

207 Waiver

Title

Legal Description

Policy or Appeals

Correspondence Between Legal & Staff

Letter of Authorization

WHEN RECORDED RETURN TO:

CITY OF SCOTTSDALE
ONE STOP SHOP/RECORDS
(__Jesus Murillo__)
7447 East Indian School Road, Suite 100
Scottsdale, AZ 85251

City of Scottsdale Case No.17-ZN-2016

**AGREEMENT FOR THE WAIVER OF CLAIMS
FOR DIMINUTION IN VALUE OF PROPERTY**

THIS AGREEMENT FOR THE WAIVER OF CLAIMS FOR DIMINUTION IN VALUE OF PROPERTY (the "Agreement") is made in favor of the City of Scottsdale ("City") by DM Real Estate, LLC an Arizona Limited Liability Company ("Owner").

RECITALS

A. Owner is the fee title owner of property, Parcel No. 219-13-244 located at 37080 N. Cave Creek Road (the "Property").

B. Owner acknowledges that he/she has made a request to the City for application of its land use laws for the development of the Property and is under no compulsion, economic or otherwise, to enter into this Agreement.

C. Arizona statute ARS § 12-1134.A provides that a city must pay just compensation to a land owner, in some cases, if the city approves a land use law that reduces the fair market value of the owner's property. This law is sometimes referred to as "Proposition 207" or the "Private Property Rights Protection Act". (ARS 12-1131, et.seq.)

D. The Private Property Rights Protection Act (e.g., A.R.S. § 12-1134.I) authorizes private property owners to enter into agreements with political subdivisions to waive any claim for diminution in value of their property in connection with any action requested by the property owner.

E. City and Owner seek to resolve whether the application of the City's land use laws to the Property constitute a "diminution in value" of the Property or other harm entitling Owner, now or in the future, to seek compensation from the City under the Private Property Rights Protection Act.

IT IS AGREED AS FOLLOWS:

Owner hereby makes the following acknowledgements and representations:

1. Owner acknowledges that:

a. The recitals set forth above are true and correct and are incorporated herein by this reference.

b. Owner is aware of the Private Property Rights Protection Act. (ARS 12-1131, et. seq.)

c. Owner has independently determined and believes that the application of the City's zoning ordinance to the Property will not reduce the fair market value of the Property as of the date hereof.

d. Owner is aware that, as a condition of receiving approvals under the City's zoning ordinance, the City may impose requirements upon the Property, such as requirements for right-of-way dedications, time limitations for development, and other zoning ordinance stipulations.

2. The undersigned Owner agrees as follows:

a. The Owner agrees that the stipulations and conditions set forth in Case No.17-ZN-2016 shall be included as part of the ordinance that will be considered by the Scottsdale City Council. Owner agrees that compliance with the stipulations and conditions set forth in Case No.17-ZN-2016 will govern development of the property. Owner further understands and agrees that stipulations and conditions may be added or modified during the public hearing process and that those stipulations and conditions will be incorporated into this Agreement.

b. Owner hereby waives and fully releases any and all financial loss, injury, claims and causes of action that Owner may have, now or in the future, for any "diminution in value" and for any "just compensation" under the Private Property Rights Protection Act based on the Owner's request in Case No. 17-ZN-2016. This waiver constitutes a complete release of any and all claims and causes of action under the Private Property Rights Protection Act that may arise out of the Owner's request in Case No. 17-ZN-2016.

c. Owner hereby agrees to indemnify, hold harmless and defend City, its officers, employees and agents, from any and all claims, causes of actions, demands, losses and expenses, including reasonable attorney's fees and litigation costs asserted by or resulting from any of the present owners of any interest in the Property seeking any potential compensation, damages, attorney's fees or costs under the Private Property Rights Protection Act that they may have based on the Owner's request in Case No. 17-ZN-2016.

d. This Waiver Agreement shall run with the land and shall be binding upon all present and future owners of any interest in the Property for a period of three years from the date hereof. Owner consents to the recording of this Agreement with the County Recorder in which the Property is located.

e. The Owner agrees that, as of the effective date of this Agreement, he/she has received equal protection of the laws and due process of all claims and requests, and has not suffered any compensable regulatory taking (as those terms and their related claims are defined by Arizona state and federal constitutional jurisprudence).

3. Owner warrants and represents that Owner is the owner of the fee title to the Property.

4. The person who signs this Agreement on behalf of Owner personally warrants and guarantees to City that he has legal power to bind Owner to this Agreement.

[Handwritten Signature]

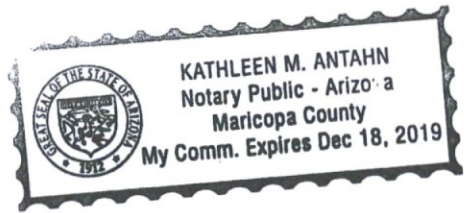
Owner: _____ Its: CHIEF OPERATING OFFICER/
GENERAL MANAGER

STATE OF ARIZONA)
) ss.
County of Maricopa)

Subscribed, sworn to and acknowledged before me
by _____ on this 28th day of November, 2016

My commission expires:
12.18.19

Kathleen Antahn
Notary Public



April 21, 2016

Via Hand-Delivery, to:

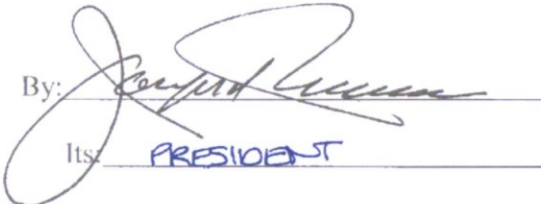
City of Scottsdale
Planning & Development Services Department
7447 East Indian School Road, Suite 105
Scottsdale, Arizona 85251

Re: Letter of Authorization – 279-PA-2016 (Desert Mountain – Parcel 19)

To Whom It May Concern:

This letter authorizes the firms and companies of The M3 Companies, Berry Riddell, Greey Pickett, Wood Patel, Land Development Services, Technical Solutions, and Stanley Consultants to represent and act on behalf of DM Real Estate LLC in connection with the General Plan Amendment, Zoning, Use Permit, Development Review Board, Preliminary Plat applications and related City matters for the 89+/- acre property located north of the northeast corner of Pima and Cave Creek Roads (Desert Mountain Parcel 19) the City of Scottsdale, Maricopa County, Arizona.

DM Real Estate Holdings, LLC

By: 
Its: PRESIDENT

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.



COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company
through its Division

First American Title Insurance Company

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YOU SHOULD READ THE COMMITMENT VERY CAREFULLY

If you have any questions about the Commitment, contact:

***First American Title Insurance Company National Commercial Services
2425 E. Camelback Road, Suite 300, Phoenix, Arizona 85016***

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under the Commitment is limited by the following:

**The Provisions in Schedule A
The Requirements
The Exceptions in Schedule B - Parts 1 and 2
The Conditions**

This Commitment is not valid without SCHEDULE A and Parts 1 and 2 of SCHEDULE B.

SCHEDULE B - EXCEPTIONS

Any Policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

Part One:

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 by making inquiry of 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 aforementioned matters excepted are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

Part One of Schedule B will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Plain Language Policy and policies with EAGLE Protection added. 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.

**REQUIREMENTS
(Standard)**

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this commitment who will get interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

(Continued on Requirements Page)

CONDITIONS

1. **DEFINITIONS**

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. **LATER DEFECTS**

The Exceptions in Schedule B may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements are met. We shall have no liability to you because of this amendment.

3. **EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. **LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements

or

eliminate with our written consent any Exceptions shown in Schedule B

We shall not be liable for more than the Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. **CLAIMS MUST BE BASED ON THIS COMMITMENT**

Any claims, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms

**First American Title
Insurance**

**The First American
Corporation**

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 you provide to us. Therefore, together with our parent company, The First American Corporation, 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 which 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 public records or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our web site at www.firstam.com.

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 about 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 the 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. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial services providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply.

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 who need to know that information to provide products and 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 and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE A

First Amended

ESCROW/CLOSING INQUIRIES should be directed to your Escrow Officer: **Angelique Sizemore at (602)567-8100**

Effective Date: **July 21, 2016** at 7:30 a.m.

1. Policy or (Policies) to be issued:

ALTA 2006 Extended Owner's Policy for \$24,000,000.00

Proposed Insured:

City of Scottsdale

2. The estate or interest in the land described or referred to in this commitment and covered herein is fee simple and title thereto is at the effective date hereof vested in:

DM Real Estate Holdings, LLC, an Arizona limited liability company

3. Title to the estate or interest in the land upon issuance of the policy shall be vested in:

City of Scottsdale

4. The land referred to in this Commitment is located in Maricopa County, AZ and is described as:

SEE EXHIBIT "A " ATTACHED HEREIN

Title officer: Daniel Figueroa @ (602)567-8100/dfigueroa@firstam.com.

Pages 1 through 5 of this document consist of the Title Insurance Commitment contract and our Privacy Policy.

EXHIBIT "A"

PARCEL NO. 1:

PARCEL 8, OF MAP OF DEDICATION AND PARCEL MAP NORTH SCOTTSDALE AQUIFER STORAGE & RECOVERY PROJECT, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 754 OF MAPS, PAGE 30;

EXCEPT THAT PORTION DEEDED TO THE CITY OF SCOTTSDALE IN DOCUMENT NO. 92-0116951 OF OFFICIAL RECORDS, AND AS SHOWN ON SAID PLAT; AND

FURTHER EXCEPT A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND BEING A PART OF PARCEL 8 OF MAP OF DEDICATION AND PARCEL MAP NORTH SCOTTSDALE AQUIFER STORAGE & RECOVERY PROJECT, ACCORDING TO THE PLAT RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA AT BOOK 754 OF MAPS, PAGE 30, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERN-MOST CORNER OF PARCEL 4 OF SAID BOOK 754 OF MAPS, PAGE 30, FROM WHICH THE SOUTHEASTERLY LINE OF SAID PARCEL 4 BEARS SOUTH 15 DEGREES 52 MINUTES 58 SECONDS WEST, (BASIS OF BEARING) TO AN ANGLE POINT AT A DISTANCE OF 238.96 FEET;

THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

SOUTH 39 DEGREES 48 MINUTES 15 SECONDS EAST, 42.87 FEET;

SOUTH 77 DEGREES 35 MINUTES 34 SECONDS EAST, 158.02 FEET TO THE NORTHERN-MOST CORNER OF PARCEL 6 OF SAID BOOK 754 OF MAPS, PAGE 30;

THENCE CONTINUING ALONG THE NORTHEASTERLY BOUNDARY OF SAID PARCEL 8, CONTIGUOUS TO THE SOUTHWESTERLY BOUNDARY OF SAID PARCEL 6, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

SOUTH 61 DEGREES 44 MINUTES 03 SECONDS WEST, 70.00 FEET;

SOUTH 16 DEGREES 41 MINUTES 37 SECONDS WEST, 42.43 FEET;

SOUTH 28 DEGREES 17 MINUTES 56 SECONDS EAST, 65.43 FEET;

SOUTH 73 DEGREES 08 MINUTES 08 SECONDS EAST, 35.36 FEET;

NORTH 61 DEGREES 44 MINUTES 03 SECONDS EAST, 75.00 FEET;

THENCE LEAVING SAID PARCEL 6 BOUNDARY CONTINUING ALONG SAID PARCEL 8 BOUNDARY, SOUTH 45 DEGREES 58 MINUTES 57 SECONDS EAST A DISTANCE OF 195.38 FEET TO A POINT ON THE CURVED NORTHWESTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, A PUBLIC RIGHT OF WAY, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS POINT WHICH BEARS SOUTH 31 DEGREES 05 MINUTES 25 SECONDS EAST AT A DISTANCE OF 1498.40 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVED RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 03 DEGREES 56 MINUTES 00 SECONDS, A DISTANCE OF 102.86 FEET TO THE EASTERN-MOST CORNER OF PARCEL 5 OF SAID BOOK 754 OF MAPS, PAGE 30;

THENCE LEAVING SAID RIGHT OF WAY LINE OF CAVE CREEK ROAD, ALONG THE NORTHEASTERN, NORTHWESTERN AND SOUTHWESTERN BOUNDARIES OF SAID PARCEL 5, ALL BEING CONTIGUOUS TO THE BOUNDARY OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

NORTH 30 DEGREES 23 MINUTES 22 SECONDS WEST, 129.68 FEET;

NORTH 82 DEGREES 18 MINUTES 17 SECONDS WEST, 82.98 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 113.25 FEET;

NORTH 82 DEGREES 18 MINUTES 17 SECONDS WEST, 20.00 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 22.20 FEET;

SOUTH 82 DEGREES 18 MINUTES 17 SECONDS EAST, 10.47 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 19.39 FEET;

SOUTH 43 DEGREES 11 MINUTES 44 SECONDS EAST, 86.68 FEET TO A POINT ON SAID CURVED NORTHWESTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS POINT WHICH BEARS SOUTH 40 DEGREES 46 MINUTES 38 SECONDS EAST AT A DISTANCE OF 1498.40 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVED RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 09 DEGREES 00 MINUTES 30 SECONDS, A DISTANCE OF 235.59 FEET;

THENCE LEAVING SAID RIGHT OF WAY LINE, ALONG THE SOUTHWESTERLY LINE OF A WATER LINE EASEMENT, 20.00 FEET IN WIDTH AS SHOWN AND DEDICATED ON SAID BOOK 754 OF MAPS, PAGE 30, NORTH 47 DEGREES 08 MINUTES 34 SECONDS WEST A DISTANCE OF 378.16 FEET TO A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID PARCEL 4 OF BOOK 754 OF MAPS, PAGE 30;

THENCE ALONG SAID SOUTHEASTERLY BOUNDARY OF PARCEL 4, ALSO BEING THE NORTHWESTERLY BOUNDARY OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

NORTH 42 DEGREES 59 MINUTES 46 SECONDS EAST, 92.69 FEET;

SOUTH 47 DEGREES 21 MINUTES 25 SECONDS EAST, 54.29 FEET;

NORTH 43 DEGREES 09 MINUTES 11 SECONDS EAST, 145.91 FEET;

NORTH 15 DEGREES 52 MINUTES 58 SECONDS EAST, 238.96 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

DELETED INTENTIONALLY.

PARCEL NO. 3:

LOTS 127 AND 128, OF VELVET SHADOWS UNIT III, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 121 OF MAPS, PAGE 49.

**First American Title Insurance Company
National Commercial Services**

**SCHEDULE B
First Amended**

PART TWO:

1. Taxes for the fiscal year of 2017, a lien not yet due or payable. All taxes currently due and payable have been paid in full.
2. This item has been intentionally deleted.
3. Any charge upon said land by reason of its inclusion in Carefree Improvement Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
4. Any charge upon said land by reason of its inclusion in Velvet Shadows Improvement Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
5. Any charge upon said land by reason of its inclusion in Carefree Shadows Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
6. Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.
7. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Velvet Shadows Unit III, as recorded in Book 121 of Maps, Page 49, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)
8. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Map of Dedication and Parcel Map North Scottsdale Aquifer Storage & Recovery Project, as recorded in Book 754 of Maps, Page 30, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

Release of Easement recorded as 2007-1123589 of Official Records.

(Affects Parcel No. 1)

9. Covenants, Conditions and Restrictions as set forth in Declaration of Restrictions recorded in Docket 7471, Page 54 and Amendment recorded as Docket 10890, Page 398 and re-recorded as Docket 11724, Page 147, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)

10. Covenants, Conditions and Restrictions as set forth in Declaration of Restrictions recorded in Docket 10836, Page 999; Amendment recorded as Docket 10970, Page 157; Revised Declaration of Covenants, Conditions and Restrictions recorded as Docket 13555, Page 1 and Declaration of Covenants, Conditions and Restrictions recorded as Docket 13667, Page 229, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)

11. This item has been intentionally deleted.

12. An easement for electric lines and poles and incidental purposes in the document recorded as Docket 2539, Page 112.

(Affects Parcel No. 1)

13. This item has been intentionally deleted.

14. An easement for vehicular and pedestrian ingress and egress, pipeline and general utilities and incidental purposes in the document recorded as 92-0116948 of Official Records.

(Affects Parcel No. 1)

15. This item has been intentionally deleted.

16. This item has been intentionally deleted.

17. This item has been intentionally deleted.

18. This item has been intentionally deleted.

19. An easement for public utilities and incidental purposes in the document recorded as 2004-0267450 of Official Records.

(Affects Parcel No. 1)

20. An easement for underground sewer line and incidental purposes in the document recorded as 2007-0271788 of Official Records.

(Affects Parcel No. 1)

21. An easement for underground water line and incidental purposes in the document recorded as 2007-0271789 of Official Records.

(Affects Parcel No. 1)

22. This item has been intentionally deleted.

23. This item has been intentionally deleted.

24. The terms and provisions contained in the document entitled "Declaration Limiting Total Development" recorded January 26, 2000 as 00-0062296 of Official Records.

(Affects all parcels)

25. This item has been intentionally deleted.

26. This item has been intentionally deleted.

27. This item has been intentionally deleted.

28. This item has been intentionally deleted.

29. Water rights, claims or title to water, whether or not shown by the public records.

30. Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by Gannett Fleming Inc. on January 28, 2016, last revised March 3, 2016, designated Job Number 61211.100:

- a. Turf encroachment of 3 feet, 14.5 feet and 35 feet of golf course onto subject property as shown on Survey.

End of Schedule B

**First American Title Insurance Company
National Commercial Services**

First Amended

REQUIREMENTS:

1. Compliance with A.R.S. 11-480 relative to all documents to be recorded in connection herewith. See note at end of this section for details.

(Affects Parcel No. 3)

2. All of 2015 taxes are paid in full.

NOTE: Taxes are assessed in the total amount of \$113,666.72 for the year 2015 under Assessor's Parcel No. 219-13-244 1.

(Covers More Property)

(Affects Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$384.10 for the year 2015 under Assessor's Parcel No. 219-11-145 4.

(Affects Lot No. 127 of Parcel No. 3)

NOTE: Taxes are assessed in the total amount of \$287.16 for the year 2015 under Assessor's Parcel No. 219-11-146 1.

(Affects Lot No. 128 of Parcel No. 3)

3. **DELETED INTENTIONALLY**

4. Pay all of 2016 taxes.

5. Proper evidence showing that all assessments due and payable, levied by Carefree Improvement Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

6. Proper evidence showing that all assessments due and payable, levied by Velvet Shadows Improvement Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

7. Proper evidence showing that all assessments due and payable, levied by Carefree Shadows Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

8. Record partial release and reconveyance of a Deed of Trust securing an original indebtedness in the amount of \$52,000,000.00, recorded August 18, 2011 as 2011-0690698 of Official Records.
Dated: August 18, 2011
Trustor: DM Real Estate Holdings, LLC, an Arizona limited liability company
Trustee: National Bank of Arizona, a national banking association
Beneficiary: National Bank of Arizona, a national banking association

(Covers More Property)

9. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM 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 First American Title Insurance Company.

REQUIREMENT SATISFIED

10. Furnish copies of any existing leases affecting the within described property and insertion of said leases in Schedule B of the Policy of Title Insurance.
11. Approval by all parties to this transaction of the description used herein.
12. 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 DM Real Estate Holdings, LLC, a limited liability company.
13. Record Warranty Deed from to Buyer(s).

NOTE: If this will be other than a Cash Transaction, notify the title department prior to close and additional requirements will be made.

14. Such further requirements as may be necessary after completion of the above.
15. Return to title department for final recheck before recording.

NOTE: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

NOTE: In connection with Arizona Revised Statutes 11-480, as of January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a. Print must be ten-point type or larger.

- b. A margin of two inches at the top of the first page for recording and return address information and margins of one-half inch along other borders of every page.
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

DISCLOSURE NOTE: In the event any Affidavit required pursuant to A.R.S.¹ 33-422 has been, or will be, recorded pertaining to the land, such Affidavit is not reflected in this Commitment nor will it be shown in any policy to be issued in connection with this Commitment. The statute applies only to unsubdivided land in an unincorporated area of a county.

NOTE: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

End of Requirements

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

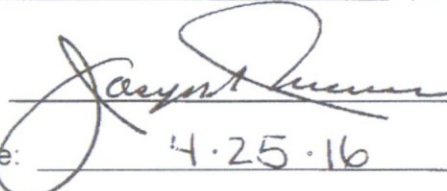
DESERT MOUNTAIN
EXCESS NAOS DISTRIBUTION

RE: NAOS credit from existing Desert Mountain Master Planned Community excess NAOS bank to Desert Mountain Parcel 19.

DESERT MOUNTAIN NAOS DISTRIBUTION

DESERT MOUNTAIN CLUB, INC (owner), authorizes a credit of up to 1,524,600 square feet / 35 acres of its excess Natural Area Open Space (NAOS) currently located within the Desert Mountain Master Plan, which is documented with the City of Scottsdale in case 342-SA-2015 – Desert Mountain Master NAOS Bank, to Desert Mountain Parcel 19.

DESERT MOUNTAIN CLUB, INC, (an Arizona Corporation.)

By:  Its: PRESIDENT
Date: 4.25.16

ACKNOWLEDGEMENT

STATE OF ARIZONA)

s.s.

COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 25th day of April 2016, by Joseph Maslick the President of Desert Mountain Club, Inc. (owner), an Arizona Corporation, on behalf of the corporation. In witness, I hereby set my hand and official seal.

My commission expires: 12.18.19

Notary: 



INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.



COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company
through its Division

First American Title Insurance Company

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 COMMITMENT DATE Schedule A (Page 1)
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 INTEREST IN THE LAND Schedule A (Exhibit A)
 DESCRIPTION OF THE LANDon the following page
 EXCEPTIONS - PART ONE Schedule B (inside)
 EXCEPTIONS - PART TWO Schedule B (inside)
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 REQUIREMENTS (Continued)Requirements (inside)
 CONDITIONS on the third page

YOU SHOULD READ THE COMMITMENT VERY CAREFULLY

If you have any questions about the Commitment, contact:

*First American Title Insurance Company National Commercial Services
2425 E. Camelback Road, Suite 300, Phoenix, Arizona 85016*

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under the Commitment is limited by the following:

The Provisions in Schedule A
The Requirements
The Exceptions in Schedule B - Parts 1 and 2
The Conditions

This Commitment is not valid without SCHEDULE A and Parts 1 and 2 of SCHEDULE B.

SCHEDULE B - EXCEPTIONS

Any Policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

Part One:

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 by making inquiry of 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 aforementioned matters excepted are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

Part One of Schedule B will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Plain Language Policy and policies with EAGLE Protection added. 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.

**REQUIREMENTS
(Standard)**

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this commitment who will get interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

(Continued on Requirements Page)

CONDITIONS

1. DEFINITIONS

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements

or

eliminate with our written consent any Exceptions shown in Schedule B

We shall not be liable for more than the Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claims, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms

**First American Title
Insurance**

**The First American
Corporation**

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 you provide to us. Therefore, together with our parent company, The First American Corporation, 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 which 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 public records or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our web site at www.firstam.com.

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 about 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 the 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. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial services providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply.

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 who need to know that information to provide products and 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 and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE A

ESCROW/CLOSING INQUIRIES should be directed to your Escrow Officer: **Cathy Criner at (602)567-8100**

Effective Date: **May 27, 2016** at 7:30 a.m.

1. Policy or (Policies) to be issued:

ALTA 2006 Extended Owner's Policy for \$TBD

Proposed Insured:

City of Scottsdale

2. The estate or interest in the land described or referred to in this commitment and covered herein is fee simple and title thereto is at the effective date hereof vested in:

DM Real Estate Holdings, LLC, an Arizona limited liability company

3. Title to the estate or interest in the land upon issuance of the policy shall be vested in:

City of Scottsdale

4. The land referred to in this Commitment is located in Maricopa County, AZ and is described as:

SEE EXHIBIT "A " ATTACHED HEREIN

Title officer: Daniel Figueroa @ (602)567-8100/dfigueroa@firstam.com.

Pages 1 through 5 of this document consist of the Title Insurance Commitment contract and our Privacy Policy.

EXHIBIT "A"

PARCEL NO. 1:

PARCEL 8, OF MAP OF DEDICATION AND PARCEL MAP NORTH SCOTTSDALE AQUIFER STORAGE & RECOVERY PROJECT, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 754 OF MAPS, PAGE 30;

EXCEPT THAT PORTION DEEDED TO THE CITY OF SCOTTSDALE IN DOCUMENT NO. 92-0116951 OF OFFICIAL RECORDS, AND AS SHOWN ON SAID PLAT; AND

FURTHER EXCEPT A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND BEING A PART OF PARCEL 8 OF MAP OF DEDICATION AND PARCEL MAP NORTH SCOTTSDALE AQUIFER STORAGE & RECOVERY PROJECT, ACCORDING TO THE PLAT RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA AT BOOK 754 OF MAPS, PAGE 30, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERN-MOST CORNER OF PARCEL 4 OF SAID BOOK 754 OF MAPS, PAGE 30, FROM WHICH THE SOUTHEASTERLY LINE OF SAID PARCEL 4 BEARS SOUTH 15 DEGREES 52 MINUTES 58 SECONDS WEST, (BASIS OF BEARING) TO AN ANGLE POINT AT A DISTANCE OF 238.96 FEET;

THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

SOUTH 39 DEGREES 48 MINUTES 15 SECONDS EAST, 42.87 FEET;

SOUTH 77 DEGREES 35 MINUTES 34 SECONDS EAST, 158.02 FEET TO THE NORTHERN-MOST CORNER OF PARCEL 6 OF SAID BOOK 754 OF MAPS, PAGE 30;

THENCE CONTINUING ALONG THE NORTHEASTERLY BOUNDARY OF SAID PARCEL 8, CONTIGUOUS TO THE SOUTHWESTERLY BOUNDARY OF SAID PARCEL 6, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

SOUTH 61 DEGREES 44 MINUTES 03 SECONDS WEST, 70.00 FEET;

SOUTH 16 DEGREES 41 MINUTES 37 SECONDS WEST, 42.43 FEET;

SOUTH 28 DEGREES 17 MINUTES 56 SECONDS EAST, 65.43 FEET;

SOUTH 73 DEGREES 08 MINUTES 08 SECONDS EAST, 35.36 FEET;

NORTH 61 DEGREES 44 MINUTES 03 SECONDS EAST, 75.00 FEET;

THENCE LEAVING SAID PARCEL 6 BOUNDARY CONTINUING ALONG SAID PARCEL 8 BOUNDARY, SOUTH 45 DEGREES 58 MINUTES 57 SECONDS EAST A DISTANCE OF 195.38 FEET TO A POINT ON THE CURVED NORTHWESTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, A PUBLIC RIGHT OF WAY, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS POINT WHICH BEARS SOUTH 31 DEGREES 05 MINUTES 25 SECONDS EAST AT A DISTANCE OF 1498.40 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVED RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 03 DEGREES 56 MINUTES 00 SECONDS, A DISTANCE OF 102.86 FEET TO THE EASTERN-MOST CORNER OF PARCEL 5 OF SAID BOOK 754 OF MAPS, PAGE 30;

THENCE LEAVING SAID RIGHT OF WAY LINE OF CAVE CREEK ROAD, ALONG THE NORTHEASTERN, NORTHWESTERN AND SOUTHWESTERN BOUNDARIES OF SAID PARCEL 5, ALL BEING CONTIGUOUS TO THE BOUNDARY OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

NORTH 30 DEGREES 23 MINUTES 22 SECONDS WEST, 129.68 FEET;

NORTH 82 DEGREES 18 MINUTES 17 SECONDS WEST, 82.98 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 113.25 FEET;

NORTH 82 DEGREES 18 MINUTES 17 SECONDS WEST, 20.00 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 22.20 FEET;

SOUTH 82 DEGREES 18 MINUTES 17 SECONDS EAST, 10.47 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 19.39 FEET;

SOUTH 43 DEGREES 11 MINUTES 44 SECONDS EAST, 86.68 FEET TO A POINT ON SAID CURVED NORTHWESTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS POINT WHICH BEARS SOUTH 40 DEGREES 46 MINUTES 38 SECONDS EAST AT A DISTANCE OF 1498.40 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVED RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 09 DEGREES 00 MINUTES 30 SECONDS, A DISTANCE OF 235.59 FEET;

THENCE LEAVING SAID RIGHT OF WAY LINE, ALONG THE SOUTHWESTERLY LINE OF A WATER LINE EASEMENT, 20.00 FEET IN WIDTH AS SHOWN AND DEDICATED ON SAID BOOK 754 OF MAPS, PAGE 30, NORTH 47 DEGREES 08 MINUTES 34 SECONDS WEST A DISTANCE OF 378.16 FEET TO A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID PARCEL 4 OF BOOK 754 OF MAPS, PAGE 30;

THENCE ALONG SAID SOUTHEASTERLY BOUNDARY OF PARCEL 4, ALSO BEING THE NORTHWESTERLY BOUNDARY OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

NORTH 42 DEGREES 59 MINUTES 46 SECONDS EAST, 92.69 FEET;

SOUTH 47 DEGREES 21 MINUTES 25 SECONDS EAST, 54.29 FEET;

NORTH 43 DEGREES 09 MINUTES 11 SECONDS EAST, 145.91 FEET;

NORTH 15 DEGREES 52 MINUTES 58 SECONDS EAST, 238.96 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

DELETED INTENTIONALLY.

PARCEL NO. 3:

LOTS 127 AND 128, OF VELVET SHADOWS UNIT III, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 121 OF MAPS, PAGE 49.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE B

PART TWO:

1. Taxes for the fiscal year of 2017, a lien not yet due or payable. All taxes currently due and payable have been paid in full.
2. This item has been intentionally deleted.
3. Any charge upon said land by reason of its inclusion in Carefree Improvement Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
4. Any charge upon said land by reason of its inclusion in Velvet Shadows Improvement Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
5. Any charge upon said land by reason of its inclusion in Carefree Shadows Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
6. Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.
7. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Velvet Shadows Unit III, as recorded in Book 121 of Maps, Page 49, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)
8. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Map of Dedication and Parcel Map North Scottsdale Aquifer Storage & Recovery Project, as recorded in Book 754 of Maps, Page 30, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

Release of Easement recorded as 2007-1123589 of Official Records.

(Affects Parcel No. 1)

9. Covenants, Conditions and Restrictions as set forth in Declaration of Restrictions recorded in Docket 7471, Page 54 and Amendment recorded as Docket 10890, Page 398 and re-recorded as Docket 11724, Page 147, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)

10. Covenants, Conditions and Restrictions as set forth in Declaration of Restrictions recorded in Docket 10836, Page 999; Amendment recorded as Docket 10970, Page 157; Revised Declaration of Covenants, Conditions and Restrictions recorded as Docket 13555, Page 1 and Declaration of Covenants, Conditions and Restrictions recorded as Docket 13667, Page 229, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)

11. This item has been intentionally deleted.

12. An easement for electric lines and poles and incidental purposes in the document recorded as Docket 2539, Page 112.

(Affects Parcel No. 1)

13. This item has been intentionally deleted.

14. An easement for vehicular and pedestrian ingress and egress, pipeline and general utilities and incidental purposes in the document recorded as 92-0116948 of Official Records.

(Affects Parcel No. 1)

15. This item has been intentionally deleted.

16. This item has been intentionally deleted.

17. This item has been intentionally deleted.

18. This item has been intentionally deleted.

19. An easement for public utilities and incidental purposes in the document recorded as 2004-0267450 of Official Records.

(Affects Parcel No. 1)

20. An easement for underground sewer line and incidental purposes in the document recorded as 2007-0271788 of Official Records.

(Affects Parcel No. 1)

21. An easement for underground water line and incidental purposes in the document recorded as 2007-0271789 of Official Records.

(Affects Parcel No. 1)

22. This item has been intentionally deleted.

23. This item has been intentionally deleted.

24. The terms and provisions contained in the document entitled "Declaration Limiting Total Development" recorded January 26, 2000 as 00-0062296 of Official Records.

(Affects all parcels)

25. This item has been intentionally deleted.

26. This item has been intentionally deleted.

27. This item has been intentionally deleted.

28. This item has been intentionally deleted.

29. Water rights, claims or title to water, whether or not shown by the public records.

30. Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by Gannett Fleming Inc. on January 28, 2016, last revised March 3, 2016, designated Job Number 61211.100:

- a. Turf encroachment of 3 feet, 14.5 feet and 35 feet of golf course onto subject property as shown on Survey.

End of Schedule B

**First American Title Insurance Company
National Commercial Services**

REQUIREMENTS:

1. Compliance with A.R.S. 11-480 relative to all documents to be recorded in connection herewith. See note at end of this section for details.

(Affects Parcel No. 3)

2. All of 2015 taxes are paid in full.

NOTE: Taxes are assessed in the total amount of \$113,666.72 for the year 2015 under Assessor's Parcel No. 219-13-244 1.

(Covers More Property)

(Affects Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$384.10 for the year 2015 under Assessor's Parcel No. 219-11-145 4.

(Affects Lot No. 127 of Parcel No. 3)

NOTE: Taxes are assessed in the total amount of \$287.16 for the year 2015 under Assessor's Parcel No. 219-11-146 1.

(Affects Lot No. 128 of Parcel No. 3)

3. **DELETED INTENTIONALLY**

4. Pay all of 2016 taxes.

5. Proper evidence showing that all assessments due and payable, levied by Carefree Improvement Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

6. Proper evidence showing that all assessments due and payable, levied by Velvet Shadows Improvement Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

7. Proper evidence showing that all assessments due and payable, levied by Carefree Shadows Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

8. Record partial release and reconveyance of a Deed of Trust securing an original indebtedness in the amount of \$52,000,000.00, recorded August 18, 2011 as 2011-0690698 of Official Records.
Dated: August 18, 2011
Trustor: DM Real Estate Holdings, LLC, an Arizona limited liability company
Trustee: National Bank of Arizona, a national banking association
Beneficiary: National Bank of Arizona, a national banking association

(Covers More Property)

9. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM 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 First American Title Insurance Company.

REQUIREMENT SATISFIED

10. Furnish copies of any existing leases affecting the within described property and insertion of said leases in Schedule B of the Policy of Title Insurance.
11. Approval by all parties to this transaction of the description used herein.
12. 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 DM Real Estate Holdings, LLC, a limited liability company.
13. Record Warranty Deed from to Buyer(s).

NOTE: If this will be other than a Cash Transaction, notify the title department prior to close and additional requirements will be made.

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DISCLOSURE NOTE: In the event any Affidavit required pursuant to A.R.S. ¹ 33-422 has been, or will be, recorded pertaining to the land, such Affidavit is not reflected in this Commitment nor will it be shown in any policy to be issued in connection with this Commitment. The statute applies only to unsubdivided land in an unincorporated area of a county.

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End of Requirements

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the Policy

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

THIS INFORMATION IS NOT PART OF THE TITLE INSURANCE COMMITMENT.



COMMITMENT FOR TITLE INSURANCE

ISSUED BY

First American Title Insurance Company
through its Division

First American Title Insurance Company

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YOU SHOULD READ THE COMMITMENT VERY CAREFULLY

If you have any questions about the Commitment, contact:

First American Title Insurance Company National Commercial Services
2425 E. Camelback Road, Suite 300, Phoenix, Arizona 85016

AGREEMENT TO ISSUE POLICY

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under the Commitment is limited by the following:

**The Provisions in Schedule A
The Requirements
The Exceptions in Schedule B - Parts 1 and 2
The Conditions**

This Commitment is not valid without SCHEDULE A and Parts 1 and 2 of SCHEDULE B.

SCHEDULE B - EXCEPTIONS

Any Policy we issue will have the following exceptions unless they are taken care of to our satisfaction.

Part One:

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 by making inquiry of 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 aforementioned matters excepted are shown by the public records.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

Part One of Schedule B will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Plain Language Policy and policies with EAGLE Protection added. 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.

**REQUIREMENTS
(Standard)**

The following requirements must be met:

- (a) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (b) Pay us the premiums, fees and charges for the policy.
- (c) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (d) You must tell us in writing the name of anyone not referred to in this commitment who will get interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.

(Continued on Requirements Page)

CONDITIONS

1. **DEFINITIONS**

- (a) "Mortgage" means mortgage, deed of trust or other security instrument.
- (b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. **LATER DEFECTS**

The Exceptions in Schedule B may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements are met. We shall have no liability to you because of this amendment.

3. **EXISTING DEFECTS**

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. **LIMITATION OF OUR LIABILITY**

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements

or

eliminate with our written consent any Exceptions shown in Schedule B

We shall not be liable for more than the Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. **CLAIMS MUST BE BASED ON THIS COMMITMENT**

Any claims, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms

**First American Title
Insurance**

**The First American
Corporation**

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 you provide to us. Therefore, together with our parent company, The First American Corporation, 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 which 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 public records or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our web site at www.firstam.com.

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 about 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 the 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. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial services providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply.

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 who need to know that information to provide products and 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 and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE A

ESCROW/CLOSING INQUIRIES should be directed to your Escrow Officer: **Cathy Criner at (602)567-8100**

Effective Date: **May 27, 2016** at 7:30 a.m.

1. Policy or (Policies) to be issued:

ALTA 2006 Extended Owner's Policy for \$TBD

Proposed Insured:

City of Scottsdale

2. The estate or interest in the land described or referred to in this commitment and covered herein is fee simple and title thereto is at the effective date hereof vested in:

DM Real Estate Holdings, LLC, an Arizona limited liability company

3. Title to the estate or interest in the land upon issuance of the policy shall be vested in:

City of Scottsdale

4. The land referred to in this Commitment is located in Maricopa County, AZ and is described as:

SEE EXHIBIT "A " ATTACHED HEREIN

Title officer: Daniel Figueroa @ (602)567-8100/dfigueroa@firstam.com.

Pages 1 through 5 of this document consist of the Title Insurance Commitment contract and our Privacy Policy.

EXHIBIT "A"

PARCEL NO. 1:

PARCEL 8, OF MAP OF DEDICATION AND PARCEL MAP NORTH SCOTTSDALE AQUIFER STORAGE & RECOVERY PROJECT, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 754 OF MAPS, PAGE 30;

EXCEPT THAT PORTION DEEDED TO THE CITY OF SCOTTSDALE IN DOCUMENT NO. 92-0116951 OF OFFICIAL RECORDS, AND AS SHOWN ON SAID PLAT; AND

FURTHER EXCEPT A PARCEL OF LAND LOCATED IN THE NORTH HALF OF SECTION 31, TOWNSHIP 6 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND BEING A PART OF PARCEL 8 OF MAP OF DEDICATION AND PARCEL MAP NORTH SCOTTSDALE AQUIFER STORAGE & RECOVERY PROJECT, ACCORDING TO THE PLAT RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA AT BOOK 754 OF MAPS, PAGE 30, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERN-MOST CORNER OF PARCEL 4 OF SAID BOOK 754 OF MAPS, PAGE 30, FROM WHICH THE SOUTHEASTERLY LINE OF SAID PARCEL 4 BEARS SOUTH 15 DEGREES 52 MINUTES 58 SECONDS WEST, (BASIS OF BEARING) TO AN ANGLE POINT AT A DISTANCE OF 238.96 FEET;

THENCE ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

SOUTH 39 DEGREES 48 MINUTES 15 SECONDS EAST, 42.87 FEET;

SOUTH 77 DEGREES 35 MINUTES 34 SECONDS EAST, 158.02 FEET TO THE NORTHERN-MOST CORNER OF PARCEL 6 OF SAID BOOK 754 OF MAPS, PAGE 30;

THENCE CONTINUING ALONG THE NORTHEASTERLY BOUNDARY OF SAID PARCEL 8, CONTIGUOUS TO THE SOUTHWESTERLY BOUNDARY OF SAID PARCEL 6, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

SOUTH 61 DEGREES 44 MINUTES 03 SECONDS WEST, 70.00 FEET;

SOUTH 16 DEGREES 41 MINUTES 37 SECONDS WEST, 42.43 FEET;

SOUTH 28 DEGREES 17 MINUTES 56 SECONDS EAST, 65.43 FEET;

SOUTH 73 DEGREES 08 MINUTES 08 SECONDS EAST, 35.36 FEET;

NORTH 61 DEGREES 44 MINUTES 03 SECONDS EAST, 75.00 FEET;

THENCE LEAVING SAID PARCEL 6 BOUNDARY CONTINUING ALONG SAID PARCEL 8 BOUNDARY, SOUTH 45 DEGREES 58 MINUTES 57 SECONDS EAST A DISTANCE OF 195.38 FEET TO A POINT ON THE CURVED NORTHWESTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, A PUBLIC RIGHT OF WAY, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS POINT WHICH BEARS SOUTH 31 DEGREES 05 MINUTES 25 SECONDS EAST AT A DISTANCE OF 1498.40 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVED RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 03 DEGREES 56 MINUTES 00 SECONDS, A DISTANCE OF 102.86 FEET TO THE EASTERN-MOST CORNER OF PARCEL 5 OF SAID BOOK 754 OF MAPS, PAGE 30;

THENCE LEAVING SAID RIGHT OF WAY LINE OF CAVE CREEK ROAD, ALONG THE NORTHEASTERN, NORTHWESTERN AND SOUTHWESTERN BOUNDARIES OF SAID PARCEL 5, ALL BEING CONTIGUOUS TO THE BOUNDARY OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

NORTH 30 DEGREES 23 MINUTES 22 SECONDS WEST, 129.68 FEET;

NORTH 82 DEGREES 18 MINUTES 17 SECONDS WEST, 82.98 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 113.25 FEET;

NORTH 82 DEGREES 18 MINUTES 17 SECONDS WEST, 20.00 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 22.20 FEET;

SOUTH 82 DEGREES 18 MINUTES 17 SECONDS EAST, 10.47 FEET;

SOUTH 07 DEGREES 41 MINUTES 43 SECONDS WEST, 19.39 FEET;

SOUTH 43 DEGREES 11 MINUTES 44 SECONDS EAST, 86.68 FEET TO A POINT ON SAID CURVED NORTHWESTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, SAID CURVE BEING CONCAVE SOUTHEASTERLY AND HAVING A RADIUS POINT WHICH BEARS SOUTH 40 DEGREES 46 MINUTES 38 SECONDS EAST AT A DISTANCE OF 1498.40 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVED RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 09 DEGREES 00 MINUTES 30 SECONDS, A DISTANCE OF 235.59 FEET;

THENCE LEAVING SAID RIGHT OF WAY LINE, ALONG THE SOUTHWESTERLY LINE OF A WATER LINE EASEMENT, 20.00 FEET IN WIDTH AS SHOWN AND DEDICATED ON SAID BOOK 754 OF MAPS, PAGE 30, NORTH 47 DEGREES 08 MINUTES 34 SECONDS WEST A DISTANCE OF 378.16 FEET TO A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID PARCEL 4 OF BOOK 754 OF MAPS, PAGE 30;

THENCE ALONG SAID SOUTHEASTERLY BOUNDARY OF PARCEL 4, ALSO BEING THE NORTHWESTERLY BOUNDARY OF SAID PARCEL 8, TRAVERSING THE FOLLOWING COURSES AND DISTANCES;

NORTH 42 DEGREES 59 MINUTES 46 SECONDS EAST, 92.69 FEET;

SOUTH 47 DEGREES 21 MINUTES 25 SECONDS EAST, 54.29 FEET;

NORTH 43 DEGREES 09 MINUTES 11 SECONDS EAST, 145.91 FEET;

NORTH 15 DEGREES 52 MINUTES 58 SECONDS EAST, 238.96 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2:

DELETED INTENTIONALLY.

PARCEL NO. 3:

LOTS 127 AND 128, OF VELVET SHADOWS UNIT III, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 121 OF MAPS, PAGE 49.

**First American Title Insurance Company
National Commercial Services**

SCHEDULE B

PART TWO:

1. Taxes for the fiscal year of 2017, a lien not yet due or payable. All taxes currently due and payable have been paid in full.
2. This item has been intentionally deleted.
3. Any charge upon said land by reason of its inclusion in Carefree Improvement Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
4. Any charge upon said land by reason of its inclusion in Velvet Shadows Improvement Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
5. Any charge upon said land by reason of its inclusion in Carefree Shadows Association. (All assessments due and payable are paid.)

(Affects Parcel No. 3)
6. Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.
7. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Velvet Shadows Unit III, as recorded in Book 121 of Maps, Page 49, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)
8. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Map of Dedication and Parcel Map North Scottsdale Aquifer Storage & Recovery Project, as recorded in Book 754 of Maps, Page 30, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

Release of Easement recorded as 2007-1123589 of Official Records.

(Affects Parcel No. 1)

9. Covenants, Conditions and Restrictions as set forth in Declaration of Restrictions recorded in Docket 7471, Page 54 and Amendment recorded as Docket 10890, Page 398 and re-recorded as Docket 11724, Page 147, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)
10. Covenants, Conditions and Restrictions as set forth in Declaration of Restrictions recorded in Docket 10836, Page 999; Amendment recorded as Docket 10970, Page 157; Revised Declaration of Covenants, Conditions and Restrictions recorded as Docket 13555, Page 1 and Declaration of Covenants, Conditions and Restrictions recorded as Docket 13667, Page 229, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 3)
11. This item has been intentionally deleted.
12. An easement for electric lines and poles and incidental purposes in the document recorded as Docket 2539, Page 112.

(Affects Parcel No. 1)
13. This item has been intentionally deleted.
14. An easement for vehicular and pedestrian ingress and egress, pipeline and general utilities and incidental purposes in the document recorded as 92-0116948 of Official Records.

(Affects Parcel No. 1)
15. This item has been intentionally deleted.
16. This item has been intentionally deleted.
17. This item has been intentionally deleted.
18. This item has been intentionally deleted.
19. An easement for public utilities and incidental purposes in the document recorded as 2004-0267450 of Official Records.

(Affects Parcel No. 1)
20. An easement for underground sewer line and incidental purposes in the document recorded as 2007-0271788 of Official Records.

(Affects Parcel No. 1)

21. An easement for underground water line and incidental purposes in the document recorded as 2007-0271789 of Official Records.

(Affects Parcel No. 1)

22. This item has been intentionally deleted.

23. This item has been intentionally deleted.

24. The terms and provisions contained in the document entitled "Declaration Limiting Total Development" recorded January 26, 2000 as 00-0062296 of Official Records.

(Affects all parcels)

25. This item has been intentionally deleted.

26. This item has been intentionally deleted.

27. This item has been intentionally deleted.

28. This item has been intentionally deleted.

29. Water rights, claims or title to water, whether or not shown by the public records.

30. Any facts, rights, interests or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by Gannett Fleming Inc. on January 28, 2016, last revised March 3, 2016, designated Job Number 61211.100:

- a. Turf encroachment of 3 feet, 14.5 feet and 35 feet of golf course onto subject property as shown on Survey.

End of Schedule B

**First American Title Insurance Company
National Commercial Services**

REQUIREMENTS:

1. Compliance with A.R.S. 11-480 relative to all documents to be recorded in connection herewith. See note at end of this section for details.

(Affects Parcel No. 3)

2. All of 2015 taxes are paid in full.

NOTE: Taxes are assessed in the total amount of \$113,666.72 for the year 2015 under Assessor's Parcel No. 219-13-244 1.

(Covers More Property)

(Affects Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$384.10 for the year 2015 under Assessor's Parcel No. 219-11-145 4.

(Affects Lot No. 127 of Parcel No. 3)

NOTE: Taxes are assessed in the total amount of \$287.16 for the year 2015 under Assessor's Parcel No. 219-11-146 1.

(Affects Lot No. 128 of Parcel No. 3)

3. **DELETED INTENTIONALLY**

4. Pay all of 2016 taxes.

5. Proper evidence showing that all assessments due and payable, levied by Carefree Improvement Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

6. Proper evidence showing that all assessments due and payable, levied by Velvet Shadows Improvement Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

7. Proper evidence showing that all assessments due and payable, levied by Carefree Shadows Association, have been paid to and including the closing date of this transaction.

(Affects Parcel No. 3)

8. Record partial release and reconveyance of a Deed of Trust securing an original indebtedness in the amount of \$52,000,000.00, recorded August 18, 2011 as 2011-0690698 of Official Records.
Dated: August 18, 2011
Trustor: DM Real Estate Holdings, LLC, an Arizona limited liability company
Trustee: National Bank of Arizona, a national banking association
Beneficiary: National Bank of Arizona, a national banking association

(Covers More Property)

9. Furnish Plat of Survey of the subject property by a Registered Land Surveyor in accordance with the "Minimum Standard Detail Requirements for ALTA/ACSM 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 First American Title Insurance Company.

REQUIREMENT SATISFIED

10. Furnish copies of any existing leases affecting the within described property and insertion of said leases in Schedule B of the Policy of Title Insurance.
11. Approval by all parties to this transaction of the description used herein.
12. 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 DM Real Estate Holdings, LLC, a limited liability company.
13. Record Warranty Deed from to Buyer(s).

NOTE: If this will be other than a Cash Transaction, notify the title department prior to close and additional requirements will be made.

14. Such further requirements as may be necessary after completion of the above.
15. Return to title department for final recheck before recording.

NOTE: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

NOTE: In connection with Arizona Revised Statutes 11-480, as of January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a. Print must be ten-point type or larger.

- b. A margin of two inches at the top of the first page for recording and return address information and margins of one-half inch along other borders of every page.
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

DISCLOSURE NOTE: In the event any Affidavit required pursuant to A.R.S. ¹ 33-422 has been, or will be, recorded pertaining to the land, such Affidavit is not reflected in this Commitment nor will it be shown in any policy to be issued in connection with this Commitment. The statute applies only to unsubdivided land in an unincorporated area of a county.

NOTE: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

End of Requirements

NOTE to proposed insured lender only: No Private transfer fee covenant, as defined in Federal Housing Finance Agency Final Rule 12 CFR Part 1228, that was created and first appears in the Public Records on or after February 8, 2011, encumbers the Title except as follows: None

Desert Mountain Parcel 19

Amended Development Standards

Sec. 5.800. - Townhouse Residential (R-4).

Sec. 5.804. - Property development standards.

The following property standards shall apply to all land and buildings in the R-4 district:

A. *Minimum property size.*

1. Any property* for which R-4 zoning is requested shall contain a minimum of eight thousand (8,000) square feet.

***FOR THE PURPOSES OF MINIMUM PROPERTY SIZE, PROPERTY SHALL MEAN THE OVERALL R-4 DEVELOPMENT PROPERTY NOT INDIVIDUAL LOTS.**

B. *Required common open space.*

1. Minimum: 0.10 multiplied by the total gross land area of the development, including landscape areas and recreation areas.
2. Accessory buildings for recreation may occupy up to 0.15 multiplied by the minimum required common open space.
3. This common open space is not required for developments with densities of less than five (5) units per acre.
4. The City Council may waive this common open space requirement based on the development's relationship with an existing public park or recreation area.

C. *Building height.*

1. The building height shall be as determined by Development Review Board except that no building shall exceed thirty (30) feet in height and except as otherwise provided in article VII.
2. If the R-4 development abuts a single-family residential district or an alley abutting a single-family residential district, the City Council may limit the building height to one (1) story as determined by Development Review Board.

D. *Density.*

1. The overall density shall not exceed one (1) dwelling unit per five thousand two hundred forty (5,240) square feet of gross land area.
2. Specialized residential health care facility: the number of beds shall not exceed twenty-eight (28) beds per gross acre of land.
3. Minimal residential health care facility: the number of units shall not exceed fourteen (14) dwelling units per gross acre of land.

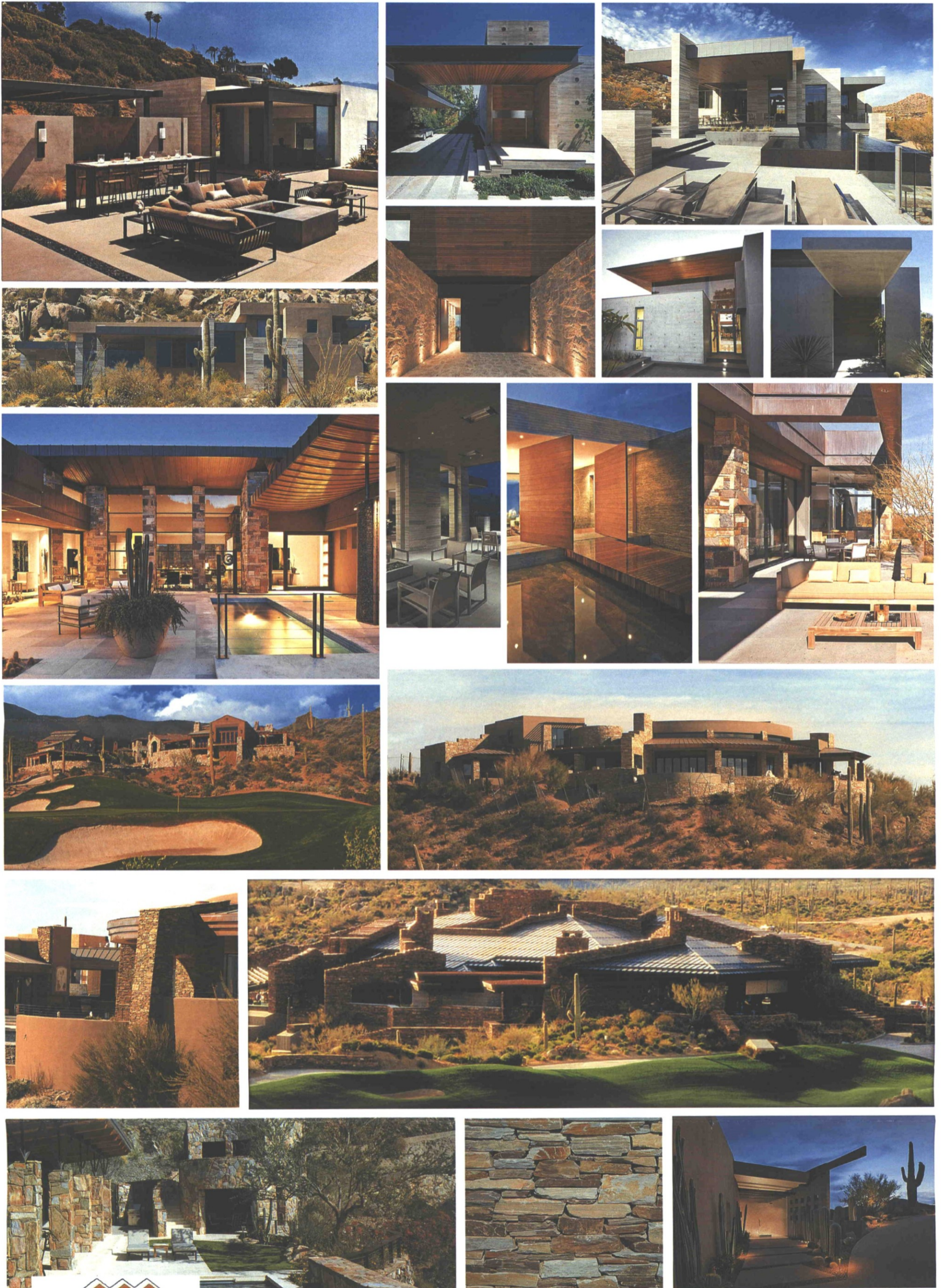
E. *Building setback.*

1. Wherever an R-4 development abuts an R-1, R-4R or M-H district or an alley abutting any of those districts, the following shall apply:
 - a. A yard of not less than ~~fifteen (15)~~ **TWELVE (12)** feet shall be maintained for the single story structures.

- b. An additional depth of ~~ten (10)~~ **EIGHT (8)** feet shall be provided for each additional story.
2. Within an R-4 development or wherever an R-4 development abuts any district other than R-1, R-4R or M-H, or abuts an alley adjacent to such other district, a building may be constructed on the property line. However, if any yard is to be maintained, it shall be not less than ~~ten (10)~~ **EIGHT (8)** feet in depth. **ALTERNATIVELY, A TWELVE (12) AGGREGATE SIDE YARD SHALL BE PERMITTED.** Larger yards may be required by the Development Review [Board] or City Council if the existing or future development of the area around the site warrants such larger yards.
3. No building or part thereof shall be erected or altered in this district that is nearer a dedicated street than ~~fifteen (15)~~ **TWELVE (12)** feet except that the average setback from any dedicated street shall be ~~twenty (20)~~ **FIFTEEN (15)** feet.

Exception:

- a. Where a lot is located at the intersection of two (2) or more streets the setback on one (1) street shall be not less than ~~ten (10)~~ **EIGHT (8)** feet.
 4. No more than thirty (30) percent of the frontage dwelling units shall have living space above one (1) story in height that is located within ~~fifty (50)~~ **THIRTY EIGHT (38)** feet of any dedicated street (**APPLIES TO PIMA ROAD AND CAVE CREEK ROAD ONLY**).
- F. *Distance between buildings.*
1. There shall not be less than ~~ten (10)~~ **SEVEN (7)** feet between an accessory building and a main building or between two (2) main buildings, except that an accessory building with two (2) or more open sides, one (1) of which is adjacent to the main building, may be built to within six (6) feet of the main building.
- G. *Walls, fences and required screening.*
1. Walls, fences and hedges up to eight (8) feet in height are allowed on the property line or within the required yard areas, except within the required frontage open space, within which they may not exceed three (3) feet in height, or except as otherwise provided in Article VII.
 2. All parking areas shall be screened to a height of three (3) feet above the parking surface.
 3. Storage and refuse areas shall be screened as determined by Development Review Board.
- H. *Access.* Access shall be as determined by Development Review Board.



DESERT MOUNTAIN

Parcel 19

Architectural Theming

"Desert Contemporary" Architectural Character

17-ZN-2016
6/17/16

June 13, 2016

0 100 200 300
SCALE: 1" = 100'

m3companies

DRYWELL WORKS GREY|PICKETT

WHEN RECORDED RETURN TO:
CITY OF SCOTTSDALE
ONE STOP SHOP/RECORDS
(Jesus Murillo)
7447 East Indian School Road, Suite 100
Scottsdale, AZ 85251

City of Scottsdale Case No.17-ZN-2016

**AGREEMENT FOR THE WAIVER OF CLAIMS
FOR DIMINUTION IN VALUE OF PROPERTY**

THIS AGREEMENT FOR THE WAIVER OF CLAIMS FOR DIMINUTION IN VALUE OF PROPERTY (the "Agreement") is made in favor of the City of Scottsdale ("City") by DM Real Estate, LLC an Arizona Limited Liability Company ("Owner").

RECITALS

A. Owner is the fee title owner of property, Parcel No. 219-13-244 located at 37080 N. Cave Creek Road (the "Property").

B. Owner acknowledges that he/she has made a request to the City for application of its land use laws for the development of the Property and is under no compulsion, economic or otherwise, to enter into this Agreement.

C. Arizona statute ARS § 12-1134.A provides that a city must pay just compensation to a land owner, in some cases, if the city approves a land use law that reduces the fair market value of the owner's property. This law is sometimes referred to as "Proposition 207" or the "Private Property Rights Protection Act". (ARS 12-1131, et.seq.)

D. The Private Property Rights Protection Act (e.g., A.R.S. § 12-1134.I) authorizes private property owners to enter into agreements with political subdivisions to waive any claim for diminution in value of their property in connection with any action requested by the property owner.

E. City and Owner seek to resolve whether the application of the City's land use laws to the Property constitute a "diminution in value" of the Property or other harm entitling Owner, now or in the future, to seek compensation from the City under the Private Property Rights Protection Act.

IT IS AGREED AS FOLLOWS:

Owner hereby makes the following acknowledgements and representations:

1. Owner acknowledges that:

a. The recitals set forth above are true and correct and are incorporated herein by this reference.

b. Owner is aware of the Private Property Rights Protection Act. (ARS 12-1131, et. seq.)

c. Owner has independently determined and believes that the application of the City's zoning ordinance to the Property will not reduce the fair market value of the Property as of the date hereof.

d. Owner is aware that, as a condition of receiving approvals under the City's zoning ordinance, the City may impose requirements upon the Property, such as requirements for right-of-way dedications, time limitations for development, and other zoning ordinance stipulations.

2. The undersigned Owner agrees as follows:

a. The Owner agrees that the stipulations and conditions set forth in Case No.17-ZN-2016 shall be included as part of the ordinance that will be considered by the Scottsdale City Council. Owner agrees that compliance with the stipulations and conditions set forth in Case No.17-ZN-2016 will govern development of the property. Owner further understands and agrees that stipulations and conditions may be added or modified during the public hearing process and that those stipulations and conditions will be incorporated into this Agreement.

b. Owner hereby waives and fully releases any and all financial loss, injury, claims and causes of action that Owner may have, now or in the future, for any "diminution in value" and for any "just compensation" under the Private Property Rights Protection Act based on the Owner's request in Case No. 17-ZN-2016. This waiver constitutes a complete release of any and all claims and causes of action under the Private Property Rights Protection Act that may arise out of the Owner's request in Case No. 17-ZN-2016.

c. Owner hereby agrees to indemnify, hold harmless and defend City, its officers, employees and agents, from any and all claims, causes of actions, demands, losses and expenses, including reasonable attorney's fees and litigation costs asserted by or resulting from any of the present owners of any interest in the Property seeking any potential compensation, damages, attorney's fees or costs under the Private Property Rights Protection Act that they may have based on the Owner's request in Case No. 17-ZN-2016.

d. This Waiver Agreement shall run with the land and shall be binding upon all present and future owners of any interest in the Property for a period of three years from the date hereof. Owner consents to the recording of this Agreement with the County Recorder in which the Property is located.

e. The Owner agrees that, as of the effective date of this Agreement, he/she has received equal protection of the laws and due process of all claims and requests, and has not suffered any compensable regulatory taking (as those terms and their related claims are defined by Arizona state and federal constitutional jurisprudence).

3. Owner warrants and represents that Owner is the owner of the fee title to the Property.

4. The person who signs this Agreement on behalf of Owner personally warrants and guarantees to City that he has legal power to bind Owner to this Agreement.

[Handwritten Signature]

Owner: _____ Its: CHIEF OPERATING OFFICER/
GENERAL MANAGER

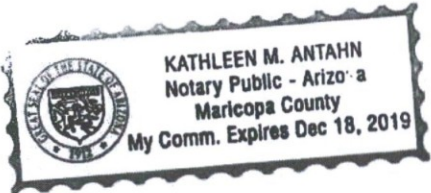
STATE OF ARIZONA)
) ss.
County of Maricopa)

Subscribed, sworn to and acknowledged before me
by _____ on this 28th day of November, 2016

My commission expires:

12.18.19

Kathleen Antahn
Notary Public





DECLARATION OF
CONFLICT OF INTEREST OR PERSONAL INTEREST

NAME: Matthew Cody

PUBLIC BODY: Planning Commission

DATE OF PUBLIC MEETING: 10/26/16 AGENDA ITEM NO.: 4, 5+6

DESCRIPTION OF ITEM: Desert Mountain Parcel 19 - general plan, Zoning and CUP.

I declare that I have a "substantial interest" in the above-referenced decision or matter, as provided in A.R.S. § 38-501 et seq., and, therefore, declare that I have a conflict of interest in the decision or matter.

Describe the substantial interest held by you or your relative(s) referred to above:

I don't believe that I have a substantial interest in the above-referenced decision or matter and, therefore, do not have a conflict of interest as provided by Arizona law, but I believe that my active participation in the above-referenced decision or matter might raise the perception of undue influence or impropriety.

Explain: A company I own may have an interest in purchasing lots in the project if approved.

To avoid a conflict of interest or the perception of undue influence or impropriety, as indicated above, I will refrain from participating in any manner in the decision(s) or matter(s) identified above.

Matthew Cody
Signature

10/26/16
Date Signed

PLEASE NOTE: Completion and filing of this form with the City Clerk's Office is not, by itself, sufficient for a public officer to meet the requirements of the Conflict of Interest law and Code of Ethical Behavior (S.R.C. § 2-47 et seq.). To complete the requirements the public officer must state publicly at the meeting of the public body that he or she has a conflict of interest, or that participation might raise the perception of undue influence or impropriety; then recuse himself or herself, and leave the room while the matter is being discussed and acted upon by others on the public body.

A copy of this form will be filed as a supplement to the public officer's Personal Interest Disclosure form.