

207 Waiver

Title

Legal Description

Policy or Appeals

Correspondence Between Legal & Staff

Letter of Authorization

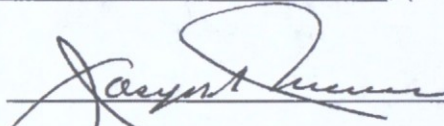
**DESERT MOUNTAIN
EXCESS NAOS DISTRIBUTION**

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: 



**5-GP-2016
5/11/16**

April 21, 2016

Via Hand-Delivery, to:

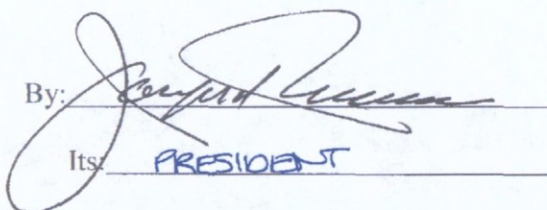
City of Scottsdale
Planning & Development Services Department
7447 East Indian School Road, Suite 105
Scottsdale, Arizona 85251

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

AFFIDAVIT OF AUTHORITY TO ACT FOR PROPERTY OWNER

1. This affidavit concerns the following parcel of land:

- a. Street Address: 37080 N Cave Creek Rd, Scottsdale, AZ 85262
- b. County Tax Assessor's Parcel Number 219-13-244
- c. General Location N Pima Rd and E Cave Creek Rd
- d. Parcel Size: Approx 89 acres
- e. Legal Description: See Attached

(If the land is a platted lot, then write the lot number, subdivision, name, and the plat's recording number and date. Otherwise, write "see attached legal description" and attach a legal description.)

2. I am the owner of the land or I am the duly and lawfully appointed agent of the owner of the land and have authority from the owner to sign this affidavit on the owner's behalf. If the land has more than one owner, then I am the agent for all of the owners, and the word "owner" in this affidavit refers to all of them.

3. I have authority from the owner to act for the owner before the City of Scottsdale with regard to any and all reviews, zoning map amendments, general plan amendments, development variances, abandonments, plats, lot splits, lot ties, use permits, building permits and other land use regulatory or related matters of every description involving the land, or involving adjacent or nearby lands in which the owner has (or may acquire) an interest and all applications, dedications, payments, assurances, decisions, agreements, legal documents, commitments, waivers and other matters relating to any of them.

4. The City of Scottsdale is authorized to rely on my authority as described in this affidavit until three work days after the day the owner delivers to the general manager of the Scottsdale Planning and Development Services Department a written statement revoking my authority.

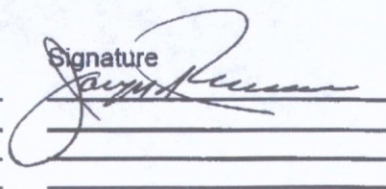
5. I will immediately deliver to the general manager of the City of Scottsdale Planning and Development Services Department written notice of any change in the ownership of the land or in my authority to act for the owner.

6. If more than one person signs this affidavit, each of them, acting alone, shall have the authority described in this affidavit, and each of them warrant to the City of Scottsdale the authority of the others.

7. Under penalty of perjury, I warrant and represent to the City of Scottsdale that this affidavit is true and complete. I understand that any error or incomplete information in this affidavit or any applications may invalidate approvals or other actions taken by the City of Scottsdale, may otherwise delay or prevent development of the land and may expose me or the owner to other liability. I understand that people who have not signed this form may be prohibited from speaking for the owner at public meetings or in other city processes.

Name (printed)
JOE MASLICK

Date
4/22, 2016
_____, 20____
_____, 20____
_____, 20____

Signature


APPEALS OF DEDICATIONS, EXACTIONS, OR ZONING REGULATIONS

POLICY OF THE CITY OF SCOTTSDALE ON APPEALS OF DEDICATIONS, EXACTIONS, OR ZONING REGULATIONS

RIGHTS OF PROPERTY OWNER

In addition to other rights granted to you by the U.S. and Arizona Constitution, federal and state law and city ordinances or regulations, you are hereby notified of your right to appeal the following City actions relating to your property:

- 1) Any dedication or exaction which is required of you by an administrative agency or official of the city as a condition of granting approval of your request to use, improve or develop your real property. This appeal right does not apply to a dedication or exaction required as part of a city legislative act (for example a zoning ordinance) where an administrative agency or official has no discretion to determine the dedication or exaction.
- 2) The adoption or amendment of a zoning regulation that creates a taking of property in violation of Arizona and federal court decisions.

APPEAL PROCEDURE

The appeal must be in writing and specify the City action appealed and the date final action was taken, and it must be filed with or mailed to the hearing officer designated by the city within 30 days after the final action is taken. Address the appeal as follows:

Hearing Officer, C/O City Clerk
3939 Drinkwater Blvd.
Scottsdale, AZ 85251

- ❖ No fee will be charged for filing
- ❖ The City Attorney's Office will review the appeal for compliance with the above requirements, and will notify you if your appeal does not comply.
- ❖ Eligible appeals will be forwarded to the hearing officer, and a hearing will be scheduled within 30 days of receipt by the hearing officer of your request. Ten days notice will be given to you of the date, time and place of the hearing unless you indicate that less notice is acceptable to you.
- ❖ The city will submit a takings impact report to the hearing officer.
- ❖ In an appeal from a dedication or exaction, the City will bear the burden of proving that the dedication or exaction to be imposed on your property bears an essential nexus between the requirement and a legitimate governmental interest and that the proposed dedication or exaction is roughly proportional to the impact of the use, improvement or development you proposed.
- ❖ In an appeal from the adoption or amendment of a zoning regulation, the City will bear the burden of proving that any dedication or exaction requirement in the zoning regulation is roughly proportional to the impact of the proposed use, improvement, or development, and that the zoning regulation does not create a taking of property in violation of Arizona and federal court cases.
- ❖ The hearing officer must render his decision within five working days after the appeal is heard.
- ❖ The hearing officer can modify or delete a dedication or exaction or, in the case of an appeal from a zoning regulation, transmit a recommendation to the City Council.
- ❖ If you are dissatisfied with the decision of the hearing officer, you may file a complaint for a trial de novo with the Superior Court within 30 days of the hearing officer's decision.

If you have questions about this appeal process, you may contact:

City Attorney's Office
3939 Drinkwater Blvd.
Scottsdale, AZ 85251
(480) 312-2405

Please be aware that City staff cannot give you legal advice. You may wish, but are not required, to hire an attorney to represent you in an appeal.

**Owner Certification
Acknowledging Receipt
Of
Notice Of Right To Appeal
Exactions And Dedications**

I hereby certify that I am the owner of property located at:

37080 N Cave Creek Rd, Scottsdale, AZ 85262

(address where development approval, building permits, or city required improvements and dedications are being required)

and hereby certify that I have received a notice that explains my right to appeal all exactions and/or dedications required by the City of Scottsdale as part of my property development on the parcel listed in the above address.



Signature of Property Owner

4/25/16
Date

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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POLICIES TO BE ISSUED, AMOUNTS AND PROPOSED INSURED Schedule A (Page 1)

INTEREST IN THE LAND Schedule A (Exhibit A)

DESCRIPTION OF THE LAND on the following page

EXCEPTIONS - PART ONE Schedule B (inside)

EXCEPTIONS - PART TWO Schedule B (inside)

REQUIREMENTS (Standard) on the third page

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, AZ 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: (for use with 2006 ALTA policies)

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but which could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Part One: (for use with 1992 and prior ALTA policies)

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 Company
National Commercial
Services**



**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

Seventh Amended

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

Effective Date: **April 13, 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:

DM19, LLC, an Arizona limited liability company

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:

DM19, LLC, an Arizona limited liability company

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
Seventh 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**

Seventh 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.

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

(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 DM Real Estate, LLC, an Arizona limited liability company and Desert Mountain Club, Inc., an Arizona non-profit corporation 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: 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. ⁺ 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

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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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)

REQUIREMENTS (Standard) on the third page

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, AZ 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: (for use with 2006 ALTA policies)

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but which could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Part One: (for use with 1992 and prior ALTA policies)

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 Company
National Commercial
Services**



**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

Seventh Amended

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

Effective Date: **April 13, 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:

DM19, LLC, an Arizona limited liability company

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:

DM19, LLC, an Arizona limited liability company

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
Seventh 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**

Seventh 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.

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

(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 DM Real Estate, LLC, an Arizona limited liability company and Desert Mountain Club, Inc., an Arizona non-profit corporation 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: 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. 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



FILE COPY

DECLARATION OF CONFLICT OF INTEREST OR PERSONAL INTEREST

NAME: Matthew Cody

PUBLIC BODY: Planning Commission

DATE OF PUBLIC MEETING: 10/5/16 AGENDA ITEM NO.: 2

DESCRIPTION OF ITEM: Desert Mountain Parcel 19 - (5-6P-2016) General Plan Amendment

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: Cactus Homes, owned by my wife and me,

may have an interest in purchasing lots in the planned development should it be 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.

Signature

Date Signed 10/5/16

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.