

**LEWIS
AND
ROCA**
—LLP—
LAWYERS

FACSIMILE TRANSMITTAL

One South Church Avenue Suite 700
Tucson, Arizona 85701-1611
Telephone (520) 622-2090
Facsimile (520) 622-3088

September 23, 2002

To: Receiving Party/Firm	Telephone Number	Facsimile Number
Amelia Craig Cramer/Pima County Attorney's Office	740-5750	620-6556
Mr. Ben Goff/Pima County Department of Transportation & Flood Control	740-6403	620-1933
Mr. John M. Bernal/Pima County Public Works	205-8350	205-8360
Mr. Carmine DeBonis/Pima County Development Services	740-6506	623-5411
Joseph R. Cesare	747-5000	577-8555
Karen Novak, RLA/Novak Environmental, Inc.	206-0591	623-3507
Mr. Thomas C. Lodge/McGovern MacVittie Lodge & Associates, Inc.	292-2300	292-1290

From: Frank S. Bangs, Jr.

Direct Telephone: (520) 622-2090

Total Pages Including this page: 3

Direct Facsimile: (520) 879-4701

Comments: Letter attached regarding Star Valley Specific Plan.

Document(s) Being Transmitted: Will not be sent

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**LEWIS
AND
ROCA**
LLP
LAWYERS

Phoenix Office
40 North Central Avenue
Phoenix, Arizona 85004-4429
Facsimile (602) 262-5747
Telephone (602) 262-5311

Tucson Office
One South Church Avenue
Suite 700
Tucson, Arizona 85701-1611
Facsimile (520) 622-3088
Telephone (520) 622-2090

Las Vegas Office
3993 Howard Hughes Parkway
Suite 600
Las Vegas, Nevada 89109
Facsimile (702) 949-8398
Telephone (702) 949-8200

Frank S. Bangs, Jr.
Direct Dial: (520) 629-4405
Direct Fax: (520) 879-4701
Internet: FBangs@lrlaw.com
Admitted in Arizona

Our File Number 42149-00001

Via telecopy

September 23, 2002

Amelia Craig Cramer, Esq.
Deputy County Attorney
Pima County Attorney's Office Civil Division
32 North Stone Avenue, Suite 2100
Tucson, Arizona 85701

Re: Star Valley Specific Plan

Dear Amelia:

Our firm represents USH/SVA Star Valley, LLC, the owner of the land subject to the Star Valley Specific Plan. This letter follows our September 23, 2002 meeting with you, Mr. Ben Goff, Mr. Carmine Debonis, Mr. Jonathan Crowe and Mr. Ted Payne.

Two major issues remain as impediments to recording the Star Valley block plat and obtaining grading permits. They are, respectively: (1) the interpretation of Condition 11D of Ordinance No. 1987-212 adopting the Star Valley Specific Plan, and (2) the application of the NPPO to this project. In an attempt to resolve these issues short of litigation, Mr. Tom Lodge will submit supplemental information to Mr. Jonathan Crowe regarding the transportation improvement financing and implementation plan, and Ms. Karen Novak will submit the requested information on the NPPO to Mr. Carmine DeBonis.

This is to confirm our understanding that the submission of this information by USH/SVA Star Valley in an attempt to resolve these issues and its review by Pima County does not constitute an admission by either party of the validity of the other's legal position on these issues, or a waiver by Pima County or USH/SVA Star Valley of their ability to pursue their respective legal positions in the future. Please let me know immediately if this understanding is incorrect.

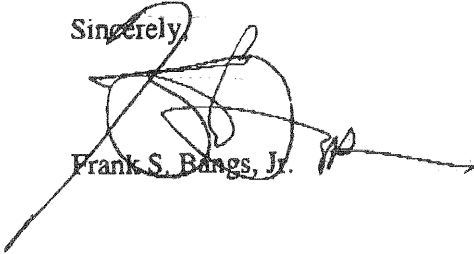
LEWIS
AND
ROCA
—LLP—
LAWYERS

Amelia Craig Cramer, Esq.
September 23, 2002

Page 2

Thank you for your time and attention to this matter.

Sincerely,


Frank S. Bangs, Jr.

FSB/sdl

cc:

Mr. John M. Bernal
Mr. Ben Goff
Mr. Carmine Debonis
Mr. Joseph R. Cesare
Ms. Karen Novak
Mr. Thomas C. Lodge
(All via telecopy)



PIMA COUNTY
DEPARTMENT OF TRANSPORTATION AND FLOOD CONTROL DISTRICT
201 NORTH STONE AVENUE, THIRD FLOOR
TUCSON, ARIZONA 85701-1207

KURT WEINRICH, P. E.
DIRECTOR

(520) 740-6410
FAX (520) 620-1933

September 30, 2002

Mr. Thomas C. Lodge, P.E., Principal
Vice President, Private Development
MMLA, Inc.
800 E. Wetmore Rd., Suite 110
Tucson, AZ 85719

RE: Star Valley Development - Responsibility for Funding Roadway Improvements

Dear Mr. Lodge,

This letter is a formal response to the proposed financing plan, submitted to Department of Transportation (PCDOT) staff on September 24th, for funding necessary roadway improvements associated with the Star Valley Development. That financing plan included an enumerated list of projected improvements (Exhibit 25 on page 29 of the Star Valley Development Traffic Impact Analysis) and an accompanying map. PCDOT approves the financing plan with the exception that we believe that the developer of Star Valley should be responsible for improving Yedra Road to two lanes from Camino Verde to Vahalla Road. Other more regional roadway impacts associated with the Star Valley Development will be addressed by the Board of Supervisors' extending the roadway development impact fee to the Altar Valley benefit area.

You will recall that in a July 8, 2002 correspondence from Jonathan Crowe to Mr. Geoff Harris, PCDOT approved the traffic analysis section of the Traffic Impact Analysis Report. PCDOT hereby approves the proposed financing plan for Star Valley roadway improvements, which satisfies rezoning condition 11.D. The proposed financing plan indicates that the following roadway improvements will be funded and constructed by the master developer of Star Valley. The following improvements are referenced by number to Exhibit 25 on page 29 of the Star Valley Development Traffic Impact Analysis report:

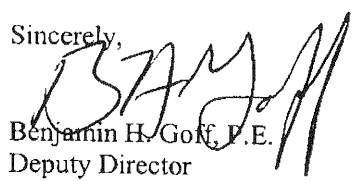
1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.
2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.
3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010.
4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

Mr. Thomas C. Lodge, P.E., Principal
Star Valley Development - Responsibility for Funding Roadway Improvements
September 30, 2002
Page 2

5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two- lane roadway from Camino Verde to Viviana Road in the years 2002-2003.
7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two- lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.
8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs.
9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #16).
10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete.
11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This project would be eligible for development impact fee credit.
12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Please call Jonathan Crowe (740-6383) or Ted Payne (740-6387) if you have any questions or concerns.

Sincerely,


Benjamin H. Goff, P.E.
Deputy Director

c: John Bernal
Kurt Weinrich
Carmine DeBonis
Ted Payne
Jonathan Crowe



PIMA COUNTY
DEPARTMENT OF TRANSPORTATION AND FLOOD CONTROL DISTRICT
201 NORTH STONE AVENUE, THIRD FLOOR
TUCSON, ARIZONA 85701-1207

(520) 740-6410
FAX (520) 740-6341

TRANSPORTATION SYSTEMS DIVISION

FAX TRANSMITTAL

Date 10/7/02 Number of pages 4 (total)
To Tom Lodge From Ben Goff
Fax 292-1290 Tel. _____
Tel. 292-2300

Subject Star Valley Improvements
Comments I have indicated via strike out and additions
to your letter of 10/2/02 DOT conditions of
approval. I will call you soon to discuss.

Ben Goff

cc: Ted Payne
Jonathan Crowe



800 E. Wetmore Road
Suite 110
Tucson, AZ 85719
Telephone (520) 292-2300
1-800-441-5875
Fax (520) 292-1290

MMLA

McGovern MacVittie Lodge & Associates, Inc.

October 2, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

**Re: Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11**

Dear Mr. Goff:

Thank you for your September 30, 2002, letter responding to our transportation financing plan. We appreciate your approval of condition 11D and look forward to Pima County recording the plat this week. Your approval of our financing plan generally matches the discussion between your staff (Jonathan Crowe/Ted Payne) and myself. We would like to restate and clarify our position on Items 3, 4, 5, 8, 10 and 11 for the record. They are as follows:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.
2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.
3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at grade roadway. ~~This project would be eligible for development impact fee credit.~~
4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement. ~~This project would be eligible for development impact fee credit.~~

5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement. ~~This project would be eligible for development impact fee credit.~~
6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.
7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.
8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway. ~~The portion of the roadway outside the project boundary would be eligible for development impact fee credit.~~
9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #16).
10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition ~~and any utility relocation.~~
11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project. This project would be eligible for development impact fee credit.
12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

~~Items 3, 8 and 10 are outside the project boundary and are within Pima County's right of way. Pima County will obtain permits (404, etc.), if necessary, for areas within its right of way to facilitate the construction of the proposed roadways.~~

Pima County will assist the developer in obtaining third-party permits (i.e. Section 404), however required mitigation is considered part of the improvement project.

The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately.

Sincerely,

MMLA, Inc.



Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
Joe Cesare, Broadway Realty & Trust
David Cada, US Home Corporation
Carmine DeBonis, Pima County



10/17/2002 15:23

520-577-8555

BROADWAY REALTY

PAGE 01

BROADWAY REALTY & TRUST, INC.4855 East Broadway, Suite 103
Tucson, Arizona 85711

Phone: 520-747-5700

Fax: 520-577-8555

File No.

DATE: October 17, 2002

TO: Honorable Sharon Bronson

FAX NUMBER: 884-1152

John Bernal
Department County Administrator
Public Works

FAX NUMBER: 205-8360

Chuck Huckelberry
County Administrator

FAX NUMBER: 740-8171

FC: Frank Bangs, Esquire
Tom Lodge, MMLAFAX NUMBER: 622-3088
FAX NUMBER: 292-1290

FROM: Joseph R. Cesare

REF: Star Valley Block Plat - Recordation

MESSAGE:

- 1) As you know, we have attempted to reasonably work out some conditions with the Transportation Department which we believe are not applicable to our Specific Plan Ordinance.
- 2) I last spoke to John Bernal last Friday (October 11, 2002), and was told that Katrina Richter would be in touch with our attorney Frank Bangs in hopes of resolving the situation. It is now Thursday (October 17, 2002), and it appears that we are left with no alternative except to file suit to obtain recordation of a final plat and recover substantial monetary damages caused by Pima County through its' Transportation Department.
- 3) This letter is simply written as a courtesy to advise you of a forth coming legal action since no reasonable remedy has been offered in order to resolve the impasse.


Joseph R. Cesare



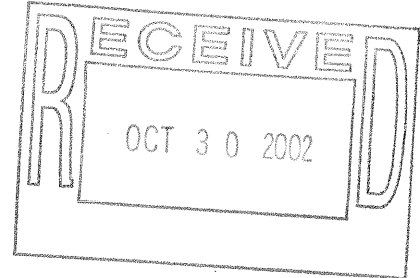
PIMA COUNTY
DEPARTMENT OF TRANSPORTATION AND FLOOD CONTROL DISTRICT
201 NORTH STONE AVENUE, THIRD FLOOR
TUCSON, ARIZONA 85701-1207

KURT WEINRICH, P. E.
DIRECTOR

(520) 740-6410
FAX (520) 620-1933

October 28, 2002

Thomas C. Lodge, P.E.
Vice President, Private Development
MMLA, Inc.
800 East Wetmore Road, Suite 110
Tucson, Arizona 85719



Re: Star Valley Development – Transportation Improvement Financing Plan

Dear Mr. Lodge:

Confirming my fax of October 7, 2002, and our subsequent conversations, the Pima County Department of Transportation (PCDOT) cannot accept the conditions contained in your letter of October 2, 2002, as meeting the Transportation Financing Plan requirements of the Star Valley Specific Plan. Your letter was in response to my letter dated September 30, 2002, which enumerated roadway improvements based upon the meetings of September 23 and 24, 2002.

After reviewing your position as restated in your October 2, 2002 letter I am reiterating PCDOT's position with the modifications I agreed to in our discussions. The Financing Plan must contain the following provisions:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.
2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.
3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.
4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.
7. **Los Reales Road (#13).** Los Reales Road will be constructed as a two-lane roadway from Viviana Road to the development plan boundary sometime after the year 2010.
8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.
9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).
10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is completed. This roadway would be constructed as an at-grade roadway. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments, excluding utilities.
11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.
12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Items 3, 8 and 9 are outside of the Specific Plan boundary. These improvements are the responsibility of the master developer of the Star Valley Specific Plan. PCDOT has worked diligently with your firm, other consultants and Mr. Cesare to assure that the Star Valley Transportation Financing Plan adheres to the conditions of approval. Condition 11D of the rezoning explicitly applies to roadways adjacent to, as well as within, the plan area. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.

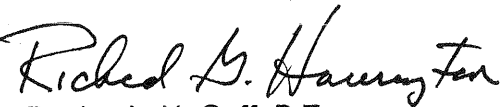
You have suggested that these and other improvements enumerated above would be eligible for development impact fee credits should Pima County extend the Impact Fee Ordinance to encompass the Specific Plan area. PCDOT will recommend that the impact fees be assessed in this area; however, their use will be directed to significant regional roadways, such as Valencia Road. The traffic impact assessment for Star Valley identified substantial demand from the Specific Plan area on major roads in the

southwest area. The impact fees are the most equitable way to mitigate the impact of the Specific Plan development upon major roads in conjunction with other planned development within the benefit area.

As we have not received confirmation of your acceptance of these requirements, the Pima County Administrator has requested staff to place the Star Valley block plat on the Board of Supervisor's Agenda for reconsideration, based upon non-compliance with the Specific Plan conditions of rezoning.

I will be out of the office October 28th thru November 1st so please contact Ted Payne at 740-6403 if you have any further questions.

Sincerely,

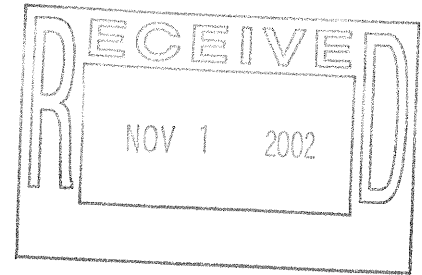

Benjamin H. Goff, P.E.,
Deputy Director

c: John M. Bernal, Deputy County Administrator for Public Works
Kurt Weinrich, Director, PCDOT
Carmine DeBonis, Director, Development Services Department
Katharina Richter, Chief Civil Deputy County Attorney
Ted Payne, Supervisor, Transportation Systems Division



800 E. Wetmore Road
Suite 110
Tucson, AZ 85719
Telephone (520) 292-2300
1-800-441-5875
Fax (520) 292-1290

MMLA
McGovern MacVittie Lodge & Associates, Inc.



October 30, 2002

Mr. Ben Goff, P.E., Deputy Director
Pima County Department of Transportation
And Flood Control District
201 N. Stone Avenue, 3rd Floor
Tucson, AZ 85701

**Re: Star Valley Development – Transportation Improvement Financing Plan
MMLA 86171-62-11**

Dear Mr. Goff:

Our client is accepting Pima County's October 7, 2002 and October 20, 2002 requested changes to the Star Valley Transportation Financing Plan.

The changes are as follows:

1. **Wade Road (#5).** Wade Road will be extended to Camino Verde as a two-lane roadway in the years 2002-2003.
2. **Camino Verde (#6).** Camino Verde will be constructed as a two-lane roadway from Wade Road/Los Reales Road to the development plan boundary in the years 2002-2003.
3. **Camino Verde (#7).** Camino Verde will be constructed as a two-lane roadway from the development plan boundary north to Valencia Road in the years 2005-2010. This roadway will be an at-grade roadway.
4. **Camino Verde/Valencia Road Intersection (#8).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.
5. **Wade Road/Valencia Road Intersection (#9).** This intersection will be signalized, as warranted, between the years 2005 and 2010. Pima County and Star Valley will share in the funding of this improvement.

6. **Los Reales Road (#12).** Los Reales Road will be constructed as a two-lane roadway from Camino Verde to Viviana Road in the years 2002-2003.
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8. **Viviana Road (#14).** Viviana Road will be constructed as a two-lane roadway from Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. This roadway would be constructed as an at-grade roadway.
9. **Camino Verde (#15).** Camino Verde will be constructed as a two-lane roadway to tie into Yedra Road in the years 2002-2003. The actual connection to Yedra Road shall not occur until Yedra Road has been improved (see item #10).
10. **Yedra Road (#16).** Yedra Road will be improved as a two-lane roadway from Camino Verde to Vahalla Road. The actual connection to Camino Verde shall not occur until this roadway improvement is complete. This roadway would be constructed as an at-grade roadway. This project would be eligible for development impact fee credit. Pima County shall be responsible for right-of-way acquisition and clearance of encroachments. Pima County will exercise its power to require the Utility Companies to relocate their facilities necessary for road construction.
11. **Camino Verde (#18).** Camino Verde will be constructed as a four-lane roadway from Wade Road/Los Reales Road to Valencia Road sometime after the year 2010 if planned build-out occurs. Adjacent property owners outside the project boundary along Camino Verde (south of Valencia) would also be required to contribute towards this project if they are actively developing the property. This project would be eligible for development impact fee credit.
12. **Camino Verde/Los Reales Road Intersection (#20).** This intersection will be signalized, as warranted, sometime after the year 2010. Pima County shall not participate in the funding of this improvement.

Item #10 was corrected to reflect your October 7 conditions. We have assumed that the deletion was a typographical error.

Items 3, 8 and 9 are outside of the Specific Plan boundary. PCDOT will assist the developer in obtaining third-party permits (i.e., Section 404), however, required mitigation is considered part of these off-site improvement projects.



By its acceptance of the County's changes to the Financing Plan, USH/SVA Star Valley does not waive any constitutional or statutory grounds it may have to challenge the requirement of off-site improvements as a condition of plat approval, or its ability to seek the inclusion of the off-site improvements as projects to be funded by future development fees adopted by Pima County.

The above items reflect our understanding of our commitment to the Star Valley Transportation Financing Plan. We thank you again for assisting in resolving this issue and we look forward to commencing this project immediately. We look forward to the Plat recording this week.

Sincerely,

MMLA, Inc.



Thomas C. Lodge, P.E.
Vice President, Private Development

TCL:pl

Cc: John Bernal, Pima County
Joe Cesare, Broadway Realty & Trust
David Cada, US Home Corporation
Carmine DeBonis, Pima County
Katharina Richter, Pima County



P1620

PIMA CO SUBDIVISION COORDINATN

PICKUP

TUCSON AZ 85701



DOCKET: 11922

PAGE: 3214

NO. OF PAGES: 5

SEQUENCE: 20022160699

11/07/2002

ASSAG 16:52

PICKUP

AMOUNT PAID \$ 0.00

**ASSURANCE AGREEMENT FOR
CONSTRUCTION OF SUBDIVISION IMPROVEMENTS**
(Third Party Trust)
P12-00-184

THIS AGREEMENT is made and entered into by and between USH/SVA STAR VALLEY LLC, an Arizona limited liability company AND S.V.A. CORPORATION, an Arizona corporation, ("Subdivider"), TITLE GUARANTY AGENCY OF ARIZONA, INC., an Arizona corporation, ("Trustee"), as trustee under Trust Nos.T-1330 and T-1440 ; and Pima County, Arizona ("County").

1. RECITALS

1.1. Subdivider is the beneficiary and Trustee is the trustee of a trust which owns land ("the Land") located in Pima County, Arizona and described in paragraph 2.1 of this agreement.

1.2. County, Subdivider and Trustee wish to establish specific terms, conditions, and guidelines relating to the subdivision of the Land and construction of related improvements to comply with A.R.S. '11-806.01.

2. AGREEMENT

Based on the foregoing recitals, which are incorporated here as the intent of the parties, and in consideration of County's approval of a final plat for the Land, County, Subdivider and Trustee agree as follows:

2.1. *Property Description.* The Land is all of the real property which is the subject of the subdivision plat ("the Subdivision Plat") identified as MASTER BLOCK PLAT STAR VALLEY, BLOCKS 1 THROUGH 30, recorded in Book 56 of Maps and Plats at Page 55 on the 17th day of NOVEMBER 2002; in the Office of the Pima County Recorder.

2.2. *Construction of Subdivision Improvements.* As a condition of subdivision approval, Subdivider hereby agrees to construct all subdivision improvements ("the Subdivision Improvements") contemplated by the Subdivision Plat, including but not limited to streets, sanitary sewers (if necessary), water and electric utilities, drainage and flood control improvements.

2.3. *Existing Utilities.* Any relocation or modification of existing utilities or public improvements required in order to construct the Subdivision Improvements shall be done at no expense to the public. Subdivider's performance of this requirement shall be considered in determining whether to release assurances under paragraphs 2.5 and 2.6.

1
1
9
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5

2.4. *Assurance of Construction.* This agreement is submitted as an assurance that Subdivider will construct the Subdivision Improvements, as required by A.R.S. ' 11-806.01 and Pima County Zoning Code Chapter 18.69.

2.5. *Limitation on Transfer of Title.* Trustee shall not convey title to any of the Land without obtaining prior written approval from County in the form of a Release of Assurance. A Release of Assurance shall not be provided by County until the Subdivision Improvements are completed in accordance with paragraph 2.11.

2.6. Partial Release of Assurances. County shall issue a Release of Assurance for some of the lots depicted on the Subdivision Plat if both of the following have occurred:

A. All of the Subdivision Improvements required in connection with the released lots have been completed in accordance with paragraph 2.11, and

B. County finds that the released lots and the Subdivision Improvements required in connection with them can be used and maintained separately from the Subdivision Improvements not yet completed in accordance with paragraph 2.11.

2.7. *Deposit Receipt Agreements.* Notwithstanding paragraph 2.5, Trustee may enter into a deposit receipt agreement for the sale of the Land or any portion of it if the agreement clearly states that no portion of the Land shall be conveyed until Subdivider performs its obligations under this agreement.

2.8. *Bulk Sales.* Notwithstanding paragraph 2.5, Trustee may sell and convey all of the Land in one transaction to a single purchaser who has entered into a satisfactory assurance agreement with County, assuring completion of the Subdivision Improvements.

2.9. *Conveyance Out of Trust for the Purpose of Encumbrance.* Notwithstanding paragraph 2.5, Trustee may convey all or part of the Land to the Subdivider for the sole purpose of encumbering the Land by the recording of mortgages or deeds of trust, provided that the Land is thereafter immediately reconveyed into the trust.

2.10. *Substitution of Assurances.* Subdivider may submit substitute assurances in a form and amount acceptable to County at any time during which Subdivider is not in default under this agreement.

2.11. *Completion of the Subdivision Improvements.* The Subdivision Improvements shall be completed by Subdivider not more than four years after the date of this agreement. The Subdivision Improvements shall not be considered completed until after they have been constructed in accordance with all applicable plans and after County has inspected them and finds them to be in compliance with the plans.

2.12. *Acceptance of the Subdivision Improvements.* County shall not accept maintenance responsibility for any of the Subdivision Improvements unless and until all of the following have occurred:

- A. They have been completed in accordance with paragraph 2.11.
- B. They have been dedicated to County by the Subdivision Plat or by some other instrument of record.
- C. The dedication has been accepted by the Pima County Board of Supervisors as evidenced by approval of the dedication on the Subdivision Plat or by some other formal action.

2.13. *County's Option to Re-Plat Upon Default.* At County's sole option, if Subdivider or Trustee defaults in its obligations under this agreement, County may re-plat all or a portion of the Land for the purpose of returning the portions of Land which are the subject of the re-plat to approximately the same boundary configurations of record which existed before the recording of the Subdivision Plat. Subdivider hereby authorizes County to execute on behalf of Subdivider the re-plat described in this section. The re-plat may exclude any dedications to the public which were made on the Subdivision Plat which are deemed necessary to serve either portions of the Land which are not re-platted, or to serve the public. Subdivider shall pay the reasonable costs incurred in re-platting. First class mailed notice to the last known address of Subdivider and Trustee shall be given not less than thirty days before County exercises its option to re-plat under this paragraph.

2.14. *Incorporation and Annexation.* If the Land is incorporated as or annexed by a city or town, the city or town shall automatically succeed to all benefits and duties of County under this agreement.

2.15. *Termination.* This agreement shall remain in full force and effect until one of the following has occurred:

- A. The Subdivision Improvements have been completed and accepted by County in accordance with paragraph 2.11 and a Release of Assurances with respect to all the Land has been recorded in the Office of the Pima County Recorder in accordance with paragraph 2.5; or
- B. A new subdivision plat has been recorded for the Land in compliance with any and all applicable laws and regulations; or
- C. A substitute assurance agreement has been executed by and between Subdivider and County in accordance with paragraph 2.10.

Notary Public

SUBDIVIDER: USH/SVA STAR VALLEY
LLC, an Arizona limited liability company (as to Blocks 1-4, Blocks 7-10, Blocks 13-
15, Blocks 18-23 and Blocks 25-29)

By: S.V.A. CORPORATION, an Arizona Corporation

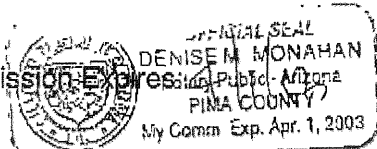
By: Joseph R. Cesare
As: Member

S.V.A. CORPORATION, an Arizona corporation (as to Blocks 5 & 6, Blocks 11 & 12,
Blocks 16 & 17 and Blocks 24 and 30)

By: Joseph R. Cesare
As: Member

STATE OF ARIZONA)
) ss.
County of Pima)

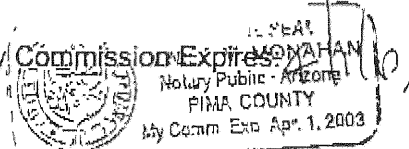
The foregoing instrument was acknowledged before me this 5th day of July, 2002,
by Joseph R. Cesare as
Member of
USH/SVA STAR VALLEY, L.L.C., ("Subdivider"), An Arizona limited liability company, on
behalf of the company.

My Commission Expires April 1, 2003
 OFFICIAL SEAL
DENISE M. MONAHAN
Notary Public - Arizona
PIMA COUNTY
My Comm Exp. Apr. 1, 2003

Denise M. Monahan
Notary Public

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 5th day of
July, 2002, by Joseph R. Cesare
as Vice President of S.V.A.
CORPORATION, ("Subdivider"), an Arizona corporation, on behalf of the corporation.

My Commission Expires April 1, 2003
 OFFICIAL SEAL
DENISE M. MONAHAN
Notary Public - Arizona
PIMA COUNTY
My Comm Exp. Apr. 1, 2003

Denise M. Monahan
Notary Public