

Application for the Formation of

THE VILLAGES AT VIGNETO

SPECIAL TAXING DISTRICTS

**Community Facilities Districts
No. 1, No. 2 and No. 3**

Benson, Arizona

Submitted by:

El Dorado Benson, LLC
Mr. Michael Reinbold
Mr. Dennis Krahn
8501 N Scottsdale Road
Suite 120
Scottsdale, AZ
(602) 955-2424

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**COMMUNITY FACILITIES DISTRICTS
NO. 1, NO. 2 AND NO. 3
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LISTING OF EXHIBITS

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**COMMUNITY FACILITIES DISTRICTS
NO. 1, NO. 2 AND NO. 3
OF BENSON, ARIZONA**

1. INTRODUCTION

This Application (“Application”) is submitted to the City of Benson (“City”) by the owner of the majority of property within the districts, El Dorado Benson, LLC, a limited liability company organized and validly existing pursuant to the laws of the State of Arizona, (the “Applicant”) with consent by all owners of the remaining property Mike Reinbold, Dennis Krahn, Eric Hollensbe and June Prinz (the “Landowners”), for the formation of The Villages at Vigneto Community Facilities Districts Number 1, Number 2 and Number 3 (collectively the “Districts” and/or “CFDs”) pursuant to Arizona Revised Statutes (“ARS”) 48-701 et seq. as amended (the “Act”).

This Application represents another step in a series of discussions and formal agreements between the City and the Applicant regarding the orderly development of the Property, as defined below, that is the subject of this Application. As part of these negotiations, the City and Applicant created a broad framework for undertaking the phased development of the Property and commitments to support public finance which may allow the Applicant to accelerate the installation of certain Public Improvements that are determined to be necessary or desirable to support the Project, as defined below.

These negotiations led to the execution, on June 1, 2016, of the Development Agreement (the “Agreement”) between the City and the Applicant for a 12,167 acre development located in the City and known as the Villages of Vigneto (together with any additional property added to the development, the “Project”). The Agreement coordinates the planning, design, engineering, construction and provision of public services and infrastructure in connection with the development. Therein the parties agreed to allow annexation of additional property into the Project if requested by the Applicant, with approval procedures for plans and applications, and for the phased provision of emergency, medical, fire and law enforcement services throughout the Project as the same become necessary or desirable. The Applicant and the City are referred to as the “parties” when referencing the Agreement.

On July 18, 2016, Applicant submitted and the City unanimously approved “The Villages at Vigneto Final Community Master Plan and Development Plan” also known as “the Villages at Vigneto” (the “CMP”) establishing land uses for the Project. The CMP comprises 12,167 acres of property (the “Initial Land”) located within the City that is subject to the Agreement. The CMP is approved for 28,000 units. Any additional units requires an amendment to the CMP and approval by Benson City Council.

As of the date of this Application, the Applicant has purchased an additional 650 acres of property contiguous to the Initial Land and located within the City (the “Additional Land”) for inclusion within the Project with the understanding pursuant to the Agreement and in accordance with the

Act that more property may be identified and added to the Project at a later date. The Applicant anticipates amending the CMP to include at least the Additional Land in accordance with Section 4.4 of the Agreement, City ordinances and the Arizona Revised Statutes (collectively, the Initial Land and the Additional Land constitute the “Property”).

The parties understand that timely construction of the Public Infrastructure to support and ensure the success of the Project is conditioned on performance of both parties under the Agreement and adoption by the City of the necessary municipal finance. In furtherance of the parties’ goals, the Applicant hereby submits the Application for formation of the Districts.

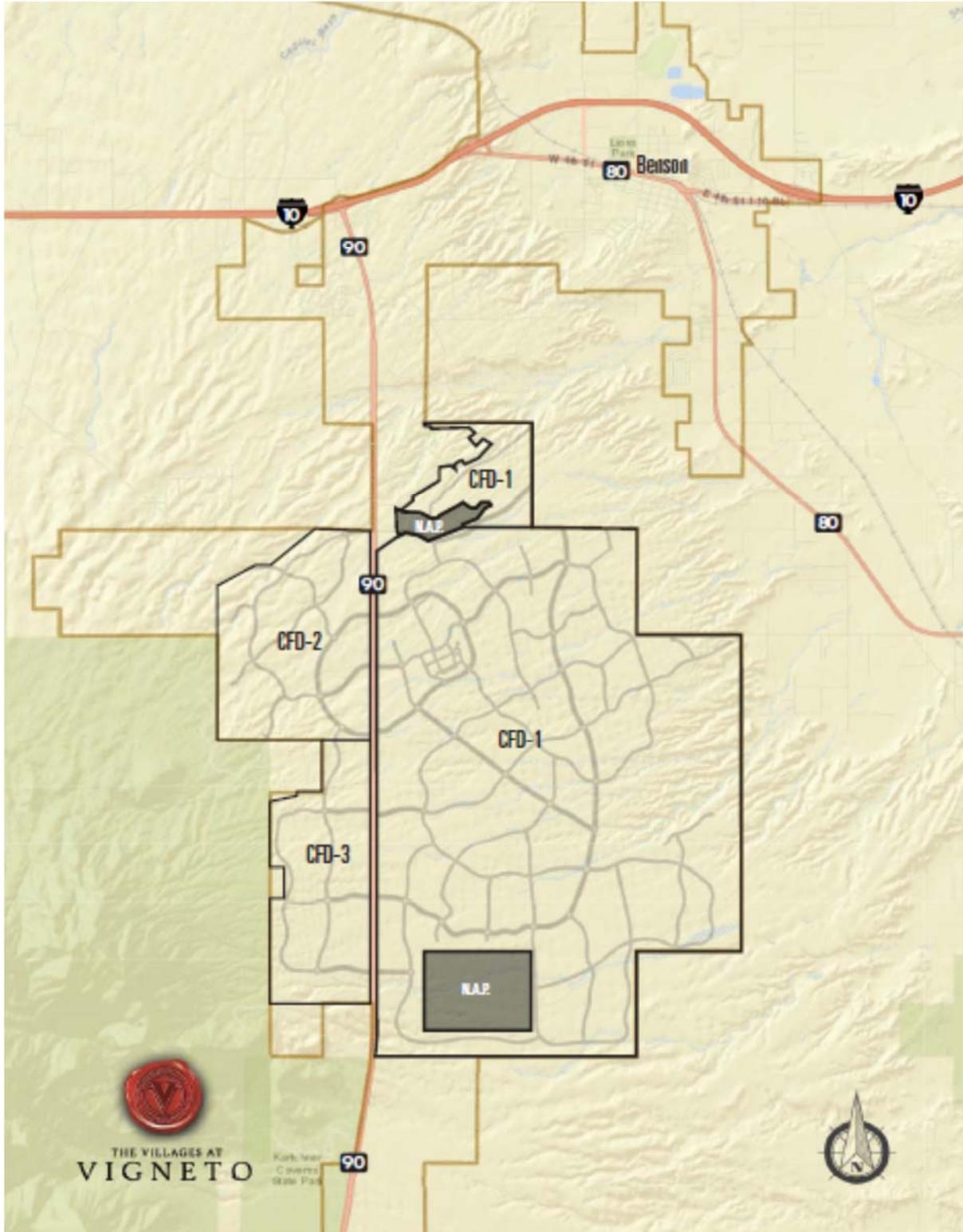
DISTRICTS - GENERAL DESCRIPTION

The formation of the Districts will be in accordance with the Act to facilitate the financing, construction and/or acquisition of public roadway, water, sewer, drainage, landscaping, recreational facilities, parks, public safety and other allowable public improvements (collectively, the “Public Infrastructure”).

The Project area shall be separated into three (3) Districts as described herein to better allocate Public Infrastructure costs to those areas benefiting from such Public Infrastructure.

A location map depicting the CFD boundaries is set forth below and attached hereto as **Exhibit A**.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
CFD Boundary Map**



Upon build out of the Project, each District will include the following uses; however, units and square footage will vary as development conditions require.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Numeric Land Use Plan (1)**

Description	District 1			District 2			District 3			Total		
	Acres	Units	Built SF (2)	Acres	Units	Built SF (2)	Acres	Units	Built SF (2)	Acres	Units	Built SF (2)
I. Mixed Use												
a. Residential	6,812	22,491		1,163	3,842		929	3,067		8,905	29,400	
b. Commercial	616		2,291,337	105		391,337	84		312,512	805		2,995,186
II. Open Space (3)	2,377	-		406	-		324	-		3,108	-	
Total	9,805	22,491	2,291,337	1,675	3,842	391,337	1,337	3,067	312,512	12,817	29,400	2,995,186

Source: Applicant
Footnotes

- (1) Information provided above is preliminary in nature and subject to change.
- (2) Estimated Built square footage assumes 25% floor area ratio of gross commercial land acreage.
- (3) Includes golf, agri-business, trail systems, and other related uses.

The District will issue general obligation bonds (“GO Bonds”), special assessment bonds (“SA Bonds”) and/or revenue bonds (“Revenue Bonds”) (collectively the “Bonds”) to finance a portion of Public Infrastructure outlined herein. Bonds will be issued to construct and/or acquire Public Infrastructure located within and/or outside of the District that primarily benefits all property contained within the specific CFD’s boundaries (e.g. arterial roadways, storm water, recreational facilities, public safety, etc.). The District will have the ability to issue GO Bonds, SA Bonds and/or Revenue Bonds in its discretion.

The Property will be divided into three (3) CFD Districts to better allocate Public Infrastructure costs to those areas benefiting from such Public Infrastructure.

APPLICATION FEE

The Applicant will pay the appropriate Application fee and the refundable deposit upon the submittal of the Application.

DISTRICT BOARD OF DIRECTORS

The Board of Directors (“District Board”) of each District will be comprised of five (5) members selected by the City Council working collaboratively with the Applicant pursuant to the terms of the Act. Each of the District Boards will be comprised of the same individuals. The initial District Board members are anticipated to consist of the following individuals:

1. Cindy Batten
2. John Davis
3. Richard Polheber
4. Celia Jenkins
5. Mark Fenn

2.1 APPLICATION

Article 2 of the City of Benson, Arizona Policy Guidelines and Application Procedures for Special Taxing Districts provides as follows:

The application to the City to form a Special Taxing District shall submit the following information to the City. The purpose of these submittals is to allow City staff and the Mayor and Council to better understand the proposed development and District(s) and is not intended to be a guaranty of how the development will proceed. The City recognizes that the District's governing Board will be required to make additional decisions about financing improvements as the project is developed.

2.2 CFD BOUNDARIES/LANDOWNERS/QUALIFIED ELECTORS / LIEN HOLDERS

A description of the proposed District including a legal description of its boundaries and addresses of all persons or entities with any ownership interest in the property, and the names and addresses of any qualified electors located within the proposed boundaries. A current title report and a certificate from the county elections department shall be submitted as evidence of the names of persons with ownership interests and for the purpose of identifying qualified electors, respectively. The description must contain an analysis of the appropriateness of the District boundaries and discuss public need and benefit. A single application may request the formation of multiple Districts to serve a single project.

LEGAL DESCRIPTION OF BOUNDARIES

Once established, Districts No. 1, 2 and 3 will include approximately 9,805, 1,675 and 1,337 acres of land, respectively, for a total of 12,817 acres. A legal description for each of the three (3) Districts has been included in this Application as **Exhibit B**.

LANDOWNERS

The Applicant and Landowners own 100 percent of the real property included in each District and hereby consents to the formation of the Districts. Accordingly, the petition proposing the formation of the Districts will be signed by 100 percent of the Landowners.

Landowner information is illustrated below.

**The Villages at Vigneto
Community Facilities District
No. 1, No. 2 and No. 3
Landowner Information (1)**

District	Fee Simple Ownership	Tenants in Common ("TIC") Ownership
1	El Dorado Benson, LLC	Mike Reinbold, Dennis Krahn, Eric Hollensbe, June Prinz
2	El Dorado Benson, LLC	Mike Reinbold, Dennis Krahn, Eric Hollensbe, June Prinz
3	El Dorado Benson, LLC	Mike Reinbold, Dennis Krahn, Eric Hollensbe, June Prinz

Source: Title Report / Cochise County Assessor's Reports

Footnotes

(1) Mike Reinbold is the primary contact for both El Dorado Benson, LLC and the TIC ownership. He can be reached at 602-955-2424.

CONTACT INFORMATION

Contact information for Applicant and its legal advisor is as follows:

Primary Contact No. 1

Mr. Michael Reinbold

El Dorado Benson, LLC
8501 N Scottsdale Road,
Suite 120

Scottsdale, AZ 85253

Phoenix: 602.955.2424

Fax: 602.955.3543

mreinbold@eldoradohodlings.net

Primary Contact No. 2

Mr. Dennis Krahn

El Dorado Benson, LLC
8501 N Scottsdale Road,
Suite 120

Scottsdale, AZ 85253

Phoenix: 602.955.2425

Fax: 602.955.3544

dkrahn@eldoradohodlings.net

Legal Representative

Ms. Dana S. Belknap

Gallagher & Kennedy
2575 E. Camelback Road

Phoenix, AZ 85016

Phoenix: 602.530.8348

dsb@gsknet.com

TITLE, QUALIFIED ELECTORS AND COUNTY ASSESSORS REPORT

Title reports for the Property within each of the proposed District boundaries are attached as **Exhibit C**. There are no qualified electors residing within the proposed District boundaries. The Qualified Electors Report from the Cochise County Elections Department encompassing the real property to be contained within the Districts is attached as **Exhibit D**. An Ownership Report from the Cochise County Assessor's Office is attached as **Exhibit E**.

REAL PROPERTY INTEREST / LIEN HOLDERS

At present, there are no lien holders and/or financial encumbrances on the Property. See the title reports included as **Exhibit C** for additional details.

APPROPRIATENESS OF BOUNDARIES AND PUBLIC NEED AND BENEFIT

All of the Property located in the Districts is contained within the City's boundaries and the City has approved Applicant's CMP governing the Project. The CMP approved by the City is consistent with the City's General Plan. Pursuant to the CMP and the Agreement, the Applicant and the City have agreed on the general framework for provision of Public Improvements including installation of utilities, rights-of-way, water and storm water and other necessary public improvements. The Applicant has committed to assisting the City in the provision of fire protection and emergency services and law enforcement as increased level of services become necessary or desirable.

2.3 DESCRIPTION OF PUBLIC INFRASTRUCTURE

A general description of the types of public infrastructure to be financed by the District, including the estimated construction or acquisition costs of the public infrastructure, the annual operation and maintenance costs of public infrastructure such as traffic control, water, or wastewater and the governmental approvals that will be required for the public infrastructure improvements to be constructed and operated.

PUBLIC INFRASTRUCTURE

The purpose of the Districts is to finance, construct, and/or acquire Public Infrastructure pursuant to the terms of the Act and as contemplated by the Agreement. The Agreement describes the Applicant's commitment to traffic control, water, wastewater and other Public Improvements necessary or desirable for the Project and the City's procedures for government approvals for these Public Improvements.

The estimated costs of construction for the Public Infrastructure and Public Infrastructure Purposes (as defined in the Act) are in 2017 current dollars (uninflated) and are expected to increase over time with inflation. A description of and cost estimates for construction of each Public Infrastructure Project are based on the best information available at the time of Application is shown below and are attached as **Exhibit F**.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Estimated Construction Costs for Private and Public Infrastructure
and Private and Public Infrastructure Purposes**

Description	CFD 1	CFD 2	CFD 3	Total Costs
Infrastructure	\$ 675,875,489	\$ 115,455,677	\$ 92,166,205	\$ 883,497,372
Lot Costs	\$ 534,585,127	\$ 91,319,908	\$ 72,899,052	\$ 698,804,087
Amenities	\$ 143,800,124	\$ 24,564,496	\$ 19,609,398	\$ 187,974,019
Total	\$ 1,354,260,740	\$ 231,340,081	\$ 184,674,656	\$ 1,770,275,477

Source: Applicant

Note: All costs are in 2017 dollars and are likely to increase over time due to inflation.

The Project's construction costs are anticipated to be financed through GO Bonds, SA Bonds, Revenue Bonds, and Developer Contributions as illustrated on the following page.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Anticipated Public Infrastructure Financing Sources**

Description	Total Costs	Sources of Funding			Developer Contributions
		GO Bonds	SA Bonds	Revenue Bonds	
CFD 1	\$ 1,354,260,740	\$ 256,584,843	\$ 348,413,704	\$ 141,534,399	\$ 607,727,794
CFD 2	\$ 231,340,081	\$ 43,830,820	\$ 59,517,383	\$ 24,177,456	\$ 103,814,423
CFD 3	\$ 184,674,656	\$ 34,989,361	\$ 47,511,664	\$ 19,300,431	\$ 82,873,200
Total	\$ 1,770,275,477	\$ 335,405,024	\$ 455,442,750	\$ 185,012,287	\$ 794,415,417

Source: Applicant

Note: Costs, Bond amounts, and Developer Contributions are shown in 2017 dollars and are likely to increase over time due to inflation.

The Public Infrastructure financed through the CFDs will comply with all public procurement requirements applicable to the construction and/or acquisition of eligible Public Infrastructure in accordance with the State of Arizona's Public Procurement Code ARS Title 34.

Anticipated utility and service providers for the Project set forth as follows:

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Utility Providers**

Utility Description	Provider
Water Service	City of Benson
Sewer Service	City of Benson
Electrical Service	Sulphur Springs Valley Electric Co-Op
Gas Service	Southwest Gas
Cable Service	To Be Determined
Telephone Service	To Be Determined
Police/Fire Service	City of Benson
Trash Service	TBD

Source: Applicant

The Public Infrastructure constructed or acquired by the Districts shall be dedicated to the City or such other political subdivision as shall be determined by the parties in accordance with the terms of the Agreement, City ordinances or State law as applicable. Upon acceptance of the Public Infrastructure by the City or other public or quasi-public governmental entity or agency, the Districts and/or the Applicant shall have no further obligation to repair and/or maintain such Public

Infrastructure unless expressly agreed to herein or by separate agreement by the District or Applicant.

Obligations for maintenance of Public Improvements which do remain the responsibility of the Districts described in the paragraph above, if any, may be financed in accordance with Section 48-723 of the Act and/or as provided in Section 2.6 below.

Operational costs of the recreational amenities may be funded through a combination of amenity fees, HOA dues and daily public usage fees as appropriate. Unless otherwise agreed, the City will have no continuing obligation related to on-going operations of the recreational facilities.

2.4 INFRASTRUCTURE AND DEVELOPMENT SCHEDULE

A proposed project schedule for commencement and completion of (a) the public infrastructure and (b) the private development.

DEVELOPMENT SCHEDULE

The Applicant anticipates that construction of Public Infrastructure will begin in the fourth quarter of 2017 and continue over a twenty (20) year period subject to market conditions.

Estimated annual absorption information relating to the Project and the respective District(s) is set forth in **Exhibit G**.

2.5 FINANCING PLAN

A financing plan for the public infrastructure, including both capital and operating/maintenance costs.

The Finance Plan for the Districts is more particularly described in Section 2.6 below. The Districts will issue GO Bonds, SA Bonds and Revenue Bonds at the Districts' discretion. Bonds will be issued to construct and/or acquire Public Infrastructure within or outside the District boundaries that primarily benefits property contained within the specific CFD's boundaries (e.g. arterial roadways, storm water, recreational facilities, public safety, etc.). SA Bonds and Revenue Bonds may be issued to construct and/or acquire Public Infrastructure inside or outside the District boundaries that benefits parcels of land within the respective CFD's boundaries (collector roadways, water, sewer, in-tract lot improvements, etc.).

Operating and maintenance costs for the Public Infrastructure are addressed in Section 2.6 below.

2.6 FINANCING STUDY

A pro forma financing plan for the entire project (or such phases of the project that are expected to be constructed within the next five (5) years of submission of the Application) covering both the public infrastructure and the private development. The study may be conducted by the Developer and should include:

a. An analysis of how the proposed debt financing, operation and maintenance costs, user charges and other District costs will be allocated and what will be the impact to the ultimate end users of the property, specifically projected property taxes and property tax rates, special assessments, fees, charges and any other costs that would be borne by property in the District. The analysis should also address the impact these costs will have on the marketability of the private development and a comparison of proposed tax rates or charges within the proposed District contrasted to the tax rates and charges in adjoining and similar areas outside of the proposed District. It will be necessary to include within this analysis a proposed schedule for the sale of bonds.

b. A financing plan for the private development in the District.

c. A market absorption study for the private development in the District. Such study shall include estimates of the revenue to be generated by the development and an estimate of the ability of the market to absorb the development as well as a market absorption calendar for the private development.

d. A \$0.30 per \$100 of assessed value ad valorem tax upon the District taxable property as a projection of the District's administrative, operation and maintenance expenses.

FINANCING PLAN

The Estimated Sources and Uses of Funds for the Project is set forth in **Exhibit H** (“Sources and Uses”) attached hereto explaining how the public and private financing, operation and maintenance costs, user charges and other District costs will be allocated.

General

- i. In the initial stages of the Project, the Bonds are anticipated to be unrated and will be sold to institutional buyers, accredited investors, or other sophisticated municipal market participants, as that term is commonly utilized in the security industry.
- ii. As an overall financing strategy, CFD GO Bonds will finance Public Infrastructure that provides a general benefit to all residents within the respective District while CFD SA Bonds if any will finance Public Infrastructure that provides a specific benefit to parcels within each respective CFD. CFD Revenue Bonds will finance Public Infrastructure for which a one time and/or recurring monthly fee may be collected (e.g. water/sewer). To the extent that Bonds are insufficient to finance the Public Infrastructure Projects, such shortfalls will be funded through equity capital, internal cash flow and third party loans.
- iii. The phases of the Project to be developed within next five (5) year period includes Phases 1A, 1B, 2A, and 2B. This area generally conforms to the Project's CMP area described as Planning Unit Plans 1 and 2. The area represents approximately 2,300 acres and includes approximately 2,073 lots and other non-residential real estate. The detailed costs estimates for Phase I & II are illustrated in **Exhibit I**.

- iv. The Public Infrastructure to be developed and financed by the CFDs in the first five (5) years will include approximately 3.5 miles of arterial streets, 6.5 miles of collector streets, 2 miles of improvements to State Route 90 (including intersections), sewer treatment and effluent disposal systems, domestic water supply and distribution systems, storm water run-off and recharge improvements, natural wash preservation improvements and crossings, municipal maintenance sites, municipal emergency services facilities and emergency services for police, fire, and ambulance, public parks, enhanced pathways and trails conveyed to the City, enhanced landscape development, waterlines, sewer lines and effluent lines in all roadways and public areas dedicated to the City, and recreation centers with various levels of facilitated improvements.

The private development to occur concurrently with the Public Infrastructure will include a village center, a public gathering place for entertainment, commercial and retail centers, along with office space. In addition, golf courses and recreation centers will be constructed. The first five (5) years of development may include other publicly accessible development including hospitality, retail, and entertainment centers, which may include bowling and movie theaters. In addition to the privately developed accessible facilities, private utility improvements will service all the residential and non-residential improvements. These utilities may include but are not limited to electrical power service, telephone, natural gas, internet, and data service.

Public Infrastructure to be developed that may be financed by CFDs or other sources such as public roadway improvements north and east of the development will occur and connect the Project with the existing City core area and also to State Route 80.

- v. The improvements listed in subsections iii and iv above are generally identified for purposes of this Application and will be designed to meet standards as set forth in the approved CMP. The detailed specifications, purpose and use of those improvements will be identified and more accurately described at the appropriate time and evaluated with the bond feasibility study in advance of the issuance of any bonds within each phase of development.

GENERAL OBLIGATION BONDS

- i. GO Bond elections will be held pursuant to the terms of the Act to authorize the Districts to issue GO Bonds in amounts as outlined in the following table.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Anticipated GO Bond Election Amounts**

District	Est. GO Bond Election Amount	Est. Term (Years) (1)
1	\$ 1,900,000,000	50
2	\$ 325,000,000	50
3	\$ 260,000,000	50
Total	\$ 2,485,000,000	

Source: Estimate

Footnotes

(1) Or the longest term allowed by law.

- The authorization amounts include costs related to the GO Bond offerings, District formation costs (to the extent not funded through other Bond offerings), incidental costs and Public Infrastructure costs, as well as inflationary and unforeseen increases in Public Infrastructure costs.
- ii. The Districts will issue GO Bonds from time to time to finance, construct and/or acquire eligible Public Infrastructure, Public Infrastructure Purposes and related costs. The GO Bond issuance amount will be established so as to be sufficiently supported by approximately ninety-five (95) percent of the GO tax collections based on the District’s then current limited assessed valuation and a tax rate not to exceed \$7.50 dollars per \$100 of the limited assessed value of the taxable property contained within the Districts; provided, if the Districts’ limited assessed valuation decreases following the issuance of any such GO Bonds, the District(s) would be required to increase the GO tax rate as necessary to pay debts service on any outstanding GO Bonds.
 - iii. It is anticipated that a relatively small GO Bond will be sold in such a time frame to allow the not to exceed \$7.80 (\$7.50 debt service + \$0.30 O&M Tax estimate) tax rate to be levied prior to the first homeowner occupancy which is currently anticipated sometime in 2018-2019. As development and tax base growth occur, additional series of GO Bonds will be issued in amounts mutually agreed to by the Applicant and the respective District Board.
 - iv. The presently estimated GO bonding capacity of the Project at build-out assuming a maximum limited assessed valuation tax rate of \$7.50 for debt service and no home price appreciation is illustrated on the following table.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Estimated GO Bonding Capacity ⁽¹⁾**

Estimated GO Bonding Capacity at Build-Out ⁽¹⁾			
District 1	District 2	District 3	Total
\$ 273,000,000	\$ 47,000,000	\$ 37,000,000	\$ 357,000,000

Footnotes

(1) Represents the cumulative potential GO Bond capacity rounded based on a \$5.00 tax rate on the property contained within the Districts. Assumes 7% interest and 25 year term. Assumes no home price appreciation and/or inflation over the analysis period.

A detailed analysis of the projected increase in the limited assessed valuation of the property contained within the boundaries of the Districts may be found under **Exhibit J**. CFD No. 1's first GO Bond issue is anticipated to occur in fiscal year 2018-2019. The other Districts will issue GO Bonds when market forces dictate.

- v. The GO Bonds are expected to have a twenty-five (25) year term or the longest term allowed by law. In the initial stages of the Project, GO Bonds will be unrated and will be repaid with proceeds of the not to exceed \$7.50 per \$100 of limited assessed value ad valorem property tax revenues of the Districts.

SPECIAL ASSESSMENT BONDS

- i. The District Boards may issue SA Bonds to finance, construct and/or acquire eligible Public Infrastructure, Public Infrastructure Purposes and related costs pursuant to the Act. The SA Bonds will have a maturity of twenty-five (25) years or the longest term allowed by law. Special assessment liens, which will encumber buildable lots and will be passed on to property owners and will vary in amount based upon the type of lot being assessed, the costs of the Public Infrastructure and the benefits which have been estimated to be received by each lot type.
- ii. Prior to the public sale of the SA Bonds, Applicant or the District shall obtain an appraisal prepared by an MAI appraiser demonstrating that the value of the land and improvements, if any, securing the SA Bonds meets the requirements for a public sale. Should the SA Bonds be sold in a private sale or limited private sale, the required value-to-lien ratio will be that negotiated by the parties.
- iii. The Districts will cause special assessment liens to be levied upon the property and such special assessment liens shall be passed on to subsequent property owners. Such special assessment liens may be prepaid in whole or in part at any point in time by any property owner in accordance with the following formula on the following page:

Principal Amount Outstanding (at time of prepayment)
Plus: Accrued Interest through the Next Interest Payment Date (e.g. 6 months)
Plus: Prepayment Penalty (if any)
Plus: District Administration Fee (if any)
Less: Interest Reserve Credit (if any)
Less: Reserve Fund Credit
Equals = Prepayment Amount

- iv. The Districts will allow SA Bonds in \$1,000 denominations in excess of the minimum authorized denominations established by the Districts Board and/or equivalent mechanism to facilitate the potential prepayment of assessments.

REVENUE BONDS

- i. The District Boards may issue Revenue Bonds. The Revenue Bonds will have a maturity of twenty-five (25) years or the longest term allowed by law.
- ii. Revenue Bonds will be utilized to assist in the financing, construction and/or acquisition of water and wastewater Public Infrastructure related to the Project. One time hook-up fees and/or monthly user fees are anticipated to be pledged as security for repayment of the Revenue Bonds. Hook-up fees and monthly user fees will be determined in conjunction with the issuance of Revenue Bonds and will be based upon the cost of the water and wastewater, and effluent/recycled water Public Infrastructure and/or the usage of such facilities.

MARKET ABSORPTION STUDY

A market study has not been included in this section of the Application. It is anticipated that market studies will be performed in conjunction with individual Bond issuances.

DISTRICT OPERATION AND MAINTENANCE COSTS

Each CFD is anticipated to be operated by a District Board comprised of five (5) board members pursuant to Section 1 and the provisions of Section 48-702.C.8 of the Act.

Each appointed board member shall serve a six (6) year term except two (2) directors who shall serve a four (4) year term. The resolution shall state which board members will serve a four (4) year term and which board members shall serve a six (6) year term. On the expiration of the term of an appointed director, the City Council pursuant to the procedures outlined in Section 1 and Section 48-711.B of the Act shall appoint a person to fill the position. If a vacancy occurs on the District Board, because of death, resignation or inability of the board member to discharge their duties, the vacancy shall be filled by an appointment made by the City Council, as outlined in Section 1 consistent with Section 48-711.B of the Act. The board member appointed shall hold office for the remainder of the unexpired term until his or her successor is appointed. An appointed board member shall not be a landowner owning more than forty (40) acres, an elected official of the City or county or an employee or an agent of the landowner, City or county but may be a director of more than one District.

The District Board may contract with a third party firm experienced in special district administration to administer the day-to-day operations of the District. The City is not expected to

have any further responsibility in the administration and/or operation of the CFDs once established.

The Districts are being established for the financing, construction and/or acquisition of the Public Infrastructure and related Public Infrastructure Purposes. With the exception possible of recreational amenities, once the Public Infrastructure has been constructed and/or acquired by the District, the facilities will be dedicated to the City following the procedures utilized for such purposes. Except as provided below or by express written agreement, the Districts will not have any continuing obligation with respect to the operation and/or maintenance of the Public Infrastructure financed, constructed and/or acquired by the Districts. The Districts or Applicant may construct certain recreational amenities from time to time as part of the Project which the Districts or Applicant may agree to maintain. Operational costs of the recreational amenities may be funded through a combination of District amenity fees, HOA dues and daily public usage fees.

The on-going administration and operation of the Districts will be paid with the proceeds of the O&M Tax assessed to the property contained within the boundaries of the Districts. The District Boards must comply with the provisions of Section 48-723.A in determining how to apply the proceeds of the O&M Tax to the Project; however, the Applicant anticipates that any proceeds of the O&M Tax levy in excess of amounts required to fund the Districts' administrative expenses will be used to fund on-going District projects including, but not limited to, recreational costs. As determined by each District Board, the O&M Tax may be reduced to the extent the proceeds are not needed by the District. To the extent that a shortfall may exist and the proceeds are insufficient to pay for District operations, Applicant agrees to fund such shortfalls. As such, no City funds will be required for CFD administrative purposes.

The table on the following page illustrates the estimated O&M Tax funds to be generated during fiscal years 2017 – 2050. Detailed assessed valuation build-ups may be found under **Exhibit J**.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
O&M Taxes**

Tax Years	Estimated Limited Assessed Valuation (1)			Estimated O&M Tax Revenue (2)
	CFD 1	CFD 2	CFD 3	
2017-2019 ⁽³⁾	\$ 1,323,310	\$ 11,431	\$ 952	\$ 3,807
2020-2024	\$ 78,837,648	\$ 11,431	\$ 952	\$ 224,723
2025-2029	\$ 285,425,373	\$ 11,431	\$ 952	\$ 813,498
2030-2034	\$ 480,335,322	\$ 14,687,287	\$ 952	\$ 1,410,817
2035-2039	\$ 493,099,346	\$ 83,701,691	\$ 54,534,095	\$ 1,799,305
2040-2044	\$ 493,099,346	\$ 84,231,096	\$ 67,243,190	\$ 1,837,035

Footnotes

(1) Assumes no home price appreciation and/or inflation over the analysis period.

(2) Represents the potential O&M Tax revenue based on a \$0.30 tax on the property contained within the Districts as of the last Tax Year in the range. For example, in 2019, the Estimated O&M tax revenue would be \$3,807. Table illustrates the O&M tax assuming a maximum \$0.30 tax. To the extent that the full \$0.30 O&M tax is not required to fund operational costs of the District, the O&M tax is anticipated to be reduced to such a level so as to only fund those costs necessary to

(3) Initial limited assessed valuation based upon the Cochise County Assessor's 2016-2017 certified limited assessed valuation.

Note: From detailed CFD analysis. Amounts may vary from **Exhibit J** due to rounding.

TIMING OF BOND PROCEEDS

A Sources and Uses schedule illustrating the estimated timing of GO Bonds, SA Bonds, and Revenue Bonds as well as additional financing sources (equity, internal cash flow, RD and/or third party borrowing) related to the development of the Project has been provided under **Exhibit H**.

FISCAL IMPACT

The CFDs will issue GO Bonds over the life of the Project and levy a tax rate not to exceed \$7.50 per \$100 of the limited assessed value of the taxable property in each District. The Sources and Uses provides an estimate of the impact of the Bond proceeds on the Project. The figure below provides additional information regarding the levy. This levy will not have a negative impact on the marketability of homes within the District given the favorable experience of other Arizona and national master planned communities with comparable financing structures.

The Districts will issue SA Bonds and Revenue Bonds over the life of the Project per the projections in the Sources and Uses. Special assessment liens are initially estimated to be \$20,250 (2017 current dollars) per lot depending upon the lot type and the amount and kind of eligible Public Infrastructure that is financed constructed and/or acquired with the proceeds of the SA Bonds.

This range of special assessment liens and resulting special assessment payments will not have a negative impact on the marketability of homes within the District given the favorable experience of other Arizona and national master planned communities with comparable financing structures.

The following tables illustrate the overlapping tax rates for the District, including the impacts of both the CFD for fiscal year 2016-2017.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
District Tax Rates
Benson Unified School District**

TAXING AUTHORITY NAME	PRIMARY	SECONDARY	TOTAL
Cochise County - General Government	\$ 2.6276	\$ -	\$ 2.6276
Cochise County - Library	-	0.1451	0.1451
Cochise County - Flood Control	-	0.2597	0.2597
Cochise College	2.2860	-	2.2860
Unified Schools - Benson	3.9347	3.0979	7.0326
Cochise Joint Technical District - Benson	-	0.0500	0.0500
School District Assistance Tax - School Equalization	0.5010	-	0.5010
Minimum School Tax	0.4167	-	0.4167
City of Benson	0.5838	-	0.5838
San Pedro Valley Hospital	-	0.9000	0.9000
Mescal J6 Fire District	-	1.3625	1.3625
Fire District Assistance Tax	-	0.1000	0.1000
Special Assessment Tax Rate Equivalent (1)	-	9.5780	9.5780
CFD General Obligation Tax (2)	-	5.3000	5.3000
Total (3)	\$ 10.3498	\$ 20.7932	\$31.1430

Source: Cochise County Treasurer's Office

Footnotes

- (1) Assumes an average home price of \$275,000 and a special assessment lien of \$20,250 per lot, 7% interest, 1 year capitalized interest, 10% reserve fund and 24 year amortization period. Final assessment amount to be determined by market conditions and a 3-to-1 value-to-lien ratio.
- (2) Estimated maximum CFD ad valorem tax rate. Ultimate maximum ad valorem tax rate to be subject to market conditions. Includes the \$0.30 tax rate.

**The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
District Tax Rates
St. David Unified School District**

TAXING AUTHORITY NAME	PRIMARY	SECONDARY	TOTAL
Cochise County - General Government	\$ 2.6276	\$ -	\$ 2.6276
Cochise County - Library	-	0.1451	0.1451
Cochise County - Flood Control	-	0.2597	0.2597
Cochise College	2.2860	-	2.2860
Unified Schools - St David	4.3264	1.7481	7.8226
Cochise Joint Technical District - Benson	-	0.0500	0.0500
School District Assistance Tax - School Equalization	0.5010	-	0.5010
Minimum School Tax	0.4167	-	0.4167
City of Benson	0.5838	-	0.5838
San Pedro Valley Hospital	-	0.9000	0.9000
Mescal J6 Fire District	-	1.3625	1.3625
Fire District Assistance Tax	-	0.1000	0.1000
Special Assessment Tax Rate Equivalent (1)	-	9.5780	9.5780
CFD General Obligation Tax (2)	-	5.3000	5.3000
Total	\$ 10.7415	\$ 19.4434	\$31.9330

Source: Cochise County Treasurer's Office

Footnotes

(1) Assumes an average home price of \$275,000 and a special assessment lien of \$20,250 per lot, 7% interest, 1 year capitalizted interest, 10% reserve fund and 24 year amortization period. Final assessment amount to be determined by market conditions and a 3-to-1 value-to-lien ratio.

(2) Estimated maximum CFD ad valorem tax rate. Ultimate maximum ad valorem tax rate to be subject to market conditions. Includes the \$0.30 tax rate.

2.7 PROPOSED EQUITY CONTRIBUTIONS

If not otherwise included in the financing plan, a description of the proposed equity contribution(s) from the applicant/landowner and a calendar showing the timing and sources of such equity contribution(s).

EQUITY CONTRIBUTION

The financing for the private development will be provided from Applicant equity, internal cash flow and/or third party loans as required. Evidence of such funding capability will be provided to the District representatives as may be required.

As of July, 2017, Applicant has expended approximately \$45 million to cover the costs of due diligence, land acquisition, planning, legal, engineering, and entitlement costs.

For further information related to the timing and sources of equity contributions, see the Sources and Uses of Funds under **Exhibit H**.

2.8 APPLICANT EXPERIENCE

A description of the applicant's professional experience and evidence demonstrating its financial capacity (including financial statements) to undertake the development associated with the public infrastructure and private development.

APPLICANT EXPERIENCE

The Applicant and Landowners are affiliates of El Dorado Holdings, Inc. a privately held real estate investment and development group. Information related to El Dorado Holdings, Inc. may be found on their website at www.eldoradoholdings.net.

FINANCIAL CAPABILITY

As the Applicant is a privately held real estate investment group, specific financial information has not been included in the Application. The Applicant shall provide all relevant financial information to the appropriate parties as required and will cooperate to provide all reasonable requests for additional financial information.

2.9 HOMEOWNER DISCLOSURE

A disclosure form which will be used to explain the expected and possible tax, assessment and other financial impacts of the debt financing to prospective landowners with the District. (Landowners/developers are required to describe in their promotional material the financial and other relative impacts on the development being included in a District.)

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

1. All sales contracts with homebuilders will include a provision that states that the homebuilder agrees to comply with the disclosure requirements of State law referenced above as well as provide, if necessary, the information required by SEC Rule 15 C212, plus the additional requirements which follow.
2. All general marketing material related to the development of the Project will reference the existence of the Districts.
3. Each homebuyer will receive a form detailing the existence of the Districts and the tax rate.
4. The receipt of this form will be acknowledged in writing by the homebuyer, and a signed copy kept on file with the District Clerk. Further, as required by Section 48-6817.C of the Act, the District Board shall prepare an estimated budget of District expenses for the upcoming fiscal year and after publishing notice shall hold a public hearing prior to adoption. Property owners living in the District will have the opportunity to attend the public hearing.

A sample of the form of Disclosure Statement for the Bonds is illustrated in the appendix as **Exhibit K**.

2.10 OPERATING PLAN

An operating plan for the District, i.e., what functions the District would provide and how the operation and maintenance of the infrastructure and all other services in the District would be provided.

The Public Infrastructure constructed or acquired by a District shall be dedicated to the City or such other political subdivision as shall be determined by the parties in accordance with the terms of the Agreement, City ordinances or State law as applicable. The Districts will not have any continuing obligations with respect to the operation and/or maintenance of the Public Infrastructure financed, constructed and/or acquired by the District except as agreed between the District and Applicant or as may be established in the Agreement, City ordinances or State law, as applicable.

For an explanation of the anticipated uses of the proceeds of the O&M Tax levy and a calculation of the O&M Tax levy generated by the Districts, see Section 2.6.

2.11 CITY'S DEVELOPMENT OBJECTIVES

Unless the applicant has already submitted such information through a zoning, plan amendment, CMP or other similar process, a description of how the proposed District meets the existing development objectives of the City, including the degree to which the District is consistent with the goals of the City's General Development Plan for promoting orderly development, consistent with growth management policies and zoning requirements and the degree to which the land use plan for the District is consistent with the City's General Development Plan Map for the area.

On June 1, 2016, the City approved the Agreement and on July 18, 2016, the City unanimously approved the CMP which is consistent with and complimentary to the City's General Plan.

2.12 DEVELOPER REIMBURSEMENT

The City shall not reimburse a developer for any construction costs for improvements constructed by or reimbursed by a District. If reimbursement is subject to alternative methods of financing, the Applicant's financing plan shall clarify under which method it will seek reimbursement to guaranty that no double payments will be made.

DEVELOPMENT REIMBURSEMENT

The payment of construction costs associated with improvements constructed by or reimbursed by a District will not be duplicated by the City. The financing plan will outline if an alternative methods of financing are used for reimbursement of associated construction costs.

**THE VILLAGES AT VIGNETO
SPECIAL TAXING DISTRICTS**

**COMMUNITY FACILITIES DISTRICTS
NO. 1, NO. 2 AND NO. 3
OF BENSON, ARIZONA**

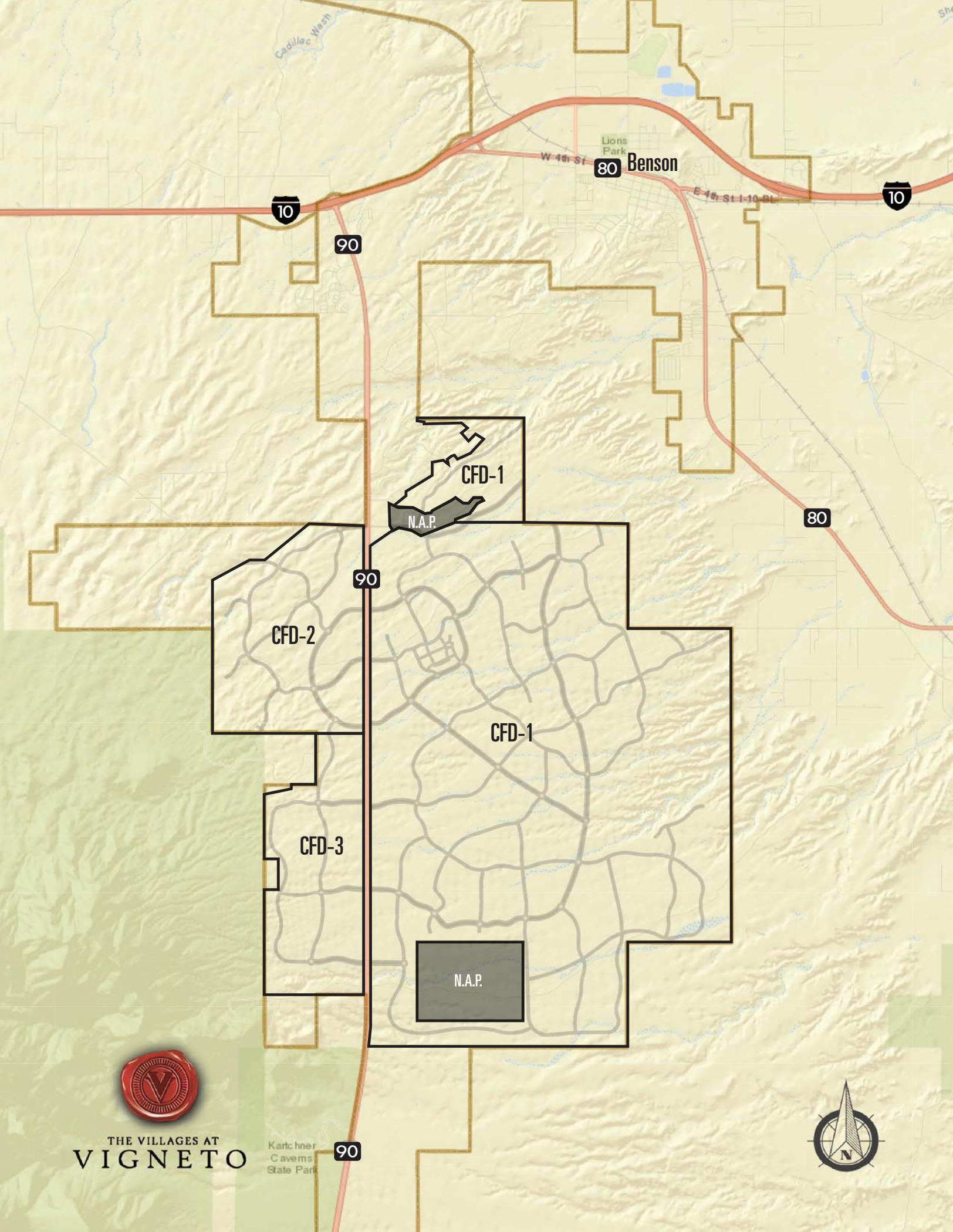
LISTING OF EXHIBITS

- EXHIBIT A** - Community Facility District Map
- EXHIBIT B** - Legal Descriptions
- EXHIBIT C** - Title Reports
- EXHIBIT D** - Qualified Electors Reports
- EXHIBIT E** - Ownership Reports
- EXHIBIT F** - Cost Estimates
- EXHIBIT G** - Absorption Schedule
- EXHIBIT H** - Estimated Source and Uses of Funds
- EXHIBIT I** - Phase 1 and 2 Improvement Phasing
- EXHIBIT J** - Estimate of Limited Assessed Valuation
- EXHIBIT K** Form of Disclosure Statement

Appendix
Community Facilities District Exhibits

Exhibit A

The Villages at Vigneto
Community Facility District Map



Cadillac Wash

Lions Park
Benson

10

90

80

10

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO



Exhibit B

The Villages at Vigneto
Legal Descriptions

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 1 (CFD-1)

Block 2, Well Site abutting Block 2, and Block 4 of THE CANYONS AT WHETSTONE RANCH subdivision, recorded in Book 15 at Page 23, 23A through 23M in the Cochise County Recorder's office, and those portions of Sections 29, 30, 31, 32, and 33, Township 17 South, Range 20 East, Gila and Salt River Meridian, and Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20 and 21, Township 18 South, Range 20 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northeast corner of said Section 33;

Thence South 00 degrees 54 minutes 17 seconds West, 5242.20 feet along the East line of said Section 33 to the Southeast corner thereof, also being the Northwest corner of said Section 3;

Thence South 89 degrees 56 minutes 45 seconds East, 2645.46 feet along the North line of said Section 3 to the North Quarter corner thereof;

Thence South 89 degrees 58 minutes 54 seconds East, 2654.11 feet along said North line of Section 3 to the Northeast corner of said Section 3;

Thence South 00 degrees 13 minutes 48 seconds West, 2628.45 feet along the East line of said Section 3 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 57 seconds West, 2638.43 feet along said East line of Section 3 to the Southeast corner thereof, also being the Northeast corner of said Section 10;

Thence South 00 degrees 07 minutes 46 seconds West, 2647.39 feet along the East line of said Section 10 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 18 seconds West, 2644.85 feet along said East line of Section 10 to the Southeast corner thereof, also being the Northeast corner of said Section 15;

Thence South 00 degrees 10 minutes 16 seconds West, 2648.49 feet along the East line of said Section 15 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 04 seconds East, 2665.47 feet along the said East line of Section 15 to the Southeast corner thereof;

Thence North 89 degrees 51 minutes 49 seconds West, 2651.95 feet along the South line of said Section 15 to the South Quarter corner thereof;

Thence North 89 degrees 46 minutes 21 seconds West, 2651.73 feet along the said South line of Section 15 to the southwest corner thereof, also being the Northeast corner of said Section 21;

Thence South 00 degrees 06 minutes 13 seconds West, 2647.15 feet along the East line of said Section 21 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 02 seconds West, 2649.47 feet along said East line of Section 21 to the Southeast corner thereof;

Thence South 89 degrees 54 minutes 37 seconds West, 2644.96 feet along the South line of said Section 21 to the South Quarter corner thereof;

Thence North 89 degrees 48 minutes 01 seconds West, 2638.89 feet along the said South line of Section 21 to the Southwest corner thereof, also being the Southeast corner of said Section 20;

Thence North 89 degrees 48 minutes 24 seconds West, 5291.23 feet along the South line of said Section 20 to the Southwest corner thereof, also being the Southeast corner of said Section 19;

Thence North 89 degrees 55 minutes 05 seconds West, 2537.60 feet along the South line of said Section 19 to a point of non-tangent curvature on the East right-of-way of State Route 90, from which point the radius point bears North 84 degrees 57 minutes 37 seconds West;

Continue along the said East right-of-way of State Route 90 the following courses;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 001 degrees 46 minutes 55 seconds, 718.98 feet;

Thence South 86 degrees 44 minutes 32 seconds East, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 86 degrees 44 minutes 32 seconds West;

Thence along a curve to the left, having a radius of 23168.32 feet and a central angle of 000 degrees 59 minutes 28 seconds, 400.75 feet;

Thence North 87 degrees 44 minutes 00 seconds West, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 87 degrees 44 minutes 00 seconds West;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 002 degrees 03 minutes 54 seconds, 833.23 feet to a point of tangency;

Thence North 00 degrees 12 minutes 06 seconds East, 3350.67 feet to the intersection with the line common to said Sections 18 and 19;

Thence North 00 degrees 02 minutes 48 seconds East, 4045.52 feet;

Thence South 89 degrees 57 minutes 12 seconds East, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 70.00 feet;

Thence North 89 degrees 57 minutes 12 seconds West, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 1171.67 feet to the intersection with the line common to said Sections 7 and 18;

Thence North 00 degrees 02 minutes 13 seconds East, 4028.22 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 60.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 311.62 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 90.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 808.47 feet to the intersection with the line common to said Sections 6 and 7;

Thence North 00 degrees 02 minutes 49 seconds East, 5277.56 feet to the intersection with the line common to said Sections 6 and 31;

Thence North 00 degrees 11 minutes 49 seconds East, 4167.51 feet;

Thence departing said East right-of-way North 57 degrees 00 minutes 00 seconds East, 1250.67 feet along the southern exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23B - Cochise County records);

Thence North 89 degrees 26 minutes 58 seconds East, 800.00 feet along said exterior line;

Thence South 62 degrees 00 minutes 00 seconds East, 400.00 feet along said exterior line;

Thence South 86 degrees 00 minutes 00 seconds East, 550.00 feet along said exterior line;

Thence North 67 degrees 00 minutes 00 seconds East, 1527.20 feet along said exterior line to the North line of said Section 32;

Thence continue North 67 degrees 00 minutes 00 seconds East, 222.76 feet;

Thence the following courses along the exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23, Cochise County records);

Thence North 19 degrees 00 minutes 00 seconds West, 186.81 feet;

Thence North 71 degrees 00 minutes 00 seconds East, 834.24 feet;

Thence North 36 degrees 00 minutes 56 seconds East, 593.12 feet;

Thence North 54 degrees 10 minutes 41 seconds East, 307.02 feet;

Thence North 06 degrees 30 minutes 54 seconds West, 129.11 feet calculated (North 06 degrees 31 minutes 16 seconds East, 129.10 feet record plat);

Thence South 87 degrees 17 minutes 10 seconds West, 474.99 feet to a point of non-tangent curvature, from which point the radius point bears North 71 degrees 06 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 350.00 feet and a central angle of 094 degrees 44 minutes 07 seconds, 578.70 feet to a point of tangency;

Thence North 66 degrees 22 minutes 03 seconds West, 216.56 feet;

Thence North 44 degrees 37 minutes 46 seconds West, 137.93 feet;

Thence South 77 degrees 28 minutes 12 seconds West, 321.08 feet calculated (321.14 feet record plat) to

a point of non-tangent curvature, from which point the radius point bears North 41 degrees 59 minutes 01 seconds West;

Thence along a curve to the right, having a radius of 1975.00 feet and a central angle of 030 degrees 55 minutes 18 seconds, 1065.88 feet calculated (1066.30 record plat);

Thence South 03 degrees 05 minutes 39 seconds East, 120.14 feet;

Thence South 85 degrees 17 minutes 54 seconds West, 54.00 feet (54.02 feet record plat) to a point of non-tangent curvature, from which point the radius point bears South 86 degrees 54 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 25.00 feet and a central angle of 083 degrees 39 minutes 07 seconds, 36.50 feet to a point of tangency;

Thence South 80 degrees 33 minutes 14 seconds West, 118.41 feet to a point of non-tangent curvature, from which point the radius point bears North 09 degrees 26 minutes 44 seconds West;

Thence along a curve to the right, having a radius of 565.00 feet and a central angle of 039 degrees 04 minutes 05 seconds, 385.25 feet to a point of tangency;

Thence North 60 degrees 22 minutes 41 seconds West, 268.45 feet to a point of non-tangent curvature, from which point the radius point bears South 29 degrees 37 minutes 18 seconds West;

Thence along a curve to the left, having a radius of 665.00 feet and a central angle of 032 degrees 12 minutes 41 seconds, 373.86 feet to a point of reverse curvature;

Thence along a curve to the right, having a radius of 1740.00 feet and a central angle of 023 degrees 13 minutes 10 seconds, 705.15 feet to a point on the exterior boundary of THE COTTONWOOD HIGHLANDS subdivision (Book 15, page 25, Cochise County records);

Thence North 21 degrees 04 minutes 11 seconds West, 40.99 feet (41.03 feet record plat) along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence the following courses along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence North 54 degrees 28 minutes 47 seconds East, 761.10 feet;

Thence North 24 degrees 42 minutes 22 seconds West, 211.59 feet;

Thence North 60 degrees 00 minutes 00 seconds East, 1596.14 feet;

Thence North 00 degrees 05 minutes 20 seconds West, 694.84 feet;

Thence North 76 degrees 00 minutes 00 seconds East, 525.85 feet;

Thence South 52 degrees 45 minutes 34 seconds East, 334.83 feet calculated (South 52 degrees 50 minutes 34 seconds East, 334.94 feet record plat) to the Southwest corner of Lot 140 of said THE COTTONWOOD HIGHLANDS subdivision;

Thence departing said exterior boundary the following courses around the perimeter of said Lot 140;

Thence North 08 degrees 11 minutes 10 seconds West, 228.47 feet to a point of non-tangent curvature, from which point the radius point bears North 08 degrees 11 minutes 10 seconds West;

Thence along a curve to the left, having a radius of 320.00 feet and a central angle of 026 degrees 25 minutes 28 seconds, 147.58 feet to a point of tangency;

Thence North 55 degrees 23 minutes 21 seconds East, 286.39 feet;

Thence South 31 degrees 08 minutes 59 seconds East, 281.44 feet to the intersection with said exterior boundary;

Thence the following courses along said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 67 degrees 27 minutes 16 seconds East, 510.87 feet;

Thence North 44 degrees 10 minutes 00 seconds East, 1158.98 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 450.00 feet;

Thence South 44 degrees 10 minutes 00 seconds West, 550.00 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 500.00 feet to the intersection with the exterior boundary of that property described within the Special Warranty Deed to the City of Benson recorded in Document No. 0605-18326 in the office of the Cochise County Recorder;

Thence the following courses along said Special Warranty Deed;

Thence North 44 degrees 10 minutes 24 seconds East, 449.99 feet;

Thence North 45 degrees 49 minutes 54 seconds West, 410.07 feet;

Thence South 88 degrees 22 minutes 01 seconds West, 1982.49 feet to the said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 01 degrees 38 minutes 00 seconds West, 100.00 feet along said exterior boundary;

Thence South 88 degrees 21 minutes 16 seconds West, 297.61 feet along said exterior boundary to the intersection with the West line of Section 29;

Thence North 00 degrees 39 minutes 14 seconds West, 100.00 feet along said West line to the Northwest corner of said Section 29;

Thence North 88 degrees 22 minutes 00 seconds East, 2685.18 feet along the north line of the Northwest quarter of said Section 29 to the North quarter corner thereof;

Thence South 88 degrees 52 minutes 53 seconds East, 2632.56 feet along the north line of the Northeast quarter of said Section 29 to the Northeast corner thereof;

Thence South 00 degrees 21 minutes 07 seconds East, 5284.19 feet along the East line of said Section 29 to the corner common to Sections 28, 29, 32, 33;

Thence South 89 degrees 25 minutes 51 seconds East, 5314.82 feet along the North line of said Section 33 to the POINT OF BEGINNING;

EXCEPTING therefrom the following Exception:

Exception 1:

BEGINNING at the Northeast corner of said Section 20, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona;

Thence North 89 degrees 49 minutes 41 seconds West, 2643.71 feet along the North line of said Section 20 to the North Quarter corner thereof;

Thence North 89 degrees 45 minutes 38 seconds West, 2644.50 feet along the North line of said Section 20 to the Northwest corner thereof;

Thence South 00 degrees 07 minutes 01 seconds West, 2650.59 feet along the west line of said Section 20 to the West Quarter corner thereof;

Thence South 00 degrees 04 minutes 09 seconds West, 1323.07 feet along the west line of said Section 20;

Thence South 89 degrees 48 minutes 47 seconds East, 5291.15 feet to a point on the East line of said Section 20;

Thence North 00 degrees 03 minutes 57 seconds East, 1323.64 feet to the East Quarter corner of said Section 20;

Thence North 00 degrees 03 minutes 17 seconds East, 2648.31 feet along the East line of said Section 20 to the POINT OF BEGINNING.

Exception 1 containing 21,012,513 square feet (482.381 acres), more or less.

Net area of CFD-1 including Block 2, Well Site, and Block 4 is 427,119,577 square feet (9,805.316 acres) more or less.

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 2 (CFD-2)

Those portions of Section 31, Township 17 South, Range 20 East, Gila and Salt River Meridian; Section 6, Township 18 South, Range 20 East, Gila and salt River Meridian; Section 36, Township 17 South, Range 19 East, Gila and Salt River Meridian and Section 1, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Southwest corner of said Section 1;

Thence North 00 degrees 11 minutes 46 seconds East, 2647.37 feet along the West line of said Section 1 to the West Quarter corner thereof;

Thence North 00 degrees 16 minutes 18 seconds East, 2619.28 feet along the West line of said Section 1 to the Northwest corner thereof, also being the Southwest corner of said Section 36;

Thence North 00 degrees 04 minutes 41 seconds East, 2462.96 feet along the West line of said Section 36;

Thence departing said West line North 61 degrees 44 minutes 23 seconds East, 2131.29 feet;

Thence South 89 degrees 52 minutes 03 seconds East, 771.87 feet;

Thence North 51 degrees 12 minutes 56 seconds East, 2891.21 feet to the North line of said Section 36;

Thence North 89 degrees 43 minutes 03 seconds East, 400.04 feet along the North line of said Section 36 to the Northeast corner thereof, also being the Northwest corner of said Section 31;

Thence South 87 degrees 25 minutes 37 seconds East, 2373.90 feet along the North line of said Section 31 to a point on the West right-of-way of State Route 90;

Continue along the said West right-of-way of State Route 90 the following courses;

Thence South 00 degrees 05 minutes 35 seconds West, 4.24 feet;

Thence South 00 degrees 11 minutes 49 seconds West, 5144.21 feet to the intersection with the line common to said Sections 31 and 6;

Thence South 00 degrees 02 minutes 49 seconds West, 5278.00 feet to the intersection with the South line of said Section 6;

Thence departing said right-of-way South 89 degrees 49 minutes 12 seconds West, 2397.60 feet along the South line of said Section 6 to the Southwest corner thereof, also being the Southeast corner of said Section 1;

Thence South 89 degrees 41 minutes 11 seconds West, 2639.59 feet along the South line of said Section 1 to the South Quarter corner thereof;

Thence North 89 degrees 53 minutes 24 seconds West, 2640.06 feet along the south line of said Section 1 to the Southwest corner thereof and POINT OF BEGINNING.

CFD-2 containing 72,947,717 square feet (1,674.649 acres), more or less.

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 3 (CFD-3)

Those portions of Sections 7, 18, and 19, Township 18 South, Range 20 East, Gila and Salt River Meridian and Sections 12, 13 and 24, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northwest corner of said Section 7;

Thence South 00 degrees 04 minutes 33 seconds West, 2643.09 feet along the West line of said Section 7 to the Quarter corner common to said Sections 7 and 12;

Thence South 89 degrees 51 minutes 22 seconds West, 1320.01 feet along the East-West Mid-section line of said Section 12;

Thence South 00 degrees 05 minutes 31 seconds West, 233.00 feet;

Thence South 79 degrees 51 minutes 15 seconds West, 1341.69 feet to the intersection with the North-South Mid-section line of said Section 12;

Thence South 00 degrees 06 minutes 47 seconds West, 2176.57 feet along the said North-South Mid-section line of Section 12 to the Quarter corner common to said Section 12 and 13;

Thence South 00 degrees 11 minutes 06 seconds West, 1102.99 feet along the North-South Mid-section line of said Section 13;

Thence North 89 degrees 48 minutes 01 seconds East, 693.77 feet;

Thence South 00 degrees 15 minutes 22 seconds West, 631.48 feet;

Thence South 00 degrees 11 minutes 06 seconds West, 911.84 feet to the East-West Mid-section line of said Section 13;

Thence South 89 degrees 55 minutes 06 seconds West, 692.97 feet along the said East-West Mid-section line of Section 13 to the Center Quarter thereof;

Thence South 00 degrees 12 minutes 23 seconds West, 2645.80 feet along the North-South Mid-section line of said Section 13 to the Quarter corner common to said Sections 13 and 24;

Thence South 00 degrees 00 minutes 47 seconds West, 2648.04 feet along the North-South Mid-section line of said Section 24 to the Center Quarter corner thereof;

Thence North 89 degrees 56 minutes 35 seconds East, 2638.53 feet along the East-West Mid-section line of said Section 24 to the Quarter corner common to said Sections 19 and 24;

Thence South 89 degrees 54 minutes 56 seconds East, 2409.56 feet along the East-West Mid-section line of said Section 19 to a point on the West right-of-way of State Route 90;

Continue along the said West right-of-way of State Route 90 the following courses;

Thence North 00 degrees 12 minutes 05 seconds East, 2654.03 feet to the intersection with the line common to said Sections 18 and 19;

Thence North 00 degrees 02 minutes 48 seconds East, 2641.27 feet to the intersection with the Mid-section line of said Section 18;

Thence North 00 degrees 02 minutes 48 seconds East, 2645.86 feet to the intersection with the line common to said Sections 18 and 7;

Thence North 00 degrees 02 minutes 13 seconds East, 2645.71 feet to the intersection with the Mid-section line of said Section 7;

Thence North 00 degrees 02 minutes 13 seconds East, 2652.61 feet to the intersection with the North line of said Section 7;

Thence departing said right-of-way South 89 degrees 49 minutes 12 seconds West, 2397.60 feet along said North line to the POINT OF BEGINNING.

Total Area for CFD-3 is 58,254,220 square feet (1,337.333 acres) more or less.



EXPIRES 3/31/2018

Exhibit C

The Villages at Vigneto
Title Reports



Fidelity National Title Insurance Company

Title No.: **AZ-FCOP-IMP-N/A-1-15-52000975**

CONDITION OF TITLE REPORT

Fidelity National Title Insurance Company, a California corporation,
herein called the Company,

SUBJECT TO THE TERMS, LIMITATIONS AND CONDITIONS OF THE APPLICATION FOR THIS CONDITION OF TITLE REPORT, WHICH APPLICATION, OR COPY THEREOF, IS ATTACHED HERETO AND MADE A PART HEREOF

REPORTS

To the party named in Schedule A, that as disclosed by the Title Instruments, the ownership of and the defects liens and encumbrances against the Interest in the Land are as shown in Schedule B.

Any claim or other notice to the Company shall be in writing and shall be addressed to the Company at the issuing office or to:

*Fidelity National Title Insurance Company Claims Center
PO Box 45023
Jacksonville, Florida, 32232-5023
Attn: Claims Administration*

THIS REPORT IS NOT VALID AND THE COMPANY SHALL HAVE NO LIABILITY HEREUNDER UNLESS THE APPLICATION REFERRED TO ABOVE, OR COPY THEREOF, IS ATTACHED HERETO.

Countersigned by:

Natalie Bombardieri

Authorized Signature



By:

Randy Quirk

Randy Quirk, President

Attest:

Michael Gravelle

Michael Gravelle, Secretary

CONDITION OF TITLE REPORT

SCHEDULE A

Fee: **\$0.00**

Date of Report: **May 23, 2017 at 02:04 PM**

1. Name of Party:

El Dorado Benson LLC

2. The Interest referred to in the Application is:

A FEE

3. The Land referred to in the Application is described as follows:

See Exhibit A attached hereto and made a part hereof.

Issuing agent for Fidelity National Title Insurance Company

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COCHISE, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

Block 2, Well Site abutting Block 2, and Block 4, of THE CANYONS AT WHETSTONE RANCH, subdivision, recorded in Book 15 at page 23, 23A through 23M in the Cochise County Recorder's Office, and those portions of Sections 29, 30, 31, 32, and 33, Township 17 South, Range 20 East, Gila and Salt River Meridian, and Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20 and 21, Township 18 South, Range 20 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northeast corner of said Section 33;

Thence South 00 degrees 54 minutes 17 seconds West, 5242.20 feet along the East line of said Section 33 to the Southeast corner thereof, also being the Northwest corner of said Section 3;

Thence South 89 degrees 56 minutes 45 seconds East, 2645.46 feet along the North line of said Section 3 to the North Quarter corner thereof;

Thence South 89 degrees 58 minutes 54 seconds East, 2654.11 feet along said North line of Section 3 to the Northeast corner of said Section 3;

Thence South 00 degrees 13 minutes 48 seconds West, 2628.45 feet along the East line of said Section 3 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 57 seconds West, 2638.43 feet along said East line of Section 3 to the Southeast corner thereof, also being the Northeast corner of said Section 10;

Thence South 00 degrees 07 minutes 46 seconds West, 2647.39 feet along the East line of said Section 10 to the East Quarter corner thereof ;

Thence South 00 degrees 04 minutes 18 seconds West, 2644.85 feet along said East line of Section 10 to the Southeast corner thereof, also being the Northeast corner of said Section 15 ;

Thence South 00 degrees 10 minutes 16 seconds West, 2648.49 feet along the East line of said Section 15 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 04 seconds East, 2665.47 feet along the said East line of Section 15 to the Southeast corner thereof;

Thence North 89 degrees 51 minutes 49 seconds West, 2651.95 feet along the South line of said Section 15 to the South Quarter corner thereof;

Thence North 89 degrees 46 minutes 21 seconds West, 2651.73 feet along the said South line of Section 15 to the southwest corner thereof, also being the Northeast corner of said Section 21;

Thence South 00 degrees 06 minutes 13 seconds West, 2647.15 feet along the East line of said Section 21 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 02 seconds West, 2649.47 feet along said East line of Section 21 to the Southeast corner thereof;

Thence South 89 degrees 54 minutes 37 seconds West, 2644.96 feet along the South line of said Section 21 to the South Quarter corner thereof;

Thence North 89 degrees 48 minutes 01 seconds West, 2638.89 feet along the said South line of Section 21 to the Southwest corner thereof, also being the Southeast corner of said Section 20;

Thence North 89 degrees 48 minutes 24 seconds West, 5291.23 feet along the South line of said Section 20 to the Southwest corner thereof, also being the Southeast corner of said Section 19;

Thence North 89 degrees 55 minutes 05 seconds West, 2537.60 feet along the South line of said Section 19 to a point of non-tangent curvature on the East right-of-way of State Route 90, from which point the radius point bears North 84 degrees 57 minutes 37 seconds West;

Continue along the said East right-of-way of State Route 90 the following courses;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 001 degrees 46 minutes 55 seconds, 718.98 feet;

Thence South 86 degrees 44 minutes 32 seconds East, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 86 degrees 44 minutes 32 seconds West;

EXHIBIT A
(Continued)

Thence along a curve to the left, having a radius of 23168.32 feet and a central angle of 000 degrees 59 minutes 28 seconds, 400.75 feet;

Thence North 87 degrees 44 minutes 00 seconds West, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 87 degrees 44 minutes 00 seconds West;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 002 degrees 03 minutes 54 seconds, 833.23 feet to a point of tangency;

Thence North 00 degrees 12 minutes 06 seconds East, 3350.67 feet to the intersection with the line common to said Sections 18 and 19;

Thence North 00 degrees 02 minutes 48 seconds East, 4045.52 feet;

Thence South 89 degrees 57 minutes 12 seconds East, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 70.00 feet;

Thence North 89 degrees 57 minutes 12 seconds West, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 1171.67 feet to the intersection with the line common to said Sections 7 and 18;

Thence North 00 degrees 02 minutes 13 seconds East, 4028.22 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 60.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 311.62 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 90.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 808.47 feet to the intersection with the line common to said Sections 6 and 7;

Thence North 00 degrees 02 minutes 49 seconds East, 5277.56 feet to the intersection with the line common to said Sections 6 and 31;

Thence North 00 degrees 11 minutes 49 seconds East, 4167.51 feet;

Thence departing said East right-of-way North 57 degrees 00 minutes 00 seconds East, 1250.67 feet along the southern exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23B - Cochise County records);

Thence North 89 degrees 26 minutes 58 seconds East, 800.00 feet along said exterior line;

Thence South 62 degrees 00 minutes 00 seconds East, 400.00 feet along said exterior line;

Thence South 86 degrees 00 minutes 00 seconds East, 550.00 feet along said exterior line;

Thence North 67 degrees 00 minutes 00 seconds East, 1527.20 feet along said exterior line to the North line of said Section 32;

Thence continue North 67 degrees 00 minutes 00 seconds East, 222.76 feet;

Thence the following courses along the exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23, Cochise County records);

Thence North 19 degrees 00 minutes 00 seconds West, 186.81 feet;

Thence North 71 degrees 00 minutes 00 seconds East, 834.24 feet;

Thence North 36 degrees 00 minutes 56 seconds East, 593.12 feet;

Thence North 54 degrees 10 minutes 41 seconds East, 307.02 feet;

Thence North 06 degrees 30 minutes 54 seconds West, 129.11 feet calculated (North 06 degrees 31 minutes 16 seconds East, 129.10 feet record plat);

Thence South 87 degrees 17 minutes 10 seconds West, 474.99 feet to a point of non-tangent curvature, from which point the radius point bears North 71 degrees 06 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 350.00 feet and a central angle of 094 degrees 44 minutes 07 seconds, 578.70 feet to a point of tangency;

Thence North 66 degrees 22 minutes 03 seconds West, 216.56 feet;

Thence North 44 degrees 37 minutes 46 seconds West, 137.93 feet;

Thence South 77 degrees 28 minutes 12 seconds West, 321.08 feet calculated (321.14 feet record plat) to a point of non-tangent curvature, from which point the radius point bears North 41 degrees 59 minutes 01 seconds West;

Thence along a curve to the right, having a radius of 1975.00 feet and a central angle of 030 degrees 55 minutes 18 seconds, 1065.88 feet calculated (1066.30 record plat);

Thence South 03 degrees 05 minutes 39 seconds East, 120.14 feet;

EXHIBIT A
(Continued)

Thence South 85 degrees 17 minutes 54 seconds West, 54.00 feet (54.02 feet record plat) to a point of non-tangent curvature, from which point the radius point bears South 86 degrees 54 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 25.00 feet and a central angle of 083 degrees 39 minutes 07 seconds, 36.50 feet to a point of tangency;

Thence South 80 degrees 33 minutes 14 seconds West, 118.41 feet to a point of non-tangent curvature, from which point the radius point bears North 09 degrees 26 minutes 44 seconds West;

Thence along a curve to the right, having a radius of 565.00 feet and a central angle of 039 degrees 04 minutes 05 seconds, 385.25 feet to a point of tangency;

Thence North 60 degrees 22 minutes 41 seconds West, 268.45 feet to a point of non-tangent curvature, from which point the radius point bears South 29 degrees 37 minutes 18 seconds West;

Thence along a curve to the left, having a radius of 665.00 feet and a central angle of 032 degrees 12 minutes 41 seconds, 373.86 feet to a point of reverse curvature;

Thence along a curve to the right, having a radius of 1740.00 feet and a central angle of 023 degrees 13 minutes 10 seconds, 705.15 feet to a point on the exterior boundary of THE COTTONWOOD HIGHLANDS subdivision (Book 15, page 25, Cochise County records);

Thence North 21 degrees 04 minutes 11 seconds West, 40.99 feet (41.03 feet record plat) along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence the following courses along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence North 54 degrees 28 minutes 47 seconds East, 761.10 feet;

Thence North 24 degrees 42 minutes 22 seconds West, 211.59 feet;

Thence North 60 degrees 00 minutes 00 seconds East, 1596.14 feet;

Thence North 00 degrees 05 minutes 20 seconds West, 694.84 feet;

Thence North 76 degrees 00 minutes 00 seconds East, 525.85 feet;

Thence South 52 degrees 45 minutes 34 seconds East, 334.83 feet calculated (South 52 degrees 50 minutes 34 seconds East, 334.94 feet record plat) to the Southwest corner of Lot 140 of said THE COTTONWOOD HIGHLANDS subdivision;

Thence departing said exterior boundary the following courses around the perimeter of said Lot 140;

Thence North 08 degrees 11 minutes 10 seconds West, 228.47 feet to a point of non-tangent curvature, from which point the radius point bears North 08 degrees 11 minutes 10 seconds West;

Thence along a curve to the left, having a radius of 320.00 feet and a central angle of 026 degrees 25 minutes 28 seconds, 147.58 feet to a point of tangency;

Thence North 55 degrees 23 minutes 21 seconds East, 286.39 feet;

Thence South 31 degrees 08 minutes 59 seconds East, 281.44 feet to the intersection with said exterior boundary;

Thence the following courses along said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 67 degrees 27 minutes 16 seconds East, 510.87 feet;

Thence North 44 degrees 10 minutes 00 seconds East, 1158.98 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 450.00 feet;

Thence South 44 degrees 10 minutes 00 seconds West, 550.00 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 500.00 feet to the intersection with the exterior boundary of that property described within the Special Warranty Deed to the City of Benson recorded in Document No. 0605-18326 in the Office of the Cochise County Recorder;

Thence the following courses along said Special Warranty Deed;

Thence North 44 degrees 10 minutes 24 seconds East, 449.99 feet;

Thence North 45 degrees 49 minutes 54 seconds West, 410.07 feet;

Thence South 88 degrees 22 minutes 01 seconds West, 1982.49 feet to the said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 01 degrees 38 minutes 00 seconds West, 100.00 feet along said exterior boundary;

Thence South 88 degrees 21 minutes 16 seconds West, 297.61 feet along said exterior boundary to the intersection with the West line of Section 29;

Thence North 00 degrees 39 minutes 14 seconds West, 100.00 feet along said West line to the Northwest corner of said Section 29;

Thence North 88 degrees 22 minutes 00 seconds East, 2685.18 feet along the north line of the Northwest quarter of said Section 29 to the North quarter corner thereof;

EXHIBIT A
(Continued)

Thence South 88 degrees 52 minutes 53 seconds East, 2632.56 feet along the north line of the Northeast quarter of said Section 29 to the Northeast corner thereof;

Thence South 00 degrees 21 minutes 07 seconds East, 5284.19 feet along the East line of said Section 29 to the corner common to Sections 28, 29, 32, 33;

Thence South 89 degrees 25 minutes 51 seconds East, 5314.82 feet along the North line of said Section 33 to the POINT OF BEGINNING;

EXCEPTING therefrom the following Exception:

EXCEPTION 1:

BEGINNING at the Northeast corner of said Section 20, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona;

Thence North 89 degrees 49 minutes 41 seconds West, 2643.71 feet along the North line of said Section 20 to the North Quarter corner thereof;

Thence North 89 degrees 45 minutes 38 seconds West, 2644.50 feet along the North line of said Section 20 to the Northwest corner thereof;

Thence South 00 degrees 07 minutes 01 seconds West, 2650.59 feet along the west line of said Section 20 to the West Quarter corner thereof;

Thence South 00 degrees 04 minutes 09 seconds West, 1323.07 feet along the west line of said Section 20;

Thence South 89 degrees 48 minutes 47 seconds East, 5291.15 feet to a point on the East line of said Section 20;

Thence North 00 degrees 03 minutes 57 seconds East, 1323.64 feet to the East Quarter corner of said Section 20;

Thence North 00 degrees 03 minutes 17 seconds East, 2648.31 feet along the East line of said Section 20 to the POINT OF BEGINNING.

AND FURTHER EXCEPTING THE FOLLOWING FIVE PARCELS REFERENCED AS RD-1, RD-2, RD-3, RD-4 AND RD-7:

RD-1:

That portion of the Northeast Quarter of Section 33, Township 17 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 33;

THENCE South 00 degrees 54 minutes 17 seconds West, 852.86 feet along the East line of said Northeast Quarter to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE continue along said East line South 00 degrees 54 minutes 17 seconds West, 50.00 feet;

THENCE North 89 degrees 05 minutes 43 seconds West, 50.00 feet;

THENCE North 00 degrees 54 minutes 17 seconds East, 50.00 feet;

THENCE South 89 degrees 05 minutes 43 seconds East, 50.00 feet to the said East line of the Northeast Quarter and POINT OF BEGINNING.

RD-2:

That portion of the Northeast Quarter of Section 3, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 3;

EXHIBIT A
(Continued)

THENCE South 00 degrees 13 minutes 48 seconds West, 1137.14 feet along the East line of said Section 3 to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE continue along said East line South 00 degrees 13 minutes 48 seconds West, 50.00 feet;

THENCE North 89 degrees 46 minutes 12 seconds West, 50.00 feet;

THENCE North 00 degrees 13 minutes 48 seconds East, 50.00 feet;

THENCE South 89 degrees 46 minutes 12 seconds East, 50.00 feet to the said East line and POINT OF BEGINNING.

RD-3:

The North 50 feet of the East 50 feet of the Northeast Quarter of Section 15, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

BEGINNING at the Northeast corner of said Section 15;

THENCE South 00 degrees 10 minutes 16 seconds West, 50.00 feet along the East line of said Northeast quarter;

THENCE North 89 degrees 51 minutes 53 seconds West, 50.00 feet along a line parallel with the North line of said Northeast Quarter;

THENCE North 00 degrees 10 minutes 16 seconds East, 50.00 feet along a line parallel with said East line to a point on the said North line of the Northeast Quarter;

THENCE South 89 degrees 51 minutes 53 seconds East, 50.00 feet along said North line to the POINT OF BEGINNING.

RD4:

That portion of the Southeast Quarter of Section 15, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Southeast corner of said Section 15;

THENCE North 00 degrees 05 minutes 04 seconds West, 1141.54 feet along the East line of said Southeast Quarter to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE South 89 degrees 54 minutes 56 seconds West, 50.00 feet;

THENCE North 00 degrees 05 minutes 04 seconds West, 50.00 feet;

THENCE North 89 degrees 54 minutes 56 seconds East, 50.00 feet to the said East line of the Southeast Quarter;

THENCE South 00 degrees 05 minutes 04 seconds East, 50.00 feet along said East line to the POINT OF BEGINNING.

RD-7:

That portion of the Northeast Quarter of Section 29, Township 17 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 29;

THENCE North 88 degrees 52 minutes 53 seconds West, 276.32 feet along the North line of said Northeast Quarter to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

EXHIBIT A
(Continued)

Thence South 01 degrees 07 minutes 07 seconds West, 50.00 feet;

Thence North 88 degrees 52 minutes 53 seconds West, 50.00 feet;

Thence North 01 degrees 07 minutes 07 seconds East, 50.00 feet to the said North line of the Northeast Quarter;

THENCE South 89 degrees 05 minutes 43 seconds East, 50.00 feet along said North line to the POINT OF BEGINNING.

PARCEL 2:

RD-1:

That portion of the Northeast Quarter of Section 33, Township 17 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 33;

THENCE South 00 degrees 54 minutes 17 seconds West, 852.86 feet along the East line of said Northeast Quarter to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE continue along said East line South 00 degrees 54 minutes 17 seconds West, 50.00 feet;

THENCE North 89 degrees 05 minutes 43 seconds West, 50.00 feet;

THENCE North 00 degrees 54 minutes 17 seconds East, 50.00 feet;

THENCE South 89 degrees 05 minutes 43 seconds East, 50.00 feet to the said East line of the Northeast Quarter and POINT OF BEGINNING.

RD-2:

That portion of the Northeast Quarter of Section 3, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 3;

THENCE South 00 degrees 13 minutes 48 seconds West, 1137.14 feet along the East line of said Section 3 to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE continue along said East line South 00 degrees 13 minutes 48 seconds West, 50.00 feet;

THENCE North 89 degrees 46 minutes 12 seconds West, 50.00 feet;

THENCE North 00 degrees 13 minutes 48 seconds East, 50.00 feet;

THENCE South 89 degrees 46 minutes 12 seconds East, 50.00 feet to the said East line and POINT OF BEGINNING.

RD-3:

The North 50 feet of the East 50 feet of the Northeast Quarter of Section 15, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

BEGINNING at the Northeast corner of said Section 15;

EXHIBIT A
(Continued)

THENCE South 00 degrees 10 minutes 16 seconds West, 50.00 feet along the East line of said Northeast quarter;

THENCE North 89 degrees 51 minutes 53 seconds West, 50.00 feet along a line parallel with the North line of said Northeast Quarter;

THENCE North 00 degrees 10 minutes 16 seconds East, 50.00 feet along a line parallel with said East line to a point on the said North line of the Northeast Quarter;

THENCE South 89 degrees 51 minutes 53 seconds East, 50.00 feet along said North line to the POINT OF BEGINNING.

RD4:

That portion of the Southeast Quarter of Section 15, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Southeast corner of said Section 15;

THENCE North 00 degrees 05 minutes 04 seconds West, 1141.54 feet along the East line of said Southeast Quarter to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE South 89 degrees 54 minutes 56 seconds West, 50.00 feet;

THENCE North 00 degrees 05 minutes 04 seconds West, 50.00 feet;

THENCE North 89 degrees 54 minutes 56 seconds East, 50.00 feet to the said East line of the Southeast Quarter;

THENCE South 00 degrees 05 minutes 04 seconds East, 50.00 feet along said East line to the POINT OF BEGINNING.

RD-7:

That portion of the Northeast Quarter of Section 29, Township 17 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 29;

THENCE North 88 degrees 52 minutes 53 seconds West, 276.32 feet along the North line of said Northeast Quarter to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

Thence South 01 degrees 07 minutes 07 seconds West, 50.00 feet;

Thence North 88 degrees 52 minutes 53 seconds West, 50.00 feet;

Thence North 01 degrees 07 minutes 07 seconds East, 50.00 feet to the said North line of the Northeast Quarter;

THENCE South 89 degrees 05 minutes 43 seconds East, 50.00 feet along said North line to the POINT OF BEGINNING.

APN: Multiple parcels

CONDITION OF TITLE REPORT

SCHEDULE B

Fidelity National Title Insurance Company reports that Title Instruments, on the date hereof, disclose:

1. Ownership of the Interest is in the name of:

El Dorado Benson, LLC, an Arizona limited liability company by Special Warranty Deeds recorded May 30, 2014, Instrument Nos. 2014-09501, 2014-09507 and 2014-09502; and recorded April 11, 2016 at Instrument No. 2016-06049 as to Parcel 1; and Michael T. Reinbold, a married man, as his sole and separate property as to an undivided $\frac{1}{4}$ interest, Dennis Krahn, a married man, as his sole and separate property as to an undivided $\frac{1}{4}$ interest, Eric Hollensbe, an unmarried man, as to an undivided $\frac{1}{4}$ interest, and June A. Prinz, an unmarried woman, as to an undivided $\frac{1}{4}$ interest, all as tenants in common, by Quit Claim Deeds recorded September 10, 2015, in Instrument Nos. 2015-16509, 2015-16510, 2015-16511 and 2015-16512 respectively, as to Parcel 2.

2. The following defects, liens and encumbrances (which are not necessarily shown in their order of priority) against the Interest:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2017.
2. Reservations, exceptions and provisions contained in the patent and in the acts authorizing the issuance thereof.
3. Water rights, claims or title to water, whether or not disclosed by the public records.
4. Mineral rights reserved to Tenneco Oil Company under Instrument No. 8902-02244, re-recorded at no. 9004-07528, as disclosed by Quit Claim Mineral Deed recorded under Instrument No. 9512-30137 and also set forth under Instrument Nos. 9001-00683 and 9004-07529.
5. Terms and conditions of that certain ordinance and Resolution pertaining to the Kartchner Caverns Corridor Development Plan recorded in Document No. 9305-13601 and in Document No. 9305-13602.
6. Intentionally deleted.
7. Matters shown in Ordinance No. 352 Annexing subject property / with other property into the City of Benson recorded December 02, 1993, instrument No. 9312-32872.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Western Gas Company, a Delaware corporation
Purpose: gas pipe line license
Recording Date: November 03, 1933
Recording No: Book 116 of Deeds of Real Estate at page 161
Affects: as disclosed in said document

9. Inclusion within the boundaries of the San Pedro Valley Hospital District, a shown in instrument recorded April 29, 1963, in Docket 326 at page 261.

SCHEDULE B
(Continued)

10. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: The Mountain States Telephone and Telegraph Company
Purpose: maintain telephone lines and fixtures
Recording Date: July 18, 1961
Recording No: Docket 280 at page 142
Affects: as disclosed in said document

11. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Jesse Mac Post and Bernetta Elaine Post
Purpose: road purposes
Recording Date: May 24, 1988
Recording No: 8805-10811
Affects: S6-T18-R20

12. Terms and conditions of Roadway and Easement Agreement recorded January 09, 2002, Instrument No. 0201-00741.

Thereafter Assignment of Dedication Rights executed by Kino IV Partnership, an Arizona limited partnership and Kino V L.L.C., an Arizona limited liability company (collectively, "Assignor") to El Dorado Benson LLC, an Arizona limited liability company 9 Assignee) recorded May 30, 2014, Instrument No. 2014-09505.

13. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition, or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: September 05, 2006
Recording No: 0609-33587
Re-Recorded: October 05, 2006, Instrument No. 0610-37561
Thereafter Assignment of Declarant Rights executed by Whetstone Development Company, an Arizona corporation, and Whetstone Partners, LLP, an Arizona limited liability partnership, Assignor, to El Dorado Benson LLC, an Arizona limited liability company recorded May 30, 2014, Instrument No. 2014-09504

14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sulphur Springs Valley Electric Cooperative, Inc.
Purpose: public utility transmission facilities
Recording Date: February 24, 2005
Recording No: 0502-06253
Affects: S32 and 33 T17, R20

15. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: public utility companies
Purpose: utilities
Recording Date: April 06, 2006
Recording No: 0604-13030
Re-Recorded: June 14, 2006, Instrument No. 0606-22589
Affects: S33 T17 R20

SCHEDULE B
(Continued)

16. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: public utility companies
Purpose: utilities
Recording Date: April 06, 2006
Recording No: 0604-13031
Re-Recorded: June 14, 2006, Instrument No. 0606-22590
Affects: S33 T17 R20

17. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: public utility companies
Purpose: utilities
Recording Date: August 17, 2006
Recording No: 0608-31094
Affects: S33 T17 R20

18. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sulphur Springs Valley Electric Cooperative, Inc.
Purpose: electric transmission facilities
Recording Date: April 05, 2007
Recording No: 0704-11937
Affects: S33 T17 R20, S4, 9, 15 and 16 T18 R20

19. Matters as set forth in "Letter of Agreement" between Whetstone Partners, L.L.P. and Sulphur Springs Valley Electric Cooperative, Inc. recorded Instrument No. 0704-11938
Affects: S 10, 15, 16, 4 and 9 T18 R20, and S33 T17,R20

20. The effect of the document set forth below, which states that the Land is located within territory in the vicinity of a military airport and may be subject to increased noise and accident potential.

Recording Date: December 24, 2008
Recording No: 2008-32809

21. Matters shown in Ordinance No. 352 Annexing subject property/ with other property into the City of Benson recorded December 02, 1993, Instrument No. 9312-32872.

22. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sulphur Springs Valley Electric Cooperative, Inc.
Purpose: public utility lines
Recording Date: February 24, 2005
Recording No: 0502-06251
Affects: Section 29 and 30

23. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: public
Purpose: public utility easement
Recording Date: May 25, 2005
Recording No: 0505-18446

SCHEDULE B
(Continued)

Affects: Section 29

24. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: public
Purpose: public utility easement
Recording Date: November 03, 2004
Recording No: 0411-35906
Affects: Block 4, Book 15, page 23 / with other property

25. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: public
Purpose: public utility easement
Recording Date: November 03, 2004
Recording No: 0411-35907
Affects: Block 2, Book 15, page 23 / with other property

26. The rights of the City of Benson pursuant to that certain Warranty Gift Deed recorded May 12, 2006, Instrument No. 0605-18327. All reversion rights set forth in this deed and appurtenant to the property will be vested in the insured as a successor to the Grantor named therein.

27. The rights of the City of Benson pursuant to that certain Dedication to the City of Benson of Block A, as recorded in Book 15 of Maps at page 43. (no separate tax parcel) (Affects Block 1, Book 15, page 43)

28. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition, or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: September 08, 2006
Recording No: 0609-33990
Re-Recorded: October 05, 2006, Instrument No. 0610-37560
Affects: Book 15 at page 23, and Book 15 at page 43.

Thereafter Assignment of Declarant Rights executed by Pioneer Title Agency, Inc., an Arizona corporation, as Trustee under Trust No. 00953570, and El Dorado Benson LLC, an Arizona limited liability company, recorded February 09, 2015, Instrument No. 2015-02209

29. Easements, covenants, conditions and restrictions as set forth on the recorded plat of The Canyons at Whetstone Ranch in Book 15 of Maps, page 23. .

30. Easements, covenants, conditions and restrictions as set forth on the recorded plat of The Canyons II at Whetstone Ranch, in Book 15 of Maps, page 43.

31. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Benson
Purpose: temporary turnaround
Recording Date: September 09, 2004
Recording No: 0409-29281

SCHEDULE B
(Continued)

Affects: Section 29

32. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Benson
Purpose: temporary turnaround
Recording Date: September 09, 2004
Recording No: 0409-29282
Affects: Section 29

33. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sulphur Springs Valley Electric Cooperative, Inc.
Purpose: electric distribution facilities.
Recording Date: February 24, 2005
Recording No: 0502-06252
Affects: Section 29, T17S R20E

34. The effect, if any, of the following document:

Entitled: Assignment of Declarant Rights
Recording Date: May 30, 2014
Recording No: 2014-09504
Reason shown:: In as much as the CCR's recorded at Instrument No. 0006-15358 do not show the caption property set forth in this report, the legal description attached to said Assignment of Declarant's Rights do contain the description of the subject property.

35. Matters contained in that certain document

Entitled: The Villages at Vigneto Development Agreement
Dated: June 01, 2016
Executed by: City of Benson and El Dorado Benson, LLC, an Arizona limited liability company
Recording Date: June 02, 2016
Recording No: 2016-09416

Reference is hereby made to said document for full particulars.

36. Tax Note:

Year: 2016
Tax Parcel No: 124-12-013
First Installment Amount: \$5,765.51paid
Second Installment Amount: \$5,765.51paid

37. Tax Note:

Year: 2016
Tax Parcel No: 124-12-014A
Total Tax: \$11.10 paid

SCHEDULE B
(Continued)

38. Tax Note:

Year: 2016
Tax Parcel No: 124-12-014B
Total Tax: \$80.90 paid

39. Tax Note:

Year: 2016
Tax Parcel No: 124-12-014C
First Installment Amount: \$1,973.96-paid
Second Installment Amount: \$1,973.96-paid

40. Tax Note:

Year: 2016
Tax Parcel No: 124-40-001M
Total Tax: \$10.14 paid

41. Tax Note:

Year: 2016
Tax Parcel No: 124-40-001Z
Total Tax: \$48.70 paid

42. Tax Note:

Year: 2016
Tax Parcel No: 124-40-013
Total Tax: \$12.44 paid

43. Tax Note:

Year: 2016
Tax Parcel No: 124-40-014
Total Tax: \$12.44 paid

44. Tax Note:

Year: 2016
Tax Parcel No: 124-40-016
First Installment Amount: \$99.28 paid

SCHEDULE B
(Continued)

45. Tax Note:

Year: 2016
Tax Parcel No: 124-40-020
Total Tax: \$13.80 paid

46. Tax Note:

Year: 2016
Tax Parcel No: 124-40-021
Total Tax: \$18.68 paid

47. Tax Note:

Year: 2016
Tax Parcel No: 124-40-022
Total Tax: \$11.10 paid

48. Tax Note:

Year: 2016
Tax Parcel No: 124-40-023
First Installment Amount: \$108.23 paid
Second Installment Amount: \$108.23 paid

49. Tax Note:

Year: 2014
Tax Parcel No: 124-40-024A
First Installment Amount: \$95.84 paid
Second Installment Amount: \$95.84 paid

50. Tax Note:

Year: 2016
Tax Parcel No: 124-40-024B
Total Tax: \$76.98 paid

51. This report also includes the following tax parcel numbers, however, specific information regarding these parcels is not included.

Tax parcel Nos.
124-12-012C
124-12-012D
124-77-3460

(Lot 140, Bk. 15, page 25)

SCHEDULE B
(Continued)

124-77-390 thru 124-77-568	(Lots 1 thru 179, Bk 15, page 43)
124-77-192	(Block 2, Book 15, page 23)
124-77-205	(well site adjacent to Block 2, Book 15, page 23)
124-77-194	(Block 4, Book 15, page 23)
124-77-569	(Portion of Common Area A, Book 15, page 43)
124-77-570	“
124-77-571	“
124-77-572	“
124-77-573	“
No number assigned	(Block 1, Book 15, page 43)

3. The following matters are disclosed by name only and the Company, without additional information, is unable to determine whether any or all of these matters are defects, liens or encumbrances against the Interest:

52. None



Fidelity National Title Insurance Company

Title No.: **AZ-FCOP-IMP-N/A-1-15-52000976**

CONDITION OF TITLE REPORT

Fidelity National Title Insurance Company, a California corporation,
herein called the Company,

SUBJECT TO THE TERMS, LIMITATIONS AND CONDITIONS OF THE APPLICATION FOR THIS CONDITION OF TITLE REPORT, WHICH APPLICATION, OR COPY THEREOF, IS ATTACHED HERETO AND MADE A PART HEREOF

REPORTS

To the party named in Schedule A, that as disclosed by the Title Instruments, the ownership of and the defects liens and encumbrances against the Interest in the Land are as shown in Schedule B.

Any claim or other notice to the Company shall be in writing and shall be addressed to the Company at the issuing office or to:

*Fidelity National Title Insurance Company Claims Center
PO Box 45023
Jacksonville, Florida, 32232-5023
Attn: Claims Administration*

THIS REPORT IS NOT VALID AND THE COMPANY SHALL HAVE NO LIABILITY HEREUNDER UNLESS THE APPLICATION REFERRED TO ABOVE, OR COPY THEREOF, IS ATTACHED HERETO.

Countersigned by:

Natalie Bombardieri

Authorized Signature



By:

Randy Quirk

Randy Quirk, President

Attest:

Michael Gravelle

Michael Gravelle, Secretary

CONDITION OF TITLE REPORT

SCHEDULE A

Fee: **\$0.00**

Date of Report: **May 26, 2017 at**

1. Name of Party:

El Dorado Benson LLC.

2. The Interest referred to in the Application is:

A FEE

3. The Land referred to in the Application is described as follows:

See Exhibit A attached hereto and made a part hereof.

Issuing agent for Fidelity National Title Insurance Company

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COCHISE, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

Those portions of Section 31, Township 17 South Range 20 East, Gila and Salt River Meridian; Section 6, Township 18 South, Range 20 East, Gila and Salt River Meridian; Section 36, Township 17 South, Range 19 East, Gila and Salt River Meridian and Section 1, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Southwest corner of said Section 1;

Thence North 00 degrees 11 minutes 46 seconds East, 2647.37 feet along the West line of said Section 1 to the West Quarter corner thereof;

Thence North 00 degrees 16 minutes 18 seconds East, 2619.28 feet along the West line of said Section 1 to the Northwest corner thereof, also being, the Southwest corner of said Section 36;

Thence North 00 degrees 04 minutes 41 seconds East, 2462.96 feet along the West line of said Section 36;

Thence departing said West line North 61 degrees 44 minutes 23 seconds East, 2131.29 feet;

Thence South 89 degrees 52 minutes 03 seconds East, 771.87 feet;

Thence North 51 degrees 12 minutes 56 seconds East, 2891.21 feet to the North line of said Section 36;

Thence North 89 degrees 43 minutes 03 seconds East, 400.04 feet along the North line of said Section 36 to the Northeast corner thereof, also being the Northwest corner of said Section 31;

Thence South 87 degrees 25 minutes 37 seconds East, 2373.90 feet along the North line of said Section 31 to a point on the West right-of-way of State Route 90;

Continue along the said West right-of-way of State Route 90 the following courses;

Thence South 00 degrees 05 minutes 35 seconds West, 4.24 feet:

Thence South 00 degrees 11 minutes 49 seconds West, 5144.21 feet to the intersection with the line common to said Sections 1 and 6;

Thence South 00 degrees 02 minutes 49 seconds West, 5278.00 feet to the intersection with the South line of said Section 6;

Thence departing said right-of-way South 89 degrees 49 minutes 12 seconds West, 2397.60 feet along the South line of said Section 6 to the Southwest corner thereof also being the Southeast corner of said Section 1;

Thence South 89 degrees 41 minutes 11 seconds West, 2639.59 feet along the South line of said Section 1 to the South Quarter corner thereof;

Thence North 89 degrees 53 minutes 24 seconds West, 2640.06 feet along the South line of said Section 1 to the Southwest corner thereof and **POINT OF BEGINNING**.

EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

That portion of the Southwest Quarter of Section 6, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the South Quarter corner of said Section 6;

THENCE South 89 degrees 49 minutes 12 seconds West, 100.00 feet along the South line of said Southwest Quarter to a point on the West right of way of State Highway 90;

THENCE North 00 degrees 02 minutes 49 seconds East, 1708.42 feet along said West right of way to the **POINT OF BEGINNING** of a rectangular parcel 50 feet on each side;

THENCE North 89 degrees 57 minutes 11 seconds West, 50.00 feet;

THENCE North 00 degrees 02 minutes 49 seconds East, 50.00 feet;

EXHIBIT A
(Continued)

THENCE South 89 degrees 57 minutes 11 seconds East, 50.00 feet to a point on said West right of way;

THENCE South 00 degrees 02 minutes 49 seconds West, 50.00 feet along said West right of way to the POINT OF BEGINNING.

PARCEL 2:

That portion of the Southwest Quarter of Section 6, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the South Quarter corner of said Section 6;

THENCE South 89 degrees 49 minutes 12 seconds West, 100.00 feet along the South line of said Southwest Quarter to a point on the West right of way of State Highway 90;

THENCE North 00 degrees 02 minutes 49 seconds East, 1708.42 feet along said West right of way to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE North 89 degrees 57 minutes 11 seconds West, 50.00 feet;

THENCE North 00 degrees 02 minutes 49 seconds East, 50.00 feet;

THENCE South 89 degrees 57 minutes 11 seconds East, 50.00 feet to a point on said West right of way;

THENCE South 00 degrees 02 minutes 49 seconds West, 50.00 feet along said West right of way to the POINT OF BEGINNING.

APN: 124-31-001, 124-01-014E, 124-40-026A, 124-12-001S, -001T

CONDITION OF TITLE REPORT

SCHEDULE B

Fidelity National Title Insurance Company reports that Title Instruments, on the date hereof, disclose:

1. Ownership of the Interest is in the name of:

El Dorado Benson LLC, an Arizona limited liability company by Special Warranty Deed recorded May 30, 2014, Instrument No. 2014-09501, AS TO Parcel 1; and Michael T. Reinbold, a married man, as his sole and separate property as to an undivided $\frac{1}{4}$ interest, Dennis Krahn, a married man, as his sole and separate property as to an undivided $\frac{1}{4}$ interest, Eric Hollensbe, an unmarried man, as to an undivided $\frac{1}{4}$ interest, and June A. Prinz, an unmarried woman, as to an undivided $\frac{1}{4}$ interest, all as tenants in common, by Quit Claim Deeds recorded September 10, 2015, in Instrument Nos. 2015-16509, 2015-16510, 2015-16511 and 2015-16512 respectively, as to Parcel 2.

2. The following defects, liens and encumbrances (which are not necessarily shown in their order of priority) against the Interest:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2017.
2. Reservations, exceptions and provisions contained in the patent and in the acts authorizing the issuance thereof.
3. Water rights, claims or title to water, whether or not disclosed by the public records.
4. Mineral rights reserved to Tenneco Oil Company under Instrument No. 8902-02244, re-recorded at no. 9004-07528, as disclosed by Quit Claim Mineral Deed recorded under Instrument No. 9512-30137 and also set forth under Instrument Nos. 9001-00683 and 9004-07529.
5. Terms and conditions of that certain Ordinance and Resolution pertaining to the Kartchner Caverns Corridor Development Plan recorded in Instrument No. 9305-13601 and Instrument No. 9305-13602.
6. Intentionally deleted.
7. Matters shown in Ordinance No. 352, annexing subject property / with other property into the City of Benson recorded December 02, 1993, Instrument No. 9312-32872.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: as described in document
Purpose: utilities
Recording Date: November 10, 1999
Recording No: 9911-33738
Affects: S31 T17 R20 and S6 T18 R20 / with other property

9. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Western Gas Company, a Delaware corporation
Purpose: gas pipe line license
Recording Date: November 03, 1933
Recording No: Book 116 of Deeds of Real Estate at page 161
Affects: 36-17-19 and 6-18-20 / with other property

SCHEDULE B
(Continued)

10. Inclusion within the boundaries of the San Pedro Valley Hospital District, as shown in instrument recorded April 29, 1963, in Docket 326 at page 261.

11. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Western Gas Company
Purpose: gas pipe lines telephone and telegraph lines
Recording Date: August 19, 1933
Recording No: Book 116 of Deeds of Real Estate at page 99
Affects: 1-18-19

12. Terms and conditions of Roadway and Easement Agreement recorded January 09, 2002, Instrument No. 0201-00741.

THEREAFTER Assignment of Dedication Rights by Kino IV Limited Partnership, an Arizona limited partnership and Kino V L.L.C., an Arizona limited liability company (collectively “ Assignor”) to El Dorado Benson LLC, an Arizona limited liability company (Assignee) recorded May 30, 2014, Instrument No. 2014-09505.

13. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition, or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
Recording Date: September 05, 2006
Recording No: 0609-33587
Re-Recorded: October 05, 2006, Instrument No. 0610-37561

Thereafter Assignment of Declarant Rights executed by Whetstone Development Company, an Arizona corporation, and Whetstone Partners, LLP, an Arizona limited liability partnership, Assignor, to El Dorado Benson LLC, an Arizona limited liability company recorded May 30, 2014, Instrument No. 2014-09504

14. The effect of the document set forth below, which states that the Land is located within territory in the vicinity of a military airport and may be subject to increased noise and accident potential.

Recording Date: December 24, 2008
Recording No: 2008-32809

15. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Purpose: 1 foot access control easement
Recording Date: September 30, 2013
Recording No: 2013-22379
Affects: 31-17-20 and 36-17-19

16. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Larry L. Dempster and Carol Dempster, husband and wife
Purpose: ingress, egress and utilities
Recording Date: September 30, 2013
Recording No: 2013-22380
Affects: 36-17-19 and 31-17-20

SCHEDULE B
(Continued)

17. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Sulphur Springs Valley Electric Cooperative, Inc.
Purpose: electric transmission lines
Recording Date: April 03, 2015
Recording No: 2015-05953
Affects: 1-18-19

18. The effect if any of the following document:

Entitled: Assignment of Declarant's Rights
Recording Date: May 30, 2014
Recording No. 2014-09503

Reason Shown: In as much as the CCR's recorded at Instrument No. 0006-15358 do not show the caption property set forth in this report, the legal description to said Assignment of Declarant's Rights do contain the description of the subject property.

19. Matters contained in that certain document

Entitled: The Villages at Vigneto Development Agreement
Dated: J June 01, 2016
Executed by: City of Benson and El Dorado Benson, LLC, an Arizona limited liability company
Recording Date: June 02, 2016
Recording No: 2016-09416

Reference is hereby made to said document for full particulars.

20. Tax Note:

Year: 2016
Tax Parcel No: 124-01-014E
Full year \$97.06 PAID

21. Tax Note:

Year: 2016
Tax Parcel No: 124-12-001S
Total Tax: \$35.98 Paid

22. Tax Note:

Year: 2016
Tax Parcel No: 124-12-001T
Total Tax: \$11.90 Paid

23. Tax Note:

Year: 2016
Tax Parcel No: 124-31-001
First Installment Amount: \$613.21 paid
Second Installment Amount: \$613.21 paid

SCHEDULE B
(Continued)

24. Tax Note:

Year: 2016

Tax Parcel No: 124-40-026a

Full year \$10.14 PAID

3. The following matters are disclosed by name only and the Company, without additional information, is unable to determine whether any or all of these matters are defects, liens or encumbrances against the Interest:

25. None



Fidelity National Title Insurance Company

Title No.: **AZ-FCOP-IMP-N/A-1-15-52000977**

CONDITION OF TITLE REPORT

Fidelity National Title Insurance Company, a California corporation,
herein called the Company,

SUBJECT TO THE TERMS, LIMITATIONS AND CONDITIONS OF THE APPLICATION FOR THIS CONDITION OF TITLE REPORT, WHICH APPLICATION, OR COPY THEREOF, IS ATTACHED HERETO AND MADE A PART HEREOF

REPORTS

To the party named in Schedule A, that as disclosed by the Title Instruments, the ownership of and the defects liens and encumbrances against the Interest in the Land are as shown in Schedule B.

Any claim or other notice to the Company shall be in writing and shall be addressed to the Company at the issuing office or to:

*Fidelity National Title Insurance Company Claims Center
PO Box 45023
Jacksonville, Florida, 32232-5023
Attn: Claims Administration*

THIS REPORT IS NOT VALID AND THE COMPANY SHALL HAVE NO LIABILITY HEREUNDER UNLESS THE APPLICATION REFERRED TO ABOVE, OR COPY THEREOF, IS ATTACHED HERETO.

Countersigned by:

Natalie Bombardieri

Authorized Signature



By:

Randy Quirk

Randy Quirk, President

Attest:

Michael Gravelle

Michael Gravelle, Secretary

CONDITION OF TITLE REPORT

SCHEDULE A

Fee: **\$0.00**

Date of Report: **June 12, 2017 at 02:04 PM**

1. Name of Party:

El Dorado Benson LLC

2. The Interest referred to in the Application is:

A FEE

3. The Land referred to in the Application is described as follows:

See Exhibit A attached hereto and made a part hereof.

Issuing agent for Fidelity National Title Insurance Company

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF COCHISE, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

Those portions of Sections 7, 18, and 19, Township 18 South, Range 20 East, Gila and Salt River Meridian and Sections 12, 13 and 24, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northwest corner of said Section 7;

Thence South 00 degrees 04 minutes 33 seconds West, 2643.09 feet along the West line of said Section 7 to the Quarter corner common to said Sections 7 and 12;

Thence South 89 degrees 51 minutes 22 seconds West, 1320.01 feet along the East-West Mid-section line of said Section 12;

Thence South 00 degrees 05 minutes 31 seconds West, 233.00 feet;

Thence South 79 degrees 51 minutes 15 seconds West, 1341.69 feet to the intersection with the North-South Mid-section line of said Section 12;

Thence South 00 degrees 06 minutes 47 seconds West, 2176.57 feet along the said North-South Mid-section line of Section 12 to the Quarter corner common to said Section 12 and 13;

Thence South 00 degrees 11 minutes 06 seconds West, 1102.99 feet along the North-South Mid-section line of said Section 13;

Thence North 89 degrees 48 minutes 01 seconds East, 693.77 feet;

Thence South 00 degrees 15 minutes 22 seconds West, 631.48 feet;

Thence South 00 degrees 11 minutes 06 seconds West, 911.84 feet to the East-West Mid-section line of said Section 13;

Thence South 89 degrees 55 minutes 06 seconds West, 692.97 feet along the said East-West Mid-section line of Section 13 to the Center Quarter thereof;

Thence South 00 degrees 12 minutes 23 seconds West, 2645.80 feet along the North-South Mid-section line of said Section 13 to the Quarter corner common to said Sections 13 and 24;

Thence South 00 degrees 00 minutes 47 seconds West, 2648.04 feet along the North-South Mid-section line of said Section 24 to the Center Quarter corner thereof;

Thence North 89 degrees 56 minutes 35 seconds East, 2638.53 feet along the East-West Mid-section line of said Section 24 to the Quarter corner common to said Sections 19 and 24;

Thence South 89 degrees 54 minutes 56 seconds East, 2409.56 feet along the East-West Mid-section line of said Section 19 to a point on the West right-of-way of State Route 90;

Continue along the said West right-of-way of State Route 90 the following courses;

Thence North 00 degrees 12 minutes 05 seconds East, 2654.03 feet to the intersection with the line common to said Sections 18 and 19;

EXHIBIT A
(Continued)

Thence North 00 degrees 02 minutes 48 seconds East, 2641.27 feet to the intersection with the Mid-section line of said Section 18;

Thence North 00 degrees 02 minutes 48 seconds East, 2645.86 feet to the intersection with the line common to said Sections 18 and 7;

Thence North 00 degrees 02 minutes 13 seconds East, 2645.71 feet to the intersection with the Mid-section line of said Section 7;

Thence North 00 degrees 02 minutes 13 seconds East, 2652.61 feet to the intersection with the North line of said Section 7;

Thence departing said right-of-way South 89 degrees 49 minutes 12 seconds West, 2397.60 feet along said North line to the POINT OF BEGINNING.

EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

That portion of the Northwest Quarter of Section 19, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northwest corner of said Section 19;

THENCE North 89 degrees 56 minutes 16 seconds East, 2415.37 feet along the North line of said Northwest Quarter to a point on the West right of way of State Highway 90;

THENCE South 00 degrees 12 minutes 06 seconds West, 1808.79 feet along said West right of way to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE continue along said West right of way South 00 degrees 12 minutes 06 seconds West, 50.00 feet;

THENCE North 89 degrees 47 minutes 54 seconds West, 50.00 feet;

THENCE North 00 degrees 12 minutes 06 seconds East, 50.00 feet;

THENCE South 89 degrees 47 minutes 54 seconds East, 50.00 feet to said West right of way and POINT OF BEGINNING..

PARCEL 2:

That portion of the Northwest Quarter of Section 19, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona described as follows:

COMMENCING at the Northwest corner of said Section 19;

THENCE North 89 degrees 56 minutes 16 seconds East, 2415.37 feet along the North line of said Northwest Quarter to a point on the West right of way of State Highway 90;

THENCE South 00 degrees 12 minutes 06 seconds West, 1808.79 feet along said West right of way to the POINT OF BEGINNING of a rectangular parcel 50 feet on each side;

THENCE continue along said West right of way South 00 degrees 12 minutes 06 seconds West, 50.00 feet;

EXHIBIT A
(Continued)

THENCE North 89 degrees 47 minutes 54 seconds West, 50.00 feet;

THENCE North 00 degrees 12 minutes 06 seconds East, 50.00 feet;

THENCE South 89 degrees 47 minutes 54 seconds East, 50.00 feet to said West right of way and POINT OF BEGINNING..

APN: 124-31-002F, 124-40-001Y, 124-40-001J and others

CONDITION OF TITLE REPORT

SCHEDULE B

Fidelity National Title Insurance Company reports that Title Instruments, on the date hereof, disclose:

1. Ownership of the Interest is in the name of:

El Dorado Benson LLC, an Arizona limited liability company by Special Warranty Deed recorded May 30, 2014, Instrument No. 2014-0950, recorded April 11, 2016, Instrument No. 2016-06050 and recorded July 25, 2016, Instrument No. 2016-12905; and Michael Reinbold and Inna Reinbold, husband and wife, as joint tenants with right of survivorship, and by Special Warranty Deed recorded July 25, 2016, Instrument No. 2016-12912, respectively, as to Parcel 1; and Michael T. Reinbold, a married man, as his sole and separate property as to an undivided $\frac{1}{4}$ interest, Dennis Krahn, a married man, as his sole and separate property as to an undivided $\frac{1}{4}$ interest, Eric Hollensbe, an unmarried man, as to an undivided $\frac{1}{4}$ interest, and June A. Prinz, an unmarried woman, as to an undivided $\frac{1}{4}$ interest, all as tenants in common, by Quit Claim Deeds recorded September 10, 2015, in Instrument Nos. 2015-16509, 2015-16510, 2015-16511 and 2015-16512 respectively, as to Parcel 2.

2. The following defects, liens and encumbrances (which are not necessarily shown in their order of priority) against the Interest:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the year 2017.
2. Reservations, exceptions and provisions contained in the patent and in the acts authorizing the issuance thereof.
3. Water rights, claims or title to water, whether or not disclosed by the public records.
4. Mineral rights reserved to Tenneco Oil Company under Instrument No. 8902-02244, re-recorded at no. 9004-07528, as disclosed by Quit Claim Mineral Deed recorded under Instrument No. 9512-30137 and also set forth under Instrument Nos. 9001-00683 and 9004-07529.
5. Terms and conditions of that certain Ordinance and Resolution pertaining to the Kartchner Caverns Corridor Development Plan recorded in Instrument No. 9305-13601 and Instrument No. 9305-13602.
6. Intentionally deleted.
7. Matters shown in Ordinance No. 352, annexing subject property / with other property into the City of Benson recorded December 02, 1993, Instrument No. 9312-32872.
8. Inclusion within the boundaries of the San Pedro Valley Hospital District, as shown in instrument recorded April 29, 1963, in Docket 326 at page 261.
9. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	road
Recording No:	Docket 322, page 328
10. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	drainage ditch and dyke
Recording No:	Docket 322, page 330

SCHEDULE B
(Continued)

11. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: as disclosed in said document
Purpose: utilities
Recording Date: November 10, 1999
Recording No: 9911-33738
Affects: S18 and 19 T18 R20 / with other property
12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
Purpose: utility
Recording Date: January 07, 2000
Recording No: 0007-20303
13. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition, or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
Recording Date: September 05, 2006
Recording No: 0609-33587
Re-Recorded: October 05, 2006, Instrument No. 0610-37561
Thereafter Assignment of Declarant Rights executed by Whetstone Development Company, an Arizona corporation, and Whetstone Partners, LLP, an Arizona limited liability partnership, Assignor, to El Dorado Benson LLC, an Arizona limited liability company recorded May 30, 2014, Instrument No. 2014-09504
Affects: all parcels / with other property
14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Purpose: access and utilities
Recording Date: February 05, 2004
Recording No: 0402-03790
Re-Recorded: March 11, 2005, Instrument No. 0503-08293
Affects: S24 T18 R19, S19 T18 R20
15. The effect of the document set forth below, which states that the Land is located within territory in the vicinity of a military airport and may be subject to increased noise and accident potential.
Recording Date: December 24, 2008
Recording No: 2008-32809
Affects: All parcels/ with other property

SCHEDULE B
(Continued)

16. The effect if any of the following document:

Entitled: Assignment of Declarant's Rights
Recording Date: May 30, 2014
Recording No. 2014-09504

Reason Shown: In as much as the CCR's recorded at Instrument No. 0006-15358 do not show the caption property set forth in this report, the legal description to said Assignment of Declarant's Rights do contain the description of the subject property.

17. Terms and conditions of Roadway and Easement Agreement recorded January 09, 2002, Instrument No. 0201-00741 and 0201-00742

Thereafter Assignment of Dedication Rights executed by Kino IV Partnership, an Arizona limited partnership and Kino V L.L.C., an Arizona limited liability company (collectively, "Assignor") to El Dorado Benson LLC, an Arizona limited liability company 9 Assignee) recorded May 30, 2014, Instrument No. 2014-09505.

THEREAFTER Abandonment of Easements and Assignment of Dedication Rights recorded April 11, 2016, Instrument No. 2016-06047

18. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: ingress and egress
Recording Date: November 25, 2015
Recording No: 2015-21278

19. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: Ingress and Egress
Recording Date: July, 25, 2016
Recording No: 2016-12906.

(NOTE: This easement traverses across subject property to benefit the Grantee which is John Price Davis and Marla Caldwell Davis, as Trustees of the Davis Family Trust, dated November 16, 1994

20. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: Ingress and Egress
Recording Date: July 25, 2016
Recording No: 2016-12913.

(NOTE: This easement traverses across subject property to benefit the Grantee which is John Price Davis and Marla Caldwell Davis, as Trustees of the Davis Family Trust, dated November 16, 1994)

SCHEDULE B
(Continued)

21. Matters contained in that certain document

Entitled: The Villages at Vigneto Development Agreement
Dated: June 01, 2016
Executed by: City of Benson and El Dorado Benson, LLC, an Arizona limited liability
company
Recording Date: June 02, 2016
Recording No: 2016-09416

Reference is hereby made to said document for full particulars.

22. Tax Note:
Year: 2016
Tax Parcel No: 124-31-002F
Total Tax: \$70.08 Paid
Affects: portions of Sections 13 and 24, T18, R19

23. Tax Note:
Year: 2016
Tax Parcel No: 124-40-001J
Total Tax: \$11.64 Paid
Affects: Portion of Section 7, T18, R20

24. Tax Note:
Year: 2016
Tax Parcel No: 124-40-025a
Total Tax: \$10.14 Paid
Affects: portions of Sections 18 and 19, T18, R20

25. Tax Note:
Year: 2016
Tax Parcel No: 124-34-001
Total Tax: \$32.88 Paid

26. Tax Note:
Year: 2016
Tax Parcel No: 124-40-001G
Total Tax: \$11.64 Paid

27. Tax Note:
Year: 2016
Tax Parcel No: 124-40-001E
Total Tax: \$11.76 Paid

28. Tax Note:
Year: 2016
Tax Parcel No: 124-31-002G
Total Tax: \$23.14 Paid

SCHEDULE B
(Continued)

29. Tax Note:
Year: 2016
Tax Parcel No: 124-31-002L
Total Tax: \$39.38 Paid

3. The following matters are disclosed by name only and the Company, without additional information, is unable to determine whether any or all of these matters are defects, liens or encumbrances against the Interest:

30. None

Exhibit D

The Villages at Vigneto
Qualified Electors Reports

DAVID W STEVENS
RECORDER



HEATHER LOPEZ
CHIEF DEPUTY

Cochise County Recorder
1415 Melody Ln, Bldg. B
Bisbee, AZ 85603

Certification

I, David W. Stevens, Recorder, in and for the County of Cochise, Arizona do hereby attest and certify that there are no registered voters within the boundaries of the properties describes in the following legal descriptions: CFD-1, CFD-2 and CFD-3.

Witness my hand and seal this 2nd day of August, 2017.

A handwritten signature in blue ink, appearing to read "David W. Stevens", is written over a horizontal line.

David W. Stevens

Cochise County Recorder

Exhibit E

The Villages at Vigneto
Ownership Reports

PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
12412012F	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
12412013B	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$513.91	\$77.00
12440023B	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		8501 N SCOTTSDALE RD APT 120	SCOTTSDALE	AZ	852532750	\$998.29	\$150.00
12440023C	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
12440024D	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
12412006	EL DORADO BENSON LLC		ATTN: JUDY PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12412012C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$87,958.00	\$13,194.00
12412012E	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$159,606.13	\$23,941.00
12412013A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$495,751.00	\$89,089.00
12412014A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$546.00	\$82.00
12412014B	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$3,985.00	\$598.00
12412014C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$194,560.00	\$29,184.00
12440001M	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$500.00	\$75.00
12440001Z	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$2,400.00	\$360.00
12440013	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$612.00	\$92.00
12440014	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$612.00	\$92.00
12440016	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$4,896.00	\$734.00
12440019	EL DORADO BENSON LLC		ATTN: JUDY PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12440020	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$682.00	\$102.00
12440021	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$923.00	\$138.00
12440022	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$548.00	\$82.00
12440023A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$10,202.87	\$1,530.00
12440024A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$34,024.00	\$5,104.00
12440024C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$4,196.81	\$630.00
12477192	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$254,923.00	\$38,238.00
12477194	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$132,394.00	\$19,859.00
12477205	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$500.00	\$75.00
12477346	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$20,000.00	\$3,000.00
12477390	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477391	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477392	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477393	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477394	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477395	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477396	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477397	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477398	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00

PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
12477547	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477548	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477549	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477550	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477551	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477552	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477553	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477554	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477555	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477556	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477557	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477558	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477559	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477560	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477561	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477562	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477563	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477564	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477565	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477566	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$12,800.00	\$1,920.00
12477567	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477568	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477569	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,108.00	\$766.00
12477570	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$3,036.00	\$455.00
12477571	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$428.00	\$64.00
12477572	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$524.00	\$79.00
12477573	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$400.00	\$60.00

TOTALS	\$2,351,622.88	\$367,470.00
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ACCOUNTNO	PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
R010038548	12440026A	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
R010030135	12401014E	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$4,466.00	\$670.00
R000066386	12412001S	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$1,771.00	\$266.00
R000066387	12412001T	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$589.00	\$88.00
R000067878	12431001	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$89,496.75	\$9,574.00
R010038547	12440026	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$8,874.02	\$1,331.00
TOTALS									\$106,195.06	\$12,079.00

ACCOUNTNO	PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
R010038528	12440025A	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
R000067882	12431002F	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$3,456.00	\$518.00
R000067883	12431002G	EL DORADO BENSON LLC		ATTN: JUNE PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$108,441.92	\$16,266.00
R010043968	12436001C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$810.00	\$122.00
R000067895	12440001E	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$578.00	\$87.00
R000067896	12440001G	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$575.00	\$86.00
R000067897	12440001J	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$574.00	\$86.00
R000067898	12440001L	EL DORADO BENSON LLC		ATTN: JUNE PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$151,885.37	\$22,783.00
R010038527	12440025	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$2,269.37	\$340.00
TOTALS									\$269,587.95	\$40,438.00

Exhibit F

The Villages at Vigneto
Cost Estimates

Exhibit F
The Villages at Vigneto
Community Facilities District
No. 1, No. 2 and No. 3
Estimated Public Infrastructure Costs

Description	CFD 1	CFD 2	CFD 3	Total Costs
Infrastructure	\$ 675,875,489	\$ 115,455,677	\$ 92,166,205	\$ 883,497,372
Lot Costs	\$ 534,585,127	\$ 91,319,908	\$ 72,899,052	\$ 698,804,087
Amenities	\$ 143,800,124	\$ 24,564,496	\$ 19,609,398	\$ 187,974,019
Total	\$ 1,354,260,740	\$ 231,340,081	\$ 184,674,656	\$ 1,770,275,477

Exhibit G

The Villages at Vigneto
Absorption Schedule

Exhibit G
The Villages at Vigneto
Community Facilities Districts
No. 1, No. 2 and No. 3
Estimated Absorption Schedule

Years	CFD 1		CFD 2		CFD 3		Total	
	Residential (1)	Commercial (2)	Residential (1)	Commercial (2)	Residential (1)	Commercial (2)	Residential (1)	Commercial (2)
2017-2019 (3)	200	-	-	-	-	-	200	-
2020-2024	5,300	244,507	-	-	-	-	5,300	244,507
2025-2029	10,000	927,089	-	-	-	-	10,000	927,089
2030-2035	6,991	1,018,780	1,750	-	-	-	8,741	1,018,780
2035-2039	-	100,961	2,092	391,337	3,067	173,222	5,159	665,520
2040-2044	-	-	-	-	-	139,290	-	139,290
2045-2050	-	-	-	-	-	-	-	-
Total	22,491	2,291,337	3,842	391,337	3,067	312,512	29,400	2,995,186

Source: Applicant

Footnotes

(1) Represents units

(2) Represents square footage.

(3) Assumes total anticipated absorption within the time period illustrated.

Exhibit H

The Villages at Vigneto
Estimated Source and Uses of Funds

Exhibit H
The Villages at Vigneto
Estimated Sources and Uses of Funds
CFD
Public Infrastructure Construction

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Sources of Funds													
Equity (1)	\$ (207,024)	\$ 90,284,049	\$ 85,426,723	\$ 77,139,756	\$ 70,210,898	\$ 60,929,680	\$ 48,865,191	\$ 38,478,631	\$ 28,272,740	\$ 25,533,506	\$ 24,330,528	\$ 24,017,435	\$ 23,913,071
SA Bonds (Net) (2)	\$ -	\$ -	\$ 3,098,250	\$ 7,745,625	\$ 10,843,875	\$ 15,491,250	\$ 21,687,750	\$ 26,335,125	\$ 30,982,500	\$ 30,982,500	\$ 30,982,500	\$ 30,982,500	\$ 30,982,500
CFD Funds GO (Net) (3)	\$ 207,024	\$ -	\$ 500,489	\$ 2,252,201	\$ 4,824,222	\$ 7,570,184	\$ 10,920,999	\$ 14,772,304	\$ 18,442,939	\$ 21,182,173	\$ 22,385,152	\$ 22,698,245	\$ 22,802,609
Revenue Bonds (Net) (4)	\$ -	\$ -	\$ 1,258,587	\$ 3,146,467	\$ 4,405,054	\$ 6,292,935	\$ 8,810,109	\$ 10,697,989	\$ 12,585,870	\$ 12,585,870	\$ 12,585,870	\$ 12,585,870	\$ 12,585,870
Total Sources	-	90,284,049											
Uses of Funds													
Public Infrastructure (5)	\$ -	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049	\$ 90,284,049
CFD Developer's SA Debt Svc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Uses	\$ -	\$ 90,284,049											

Source: Applicant

Footnotes

(1) For purposes of this analysis, it is assumed that all Public Infrastructure will be funded with equity funds, Special District ("SD") funding and/or project cash flow. Cost schedules are an estimate and may change as the market dictates.

(2) Represents the net construction proceeds estimated to be received by Special Assessment. Assumes a \$20,250 lien per unit, 7.5% interest rate, 24 year term, 4.0% cost of issuance, 2.0% underwriter discount, 10.0% reserve fund and 1 year of capitalized interest.

(3) Represents the net construction proceeds related to the issuance of GO Bonds. It is anticipated that GO bonds will be issued over time as the limited assessed valuation of the District increases. Assumes a 7.0% interest rate, 25 year amortization period, 4.0% cost of issuance and 2.0% underwriter fee.

(4) Assumes \$600 per unit, 7.0% interest rate, 25 year term.

(5) As detailed construction phasing schedules are not available, for purposes of this analysis, it was assumed that Public Infrastructure will be constructed evenly over the analysis period.

Exhibit H
The Villages at Vigneto
Estimated Sources and Uses of Funds
CFD
Public Infrastructure Construction

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Sources of Funds													
Equity (1)	\$ 23,913,071	\$ 70,181,087	\$ 70,181,087	\$ (11,384,062)	\$ 65,109,979	\$ 63,983,611	\$ 13,843,510	\$ (36,795,273)	\$ (43,744,289)	\$ (11,182,273)	\$ (5,111,378)	\$ (1,299,204)	\$ (475,633)
SA Bonds (Net) (2)	\$ 30,982,500	\$ 30,982,500	\$ 30,982,500	\$ 25,421,141	\$ 17,040,375	\$ 20,138,625	\$ 23,112,945	\$ 15,491,250	\$ 21,176,539	\$ -	\$ -	\$ -	\$ -
CFD Funds GO (Net) (3)	\$ 22,802,609	\$ 22,802,609	\$ 22,802,609	\$ 21,904,231	\$ 18,753,652	\$ 15,523,183	\$ 15,212,705	\$ 15,011,088	\$ 13,965,308	\$ 11,182,273	\$ 5,111,378	\$ 1,299,204	\$ 475,633
Revenue Bonds (Net) (4)	\$ 12,585,870	\$ 12,585,870	\$ 12,585,870	\$ 10,326,706	\$ 6,922,228	\$ 8,180,815	\$ 9,389,059	\$ 6,292,935	\$ 8,602,442	\$ -	\$ -	\$ -	\$ -
Total Sources	90,284,049	136,552,066	136,552,066	46,268,016	107,826,235	107,826,235	61,558,219	-	-	-	-	-	-
Uses of Funds													
Public Infrastructure (5)	\$ 90,284,049	\$ 136,552,066	\$ 136,552,066	\$ 46,268,016	\$ 107,826,235	\$ 107,826,235	\$ 61,558,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFD Developer's SA Debt Svc	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	90,284,049	136,552,066	136,552,066	46,268,016	107,826,235	107,826,235	61,558,219	-	-	-	-	-	-

Source: Applicant

Footnotes

(1) For purposes of this analysis, it is assumed that all Public Infrastructure will be funded with equity funds, Special District ("SD") funding and/or project cash flow. Cost schedules are an estimate and may change as the market dictates.

(2) Represents the net construction proceeds estimated to be received by Special Assessment. Assumes a \$20,250 lien per unit, 7.5% interest rate, 24 year term, 4.0% cost of issuance, 2.0% underwriter discount, 10.0% reserve fund and 1 year of capitalized interest.

(3) Represents the net construction proceeds related to the issuance of GO Bonds. It is anticipated that GO bonds will be issued over time as the limited assessed valuation of the District increases. Assumes a 7.0% interest rate, 25 year amortization period, 4.0% cost of issuance and 2.0% underwriter fee.

(4) Assumes \$600 per unit, 7.0% interest rate, 25 year term.

(5) As detailed construction phasing schedules are not available, for purposes of this analysis, it was assumed that Public Infrastructure will be constructed evenly over the analysis period.

Exhibit H
The Villages at Vigneto
Estimated Sources and Uses of Funds
CFD
Public Infrastructure Construction

	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	Total	
Sources of Funds												
Equity (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,415,417
SA Bonds (Net) (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,442,750
CFD Funds GO (Net) (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,405,024
Revenue Bonds (Net) (4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,012,287
Total Sources	-	\$ 1,770,275,477										
Uses of Funds												
Public Infrastructure (5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,770,275,477
CFD Developer's SA Debt Svc	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Uses	\$ -	\$ 1,770,275,477										

Source: Applicant

Footnotes

(1) For purposes of this analysis, it is assumed that all Public Infrastructure will be funded with equity funds, Special District ("SD") funding and/or project cash flow. Cost schedules are an estimate and may change as the market dictates.

(2) Represents the net construction proceeds estimated to be received by Special Assessment. Assumes a \$20,250 lien per unit, 7.5% interest rate, 24 year term, 4.0% cost of issuance, 2.0% underwriter discount, 10.0% reserve fund and 1 year of capitalized interest.

(3) Represents the net construction proceeds related to the issuance of GO Bonds. It is anticipated that GO bonds will be issued over time as the limited assessed valuation of the District increases. Assumes a 7.0% interest rate, 25 year amortization period, 4.0% cost of issuance and 2.0% underwriter fee.

(4) Assumes \$600 per unit, 7.0% interest rate, 25 year term.

(5) As detailed construction phasing schedules are not available, for purposes of this analysis, it was assumed that Public Infrastructure will be constructed evenly over the analysis period.

Exhibit I

The Villages at Vigneto
Phase 1 and 2 Improvement Phasing

Exhibit I
The Villages at Vigneto
Community Facilities District
Estimated Phase I and II Public Infrastructure Phasing

Descriptions (1)	Estimated Costs
<u>PHASE I & II</u>	
Professional Consultants, Fees, & General Conditions	\$ 13,981,405
Earthwork(s)	\$ 12,831,848
Sewer Collection, and Treatment (WWTP)	\$ 9,070,952
Effluent Storage, Pumping, Distribution and Disposal	\$ 1,892,515
Water	\$ 10,865,178
Storm-Water	\$ 6,980,030
Multi Modal (Low Speed Vehicle Network)	\$ 2,691,638
Dry Utilities	\$ 10,255,949
Street Lights, Traffic Control Devices, Signage & Striping	\$ 1,500,613
Concrete - Land Development	\$ 4,272,179
Structural Concrete, Special Projects, and Special Structures	\$ 12,328,884
Paving	\$ 13,872,402
Theme Walls, Fencing and Community Signage Monuments	\$ 1,515,325
Landscaping & Irrigation	\$ 6,789,436
Amenities	\$ 21,912,135
Construction Sales Tax (4% of 65% of Construction costs)	\$ 2,331,647
Construction Permit Fees (3% of 65% of Construction Costs)	\$ 1,683,091
Contingencies	\$ 9,047,257
Total	\$ 143,822,485

FOOTNOTES:

(1) Assumes 2,073 units in Phases 1 & 2.

Exhibit J

The Villages at Vigneto
Estimate of Limited Assessed Valuation

**Exhibit J
The Villages at Vigneto
Community Facilities District
Assessed Valuation Build-Up**

Year>>	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Residential Absorption																					
CFD 1	-	-	200	500	700	1,000	1,400	1,700	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	991	-	-	
CFD 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	650	1,100	1,300	792	
CFD 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700	
Total Absorption	-	-	200	500	700	1,000	1,400	1,700	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,641	1,100	1,300	1,492
Total Cumulative Absorption	-	-	200	700	1,400	2,400	3,800	5,500	7,500	9,500	11,500	13,500	15,500	17,500	19,500	21,500	23,141	24,241	25,541	27,033	
Average Unit Price	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	\$ 275,000	
New	-	-	55,000,000	137,500,000	192,500,000	275,000,000	385,000,000	467,500,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	451,275,000	302,500,000	357,500,000	410,300,000
Tax Rolled (1)	-	-	13,750,000	61,875,000	130,625,000	199,375,000	281,875,000	378,125,000	467,500,000	529,375,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	550,000,000	525,318,750	438,762,500	533,443,750	556,950,000
Cumulative	-	-	13,750,000	75,625,000	206,250,000	405,625,000	687,500,000	1,065,625,000	1,533,125,000	2,062,500,000	2,612,500,000	3,162,500,000	3,712,500,000	4,262,500,000	4,812,500,000	5,362,500,000	5,887,818,750	6,326,581,250	6,680,025,000	7,036,975,000	
Commercial																					
CFD 1 (s4)	-	-	-	-	20,376	50,939	71,315	101,878	142,629	173,193	203,756	203,756	203,756	203,756	203,756	203,756	203,756	203,756	203,756	100,961	-
CFD 2 (s4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,207	112,043
CFD 3 (s4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Absorption	-	-	-	-	20,376	50,939	71,315	101,878	142,629	173,193	203,756	203,756	203,756	203,756	203,756	203,756	203,756	203,756	203,756	167,169	112,043
Total Cumulative Absorption	-	-	-	-	20,376	71,315	142,629	244,507	387,136	560,329	764,085	967,841	1,171,596	1,375,352	1,579,108	1,782,864	1,986,620	2,190,376	2,397,544	2,469,588	
Average Price / Ft	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250	
New Value	-	-	-	-	5,093,898	12,734,744	17,828,641	25,469,488	35,657,283	43,298,129	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	41,792,127	28,010,847
Tax Rolled Value	-	-	-	-	1,273,474.39	5,730,635	12,098,007	18,465,379	26,106,225	35,020,546	43,298,129	49,028,764	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	50,938,976	48,652,263	40,633,519
AV - Existing (2)	373,997	373,997	373,997	1,335,861	5,664,249	14,935,671	29,484,415	50,472,917	78,863,040	114,307,568	155,016,487	198,037,349	241,659,927	285,483,078	329,306,228	373,129,379	416,952,529	459,049,134	495,090,805	524,924,005	
AV - New	-	-	962,500	4,331,250	9,277,465	14,557,967	21,001,541	28,407,615	35,466,154	40,733,407	43,046,304	43,648,020	43,848,592	43,848,592	43,848,592	43,848,592	42,120,905	36,061,967	29,849,550	29,253,019	
AV - Total	373,997	373,997	1,336,497	5,667,111	14,941,714	29,493,638	50,485,956	78,880,531	114,329,194	155,040,975	198,062,791	241,685,369	285,508,520	329,331,670	373,154,821	416,977,971	459,073,434	495,111,101	524,940,555	554,177,025	
Less - Reduction of Existing	-	-	636	2,862	6,042	9,223	13,039	17,491	21,626	24,488	25,442	25,442	25,442	25,442	25,442	25,442	24,300	20,296	16,350	16,512	
Total AV	\$ 373,997	\$ 373,997	\$ 1,335,861	\$ 5,664,249	\$ 14,935,671	\$ 29,484,415	\$ 50,472,917	\$ 78,863,040	\$ 114,307,568	\$ 155,016,487	\$ 198,037,349	\$ 241,659,927	\$ 285,483,078	\$ 329,306,228	\$ 373,129,379	\$ 416,952,529	\$ 459,049,134	\$ 495,090,805	\$ 524,924,005	\$ 554,160,513	
Debt Service (3)	\$ 17,765	\$ 17,765	\$ 63,453	\$ 269,052	\$ 709,444	\$ 1,400,510	\$ 2,397,464	\$ 3,745,994	\$ 5,429,609	\$ 7,363,283	\$ 9,406,774	\$ 11,478,847	\$ 13,560,446	\$ 15,642,046	\$ 17,723,645	\$ 19,805,245	\$ 21,804,834	\$ 23,516,813	\$ 24,933,890	\$ 26,322,624	
O&M Funds (4)	\$ 1,122	\$ 1,122	\$ 4,008	\$ 16,993	\$ 44,807	\$ 88,453	\$ 151,419	\$ 256,589	\$ 342,923	\$ 465,049	\$ 594,112	\$ 724,980	\$ 856,449	\$ 987,919	\$ 1,119,388	\$ 1,250,858	\$ 1,377,147	\$ 1,485,272	\$ 1,574,772	\$ 1,662,482	
Potential Bonding Capacity (5)	\$ 207,024	\$ 207,024	\$ 739,459	\$ 3,135,418	\$ 8,267,569	\$ 16,320,956	\$ 27,939,041	\$ 43,654,257	\$ 63,274,406	\$ 85,808,633	\$ 109,622,624	\$ 133,769,693	\$ 158,027,788	\$ 182,285,882	\$ 206,543,977	\$ 230,802,072	\$ 254,104,445	\$ 274,055,139	\$ 290,569,164	\$ 306,752,893	
% Raw Land Remaining	100%	100%	100%	99%	97%	95%	91%	87%	81%	74%	68%	61%	54%	47%	40%	34%	27%	22%	17%	13%	
Revenue Bonds																					
Supportable Debt Service	\$ -	\$ -	\$ 120,000	\$ 420,000	\$ 840,000	\$ 1,440,000	\$ 2,280,000	\$ 3,300,000	\$ 4,500,000	\$ 5,700,000	\$ 6,900,000	\$ 8,100,000	\$ 9,300,000	\$ 10,500,000	\$ 11,700,000	\$ 12,900,000	\$ 13,884,600	\$ 14,544,600	\$ 15,324,600	\$ 16,219,800	
Potential Revenue Bond Capacity	\$ -	\$ -	\$ 1,398,430	\$ 4,894,505	\$ 9,789,010	\$ 16,781,160	\$ 26,570,170	\$ 38,456,824	\$ 52,441,124	\$ 66,425,424	\$ 80,409,724	\$ 94,394,024	\$ 108,378,324	\$ 122,362,623	\$ 136,346,923	\$ 150,331,223	\$ 161,805,341	\$ 169,496,706	\$ 178,586,501	\$ 189,018,788	

Footnotes:

(1) For purposes of estimating the assessed valuation increases related to the sales of new homes or construction of new commercial uses, we have assumed that 25% of the applicable year's home sales / commercial construction are placed on the tax rolls in the year of sale; 50% of the year's home sales / commercial construction are placed on the tax roll in year 2 and the remaining 25% are placed on the tax rolls in year 3. As an example, the cumulative assessed valuation build up for 100 homes sold in year 1 is as follows:

Year	Number of Home Sales	Homes Placed on Tax Rolls	Cumulative
1	100	25	25
2	-	50	75
3	-	25	100

*A home's limited value is estimated to be 70% of its sales price.

(2) Source: County Assessor. Net assessed value (Estimate).

(3) Assumes a 95% collection rate of GO taxes estimated to be generated from the Project's anticipated assessed valuation at a GO tax rate net to exceed \$5.00 per \$100 of assessed value.

(4) Assumes a \$0.30 O&M tax.

(5) Assumes the following: 25 year amortization period, 6.00% interest rate.

Exhibit K

The Villages at Vigneto
Form of Disclosure Statement

Exhibit K
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. ____
FORM OF DISCLOSURE PAMPHLET
IMPORTANT – READ CAREFULLY

Buyer(s): _____
Homebuilder: _____
Date of Sale: _____

Lot: _____
Parcel: _____

General CFD Provisions

The home you are purchasing is within The Villages at Vigneto Community Facilities District No. ____ (the "CFD"). The CFD was formed on _____ to finance the acquisition and/or construction of public infrastructure benefiting the project. The CFD has the ability to issue general obligation, special assessment, and/or revenue bonds to raise funds to pay for acquisition and construction of these improvements as well as operation and maintenance expenses of the CFD. The operational expenses are paid from an ad valorem property tax levied against all property located within the CFD.

Ad Valorem Taxes of the CFD

General obligation bonds and the CFD's operational expenses are paid from ad valorem property taxes levied against all taxable property within the CFD. Currently, it is estimated that \$ _____ is added to the property tax rate; however, such adjustment to the tax rate could vary depending upon factors including the amount financed with general obligation bonds, the terms of financing, and the limited assessed valuation (i.e., for tax purposes) of property within the CFD. Payment of general obligation bond payments and expenses are included as part of your regular Cochise County property tax statement and are in addition to taxes levied by Cochise County and other political subdivisions.

Special Assessments of the CFD

Special assessment bonds are paid from special assessment payments secured by an assessment lien on each benefited lot within a special assessment area. Special assessment liens pertaining to construction of the initial public infrastructure for the CFD are estimated to average \$ _____ per residential lot (current dollars). Special assessment areas are formed from time to time based on the public improvements being constructed or acquired with proceeds of the special assessment bonds. The amount of the special assessment liens vary depending upon the size of the lot within the special assessment area, the benefits estimated to be received by each such lot, the cost of the public improvements to be financed, and the financing terms of the applicable special assessment bonds. Bills for the repayment of the special assessment bonds as well as the applicable administrative charges are sent out twice a year and are billed separately from your regular Cochise County property tax bill.

Revenue Bonds

Revenue bonds are paid from one time fees and/or monthly usage fee related to the usage of public infrastructure financed by the District. The amount of the fee(s) is based upon the cost of the facility and/or the monthly usage of the property owner of the facility.

Initial Financing's Cost to Homeowner

Based on the developer’s proposed financing plan for the CFD, the following is an illustration of the estimated annual CFD taxes for the repayment of CFD general obligation bonds and CFD maintenance and operation expenses as well as a special assessment lien that is collected to pay the anticipated CFD special assessment bonds.

Estimated Home Price	(A) Estimated Annual General Obligation and Operations Tax Payment (1)	(B) Estimated Annual Special Assessment Payment (2)	(A) + (B) Estimated Total Annual CFD Tax Payments (3)
\$225,000			
\$250,000			
\$275,000			
\$300,000			
\$325,000			
\$350,000			

Footnotes

- (1) Represents the repayment of CFD general obligation bond indebtedness and CFD expenses based upon a \$ _____ increase in the ad valorem property tax rate.
- (2) Based upon (a) special assessment lien of \$ _____ per lot and (b) special assessment bond terms of _____% interest rate, _____-year amortization period, 10% reserve fund and issuance expenses. This figure *does not include* any administrative charges (estimated at \$ _____ per year), which may be charged by the District and/or third party administrators, if any.
- (3) All of the taxes, assessments and charges described above are in addition to any taxes, fees and charges imposed by Cochise County or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

The table above does not reflect the financial impact of revenue bonds which may be issued by the District. Revenue bonds, if issued, are supported by one time and/or recurring monthly usage fees charged by the District and are related to the cost of the public infrastructure facility or its use.

Homeowner's Acknowledgments

By signing this disclosure statement, you as a contract purchaser of a lot located within the CFD and the Special Assessment Area (i) acknowledge receipt of this Disclosure; (ii) agree that you have been granted an opportunity to review the material contained in this Disclosure; and (iii) agree that you accept an assessment lien of approximately \$_____ against your lot that secures your share of the special assessments due for the Special Assessment Area. The Assessment will be paid by you, the owner of the assessed lot, in semiannual payments of principal and interest over the ___-year term of the bonds. If any semiannual payment is not paid, the CFD has the right to institute proceedings to foreclose the assessment lien and sell your benefited lot.

Your signature below acknowledges that you have received, read and understood this document at the time you have signed our purchase contract and agree to its terms.

[name]

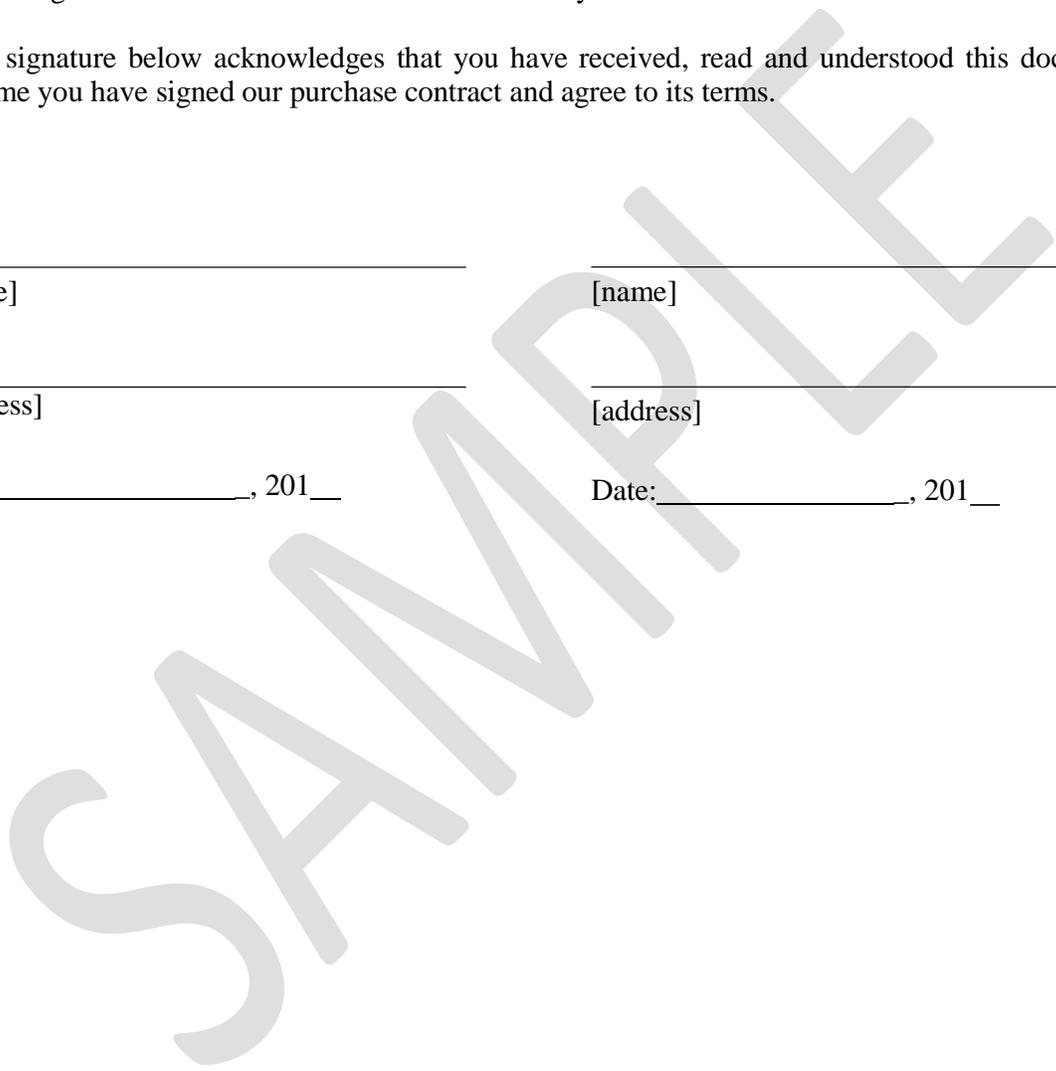
[name]

[address]

[address]

Date: _____, 201__

Date: _____, 201__



**PETITION FOR FORMATION
AND
PETITION FOR ADOPTION OF RESOLUTIONS
ORDERING AND DECLARING
FORMATION OF
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. 1**

STATE OF ARIZONA)
COUNTY OF COCHISE)
CITY OF BENSON)

The undersigned, as owners of all of the land and all persons having an interest in the land (hereinafter collectively referred to as the "Petitioner"), hereinafter described by metes and bounds, acting pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), respectfully petitions the Honorable City Council of the City of Benson, Arizona (hereinafter referred to as the "City"), to adopt such resolutions (hereinafter referred to as the "Resolutions") as may be necessary to declare its intent to form and order the formation of a tax levying community facilities district (hereinafter referred to as the "District") and would respectfully request the proceedings to provide for the following:

- A. The name of the District is to be "*THE VILLAGES AT VIGNETO COMMUNITY FACILITIES DISTRICT NO. 1*",
- B. The District is to be formed, and shall exist, pursuant to the terms and provisions of the Act,
- C. The District is to contain an area of approximately 9,805 acres of land, more or less, wholly within the corporate boundaries of the City and is to be composed of the land described by metes and bounds in Exhibit A hereto, which is made a part hereof for all purposes,
- D. The District is to be a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1, 3.2, 4 and 5, Arizona Revised Statutes, as amended; is, except as otherwise provided in the Act, to be considered a municipal corporation and political subdivision of the State of Arizona, separate and apart from the City, and is to be formed for, and to have, all the purposes and powers of a "district" as such term is defined, and as provided, in the Act,
- E. Public convenience and necessity require the adoption of the Resolutions.

NOW THEREFORE, the Petitioner represents, attests and declares that:

1. On the date hereof, as shown on the assessment roll for State and county taxes in Cochise County, Arizona, all of the land to be in the District, as described in **Exhibit A** hereto and depicted on the map attached hereto as **Exhibit B** which is made a part hereof, is owned by Petitioner or, if a person listed on such assessment roll is no longer the owner of the land in the District, that the name of the successor owner has become known and has been verified by recorded deed or other similar evidence of transfer of ownership to be Petitioner and that there are no resident electors on the land to be in the District; and

2. Attached hereto as **Exhibit C** and made a part hereof, is a certificate of the Tax Assessor of Cochise County stating who are the owners of the land in the proposed District and listing the tax parcel numbers for the parcels of real property affected by or included within the boundaries of the District; and

3. Attached hereto as **Exhibit D** and made a part hereof, is a certificate of the Cochise County Recorder stating who are qualified electors residing on the land in the proposed District; and

4. Based on its own knowledge and the information contained in **Exhibits C** and **D** hereto, the Petitioner is the sole owner of the real property described in **Exhibit A**; no other person having any interest in such real property has filed a written request for copies of any notices under the Act; and there are no qualified electors residing on such real property; and

5. The land to be included in the District: (i) consists of approximately 9,805 acres; (ii) lies wholly within the corporate limits of the City; and (iii) shall be benefited from the improvements for which the District is proposed to be formed; and

6. This Petition is signed (either as a single document or in counterparts) by the owners of, and all others claiming an interest in, all the land to be in the District, any requirements of posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the formation of the District and the adoption of the Resolutions are waived, and the City may, and is hereby requested to, on receipt of this Petition, declare the District formed without being required to comply with such provisions for posting, publication, mailing, notice, hearing or landowner election; and

7. A "general plan" (as such term is defined in the Act) for the proposed District has been filed with the City Clerk setting out a general description of the proposed public infrastructure improvements for which the District is proposed to be formed and the general areas to be improved.

8. The District will be governed by a district board appointed by the City Council with input from the Petitioner.

9. The following persons have consented to their appointment as initial directors of the District for the corresponding terms:

BOARD MEMBER	TERM
1. Celia Jenkins	Six (6) years
2. John Davis	Six (6) years
3. Cindy Batten	Four (4) years
4. Richard Polheber	Four (4) years
5. Mark Fenn	Four (4) years

On the expiration of the term of an appointed director, the governing body, with input from the Petitioner, shall appoint a person to fill the position. If a vacancy occurs on the district board because of death, resignation or inability of the director to discharge the duties of director, the vacancy shall be filled by appointment made by the governing body. A director appointed by the governing body shall hold office for the remainder of the unexpired term until his successor is appointed. An appointed director shall not be a landowner owning more than forty acres in the district, an elected official of the municipality or county or an employee or agent of the landowner or municipality or county but may be a director of more than one district.

FURTHER, Petitioner requests that this Petition be properly filed as provided by law; that the City adopt the Resolutions required to declare and order the District formed without being required to comply with the provisions for posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the Resolutions; and that such other orders, acts, procedures and relief as are proper, necessary and appropriate to the purposes of organizing the District and to the execution of the purposes for which the District shall be organized be granted as the Honorable City Council shall deem proper and necessary.

Submitted and effective this 10 day of August, 2017

El Dorado Benson LLC,
an Arizona limited liability company

By: El Dorado Holdings, Inc.,
an Arizona corporation

Its: Administrative Agent



Authorized Agent

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

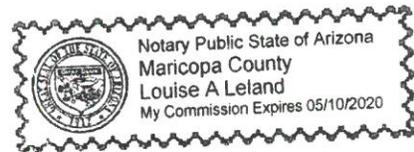
The foregoing instrument was acknowledged before me this 10 day of August 2017, by Michael T. Reinbold as Authorized Agent of El Dorado Holdings, Inc. an Arizona corporation, Administrative Agent of El Dorado Benson, LLC, an Arizona limited liability company on behalf of the company.

My commission expires:

5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 1 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 26 pages.

Submitted and effective this 10 day of August, 2017

By: **Michael T. Reinbold**, a married man
dealing with his sole and separate property



STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by Michael T. Reinbold.

My commission expires:

5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 1 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 26 pages.

Submitted and effective this 10 day of August, 2017

By: **Dennis Krahn**, a married man dealing
with his sole and separate property



STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

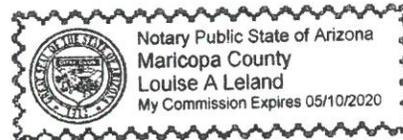
The foregoing instrument was acknowledged before me this 10 day of August 2017, by Dennis Krahn.

My commission expires:

5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 1 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 26 pages.

Submitted and effective this 10 day of August, 2017

By: **Eric Hollensbe**, an unmarried man



STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

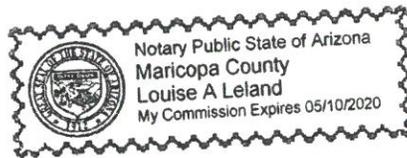
The foregoing instrument was acknowledged before me this 10 day of August 2017, by Eric Hollensbe.

My commission expires:

5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 1 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 26 pages.

Submitted and effective this 10 day of August, 2017

By: **June Prinz**, an unmarried woman

June Prinz

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by June Prinz.

My commission expires:

5/10/20

Louise A Leland

Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 1 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 26 pages.

EXHIBIT A

Legal description of property to be included in the District

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 1 (CFD-1)

Block 2, Well Site abutting Block 2, and Block 4 of THE CANYONS AT WHETSTONE RANCH subdivision, recorded in Book 15 at Page 23, 23A through 23M in the Cochise County Recorder's office, and those portions of Sections 29, 30, 31, 32, and 33, Township 17 South, Range 20 East, Gila and Salt River Meridian, and Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20 and 21, Township 18 South, Range 20 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northeast corner of said Section 33;

Thence South 00 degrees 54 minutes 17 seconds West, 5242.20 feet along the East line of said Section 33 to the Southeast corner thereof, also being the Northwest corner of said Section 3;

Thence South 89 degrees 56 minutes 45 seconds East, 2645.46 feet along the North line of said Section 3 to the North Quarter corner thereof;

Thence South 89 degrees 58 minutes 54 seconds East, 2654.11 feet along said North line of Section 3 to the Northeast corner of said Section 3;

Thence South 00 degrees 13 minutes 48 seconds West, 2628.45 feet along the East line of said Section 3 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 57 seconds West, 2638.43 feet along said East line of Section 3 to the Southeast corner thereof, also being the Northeast corner of said Section 10;

Thence South 00 degrees 07 minutes 46 seconds West, 2647.39 feet along the East line of said Section 10 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 18 seconds West, 2644.85 feet along said East line of Section 10 to the Southeast corner thereof, also being the Northeast corner of said Section 15;

Thence South 00 degrees 10 minutes 16 seconds West, 2648.49 feet along the East line of said Section 15 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 04 seconds East, 2665.47 feet along the said East line of Section 15 to the Southeast corner thereof;

Thence North 89 degrees 51 minutes 49 seconds West, 2651.95 feet along the South line of said Section 15 to the South Quarter corner thereof;

Thence North 89 degrees 46 minutes 21 seconds West, 2651.73 feet along the said South line of Section 15 to the southwest corner thereof, also being the Northeast corner of said Section 21;

Thence South 00 degrees 06 minutes 13 seconds West, 2647.15 feet along the East line of said Section 21 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 02 seconds West, 2649.47 feet along said East line of Section 21 to the Southeast corner thereof;

Thence South 89 degrees 54 minutes 37 seconds West, 2644.96 feet along the South line of said Section 21 to the South Quarter corner thereof;

Thence North 89 degrees 48 minutes 01 seconds West, 2638.89 feet along the said South line of Section 21 to the Southwest corner thereof, also being the Southeast corner of said Section 20;

Thence North 89 degrees 48 minutes 24 seconds West, 5291.23 feet along the South line of said Section 20 to the Southwest corner thereof, also being the Southeast corner of said Section 19;

Thence North 89 degrees 55 minutes 05 seconds West, 2537.60 feet along the South line of said Section 19 to a point of non-tangent curvature on the East right-of-way of State Route 90, from which point the radius point bears North 84 degrees 57 minutes 37 seconds West;

Continue along the said East right-of-way of State Route 90 the following courses;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 001 degrees 46 minutes 55 seconds, 718.98 feet;

Thence South 86 degrees 44 minutes 32 seconds East, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 86 degrees 44 minutes 32 seconds West;

Thence along a curve to the left, having a radius of 23168.32 feet and a central angle of 000 degrees 59 minutes 28 seconds, 400.75 feet;

Thence North 87 degrees 44 minutes 00 seconds West, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 87 degrees 44 minutes 00 seconds West;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 002 degrees 03 minutes 54 seconds, 833.23 feet to a point of tangency;

Thence North 00 degrees 12 minutes 06 seconds East, 3350.67 feet to the intersection with the line common to said Sections 18 and 19;

Thence North 00 degrees 02 minutes 48 seconds East, 4045.52 feet;

Thence South 89 degrees 57 minutes 12 seconds East, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 70.00 feet;

Thence North 89 degrees 57 minutes 12 seconds West, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 1171.67 feet to the intersection with the line common to said Sections 7 and 18;

Thence North 00 degrees 02 minutes 13 seconds East, 4028.22 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 60.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 311.62 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 90.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 808.47 feet to the intersection with the line common to said Sections 6 and 7;

Thence North 00 degrees 02 minutes 49 seconds East, 5277.56 feet to the intersection with the line common to said Sections 6 and 31;

Thence North 00 degrees 11 minutes 49 seconds East, 4167.51 feet;

Thence departing said East right-of-way North 57 degrees 00 minutes 00 seconds East, 1250.67 feet along the southern exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23B - Cochise County records);

Thence North 89 degrees 26 minutes 58 seconds East, 800.00 feet along said exterior line;

Thence South 62 degrees 00 minutes 00 seconds East, 400.00 feet along said exterior line;

Thence South 86 degrees 00 minutes 00 seconds East, 550.00 feet along said exterior line;

Thence North 67 degrees 00 minutes 00 seconds East, 1527.20 feet along said exterior line to the North line of said Section 32;

Thence continue North 67 degrees 00 minutes 00 seconds East, 222.76 feet;

Thence the following courses along the exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23, Cochise County records);

Thence North 19 degrees 00 minutes 00 seconds West, 186.81 feet;

Thence North 71 degrees 00 minutes 00 seconds East, 834.24 feet;

Thence North 36 degrees 00 minutes 56 seconds East, 593.12 feet;

Thence North 54 degrees 10 minutes 41 seconds East, 307.02 feet;

Thence North 06 degrees 30 minutes 54 seconds West, 129.11 feet calculated (North 06 degrees 31 minutes 16 seconds East, 129.10 feet record plat);

Thence South 87 degrees 17 minutes 10 seconds West, 474.99 feet to a point of non-tangent curvature, from which point the radius point bears North 71 degrees 06 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 350.00 feet and a central angle of 094 degrees 44 minutes 07 seconds, 578.70 feet to a point of tangency;

Thence North 66 degrees 22 minutes 03 seconds West, 216.56 feet;

Thence North 44 degrees 37 minutes 46 seconds West, 137.93 feet;

Thence South 77 degrees 28 minutes 12 seconds West, 321.08 feet calculated (321.14 feet record plat) to

a point of non-tangent curvature, from which point the radius point bears North 41 degrees 59 minutes 01 seconds West;

Thence along a curve to the right, having a radius of 1975.00 feet and a central angle of 030 degrees 55 minutes 18 seconds, 1065.88 feet calculated (1066.30 record plat);

Thence South 03 degrees 05 minutes 39 seconds East, 120.14 feet;

Thence South 85 degrees 17 minutes 54 seconds West, 54.00 feet (54.02 feet record plat) to a point of non-tangent curvature, from which point the radius point bears South 86 degrees 54 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 25.00 feet and a central angle of 083 degrees 39 minutes 07 seconds, 36.50 feet to a point of tangency;

Thence South 80 degrees 33 minutes 14 seconds West, 118.41 feet to a point of non-tangent curvature, from which point the radius point bears North 09 degrees 26 minutes 44 seconds West;

Thence along a curve to the right, having a radius of 565.00 feet and a central angle of 039 degrees 04 minutes 05 seconds, 385.25 feet to a point of tangency;

Thence North 60 degrees 22 minutes 41 seconds West, 268.45 feet to a point of non-tangent curvature, from which point the radius point bears South 29 degrees 37 minutes 18 seconds West;

Thence along a curve to the left, having a radius of 665.00 feet and a central angle of 032 degrees 12 minutes 41 seconds, 373.86 feet to a point of reverse curvature;

Thence along a curve to the right, having a radius of 1740.00 feet and a central angle of 023 degrees 13 minutes 10 seconds, 705.15 feet to a point on the exterior boundary of THE COTTONWOOD HIGHLANDS subdivision (Book 15, page 25, Cochise County records);

Thence North 21 degrees 04 minutes 11 seconds West, 40.99 feet (41.03 feet record plat) along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence the following courses along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence North 54 degrees 28 minutes 47 seconds East, 761.10 feet;

Thence North 24 degrees 42 minutes 22 seconds West, 211.59 feet;

Thence North 60 degrees 00 minutes 00 seconds East, 1596.14 feet;

Thence North 00 degrees 05 minutes 20 seconds West, 694.84 feet;

Thence North 76 degrees 00 minutes 00 seconds East, 525.85 feet;

Thence South 52 degrees 45 minutes 34 seconds East, 334.83 feet calculated (South 52 degrees 50 minutes 34 seconds East, 334.94 feet record plat) to the Southwest corner of Lot 140 of said THE COTTONWOOD HIGHLANDS subdivision;

Thence departing said exterior boundary the following courses around the perimeter of said Lot 140;

Thence North 08 degrees 11 minutes 10 seconds West, 228.47 feet to a point of non-tangent curvature, from which point the radius point bears North 08 degrees 11 minutes 10 seconds West;

Thence along a curve to the left, having a radius of 320.00 feet and a central angle of 026 degrees 25 minutes 28 seconds, 147.58 feet to a point of tangency;

Thence North 55 degrees 23 minutes 21 seconds East, 286.39 feet;

Thence South 31 degrees 08 minutes 59 seconds East, 281.44 feet to the intersection with said exterior boundary;

Thence the following courses along said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 67 degrees 27 minutes 16 seconds East, 510.87 feet;

Thence North 44 degrees 10 minutes 00 seconds East, 1158.98 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 450.00 feet;

Thence South 44 degrees 10 minutes 00 seconds West, 550.00 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 500.00 feet to the intersection with the exterior boundary of that property described within the Special Warranty Deed to the City of Benson recorded in Document No. 0605-18326 in the office of the Cochise County Recorder;

Thence the following courses along said Special Warranty Deed;

Thence North 44 degrees 10 minutes 24 seconds East, 449.99 feet;

Thence North 45 degrees 49 minutes 54 seconds West, 410.07 feet;

Thence South 88 degrees 22 minutes 01 seconds West, 1982.49 feet to the said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 01 degrees 38 minutes 00 seconds West, 100.00 feet along said exterior boundary;

Thence South 88 degrees 21 minutes 16 seconds West, 297.61 feet along said exterior boundary to the intersection with the West line of Section 29;

Thence North 00 degrees 39 minutes 14 seconds West, 100.00 feet along said West line to the Northwest corner of said Section 29;

Thence North 88 degrees 22 minutes 00 seconds East, 2685.18 feet along the north line of the Northwest quarter of said Section 29 to the North quarter corner thereof;

Thence South 88 degrees 52 minutes 53 seconds East, 2632.56 feet along the north line of the Northeast quarter of said Section 29 to the Northeast corner thereof;

Thence South 00 degrees 21 minutes 07 seconds East, 5284.19 feet along the East line of said Section 29 to the corner common to Sections 28, 29, 32, 33;

Thence South 89 degrees 25 minutes 51 seconds East, 5314.82 feet along the North line of said Section 33 to the POINT OF BEGINNING;

EXCEPTING therefrom the following Exception:

Exception 1:

BEGINNING at the Northeast corner of said Section 20, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona;

Thence North 89 degrees 49 minutes 41 seconds West, 2643.71 feet along the North line of said Section 20 to the North Quarter corner thereof;

Thence North 89 degrees 45 minutes 38 seconds West, 2644.50 feet along the North line of said Section 20 to the Northwest corner thereof;

Thence South 00 degrees 07 minutes 01 seconds West, 2650.59 feet along the west line of said Section 20 to the West Quarter corner thereof;

Thence South 00 degrees 04 minutes 09 seconds West, 1323.07 feet along the west line of said Section 20;

Thence South 89 degrees 48 minutes 47 seconds East, 5291.15 feet to a point on the East line of said Section 20;

Thence North 00 degrees 03 minutes 57 seconds East, 1323.64 feet to the East Quarter corner of said Section 20;

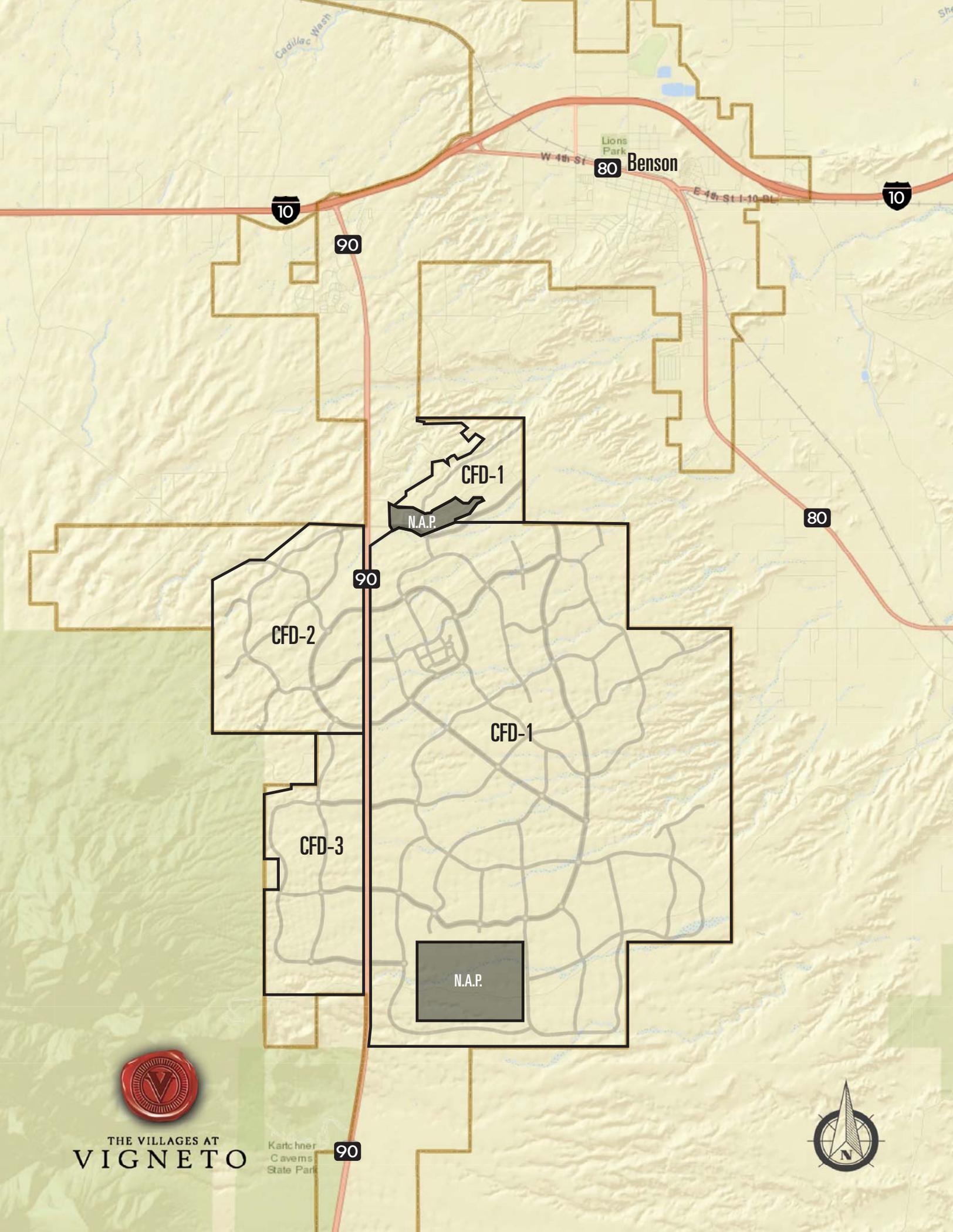
Thence North 00 degrees 03 minutes 17 seconds East, 2648.31 feet along the East line of said Section 20 to the POINT OF BEGINNING.

Exception 1 containing 21,012,513 square feet (482.381 acres), more or less.

Net area of CFD-1 including Block 2, Well Site, and Block 4 is 427,119,577 square feet (9,805.316 acres) more or less.

EXHIBIT B

Map of property to be included in the District



Cadillac Wash

Lions Park
Benson

10

90

80

10

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO



EXHIBIT C

County Assessor's certificate of owners of property in the District

PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
12412012F	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
12412013B	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$513.91	\$77.00
12440023B	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		8501 N SCOTTSDALE RD APT 120	SCOTTSDALE	AZ	852532750	\$998.29	\$150.00
12440023C	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
12440024D	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
12412006	EL DORADO BENSON LLC		ATTN: JUDY PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12412012C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$87,958.00	\$13,194.00
12412012E	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$159,606.13	\$23,941.00
12412013A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$495,751.00	\$89,089.00
12412014A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$546.00	\$82.00
12412014B	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$3,985.00	\$598.00
12412014C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$194,560.00	\$29,184.00
12440001M	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$500.00	\$75.00
12440001Z	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$2,400.00	\$360.00
12440013	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$612.00	\$92.00
12440014	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$612.00	\$92.00
12440016	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$4,896.00	\$734.00
12440019	EL DORADO BENSON LLC		ATTN: JUDY PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12440020	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$682.00	\$102.00
12440021	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$923.00	\$138.00
12440022	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$548.00	\$82.00
12440023A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$10,202.87	\$1,530.00
12440024A	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$34,024.00	\$5,104.00
12440024C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$4,196.81	\$630.00
12477192	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$254,923.00	\$38,238.00
12477194	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$132,394.00	\$19,859.00
12477205	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$500.00	\$75.00
12477346	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$20,000.00	\$3,000.00
12477390	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477391	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477392	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477393	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477394	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477395	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477396	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477397	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477398	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00

PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
12477547	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477548	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477549	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477550	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477551	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477552	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477553	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477554	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477555	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477556	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477557	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477558	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477559	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477560	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477561	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,000.00	\$750.00
12477562	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477563	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477564	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477565	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477566	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$12,800.00	\$1,920.00
12477567	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477568	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$7,500.00	\$1,125.00
12477569	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$5,108.00	\$766.00
12477570	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$3,036.00	\$455.00
12477571	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$428.00	\$64.00
12477572	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$524.00	\$79.00
12477573	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$400.00	\$60.00

TOTALS	\$2,351,622.88	\$367,470.00
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EXHIBIT D

County Recorder's certificate of qualified electors in the District

DAVID W STEVENS
RECORDER



HEATHER LOPEZ
CHIEF DEPUTY

Cochise County Recorder
1415 Melody Ln, Bldg. B
Bisbee, AZ 85603

Certification

I, David W. Stevens, Recorder, in and for the County of Cochise, Arizona do hereby attest and certify that there are no registered voters within the boundaries of the properties describes in the following legal descriptions: CFD-1, CFD-2 and CFD-3.

Witness my hand and seal this 2nd day of August, 2017.

A handwritten signature in blue ink, appearing to read "David W. Stevens", is written over a horizontal line.

David W. Stevens

Cochise County Recorder

When recorded return to:

Kenneth Guckenberger
Kutak Rock
8601 North Scottsdale Road
Suite 300
Scottsdale, AZ 85253

**GENERAL PLAN
FOR THE PROPOSED
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. 1**

To: Clerk, City of Benson, Arizona

For the purposes of Section 48-702(B), Arizona Revised Statutes, as amended, the following is the general plan for the proposed captioned district:

Article I.

**GENERAL AREA TO BE IMPROVED WITHIN THE PROPOSED
CAPTIONED DISTRICT**

All that area described in Exhibit A attached hereto and made a part hereof for all purposes shall comprise the area to be benefited. The public infrastructure improvements shall be constructed in public rights-of-way or easements located both within and outside The Villages at Vigneto Community Facilities District No. 1 (the "District") and the areas described in Exhibit A hereto, all for the benefit of the area described in Exhibit A hereto.

Article II.

**GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE
IMPROVEMENTS FOR WHICH THE PROPOSED CAPTIONED
DISTRICT IS PROPOSED TO BE FORMED:**

1. INITIAL PUBLIC INFRASTRUCTURE

The proposed District is being formed to finance, construct and/or acquire the public infrastructure enumerated below and all other "public infrastructure purposes" (as such term is defined in Section 48-701 of the Arizona Revised Statutes) to be located within and/or directly or indirectly & benefiting the property contained within the district boundaries. The following public infrastructure improvements as such improvements are authorized by the governing body of the District in accordance with applicable law and are consistent with the powers of a community facilities district. The general location of the district and public infrastructure is attached as Exhibit B.

Public Infrastructure means:

- (a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge;
- (b) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge;
- (c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for repair or replacement of existing facilities when required by other improvements permitted by this article;
- (d) Highways, streets, roadways, bridges and parking facilities including all areas for vehicular use for travel, ingress, egress and parking;
- (e) Areas for pedestrian, equestrian, bicycle or other non-motor vehicle use for travel, ingress, egress and parking;
- (f) Pedestrian malls, parks, recreational facilities other than stadiums and open space areas for the use of the public entertainment, assembly and recreation;
- (g) Landscaping including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems;
- (h) Public buildings, public safety facilities and fire protection facilities;
- (i) Lighting systems;
- (j) Traffic control systems and devices including signals, controls, markings and signage;
- (k) Equipment, vehicles, furnishings and other personalty related to the items listed in clauses (a) through and including (j) above;
- (l) Operation and maintenance of the items listed in clauses (a) through and including (k) above.

Public infrastructure purpose means:

- (a) Planning, design, engineering, construction, acquisition or installation of public infrastructure.
- (b) Acquiring, converting, renovating or improving existing facilities for public infrastructure.

- (c) Acquiring interests in real property for public infrastructure.
- (d) Establishing, maintaining and replenishing reserves from any source described in section 48-717 or from any other source in order to secure payment of debt service on bonds.
- (e) Notwithstanding section 48-589, funding and paying from bond proceeds interest accruing on bonds for a period of not to exceed three years from their date of issuance.
- (f) Providing for the timely payment of debt service on bonds or other indebtedness of the district.
- (g) Refinancing any matured or unmatured bonds with new bonds.
- (h) Incurring expenses of the district incident to and reasonably necessary to carry out the purposes specified in this paragraph.
- (i) Any other lawful purpose.

RECEIPT

Received and filed in the office of the Clerk of the City, for the Villages at Vigneto
Community Facilities District No. 1.

DATED: _____

City Clerk

ATTACHMENTS:

- EXHIBIT A Legal description of property to be included in the District
- EXHIBIT B Map showing general areas of the public infrastructure to be constructed or installed by the District

EXHIBIT A

LEGAL DESCRIPTION OF
PROPERTY TO BE INCLUDED IN
THE DISTRICT

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 1 (CFD-1)

Block 2, Well Site abutting Block 2, and Block 4 of THE CANYONS AT WHETSTONE RANCH subdivision, recorded in Book 15 at Page 23, 23A through 23M in the Cochise County Recorder's office, and those portions of Sections 29, 30, 31, 32, and 33, Township 17 South, Range 20 East, Gila and Salt River Meridian, and Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20 and 21, Township 18 South, Range 20 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northeast corner of said Section 33;

Thence South 00 degrees 54 minutes 17 seconds West, 5242.20 feet along the East line of said Section 33 to the Southeast corner thereof, also being the Northwest corner of said Section 3;

Thence South 89 degrees 56 minutes 45 seconds East, 2645.46 feet along the North line of said Section 3 to the North Quarter corner thereof;

Thence South 89 degrees 58 minutes 54 seconds East, 2654.11 feet along said North line of Section 3 to the Northeast corner of said Section 3;

Thence South 00 degrees 13 minutes 48 seconds West, 2628.45 feet along the East line of said Section 3 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 57 seconds West, 2638.43 feet along said East line of Section 3 to the Southeast corner thereof, also being the Northeast corner of said Section 10;

Thence South 00 degrees 07 minutes 46 seconds West, 2647.39 feet along the East line of said Section 10 to the East Quarter corner thereof;

Thence South 00 degrees 04 minutes 18 seconds West, 2644.85 feet along said East line of Section 10 to the Southeast corner thereof, also being the Northeast corner of said Section 15;

Thence South 00 degrees 10 minutes 16 seconds West, 2648.49 feet along the East line of said Section 15 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 04 seconds East, 2665.47 feet along the said East line of Section 15 to the Southeast corner thereof;

Thence North 89 degrees 51 minutes 49 seconds West, 2651.95 feet along the South line of said Section 15 to the South Quarter corner thereof;

Thence North 89 degrees 46 minutes 21 seconds West, 2651.73 feet along the said South line of Section 15 to the southwest corner thereof, also being the Northeast corner of said Section 21;

Thence South 00 degrees 06 minutes 13 seconds West, 2647.15 feet along the East line of said Section 21 to the East Quarter corner thereof;

Thence South 00 degrees 05 minutes 02 seconds West, 2649.47 feet along said East line of Section 21 to the Southeast corner thereof;

Thence South 89 degrees 54 minutes 37 seconds West, 2644.96 feet along the South line of said Section 21 to the South Quarter corner thereof;

Thence North 89 degrees 48 minutes 01 seconds West, 2638.89 feet along the said South line of Section 21 to the Southwest corner thereof, also being the Southeast corner of said Section 20;

Thence North 89 degrees 48 minutes 24 seconds West, 5291.23 feet along the South line of said Section 20 to the Southwest corner thereof, also being the Southeast corner of said Section 19;

Thence North 89 degrees 55 minutes 05 seconds West, 2537.60 feet along the South line of said Section 19 to a point of non-tangent curvature on the East right-of-way of State Route 90, from which point the radius point bears North 84 degrees 57 minutes 37 seconds West;

Continue along the said East right-of-way of State Route 90 the following courses;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 001 degrees 46 minutes 55 seconds, 718.98 feet;

Thence South 86 degrees 44 minutes 32 seconds East, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 86 degrees 44 minutes 32 seconds West;

Thence along a curve to the left, having a radius of 23168.32 feet and a central angle of 000 degrees 59 minutes 28 seconds, 400.75 feet;

Thence North 87 degrees 44 minutes 00 seconds West, 50.00 feet to a point of non-tangent curvature, from which point the radius point bears North 87 degrees 44 minutes 00 seconds West;

Thence along a curve to the left, having a radius of 23118.32 feet and a central angle of 002 degrees 03 minutes 54 seconds, 833.23 feet to a point of tangency;

Thence North 00 degrees 12 minutes 06 seconds East, 3350.67 feet to the intersection with the line common to said Sections 18 and 19;

Thence North 00 degrees 02 minutes 48 seconds East, 4045.52 feet;

Thence South 89 degrees 57 minutes 12 seconds East, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 70.00 feet;

Thence North 89 degrees 57 minutes 12 seconds West, 15.00 feet;

Thence North 00 degrees 02 minutes 48 seconds East, 1171.67 feet to the intersection with the line common to said Sections 7 and 18;

Thence North 00 degrees 02 minutes 13 seconds East, 4028.22 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 60.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 25.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 311.62 feet;

Thence South 89 degrees 57 minutes 47 seconds East, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 90.00 feet;

Thence North 89 degrees 57 minutes 47 seconds West, 50.00 feet;

Thence North 00 degrees 02 minutes 13 seconds East, 808.47 feet to the intersection with the line common to said Sections 6 and 7;

Thence North 00 degrees 02 minutes 49 seconds East, 5277.56 feet to the intersection with the line common to said Sections 6 and 31;

Thence North 00 degrees 11 minutes 49 seconds East, 4167.51 feet;

Thence departing said East right-of-way North 57 degrees 00 minutes 00 seconds East, 1250.67 feet along the southern exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23B - Cochise County records);

Thence North 89 degrees 26 minutes 58 seconds East, 800.00 feet along said exterior line;

Thence South 62 degrees 00 minutes 00 seconds East, 400.00 feet along said exterior line;

Thence South 86 degrees 00 minutes 00 seconds East, 550.00 feet along said exterior line;

Thence North 67 degrees 00 minutes 00 seconds East, 1527.20 feet along said exterior line to the North line of said Section 32;

Thence continue North 67 degrees 00 minutes 00 seconds East, 222.76 feet;

Thence the following courses along the exterior boundary of THE CANYONS AT WHETSTONE subdivision (Book 15, page 23, Cochise County records);

Thence North 19 degrees 00 minutes 00 seconds West, 186.81 feet;

Thence North 71 degrees 00 minutes 00 seconds East, 834.24 feet;

Thence North 36 degrees 00 minutes 56 seconds East, 593.12 feet;

Thence North 54 degrees 10 minutes 41 seconds East, 307.02 feet;

Thence North 06 degrees 30 minutes 54 seconds West, 129.11 feet calculated (North 06 degrees 31 minutes 16 seconds East, 129.10 feet record plat);

Thence South 87 degrees 17 minutes 10 seconds West, 474.99 feet to a point of non-tangent curvature, from which point the radius point bears North 71 degrees 06 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 350.00 feet and a central angle of 094 degrees 44 minutes 07 seconds, 578.70 feet to a point of tangency;

Thence North 66 degrees 22 minutes 03 seconds West, 216.56 feet;

Thence North 44 degrees 37 minutes 46 seconds West, 137.93 feet;

Thence South 77 degrees 28 minutes 12 seconds West, 321.08 feet calculated (321.14 feet record plat) to

a point of non-tangent curvature, from which point the radius point bears North 41 degrees 59 minutes 01 seconds West;

Thence along a curve to the right, having a radius of 1975.00 feet and a central angle of 030 degrees 55 minutes 18 seconds, 1065.88 feet calculated (1066.30 record plat);

Thence South 03 degrees 05 minutes 39 seconds East, 120.14 feet;

Thence South 85 degrees 17 minutes 54 seconds West, 54.00 feet (54.02 feet record plat) to a point of non-tangent curvature, from which point the radius point bears South 86 degrees 54 minutes 07 seconds West;

Thence along a curve to the right, having a radius of 25.00 feet and a central angle of 083 degrees 39 minutes 07 seconds, 36.50 feet to a point of tangency;

Thence South 80 degrees 33 minutes 14 seconds West, 118.41 feet to a point of non-tangent curvature, from which point the radius point bears North 09 degrees 26 minutes 44 seconds West;

Thence along a curve to the right, having a radius of 565.00 feet and a central angle of 039 degrees 04 minutes 05 seconds, 385.25 feet to a point of tangency;

Thence North 60 degrees 22 minutes 41 seconds West, 268.45 feet to a point of non-tangent curvature, from which point the radius point bears South 29 degrees 37 minutes 18 seconds West;

Thence along a curve to the left, having a radius of 665.00 feet and a central angle of 032 degrees 12 minutes 41 seconds, 373.86 feet to a point of reverse curvature;

Thence along a curve to the right, having a radius of 1740.00 feet and a central angle of 023 degrees 13 minutes 10 seconds, 705.15 feet to a point on the exterior boundary of THE COTTONWOOD HIGHLANDS subdivision (Book 15, page 25, Cochise County records);

Thence North 21 degrees 04 minutes 11 seconds West, 40.99 feet (41.03 feet record plat) along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence the following courses along said exterior boundary of said THE COTTONWOOD HIGHLANDS subdivision;

Thence North 54 degrees 28 minutes 47 seconds East, 761.10 feet;

Thence North 24 degrees 42 minutes 22 seconds West, 211.59 feet;

Thence North 60 degrees 00 minutes 00 seconds East, 1596.14 feet;

Thence North 00 degrees 05 minutes 20 seconds West, 694.84 feet;

Thence North 76 degrees 00 minutes 00 seconds East, 525.85 feet;

Thence South 52 degrees 45 minutes 34 seconds East, 334.83 feet calculated (South 52 degrees 50 minutes 34 seconds East, 334.94 feet record plat) to the Southwest corner of Lot 140 of said THE COTTONWOOD HIGHLANDS subdivision;

Thence departing said exterior boundary the following courses around the perimeter of said Lot 140;

Thence North 08 degrees 11 minutes 10 seconds West, 228.47 feet to a point of non-tangent curvature, from which point the radius point bears North 08 degrees 11 minutes 10 seconds West;

Thence along a curve to the left, having a radius of 320.00 feet and a central angle of 026 degrees 25 minutes 28 seconds, 147.58 feet to a point of tangency;

Thence North 55 degrees 23 minutes 21 seconds East, 286.39 feet;

Thence South 31 degrees 08 minutes 59 seconds East, 281.44 feet to the intersection with said exterior boundary;

Thence the following courses along said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 67 degrees 27 minutes 16 seconds East, 510.87 feet;

Thence North 44 degrees 10 minutes 00 seconds East, 1158.98 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 450.00 feet;

Thence South 44 degrees 10 minutes 00 seconds West, 550.00 feet;

Thence North 45 degrees 50 minutes 00 seconds West, 500.00 feet to the intersection with the exterior boundary of that property described within the Special Warranty Deed to the City of Benson recorded in Document No. 0605-18326 in the office of the Cochise County Recorder;

Thence the following courses along said Special Warranty Deed;

Thence North 44 degrees 10 minutes 24 seconds East, 449.99 feet;

Thence North 45 degrees 49 minutes 54 seconds West, 410.07 feet;

Thence South 88 degrees 22 minutes 01 seconds West, 1982.49 feet to the said exterior boundary of THE COTTONWOOD HIGHLANDS subdivision;

Thence North 01 degrees 38 minutes 00 seconds West, 100.00 feet along said exterior boundary;

Thence South 88 degrees 21 minutes 16 seconds West, 297.61 feet along said exterior boundary to the intersection with the West line of Section 29;

Thence North 00 degrees 39 minutes 14 seconds West, 100.00 feet along said West line to the Northwest corner of said Section 29;

Thence North 88 degrees 22 minutes 00 seconds East, 2685.18 feet along the north line of the Northwest quarter of said Section 29 to the North quarter corner thereof;

Thence South 88 degrees 52 minutes 53 seconds East, 2632.56 feet along the north line of the Northeast quarter of said Section 29 to the Northeast corner thereof;

Thence South 00 degrees 21 minutes 07 seconds East, 5284.19 feet along the East line of said Section 29 to the corner common to Sections 28, 29, 32, 33;

Thence South 89 degrees 25 minutes 51 seconds East, 5314.82 feet along the North line of said Section 33 to the POINT OF BEGINNING;

EXCEPTING therefrom the following Exception:

Exception 1:

BEGINNING at the Northeast corner of said Section 20, Township 18 South, Range 20 East, Gila and Salt River Meridian, Cochise County, Arizona;

Thence North 89 degrees 49 minutes 41 seconds West, 2643.71 feet along the North line of said Section 20 to the North Quarter corner thereof;

Thence North 89 degrees 45 minutes 38 seconds West, 2644.50 feet along the North line of said Section 20 to the Northwest corner thereof;

Thence South 00 degrees 07 minutes 01 seconds West, 2650.59 feet along the west line of said Section 20 to the West Quarter corner thereof;

Thence South 00 degrees 04 minutes 09 seconds West, 1323.07 feet along the west line of said Section 20;

Thence South 89 degrees 48 minutes 47 seconds East, 5291.15 feet to a point on the East line of said Section 20;

Thence North 00 degrees 03 minutes 57 seconds East, 1323.64 feet to the East Quarter corner of said Section 20;

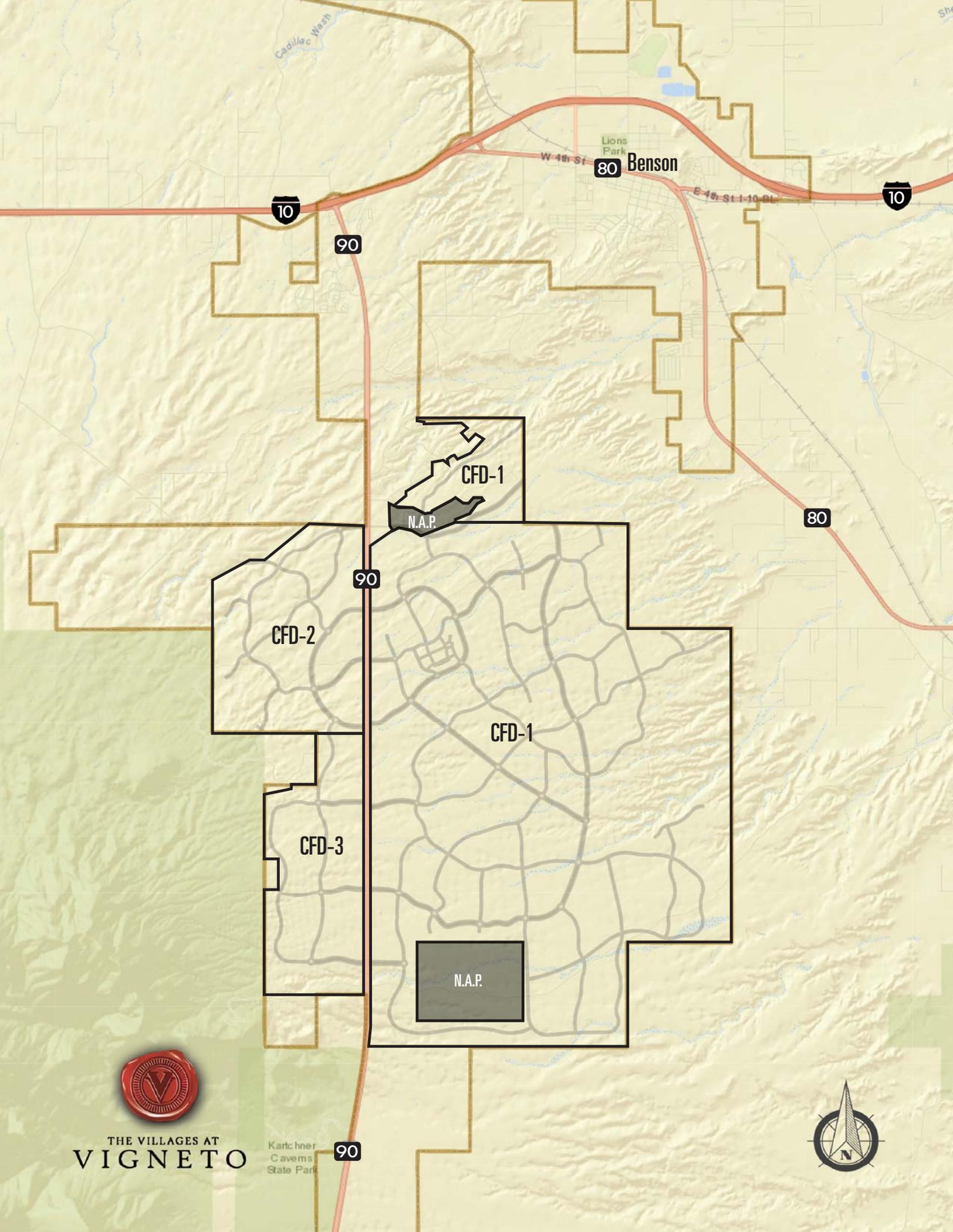
Thence North 00 degrees 03 minutes 17 seconds East, 2648.31 feet along the East line of said Section 20 to the POINT OF BEGINNING.

Exception 1 containing 21,012,513 square feet (482.381 acres), more or less.

Net area of CFD-1 including Block 2, Well Site, and Block 4 is 427,119,577 square feet (9,805.316 acres) more or less.

EXHIBIT B

MAP SHOWING GENERAL AREAS
OF THE PUBLIC INFRASTRUCTURE



Cadillac Wash

Lions Park
Benson

10

80

10

90

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO



**PETITION FOR FORMATION
AND
PETITION FOR ADOPTION OF RESOLUTIONS
ORDERING AND DECLARING
FORMATION OF
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. 2**

STATE OF ARIZONA)
COUNTY OF COCHISE)
CITY OF BENSON)

The undersigned, as owners of all of the land and all persons having an interest in the land (hereinafter collectively referred to as the "Petitioner"), hereinafter described by metes and bounds, acting pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), respectfully petitions the Honorable City Council of the City of Benson, Arizona (hereinafter referred to as the "City"), to adopt such resolutions (hereinafter referred to as the "Resolutions") as may be necessary to declare its intent to form and order the formation of a tax levying community facilities district (hereinafter referred to as the "District") and would respectfully request the proceedings to provide for the following:

A. The name of the District is to be "*THE VILLAGES AT VIGNETO COMMUNITY FACILITIES DISTRICT NO. 2*",

B. The District is to be formed, and shall exist, pursuant to the terms and provisions of the Act,

C. The District is to contain an area of approximately 1,675 acres of land, more or less, wholly within the corporate boundaries of the City and is to be composed of the land described by metes and bounds in Exhibit A hereto, which is made a part hereof for all purposes,

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

E. Public convenience and necessity require the adoption of the Resolutions.

NOW THEREFORE, the Petitioner represents, attests and declares that:

1. On the date hereof, as shown on the assessment roll for State and county taxes in Cochise County, Arizona, all of the land to be in the District, as described in Exhibit A hereto and depicted on the map attached hereto as Exhibit B which is made a part hereof, is owned by Petitioner or, if a person listed on such assessment roll is no longer the owner of the land in the District, that the name of the successor owner has become known and has been verified by recorded deed or other similar evidence of transfer of ownership to be Petitioner and that there are no resident electors on the land to be in the District; and

2. Attached hereto as Exhibit C and made a part hereof, is a certificate of the Tax Assessor of Cochise County stating who are the owners of the land in the proposed District and listing the tax parcel numbers for the parcels of real property affected by or included within the boundaries of the District; and

3. Attached hereto as Exhibit D and made a part hereof, is a certificate of the Cochise County Recorder stating who are qualified electors residing on the land in the proposed District; and

4. Based on its own knowledge and the information contained in Exhibits C and D hereto, the Petitioner is the sole owner of the real property described in Exhibit A; no other person having any interest in such real property has filed a written request for copies of any notices under the Act; and there are no qualified electors residing on such real property; and

5. The land to be included in the District: (i) consists of approximately 1,675 acres; (ii) lies wholly within the corporate limits of the City; and (iii) shall be benefited from the improvements for which the District is proposed to be formed; and

6. This Petition is signed (either as a single document or in counterparts) by the owners of, and all others claiming an interest in, all the land to be in the District, any requirements of posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the formation of the District and the adoption of the Resolutions are waived, and the City may, and is hereby requested to, on receipt of this Petition, declare the District formed without being required to comply with such provisions for posting, publication, mailing, notice, hearing or landowner election; and

7. A "general plan" (as such term is defined in the Act) for the proposed District has been filed with the City Clerk setting out a general description of the proposed public infrastructure improvements for which the District is proposed to be formed and the general areas to be improved.

8. The District will be governed by a district board appointed by the City Council with input from the Petitioner.

9. The following persons have consented to their appointment as initial directors of the District for the corresponding terms:

BOARD MEMBER	TERM
1. Celia Jenkins	Six (6) years
2. John Davis	Six (6) years
3. Cindy Batten	Four (4) years
4. Richard Polheber	Four (4) years
5. Mark Fenn	Four (4) years

On the expiration of the term of an appointed director, the governing body, with input from the Petitioner, shall appoint a person to fill the position. If a vacancy occurs on the district board because of death, resignation or inability of the director to discharge the duties of director, the vacancy shall be filled by appointment made by the governing body. A director appointed by the governing body shall hold office for the remainder of the unexpired term until his successor is appointed. An appointed director shall not be a landowner owning more than forty acres in the district, an elected official of the municipality or county or an employee or agent of the landowner or municipality or county but may be a director of more than one district.

FURTHER, Petitioner requests that this Petition be properly filed as provided by law; that the City adopt the Resolutions required to declare and order the District formed without being required to comply with the provisions for posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the Resolutions; and that such other orders, acts, procedures and relief as are proper, necessary and appropriate to the purposes of organizing the District and to the execution of the purposes for which the District shall be organized be granted as the Honorable City Council shall deem proper and necessary.

Submitted and effective this 10 day of August, 2017

El Dorado Benson LLC,
an Arizona limited liability company

By: El Dorado Holdings, Inc.,
an Arizona corporation

Its: Administrative Agent


Authorized Agent

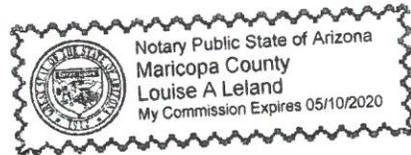
STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by Michael T. Reinbold as Authorized Agent of El Dorado Holdings, Inc. an Arizona corporation, Administrative Agent of El Dorado Benson, LLC, an Arizona limited liability company on behalf of the company.

My commission expires:

5/10/20


Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 2 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 16 pages.

Submitted and effective this 10 day of August, 2017

By: **Michael T. Reinbold**, a married man
dealing with his sole and separate property

Michael T. Reinbold

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

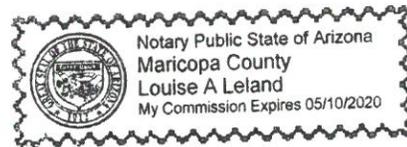
The foregoing instrument was acknowledged before me this 10 day of August 2017, by Michael T. Reinbold.

My commission expires:

5/10/20

Louise A Leland

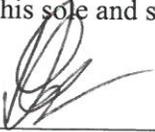
Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 2 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 16 pages.

Submitted and effective this 10 day of August, 2017

By: **Dennis Krahn**, a married man dealing
with his sole and separate property



STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

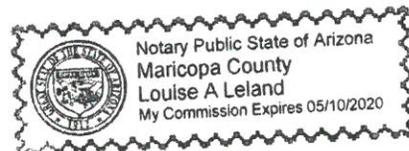
The foregoing instrument was acknowledged before me this 10 day of August 2017, by Dennis Krahn.

My commission expires:

5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 2 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 16 pages.

Submitted and effective this 10 day of August, 2017

By: **Eric Hollensbe**, an unmarried man



STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

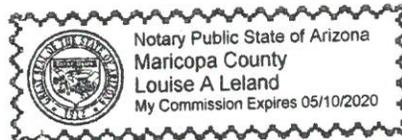
The foregoing instrument was acknowledged before me this 10 day of August 2017, by Eric Hollensbe.

My commission expires:

5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 2 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 16 pages.

Submitted and effective this 10 day of August, 2017

By: **June Prinz**, an unmarried woman

June Prinz

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by June Prinz.

My commission expires:

5/10/20

Louise A Leland
Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 2 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 16 pages.

EXHIBIT A

Legal description of property to be included in the District

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 2 (CFD-2)

Those portions of Section 31, Township 17 South, Range 20 East, Gila and Salt River Meridian; Section 6, Township 18 South, Range 20 East, Gila and salt River Meridian; Section 36, Township 17 South, Range 19 East, Gila and Salt River Meridian and Section 1, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Southwest corner of said Section 1;

Thence North 00 degrees 11 minutes 46 seconds East, 2647.37 feet along the West line of said Section 1 to the West Quarter corner thereof;

Thence North 00 degrees 16 minutes 18 seconds East, 2619.28 feet along the West line of said Section 1 to the Northwest corner thereof, also being the Southwest corner of said Section 36;

Thence North 00 degrees 04 minutes 41 seconds East, 2462.96 feet along the West line of said Section 36;

Thence departing said West line North 61 degrees 44 minutes 23 seconds East, 2131.29 feet;

Thence South 89 degrees 52 minutes 03 seconds East, 771.87 feet;

Thence North 51 degrees 12 minutes 56 seconds East, 2891.21 feet to the North line of said Section 36;

Thence North 89 degrees 43 minutes 03 seconds East, 400.04 feet along the North line of said Section 36 to the Northeast corner thereof, also being the Northwest corner of said Section 31;

Thence South 87 degrees 25 minutes 37 seconds East, 2373.90 feet along the North line of said Section 31 to a point on the West right-of-way of State Route 90;

Continue along the said West right-of-way of State Route 90 the following courses;

Thence South 00 degrees 05 minutes 35 seconds West, 4.24 feet;

Thence South 00 degrees 11 minutes 49 seconds West, 5144.21 feet to the intersection with the line common to said Sections 31 and 6;

Thence South 00 degrees 02 minutes 49 seconds West, 5278.00 feet to the intersection with the South line of said Section 6;

Thence departing said right-of-way South 89 degrees 49 minutes 12 seconds West, 2397.60 feet along the South line of said Section 6 to the Southwest corner thereof, also being the Southeast corner of said Section 1;

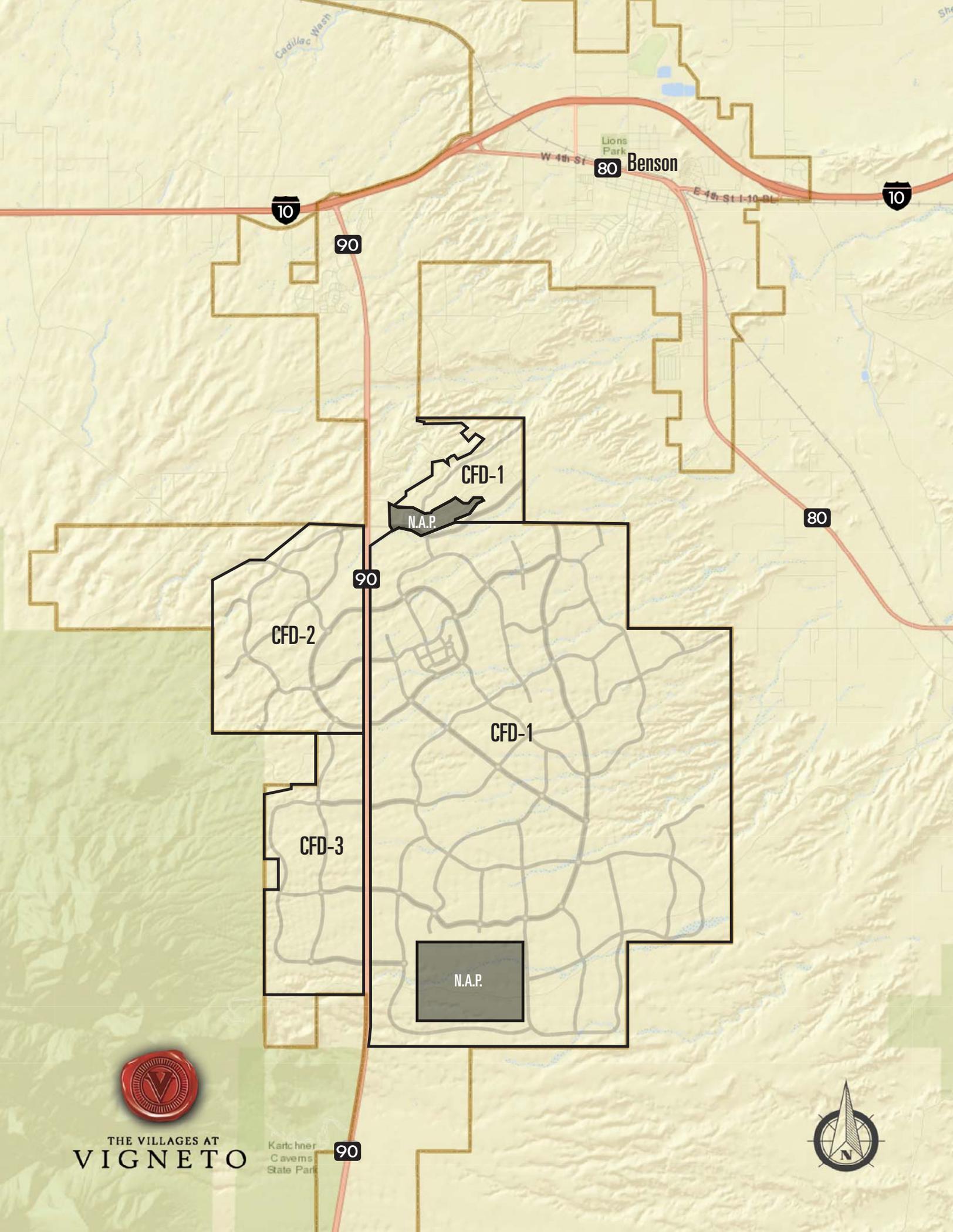
Thence South 89 degrees 41 minutes 11 seconds West, 2639.59 feet along the South line of said Section 1 to the South Quarter corner thereof;

Thence North 89 degrees 53 minutes 24 seconds West, 2640.06 feet along the south line of said Section 1 to the Southwest corner thereof and POINT OF BEGINNING.

CFD-2 containing 72,947,717 square feet (1,674.649 acres), more or less.

EXHIBIT B

Map of property to be included in the District



Cadillac Wash

Lions Park
Benson

10

80

10

90

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO



EXHIBIT C

County Assessor's certificate of owners of property in the District

ACCOUNTNO	PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
R010038548	12440026A	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
R010030135	12401014E	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$4,466.00	\$670.00
R000066386	12412001S	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$1,771.00	\$266.00
R000066387	12412001T	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$589.00	\$88.00
R000067878	12431001	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$89,496.75	\$9,574.00
R010038547	12440026	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$8,874.02	\$1,331.00
TOTALS									\$106,195.06	\$12,079.00

EXHIBIT D

County Recorder's certificate of qualified electors in the District

DAVID W STEVENS
RECORDER



HEATHER LOPEZ
CHIEF DEPUTY

Cochise County Recorder
1415 Melody Ln, Bldg. B
Bisbee, AZ 85603

Certification

I, David W. Stevens, Recorder, in and for the County of Cochise, Arizona do hereby attest and certify that there are no registered voters within the boundaries of the properties describes in the following legal descriptions: CFD-1, CFD-2 and CFD-3.

Witness my hand and seal this 2nd day of August, 2017.

A handwritten signature in blue ink, appearing to read "David W. Stevens", is written over a horizontal line.

David W. Stevens

Cochise County Recorder

When recorded return to:

Kenneth Guckenberger
Kutak Rock
8601 North Scottsdale Road
Suite 300
Scottsdale, AZ 85253

**GENERAL PLAN
FOR THE PROPOSED
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. 2**

To: Clerk, City of Benson, Arizona

For the purposes of Section 48-702(B), Arizona Revised Statutes, as amended, the following is the general plan for the proposed captioned district:

Article I.

**GENERAL AREA TO BE IMPROVED WITHIN THE PROPOSED
CAPTIONED DISTRICT**

All that area described in **Exhibit A** attached hereto and made a part hereof for all purposes shall comprise the area to be benefited. The public infrastructure improvements shall be constructed in public rights-of-way or easements located both within and outside The Villages at Vigneto Community Facilities District No. 2 (the "District") and the areas described in **Exhibit A** hereto, all for the benefit of the area described in **Exhibit A** hereto.

Article II.

**GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE
IMPROVEMENTS FOR WHICH THE PROPOSED CAPTIONED
DISTRICT IS PROPOSED TO BE FORMED:**

1. INITIAL PUBLIC INFRASTRUCTURE

The proposed District is being formed to finance, construct and/or acquire the public infrastructure enumerated below and all other "public infrastructure purposes" (as such term is defined in Section 48-701 of the Arizona Revised Statutes) to be located within and/or directly or indirectly & benefiting the property contained within the district boundaries. The following public infrastructure improvements as such improvements are authorized by the governing body of the District in accordance with applicable law and are consistent with the powers of a community facilities district. The general location of the district and public infrastructure is attached as **Exhibit B**.

Public Infrastructure means:

- (a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge;
- (b) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge;
- (c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for repair or replacement of existing facilities when required by other improvements permitted by this article;
- (d) Highways, streets, roadways, bridges and parking facilities including all areas for vehicular use for travel, ingress, egress and parking;
- (e) Areas for pedestrian, equestrian, bicycle or other non-motor vehicle use for travel, ingress, egress and parking;
- (f) Pedestrian malls, parks, recreational facilities other than stadiums and open space areas for the use of the public entertainment, assembly and recreation;
- (g) Landscaping including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems;
- (h) Public buildings, public safety facilities and fire protection facilities;
- (i) Lighting systems;
- (j) Traffic control systems and devices including signals, controls, markings and signage;
- (k) Equipment, vehicles, furnishings and other personalty related to the items listed in clauses (a) through and including (j) above;
- (l) Operation and maintenance of the items listed in clauses (a) through and including (k) above.

Public infrastructure purpose means:

- (a) Planning, design, engineering, construction, acquisition or installation of public infrastructure.
- (b) Acquiring, converting, renovating or improving existing facilities for public infrastructure.

- (c) Acquiring interests in real property for public infrastructure.
- (d) Establishing, maintaining and replenishing reserves from any source described in section 48-717 or from any other source in order to secure payment of debt service on bonds.
- (e) Notwithstanding section 48-589, funding and paying from bond proceeds interest accruing on bonds for a period of not to exceed three years from their date of issuance.
- (f) Providing for the timely payment of debt service on bonds or other indebtedness of the district.
- (g) Refinancing any matured or unmatured bonds with new bonds.
- (h) Incurring expenses of the district incident to and reasonably necessary to carry out the purposes specified in this paragraph.
- (i) Any other lawful purpose.

RECEIPT

Received and filed in the office of the Clerk of the City, for the Villages at Vigneto
Community Facilities District No. 2.

DATED: _____

City Clerk

ATTACHMENTS:

- EXHIBIT A Legal description of property to be included in the District
- EXHIBIT B Map showing general areas of the public infrastructure to be constructed or installed by the District

EXHIBIT A

LEGAL DESCRIPTION OF
PROPERTY TO BE INCLUDED IN
THE DISTRICT

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 2 (CFD-2)

Those portions of Section 31, Township 17 South, Range 20 East, Gila and Salt River Meridian; Section 6, Township 18 South, Range 20 East, Gila and salt River Meridian; Section 36, Township 17 South, Range 19 East, Gila and Salt River Meridian and Section 1, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Southwest corner of said Section 1;

Thence North 00 degrees 11 minutes 46 seconds East, 2647.37 feet along the West line of said Section 1 to the West Quarter corner thereof;

Thence North 00 degrees 16 minutes 18 seconds East, 2619.28 feet along the West line of said Section 1 to the Northwest corner thereof, also being the Southwest corner of said Section 36;

Thence North 00 degrees 04 minutes 41 seconds East, 2462.96 feet along the West line of said Section 36;

Thence departing said West line North 61 degrees 44 minutes 23 seconds East, 2131.29 feet;

Thence South 89 degrees 52 minutes 03 seconds East, 771.87 feet;

Thence North 51 degrees 12 minutes 56 seconds East, 2891.21 feet to the North line of said Section 36;

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Continue along the said West right-of-way of State Route 90 the following courses;

Thence South 00 degrees 05 minutes 35 seconds West, 4.24 feet;

Thence South 00 degrees 11 minutes 49 seconds West, 5144.21 feet to the intersection with the line common to said Sections 31 and 6;

Thence South 00 degrees 02 minutes 49 seconds West, 5278.00 feet to the intersection with the South line of said Section 6;

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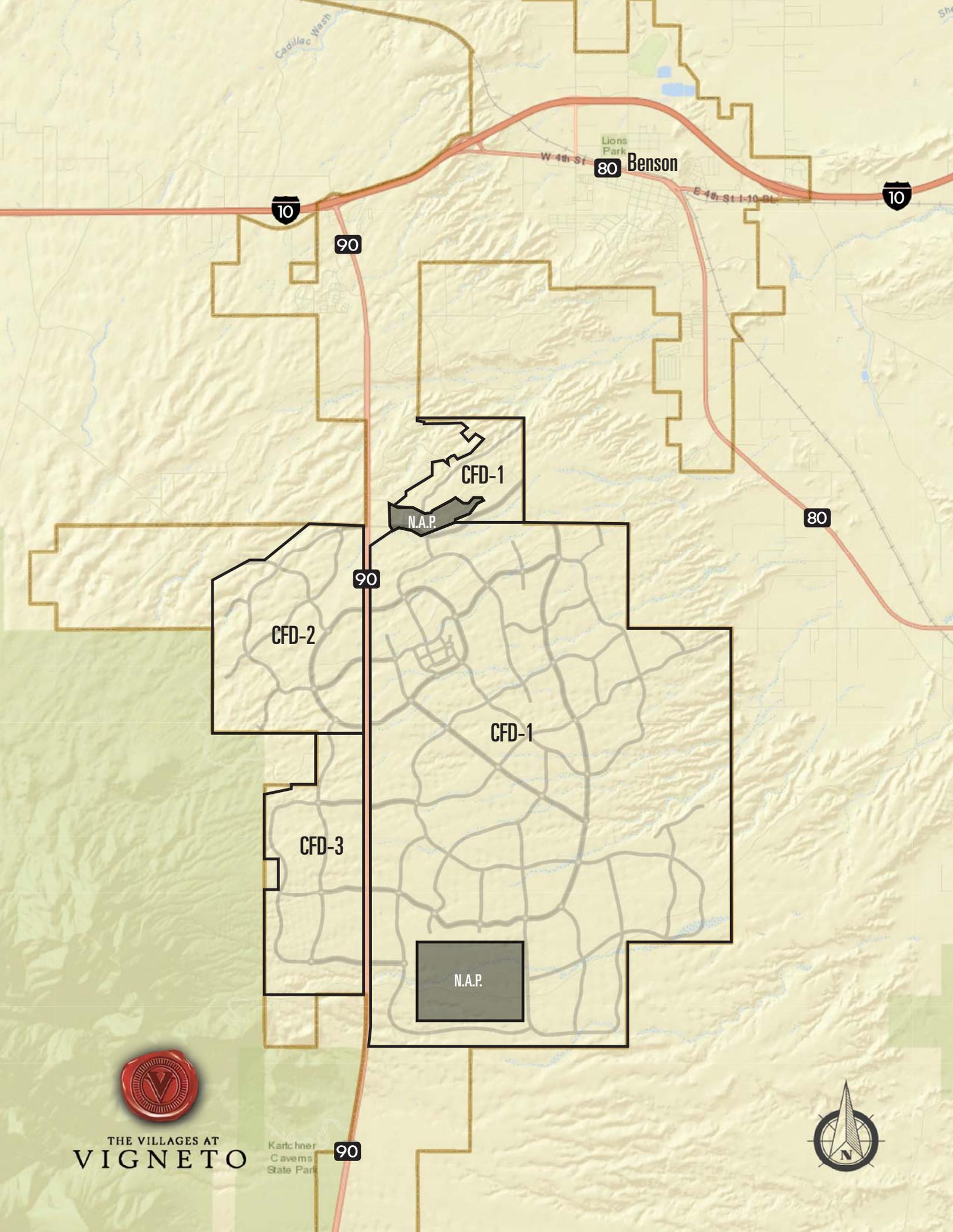
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CFD-2 containing 72,947,717 square feet (1,674.649 acres), more or less.

EXHIBIT B

MAP SHOWING GENERAL AREAS
OF THE PUBLIC INFRASTRUCTURE



Cadillac Wash

Lions Park
Benson

10

90

80

10

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO



**PETITION FOR FORMATION
AND
PETITION FOR ADOPTION OF RESOLUTIONS
ORDERING AND DECLARING
FORMATION OF
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. 3**

STATE OF ARIZONA)
COUNTY OF COCHISE)
CITY OF BENSON)

The undersigned, as owners of all of the land and all persons having an interest in the land (hereinafter collectively referred to as the "Petitioner"), hereinafter described by metes and bounds, acting pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), respectfully petitions the Honorable City Council of the City of Benson, Arizona (hereinafter referred to as the "City"), to adopt such resolutions (hereinafter referred to as the "Resolutions") as may be necessary to declare its intent to form and order the formation of a tax levying community facilities district (hereinafter referred to as the "District") and would respectfully request the proceedings to provide for the following:

A. The name of the District is to be "*THE VILLAGES AT VIGNETO COMMUNITY FACILITIES DISTRICT NO. 3*",

B. The District is to be formed, and shall exist, pursuant to the terms and provisions of the Act,

C. The District is to contain an area of approximately 1,337 acres of land, more or less, wholly within the corporate boundaries of the City and is to be composed of the land described by metes and bounds in **Exhibit A** hereto, which is made a part hereof for all purposes,

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

E. Public convenience and necessity require the adoption of the Resolutions.

NOW THEREFORE, the Petitioner represents, attests and declares that:

1. On the date hereof, as shown on the assessment roll for State and county taxes in Cochise County, Arizona, all of the land to be in the District, as described in **Exhibit A** hereto and depicted on the map attached hereto as **Exhibit B** which is made a part hereof, is owned by Petitioner or, if a person listed on such assessment roll is no longer the owner of the land in the District, that the name of the successor owner has become known and has been verified by recorded deed or other similar evidence of transfer of ownership to be Petitioner and that there are no resident electors on the land to be in the District; and
2. Attached hereto as **Exhibit C** and made a part hereof, is a certificate of the Tax Assessor of Cochise County stating who are the owners of the land in the proposed District and listing the tax parcel numbers for the parcels of real property affected by or included within the boundaries of the District; and
3. Attached hereto as **Exhibit D** and made a part hereof, is a certificate of the Cochise County Recorder stating who are qualified electors residing on the land in the proposed District; and
4. Based on its own knowledge and the information contained in **Exhibits C and D** hereto, the Petitioner is the sole owner of the real property described in **Exhibit A**; no other person having any interest in such real property has filed a written request for copies of any notices under the Act; and there are no qualified electors residing on such real property; and
5. The land to be included in the District: (i) consists of approximately 1,337 acres; (ii) lies wholly within the corporate limits of the City; and (iii) shall be benefited from the improvements for which the District is proposed to be formed; and
6. This Petition is signed (either as a single document or in counterparts) by the owners of, and all others claiming an interest in, all the land to be in the District, any requirements of posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the formation of the District and the adoption of the Resolutions are waived, and the City may, and is hereby requested to, on receipt of this Petition, declare the District formed without being required to comply with such provisions for posting, publication, mailing, notice, hearing or landowner election; and
7. A "general plan" (as such term is defined in the Act) for the proposed District has been filed with the City Clerk setting out a general description of the proposed public infrastructure improvements for which the District is proposed to be formed and the general areas to be improved.
8. The District will be governed by a district board appointed by the City Council with input from the Petitioner.
9. The following persons have consented to their appointment as initial directors of the District for the corresponding terms:

BOARD MEMBER	TERM
1. Celia Jenkins	Six (6) years
2. John Davis	Six (6) years
3. Cindy Batten	Four (4) years
4. Richard Polheber	Four (4) years
5. Mark Fenn	Four (4) years

On the expiration of the term of an appointed director, the governing body, with input from the Petitioner, shall appoint a person to fill the position. If a vacancy occurs on the district board because of death, resignation or inability of the director to discharge the duties of director, the vacancy shall be filled by appointment made by the governing body. A director appointed by the governing body shall hold office for the remainder of the unexpired term until his successor is appointed. An appointed director shall not be a landowner owning more than forty acres in the district, an elected official of the municipality or county or an employee or agent of the landowner or municipality or county but may be a director of more than one district.

FURTHER, Petitioner requests that this Petition be properly filed as provided by law; that the City adopt the Resolutions required to declare and order the District formed without being required to comply with the provisions for posting, publication, mailing, notice, hearing and landowner election otherwise required by the Act in connection with the Resolutions; and that such other orders, acts, procedures and relief as are proper, necessary and appropriate to the purposes of organizing the District and to the execution of the purposes for which the District

Submitted and effective this 10 day of August, 2017

El Dorado Benson LLC,
an Arizona limited liability company

By: El Dorado Holdings, Inc.,
an Arizona corporation

Its: Administrative Agent

Michael T. Reinbold
Authorized Agent

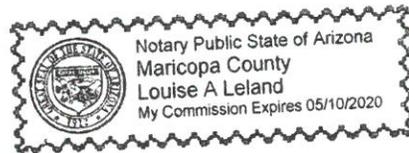
STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by Michael T. Reinbold as Authorized Agent of El Dorado Holdings, Inc. an Arizona corporation, Administrative Agent of El Dorado Benson, LLC, an Arizona limited liability company on behalf of the company.

My commission expires:

5/10/20

Louise A Leland
Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 3 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 17 pages.

Submitted and effective this 10 day of August, 2017

By: **Michael T. Reinbold**, a married man
dealing with his sole and separate property

Michael T. Reinbold

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by Michael T. Reinbold.

My commission expires:

5/10/20

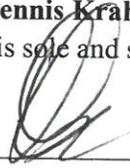
Louise A Leland
Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 3 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 17 pages.

Submitted and effective this 10 day of August, 2017

By: **Dennis Krahn**, a married man dealing with his sole and separate property



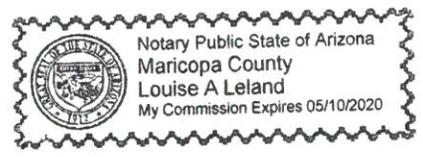
STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by Dennis Krahn.

My commission expires:
5/10/20



Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 3 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 17 pages.

Submitted and effective this 10 day of August, 2017

By: **June Prinz**, an unmarried woman

June Prinz

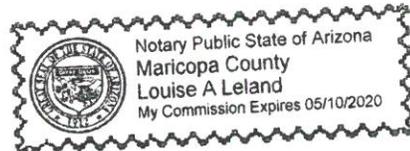
STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 10 day of August 2017, by June Prinz.

My commission expires:

5/10/20

Louise A Leland
Notary Public



Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Petition for the Adoption of a Resolution Declaring the Intention to Form the The Villages at Vigneto Community Facilities District No. 3 executed by the City of Benson, El Dorado Benson LLC, an Arizona limited liability company, as well as Michael T. Reinbold, a married man dealing with his sole and separate property, Dennis Krahn, a married man dealing with his sole and separate property, Eric Hollensbe, an unmarried man, as tenant in common, and June A. Prinz, an unmarried woman, as tenant in common (the "Notarized Document"). The Notarized Document, dated 8/10, 2017, contains a total of 17 pages.

EXHIBIT A

Legal description of property to be included in the District

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 3 (CFD-3)

Those portions of Sections 7, 18, and 19, Township 18 South, Range 20 East, Gila and Salt River Meridian and Sections 12, 13 and 24, Township 18 South, Range 19 East, Gila and Salt River Meridian, all in Cochise County, Arizona described as follows:

BEGINNING at the Northwest corner of said Section 7;

Thence South 00 degrees 04 minutes 33 seconds West, 2643.09 feet along the West line of said Section 7 to the Quarter corner common to said Sections 7 and 12;

Thence South 89 degrees 51 minutes 22 seconds West, 1320.01 feet along the East-West Mid-section line of said Section 12;

Thence South 00 degrees 05 minutes 31 seconds West, 233.00 feet;

Thence South 79 degrees 51 minutes 15 seconds West, 1341.69 feet to the intersection with the North-South Mid-section line of said Section 12;

Thence South 00 degrees 06 minutes 47 seconds West, 2176.57 feet along the said North-South Mid-section line of Section 12 to the Quarter corner common to said Section 12 and 13;

Thence South 00 degrees 11 minutes 06 seconds West, 1102.99 feet along the North-South Mid-section line of said Section 13;

Thence North 89 degrees 48 minutes 01 seconds East, 693.77 feet;

Thence South 00 degrees 15 minutes 22 seconds West, 631.48 feet;

Thence South 00 degrees 11 minutes 06 seconds West, 911.84 feet to the East-West Mid-section line of said Section 13;

Thence South 89 degrees 55 minutes 06 seconds West, 692.97 feet along the said East-West Mid-section line of Section 13 to the Center Quarter thereof;

Thence South 00 degrees 12 minutes 23 seconds West, 2645.80 feet along the North-South Mid-section line of said Section 13 to the Quarter corner common to said Sections 13 and 24;

Thence South 00 degrees 00 minutes 47 seconds West, 2648.04 feet along the North-South Mid-section line of said Section 24 to the Center Quarter corner thereof;

Thence North 89 degrees 56 minutes 35 seconds East, 2638.53 feet along the East-West Mid-section line of said Section 24 to the Quarter corner common to said Sections 19 and 24;

Thence South 89 degrees 54 minutes 56 seconds East, 2409.56 feet along the East-West Mid-section line of said Section 19 to a point on the West right-of-way of State Route 90;

Continue along the said West right-of-way of State Route 90 the following courses;

Thence North 00 degrees 12 minutes 05 seconds East, 2654.03 feet to the intersection with the line common to said Sections 18 and 19;

Thence North 00 degrees 02 minutes 48 seconds East, 2641.27 feet to the intersection with the Mid-section line of said Section 18;

Thence North 00 degrees 02 minutes 48 seconds East, 2645.86 feet to the intersection with the line common to said Sections 18 and 7;

Thence North 00 degrees 02 minutes 13 seconds East, 2645.71 feet to the intersection with the Mid-section line of said Section 7;

Thence North 00 degrees 02 minutes 13 seconds East, 2652.61 feet to the intersection with the North line of said Section 7;

Thence departing said right-of-way South 89 degrees 49 minutes 12 seconds West, 2397.60 feet along said North line to the POINT OF BEGINNING.

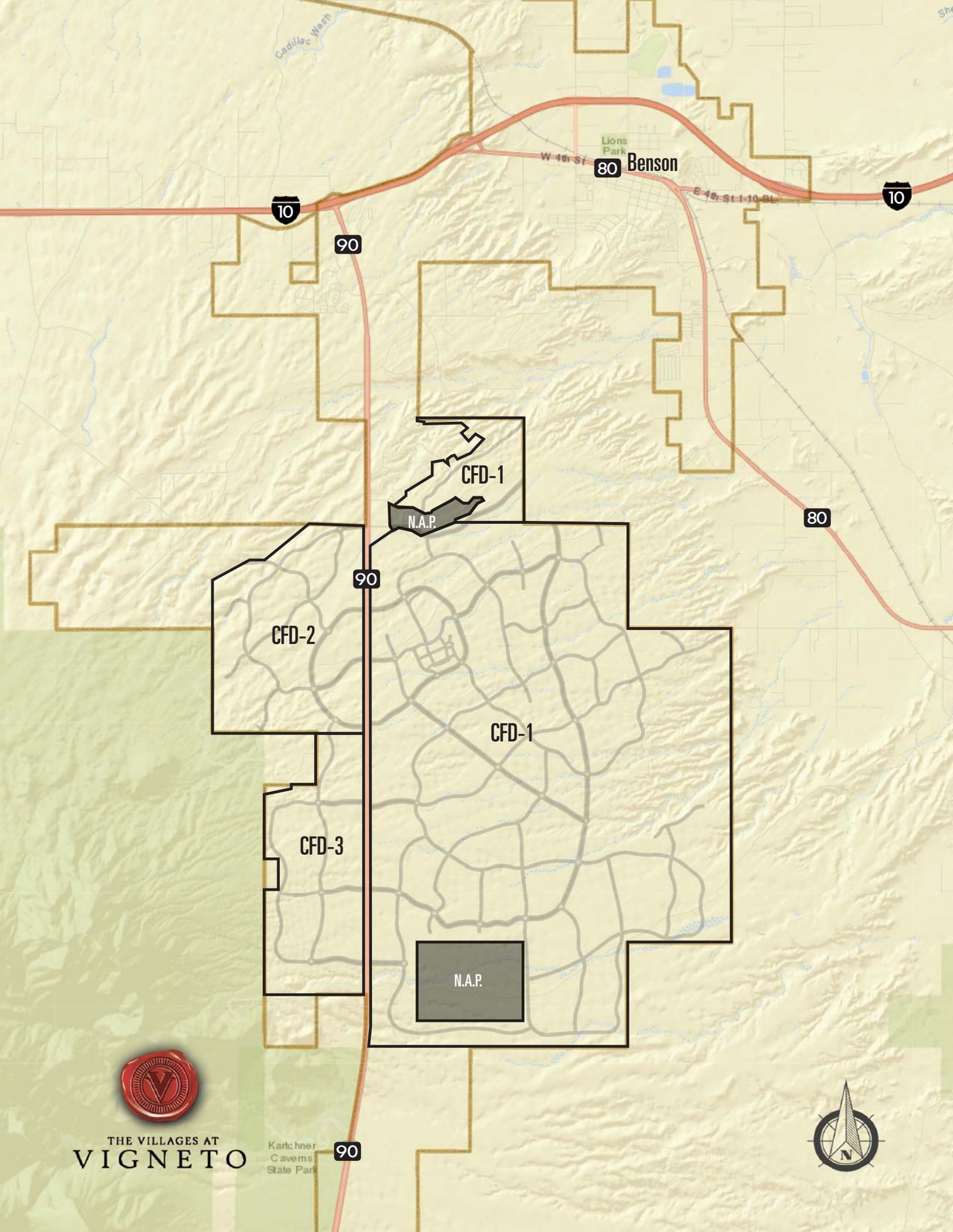
Total Area for CFD-3 is 58,254,220 square feet (1,337.333 acres) more or less.



EXPIRES 3/31/2018

EXHIBIT B

Map of property to be included in the District



Cadillac Wash

Lions Park
Benson

W 4th St

E 4th St I-10 BL

10

90

10

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO



EXHIBIT C

County Assessor's certificate of owners of property in the District

ACCOUNTNO	PARCELNO	NAME1	NAME2	ADDRESS1	ADDRESS2	CITY	STATECODE	ZIPCODE	2017 LPV	2017 LPV ASSESSED
R010038528	12440025A	REINBOLD MICHAEL T	KRAHN DENNIS & ETAL		426 N 44TH ST STE 100	PHOENIX	AZ	850086595	\$998.29	\$150.00
R000067882	12431002F	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$3,456.00	\$518.00
R000067883	12431002G	EL DORADO BENSON LLC		ATTN: JUNE PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$108,441.92	\$16,266.00
R010043968	12436001C	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$810.00	\$122.00
R000067895	12440001E	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$578.00	\$87.00
R000067896	12440001G	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$575.00	\$86.00
R000067897	12440001J	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$574.00	\$86.00
R000067898	12440001L	EL DORADO BENSON LLC		ATTN: JUNE PRINZ	8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$151,885.37	\$22,783.00
R010038527	12440025	EL DORADO BENSON LLC			8501 N SCOTTSDALE RD STE 120	SCOTTSDALE	AZ	852532750	\$2,269.37	\$340.00
TOTALS									\$269,587.95	\$40,438.00

EXHIBIT D

County Recorder's certificate of qualified electors in the District

DAVID W STEVENS
RECORDER



HEATHER LOPEZ
CHIEF DEPUTY

Cochise County Recorder
1415 Melody Ln, Bldg. B
Bisbee, AZ 85603

Certification

I, David W. Stevens, Recorder, in and for the County of Cochise, Arizona do hereby attest and certify that there are no registered voters within the boundaries of the properties describes in the following legal descriptions: CFD-1, CFD-2 and CFD-3.

Witness my hand and seal this 2nd day of August, 2017.

A handwritten signature in blue ink, appearing to read "David W. Stevens", is written over a horizontal line.

David W. Stevens

Cochise County Recorder

When recorded return to:

Kenneth Guckenberger
Kutak Rock
8601 North Scottsdale Road
Suite 300
Scottsdale, AZ 85253

**GENERAL PLAN
FOR THE PROPOSED
THE VILLAGES AT VIGNETO
COMMUNITY FACILITIES DISTRICT NO. 3**

To: Clerk, City of Benson, Arizona

For the purposes of Section 48-702(B), Arizona Revised Statutes, as amended, the following is the general plan for the proposed captioned district:

Article I.

**GENERAL AREA TO BE IMPROVED WITHIN THE PROPOSED
CAPTIONED DISTRICT**

All that area described in Exhibit A attached hereto and made a part hereof for all purposes shall comprise the area to be benefited. The public infrastructure improvements shall be constructed in public rights-of-way or easements located both within and outside The Villages at Vigneto Community Facilities District No. 3 (the "District") and the areas described in Exhibit A hereto, all for the benefit of the area described in Exhibit A hereto.

Article II.

**GENERAL DESCRIPTION OF THE PUBLIC INFRASTRUCTURE
IMPROVEMENTS FOR WHICH THE PROPOSED CAPTIONED
DISTRICT IS PROPOSED TO BE FORMED:**

1. INITIAL PUBLIC INFRASTRUCTURE

The proposed District is being formed to finance, construct and/or acquire the public infrastructure enumerated below and all other "public infrastructure purposes" (as such term is defined in Section 48-701 of the Arizona Revised Statutes) to be located within and/or directly or indirectly & benefiting the property contained within the district boundaries. The following public infrastructure improvements as such improvements are authorized by the governing body of the District in accordance with applicable law and are consistent with the powers of a community facilities district. The general location of the district and public infrastructure is attached as Exhibit B.

Public Infrastructure means:

- (a) Sanitary sewage systems, including collection, transport, storage, treatment, dispersal, effluent use and discharge;
- (b) Drainage and flood control systems, including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge;
- (c) Water systems for domestic, industrial, irrigation, municipal or fire protection purposes including production, collection, storage, treatment, transport, delivery, connection and dispersal, but not including facilities for agricultural irrigation purposes unless for repair or replacement of existing facilities when required by other improvements permitted by this article;
- (d) Highways, streets, roadways, bridges and parking facilities including all areas for vehicular use for travel, ingress, egress and parking;
- (e) Areas for pedestrian, equestrian, bicycle or other non-motor vehicle use for travel, ingress, egress and parking;
- (f) Pedestrian malls, parks, recreational facilities other than stadiums and open space areas for the use of the public entertainment, assembly and recreation;
- (g) Landscaping including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems;
- (h) Public buildings, public safety facilities and fire protection facilities;
- (i) Lighting systems;
- (j) Traffic control systems and devices including signals, controls, markings and signage;
- (k) Equipment, vehicles, furnishings and other personalty related to the items listed in clauses (a) through and including (j) above;
- (l) Operation and maintenance of the items listed in clauses (a) through and including (k) above.

Public infrastructure purpose means:

- (a) Planning, design, engineering, construction, acquisition or installation of public infrastructure.
- (b) Acquiring, converting, renovating or improving existing facilities for public infrastructure.

- (c) Acquiring interests in real property for public infrastructure.
- (d) Establishing, maintaining and replenishing reserves from any source described in section 48-717 or from any other source in order to secure payment of debt service on bonds.
- (e) Notwithstanding section 48-589, funding and paying from bond proceeds interest accruing on bonds for a period of not to exceed three years from their date of issuance.
- (f) Providing for the timely payment of debt service on bonds or other indebtedness of the district.
- (g) Refinancing any matured or unmatured bonds with new bonds.
- (h) Incurring expenses of the district incident to and reasonably necessary to carry out the purposes specified in this paragraph.
- (i) Any other lawful purpose.

RECEIPT

Received and filed in the office of the Clerk of the City, for the Villages at Vigneto Community Facilities District No. 3.

DATED: _____

City Clerk

ATTACHMENTS:

- EXHIBIT A Legal description of property to be included in the District
- EXHIBIT B Map showing general areas of the public infrastructure to be constructed or installed by the District

EXHIBIT A

LEGAL DESCRIPTION OF
PROPERTY TO BE INCLUDED IN
THE DISTRICT

DESCRIPTION OF COMMUNITY FACILITIES DISTRICT 3 (CFD-3)

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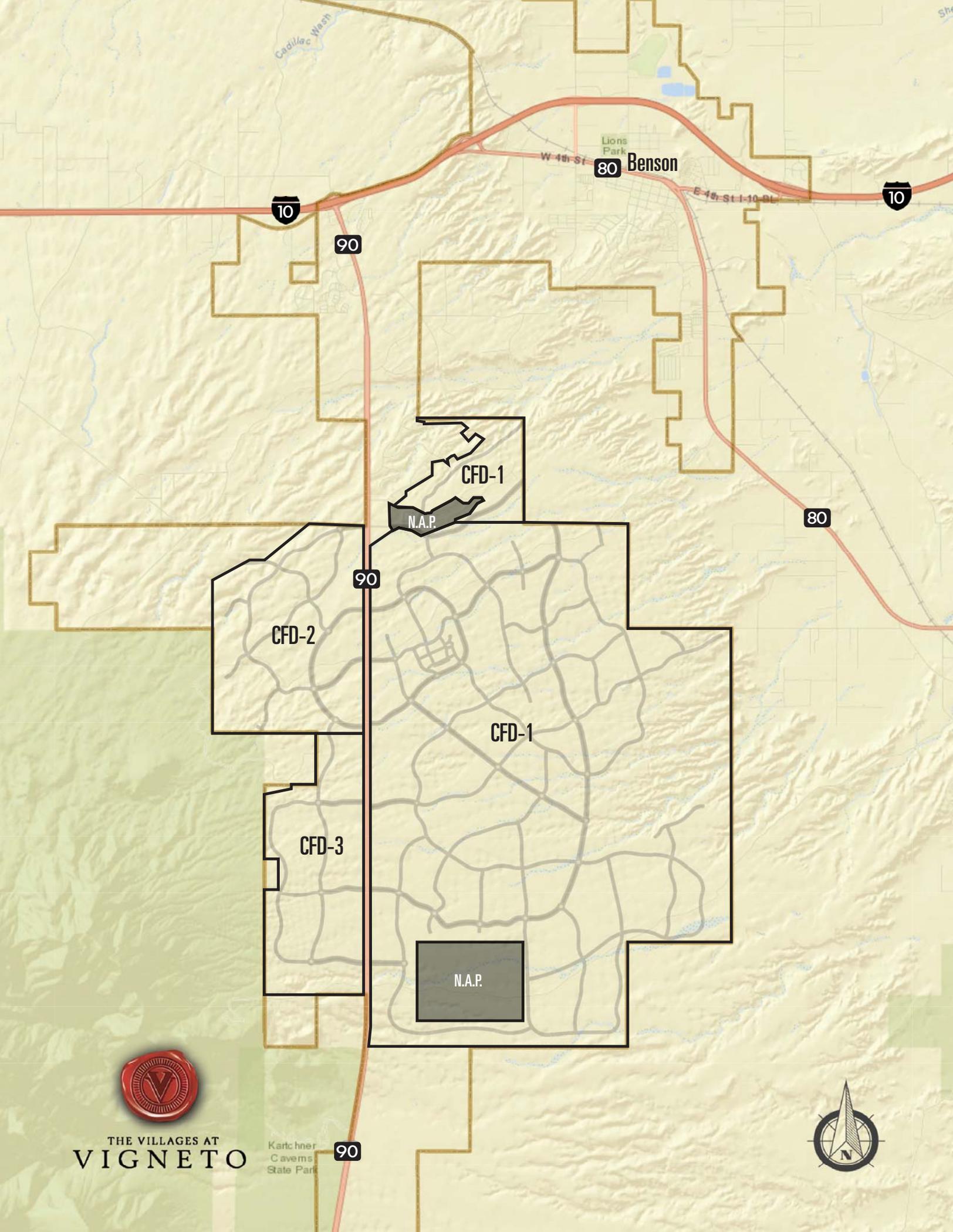
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EXPIRES 3/31/2018

EXHIBIT B

MAP SHOWING GENERAL AREAS
OF THE PUBLIC INFRASTRUCTURE



Cadillac Wash

Lions Park
Benson

10

80

10

90

80

90

CFD-1

N.A.P.

CFD-2

CFD-1

CFD-3

N.A.P.

90

Kartchner
Caverns
State Park



THE VILLAGES AT
VIGNETO

