JANICE K. BREWER
Governor

MICHAEL J. LACEY
Director

ARIZONA DEPARTMENT of WATER RESOURCES
3550 North Central Avenue, Second Floor
Phoenix, Arizona 85012-2105
602.771.8500
azwater.gov

August 29, 2014

VIA CERTIFIED MAIL
Annie Stewart
Fennemore Craig PC
2394 E Camelback Rd, Suite 600
Phoenix, AZ 85016

Re: Certificate of Assured Water Supply
Verrado Victory District Phase 1 - Lots 111, 118, 119, Lots 301-336, inclusive, Lots 801-881, inclusive, DWR File No. 29-700762.0001

Dear Ms. Stewart:

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. 29-700762.0001. 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 51.74 acre-feet per year for 120 lots, and the groundwater allowance for the 100-year period is 103.48 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,

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

AJC/kcl

Enclosures

Subdivision Name: Verrado Victory District Phase 1 - Lots 111, 118, 119, Lots 301-336, inclusive, Lots 801-881, inclusive
File Number: 29-700762.0001

Candi Cox, CAGRD
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

ARIZONA DEPARTMENT OF WATER RESOURCES
NOTICE OF APPEAL OF AGENCY ACTION

1. Party filing this notice of appeal:

   Name: _____
   Address: _____
   Phone No: (_____)_____ Email address: _____

2. The following action of the Department of Water Resources is being appealed:
   (Please attach a copy of the letter which advised you of the action.)

   _____
   _____
   _____
   _____

3. The following is a concise statement of the reason(s) for the appeal:
   (If you need additional space, please attach a separate page. Note: Pursuant to A.R.S. § 41-1092.03(B), the grounds for appeal by a party who will be adversely affected by an agency action and who exercised a right provided by law to comment on the action is limited to the issues raised in the party's comments.)

   _____
   _____
   _____
   _____
   _____
   _____

4. Pursuant to A.R.S. § 41-1092.06, the appealing party may request an informal settlement conference. Such a request must be made no later than 20 days before the hearing. If an informal settlement conference is requested, the conference will be held within 15 days after the request is received by the agency.

   The person filing this notice of appeal requests an informal settlement conference at this time (check one):

   Yes _____ No _____

   Note: A person who participates in an informal settlement conference waives the right to object to the participation of the Department's representative in the final administrative decision. A.R.S. § 41-1092.06(B).

5. _____ Date: _____
   Signature of filing party

   _____ _____
   Print or type name Include title if applicable

FILING OF FORM: A party who desires to file a notice of appeal must complete this form and file it with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Phoenix, Arizona 85012 within thirty (30) days after the date the party received notice of the appealable agency action.

Rev. 12/16/10

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

This is to certify that

First American Title Insurance Company, as Trustee under Trust No. 8406, pursuant to direction from Trust Beneficiary Standard Pacific of Arizona, Inc., a Delaware corporation, owner,

has 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,

Is issued this Certificate of Assured Water Supply for

Verrado Victory District Phase 1 - Lots 111, 118, 119, Lots 301-336, inclusive, Lots 801-881, inclusive
Township 2 North, Range 2 West, Section 19
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 **120 lots** as described in the preliminary plat on file with the Department, and has an estimated water demand of **51.74 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: 29-700762.0001
Original Issue Date: November 04, 2013

ARIZONA DEPARTMENT OF WATER RESOURCES

Program Manager

9/3/2014
Date

TYPE A CERTIFICATE