitration after the moratorium.

d. *Arbitration.* After mediation, as provided for in subparagraph 31.c above, any dispute, controversy, claim or cause of action arising out of or relating to this Agreement shall be settled by submission of the matter by both Parties to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-501 *et seq.*, and judgment upon the award rendered by the arbitrator(s) may be entered in a court having jurisdiction.

32. *Notices.* All notices, requests and other communications under this Agreement shall be given in writing and either (i) personally served on the party to whom it is given, or (ii) mailed by registered or certified mail, postage prepaid, return receipt requested, or (iii) sent by private overnight courier such as Federal Express or Airborne, addressed as follows:

If to the Town:

TOWN OF MARANA
11555 W. Civic Center Drive, Bldg. A3
Marana, Arizona 85653-7006
Telephone: (520) 382-1900

If to TMR:

TMR INVESTORS, LLC
7377 E. Doubletree Ranch Rd., Suite 190
Scottsdale, AZ 85258
Attn: Michael B. Zipprich
Telephone: (480) 947-5900

All notices shall be deemed given when delivered or, if mailed as provided above, on the second day after the day of mailing, and if sent by overnight courier, on the next day after the date of

deposit with the courier. Any party may change its address for the receipt of notices at any time by giving written notice thereof to the other parties in accordance with the terms of this section. The inability to deliver notice because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the effective receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept.

33. *Recordation.* After this Agreement has been executed by the Parties, the Town shall, as concurrently as reasonably possible, record this Agreement in the offices of the Pima County Recorder and the Pinal County Recorder. If recording does not occur on the same day, the date of recording for purposes of this Agreement shall be the later of the two recording dates. To facilitate concurrent recording of this Agreement, the Parties may sign two identical originals of this Agreement.

34. *Miscellaneous.*

a. This Agreement may not be modified except in a writing signed by the Parties.

b. Time is of the essence of this Agreement.

c. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona, and any lawsuit to enforce any provision of this Agreement or to obtain any remedy with respect to this Agreement shall be brought in the Pima County Superior Court, and for this purpose the Parties expressly and irrevocably consent to the jurisdiction of the Pima County Superior Court.

d. If any Party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and costs consistent with A.R.S. § 12-341.01.

e. This Agreement may be executed in identical counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages and this Agreement may be executed by the affixing of the signature pages, and all of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all the signers had signed a single signature page.

f. Exhibits referred to in and attached to this Agreement are incorporated by reference as if set forth in full in the text of this Agreement.

g. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors in interest and assigns; provided, however, that (i) upon the conveyance of all of TMR's holdings in the Subject Property to a single grantee, TMR shall automatically be released from any further obligation or liability under this Agreement and this Agreement shall thereafter bind the grantee; and (ii) in no event shall this Agreement be binding on or burden the property of a purchaser of a home on the Subject Property.

h. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last date set forth below their respective signatures, with an Effective Date determined as set forth in paragraph 21 above.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: 4-3-18

ATTEST:

_____
Jocelyn C. Bronson, Town Clerk

APPROVED AS TO FORM:

_____
Frank Cassidy, Town Attorney

"TMR":

TMR INVESTORS, LLC, an Arizona limited liability company ("TMR")
By: TMR MANAGEMENT, LLC, an Arizona limited liability company, its Manager
By: ZIPPRICH GROUP, LLC, an Arizona limited liability company, its Member

By: _____
Michael B. Zipprich, Manager

Date: 02/21/2018

By: INCA CAPITAL I, LLC, an Arizona limited liability company, its Member

By: _____
William Cleverly, Manager

Date: 02/22/18

STATE OF ARIZONA)
ss
County of Maricopa)

The foregoing instrument was acknowledged before me on February 21, 2018 by Michael B. Zipprich, Manager of ZIPPRICH GROUP, LLC, an Arizona limited liability company, a Member of TMR MANAGEMENT, LLC, an Arizona limited liability company, Manager of TMR INVESTORS, LLC, an Arizona limited liability company, on behalf of TMR.

(Seal)

CHARLES LINDGREN
Notary Public - Arizona
Maricopa County
My Comm. Expires Apr 29, 2019

_____
Notary Public

STATE OF ARIZONA)
ss
County of Maricopa)

The foregoing instrument was acknowledged before me on February 22, 2018 by William Cleverly, Manager of INCA CAPITAL I, LLC, an Arizona limited liability company, a Member of

TMR MANAGEMENT, LLC, an Arizona limited liability company, Manager of TMR INVESTORS, LLC, an Arizona limited liability company, on behalf of TMR.

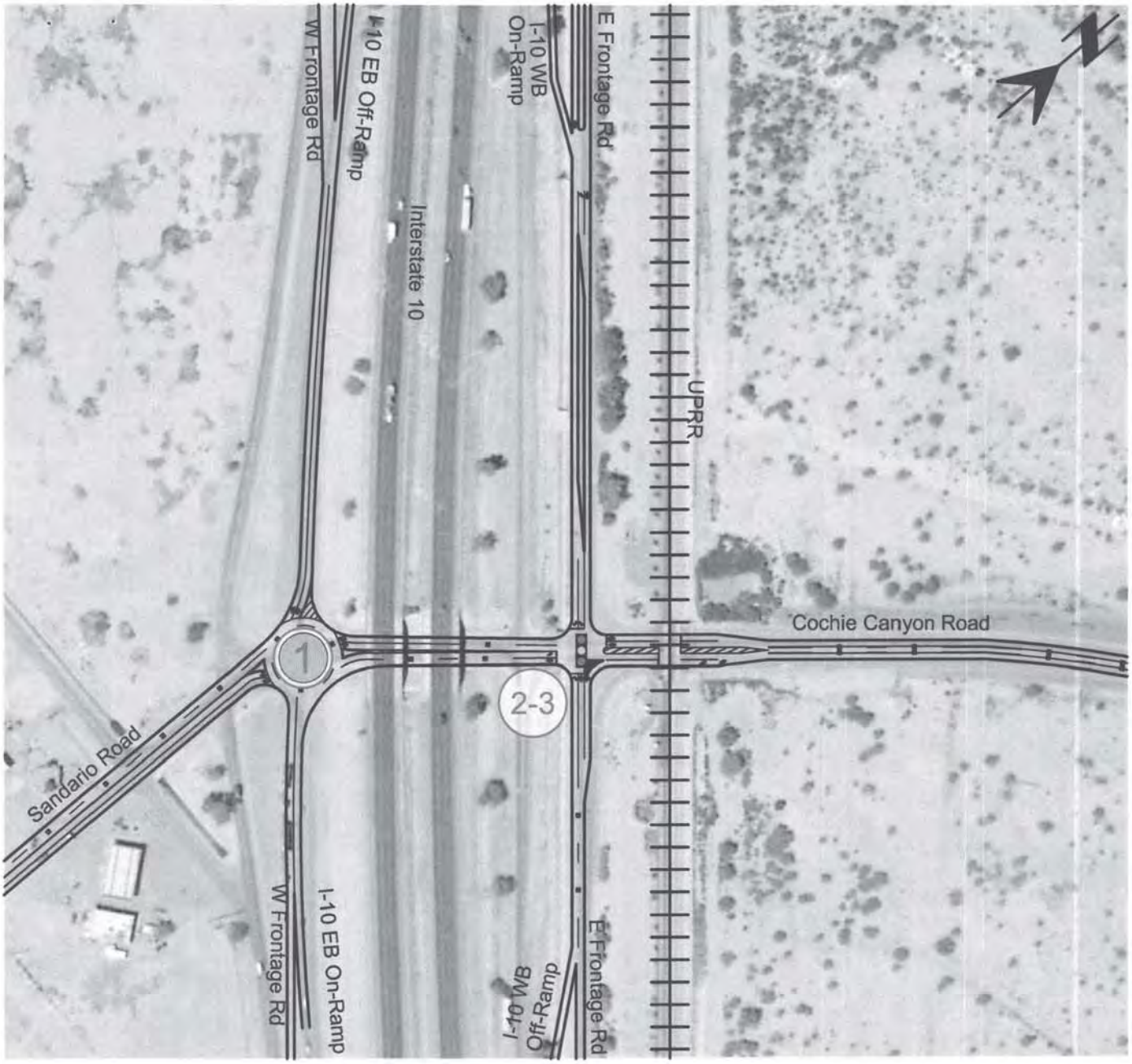
(Seal)

Pamela J. Harris
Notary Public - Arizona
Maricopa County
My Commission Expires
July 24, 2020

Notary Public

LIST OF EXHIBITS

Exhibit A	Detailed description of the Marana TI Improvements
Exhibit B	Detailed description of the Adonis Road Improvements
Exhibit C	Form of Waiver to be signed by the Other Property Owners



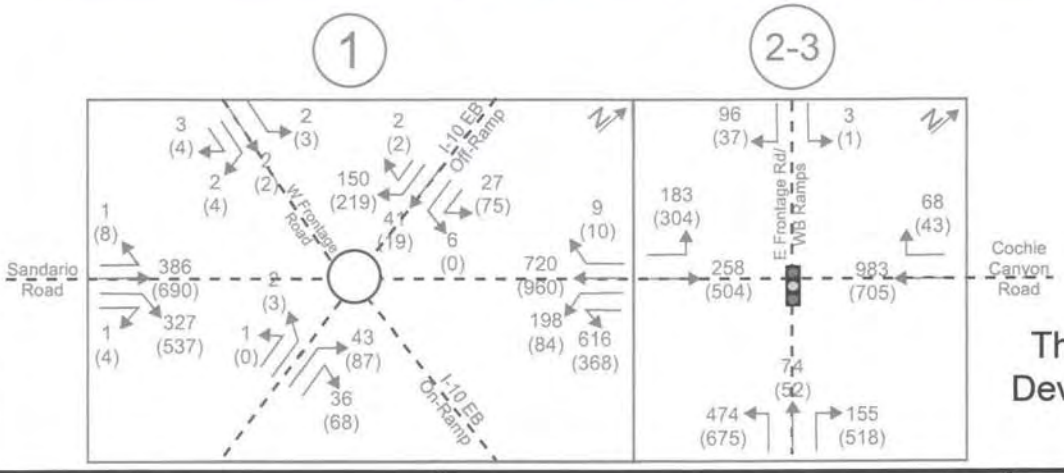


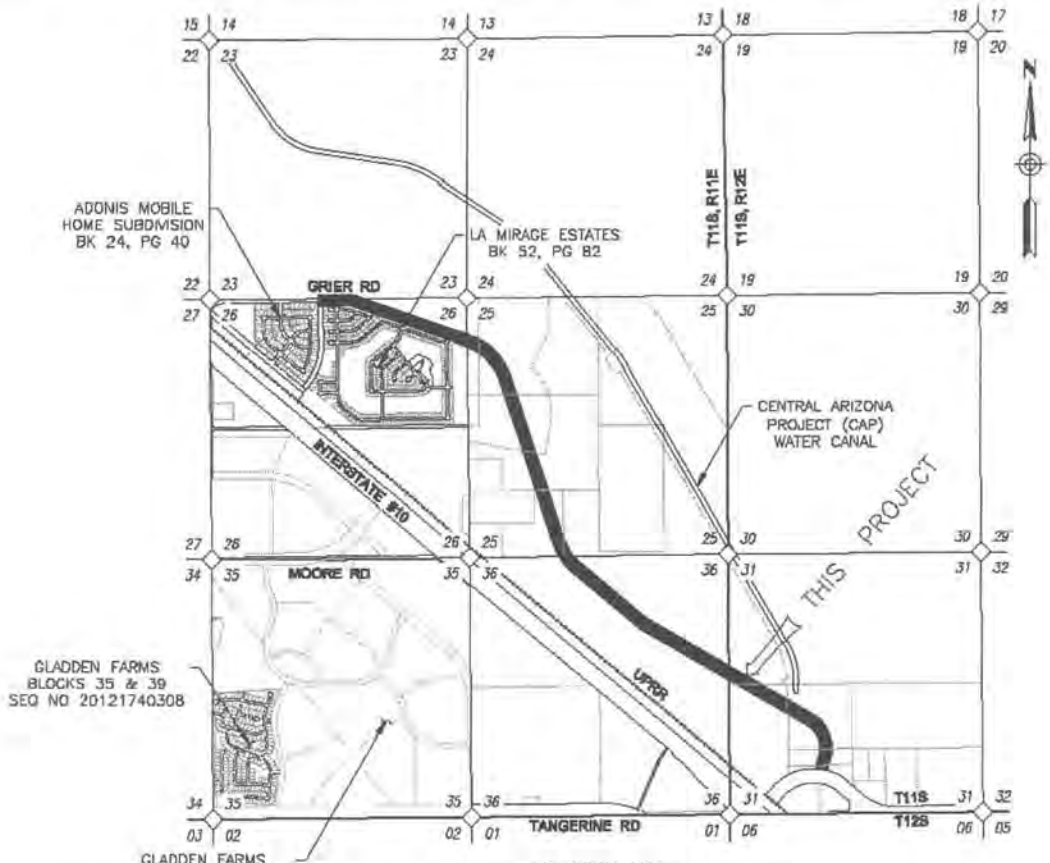
Exhibit A to
The Villages of Tortolita
Development Agreement

VILLAGES OF TORTOLITA - MARANA TI EVALUATION	FIGURE 5. SCENARIO 3 TRAFFIC VOLUMES	PSOMAS JULY 2017

Exhibit B to The Villages of Tortolita Development Agreement

Description of the Adonis Road Improvements

1. A minimum two-inch asphalt road on a six-inch aggregate base, subject to findings from a geotechnical report.
2. A 30-foot wide pavement cross-section.
3. Drainage crossings will be handled at-grade with concrete header curbing three feet deep or to scour depth, and with a design that includes armored drainage crossings, and compliance with all town, state and federal regulations pertaining to roadway design.
4. Alignment per "Right-of-Way Plans for Adonis Road Grier Road to Tangerine Road" prepared by Dibble Engineering, as follows:



LOCATION MAP

A PORTION OF SECTIONS 25, 26 & 36, TOWNSHIP 11 SOUTH, RANGE 11 EAST, AND A PORTION OF SECTION 31, TOWNSHIP 11 SOUTH, RANGE 12 EAST, G&SRM, PIMA COUNTY, ARIZONA

LAT: 32° 26' 06.01" N
LONG: -111° 10' 09.21" W
3" = 1 MILE

WAIVER OF CLAIMS FOR POSSIBLE DIMINUTION OF VALUE RESULTING FROM TOWN OF MARANA ORDINANCE NO. 2007.09 (ADOPTING THE VILLAGES OF TORTOLITA SPECIFIC PLAN) AND TOWN OF MARANA ORDINANCE NO. 2017.___ (AMENDING THE CONDITIONS OF APPROVAL OF THE VILLAGES OF TORTOLITA SPECIFIC PLAN AND APPROVING THE VILLAGES OF TORTOLITA DEVELOPMENT AGREEMENT)

The undersigned (the "Owner") owns an interest in a portion of the "Subject Property," which is the land that is the subject of The Villages of Tortolita Specific Plan adopted by Marana Ordinance No. 2007.09 ("Ordinance 2007.09"), recorded in the Pima County Recorder's office at Docket 13067, Page 1240 (Sequence 20071060205). The Subject Property is depicted and legally described in Exhibit A and Exhibit B to Ordinance 2007.09.

On November 7, 2017, the Marana Town Council is scheduled to consider the adoption of Marana Ordinance No. 2017.___ (the "Concurrent Ordinance"). If adopted, the Concurrent Ordinance will approve The Villages of Tortolita Development Agreement and will modify certain conditions of Ordinance 2007.09. The modifications include a provision that would allow TMR INVESTORS, LLC ("TMR"), the owner of most of the Subject Property, to construct up to 1,000 homes on the Subject Property before the construction of the new Tortolita traffic interchange, proposed to be constructed at about milepost 233 on Interstate 10—approximately three miles northwest of the existing Marana traffic interchange. The Villages of Tortolita Development Agreement allows TMR to be reimbursed up to half of the costs of designing and constructing the new Tortolita traffic interchange. As a condition of the modification and the reimbursement, TMR is required to design and construct transportation infrastructure improvements to the existing Marana traffic interchange and roadway improvements referred to as the Adonis Road Improvements in The Villages of Tortolita Development Agreement.

The Owner hereby acknowledges receipt of pre-adoption drafts of the Concurrent Ordinance and The Villages of Tortolita Development Agreement, and further acknowledges that the Owner was given the opportunity to delay signing this waiver until after the Marana Town Council's adoption of the Concurrent Ordinance.

The Owner hereby agrees and consents to Ordinance 2007.09 as amended by the Concurrent Ordinance, including all stipulations adopted by the Marana Town Council in conjunction with Ordinance 2007.09 as amended by the Concurrent Ordinance.

The Owner waives any right to compensation for diminution in value pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the approval of Ordinance 2007.09 or the Concurrent Ordinance, or as a result of the approval and execution of The Villages of Tortolita Development Agreement.

The Owner acknowledges that the Concurrent Ordinance may be modified by the Town Council, in its sole discretion, prior to its approval. The Owner agrees and understands that its

waiver of claims as set forth in this Waiver shall be deemed to extend to cover any amendments to the Concurrent Ordinance approved by the Town Council unless, not later than 48 hours following the Town Council's approval of the Concurrent Ordinance, the Owner notifies the Town Clerk, in writing, of the Owner's disagreement with the amendment. If the Owner timely notifies the Town Clerk of such disagreement, the Owner shall not be deemed to have waived claims with respect only to the amendments; provided, however, that the Town may then rescind the Concurrent Ordinance, and if so rescinded, this Waiver shall act as a bar to a claim for diminished value based upon rescission of the Concurrent Ordinance.

This instrument shall not be effective and shall be of no further force and effect if the Town Council disapproves the Concurrent Ordinance.

The Owner also consents to the recording of this document in the office of the Pima County Recorder [change to Pinal County Recorder for portions of the Subject Property located in Pinal County], to give notice of this instrument and its effects to successors in interest of the Subject Property, who shall also be bound by it.

Dated this ___ day of _____, 2017.

The "OWNER":

[ENTITY OR PERSON'S NAME], [entity or person's type; for example, "an Arizona limited liability company"]

By: _____
[Signer's name and title]

STATE OF _____)
) ss
County of _____)

The foregoing instrument was acknowledged before me on [Date], 2017, by [Signer's name and title] of [ENTITY OR PERSON'S NAME], [entity or person's type], on its behalf.

(Seal)

_____
Notary Public

Exhibit M

The Villages of Tortolita Community Facilities District
Estimated Assessed Valuation Build-Up

The Villages of Tortolita
Community Facilities District
Estimated Assessed Valuation Build-Up

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Single Family																						
Absorption	-	100	175	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	175	114
Cumulative	-	100	275	575	875	1,175	1,475	1,775	2,075	2,375	2,675	2,975	3,275	3,575	3,875	4,175	4,475	4,775	5,075	5,375	5,550	5,664
Avenge Unit Price	$ -	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000
Single Family Sales	$ -	$ 26,000,000	$ 45,500,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 45,500,000	$ 29,640,000
Commercial																						
Absorption - EDUs	-	-	-	-	-	165	165	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative	-	-	-	-	-	165	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330
Avenge EDU Price	$ -	$ -	$ -	$ -	$ -	$ 260,000	$ 260,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commercial Sales	$ -	$ -	$ -	$ -	$ -	$ 42,944,715	$ 42,944,715	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total																						
Absorption	-	100	175	300	300	465	465	300	300	300	300	300	300	300	300	300	300	301	302	303	179	119
Cumulative	-	100	275	575	875	1,340	1,805	2,105	2,405	2,705	3,005	3,305	3,605	3,905	4,205	4,505	4,805	5,106	5,408	5,711	5,890	6,009
Avenge Unit Price	$ -	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 260,000	$ 259,136	$ 258,278	$ 257,426	$ 254,190	$ 249,076
Total Sales	$ -	$ 26,000,000	$ 45,500,000	$ 78,000,000	$ 78,000,000	$ 120,944,715	$ 120,944,715	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 45,500,000	$ 29,640,000
Cumulative	$ -	$ 26,000,000	$ 71,500,000	$ 149,500,000	$ 227,500,000	$ 348,444,715	$ 469,389,430	$ 547,389,430	$ 625,389,430	$ 703,389,430	$ 781,389,430	$ 859,389,430	$ 937,389,430	$ 1,015,389,430	$ 1,093,389,430	$ 1,171,389,430	$ 1,249,389,430	$ 1,327,389,430	$ 1,405,389,430	$ 1,483,389,430	$ 1,528,889,430	$ 1,558,529,430
Added to Tax Roll																						
Single Family Value	$ -	6,500,000	24,375,000	48,750,000	69,875,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	69,875,000	49,660,000
Commercial Value	-	-	-	-	-	10,736,179	32,208,536	32,208,536	10,736,179	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Value	$ -	$ 6,500,000	$ 24,375,000	$ 48,750,000	$ 69,875,000	$ 88,736,179	$ 110,208,536	$ 110,208,536	$ 88,736,179	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 78,000,000	$ 69,875,000	$ 49,660,000
Cumulative Total Value	$ -	$ 6,500,000	$ 30,875,000	$ 79,625,000	$ 149,500,000	$ 238,236,179	$ 348,444,715	$ 458,653,251	$ 547,389,430	$ 625,389,430	$ 703,389,430	$ 781,389,430	$ 859,389,430	$ 937,389,430	$ 1,015,389,430	$ 1,093,389,430	$ 1,171,389,430	$ 1,249,389,430	$ 1,327,389,430	$ 1,405,389,430	$ 1,475,264,430	$ 1,524,924,430
Cumulative Units on Tax Roll (1)	-	25	119	306	575	916	1,340	1,764	2,105	2,405	2,705	3,005	3,305	3,605	3,905	4,205	4,505	4,806	5,107	5,409	5,680	5,875
Assessed Value	-	409,500	1,535,625	3,071,250	4,402,125	6,131,483	8,566,448	8,566,448	6,131,483	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,914,000	4,402,125	3,128,580
Existing Undeveloped AV (2)	$ 34,020	$ 34,020	$ 32,459	$ 30,757	$ 29,054	$ 26,414	$ 23,774	$ 22,071	$ 20,369	$ 18,666	$ 16,964	$ 15,261	$ 13,558	$ 11,856	$ 10,153	$ 8,451	$ 6,748	$ 5,040	$ 3,326	$ 1,606	$ 590	$ (85)
Total AV	$ 34,020	$ 443,520	$ 1,568,084	$ 3,102,007	$ 4,431,179	$ 6,157,897	$ 8,590,222	$ 8,588,519	$ 6,151,852	$ 4,932,666	$ 4,930,964	$ 4,929,261	$ 4,927,558	$ 4,925,856	$ 4,924,153	$ 4,922,451	$ 4,920,748	$ 4,919,040	$ 4,917,326	$ 4,915,606	$ 4,402,715	$ 3,128,495
Total Cumulative AV	$ 34,020	$ 443,520	$ 1,977,584	$ 5,047,132	$ 9,447,554	$ 15,576,397	$ 24,140,205	$ 32,704,950	$ 38,834,730	$ 43,747,028	$ 48,659,325	$ 53,571,622	$ 58,483,920	$ 63,396,217	$ 68,308,515	$ 73,220,812	$ 78,133,109	$ 83,045,401	$ 87,957,687	$ 92,869,967	$ 97,271,077	$ 100,398,981
Cumulative Debt Service (3)	$ 1,374	$ 17,907	$ 79,845	$ 203,778	$ 381,445	$ 628,897	$ 974,661	$ 1,320,462	$ 1,567,952	$ 1,766,286	$ 1,964,620	$ 2,162,954	$ 2,361,288	$ 2,559,622	$ 2,757,956	$ 2,956,290	$ 3,154,624	$ 3,352,958	$ 3,551,292	$ 3,749,625	$ 3,927,320	$ 4,053,609
Annual Debt Service (3)	$ 1,374	$ 17,907	$ 63,311	$ 125,244	$ 178,909	$ 248,625	$ 346,830	$ 346,761	$ 248,381	$ 199,156	$ 199,088	$ 199,019	$ 198,950	$ 198,881	$ 198,813	$ 198,744	$ 198,675	$ 198,606	$ 198,537	$ 198,468	$ 177,760	$ 126,313
O&M Funds	$ 102	$ 1,331	$ 5,933	$ 15,141	$ 28,343	$ 46,729	$ 72,421	$ 98,115	$ 116,504	$ 131,241	$ 145,978	$ 160,715	$ 175,452	$ 190,189	$ 204,926	$ 219,662	$ 234,399	$ 249,136	$ 263,873	$ 278,610	$ 291,813	$ 301,197
Total Payment	$ 1,476	$ 19,238	$ 85,778	$ 218,919	$ 409,788	$ 675,626	$ 1,047,081	$ 1,418,577	$ 1,684,456	$ 1,897,527	$ 2,110,598	$ 2,323,669	$ 2,536,740	$ 2,749,811	$ 2,962,882	$ 3,175,953	$ 3,389,024	$ 3,602,094	$ 3,815,165	$ 4,028,235	$ 4,219,133	$ 4,354,806
Potential Cumulative Bonding Capacity (4)	$ 19,359	$ 252,382	$ 1,125,331	$ 2,872,035	$ 5,376,065	$ 8,863,640	$ 13,736,815	$ 18,610,523	$ 22,098,632	$ 24,893,940	$ 27,689,249	$ 30,484,557	$ 33,279,866	$ 36,075,174	$ 38,870,483	$ 41,665,791	$ 44,461,100	$ 47,256,405	$ 50,051,707	$ 52,847,006	$ 55,351,426	$ 57,131,339
Cumulative Proceeds	$ 18,197	$ 237,239	$ 1,057,811	$ 2,699,713	$ 5,053,501	$ 8,331,821	$ 12,912,606	$ 17,493,392	$ 20,772,714	$ 23,400,304	$ 26,027,894	$ 28,655,484	$ 31,283,074	$ 33,910,664	$ 36,538,254	$ 39,165,844	$ 41,793,434	$ 44,421,021	$ 47,048,605	$ 49,676,186	$ 52,030,341	$ 53,703,458
Potential Annual Bonding Capacity (4)	$ 19,359	$ 252,382	$ 892,307	$ 1,765,175	$ 2,521,531	$ 3,504,108	$ 4,888,206	$ 4,887,237	$ 3,500,668	$ 2,806,899	$ 2,805,930	$ 2,804,962	$ 2,803,993	$ 2,803,024	$ 2,802,055	$ 2,801,086	$ 2,800,117	$ 2,799,145	$ 2,798,170	$ 2,797,191	$ 2,505,334	$ 1,780,248
Annual Proceeds	$ 18,197	$ 237,239	$ 838,769	$ 1,659,265	$ 2,370,240	$ 3,293,862	$ 4,594,913	$ 4,594,003	$ 3,290,628	$ 2,638,485	$ 2,637,575	$ 2,636,664	$ 2,635,753	$ 2,634,842	$ 2,633,932	$ 2,633,021	$ 2,632,110	$ 2,631,196	$ 2,630,280	$ 2,629,360	$ 2,355,014	$ 1,673,433

Footnotes:

(1) Assumes the following: 25% of homes sales will be placed on the County tax rolls in the year in which they are constructed and sold, 50% will be placed on the tax rolls in the following year, and the remaining 25% will be placed on the tax rolls in year three.

(2) Source: Pima/Pinal County Assessor

(3) Represents 95% of the total amount for debt service to account for potential delinquency.

(4) Assumes the following: 25 year amortization period, 5.00% interest rate. The number represents the cumulative bonding capacity for the year indicated.

Exhibit N

The Villages of Tortolita Community Facilities District
Sources and Uses of Funds

The Villages of Tortolita Community Facilities District
Sources and Uses of Funds
Public Infrastructure Construction

	Totals	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Sources of Funds																							
Equity / Cash Flow / Loans (1)	$ 213,869,892	$ (18,197)	$ 31,200,042	$ 30,137,685	$ (3,041,745)	$ 57,042,200	$ 14,897,391	$ (6,783,840)	$ 54,807,376	$ 15,588,178	$ (4,020,965)	$ 14,252,693	$ 20,344,520	$ 2,720,626	$ (3,153,399)	$ (3,152,488)	$ (3,151,577)	$ (3,798,609)	$ (4,013,677)	$ (4,012,760)	$ (4,011,840)	$ (3,161,461)	$ (2,175,734)
CFD Funds SA (Net) (2)	$ 24,619,563	-	510,250	1,020,500	1,530,750	1,530,750	2,296,125	2,423,688	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	1,530,750	892,938	556,173
CFD Funds GO (Net) (3)	41,979,498	18,197	237,239	838,769	1,659,265	2,370,240	3,293,862	4,594,913	4,594,003	3,290,628	2,638,485	2,637,575	2,636,664	2,635,753	2,634,842	2,633,932	2,633,021	2,632,110	2,631,196	2,630,280	2,629,360	2,355,014	1,673,433
Total Sources	**280,468,952**	**-**	**31,947,531**	**31,996,954**	**148,270**	**60,943,190**	**20,487,378**	**234,761**	**60,932,129**	**20,409,556**	**148,270**	**18,421,018**	**24,511,934**	**6,887,129**	**1,012,194**	**1,012,194**	**1,012,194**	**364,251**	**148,270**	**148,270**	**148,270**	**86,491**	**53,871**
Uses of Funds																							
Public Improvements	$ 278,084,279	$ -	$ 31,898,108	$ 31,898,108	$ -	$ 60,794,920	$ 20,264,973	$ -	$ 60,783,859	$ 20,261,286	$ -	$ 18,272,748	$ 24,363,664	$ 6,738,859	$ 863,924	$ 863,924	$ 863,924	$ 215,981	$ -	$ -	$ -	$ -	$ -
Assessment Bond Debt Service (4)	2,384,673	-	49,423	98,847	148,270	148,270	222,405	234,761	148,270	148,270	148,270	148,270	148,270	148,270	148,270	148,270	148,270	148,270	148,270	148,270	148,270	86,491	53,871
Total Uses	**$ 280,468,952**	**$ -**	**$ 31,947,531**	**$ 31,996,954**	**$ 148,270**	**$ 60,943,190**	**$ 20,487,378**	**$ 234,761**	**$ 60,932,129**	**$ 20,409,556**	**$ 148,270**	**$ 18,421,018**	**$ 24,511,934**	**$ 6,887,129**	**$ 1,012,194**	**$ 1,012,194**	**$ 1,012,194**	**$ 364,251**	**$ 148,270**	**$ 148,270**	**$ 148,270**	**$ 86,491**	**$ 53,871**
Net Cash Flow	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Source: Applicant
Footnotes

(1) All improvements will be funded with internal funds, project cash flow and/or third party and/or related party loans.
(2) Represent the net construction proceeds assuming an average $6,500 special assessment lien per lot.
Assessment bonds are anticipated to be issued in conjunction with the construction of a phase.
(3) Represents the net construction proceeds related to the issuance of general obligation bonds. It is anticipated
that general obligation bonds will be issued over time as the secondary assessed valuation of the district increases
with the construction of homes and commercial buildings.
(4) Assuming 12 months of capitalized interest.

Exhibit O

The Villages of Tortolita Community Facilities District

Directors & Officers Insurance

Public Officials Directors and Officers Liability Insurance

The Villages of Tortolita
Community Facilities District CFD

PUBLIC OFFICIALS DIRECTORS & OFFICERS LIABILITY INSURANCE PROPOSAL

Presented by:

Nancy Draper-Clark
The Mahoney Group

Kevin Dorse, Executive Vice President
AmWINS Brokerage

September 2019

Your Insurance and Real Estate Professionals
THE MAHONEY GROUP

AmWINS Brokerage

INTRODUCTION

We have completed our negotiations to secure for Verde Trails Community Facilities District No. 1., a comprehensive and competitive Public Officials Directors & Officers Liability (D&O) program of insurance. On a primary basis, we secured a $2 million Public Officials D&O quote from PGU on behalf of Indian Harbor Insurance Company (AXA-XL), an "A" Excellent, XV, A.M. Best rated insurer, for a total annual premium of $9,543 + taxes/fees. This coverage applies to the Public Entity (Named Insured), its directors, officers and employees. The provided terms apply as follows:

a. An actual or alleged act, error, omission, misstatement, misleading statement or breach of duty, including any **Personal Injury**, by any **Insured**, if committed in the performance of his or her duties for **You**;

b. An actual or alleged violation of civil rights protected under 42 USC § 1981 et seq., or any similar federal, state or local law, by any **Insured**, if committed in the performance of his or her duties for **You**;

c. Any matter claimed against an **Insured** solely by reason of his or her status as an **Insured** during the **Policy Period**, if committed in the performance of his or her duties for **You**; or

d. Any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by a natural person **Insured** while serving, at the direction or request of **You**, in his or her capacity as a board member or committee member of a not-for-profit organization, other than **You**, which is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code, as the same may be amended from time to time, at **Your** direction or request.

Coverage available pursuant to subsection d. shall be excess of and not contribute with any other insurance plan or program of self-insurance carried by such not-for-profit corporation, and any contribution or indemnification to which a natural person **Insured** is entitled from such not-for-profit organization.

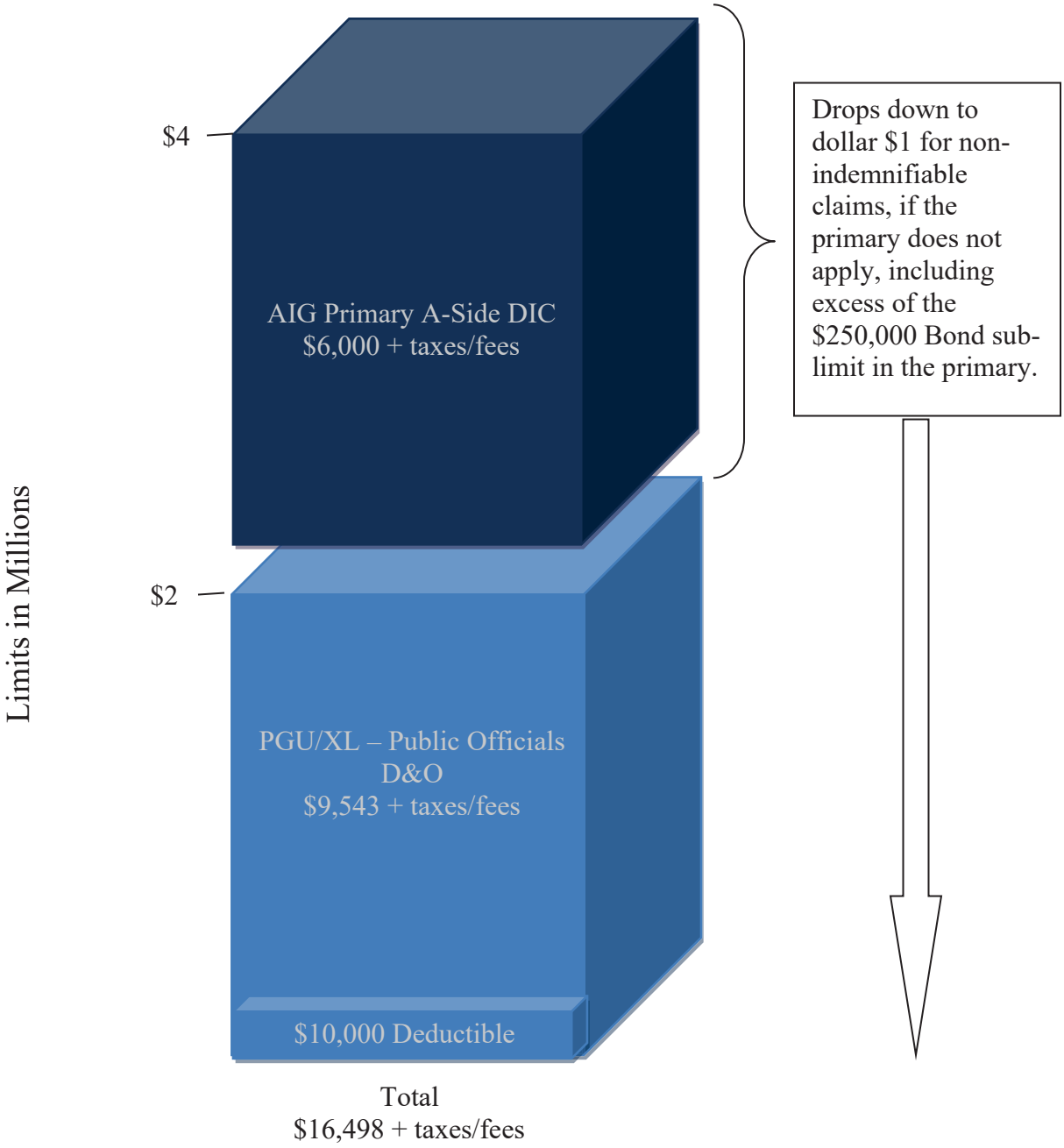
We would note, however, that coverage related to the issuance of bonds is restricted to a $250,000 defense only sub-limit as it relates to tax exempt issues. To ensure full and

comprehensive protection for individual insureds, we have secured a comprehensive A-Side "Difference-in-Conditions" (DIC), policy that will drop down with no gap in coverage, should the primary policy's $250,000 bond related defense limit be exhausted, or if damages or a settlement be situated prior to its exhaustion. Such coverage only apples if there is no indemnification available from the corporate entity, or any other insurance (usually due to insolvency or a legal prohibition). The $2 million of DIC coverage is provided by AIG for a total premium $6,000.

The value of the A-Side DIC policy is that it effectively only has an exclusion for finally adjudicated illegal personal profit or fraud, which of course is uninsurable by law. This means that the coverage is extremely expansive and all-encompassing. It is a last line of defense for individual insureds in catastrophic situations. To assist in understanding how the A-Side policy fits in with the primary Public Officials policy, we have provided a Program Structure discussion at the close of this proposal.

On the next page, please find a summary of the structure and costs connected with the proposal Public Officials and A-Side DIC program. A fully completed and currently executed PGU application is required for binding.

D&O Program Overview



DETAILED QUOTATIONS

Insurer: Indian Harbor Insurance Company, a member of AXA-XL Group (PGU)
"A" Excellent, XV rated by A.M. Best
Non-Admitted

Form: Public Officials Management & Employment Practices Liability – Claims Made

Retro Date: Inception. Backdate on future renewals

Limits: $2,000,000 per Claim and in the Aggregate for Public Officials Management Only

Retention: $10,000 per Claim

Premium: $9,543 + $500 AmWINS E&S fee + 321.38 E&S taxes = $10,364.38
(25% minimum earned premium after coverage is bound)

Forms: PGU POL 2000 04 17 Public Officials Employment Practices Liability Declarations
IL MP 9104 0314 IHIC 03 14 In Witness Endorsement
PGU 2002 04 17 Schedule of Forms and Endorsements
PGU POL 2001 04 17 Public Officials and Employment Practices Liability Insurance Policy
PGU 1010 04 17 Delete Insurance Agreement Item 2. Employment Practices Liability and Third-Party Liability Coverage
PGU POL 1045 04 17 Defense Expenses within the Limit of Liability

PGU 1052 (POL) 04 17 Minimum Earned Premium Upon Cancellation (25%)

PGU POL 1072 04 17 Defense Coverage for Tax-Exempt Bond Claims-$250,000

PN CW 01 09 15 Notice to Policyholders – Fraud Notice

PN CW 02 10 15 Notice of Policyholders – Privacy Policy

PN CW 05 09 14 Notice to Policyholders – OFAC

A-Side "Difference-in-Conditions" (DIC), Quotation

Insurer: National Union Fire Insurance Company, a member of AIG (AIG)
"A" Excellent, XV rated by A.M. Best
Admitted

Form: Side-A Edge Insurance Coverage

Retro Date: None

Limits: $2,000,000 per Claim and in the Aggregate

Retention: None

Premium: $6,000 + $500 AmWINS fee

Endts: 99758 08/08 Notice of Claim (Reporting by Email)
119679 09/15 Economic Sanctions Endorsement
52132 08/17 Arizona Amendatory – Cancellation/Nonrenewal
78859 10/01 Forms Index Endorsement
117122 12/13 Private Company Coverage
117133 12/13 Pending and Prior Litigation Exclusion
122179 07/16 Side A Edge Amendatory Endorsement
125595 03/17 Federal Share of Compensation under TRIA and Cap on Losses Endorsement

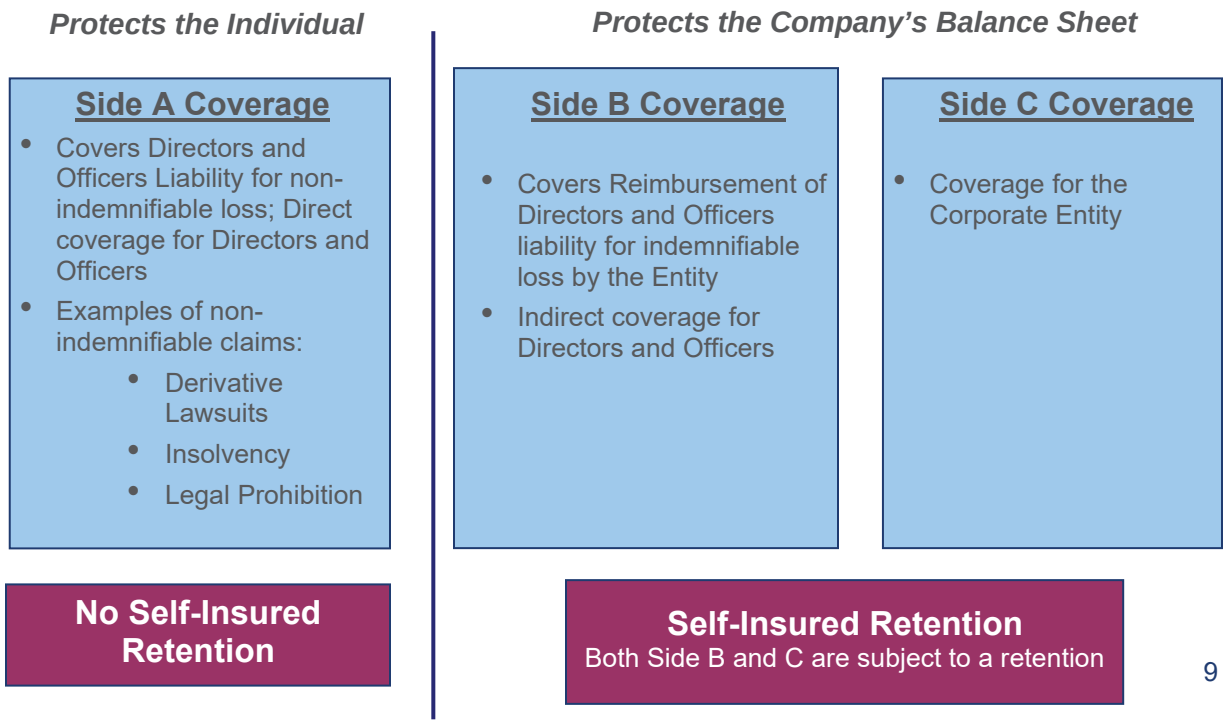
PROGRAM STRUCTURE DISCUSSION

The traditional D&O policy consists of what are generally referred to as Insuring Agreements "A," "B" and "C" which afford coverage as illustrated below. Insuring Agreement A provides "worst case scenario" protection for the personal assets of the directors and officers. Side A responds when the Corporate Entity does not have the financial ability to indemnify, as well as in situations where it is deemed to be against public policy to indemnify the directors and officers. Insuring Agreement B reimburses the Corporate Entity for its indemnification obligation to its directors and officers pursuant to the corporate by-laws. Insuring Agreement C provides direct coverage to the Corporate Entity itself in situations where it is named as a defendant. The Public Officials Policy is structured slightly differently but the coverage works in the same manner and applies as discussed for individuals and the corporate entity.

Most D&O claims are paid out under Insuring Agreements B and C. Typically claims are brought against both the entity and individual directors and officers thus triggering both Side B and Side C of the D&O policy. It may be helpful to think of Insuring Agreements B and C as providing "balance sheet protection" whereby the insurance is repaying the Corporate Entity for its costs to defend itself and its individual directors and officers.

On the following page we have compiled a pictorial representation of the structure of a D&O policy, as discussed above.

Typical Structure of a D&O Policy



The Risks Inherent in Traditional D&O Policy Structure

While the traditional D&O policy is necessary to provide balance sheet protection to the corporate entity along with coverage for individual insured persons, there are situations where extending coverage to the corporate entity can be problematic.

BANKRUPTCY - In a claim situation, a bankruptcy court will likely seek to seize a traditional D&O policy since most claims name both the corporate entity and individual Insureds. Therefore, the policy may be subject to an automatic stay provision imposed in bankruptcy thus preventing access to defense costs and any potential damages. The presence of a priority of payments provision in the traditional policy strengthens

individual Insureds' chance of accessing such funds but it has proven to not be a failsafe provision in all jurisdictions.

INSOLVENCY – If the Insurer of the primary layer were to become insolvent and unable to provide coverage for a claim, the Insured Company would have to self-insure the claim. This situation would prove problematic for a non-indemnifiable claim where directors and officers would have to pay for defense and/or damages from their personal assets.

WRONGFUL DENIAL OF COVERAGE – If the traditional carrier wrongfully denies coverage for a non-indemnifiable claim defense costs for the claim and any dispute resolution costs would be borne personally by the directors and officers.

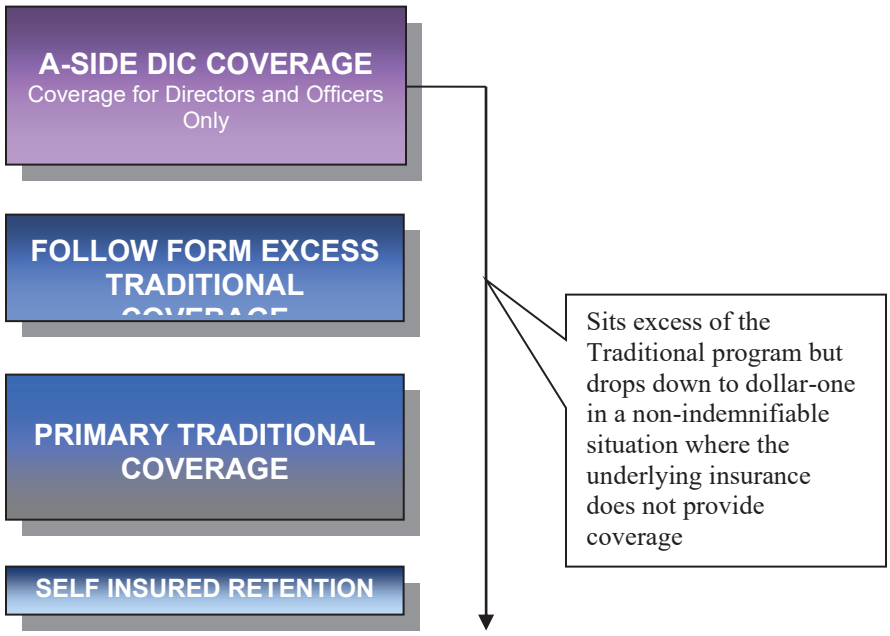
RIGHTFUL DENIAL OF COVERAGE – If the traditional program has an exclusion (Insured versus Insured, Pollution, Bodily Injury/Property Damage, Contract, or ERISA, etc.), or a condition that precludes coverage for a non-indemnifiable claim, payment of defense costs and damages would be borne personally by the directors and officers.

LIMIT LOSS – In a limit loss situation, the directors and officers may find themselves without adequate coverage as a result of the inclusion of coverage for the corporate entity and all employees in the traditional policy

The A-Side DIC policy provides is sometimes called "sleep at night" coverage for individual directors and officers. The policy will drop down to dollar-one for non-indemnifiable claims if the primary policy is frozen as an asset of a bankruptcy estate, the primary insurer is financially unable to pay a claim, the primary carrier denies coverage

for a claim not excluded in the A-Side policy or if the primary policy is exhausted by a claim. In addition, it is in the best interest of the A-Side carrier to work with the Insured to secure coverage from the primary carrier if coverage is wrongfully denied.

Provided below is a pictorial overview of how the primary program and A-Side program work together.



The description of coverage highlights in this document is only a summary. Please note that actual policy language will dictate the scope of coverage in the event of a claim. We encourage our clients with the assistance of their legal counsel, to read the full policy form in order to have a better understanding of its terms and conditions. We further encourage our clients to raise with us any coverage issues that are of particular importance to them and which may not be specifically addressed in our written materials.

Professional Governmental Underwriters, Inc.
The Authority.

Public Officials Management & Employment Practices Liability

Date: 08/21/2019

To:
AmWINS Brokerage of Georgia, LLC - Atlanta
Email: Kevin.Dorse@amwins.com19020 Stony Point Parkway, Suite 455

From: Ned Daly
Phone: 804-272-8060
Email: ndaly@pgui.com

Proposed Insured: The Villages of Tortolita Community Facilities District CFD
c/o Town of Marana 115555 West Civic Center Drive
Marana, AZ 85653

Application #: APP81513102

Thank you very much for your submission. Based upon the information received and subject to the limitations outlined below, we are pleased to offer the following:

INDICATION

This Indication is not an offer to bind coverage. If we are provided with acceptable underwriting information and determine that a quote can be offered, it may differ from the indication.

Coverage: See coverage form PGU POL 2001 (04/2017) for terms, conditions and limitations

Form: Claims Made

Retro Date: Inception

Insurer Information: Indian Harbor Insurance Company
A member of the AXA XL Group of Companies
Best Rating: A XV
Surplus Lines Insurer

Filings / Taxes: PGU Not Responsible For Tax Filings

Quotation / Indication valid until: 10/20/2019

If we are offering coverage on a surplus lines basis, the agent is responsible for handling of filings unless we note otherwise on this quotation. If we have provided terms using bid specifications or an application other than ours, the quote is subject to change pending review of a completed and signed PGU application.

Public Officials Management & Employment Practices Liability

Proposed Insured: The Villages of Tortolita Community Facilities District CFD

Terms	Limits	Retentions each claim including LAE	Premium
Public Officials Management	$1,000,000	$10,000	$6,963.00
Employment Practices Liability	N/A	N/A	N/A
Policy Aggregate	$1,000,000		
Non-Monetary Coverage - Defense Only	$50,000	$10,000	Included
Non-Monetary Coverage - Defense Only Aggregate	$100,000		
Crisis Management	$25,000	$5,000	Included
Features/Enhancements			
Punitive Damages		See Retentions Above	Included
Personal Injury		See Retentions Above	Included
Third Party Wrongful Acts		N/A	N/A
Back Pay / Front Pay		N/A	N/A
Loss of Earnings		See Retentions Above	Included

Optional Increased Limits	Additional Premium
2,000,000 CSL	$2,335.00
3,000,000 CSL	$1,500.00
4,000,000 CSL	$1,500.00
5,000,000 CSL	$1,500.00

Premium, Fees and Taxes

Total Premium:	$13,798.00
Policy Fee :	$245.00
Total Cost:	$14,043.00

Comments:

Public Officials Management & Employment Practices Liability

Proposed Insured: The Villages of Tortolita Community Facilities District CFD

SUBJECTIVITIES - WE MUST BE PROVIDED WITH THESE ITEMS BEFORE COVERAGE CAN BE BOUND:
Receipt of currntly signed and dated PGU new business application prior to binding.

As your agency is responsible for the surplus lines filings, we require the name of licensee, agency name, address, and surplus lines license number prior to binding, as well as, a copy of the license.

Reminders:

A written request is required to bind coverage.
Backdating of coverage is not allowed.
We will not cancel flat after inception date.
Engineering Fee is non-refundable.
See attached Coverage Features attachment for additional information.
Limits, retentions, terms and conditions quoted do not necessarily match those requested.
This proposal contains a brief outline of coverages to be included in any policy that may be issued in the future.
This is only a summary and the Terms and Conditions of any policy will take precedence over any proposal.
Minimum Earned Premium is the GREATER of $1,500 or 25% of annual premium.

Applicable Forms: (Other forms may apply. Consult Underwriter for details.)

PGU POL 2000 04 17	Public Officials and Employment Practices Liability Declarations
IL MP 9104 0314 IHIC 03 14	In Witness
PGU 2002 04 17	Schedule of Policy Forms and Endorsements
PGU POL 2001 04 17	Public Officials and Employment Practices Liability Insurance Policy
PGU 1010 04 17	Delete Insuring Agreement Item 2. Employment Practices Liability and Third Party Liability Coverage
PGU POL 1045 04 17	Defense Expenses Paid Within the Limits of Liability
PGU 1052 (POL) 04 17	Minimum Earned Premium Upon Cancellation
PGU POL 1072 04 17	Defense Coverage for Tax-Exempt Bond Claims
XL-AZSOP 11 10	Service of Process
PN CW 01 09 15	Notice to Policyholders - Fraud Notice
PN CW 02 10 15	Notice to Policyholders - Privacy Policy
PN CW 05 09 14	Notice to Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")

Professional Governmental Underwriters, Inc.
The Authority.

9020 Stony Point Parkway
Suite 455
Richmond, VA 23235
800-586-6502
www.pgui.com

Public Officials Management & Employment Practices Liability

	We welcome a comparison!	
Coverage Features	***PGU - The Authority***	***The Others***
Defense in Addition to Limit	Yes, unless endorsed otherwise	
Covers D&O, E&O and EPL	X	
Sublimit for Defense for Non-Monetary claims	x	
Modified Consent to Settle Clause with only 40% co-insurance requirement for insured	X	
Business Invitee (Third Party) Liability covering Harrassment, Discrimination and Invasion of Privacy	x	
Broad definition of Loss including Back and Front Pay and Punitive Damages with a most favorable venue	x	
Broad definition of Wrongful Act including Personal Injury	x	
Broad definition of Claim including coverage for regulatory proceedings, arbitration hearings and EEOC hearings, subject to exclusions	x	
Severability of the Application for all individual insureds for all exclusions (not just personal profit and fraud exclusions)	x	
75-day free mini-tail	x	
Bi-Lateral ERP options of 1, 2 and 3 years	x	
Policy Non-Cancelable mid-term by carrier, except for non-payment of premium	x	
True Worldwide Coverage	x	
Sub-limit for Wage & Hour (FLSA)	Optional	
Sub-limit for Crisis Management	x	
EPL Loss Prevention Hotline and EPL Risk Management website for employment law and HR support.	x	

This document is intended to summarize key coverage features generally available.
It does not summarize your quotation / indication.
Please review the entire quotation / indication and policy form and endorsements for specific details.

National Union Fire Insurance Company of Pittsburgh, Pa.
600 Northpark Town Center
1200 Abernathy Road, N.E.
Atlanta, GA 30328-2594
(770) 671-2000

August 20, 2019

KEVIN DORSE
AMWINS BROKERAGE OF GEORGIA LLC
3630 PEACHTREE ROAD NE SUITE 1700
ATLANTA, GA 30326

Insured: **THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DIS**
11555 WEST CIVIC CENTER DRIVE
MARANA, ARIZONA 85653

Insurance Carrier: **NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**
175 WATER STREET, NEW YORK, NY, 10038-4969

Policy: **SIDE-A EDGE INSURANCE COVERAGE**
TAB #: 1712459, SUBMISSION #: 241556983
NEW LINE - POLICY PERIOD OF 12 MONTHS

Dear KEVIN:

As per your request for a Side-A Edge Insurance Coverage indication, and based upon the information submitted, we are pleased to indicate the following subject to receipt, review and acceptance of the following information:

1. Receipt, review and acceptance of copy of underlying policy(ies)

LIMIT OF LIABILITY	
Limit of Liability	$2,000,000
Total Underlying Limit	$2,000,000
PREMIUM	
Premium	$6,000
PASSPORT	
This policy ☐ serves, or ☒ does not serve, as a master Passport policy.	
REINSTATEMENT FEATURE	
This policy [☐ does; [☒] does not] include a Reinstatement Feature. If it does, see the Reinstatement Addendum for details.	

Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended (TRIA): $0 included in policy premium stated above. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 81% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.

The TRIA disclosure is attached hereto.

Side-A Edge Insurance Coverage 117121 (12/13) will provide the basic contract. If you have not been previously provided with a copy of this policy form, a specimen is enclosed or will be provided at your request. Please read it carefully.

The following endorsements will be added to the basic policy:

#	Form #	Ed Dt	Title
1	99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
2	119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
3	52132	08/17	ARIZONA AMENDATORY - CANCELLATION/NONRENEWAL
4	125595	03/17	FEDERAL SHARE OF COMPENSATION UNDER TRIA AND CAP ON LOSSES ENDORSEMENT
5	117122	12/13	PRIVATE COMPANY COVERAGE
6	122179	07/16	SIDE A EDGE AMENDATORY ENDORSEMENT - $100,000 Policy Access Fund
7	78859	10/01	FORMS INDEX ENDORSEMENT

IMPORTANT : READ CAREFULLY

In order to complete the underwriting process, we require that you send us the additional information requested at the beginning of the letter. We are not required to bind coverage prior to our receipt, review and underwriting approval of the above information. However, if we do bind coverage prior to such approval, we will issue a CONDITIONAL BINDER that is conditioned upon receipt, review and written underwriting approval of the above information. Such temporary binding of coverage shall be void ab initio ("from the beginning") if such information is not received, reviewed and approved in writing by the Insurer. Payment of premium shall not operate to extend the binding period or nullify the automatic voiding as described above.

This indication is strictly conditioned upon no material change in the risk occurring between the date of this letter and the inception date of the proposed policy. In the event of such change in risk, the Insurer may in its sole discretion, whether or not this indication has been already accepted by the Insured, modify and/or withdraw this indication.

This indication will remain open until the earliest of the following dates: (1) 30 days from the date of this letter; (2) the effective date of the indicated policy; or (3) the date of any withdrawal of this indication by the Insurer pursuant to any terms of this indication providing for such withdrawal.

Before this account can be bound, your broker's license number and expiration date for the state of Arizona will be required.

Thank you for the opportunity to provide an indication for this account. Policy highlights are attached for your review. Please note that this indication contains only a general description of coverages provided. For a detailed description of the terms of the policy, you must refer to the policy itself and any endorsements indicated. If you have any questions about this indication, please do not hesitate to call. We would also be pleased to meet with you and your client to answer any questions they may have.

Sincerely,



Robert Hattauer
Underwriter
Financial Lines
770-671-2360

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for the prospective premium as set forth in the quote letter.
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant's Signature

Policyholder/Applicant's Printed Name

Date

Insured Name: THE VILLAGES OF TORTOLITA COMMUNITY FACILITIES DIS
Policy Form: Side-A Edge Insurance Coverage
Tab: 1712459, Submission: 241556983
Policy Period of 12 Months

General Liability Insurance

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

September 04, 2019

The Mahoney Group
Attn: Nancy Draper-Clark
1835 S Extension Road Mesa, AZ 85210-5942

Applicant: Villages at Tortolita Community Facilities District, The
c/o Town Manager - Town of Marana, 11555 W Civic Center Dr
Marana, AZ 85653

Submission #: APP178684143
Policy Period: 09/03/2019 12:01 AM To 09/03/2020 12:01 AM
Coverage: Liability
Issuing Company: Colony Insurance Company

All Risks is acting as a wholesale intermediary and may have occasion to charge fees for its services to evaluate requests for insurance, prepare submissions for coverage, summarize quotes and interact and or find insurance carriers to offer quotes. The fees charged are in addition to any premiums charged for insurance and commissions or other compensation payable to All Risks by insurance carriers. All Risks fees will be listed on the face of its quotes, binders and invoices and are fully earned at inception.

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

September 04, 2019

The Mahoney Group
Attn: Nancy Draper-Clark
1835 S Extension Road Mesa, AZ 85210-5942

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We are pleased to submit our proposal for the above captioned applicant.

Please read the attached quote carefully as coverage offered may be more limited than coverage requested.

Note :

Minimum earned premium may apply to this policy. See attached carrier quote for specifics. Please note that all fees are fully earned at inception.

TRIA coverage if applicable is offered on the attached carrier's quote.

Please review any minimum and deposit, audit, and/or cancellation provisions on the attached carrier quote for details regarding possible return premiums and additional premium charges.

I look forward to hearing from you, and please call if you have any questions.

Thank you for your business.

Regards,

Heather Ott
Vice President
All Risks, LTD.
HOTT@allrisks.com
602-494-7200 Ext. 3909

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

Cost Summary

General Liability Premium	$20,150.00
Carrier Inspection Fee	$250.00
Policy Fee	$500.00
AZ Surplus Lines Tax	$627.00
AZ Stamp Fee	$41.80
Total Policy Cost	**$21,568.80**

Minimum Earned

Note: There may be a minimum earned on this policy. Please refer to the carrier quote for more details on the minimum earned percentage.

Agent Commission: 10%

Compensation Disclosure

In the process of reviewing and attempting to place insurance for your client, we may perform any number of tasks that may or may not include: the review and assessment of your application, losses and risk profile, communicating with various insurance carriers or their representatives, risk analysis, policy or coverage comparison, inspections, reviewing coverage terms offered, policy issuance and servicing of the policy post binding. We may charge a fee for these services in addition to any commission that may be payable to us by the Insurance Carrier with whom we bind your client's business.

Any fees charged are fully earned at inception of the policy and will not be returned unless required by applicable law. Fees may be applicable to any transaction requiring additional premium including audits and endorsements as well as new and renewal policies. All fees will be itemized separate from premium in our Quotes. Insureds are under no obligation to purchase insurance proposed by us including a fee and insurance carriers are under no obligation to bind any insurance proposed in our quotes. The fees we charge are not required by state law or the insurance carrier.

The insurer with whom your insurance is placed may have an agreement with All Risks, Ltd. to pay additional compensation. This compensation will be in addition to the fees and commissions earned on the business we are placing for your Client's insurance. The calculation of this additional compensation is determined based on a number of factors including, but not limited to: premium volume, loss experience, general profitability and renewal retention. The calculation contemplates the amount and performance of all insurance business placed with the insurance carrier by All Risks, Ltd. during the term of the agreement and is not calculated on a per policy basis but rather on a portfolio basis after a set period of time has expired.

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

Subjectivities

- Signed and dated Acord Application.
- Copy of the Insured's current E&O Dec Page.
- Signed TRIA form if insured is accepting or rejecting terrorism coverage
- Receipt, review and acceptance of completed Supplemental Application.
- A written request to bind coverage is required prior to binding.
- All subjectivities noted on the carrier's quote.

The Subjectivities outlined above are required prior to binding. Please forward all requested information with your bind request. No coverage is considered bound until confirmed in writing from All Risks, Ltd. and all subjectivities have been addressed.

Remarks

ALL TERMS AND CONDITIONS OF THE CARRIER'S QUOTE APPLY.

ALL RISKS QUOTE DOES NOT INCLUDE TERRORISM.

10% COMMISSION APPLIES TO ALL AUDIT AND ADDITIONAL PREMIUM ENDORSEMENTS.

ARGO CONSTRUCTION

Revised Quotation

Printed: 09/04/2019

INSURANCE QUOTATION

For Villages at Tortolita Community Facilities District

Quote Number: 000001317144 - Q3

Producer Name: All Risks, Ltd. (AZ)
11811 N. Tatum Blvd., Suite 4010
Phoenix, AZ 85028

Carrier:	Colony Insurance Company	A.M. BEST Rating:	A XIV
Effective Date:	09/05/2019	Expiration Date:	09/05/2020
Quote Valid Until:			

We are pleased to quote coverage for Villages at Tortolita Community Facilities District at the following terms & conditions:

PREMIUM SUMMARY:

Base Premium:	$20,150
Plus Additional Coverages:	$125
Plus Terrorism:	$1,008
Policy Premium:	**$21,283**
Plus Surcharges:	N/A
Plus Taxes:	N/A
Plus Inspection:	$250
TOTAL COST:	**$21,533**

Deposit Premium %:	100%
Minimum Premium At Audit %:	100%
Minimum Earned %:	25%

ARGO CONSTRUCTION

Printed: 09/04/2019

INSURANCE QUOTATION

For Villages at Tortolita Community Facilities District

Quote Number: 000001317144 - Q3

PREMIUM FOR THIS PART: **$20,275**

COVERAGE: **Commercial General Liability**
COVERAGE FORM: **Occurrence**

LIMITS OF INSURANCE:

$1,000,000	Each Occurrence Limit
$2,000,000	General Aggregate
$2,000,000	Products Completed Operations Aggregate
$1,000,000	Personal and Advertising Injury Limit
$100,000	Damage To Premises Rented To You
Excluded	Medical Payments
Deductible:	$2,500 - BI/PD/PI & AI Per Occurrence Includes Loss Adjustment Expenses & Defense Costs

PREMIUM BASIS:

Class Code	Description	Exposure	Rating Basis	Rate	Premium
41620	Construction or Project Manager	$3,100,000	Gross Sales	$6.50	$20,150.00

ADDITIONAL COVERAGE:

Coverage:	Premium:	Form & Notes:
Additional Insured	Included	CG2012-0413 ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS Applies to: TBD TBD

INSURANCE QUOTATION

For Villages at Tortolita Community Facilities District

Quote Number: 000001317144 - Q3

Identity Recovery Coverage	$125.00	U651A-1014 IDENTITY RECOVERY COVERAGE Flat and Fully Earned Premium Optional Coverage Offer: If we do not receive confirmation as to the insured's selection/rejection of Identity Recovery Coverage via email at the time of binding, coverage WILL be included at the premium charge indicated.
Waiver of Subrogation	Included	CG2404-0509 WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Name of Person Or Organization - All persons or organizations as requested by written contract with the Named Insured.

FORMS LISTING:

Form Number	Form Title
TRIANOTICEB-0417	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
ILP001-0104	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
PRIVACYNOTICE-0415	PRIVACY NOTICE
U094-0415	SERVICE OF SUIT
DCJ6550-0117	COMMON POLICY DECLARATIONS
U001-1004	SCHEDULE OF FORMS AND ENDORSEMENTS
DCJ6553-0702	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
CG0001-0413	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
IL0017-1198	COMMON POLICY CONDITIONS
CG2109-0615	EXCLUSION - UNMANNED AIRCRAFT
CG2149-0999	TOTAL POLLUTION EXCLUSION ENDORSEMENT
CG2167-1204	FUNGI OR BACTERIA EXCLUSION
CG2186-1204	EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS
CG2196-0305	SILICA OR SILICA-RELATED DUST EXCLUSION
CG2234-0413	EXCLUSION – CONSTRUCTION MANAGEMENT ERRORS AND OMISSIONS
CG2426-0413	AMENDMENT OF INSURED CONTRACT DEFINITION
IL0021-0908	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
U002A-0916	MINIMUM EARNED PREMIUM
U009-0310	AIRCRAFT PRODUCTS AND GROUNDING EXCLUSION
U048-0310	EMPLOYMENT RELATED PRACTICES EXCLUSION
U070AS-0512	DEDUCTIBLE LIABILITY INSURANCE

INSURANCE QUOTATION

For Villages at Tortolita Community Facilities District

Quote Number: 000001317144 - Q3

U073-0815	EXCLUSION - CONTINUOUS, PROGRESSIVE OR REPEATED - BODILY INJURY OR PROPERTY DAMAGE
U1009-1018	EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND CYBER INJURY – WITH LIMITED BODILY INJURY EXCEPTION
U184-0702	INSPECTION
U265-0116	EXCLUSION - PROFESSIONAL SERVICES
U266-0510	EXCLUSION - USL&H, JONES ACT OR OTHER MARITIME LAWS
U267A-0813	CROSS SUITS EXCLUSION
U276-0310	EXCLUSION - BREACH OF CONTRACT
U466-0212	EXCLUSION - LEAD
U467-0212	EXCLUSION - ASBESTOS
U483-1115	EXCLUSION - DEDICATED INSURANCE PROGRAM(S)
U531-0413	EXCLUSION - INJURY TO TEMPORARY WORKER, VOLUNTEER WORKER, OR CASUAL WORKER
U638-0210	EXCLUSION - IMPORTED DRYWALL DAMAGE - RESIDENTIAL CONSTRUCTION
U730-0212	EXCLUSION - BENZENE
U985-0916	PREMIUM AND AUDIT
UCG2171-0115	LIMITED TERRORISM EXCLUSION (OTHER THAN CERTIFIED ACTS OF TERRORISM)

Form Number	Form Title	Specified Wording/Notes
U173AS-0708	CANCELLATION	Number of Days Cancellation: 30 days
U274-0707	EXCLUSION - COVERAGE C - MEDICAL PAYMENTS	All locations owned, rented or occupied by the Named Insured during the policy period.
U527-0913	EXCLUSION - NEW RESIDENTIAL CONSTRUCTION WORK EXCEPT AS SPECIFIED	Exception(s) for: Infrastructure or Site Work Description of Infrastructure or Site Work: Grading/Excavating, Road Paving/ Curbs/Sidewalks, Utilities
U650-0116	EXCLUSION - DESIGNATED ONGOING OPERATIONS AND PRODUCTS-COMPLETED OPERATIONS HAZARD	1. 'Your Work' associated with grain elevators 2. 'Your Work' associated with bridges 3. 'Your Work' associated with direct hiring, paying, contracting or supervising subcontractors.

ARGO CONSTRUCTION

Printed: 09/04/2019

INSURANCE QUOTATION

For Villages at Tortolita Community Facilities District

Quote Number: 000001317144 - Q3

U658-0419	NO COVERAGE APPLIES IF CONTRACTOR CONDITIONS NOT MET	Minimum Limit Required of SubContractors- General Aggregate $2,000,000 Products/Completed Operations Aggregate $2,000,000 Each Occurrence $1,000,000
U770-1013	EXCLUSION - INDIRECT LIABILITY	

SUBJECTIVITIES: This quotation is subject to the following conditions. If any of these conditions are not met, this quote and any binder or insurance policy issued pursuant to it are invalid, and we reserve the right to withdraw, rescind, or to revise the quoted terms and conditions for this insurance policy, including, but not limited to, the amount of the quoted premium. Your failure to comply with these conditions may result in any insurance policy that has been bound or issued by us being cancelled. The following information/documentation must be received by us from you on or before the date indicated below.

Need By Date	Subjectivities
Upon Binding	Receipt, review and acceptance of completed Supplemental Application
Upon Binding	Signed, dated and box checked TRIA
Upon Binding	Signed and Dated ACORD Application
Within 30 Days of Binding	Copy of the Insured's current E&O Dec Page

NOTES:

- Consideration of reduction in exposure requires a written explanation by the applicant prior to binding. Rate will be re-evaluated.
- This is a Non Admitted quotation.
- The Broker is responsible for handling all Surplus Lines filings and fees.
- This quotation is subject to an acceptable inspection and receipt of current application signed by the insured.
- This quotation is offered in reliance on the information submitted to us by the applicant. By accepting this quote and/or the binding of this risk, the applicant warrants that the information is true and complete and that no material facts have been misrepresented, omitted or suppressed.
- This quotation does not necessarily provide the terms and/or coverage requested in your submission application.

ARGO CONSTRUCTION

Printed: 09/04/2019

INSURANCE QUOTATION

For Villages at Tortolita Community Facilities District

Quote Number: 000001317144 - Q3

The proposed insurance coverages are intended to be provided by Colony Insurance Company; all policy, endorsement and forms are subject to the terms, exclusions, conditions, and limitations that are included with such policy, endorsement and forms. All policies, endorsements, and forms should be reviewed by you as to their contents, including, but not limited to, audit, cancellation and payment provisions. Specimen copies of our insurance policies, endorsements and forms are available, upon request, from your insurance broker.

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act*: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

☐ I hereby **elect** to purchase terrorism coverage for a prospective premium of $ 1,008.00

☐ I hereby **decline** to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

IF YOU CHOOSE TO *DECLINE* TERRORISM COVERAGE, YOU MUST SIGN THIS STATEMENT THAT AFFIRMATIVELY EXPRESSES YOUR DESIRE TO WAIVE COVERAGE FOR CERTIFIED ACTS OF TERRORISM:

By signing the rejection statement below, you understand that an exclusion(s) of certain terrorism losses will be made part of this policy and any subsequent renewal until the Terrorism Risk Insurance Act expires or you opt to purchase such coverage. If upon renewal of your policy, you wish to purchase coverage for certified acts of terrorism, please contact your agent, broker or representative, and an offer of coverage will be made. If you decide to purchase the coverage, the exclusion(s) of certified acts of terrorism will be removed from your policy.

REJECTION STATEMENT: On behalf of the Named Insured shown below, I hereby:

- Reject the offer of coverage for certified acts of terrorism;
- Acknowledge that an exclusion(s) of certain terrorism losses will be made part of the policy; and
- Acknowledge that, unless the Named Insured requests coverage for certified acts of terrorism at renewal, an exclusion(s) of certain terrorism losses will be part of the policy and any subsequent renewals.

Villages at Tortolita Community Facilities District	Colony Insurance Company
Policyholder/Applicant Name	***Insurance Company***
Policyholder/Applicant's Signature	***Policy Number***
Date	

SCHEDULE OF FORMS AND ENDORSEMENTS

Forms and Endorsements applying to and made part of this policy at the time of issuance:

NUMBER	TITLE
TRIANOTICEB-0417	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
ILP001-0104	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
PRIVACYNOTICE-0415	PRIVACY NOTICE
U094-0415	SERVICE OF SUIT
DCJ6550-0117	COMMON POLICY DECLARATIONS
U001-1004	SCHEDULE OF FORMS AND ENDORSEMENTS
DCJ6553-0702	COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
CG0001-0413	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
IL0017-1198	COMMON POLICY CONDITIONS
U651A-1014	IDENTITY RECOVERY COVERAGE
CG2012-0413	ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS
CG2109-0615	EXCLUSION - UNMANNED AIRCRAFT
CG2149-0999	TOTAL POLLUTION EXCLUSION ENDORSEMENT
CG2167-1204	FUNGI OR BACTERIA EXCLUSION
CG2186-1204	EXCLUSION - EXTERIOR INSULATION AND FINISH SYSTEMS
CG2196-0305	SILICA OR SILICA-RELATED DUST EXCLUSION
CG2234-0413	EXCLUSION – CONSTRUCTION MANAGEMENT ERRORS AND OMISSIONS
CG2404-0509	WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US
CG2426-0413	AMENDMENT OF INSURED CONTRACT DEFINITION
IL0021-0908	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
U002A-0916	MINIMUM EARNED PREMIUM
U009-0310	AIRCRAFT PRODUCTS AND GROUNDING EXCLUSION
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U531-0413	EXCLUSION - INJURY TO TEMPORARY WORKER, VOLUNTEER WORKER, OR CASUAL WORKER
U638-0210	EXCLUSION - IMPORTED DRYWALL DAMAGE - RESIDENTIAL CONSTRUCTION

NUMBER	TITLE
U650-0116	EXCLUSION - DESIGNATED ONGOING OPERATIONS AND PRODUCTS-COMPLETED OPERATIONS HAZARD
U658-0419	NO COVERAGE APPLIES IF CONTRACTOR CONDITIONS NOT MET
U730-0212	EXCLUSION - BENZENE
U770-1013	EXCLUSION - INDIRECT LIABILITY
U985-0916	PREMIUM AND AUDIT
UCG2171-0115	LIMITED TERRORISM EXCLUSION (OTHER THAN CERTIFIED ACTS OF TERRORISM)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS OR AUTHORIZATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

State Or Governmental Agency Or Subdivision Or Political Subdivision:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following provisions:

1. This insurance applies only with respect to operations performed by you or on your behalf for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

   However:

   a. The insurance afforded to such additional insured only applies to the extent permitted by law; and

   b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This insurance does not apply to:

   a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or

   b. "Bodily injury" or "property damage" included within the "products-completed operations hazard".

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion **2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

(a) A watercraft while ashore on premises you own or rent;

(b) A watercraft you do not own that is:

(i) Less than 26 feet long; and

(ii) Not being used to carry persons or property for a charge;

(c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

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(e) "Bodily injury" or "property damage" arising out of:

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(ii) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

B. The following exclusion is added to Paragraph **2. Exclusions** of **Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

a. The use of another's advertising idea in your "advertisement"; or

b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the **Definitions** section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

f. Pollution

(1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CONSTRUCTION MANAGEMENT ERRORS AND OMISSIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph **2. Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager; or
2. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **1.** or **2.**

This exclusion does not apply to "bodily injury" or "property damage" due to construction or demolition work done by you, your "employees" or your subcontractors.

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WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

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EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:

1. The design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of any "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
2. "Your product" or "your work" with respect to any exterior component, fixture or feature of any structure if an "exterior insulation and finish system", or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.

B. The following definition is added to the **Definitions** Section:

"Exterior insulation and finish system" means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and consisting of:

1. A rigid or semi-rigid insulation board made of expanded polystyrene and other materials;
2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
3. A reinforced or unreinforced base coat;
4. A finish coat providing surface texture to which color may be added; and
5. Any flashing, caulking or sealant used with the system for any purpose.

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SILICA OR SILICA-RELATED DUST EXCLUSION

SILICA

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph **2., Exclusions** of **Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the **Definitions** Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

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COMMON POLICY CONDITIONS

All Coverage parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advanced written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate services or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
   - **A.** Under any Liability Coverage, to "bodily injury" or "property damage":
     - **(1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
     - **(2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
   - **B.** Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
   - **C.** Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
     - **(1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
     - **(2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
     - **(3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

   "Hazardous properties" includes radioactive, toxic or explosive properties.

   "Nuclear material" means "source material", "special nuclear material" or "by-product material".

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"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http//www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

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ARGO GROUP US

Privacy Policy

Argo Group US, Inc. ("Argo Group") recognizes the importance of maintaining the privacy of our customers and the confidentiality of each individual's nonpublic personal information, including Social Security numbers. We take seriously the responsibility that accompanies our collection of nonpublic personal information, including Social Security numbers. Accordingly, Argo's corporate policy is to protect the privacy and confidentiality of our consumers and their nonpublic personal information as required by law.

Information Collection and Use

In order to conveniently and effectively provide and service the insurance products we sell, we may collect and use Social Security numbers and other nonpublic personal information. As such, this policy does not prohibit the collection or use of Social Security numbers and nonpublic personal information where legally authorized and/or required. This policy complies with the requirements of the Gramm-Leach-Bliley Act (GLBA) and applicable federal and state laws and regulations implementing the act. Such laws impose certain obligations upon third persons and organizations with which we share nonpublic personal information of our consumers, customers, former customers, or claimants. Accordingly, we prohibit the unauthorized disclosure of Social Security numbers and other protected nonpublic personal information, except as legally required or authorized.

Information Sharing and Disclosure

Argo Group does not rent, sell or share your personally identifiable information with nonaffiliated third parties. Argo Group may, however, share personally identifiable information with third-party contractors. These third-party contractors are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or take action regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees.

Finally, Argo Group may transfer information, including any personally identifiable information, to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

Security

In order to protect your nonpublic personal information, we limit access to nonpublic personal information by only allowing authorized personnel to have access to such information. Furthermore, we maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual's protected information are destroyed before disposal; this destruction process includes the shredding of print and disposable media and deletion of electronic media. Argo Group has security measures in place to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged both on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting facility. Administrative

access is limited not only to authorized employees but also to specific remote administration protocols and IP addresses. All employees with access to personally identifiable information have been advised of Argo Group's security policies and practices. Argo Group will continue to conduct internal audits of its security systems and make all necessary enhancements to ensure the safety of the website and its users. No method of transmission over the Internet or method of electronic storage is 100% secure; therefore, while Argo Group uses commercially acceptable means to protect your information, we cannot guarantee absolute security.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of Social Security numbers and other protected nonpublic personal information is expected to immediately report such behavior to the General Counsel for further action.

Corrected/Updated Information

This policy applies to certain insureds of Argo Group, including but not limited to worker's compensation claimants. If you have any questions about this Privacy Policy, please contact:

General Counsel
Argo Group US, Inc.
P.O. Box 469011
San Antonio, Texas 78246
(210) 321-8400

*Note: Argo Group is the parent of Argonaut Insurance Company; Argonaut-Southwest Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; Argonaut Limited Risk Insurance Company; ARIS Title Insurance Corporation; Select Markets Insurance Company; Colony Insurance Company; Colony Specialty Insurance Company; Peleus Insurance Company (fka Colony National Insurance Company); Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Grocers Insurance Agency, Inc.; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, LLC; Commercial Deposit Insurance Agency, Inc.; Sonoma Risk Management, LLC; John Sutak Insurance Brokers, Inc.; Colony Management Services, Inc.; Argonaut Management Services, Inc.; and Argonaut Claims Management, LLC. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

The following additional policy Condition supersedes any other policy Condition regarding a minimum earned premium for this policy:

Policy Premium And Minimum Earned Premium

1. Policy Premium is the sum of the following:
   a. The Total Policy Premium (or Minimum Premium At Audit, if applicable) as shown in the Common Policy Declarations; plus
   b. Any premium adjustment by endorsement; plus
   c. Any premium adjustment developed by audit, if applicable.
2. The policy earned premium is the sum of the following:
   a. The amount of Policy Premium, not designated as fully earned premium at inception or by endorsement, calculated for the policy period that has been earned based on the ratio of the time passed on the policy to the effective date of the policy; plus
   b. Any Policy Premium that is designated as fully earned premium at inception or by endorsement.
3. If you cancel this policy, the return premium will be 90% of the unearned premium. However, as a minimum earned premium, we will retain no less than % of the Policy Premium.
4. If we cancel the policy for:
   a. non-payment of premium;
   b. any of the reasons stated in a cancellation endorsement that provide a 10 day notice; or
   c. any of the reasons stated in an amendatory state specific cancellation endorsement (up to and including a 30 day notice);

   the earned premium will be computed pro rata based on the length of the cancelled policy term. However, as a minimum earned premium, we will retain no less than % of the Policy Premium.
5. If we cancel the policy for any reason other than those identified in Paragraph **4.** above, the earned premium will be computed pro rata based on the length of the cancelled policy term and the minimum earned premium as stated in Paragraph **4.** above shall not apply.
6. Any unearned premium will be returned as soon as practicable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AIRCRAFT PRODUCTS AND GROUNDING EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** are amended and the following added:

Aircraft or Grounding

This insurance does not apply to "bodily injury" or "property damage" arising directly or indirectly out of:

1. any "aircraft product" or the "grounding" of any aircraft; or
2. "your work" on aircraft (including missile or spacecraft, and any ground support or control equipment).

B. **SECTION V – DEFINITIONS** is amended and the following added:

"Aircraft product" means:

a. Aircraft (including missile or spacecraft, and any ground support or control equipment used therewith);

b. Any article furnished by you or on your behalf and installed in an aircraft or used in connection with an aircraft or for spare parts for an aircraft including ground handling tools and equipment;

c. Any of "your products" used at an airport for the purpose of guidance, navigation or direction of aircraft;

d. training aids, instructions, manuals, blueprints, engineering or other data or advice and services and labor relating to such aircraft, articles or products that you or any other person or organization on your behalf:

(1) sold, handled or distributed; or

(2) manufactured, assembled or processed:

(a) according to specifications, plans, suggestions, orders, or drawings provided by you or on your behalf; or

(b) With tools, machinery or equipment furnished to such persons or drawings provided by you or on your behalf.

"Grounding" means:

a. the withdrawal of one or more aircraft from flight operations; or

b. the imposition of speed, passenger or load restrictions on such aircraft

by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft or any part thereof whether such aircraft so withdrawn are owned or operated by the same or different persons, organizations or corporations.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SAMPLE

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EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following added:

Employment-Related Practices

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

(1) a person arising directly or indirectly out of any:

(a) refusal to employ that person;

(b) termination of that person's employment; or

(c) employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, assault, battery, discrimination, malicious prosecution or abuse including sexual abuse directed at any person; or

(2) the spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

(1) whether the injury-causing event described in paragraphs **(1) (a)**, **(b)**, or **(c)** above occurs before employment, during employment or after employment of that person;

(2) whether the insured may be liable as an employer or in any other capacity; and

(3) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	**Amount and Basis of Deductible**		
	PER CLAIM	**or**	**PER OCCURRENCE**
Bodily Injury Liability Coverage	$N/A		$N/A
OR			
Property Damage Liability Coverage	$N/A		$N/A
OR			
Personal and Advertising Injury Liability Coverage	$N/A		$N/A
OR			
Bodily Injury Liability Coverage and/or Property Damage Liability Coverage and/or Personal and Advertising Injury Liability Coverage Combined	$N/A		$N/A

A. For the purposes of this endorsement all deductible coverage options, amounts and basis of the deductible shall include all amounts we pay in the defense and investigation of any "claim" or "suit" to which this insurance applies as stated under the SUPPLEMENTARY PAYMENTS – COVERAGE A AND B section of the policy.

B. Our obligations under this policy for damages applies only to the amount excess of the deductible shown in the Schedule above.

C. We shall select a deductible amount on either a per claim or a per occurrence basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:

1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
   - **a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
   - **b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage";
   - **c.** Under Personal and Advertising Injury Liability Coverage, to all damages sustained by any one person because of "personal and advertising injury";
   - **d.** Under Bodily Injury Liability Coverage and/or Property Damage Liability Coverage and/or Personal and Advertising Injury Liability Coverage Combined, to all damages sustained by any one person because of:
     - **(1)** "Bodily injury";
     - **(2)** "Property damage";
     - **(3)** "Personal and advertising injury"; or
     - **(4)** "Bodily injury", "property damage", and "personal and advertising injury" combined,

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as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a "claim" for such damages.

With respect to "property damage", person includes an organization.

2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a per occurrence basis, that deductible amount applies as follows:

   a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";

   b. Under Property Damage Liability Coverage, to all damages because of "property damage";

   c. Under Personal and Advertising Injury Liability Coverage, to all damages because of "personal and advertising injury";

   d. Under Bodily Injury Liability Coverage and/or Property Damage Liability Coverage and/or Personal and Advertising Injury Liability Coverage, to all damages because of:

      (1) "Bodily injury";

      (2) "Property damage";

      (3) "Personal and advertising injury"; or

      (4) "Bodily injury", "property damage", "personal and advertising injury" combined,

   as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

D. The terms of this insurance, including those with respect to:

1. Our right and duty to defend the insured against any "suits" seeking those damages; and
2. Your duties in the event of an "occurrence", "claim", or "suit"

apply irrespective of the application of the deductible amount.

E. We, at our sole election and option, may either:

1. Pay any part of or all of the deductible amount to effect settlement of any "claim" or "suit", and upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us; or
2. Simultaneously upon receipt of notice of any "claim" or at any time thereafter, request you pay or deposit with us all or any part of the deductible amount, to be held and applied by us as herein provided.

F. For the purposes of this endorsement, "claim" means a demand, received by the Insured, for money or services, including the service of "suit" against the Insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CONTINUOUS, PROGRESSIVE OR REPEATED – BODILY INJURY OR PROPERTY DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY. 2. Exclusions** is amended and the following is added:

This insurance does not apply to:

Continuous, Progressive or Repeated Bodily Injury or Property Damage

"bodily injury" or "property damage", including any continuous or progressively deteriorating or repeated "bodily injury" or "property damage", that first occurs:

1. prior to the effective date of this policy and continues during the policy term; or
2. prior to the effective date of this policy, continues during the policy term, and ends after the expiration date of this policy.

This exclusion applies regardless of whether such "bodily injury" or "property damage" is known or unknown by any "Insured".

However, this exclusion does not apply to "bodily injury" or "property damage", including continuous or progressively deteriorating or repeated "bodily injury" or "property damage", that first occurs during the policy term and ends after the expiration date of this policy.

B. **SECTION V – DEFINITIONS** is amended and the following added:

"Insured" means any person or organization qualifying as an insured under **SECTION II - WHO IS AN INSURED** along with either any additional named insured or additional insured whether added to this policy by endorsement or otherwise.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

If service of process is to be made upon the Company by way of hand delivery or courier service, delivery should be made to the Company's principal place of business:

Claims Manager
Colony Insurance Company,
Colony Specialty Insurance Company, or
Peleus Insurance Company
8720 Stony Point Parkway, Suite 400
Richmond, Virginia 23235

If service of process is to be made upon the Company by way of the U.S. Postal Service, the following mailing address should be used:

General Counsel
Colony Insurance Company,
Colony Specialty Insurance Company, or
Peleus Insurance Company
P.O. Box 469011
San Antonio, Texas 78246

Where required by statute, regulation, or other regulatory directive, the Company appoints the Commissioner of Insurance, or other designee specified for that purpose, as its attorney for acceptance of service of all legal process in the state in any action or proceeding arising out of this insurance.

The Commissioner or other designee is requested to forward process to the Company as shown above, or if required in his/her particular state, to a designated resident agent for service of process.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION

This endorsement modifies insurance provided under the following:

OUTPUT POLICY COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EXCESS LIABILITY POLICY
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

Paragraph **A. 2. Cancellation** of the COMMON POLICY CONDITIONS is deleted and replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for one or more of the following reasons:

(1) nonpayment of premium or failure to pay a premium when due;

(2) conviction of an insured of a crime arising out of acts increasing the hazard insured against;

(3) violation of any local fire, health, safety, building or construction regulation or ordinance which increases the hazard insured against under the policy;

(4) any willful or reckless act or omission by an insured increasing the hazard insured against;

(5) omission or concealment of fact relating to an insurance application, rating, claim or coverage under this policy;

(6) failure or refusal of an insured to:

(a) provide information necessary to confirm exposure or determine the policy premium; or

(b) comply with underwriting requirements;

(7) a substantial change in the risk covered by the policy;

(8) loss of reinsurance or substantial decrease in reinsurance;

(9) the cancellation is for all insureds under such policies for a given class of insureds; or

(10) any reason determined by the insurance commissioner.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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INSPECTION

This endorsement modifies the policy as follows:

$_____ is added to this policy for an inspection and is not refundable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** are amended and the following added:

This insurance does not apply to:

Professional Services

any "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional service. This includes but is not limited to:

(1) legal, accounting or advertising services;

(2) preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

(3) inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;

(4) engineering services, including related supervisory or inspection services;

(5) medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;

(6) any health or therapeutic service, treatment, advice or instruction;

(7) any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;

(8) any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;

(9) optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

(10) body piercing or tattooing services including but not limited to the insertion of pigment, collagen or any other foreign substance into or under the skin;

(11) services in the practice of pharmacy;

(12) law enforcement or firefighting services; or

(13) handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury" involved the rendering of or failure to render any professional service.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – USL&H, JONES ACT OR OTHER MARITIME LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following is added:

USL&H, Jones Act or Other Maritime Laws Exclusion

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of:

(1) operations over navigable waters or offshore including but not limited to drilling and production platforms, pipelines, and vessels where coverage is provided by the U.S. Longshore & Harbor Workers Compensation Act (USL&H), Merchant Marine Act ("Jones Act") or other maritime laws and any amendments to those laws;

(2) actions including but not limited to subrogation involving U.S. Longshore & Harbor Workers Compensation Act (USL&H), Merchant Marine Act ("Jones Act") or other maritime laws and any amendments to those laws; or

(3) any obligation of the insured resulting from actions under the U.S. Longshore & Harbor Workers Compensation Act (USL&H), Merchant Marine Act ("Jones Act") or other maritime laws and any amendments to those laws.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CROSS SUITS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** in the Commercial General Liability Coverage Part; and **SECTION I – COVERAGES, PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** in the Products/Completed Operations Liability Coverage Part are amended and the following added:

CROSS SUITS EXCLUSION

This insurance does not apply to any claim or "suit" for "bodily injury", "property damage" or "personal and advertising injury" brought by any Named Insured against any other Named Insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description And Location Of Premises Or Classification:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

1. **SECTION I – COVERAGES, COVERAGE C MEDICAL PAYMENTS** does not apply and none of the references to it in the Coverage Part apply.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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BREACH OF CONTRACT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions, f. Breach Of Contract is deleted and replaced by the following:

This insurance does not apply to damages directly or indirectly arising out of:

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, including an implied contract to use another's advertising idea in your "advertisement".

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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EXCLUSION – LEAD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following added:

This insurance does not apply to:

Lead

(1) "bodily injury" or "personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, lead in any form.

(2) "property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, lead in any form.

(3) any damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, lead in any form, by any insured or by any other person or entity.

(4) any claim or "suit" by or on behalf of a governmental authority for damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, lead in any form, by any insured or by any other person or entity.

This exclusion shall apply without regard to the source or sources of lead, or the basis of the insured's liability. This exclusion includes defects or negligence in design, construction or materials, or any other event, conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently or in any sequence with lead in any form in causing injury or damage.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

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EXCLUSION – ASBESTOS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following added:

This insurance does not apply to:

Asbestos

(1) "bodily injury" or "personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, asbestos in any form.

(2) "property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, asbestos in any form.

(3) any damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, asbestos in any form, by any insured or by any other person or entity.

(4) any claim or "suit" by or on behalf of a governmental authority for damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, asbestos in any form, by any insured or by any other person or entity.

This exclusion shall apply without regard to the source or sources of asbestos, or the basis of the insured's liability. This exclusion includes defects or negligence in design, construction or materials, or any other event, conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently or in any sequence with asbestos in any form in causing injury or damage.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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EXCLUSION – DEDICATED INSURANCE PROGRAM(S)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** is amended and the following added:

This insurance does not apply to:

Dedicated Insurance Program(s)

"bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at any project(s) which is, or was subject to a "dedicated insurance program".

This exclusion applies whether or not the "dedicated insurance program":

1. provides coverage identical to that provided by this Coverage Part;
2. provides coverage to one or more contractors;
3. provides multiple lines of coverage;
4. has limits adequate to cover all claims; or
5. remains in effect.

B. **SECTION V – DEFINITIONS** is amended and the following added:

"Dedicated insurance program" means wrap-up program(s), owner controlled insurance program(s), contractor controlled insurance program(s), or other job(s) or project specific policy / program(s) whether provided by you, or any other person or entity for which you are an insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION –NEW RESIDENTIAL CONSTRUCTION WORK EXCEPT AS SPECIFIED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, and **SECTION I – COVERAGES, PRODUCTS/COMPLETED OPERATIONS BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** are amended and the following Exclusion is added:

Residential Construction Work

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising directly or indirectly out of "your work" on new "residential construction". This exclusion may be subject to exception, as set forth below, but only if the box corresponding to the description of any such exception is checked, and then only to the extent of the exception so described.

SECTION V – DEFINITIONS is amended and the following is added:

"Residential construction" means buildings, structures or other improvements to real property constructed, maintained or sold for the purpose of being used by natural persons as a dwelling, inclusive of all infrastructure improvements in connection therewith, including, but not limited to, grading/excavating, utilities, road paving/curbs/sidewalks. "Residential construction" shall include, but not be limited to, single or multiple family housing, including apartments, townhouses, condominiums, co-operatives, duplexes, triplexes, fourplexes, and single-family detached housing. "Residential construction" also includes the terms "Apartment Structures", "Common Interest Developments", "Condominiums", "Condominium Projects", "Condominium Conversion Projects", "Cooperatives", "Custom Homes", "Infrastructure" or "Site Work", "Military Housing", "Residential Tract Housing", "Senior Housing Projects", "Senior Living Structures", "Assisted Senior Housing Projects", "Single Family Homes Built on Spec", "Student Housing", "Time Shares", "Townhouse Projects", or "Rental Property Units", all as further defined herein for the purposes of this Endorsement only.

"Condominium" is defined as any of the following: (1) An estate in real property where there is an undivided interest in common in a portion of real property, coupled with a separate interest in space called a unit, the boundaries of which are described on a recorded final map, parcel map, or condominium plan. The areas within the boundaries may be filled with air, earth or water, or any combination thereof, and need not be attached to land except by easements for access and support; (2) A type of ownership in real property where all of the owners own the property, common areas and buildings together, with the exception of the interior of the unit to which they have title; (3) Real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership, solely by the owners of those designated portions; (4) A single real property parcel with all the unit owners having a right in common to use the common elements with a separate ownership confined to the individual units that are serially designated.

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"Cooperative" means any of the following: (1) A type of multiple ownership of real property in which the residents of a multiunit housing complex own shares in the cooperative corporation that owns the property, giving each resident the right to occupy a specific apartment or unit; (2) dwelling units in a multi-dwelling complex in which each owner has an interest in the entire complex and a lease of his/her/its own apartment.

"Common Interest Development" means any of the following: (1) A condominium project; (2) A stock cooperative.

EXCEPTIONS TO RESIDENTIAL CONSTRUCTION WORK EXCLUSION:

This exclusion does not apply to the following (any exception to this exclusion is only applicable if a corresponding box below is checked):

☐ "Apartment Structures", which are defined as multi unit dwelling structures that are designed to be leased or rented by the owner of the structures to third-party tenants, and includes apartment buildings and apartment units.

☐ "Condominium Projects", which are defined as consisting of multiple individual "Condominiums", as defined elsewhere in this Endorsement, on a single parcel of real property.

☐ "Condominium Conversion Projects", which are defined as any existing multi unit dwelling structure, including "Apartment Structures", that prior to, during, or after the policy period, is converted to be sold as "Condominium(s)", "Cooperative(s)", "Common Interest Development(s)" or any sort of combination or derivative thereof, all as those terms are defined elsewhere in this Endorsement.

☐ "Custom Homes", which are defined as houses of a unique plan or blueprint built to an owner's specifications and sold before construction begins.

☐ "Military Housing", which is defined as single family or multi unit housing that is built for the US government or a branch of the armed forces of the United States, and that will be leased or otherwise made available to enlisted service men or women to be used as a dwelling while they are members of the U.S. Armed Forces

☐ "Residential Tract Housing", which is defined as single family, duplex, triplex or fourplex residential housing, not part of a "Condominium Project" or "Townhouse Project" (as defined elsewhere in this Endorsement), that is built by residential developers for sale to individuals during or after completion of construction. "Tract Housing" is further defined as consisting of 10 or more units in a single contiguous location.

☐ "Senior Housing Projects", "Senior Living Structures", or "Assisted Senior Housing Projects", which are defined collectively as:

- Dwellings that HUD has determined are specifically designed for and occupied by elderly persons under a Federal, State, or local government program; or
- Dwellings occupied solely by persons who are 62 or older; or
- Dwellings where at least one person who is 55 or older resides in at least 80 percent of the occupied units in any one location, and where the policy applicable to the dwellings demonstrates an intent to house persons who are 55 or older.

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☐ "Infrastructure" or "Site Work", which is defined as work involving common areas, excluding any building construction, and for purposes of this exception to the Residential Construction Exclusion, is further limited to:

☐ "Single Family Homes Built on Spec", which are defined as homes of a unique plan or blueprint, built by themselves, and not in conjunction with other homes of like design and blueprint, by a general contractor, for sale after completion of construction.

☐ "Student Housing", which is defined as single family or multi unit housing that is built and owned by any school or educational institution for the purpose of housing students, faculty, or other personnel of the school or educational institution, while they are attending or are employed by the school or a educational institution.

☐ "Time Shares", which are defined as structures that are designed and available for use and occupancy as a residence, and that are constructed for the purpose of being offered as part of a "timeshare plan," as that phrase is defined in the Vacation Ownership Time Share Act of 2004, at California Business & Professions Code Section11212, or as otherwise defined under any similar statutory scheme governing the offering of residential units to the public for use and occupancy as a vacation property on a recurring periodic basis of less than one year, and in effect in the state where the structures are located.

☐ "Townhouse Projects", which are defined as multi unit housing consisting of houses in a row, of usually the same or similar design, with common side walls or with a very narrow space between adjacent side walls, including individual Townhouses.

☐ "Rental Property Units", which are defined as any structures that are built as dwellings with the intended purpose of renting or leasing, rather than selling, the units to third-parties.

☐ Specific Project(s): [To be described in the space below if this box is checked].

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – INJURY TO TEMPORARY WORKER, VOLUNTEER WORKER, OR CASUAL WORKER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

A. **COMMERCIAL GENERAL LIABILITY COVERAGE FORM, SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILTY, 2. Exclusions** and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions;** and **OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM, SECTION I – COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** are amended and the following is added:

This insurance does not apply to "bodily injury" or "personal and advertising injury" to any "temporary worker", "volunteer worker" or "casual worker", or any of their spouses, children, parents, brothers, sisters or registered domestic partners.

B. **SECTION V – DEFINITIONS** is amended and the following added:

For the purpose of this endorsement only, the term:

a. "Casual worker" means:

(1) A person, other than a person furnished to you by a labor union, who acts at the direction of and within the scope of duties determined by any insured, and is employed by any insured for a short time and for a limited and temporary purpose; or

(2) A person for whom any insured, or a labor leasing firm acting on behalf of any insured, does not withhold federal income taxes and pay federal unemployment tax.

b. "Temporary worker" means a person who is furnished to you to substitute for a permanent worker on leave or to meet seasonal or short-term workload conditions.

However, "temporary worker" does not include a person who is furnished to you by a labor union to substitute for a permanent worker on leave or to meet seasonal or short-term workload conditions.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – IMPORTED DRYWALL DAMAGE – RESIDENTIAL CONSTRUCTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions,** and **SECTION I – COVERAGES, PRODUCTS/COMPLETED OPERATIONS, BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** are amended to include the following additional exclusion:

This insurance does not apply to:

Imported Drywall Damage – Residential Construction

(1) "Property damage" arising out of the release of gases, fumes, vapors or particulates from "imported drywall" used in any "residential construction" in connection with "your work" or "your product", including operations performed by you or on your behalf by a contractor or subcontractor.

(2) "Property damage" arising out of the design, manufacture, construction, fabrication, preparation, distribution, sale, installation, application, maintenance, repair, remodeling, servicing, correction or replacement of any "imported drywall" used in any "residential construction". This applies whether or not the "property damage" is included within the "products-completed operations hazard".

(3) "Property damage" included in the "products-completed operations hazard" and arising out of "your work" on any "residential construction" involving all operations conducted using "imported drywall", whether performed by you or on your behalf.

(4) "Property damage" arising out of "your product" used in or "your work" on any "residential construction" with respect to any electrical, mechanical, plumbing or structural system or equipment, or any other component, fixture or feature of any "residential construction", if any "imported drywall" is used in the "residential construction" containing that electrical, mechanical, plumbing or structural system or equipment, component, fixture or feature.

(5) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to or assessing the effects of "imported drywall" used in any "residential construction", or any gases, fumes, vapors or particulates emitted or released from such "imported drywall" used in any "residential construction".

(6) Any obligations to share damages, losses, costs or expenses with or indemnify another party who must pay damages, losses, costs or expenses arising out of or relating to "imported drywall" used in any "residential construction", or any gases, fumes, vapors or particulates emitted or released from such "imported drywall" used in any "residential construction".

(7) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with subparagraphs **(1)** through **(6)** above.

This exclusion applies whether or not such "imported drywall" has any use or function in your business, operations, premises, site or location.

B. The following definitions are added to the **Definitions** Section:

"Imported drywall" means any drywall, plasterboard, sheetrock or gypsum board manufactured outside of

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the United States, or any pre-manufactured interior wall that is made with drywall, plasterboard, sheetrock or gypsum board manufactured outside of the United States.

"Residential construction" means buildings, structures or other improvements to real property constructed, maintained or sold for the purpose of being used by natural persons as a dwelling, inclusive of all infrastructure improvements in connection therewith, including, but not limited to, grading/excavating, utilities, road paving/curbs/sidewalks. "Residential construction" shall include, but not be limited to, single or multiple family housing, including apartments, townhouses, condominiums, co-operatives, duplexes, triplexes, fourplexes, and single-family detached housing.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED ONGOING OPERATIONS AND PRODUCTS-COMPLETED OPERATIONS HAZARD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of Designated Operation(s):
Specified Location (If Applicable):

SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, and **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following is added:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the operations described in the SCHEDULE above.

Unless a "location" is specified in the SCHEDULE, this exclusion applies to all "locations". If a specific "location" is designated in the SCHEDULE above, this exclusion applies only to the described operations conducted at that "location".

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY RECOVERY COVERAGE

IDENTITY THEFT CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following Identity Recovery Coverage is added to this Policy. Identity Recovery Coverage is a first party coverage provided to the owners of the insured entity. Identity Recovery Coverage includes reimbursement of specified legal expenses, but such coverage is subject to the Identity Recovery coverage limit as specified under **LIMITS** below. Under Identity Recovery Coverage, we do not have a duty to defend the insured from claims or suits. The limit and deductible applicable to Identity Recovery Coverage are separate from and in addition to the limits and deductibles that apply to any other coverage provided under this Policy. The Common Policy Conditions apply to coverage under this Identity Recovery Coverage.

IDENTITY RECOVERY COVERAGE

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery coverage is applicable; and
3. Such "identity theft" is reported to us within 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. **Case Management Service**

   Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. **Expense Reimbursement**

   Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

EXCLUSIONS

The following additional exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

1. The theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured", whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
3. An "identity theft" that is not reported in writing to the police.

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LIMITS

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

Expense Reimbursement coverage is subject to a limit of $15,000 annual aggregate per "identity recovery insured." This limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during the policy period. This limit will apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less then twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance. The limit applies regardless of the number of claims during that period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement coverage limit.

Item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of $5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of $1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

Item h. (Miscellaneous Unnamed Costs) of the definition of "identity recovery expenses" is subject to a sublimit of $1,000. This sublimit is part of, and not in addition to, the Expenses Reimbursement coverage limit. Coverage is limited to costs incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

DEDUCTIBLE

Neither the Case Management Service nor the Expense Reimbursement coverage is subject to a deductible.

CONDITIONS

The following additional conditions apply to this coverage:

A. Help Line

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line** at

1-866-855-9282.

The **Identity Recovery Help Line** can provide the "identity recovery insured" with:

1. Information and advice for how to respond to a possible "identity theft"; and
2. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

   In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to

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deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement Coverage, the "identity recovery insured" must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

B. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **"Identity Recovery Case Manager"** means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
   a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
   b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
   c. Costs for credit reports from established credit bureaus.
   d. Fees and expenses for an attorney approved by us for the following:
      (1) The defense of any civil suit brought against an "identity recovery insured."
      (2) The removal of any civil judgment wrongfully entered against an "identity recovery insured."
      (3) Legal assistance for an "identity recovery insured" at an audit or hearing by a governmental agency.
      (4) Legal assistance in challenging the accuracy of the "identity recovery insured's" consumer credit report.
      (5) The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of the "identity recovery insured."

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e. Actual lost wages of the "identity recovery insured" for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."

g. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."

h. Any other reasonable costs necessarily incurred by an "identity recovery insured" as a direct result of the "identity theft."

(1) Such costs include:

(a) Costs by the "identity recovery insured" to recover control over his or her personal identity.

(b) Deductibles or service fees from financial institutions.

(2) Such costs do not include:

(a) Costs to avoid, prevent or detect "identity theft" or other loss.

(b) Money lost or stolen.

(c) Costs that are restricted or excluded elsewhere in this endorsement or policy.

3. **"Identity Recovery Insured"** means the following:

a. When the entity insured under this policy is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.

b. When the entity insured under this policy is a partnership, the "identity recovery insureds" are the current partners.

c. When the entity insured under this policy is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if there is no one who has such an ownership position, then the "identity recovery insured" shall be:

(1) The chief executive of the insured entity; or

(2) As respects a religious institution, the senior ministerial employee.

An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."

4. **"Identity Theft"** means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – BENZENE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions and **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** are amended and the following added:

This insurance does not apply to:

Benzene

(1) "bodily injury" or "personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, benzene in any form.

(2) "property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, benzene in any form.

(3) any damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, benzene in any form, by any insured or by any other person or entity.

(4) any claim or "suit" by or on behalf of a governmental authority for damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, benzene in any form, by any insured or by any other person or entity.

This exclusion shall apply without regard to the source or sources of benzene, or the basis of the insured's liability. This exclusion includes defects or negligence in design, construction or materials, or any other event, conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently or in any sequence with benzene in any form in causing injury or damage.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SPECIMEN

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EXCLUSION – INDIRECT LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Specified Operation (if applicable):	Specified Location (if applicable):

SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILTY, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Indirect Liability

"bodily injury" or "property damage" arising or alleged to arise out of any of an insured's operations or locations, if applicable, as described in the SCHEDULE above due to:

(1) negligent hiring, supervision or retention of any person who is not a named insured under this policy;

(2) actual or alleged vicarious liability for the acts or omissions of any other person who is not a named insured under this policy; or

(3) actual or alleged duty to establish, maintain or provide a safe workplace.

If no operations or locations are designated in the SCHEDULE above, then the exclusion applies to all of the insured's operations or locations.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AND AUDIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, 5. Premium Audit; **SECTION IV – CONDITIONS, 10. Premium Audit** within the Owners And Contractors Protective Liability Coverage Form; **SECTION IV – PRODUCTS/COMPLETED OPERATIONS LIABILITY CONDITIONS, 5. Premium Audit**; and **SECTION IV – CONDITIONS, 7. Premium And Premium Audit** within the Railroad Protective Liability Coverage Form are deleted and replaced with the following:

a. We will compute all premiums for this Coverage Part in accordance with our rules, rates, rating plans, premiums and minimum premiums.

b. This policy is subject to audit.

c. The premium shown in the Declarations as the Total Premium For This Coverage Part is an estimated advance premium only which shall be credited to the amount of the earned premium due at the end of each audit period. The estimated advance premium is determined based on an estimate of your exposures for the policy period.

d. At the close of each audit period (or part thereof terminating with the end of the policy period) as shown in the Declarations, we may conduct an audit of your books and records to determine the actual earned premium developed during the audit period.

e. The calculation of this earned premium will be based on the elements (e.g. premium basis, rates, class codes) as shown in the Declarations. We will compute the earned premium for that audit period based on the exposures determined by audit.

f. If the calculated earned premium is greater than the deposit premium previously paid, you will be billed an additional earned premium for the difference. If the calculated earned premium is less than the deposit premium previously paid, then we shall receive and retain no less than 100% of the policy earned premium.

g. The due date for additional earned premium developed by audit is the date shown as the due date on the bill. We will send notice to the first Named Insured. Failure to pay the additional earned premium due will be deemed a breach of contract and, at our sole discretion, may subject this policy, as well as any other policy of yours in force, to cancellation for non-payment of premium.

h. Should it become necessary to institute collection activities, including litigation, in order to collect any earned premium, then you shall be responsible for 100% of the expenses, fees and costs incurred by us in that regard plus any collectible interest.

i. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request. These records include but are not limited to ledgers, journals, registers, vouchers, contracts, tax reports, and payroll and disbursement records. Failure to supply such records upon request will be deemed a breach of policy conditions and, at our sole discretion, may subject this policy, as well as any other policy of yours in force, to cancellation for breach of policy conditions. We may examine your books and records at any time during the policy period or within three (3) years of the expiration of this policy.

j. If, after three (3) documented attempts, we are unable to examine your books and records to obtain the information required to complete the audit, the audit will be deemed unproductive and we will

complete an estimated audit using an increase of 25% in your estimated exposures. Documentation on our attempts to collect the required audit information will be made available to you and provided upon request.

k. You may dispute the audit within fourteen (14) days of receiving the audit endorsement or other notice regarding the premium adjustment amount by providing us with copies of the information we need for premium computation. Failure to dispute the audit endorsement or other notice regarding the premium adjustment amount within fourteen (14) days shall be deemed as your agreement with the audit endorsement or other notice regarding the premium adjustment amount.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND CYBER INJURY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
FARM LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. The exclusions below are added for all coverages, with the exception of any Medical Payments coverage, and replace any existing exclusions related to electronic data and/or confidential information.

This insurance does not apply to:

Cyber Injury

(1) Damages arising out of "cyber injury," including all fines and penalties; or

(2) Any claim or "suit" arising out of any litigation, proceeding, or administrative action or hearing brought prior to or pending as of the inception date of this policy, arising out of "cyber injury."

This exclusion does not apply to damages because of "bodily injury."

Confidential Information

Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

B. The following definitions are added with respect to the provisions of this endorsement:

"Cyber injury" means any actual or suspected, intentional or unintentional, breach of any data, software or hardware, wherever located, that results in:

a. Loss, destruction, disclosure, disruption, inspection, modification, recording, release, review or use of "personal information";

b. Oral or written publication, in any manner, of material that violates a person's right of privacy;

c. Inability to access any website or any electronic system;

d. Release, introduction or facilitation of any "malicious code";

e. Forensic or investigative expenses;

f. Extortion or terrorism acts or threats;

g. Monitoring or notification costs or expenses;

h. Crisis management or public relations expenses;

i. Data or system recovery, repair, replacement or restoration expenses; or

j. Business interruption expenses.

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"Malicious code" means, but is not limited to, any virus, Trojan horse, worm, spyware, logic bomb, adware, malware or other similar software program.

"Personal information" means any personal or personally, identifiable or identifying information, as defined by federal, state or local laws, statutes or regulations.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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DECLINATION FORM

Insured: Villages at Tortolita Community Facilities District, The

Policy #: APP178684143

Effective: 09/03/2019

AUTHORIZED INSURERS WHO DECLINED THE RISK

INSURER	INSURER'S REPRESENTATIVE	DATE DECLINED
1.		
2.		
3.		

NAME AND TITLE OF PERSON WHO CONDUCTED THE DELIGENT SEARCH RESULTING IN THE ABOVE DECLINATIONS:

NAME _____

TITLE _____

WE APPRECIATE YOUR PROMPT ATTENTION TO THIS MATTER.

_____
DATE

_____
AGENT'S SIGNATURE

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

September 04, 2019

The Mahoney Group
Attn: Nancy Draper-Clark
1835 S Extension Road Mesa, AZ 85210-5942

Applicant: Villages at Tortolita Community Facilities District, The
c/o Town Manager - Town of Marana, 11555 W Civic Center Dr
Marana, AZ 85653

Submission #: APP178684143
Policy Period: 09/03/2019 12:01 AM To 09/03/2020 12:01 AM
Coverage: Excess Liability
Issuing Company: Colony Insurance Company

All Risks is acting as a wholesale intermediary and may have occasion to charge fees for its services to evaluate requests for insurance, prepare submissions for coverage, summarize quotes and interact and or find insurance carriers to offer quotes. The fees charged are in addition to any premiums charged for insurance and commissions or other compensation payable to All Risks by insurance carriers. All Risks fees will be listed on the face of its quotes, binders and invoices and are fully earned at inception.

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

September 04, 2019

The Mahoney Group
Attn: Nancy Draper-Clark
1835 S Extension Road Mesa, AZ 85210-5942

Applicant:	Villages at Tortolita Community Facilities District, The c/o Town Manager - Town of Marana, 11555 W Civic Center Dr Marana, AZ 85653
Submission #:	APP178684143
Policy Period:	09/03/2019 12:01 AM To 09/03/2020 12:01 AM
Coverage:	Excess Liability
Issuing Company:	Colony Insurance Company

We are pleased to submit our proposal for the above captioned applicant.

Please read the attached quote carefully as coverage offered may be more limited than coverage requested.

Note :

Minimum earned premium may apply to this policy. See attached carrier quote for specifics. Please note that all fees are fully earned at inception.

TRIA coverage if applicable is offered on the attached carrier's quote.

Please review any minimum and deposit, audit, and/or cancellation provisions on the attached carrier quote for details regarding possible return premiums and additional premium charges.

I look forward to hearing from you, and please call if you have any questions.

Thank you for your business.

Regards,

Heather Ott
Vice President
All Risks, LTD.
HOTT@allrisks.com
602-494-7200 Ext. 3909

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

Cost Summary

Excess Liability Premium	$4,025.00
AZ Surplus Lines Tax	$125.25
AZ Stamp Fee	$8.35
Policy Fee	$150.00
Total Policy Cost	**$4,308.60**

Minimum Earned

Note: There may be a minimum earned on this policy. Please refer to the carrier quote for more details on the minimum earned percentage.

Agent Commission: 10%

Compensation Disclosure

In the process of reviewing and attempting to place insurance for your client, we may perform any number of tasks that may or may not include: the review and assessment of your application, losses and risk profile, communicating with various insurance carriers or their representatives, risk analysis, policy or coverage comparison, inspections, reviewing coverage terms offered, policy issuance and servicing of the policy post binding. We may charge a fee for these services in addition to any commission that may be payable to us by the Insurance Carrier with whom we bind your client's business.

Any fees charged are fully earned at inception of the policy and will not be returned unless required by applicable law. Fees may be applicable to any transaction requiring additional premium including audits and endorsements as well as new and renewal policies. All fees will be itemized separate from premium in our Quotes. Insureds are under no obligation to purchase insurance proposed by us including a fee and insurance carriers are under no obligation to bind any insurance proposed in our quotes. The fees we charge are not required by state law or the insurance carrier.

The insurer with whom your insurance is placed may have an agreement with All Risks, Ltd. to pay additional compensation. This compensation will be in addition to the fees and commissions earned on the business we are placing for your Client's insurance. The calculation of this additional compensation is determined based on a number of factors including, but not limited to: premium volume, loss experience, general profitability and renewal retention. The calculation contemplates the amount and performance of all insurance business placed with the insurance carrier by All Risks, Ltd. during the term of the agreement and is not calculated on a per policy basis but rather on a portfolio basis after a set period of time has expired.

All Risks, LTD.
11811 North Tatum Blvd
Phoenix, AZ 85028

Insurance Proposal

Subjectivities

- Signed and dated Excess Acord Application.
- Signed TRIA form if insured is accepting or rejecting terrorism coverage
- A written request to bind coverage is required prior to binding.
- All subjectivities noted on the carrier's quote.

The Subjectivities outlined above are required prior to binding. Please forward all requested information with your bind request. No coverage is considered bound until confirmed in writing from All Risks, Ltd. and all subjectivities have been addressed.

Remarks

ALL TERMS AND CONDITIONS OF THE CARRIER'S QUOTE APPLY.

ALL RISKS QUOTE DOES NOT INCLUDE TERRORISM.

10% COMMISSION APPLIES TO ALL AUDIT AND ADDITIONAL PREMIUM ENDORSEMENTS.

7272 E. Indian School Rd., Ste.500, Scottsdale, AZ 85251
Toll Free: 877.251.3422 Excess Casualty Fax: 480.889.6352

ARGO CONSTRUCTION

Casualty Excess Quote

Date: September 3, 2019 **Quote valid until:** 10/3/2019
To: ALL RISKS LTD OF THE SOUTHWEST, LTD.

Insured: VILLAGES AT TORTOLITA COMMUNITY FACILITIES DISTRICT
Submission #: 3197247
Insurance Co.: Colony Insurance Company
Rated A XIII by AM Best.

The attached disclosure notice must be signed & returned prior to Company binding coverage.

We are pleased to offer the following quotation for the above captioned account. This quote provides an overview of coverage and may or may not be those requested on the application. Coverage is subject to the terms and conditions of this policy as issued.

NOTE: Coverage to be written on an excess policy. **The underlying General Liability is on an occurrence form.**

Policy Limit:	$1,000,000	Each Occurrence Limit
	$1,000,000	Aggregate Limit
Excess of:	Primary-See Schedule of Underlying	
Annual Premium:	$4,025	
Terrorism Coverage Prem.:	$201	
Annual Total Prem. w/Terr. Cov.:	$4,226	

Minimum Earned: 25%
Policy Term: 12 months

Schedule of Underlying Limits

Our quotation is based upon the following underlying requirements placed with a carrier rated A- (VI) or better by A.M. Best's:

General Liability

$1,000,000	Each Occurrence
$2,000,000	General Aggregate
$2,000,000	Products Completed Operations Agg.
$1,000,000	Pers & Adv Injury Limit
Carrier:	Colony

ADDITIONAL INFORMATION OR REMARKS:

If any changes to sales or vehicle count **(0 AUTOS)**, our quote is subject to change.

Please note we will no longer show underlying policy information including policy number and effective/expiration dates on the Schedule A-Schedule of Underlying Insurance. We require a Signed Acord application, copy of the primary General Liability policy (if not Colony) including any non-ISO endorsements, copy of Auto policy (including auto schedule) and copy of the Employers Liability policy dec page. Other underlying policies may be requested.

This is a Non Admitted Quote. Coverage is bound upon issuance of policy number by the Company.
If Coverage applies on a Claims Made basis an Optional Extended Reporting period may be available if policy is terminated or not renewed; restrictions apply.

Please attach a copy of this Quote Sheet with request to Bind policy.

FORMS: In addition to the standard policy terms and conditions, the following endorsements and/or exclusions will be attached to the policy:

TRIANoticeB-0417 Policyholder Disclosure
PrivacyNotice-0415 Privacy Notice
ILP001-0104 OFAC Advisory Notice to Policyholders
XP COV FORM-0815 Commercial Excess Liability Coverage Form
XS DEC-0815 Commercial Excess Liability Policy - Declarations
U001-1004 Schedule of Forms and Endorsements
Schedule XS PRIM-0815 Schedule of Underlying Insurance
SIG CIC-0817 Signature Page - CIC
XP280-0815 Minimum Earned Premium
U094-0415 Service of Suit
CX2119-0413 Exclusion - Employment Related Practices
XP40-0815 Exclusion - ERISA
XP125-0815 Excl-Recording & Distribution of Material or Information in Violation of Law
XP200-0815 Exclusion - War
XP212-0815 Exclusion - Lead
XP213-0815 Exclusion - Benzene
CX2116-0413 Excl - Silica or Silica-Related Dust
CX2101-0908 Nuclear Energy Liab Excl (Broad Form)
CX2113-0413 Exclusion - Fungi or Bacteria
CX2102-0413 Total Pollution Exclusion
CX2120-0413 Excl - Professional Services
XP261-0815 Cancellation
-
-
-

XP103-0815 Excl - Cross Suits
XP03-0815 Excl - Care, Custody and Control
XP46-0815 Excl - Directors & Officers Liability
XP51-0815 Excl - USL&H, Jones Act or Other Maritime Laws
XP78-0815 Excl - Aircraft Products and Grounding
XP77-0815 Excl - Punitive, Exemplary or Mult Dmgs

XP335-1018 Excl-Access or Discl of Confidential or Pers Info & Cy

ILN014-0903 Arizona Fraud Statement

CX2171-0615 Exclusion-Unmanned Aircraft

	FORM WORDING (If Applicable):
XP165-0815 Waiver of Subrogation - Recoveries	

SUBJECTIVITIES:

This quotation is subject to the following conditions. Failure to comply with these conditions may result in any policy bound or issued being cancelled.

If the underlying details are not as outlined above for any reason or if any conditions of this quote are not met, this quote and any binder or policy issued pursuant to it are invalid, and we reserve the right to withdraw, rescind, or to revise our price and terms for this insurance.

NOTE: If underlying coverage and/or other requested information is not received within sixty (60) days, the Company may elect to send Direct Notice of Cancellation.

Upon binding we will require a signed and elected TRIA, along with a signed and dated XS ACORD

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

_____ I hereby **elect** to purchase terrorism coverage for a prospective premium of $ $201

_____ I hereby **decline** to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

IF YOU CHOOSE TO *DECLINE* TERRORISM COVERAGE, YOU MUST SIGN THIS STATEMENT THAT AFFIRMATIVELY EXPRESSES YOUR DESIRE TO WAIVE COVERAGE FOR CERTIFIED ACTS OF TERRORISM:

By signing the rejection statement below, you understand that an exclusion(s) of certain terrorism losses will be made part of this policy and any subsequent renewal until the Terrorism Risk Insurance Act expires or you opt to purchase such coverage. If upon renewal of your policy, you wish to purchase coverage for certified acts of terrorism, please contact your agent, broker or representative, and an offer of coverage will be made. If you decide to purchase the coverage, the exclusion(s) of certified acts of terrorism will be removed from your policy.

REJECTION STATEMENT: On behalf of the Named Insured shown below, I hereby:

- Reject the offer of coverage for certified acts of terrorism;
- Acknowledge that an exclusion(s) of certain terrorism losses will be made part of the policy; and
- Acknowledge that, unless the Named Insured requests coverage for certified acts of terrorism at renewal, an exclusion(s) of certain terrorism losses will be part of the policy and any subsequent renewals.

VILLAGES AT TORTOLITA COMMUNITY FACILITIES DISTRICT	Colony Insurance Company
Policyholder/Applicant Name	***Insurance Company***
	To Be Assigned
Policyholder/Applicant's Signature	***Policy Number***
Date	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(BROAD FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2., Exclusions**:

2. Exclusions

NUCLEAR ENERGY LIABILITY

a. Under any Liability Coverage, to "injury or damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under any Liability Coverage, to "injury or damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or **(b)** has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

(3) The "injury or damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion **(3)** applies only to property damage to such "nuclear facility" and any property thereat.

c. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

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(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Injury or damage" includes all forms of radioactive contamination of property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Exclusion **c.** under Paragraph **2. Exclusions** of **Section I – Coverages** is replaced by the following:

Insurance provided under this Coverage Part does not apply to:

2. Exclusions

c. Pollution

(1) "Injury or damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time; or

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – FUNGI OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverages:**

2. Exclusions

Insurance provided under this Coverage Part does not apply to:

Fungi Or Bacteria

a. "Injury or damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such "injury or damage".

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following definition is added to the **Definitions** section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SILICA OR SILICA-RELATED DUST

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverages:**

2. Exclusions

Insurance provided under this Coverage Part does not apply to:

Silica Or Silica-related Dust

a. "Injury or damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following definitions are added to the **Definitions** section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – EMPLOYMENT-RELATED PRACTICES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverages:**

2. Exclusions

Insurance provided under this Coverage Part does not apply to "injury or damage" to:

a. A person arising out of any:

(1) Refusal to employ that person;

(2) Termination of that person's employment; or

(3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

b. The spouse, child, parent, brother or sister of that person as a consequence of "injury or damage" to that person at whom any of the employment-related practices described in Paragraph **(1)**, **(2)** or **(3)** above is directed.

This exclusion applies whether the injury-causing event described in Paragraph **(1)**, **(2)** or **(3)** above occurs before employment, during employment or after employment of that person.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverages:**

2. Exclusions

Insurance provided under this Coverage Part does not apply to "injury or damage" due to the rendering of or failure to render any professional service. This includes but is not limited to:

a. Legal, accounting or advertising services;

b. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings or specifications;

c. Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;

d. Engineering services, including related supervisory or inspection services;

e. Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;

f. Any health or therapeutic service treatment, advice or instruction;

g. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;

h. Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, bodybuilding or physical training programs;

i. Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

j. Body piercing services;

k. Services in the practice of pharmacy;

l. Law enforcement or firefighting services; and

m. Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "event" which caused the "injury or damage" involved the rendering of or failure to render any professional service.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS COVERAGE PART

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I – Coverages:**

2. Exclusions

Insurance provided under this Coverage Part does not apply to:

Unmanned Aircraft

"Injury or damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and loading or unloading.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "event" which caused the "injury or damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

As used in this exclusion, loading or unloading means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an "unmanned aircraft";

b. While it is in or on an "unmanned aircraft"; or

c. While it is being moved from an "unmanned aircraft" to the place where it is finally delivered;

but loading or unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the "unmanned aircraft".

B. The following definition is added to the **Definitions** section:

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

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ARIZONA FRAUD STATEMENT

For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

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Insured: <Ins Name>
Policy Number: <Pol Num>

U001 (10/04)

SCHEDULE OF FORMS AND ENDORSEMENTS

Forms and Endorsements applying to and made part of this policy at the time of issuance:

NUMBER	TITLE
<Form 1>	<Title 1>
<Form 2>	<Title 2>
<Form 3>	<Title 3>
<Form 4>	<Title 4>
<Form 5>	<Title 5>
<Form 6>	<Title 6>
<Form 7>	<Title 7>
<Form 8>	<Title 8>
<Form 9>	<Title 9>
<Form 10>	<Title 10>
<Form 11>	<Title 11>
<Form 12>	<Title 12>
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<Form 51>	<Title 51>
<Form 52>	<Title 52>
<Form 53>	<Title 53>
<Form 54>	<Title 54>

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

If service of process is to be made upon the Company by way of hand delivery or courier service, delivery should be made to the Company's principal place of business:

Claims Manager
Colony Insurance Company,
Colony Specialty Insurance Company, or
Peleus Insurance Company
8720 Stony Point Parkway, Suite 400
Richmond, Virginia 23235

If service of process is to be made upon the Company by way of the U.S. Postal Service, the following mailing address should be used:

General Counsel
Colony Insurance Company,
Colony Specialty Insurance Company, or
Peleus Insurance Company
P.O. Box 469011
San Antonio, Texas 78246

Where required by statute, regulation, or other regulatory directive, the Company appoints the Commissioner of Insurance, or other designee specified for that purpose, as its attorney for acceptance of service of all legal process in the state in any action or proceeding arising out of this insurance.

The Commissioner or other designee is requested to forward process to the Company as shown above, or if required in his/her particular state, to a designated resident agent for service of process.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CARE, CUSTODY OR CONTROL

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SCHEDULE

Description of Property:
Real and Personal

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Care, Custody or Control

any claim for "injury or damage" to property described above, if the property is in the care, custody or control of the insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – E.R.I.S.A.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Employees' Retirement Income Security Act (E.R.I.S.A.)

any actual or alleged violation or obligation of any insured under the Employees' Retirement Income Security Act (E.R.I.S.A.) and any amendments thereto or any similar federal, state or local statute.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DIRECTORS AND OFFICERS LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Directors And Officers Liability

any claim for "injury or damage" arising out of any actual or alleged breach of duty, misstatement or misleading statement, malfeasance, misfeasance, or nonfeasance by your directors or officers, individually or collectively, in the discharge of their duties on behalf of any insured.

No coverage is provided for any obligations an insured or your directors or officers have under any insured contract or any other contract or agreement to indemnify or defend any director or officer from such claims or suits.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – USL&H, JONES ACT OR OTHER MARITIME LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

USL&H, Jones Act or Other Maritime Laws

any claim for "injury or damage" arising out of:

(1) operations over navigable waters or offshore, including, but not limited to, drilling and production platforms, pipelines, and vessels, where coverage is provided by the U.S. Longshore & Harbor Workers Compensation Act (USL&H), Merchant Marine Act ("Jones Act") or other maritime laws and any amendments to those laws;

(2) actions, including, but not limited to, subrogation involving U.S. Longshore & Harbor Workers Compensation Act (USL&H), Merchant Marine Act ("Jones Act") or other maritime laws and any amendments to those laws; or

(3) any obligation of the insured resulting from actions under the U.S. Longshore & Harbor Workers Compensation Act (USL&H), Merchant Marine Act ("Jones Act") or other maritime laws and any amendments to those laws.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PUNITIVE, EXEMPLARY OR MULTIPLE DAMAGES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Punitive, Exemplary or Multiple Damages

any claim for or awards of:

(1) punitive or exemplary damages;

(2) multiple damages or any portion thereof; or

(3) equitable or non-pecuniary relief;

including any fines, penalties, court imposed sanctions, return or restitution of legal fees, costs or other expenses associated with such awards.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – AIRCRAFT PRODUCTS AND GROUNDING

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. **SECTION I – COVERAGES, 2. Exclusions** is amended and the following added:

This insurance does not apply to:

Aircraft Products and Grounding

any claim for "injury or damage" arising out of:

(1) any "aircraft product" or the "grounding" of any aircraft, missile or spacecraft; or

(2) your work on any "aircraft product".

B. **SECTION IV – DEFINITIONS** is amended and the following added:

"Aircraft product" means:

a. aircraft, missile or spacecraft, and any ground support or control equipment used therewith;

b. any article furnished by you or on your behalf and installed in an aircraft, missile or spacecraft or used in connection with an aircraft, missile or spacecraft or for spare parts for an aircraft, missile or spacecraft;

c. any of your products used for the purpose of guidance, navigation or direction of an aircraft, missile or spacecraft; or

d. any training aids, instructions, manuals, blueprints, engineering or other data, engineering or other advice and services and labor relating to such aircraft, missile or spacecraft, articles or products.

"Grounding" means:

a. the withdrawal of one or more aircraft from flight operations; or

b. the imposition of speed, passenger or load restrictions on such aircraft;

by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such aircraft, missile or spacecraft, or any part thereof whether such aircraft, missile or spacecraft so withdrawn are owned or operated by the same or different persons, organizations or corporations.

A grounding will be deemed to commence on the earlier of:

(1) the date of an occurrence which discloses such defect, fault or conditions; or

(2) on the date an aircraft, missile or spacecraft is first withdrawn from service due to such defect, fault or condition.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CROSS SUITS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Cross Suits

any claim for "injury or damage" brought by any Named Insured against any other Named Insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW

This endorsement modifies insurance provided under the following:

COMMERICAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Recording And Distribution Of Material Or Information In Violation Of Law

any claim for "injury or damage" arising out of any action or omission that violates or is alleged to violate:

(1) the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) the CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

(4) any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF SUBROGATION – RECOVERIES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION III – CONDITIONS, 12. Subrogation – Recoveries is amended and the following added:

We will waive any right of recovery we may have against any person or organization because of payments we make for "injury or damage" provided you agreed to provide such waiver in a written contract that is signed and executed prior to any loss to which this insurance applies. This waiver will only apply where the "underlying insurance" also contains a waiver of such right of recovery.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – WAR

This endorsement modifies insurance provided under the following:

COMMERICAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

War

any claim for "injury or damage" arising out of:

(1) war, including undeclared or civil war;

(2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

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EXCLUSION – LEAD

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Lead

(1) any claim for "injury or damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, lead in any form.

(2) any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, lead in any form, by any insured or by any other person or entity.

This exclusion shall apply without regard to the source or sources of lead, or the basis of the insured's liability. This exclusion includes defects or negligence in design, construction or materials, or any other "event", conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently or in any sequence with lead in any form in causing "injury or damage".

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – BENZENE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

SECTION I – COVERAGES, 2. Exclusions is amended and the following added:

This insurance does not apply to:

Benzene

(1) any claim for "injury or damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, benzene in any form.

(2) any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, benzene in any form, by any insured or by any other person or entity.

This exclusion shall apply without regard to the source or sources of benzene, or the basis of the insured's liability. This exclusion includes defects or negligence in design, construction or materials, or any other "event", conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently or in any sequence with benzene in any form in causing "injury or damage".

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION

This endorsement modifies insurance provided under the following:

COMMERICAL EXCESS LIABILITY COVERAGE FORM

SECTION III – CONDITIONS, **5. Cancellation**, Item **b.** is deleted and replaced by the following:

5. Cancellation

b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(1) 10 days before the effective date of cancellation if we cancel for one or more of the following reasons:

(a) nonpayment of premium or failure to pay a premium when due;

(b) conviction of an insured of a crime arising out of acts increasing the hazard insured against;

(c) violation of any local fire, health, safety, building or construction regulation or ordinance which increases the hazard insured against under the policy;

(d) any willful or reckless act or omission by an insured increasing the hazard insured against;

(e) omission or concealment of fact relating to an insurance application, rating, claim or coverage under this policy;

(f) failure or refusal of an insured to:

i. provide information necessary to confirm exposure or determine the policy premium; or

ii. comply with underwriting requirements;

(g) a substantial change in the risk covered by the policy;

(h) loss of reinsurance or substantial decrease in reinsurance;

(i) the cancellation is for all insureds under such policies for a given class of insureds; or

(j) any reason determined by the insurance commissioner.

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

A. **SECTION III – CONDITIONS, 5. Cancellation** is amended and the following added:

5. Cancellation

a. If you cancel this policy, the return premium will be 90% of the unearned premium. However, as a minimum earned premium, we will retain no less than 25% of the policy premium.

b. If we cancel the policy:

(1) for the following reasons:

(a) non-payment of premium;

(b) for any of the reasons stated in any separately attached Cancellation Endorsement that provide a 10 days notice of cancellation; or

(c) for the reasons stated in an amendatory state specific cancellation endorsement (up to and including 30 days notice);

the earned premium will be computed pro rata based on the length of the cancelled policy term; however, as a minimum earned premium, we will retain no less than 25% of the policy premium; or

(2) for any reason other than those identified in subparagraph **b.(1)** above, the earned premium will be computed pro rata based on the length of the cancelled policy term and the minimum earned premium as stated in **b.(1)** shall not apply.

Any unearned premium will be returned as soon as practicable.

c. If the policy is a project specific policy where coverage is designated for specified locations and the policy period is in excess of one year, regardless of who initiates cancellation of the policy, the policy premium will be deemed fully earned with no return premium to be provided upon cancellation at the earliest of the following:

(1) point in which 75% of the policy period has passed;

(2) 12 months of the policy period has passed; or

(3) the project has reached a level of "substantial completion" following construction or renovation.

B. **SECTION IV – DEFINITIONS** has been amended and the following added:

"Substantial completion" means the earliest of the following:

a. The date of use or occupancy of one or more of the locations of the specified project occurs;

b. A temporary or permanent certificate of occupancy has been issued;

c. The date of the final inspection of the construction project by the applicable public agency occurs; or

d. The final cost of construction is at least 90% of the estimated construction cost upon which this policy premium was based.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND CYBER INJURY – PERSONAL AND ADVERTISING INJURY

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following exclusions are added with regards to personal and advertising injury coverage, and replace any existing exclusions related to electronic data and/or confidential information:

This insurance does not apply to:

Cyber Injury

(1) Any personal and advertising injury arising out of "cyber injury," including all fines and penalties; or

(2) Any claim or suit arising out of any litigation, proceeding, or administrative action or hearing brought prior to or pending as of the inception date of this policy, arising out of "cyber injury."

Confidential Information

Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

B. The following definitions are added with respect to the provisions of this endorsement:

"Cyber injury" means any actual or suspected, intentional or unintentional, breach of any data, software or hardware, wherever located, that results in:

a. Loss, destruction, disclosure, disruption, inspection, modification, recording, release, review or use of "personal information";

b. Oral or written publication, in any manner, of material that violates a person's right of privacy;

c. Inability to access any website or any electronic system;

d. Release, introduction or facilitation of any "malicious code";

e. Forensic or investigative expenses;

f. Extortion or terrorism acts or threats;

g. Monitoring or notification costs or expenses;

h. Crisis management or public relations expenses;

i. Data or system recovery, repair, replacement or restoration expenses; or

j. Business interruption expenses.

"Malicious code" means, but is not limited to, any virus, Trojan horse, worm, spyware, logic bomb, adware, malware or other similar software program.

"Personal information" means any personal or personally, identifiable or identifying information, as defined by federal, state or local laws, statutes or regulations.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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COMMERCIAL EXCESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under the "applicable underlying insurance".

Other words and phrases that appear in quotation marks in this policy have special meaning. Refer to **SECTION IV – DEFINITIONS**. Other words and phrases that are not defined under this policy but defined in the "applicable underlying insurance" will have the meaning described in the policy of "underlying insurance".

The insurance provided under this policy will follow the same provisions, exclusions and limitations that are contained in the "applicable underlying insurance", unless otherwise directed by this insurance. To the extent such provisions differ or conflict, the provisions of this policy will apply. However, this policy will not provide coverage for an "event" unless all the "applicable underlying insurance" provides coverage for the "event". Under no circumstances will coverage provided by this policy ever be broader than coverage provided by all the "applicable underlying insurance".

SECTION I – COVERAGES

1. Insuring Agreement

a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "injury or damage" for which the insured is legally obligated to pay and to which this insurance applies.

We have no duty to investigate any claim, suit or proceeding or defend under this policy. However, at our sole discretion we have the right and will be given the opportunity to effectively associate in the defense or investigation of any claim, suit or proceeding. At our sole discretion we also have the right to assume charge of, negotiate and settle any claim, suit or proceeding to which this policy applies. In all such circumstances the insured will cooperate with us fully.

But:

(1) The amount we will pay for "ultimate net loss" is limited as described in **SECTION II – LIMITS OF INSURANCE**, and

(2) Our right to defend terminates when we have exhausted the applicable limit of insurance in the payment of "ultimate net loss" under this Coverage Part. However, if any policy of "underlying insurance" specifies that limits are reduced by defense expenses, our right to defend terminates when we have used up the applicable limit of insurance in the payment of "ultimate net loss" under this Coverage Part.

b. An additional insured under "applicable underlying insurance" will automatically be an additional insured under this insurance. If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the lessor of the amount of insurance required by the contract or available under the limits of insurance provided under this policy, less any amounts payable by any "underlying insurance".

Additional insured coverage provided by this insurance will not be broader than coverage provided by all "applicable underlying insurance".

2. Exclusions

The following exclusions, and any other exclusions added by endorsement, apply to this policy. If any exclusion of "underlying insurance" conflicts with any exclusion in this policy, that exclusion of this policy will apply. However, if that exclusion would result in broader coverage than is provided by the "underlying insurance", the exclusion of the "underlying insurance" will apply. This policy will not provide broader coverage than that provided by all "applicable underlying insurance".

This insurance does not apply to:

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a. Medical Payments

Medical payments coverage, medical expenses coverage, or associated expenses that are provided without regard to fault, whether or not provided by the "applicable underlying insurance".

b. Auto

Any loss, cost or expense payable under or resulting from any of the following auto coverages:

(1) First-party physical damage coverage;

(2) No-fault coverage;

(3) Personal injury protection or auto medical payments coverage; or

(4) Uninsured or underinsured motorists coverage.

c. Pollution

(1) "Injury or damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

(2) Any loss, cost or expense arising out of any:

a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

This exclusion does not apply to the extent that valid "applicable underlying insurance" for the pollution liability risks described above exists or would have existed but for the exhaustion of underlying limits for "injury or damage".

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Asbestos

(1) any claim for "injury or damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, asbestos in any form.

(2) any damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, asbestos in any form, by any insured or by any other person or entity.

(3) any claim or suit by or on behalf of a governmental authority for damages, loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, asbestos in any form, by any insured or by any other person or entity.

This exclusion shall apply without regard to the source or sources of asbestos, or the basis of the insured's liability. This exclusion includes defects or negligence in design, construction or materials, or any other event, conduct or misconduct, which may have or is claimed to have precipitated, caused or acted jointly, concurrently or in any sequence with asbestos in any form in causing "injury or damage".

f. Obligations of "Underlying Insurance"

"Injury or damage" for which the liability or obligation under "underlying insurance" is unlimited by law.

g. Pre-Existing Damage or Injury

(1) Any "injury or damage," whether such "injury or damage" is known or unknown:

a. Which first occurred prior to the inception date of this policy (or the retroactive date of this policy, if any, whichever is earlier); or

b. Which is, or alleged to be, in the process of occurring at the inception date of the policy (or the retroactive date of this policy, if any, whichever is earlier) even if the "event" continues during this policy period.

(2) Any "injury or damage," whether known or unknown, which is in the process of

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settlement, adjustment or suit as of the inception date of this policy (or the retroactive date of this policy, if any, whichever is earlier).

"Injury or damage" which first occurs during this policy period includes any continuation, change or resumption of that "injury or damage" after the end of this policy period.

h. Sublimited Coverage

Any coverage in any "underlying insurance" which is subject to reduced limits of insurance different from the limits of insurance stated in the Schedule of Underlying Insurance, whether it be referred to as a sublimit, or any other basis.

SECTION II – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations, and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or suits brought, or number of vehicles involved;
   c. Persons or organizations making claims or bringing suits; or
   d. Coverages or limits available under any "underlying insurance".
2. The Limits of Insurance of this policy will apply as follows:
   a. This insurance only applies in excess of the "retained limit".
   b. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss", for all "injury or damage" covered under this policy.

      However, this Aggregate Limit only applies to "injury or damage" that is subject to an aggregate limit of insurance under the "applicable underlying insurance".
   c. Subject to Paragraph **2.b.** above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under this insurance because of all "injury or damage" arising out of any one "event".
   d. If the Limits of Insurance of any "applicable underlying insurance" are reduced by defense expenses by the terms of that policy, any payments for defense expenses we make will reduce our applicable Limits of Insurance.
3. If any "underlying insurance" has a policy period that is different from the policy period of this policy then, for the purposes of this insurance, the "retained limit" will only be reduced or exhausted by payments made for "injury or damage" covered under this insurance during the policy period of this policy.
4. The limits of "underlying insurance" will not be deemed to be reduced or exhausted by payments for "injury or damage" not covered under this policy.

The Aggregate Limit of this policy applies separately to each consecutive annual period of this policy and to any remaining period of this policy of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION III – CONDITIONS

The following Conditions apply. In addition, the Conditions applicable to any "underlying insurance" are also applicable to the coverage provided under this insurance. To the extent such conditions differ or conflict, the conditions of this policy will apply.

1. **Appeals**

   If any "underlying insurer" or insured elects not to appeal a judgment in excess of the amount of the "retained limit", we may do so at our own expense. We will also pay for taxable court costs, pre- and postjudgment interest and disbursements associated with such appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance described in **SECTION II – LIMITS OF INSURANCE**.
2. **Bankruptcy**
   a. **Bankruptcy Of Insured**

      Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.
   b. **Bankruptcy Of Any Underlying Insurer**

      Bankruptcy of any "underlying insurer" will not relieve us of our obligations under this policy.

   However, insurance provided under this policy will not replace any "underlying insurance" in the event of bankruptcy or insolvency of any "underlying insurer". The insurance provided under this policy will apply as if all "underlying insurance" were in full effect and recoverable.

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3. **Duties In The Event Of An Event, Claim Or Suit**

   a. You must see to it that we are notified as soon as practicable of an "event", regardless of the amount, which may result in a claim under this insurance. To the extent possible, notice should include:

      (1) How, when and where the "event" took place;

      (2) The names and addresses of any injured persons and witnesses; and

      (3) The nature and location of any "injury or damage" arising out of the "event".

   b. If a claim is made or suit is brought against any insured, you must:

      (1) Immediately record the specifics of the claim or suit and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or suit as soon as practicable.

   c. You and any other insured involved must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury or damage" to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

4. **First Named Insured Duties**

   The first Named Insured is the person or organization first named in the Declarations and is responsible for the payment of all premiums. The first Named Insured will act on behalf of all other Named Insureds for giving and receiving of notice of cancellation or the receipt of any return premium that may become payable.

   At our request, the first Named Insured will furnish us, as soon as practicable, with a complete copy of any "underlying insurance" and any subsequently issued endorsements or policies which may in any way affect the insurance provided under this policy.

5. **Cancellation**

   a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

   b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

      (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

      (2) 30 days before the effective date of cancellation if we cancel for any other reason.

   c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

   d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

   e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund, or if the refund offered has been incorrectly calculated.

   f. If notice is mailed, proof of mailing will be sufficient proof of notice.

   g. Notice of cancellation to the first Named Insured will serve as notice of cancellation to all insureds. No notice of cancellation will be provided to anyone other than the first Named Insured.

6. **Changes**

   This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized by all other insureds to make changes in the terms of this Policy with our consent. This policy's terms can be amended or waived only by endorsement.

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7. **Maintenance Of/Changes To Underlying Insurance**

All "underlying insurance" must be maintained in full effect without reduction of coverage or limits except for the reduction of aggregate limits in accordance with the provisions of such "underlying insurance" that results from "injury or damage" to which this insurance applies during the policy period of this policy. Such exhaustion or reduction is not a failure to maintain "underlying insurance".

The first Named Insured must notify us in writing, as soon as practicable, if any "underlying insurance" is cancelled, not renewed, replaced or otherwise terminated, or if the limits or scope of coverage of any "underlying insurance" is changed. You must see to it that the terms and conditions of renewals or replacements of underlying insurance, shown in the Schedule of Underlying, will be materially the same as the prior coverage, unless we agree otherwise.

In the event of the Insured's failure to maintain "underlying insurance" in full force and effect, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition and in no event will our liability be more than it would have been if there had been no such change in "underlying insurance" unless we agreed to the change in writing.

8. **Other Insurance**

a. This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this policy.

When this insurance is excess, if no other insurer defends, we may undertake to do so, but we will be entitled to the insured's rights against all other insurers.

b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of the insurance provided under this policy;

(2) The total of all deductible and self-insured amounts under all other insurance; and

(3) All other mechanisms (including contractual obligations of any person or organization to the Insured) arranged for funding of "ultimate net loss".

9. **Policy Premium**

We will compute all premiums for this policy in accordance with our rules and rates. The policy premium is not subject to audit.

10. **Loss Payable**

Our obligation to make payment for "ultimate net loss", which is covered under the terms and conditions of this policy, does not apply to a given claim unless and until:

a. The insured or insured's "underlying insurer" has become legally obligated to pay the "retained limit";

b. The obligation of the insured to pay the "ultimate net loss" in excess of the "retained limit" has been determined by a final settlement or judgment or written agreement among the insured, claimant, "underlying insurer" (or a representative of one or more of these) and us; and

c. All "underlying insurers" have paid the amounts due for the claim under "applicable underlying insurance".

11. **Legal Action Against Us**

No action shall be taken against us unless, as a condition precedent, there has been:

a. Full compliance with all the provisions of this policy, and

b. The amount of our obligation to pay has been finally determined either by final and non-appealable judgment against the Insured after trial, or by written agreement between you, the claimant and us.

No person or organization shall have the right under this policy to join us as a party to any claim, suit or proceeding against the insured to determine the Insured's liability, nor shall we be impleaded by any insured or their legal representative in any such claim, suit or proceeding.

12. **Subrogation – Recoveries**

a. In the event of any payment under this policy, we shall be subrogated to all your rights of recovery against any person or organization, and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

b. Any amounts recovered after any payment under this policy shall be apportioned as follows:

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(1) First, we shall receive all amounts recovered until we have been fully reimbursed for all amounts we have incurred, including costs or expenses of such recovery proceedings;

(2) Then, you are entitled to claim for any further amount recovered.

13. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less then 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION IV – DEFINITIONS

The definitions of any "applicable underlying insurance" also apply to this insurance. In addition, the following definitions apply.

1. "Applicable underlying insurance" means the policy or policies of "underlying insurance" which provide underlying coverage for loss that resulted in a claim under this insurance.
2. "Controlling underlying insurance" means "applicable underlying insurance".
3. "Controlling underlying insurer" means any insurer who provides any policy of insurance that qualifies as the "applicable underlying insurance".
4. "Event" means, including but not limited to, an occurrence, offense, accident or act, to which the "applicable underlying insurance" applies.
5. "Injury or damage" means any injury or damage, covered in the "applicable underlying insurance" arising from an "event".
6. "Retained limit" means the sum of:
   a. The limits of "underlying insurance" applicable to the claim;
   b. Any self insured retentions contained therein; and
   c. Any amount you must pay because the "underlying insurance", as represented by you, is not available for any reason.
7. "Ultimate net loss" means the total sum, after reduction for recoveries, or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of:
   a. Settlements entered into with our consent, judgments, binding arbitration; or
   b. Other binding alternate dispute resolution proceeding entered into with our consent.

   "Ultimate net loss" includes defense expenses if any "underlying insurance" specifies that limits are reduced by defense expenses.
8. "Underlying insurance" means any policy of insurance listed on the Schedule of Underlying Insurance.
9. "Underlying insurer" means any insurer who provides any policy of insurance listed on the Schedule of Underlying Insurance.

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Exhibit P

The Villages of Tortolita Community Facilities District
Disclosure Statement

THE VILLAGES OF TORTOLITA
COMMUNITY FACILITIES DISTRICT
FORM OF DISCLOSURE PAMPHLET
IMPORTANT – READ CAREFULLY

Buyer(s): _____
Lot:_____ Parcel ___ Date of Sale:_____
Homebuilder: _____

General CFD Provisions

The home you are purchasing is within The Villages of Tortolita Community Facilities District (the "CFD"). The CFD was formed on _____ to finance the acquisition, construction and maintenance of public infrastructure benefiting _____. The CFD issues general obligation and/or special assessment bonds to raise funds to pay for acquisition and construction of these improvements and operation and maintenance expenses. The operation and maintenance expenses are paid from an ad valorem property tax levied against all property located within the CFD.

Ad Valorem Taxes of the CFD

General obligation bonds and the CFD's operation and maintenance expenses are paid from ad valorem property taxes levied against all taxable property within the CFD. Currently, it is estimated that $4.55 is added to the property tax rate; however, such adjustment to the tax rate could vary depending upon factors including the amount financed with general obligation bonds, the terms of financing, and the assessed valuation (i.e., for tax purposes) of property within the CFD. Payment of general obligation bond payments and expenses are included as part of your regular Pima County property tax statement and are in addition to taxes levied by the Town of Marana and other political subdivisions.

Special Assessments of the CFD.

Special assessment bonds are paid from special assessment payments secured by an assessment lien on each benefited lot within a special assessment area. Special assessment liens pertaining to construction of the initial public infrastructure for The Villages of Tortolita are estimated to average per benefited residential lot (current dollars). Special assessment areas are formed from time to time based on the public improvements being constructed or acquired with proceeds of the special assessment bonds. The amount of the special assessment liens vary depending upon the size of the lot within the special assessment area, the benefits estimated to be received by each such lot, the cost of the public improvements to be financed, and the financing terms of the applicable special assessment bonds. Bills for the repayment of the special assessment bonds as well as the applicable administrative charges are sent out twice a year and are billed separately from your regular Pima County property tax bill.

Initial Financing's Cost to Homeowner.

Based on the developer's proposed financing plan for the CFD during the first _____ years, the following is an illustration of the estimated annual CFD taxes for the repayment of CFD general obligation bonds and CFD maintenance and operation expenses as well as a special assessment lien that is collected to pay the anticipated CFD special assessment bonds.

Estimated Home Price	(A) Estimated Annual General Obligation and Expense Payment (1)	(B) Estimated Annual Special Assessment Payment (2)	(A) + (B) Estimated Total Annual CFD Tax Payments (3)
$200,000	$	$	$
$225,000	$	$	$
$250,000	$	$	$
$275,000	$	$	$
$300,000	$	$	$

Footnotes

(1) Represents the repayment of CFD general obligation bond indebtedness and CFD operation and maintenance expenses based upon a $4.55 increase in the ad valorem property tax rate.

(2) Based upon (a) special assessment lien of $_____ per lot and (b) special assessment bond terms of 5.50% interest rate, 24-year amortization period, one year of capitalized interest, 10% reserve fund, and issuance expenses. This figure *does not include* any administrative charges (estimated at $___ per year), which may be charged by the District and/or third party administrators, if any.

(3) All of the taxes, assessments and charges described above are in addition to any taxes, fees and charges imposed by the Town of Marana or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

Homeowner's Acknowledgments

By signing this disclosure statement, you as a contract purchaser of a lot located within the CFD and the Special Assessment Area (i) acknowledge receipt of this Disclosure; (ii) agree that you have been granted an opportunity to review the material contained in this Disclosure; and (iii) agree that you accept an assessment lien of approximately $_____ against your lot that secures your share of the special assessments due for the Special Assessment Area. The Assessment will be paid by you, the owner of the assessed lot, in semiannual payments of principal and interest over the 24-year term of the bonds. If any semiannual payment is not paid, the CFD has the right to institute proceedings to foreclose the assessment lien and sell your benefited lot.

Your signature below acknowledges that you have received, read and understood this document at the time you have signed our purchase contract and agree to its terms.

_____	_____
[name]	[name]
_____	_____
[address]	[address]
Date: _____, 20__	Date: _____, 20__