

FIDELITY NATIONAL TITLE AGENCY INC

When recorded, return to:

Neil D. Biskind, Esq.
Biskind Hunt, PLC
11201 North Tatum Boulevard
Suite 330
Phoenix, Arizona 85028

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
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ELECTRONIC RECORDING

2 of 3

B176

**SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR VERRADO® VICTORY DISTRICT™ PHASE 1
(Charter)**

This Supplemental Declaration of Covenants, Conditions and Restrictions for Verrado Victory District ("**Supplemental Declaration**") is made effective as of the 15th day of October 2013, by DMB WHITE TANK, LLC, an Arizona limited liability company ("**Founder**") and FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation, acting not in its corporate capacity but solely as Trustee under its Trust No. B176 ("**Trustee**").

A. Founder is the developer of the master-planned community located in the Town of Buckeye (the "**Town**"), Maricopa County, Arizona, commonly known as Verrado® ("**Verrado**"); and

B. Founder executed the Covenant for Community for Verrado and caused said document to be recorded in the official records of Maricopa County, Arizona, as Document No. 2003-0531387 (the "**Covenant**"); and

C. Founder also executed the Community Charter for Verrado and caused said document to be recorded in the official records of Maricopa County, Arizona, as Document No. 2002-1008906, as amended by the First Amendment thereto recorded in the official records of Maricopa County, Arizona, as Document No. 2004-0015591, and re-recorded in the official records of Maricopa County, Arizona, as Document No. 2004-1239013 (as amended, the "**Charter**"). Each capitalized term used but not defined herein shall have the meaning for such term set forth in the Charter; and

D. The Charter contemplates that Supplements for parcels located within the portion of Verrado referenced in the Charter as the Village will be executed and recorded periodically as the development of the Village proceeds; and

E. Trustee is the owner of that portion of the Village described on Exhibit "A" attached hereto (the "**Parcel**"); and

F. Founder, with the consent of the Trustee, wishes to cause the Parcel, which Parcel has just prior hereto been subjected to the Covenant, to become subject to the Charter as well,

and to be developed in accordance with certain supplemental covenants, conditions and restrictions as set forth herein.

NOW, THEREFORE, Founder, with the consent of the Trustee, hereby declares that the Parcel shall be held, sold and conveyed subject to the following restrictions, covenants, conditions, easements, terms and provisions, which shall apply to the Parcel and all Units within the Parcel in addition to the provisions of the Covenant and the Charter. This Supplemental Declaration shall be a Supplement for purposes of the Charter.

1. **Annexation.** Pursuant to Section 17.1 of the Charter, Founder hereby declares that the Parcel is annexed and submitted and hereafter shall be subject to the terms and provisions of the Charter. Trustee hereby consents and agrees to the foregoing annexation.

2. **Membership.** Each Owner of a Unit shall be a member of the Verrado Community Association, Inc. (the “**Association**”) as provided in Section 4.1 of the Charter.

3. **Construction Requirements.** The construction of Improvements (as defined in Section 5.1 of the Charter) within any Unit shall be subject to various approval requirements of the Reviewer, as set forth in the Charter and in the Design Guidelines adopted by the Founder.

4. **Installation of Landscaping.** Unless a written variance is obtained from the Reviewer, prior to the conveyance of fee title to the Unit to a buyer of a dwelling unit constructed thereon, each Builder that owns a Unit shall be required at its sole cost and expense to complete the landscaping (including all related irrigation systems) of the front yard, side yard and all other landscape areas visible from any streets adjoining its Unit. All landscaping shall be installed in a manner consistent with the Community-Wide Standard and the Design Guidelines. Founder and Trustee hereby declare that all Units shall be subject to an easement as provided in Section 13.5 of the Charter in favor of the Association to enter upon the Unit, if it chooses to do so in accordance with the terms of the Charter, to cause to be installed at the expense of the Owner of the Unit, such landscaping improvements as the Association, in its sole and absolute discretion, may determine are not being properly installed by the Builder of the Unit. Each Owner understands and acknowledges that it is subject to a potential fine in such amount as may be established by the Board, to be imposed by, and payable to, the Association for any violation of the provisions of this Paragraph 4. Any such fine shall be considered a Specific Assessment levied pursuant to Section 12.4 of the Covenant.

5. **Maintenance Requirements.**

(a) **Units.** Each Owner shall be responsible at its sole cost and expense for maintenance of all Improvements, including, without limitation, landscaping and natural open space areas within its Unit in accordance with the Community-Wide Standard applicable to the Village and all other requirements of the Governing Documents. Such maintenance responsibility specifically includes, but is not limited to, all landscaping and other Improvements (including all related irrigation systems) located in the area on such Unit that is between any perimeter wall or view fence installed on such Unit and the common boundary of any other Unit, Tract, golf course or land not owned by that Owner. Founder hereby gives notice that all landscaping and other Improvements located on a Unit in the area between the perimeter wall or

fence of any Unit and the common boundary of any other Unit or tract shall not be deemed an Area of Common Responsibility.

(b) **Areas of Common Responsibility.** The Association shall maintain all Areas of Common Responsibility of the Parcel in accordance with the Community-Wide Standard applicable to the Village and all other requirements of the Governing Documents.

(c) **Party Walls Adjacent to Common Area.** The Association shall be responsible for the maintenance of any party fences or party walls between any Common Areas or Areas of Common Responsibility and any Unit, subject to the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions, except that each Owner of a Unit shall be responsible for painting the portion of any such party fence or party wall facing his Unit or the portion thereof which is not a portion of the Common Area or Area of Common Responsibility, and each Owner shall be responsible for any repairs, replacements and maintenance resulting from the improper or defective construction of any party fence installed by the Owner or a Builder.

(d) **Maintenance Easement.** Founder and Trustee hereby declare that all Units shall be subject to an easement as provided in Section 13.5 of the Charter in favor of the Association to enter upon the Unit to cause to be performed, if it chooses to do so in accordance with the terms of the Charter, at the expense of the Owner of the Unit, any maintenance of such area as the Association, in its sole and absolute discretion, may determine is not being properly performed by the Owner of the Unit.

6. **Trash Receptacles.** No garbage or trash shall be placed or kept on any Unit, except in covered containers of a type, size and style that are approved in writing by Founder or the Design Review Committee, as applicable.

7. **Neighborhood Designation.** Founder and Trustee hereby declare that the Units within the Parcel are designated as being within, and are hereby assigned to, the Victory Neighborhood for purposes of representative voting. Founder hereby reserves the right to re-designate or change Neighborhood boundaries, all as further set forth and described in the Charter, and nothing in this Supplemental Declaration shall be deemed to limit the rights and powers of the Founder with respect thereto.

8. **Reservation Regarding Election District Designation.** Founder hereby reserves the right to designate Election Districts for purposes of electing directors to the Board, and to assign the Units within the Parcel to a particular Election District, all as further set forth and described in the Charter, and nothing in this Supplemental Declaration shall be deemed to limit the rights and powers of the Founder with respect thereto.

9. **Neighborhood Association.** It is anticipated that the Parcel is Phase 1 of an age qualified portion of Verrado to be known as the Victory™ District. A separate Declaration of Covenants, Conditions and Restrictions for the Victory District will be Recorded against the Parcel (“**Victory CC&R's**”) and other areas of the Victory District and a Neighborhood Association comprised of all Owners of Units within the Parcel shall be established in accordance with the applicable terms of the Charter. Unless otherwise reflected on the final plat

pertaining to the Parcel (the “**Plat**”) all Tracts (other than any Tracts identified as Tracts to be developed or used for golf course purposes) depicted on the Plat shall be conveyed to Association and shall be maintained by the Association as Area of Association Responsibility and shall not be the responsibility of the Neighborhood Association.

10. **Commencement of Assessments**. The Units within the Parcel are subject to all assessments duly imposed pursuant to the Covenant and the Charter. The obligation to pay assessments under the Covenant and the Charter shall commence for Units in the Parcel as and when assessments commence under the Victory CC&R's as reflected in a Supplemental Declaration to the Victory CC&R's Recorded in the official records of Maricopa County, Arizona. Assessments shall be paid in such manner and at such times as provided in the Covenant and Charter. As provided in the Covenant, the Association is responsible for collecting and paying to the Assembly all assessments, fees, or other charges levied by the Assembly against members of the Association, which sums shall be included as an item of Common Expense of the Association.

11. **Notice Regarding Assessments**. Founder hereby gives notice that, in addition to all other assessments under the Covenant and Charter, all Units within the Parcel are subject to a Community Enhancement Fee (as such terms are defined in Section 2.3(f) of the Covenant) to be levied by the Assembly and collected by the Association as provided in the Covenant.

12. **Notice Regarding View Impairment**. Founder hereby gives notice that Sections 14.3 and 15.4 of the Charter expressly provide that no guarantee or representation is made that any view over and across the Units, any open space within Verrado, or any golf course or other Private Amenity (as defined in the Charter), or over and across the Private Amenity from Units adjacent to the Private Amenity, will be preserved without impairment, and that any express or implied easements for view purposes or for the passage of light and air are expressly disclaimed as provided in the Charter. Founder has no obligation and is under no legal duty to take any measures or intervene in any manner whatsoever on behalf of any Owner, resident or other Person with respect to the preservation, diminishment, obstruction or impairment of any view.

13. **Enforcement**. The Association may recover from any Owner who fails to landscape, repair or maintain its Unit or any portion thereof as required by Paragraphs 4 and 5 above, any and all costs incurred by the Association in performing such landscaping, repair or maintenance on behalf of such Owner pursuant to Paragraphs 4 and 5 above. In addition, without limiting any other rights or remedies available to the Association, the Association may impose a Specific Assessment under the Charter against the applicable Owner's Unit in the amount of such costs, which assessment shall be immediately due and payable upon delivery of notice of such assessment to the applicable Owner.

14. **Lighting of Common Area**. Founder reserves to itself and its successors and assigns the right (but Founder shall have no obligation) to install, remove, maintain, replace and repair lighting fixtures, related electrical lines and other related facilities, within any Tracts depicted on the Plat that are Areas of Common Responsibility for the purpose of facilitating pedestrian and vehicular use of such area. The design and location of all such fixtures, lines and related facilities (without regard to whether such fixtures, lines and related facilities were installed by Founder or by any other person or entity) shall be as determined by the Founder

consistent with the Community-Wide Standard, and the Founder shall determine from time to time the days and hours of the day on which such lighting fixtures shall be operated.

15. **Notice Regarding Drainage.** No Owner, resident or other Person shall be permitted to cause or allow drainage or excess storm water runoff to flow from a Unit or any other portion of the Parcel onto or over any golf course or wash areas located within or adjacent to any portion of the Village, nor to install, construct, maintain, operate or use any facilities or equipment for such purposes, except as contemplated by and in accordance with the Town approved drainage plans and specifications, and no Owner, resident or other Person shall be permitted to alter the finished grade established on any Unit by the Builder who constructed the home thereon without the prior express written permission of the Reviewer, which Reviewer may grant or withhold in its sole and absolute discretion. The foregoing prohibitions specifically include, but are not limited to, the flow and drainage of swimming pool backwash water.

16. **Mailbox Easement.** Founder hereby expressly reserves for itself, together with the right to transfer and assign the same, a perpetual easement (each a “**Mailbox Easement**”) over, upon, across and under that portion of each Unit that is encumbered with a public utility easement as reflected on the Plat for the Parcel, any map of dedication or other instrument recorded in the official records of Maricopa County, Arizona, to enter such portion of the Unit and to install, use, maintain, repair, replace and operate one or more community postal boxes to serve the Owners of Units within the Parcel as Founder or its assignee, may from time to time deem necessary or desirable and as may be approved by the Town from time to time; provided and only to the extent that such use is not inconsistent with, and does not unreasonably interfere with, the use of such areas for public utility purposes. Founder does not intend to install a community postal box on each Unit; however, at this time the exact location of each community postal box cannot be determined. The identity and portion of each Unit subject to the Mailbox Easements shall be determined by the as-built location of each community postal box. Once all community postal boxes in the Parcel have been installed, only those Units upon which a community postal box is located shall be deemed subject to the Mailbox Easement and the Mailbox Easement on all other Units shall automatically terminate. No Owner shall have the right to deny access to any other Owner or the United States Postal Service to any community postal box situated on a Unit. The rights and obligations granted herein shall be deemed to run with the land, and the subsequent sale of all or any portion of the Parcel shall not affect such rights and obligations.

17. **Photography of Homes.** By its acceptance of a deed or other instrument conveying title to any Unit, each Owner is hereby deemed to acknowledge and agree that such Owner consents to having the exterior of any residence constructed on such Unit photographed by professional photographers contracted by Founder, and agrees that such photographs may be used by Founder in advertising and marketing materials and also may be used to demonstrate design guideline principles applicable to structures constructed at the Village. All such photographs and all such uses shall be at no cost to the Owner of the Unit and such Owner shall allow such uses free of charge and without compensation to such Owner. All uses shall be implemented in a professional and tasteful, first-class manner. Each photography session, if any, shall be conducted at a mutually convenient time and date as agreed between the Owner of the Unit and Founder. The photography crew shall have the right to enter onto the Unit on the day of the photography session to conduct its work. Any damage caused by such crew shall be the

responsibility of Founder who shall promptly cause any such damage to be repaired, entirely at its cost, and with minimal inconvenience to the Owner of the Unit.

18. **No Encroachment on Easement Areas.** No building or other structural Improvements (other than roof or similar overhang encroachments, driveway Improvements or other paving, landscaping or above-ground utility Improvements approved by Founder) of any kind shall be erected, placed, installed or maintained on any portion of the Mailbox Easement or any other public utility easement areas, landscape easement areas or access easement areas established by any easement recorded by Founder prior to or concurrently herewith which in anyway might interfere with or impede the utilization of the particular easement for its intended purpose.

19. **Disclosures.** ALL OWNERS AND PROSPECTIVE PURCHASERS OF UNITS IN THE PARCEL ARE ENCOURAGED TO REVIEW THE LATEST MASTER DISCLOSURE STATEMENT FOR VERRADO® WHICH IS AVAILABLE FROM FOUNDER OR FROM THE ASSOCIATION, AND TO INDEPENDENTLY INVESTIGATE ALL MATTERS DESCRIBED IN LATEST MASTER DISCLOSURE STATEMENT AND ALL OTHER MATTERS THAT ARE OF INTEREST TO BUYER. THE FOLLOWING DISCLOSURES MAY BE OF INTEREST:

20.

(a) **Development.** Founder hereby gives notice that Verrado is intended to be developed as a master-planned residential and commercial community and that, consistent with the development of Verrado as a master-planned community, there will be numerous non-residential uses within Verrado, which may (but shall not necessarily) include lighted ball and recreational fields at school and park sites, multi-family housing, school sites, a district club (i.e., community recreation area), golf courses (including maintenance and clubhouse improvements) and commercial/retail businesses. However, the zoning and land use designations for Verrado are subject to change from time to time, and therefore, notwithstanding anything now, previously or hereafter referenced or described in the land use plan(s) or any other development plan(s) for Verrado, Founder and Trustee make no representations or warranties that: (i) any parcel in Verrado proposed for commercial, retail, residential, school, park, district club, golf course or any other particular use will be committed to or developed for such uses; or (ii) if any such parcels are once used for any commercial, retail, residential, school, park, district club, golf course or other particular uses, that any such use will continue in effect. Each Owner and prospective purchaser is advised to investigate and determine for its own account if the zoning and land use designations for Verrado and other real properties in the vicinity of Verrado are compatible with such Owner's occupancy, use and enjoyment of the Unit purchased by such Owner. Neither Founder nor Trustee makes any representations or warranties concerning the timing, location, configuration or existence of any non-residential use on or about Verrado.

(b) **Adjacent Street/Park Use.** Founder hereby gives notice that the Parcel is adjacent to streets that serve as principal collector streets for the Village, which may cause Units within the Parcel to be exposed to noise, increased traffic and other matters associated with public use of a principal collector street. Founder hereby gives notice that the Parcel is adjacent to, or in the vicinity of, neighborhood/district parks intended for use and enjoyment by members

of the public, which use may cause Units within the Parcel to be exposed to light, noise, dust, increased pedestrian and vehicular traffic and other matters associated with the use of and activities at such parks.

(c) **Golf Course.** No Owner shall acquire any interest or rights with respect to any golf course located within or adjacent to any portion of Verrado by virtue of taking title to property in the Village. Neither Founder nor Trustee makes any representations or warranties regarding the construction, ownership or operation of or use rights in any golf course within or adjacent to any portion of Verrado.

(d) **Adjacent Path/Trail Use.** Founder hereby gives notice that certain Units within the Parcel are adjacent to a common area that is intended for use and enjoyment as a path and/or trail leading to and from a neighborhood park or a linear trail and/or park, which uses may cause such Units to be exposed to light, noise, dust, increased pedestrian and vehicular traffic and other matters associated with the use of such path and/or trail.

(e) **Nearby Rural Uses.** Founder hereby gives notice that the Parcel lies adjacent to, or in the vicinity of, land currently zoned under the Maricopa County R-43 Zoning District for rural uses. The principal purpose of that County zoning designation is to conserve and protect farms and other open land uses spaces. The designation permits, among other uses, the owning and raising of farm poultry and farm animals, such as horses, cattle, sheep, goats and swine. Such uses may be visible from the Parcel and may result in increased noise, odors and dust attendant to such uses, all of which may be of concern to Owners, residents and other Persons. All Owners and prospective purchasers are advised that as a result of such uses, the Units may be subject to the attendant noise, odors, dust, sights, or other disturbance, interference and effects that may be caused from time to time by such uses and the existence of animals and livestock. Founder hereby gives notice that Founder does not have any control over the use which may be made of, nor the zoning classification of, such rural property. Each Owner and prospective purchaser is advised to investigate and determine for its own account if the existence of the permitted livestock use and rural zoning and uses permitted thereby are compatible with such Owner's occupancy, use and enjoyment of the Unit purchased by such Owner.

(f) **Nearby Air Force Base and Airport.** Founder hereby gives notice that the Parcel lies in the vicinity of the aircraft overflight area for aircraft utilizing Luke Air Force Base (which is an active fighter pilot training facility) and the increased noise and accident potential attendant thereto, which may be of concern to Owners, residents and other Persons. All Owners and prospective purchasers are advised that aircraft may have the right of flight over the Units, and that the Units may be subject to the attendant noise, vibrations, fumes, dust, fuel and lubricant particles and all other effects that may be caused by the operation of aircraft landing at, or taking off from, or operating at or on, Luke Air Force Base, which may occur at varying times of the day and night. Further information concerning the operation of Luke Air Force Base and the effect that the operation of Luke Air Force Base may have upon the Village and the Owners and residents thereof may be obtained by contacting Luke Air Force Base. In addition, Founder hereby gives notice that the Parcel lies in the vicinity of the Phoenix-Goodyear Airport, which is a general aviation facility, and the Luke Air Force Base Decommissioned Auxiliary Airfield, and the increased noise and accident potential attendant thereto, which may be of concern to Owners, residents and other Persons. Currently, the Luke Air Force Base Decommissioned Auxiliary

Airfield does not have military aircraft taking off from or landing at its runways; however, Founder does not have any control over the current and future plans for such airfield. All Owners and prospective purchasers are advised that both general aviation and recreation aircraft, including without limitation, hot air balloons, fixed-wing aircraft, ultralights, hang gliders and helicopter, may have the right of flight over the Units, which may result in increased noise, vibrations, or other disturbance or interference, which may be of concern to Owners, residents and other Persons. Founder hereby gives notice that neither Founder nor Trustee has any control over flight patterns, which are subject to change, and are not liable for injury or damage of any kind to persons or property that may arise at any time in the future in connection with the operation of aircraft landing at, or taking off from, or operating at or on, Luke Air Force Base, the Phoenix-Goodyear Airport or the Luke Air Force Base Decommissioned Auxiliary Airfield.

(g) **Community Facilities Districts.** Founder hereby gives notice that a community facilities district has been formed that will issue general obligation bonds, the proceeds of which will be applied to finance or acquire public infrastructure benefiting Verrado. The bonds will be paid from a general obligation property tax assessed, in addition to each resident's annual property tax bill, against all property within Verrado, including the Units within the Parcel.

(h) **Adjacent Communication and Broadcast Facility.** Founder hereby gives notice that certain radio communications equipment is located on land adjacent to Verrado (the "**Communications Site**") and that, pursuant to an Access Easement Agreement, the Founder granted to the owners of that equipment an access easement (the "**Access Easement**") through portions of Verrado (potentially including public roadways within the Village) to gain access to the Communications Site and to use certain portions of Verrado outside of the Village (the "**Staging Areas**") for: (i) temporary parking of motor vehicles (including tractors, graders, bulldozers, dump trucks and the like); (ii) temporary storage of construction equipment and materials, and the loading and unloading of construction equipment and materials from motor vehicles; (iii) assembly of antenna or components of antenna, mixing of construction materials relating to the Communications Site; and (iv) any other lawful uses reasonably required for the maintenance, replacement or repair of any radio equipment located within the Communications Site. The Access Easement does not affect the Parcel; in fact, the Staging Areas are located within Sections 3 and 10 of Township 2 North, Range 3 West of the Gila and Salt River Meridian, Maricopa County, Arizona, more than a mile from the Parcel. A copy of the Access Easement Agreement may be obtained from the Association upon written request. The Association may charge a reasonable fee to cover its reproduction cost.

(i) **Nearby Water Treatment Facility.** Founder hereby gives notice of a wastewater treatment plant, located near the southeast corner of the Development. The wastewater treatment plant is currently operational and will service all property located within the Development. The facility is owned, operated and maintained by EPCOR. Potential impacts include noise, vibration and unpleasant odors. The Founder, the Assembly and the Association have no control over the use, maintenance or operation of the wastewater treatment plant.

21. **Use Restriction.** The limitation set forth in Section 7.1(a) of the Charter (that the Units may be used only for residential and related purposes) to the extent applicable to the Parcel, may not be terminated except as set forth in Section 3(a) of the Grocery and Supermarket

Restrictive Covenant recorded as Document No. 2007-0250484, official records of Maricopa County, Arizona, as amended.

22. **Withdrawal.** A Founder Affiliate intends to design and develop portions of a golf course and golf clubhouse and related facilities on the Parcel. At the time this Supplement is Recorded, the golf course has not yet been designed and thus the exact boundaries of the portions of the Parcel that will be used for such golf course and related purposes has not been determined. Accordingly, at any time during the Founder Control Period, Founder may unilaterally amend this Supplement, without the need for consent of any other Owner or Person, to withdraw any portion of the Parcel that is to be utilized for golf course and related purposes from the effect of the Charter and this Supplement and instead cause the area withdrawn to be subjected to the Verrado Commercial Declaration. The withdrawal of any such portion of Parcel shall be effected by Founder Recording a Declaration of Withdrawal including the legal description of the property being withdrawn. If Founder does not own the property to be withdrawn, then the Declaration of Withdrawal must be signed by the owners of fee title to the property to be withdrawn. Upon such withdrawal, the property withdrawn shall no longer be subject to any of the covenants, conditions and restrictions set forth in the Charter or this Supplement.

23. **Interpretation.** This Supplemental Declaration shall run with the land within the Parcel, shall be binding on all parties having or acquiring any right, title or interest in the Parcel or any part thereof, and their respective heirs, successors and assigns, and shall be enforceable in accordance with and as a part of each of the Covenant and the Charter.

24. **Incorporation of Declarations.** The Covenant and the Charter each is expressly incorporated herein and made a part hereof by this reference. Unless otherwise defined herein, every capitalized term and expression used herein shall have the same meaning as set forth for such terms and expressions in the Covenant and the Charter, as applicable. In the event of any conflict between the terms of the Covenant or the Charter and the terms of this Supplemental Declaration, the terms of the Covenant or the Charter, as applicable, shall control.

25. **Effectiveness.** This Supplemental Declaration and the covenants, conditions and restrictions contained herein shall be effective commencing upon the date this Supplemental Declaration is recorded in the official records of Maricopa County, Arizona, and shall remain in full force and effect for so long as the Charter remains in effect.

26. **Amendment.** Except as otherwise provided herein, this Supplemental Declaration may be amended in the same manner as the Charter may be amended in accordance with the provisions of the Charter; provided, that notwithstanding the foregoing, Founder shall be entitled to unilaterally amend this Supplemental Declaration to make any corrections or modifications deemed necessary or appropriate by the Founder in its sole and absolute discretion due to the designation or depiction of any item or matter on the Plat.

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IN WITNESS WHEREOF, Founder and Trustee have executed the foregoing instrument as of the date first set forth above.

FOUNDER:

DMB WHITE TANK, LLC, an Arizona limited liability company

By: DMB Associates, Inc., an Arizona corporation, its Manager

By: *Daniel T. Kelly*

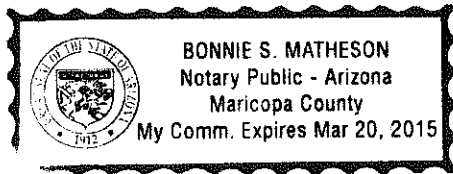
Its: *Sr. Vice President*

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 23rd day of October, 2013, by Daniel T. Kelly, the Senior Vice President of DMB Associates, Inc., an Arizona corporation, in its capacity as Manager of DMB WHITE TANK, LLC, an Arizona limited liability company, for and on behalf thereof.

Bonnie S. Matheson
Notary Public

(SEAL)



TRUSTEE:

FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation, acting not in its corporate capacity but solely as Trustee under its Trust No. B176

By: Brenda Tucson

Name: BRENDA TUCSON

Its: TRUST OFFICER

STATE OF ARIZONA)
) ss.
County Of Maricopa)

The foregoing instrument was acknowledged before me this 24 day of October, 2013, by BRENDA TUCSON, the TRUST OFFICER, of FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation, acting not in its corporate capacity but solely as Trustee of its Trust No. B176, on behalf of the corporation.

Joe A. Gutierrez, Jr.
Notary Public

APR 17 2017

(SEAL)



JOE A. GUTIERREZ, JR.
Notary Public - Arizona
Maricopa County
Expires 04/17/2017

ACKNOWLEDGEMENT:

VERRADO COMMUNITY ASSOCIATION,
INC., an Arizona nonprofit corporation

By: Melinda Golick

Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 23rd day of October, 2013, by Melinda Golick, the President, of VERRADO COMMUNITY ASSOCIATION, INC., an Arizona nonprofit corporation, for and on behalf thereof.

Bonnie S Matheson
Notary Public

(SEAL)

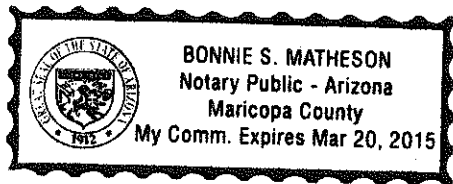


Exhibit "A"

Legal Description of the Parcel

VERRADO ARC PHASE 1:

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

THAT PORTION OF SECTIONS 18 AND 19, TOWNSHIP 2 NORTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1-1/2" ALUMINUM CAP STAMPED "CBA LS19324" AT THE NORTHWEST CORNER OF SAID SECTION 19, FROM WHICH A 2" MARICOPA COUNTY ALUMINUM CAP STAMPED "T2N R2W 1/4 S18 S19 2003 29891" AT THE NORTH QUARTER CORNER OF SAID SECTION 19 BEARS NORTH 89°48'15" EAST, A DISTANCE OF 2663.39 FEET;

THENCE NORTH 89°48'15" EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 2494.39 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 18°40'14" EAST, A DISTANCE OF 523.78 FEET; THENCE SOUTH 02°40'19" WEST, A DISTANCE OF 217.78 FEET; THENCE SOUTH 70°30'15" EAST, A DISTANCE OF 390.42 FEET; THENCE SOUTH 52°24'55" EAST, A DISTANCE OF 153.50 FEET; THENCE SOUTH 21°43'20" EAST, A DISTANCE OF 242.26 FEET; THENCE SOUTH 86°18'44" EAST, A DISTANCE OF 103.74 FEET; THENCE SOUTH 68°54'11" EAST, A DISTANCE OF 765.04 FEET;

THENCE SOUTH 25°43'42" WEST, A DISTANCE OF 49.42 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 887.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 08°42'40", AN ARC DISTANCE OF 134.86 FEET;

THENCE SOUTH 72°58'58" EAST, A DISTANCE OF 124.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, CONCAVE SOUTHEASTERLY, HAVING A RADIUS POINT WHICH BEARS SOUTH 72°58'58" EAST, A DISTANCE OF 763.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 19°04'07", AN ARC DISTANCE OF 253.93 FEET;

THENCE SOUTH 02°03'05" EAST, A DISTANCE OF 200.00 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 712.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 53°49'17", AN ARC DISTANCE OF 668.82 FEET;

THENCE SOUTH 51°46'12" WEST, A DISTANCE OF 744.45 FEET;
THENCE NORTH 38°13'48" WEST, A DISTANCE OF 94.00 FEET;
THENCE SOUTH 51°46'12" WEST, A DISTANCE OF 11.17 FEET;

THENCE NORTH 39°29'03" WEST, A DISTANCE OF 25.00 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2781.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 45°39'58"} AN ARC DISTANCE OF 2216.52 FEET;

THENCE NORTH 85°09'01" WEST} A DISTANCE OF 549.52 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS POINT WHICH BEARS NORTH 89°05'47" WEST, A DISTANCE OF 1177.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE} THROUGH A CENTRAL ANGLE OF 15°09'33", AN ARC DISTANCE OF 311.41 FEET TO THE BEGINNING OF A TANGENT COMPOUND CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1012.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE} THROUGH A CENTRAL ANGLE OF 14°08'28", AN ARC DISTANCE OF 249.77 FEET;

THENCE NORTH 28°23'48" WEST, A DISTANCE OF 290.31 FEET TO THE BEGINNING OF A TANGENT CURVE OF TO THE RIGHT, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1028.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 35°36'42", AN ARC DISTANCE OF 638.94 FEET;

THENCE NORTH 07°12'54" EAST, A DISTANCE OF 156.32 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 168.50 FEET;

THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 85°16'19", AN ARC DISTANCE OF 250.77 FEET;

THENCE NORTH 02°29'13" EAST, A DISTANCE OF 131.50 FEET;

THENCE NORTH 87°30'47" WEST, A DISTANCE OF 7.28 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 167.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 79°57'26", AN ARC DISTANCE OF 233.05 FEET TO THE BEGINNING OF A TANGENT REVERSE CURVE TO THE LEFT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1172.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 6°15'32", AN ARC DISTANCE OF 128.02 FEET;

THENCE NORTH 13°48'53" WEST} A DISTANCE OF 44.52 FEET;
THENCE SOUTH 76°11'07" WEST, A DISTANCE OF 128.00 FEET;

THENCE NORTH 13°48'53" WEST, A DISTANCE OF 397.25 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1056.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 13°00'47", AN ARC DISTANCE OF 239.84 FEET;

THENCE NORTH 00°48'06" WEST, A DISTANCE OF 1795.54 FEET;

THENCE NORTH 89°11'54" EAST, A DISTANCE OF 318.33 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE RIGHT, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1057.00 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 17°59'17", AN ARC DISTANCE OF 331.84 FEET;

THENCE SOUTH 72°48'49" EAST, A DISTANCE OF 1282.06 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT, CONCAVE NORTHERLY, HAVING A RADIUS OF 468.00 FEET;

THENCE EASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 28°18'54", AN ARC DISTANCE OF 231.28 FEET;

THENCE NORTH 78°52'17" EAST, A DISTANCE OF 207.59 FEET;
THENCE SOUTH 11°07'43" EAST, A DISTANCE OF 511.62 FEET;
THENCE SOUTH 09°32'23" WEST, A DISTANCE OF 898.67 FEET;
THENCE SOUTH 66°32'41" EAST, A DISTANCE OF 181.80 FEET;
THENCE SOUTH 80°19'49" EAST, A DISTANCE OF 39.29 FEET;
THENCE SOUTH 09°40'11" WEST, A DISTANCE OF 8.80 FEET;
THENCE SOUTH 73°35'48" EAST, A DISTANCE OF 188.22 FEET;

THENCE SOUTH 16°24'12" WEST, A DISTANCE OF 96.00 FEET;
THENCE SOUTH 73°35'48" EAST, A DISTANCE OF 122.00 FEET;

THENCE SOUTH 16°24'12" WEST, A DISTANCE OF 52.70 FEET TO THE BEGINNING OF
A TANGENT CURVE TO THE RIGHT, CONCAVE NORTHWESTERLY, HAVING A
RADIUS OF 661.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE
OF 39°22'34", AN ARC DISTANCE OF 454.27 FEET;

THENCE SOUTH 18°40'14" EAST, A DISTANCE OF 82.81 FEET TO THE POINT OF
BEGINNING.

Containing 291.533 acres, more or less

EXHIBIT 'A'



N.T.S.

R-3-W
R-2-W

18

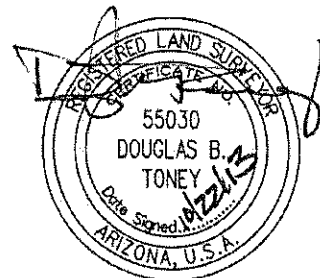
NW COR SEC 19
T-2-N, R-2-W
1-1/2-INCH ALUM
CAP STAMPED
CBA LSI9324

N 1/4 COR SEC 19
T-2-N, R-2-W
2-INCH MC ALUM CAP
LS29891 2003

N89°48'15"E
2663.39'

P.O.B.

19



EXPIRES 9/30/2016



Hoskin • Ryan Consultants Inc.
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VERRADO ARC PHASE 1
VICTORY DISTRICT

JOB NO: 12-080-01

DATE: 10/23/2013