

**STATE OF ARIZONA  
DEPARTMENT OF WATER RESOURCES  
CERTIFICATE OF ASSURED WATER SUPPLY**

This is to certify that

**Community Development Capital Group LLC, a Delaware limited liability company, as owner, and Meritage Homes of Arizona Inc., an Arizona corporation, as buyer**

have met the requirements of A.R.S. §§ 45-576 and the applicable regulations, and

By powers vested in the Director of the Arizona Department of Water Resources by the State of Arizona, and subject to the conditions contained in the applicable regulations,

Are issued this Certificate of Assured Water Supply for

**Verrado Phase 3 South  
Lots 201-245 (Parcel 2.102) and 385-388 (Parcel 2.103)**

**Township 2 North, Range 2 West, Section 31  
GSRB&M Maricopa County, Phoenix Active Management Area**

Sufficient water of adequate quality will be continuously available to satisfy the water demand of the referenced subdivision for at least one hundred years. The referenced subdivision consists of **49 lots** as described in the preliminary plat on file with the Department, and has an estimated water demand of **27.62 acre-feet per year**. The subdivision will be served **groundwater** by **EPCOR – Agua Fria**.

This Certificate is invalid as to any entity not named above.  
This Certificate may be assigned pursuant to A.A.C. R12-15-705.

**Certificate Number: 29-700751.0002**



**ARIZONA DEPARTMENT OF WATER RESOURCES**

*Andrea J. Colwell*  
\_\_\_\_\_  
Program Manager

*12/6/2013*  
\_\_\_\_\_  
Date

TYPE A CERTIFICATE



**JANICE K. BREWER**  
Governor

**SANDY FABRITZ-WHITNEY**  
Director

**ARIZONA DEPARTMENT *of* WATER RESOURCES**

3550 North Central Avenue, Second Floor  
Phoenix, Arizona 85012-2105  
602.771.8500

**azwater.gov**

5 December 2013

VIA CERTIFIED MAIL

Margaret Gallogly  
Fennemore Craig  
2394 East Camelback Road  
Suite 600  
Phoenix AZ 85016

Re: Assignment of a Certificate of Assured Water Supply  
Verrado Phase 3 South – Lots 201-245 (Parcel 2.102) and 385-388 (Parcel 2.103)  
DWR File No. 29-700751.0002

Dear Ms. Gallogly:

The Arizona Department of Water Resources (Department) has determined that the criteria for an Assured Water Supply pursuant to A.R.S. § 45-576 and A.A.C. R12-15-701 et seq. have been met, and therefore the Director has decided to issue Assured Water Supply Certificate No.29-700751.0002. EPCOR – Agua Fria will provide the water supply to the lots. The source of supply will be groundwater. Based on current information, the Department has determined that the subdivision's total projected demand is 27.62 acre-feet per year for 49 lots, and the groundwater allowance for the 100-year period is 55.24 acre-feet. The Certificate is attached. The Department suggests you record your Certificate of Assured Water Supply in the appropriate county recorder's office. This will provide you with a permanent public record of the Certificate.

This determination is applicable only to the person or entity specified on the Certificate and for the plat reviewed by the Department. Information used in evaluating this application is available for review in the Department's files. Please contact us if questions arise.

Pursuant to A.R.S. § 41-1092.03, the Department is notifying you that the Director's determination and decision to issue the Certificate is an appealable agency action. You are entitled to appeal this action. If you wish to appeal this action, you must file a written appeal within thirty (30) days from receipt of this letter. I am providing you with a summary of the appeal process and an appeal form, should you elect to pursue this option.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew J. Craddock". The signature is written in a cursive style with a large initial 'A'.

Andrew J. Craddock, Manager  
Recharge, Assured & Adequate Water Supply Programs

AJC/jmd

Enclosures

Cc: via electronic mail:

Candi Cox, CAGR  
Carla Randolph, Arizona Department of Real Estate  
Steve Olea, Arizona Corporation Commission  
Linda Taunt, Arizona Department of Environmental Quality  
Cynthia Stefanovic, Arizona State Land Department