

**RECORDING REQUESTED BY:**

COTTONWOOD TITLE INSURANCE AGENCY, INC.

**WHEN RECORDED, MAIL TO:**

MILLER HARRISON, LLC  
(Andrew Blonquist, Esq.)  
5292 S. College Dr., Suite 304  
Murray, UT 84123

CTIA 127718-A-J

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|                                   |   |
|-----------------------------------|---|
| <u>Tax Parcel and Serial No.:</u> | <i>(Space Above for Recorder's Use)</i> |
| 00-0020-4219; OWC-0456-3-002-035  |   |
| 00-0020-9372; OWC-0456-7-002-035  |   |
| 00-0020-9572; OWC-0180-4-035-025  |   |
| 00-0020-9040; OWC-0456-6-002-035  |   |
| 00-0020-2698; OWC-0455-2-001-035  |   |
| 00-0021-5546; OWC-0457-9-003-035  |   |
| 00-0021-5547; OWC-0457-A-003-035  |   |
| 00-0021-5548; OWC-0457-B-003-035  |   |
| 00-0021-5549; OWC-0457-C-003-035  |   |
| 00-0021-5552; OWC-0456-A-002-035  |   |
| 00-0021-5553; OWC-0456-B-002-035  |   |
| 00-0021-5554; OWC-0456-C-002-035  |   |
| 00-0021-5555; OWC-01813-035-025   |   |
| 00-0021-5556; OWC-0181-4-035-025  |   |
| 00-0021-5557; OWC-0456-D-002-035  |   |
| 00-0021-5558; OWC-0455-4-001-035  |   |
| 00-0021-5559; OWC-0455-5-001-035  |   |

**FIRST AMENDMENT TO DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1**

**NOTE: THE LIEN FOR ASSESSMENTS CREATED BY THE DECLARATION CONSTITUTES A SENIOR LIEN AND OBLIGATION UPON EACH OF THE LOTS THAT FORMS A PART OF THE ASSESSED AREA, AND IS AND SHALL BE SENIOR TO ALL OTHER INDEBTEDNESS LIENS, INCLUDING FOR LOANS SECURED BY A MORTGAGE OR DEED OF TRUST. WHILE A LOT REMAINS ENCUMBERED BY THE ASSESSMENT LIEN, LENDING SOURCES FOR REFINANCING OR OTHER PURPOSES, INCLUDING FOR PURCHASERS AT A RESALE, MAY BE LIMITED. BEFORE PURCHASING A LOT, EACH OWNER SHOULD DETERMINE WHETHER AND TO WHAT EXTENT THE ASSESSMENT LIEN OBLIGATIONS HEREUNDER MAY IMPACT THE ABILITY OF OWNER TO OBTAIN LOANS FROM BANKS OR OTHER LENDING INSTITUTIONS IN THE CUSTOMARY LOAN MARKETS.**

**FIRST AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1**

This FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1 (this "*First Amendment*") is made as of this 5<sup>th</sup> day of April, 2021 by **BENLOCH RANCH DEVELOPMENT GROUP, LLC**, a Utah limited liability company ("*Declarant*") with the consent and authorization of land owner **BENLOCH RANCH LAND COMPANY, LLC**, a Utah limited liability company ("*Developer*"), and with the acknowledgement and agreement of **BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1**, a Utah nonprofit corporation ("*Association*"), and the acknowledgement of **UMB BANK, N.A.**, a national banking association, with respect to their respective duties, rights and interests hereunder.

**PREAMBLE:**

A. Declarant is the Declarant under that certain Declaration of Covenants, Conditions and Restrictions for Benloch Ranch Improvement Association No. 1 (the "*Declaration*") dated as of July 2, 2020 (the "*Effective Date*") and recorded on July 6, 2020 as Entry No. 480407 at Book 1300, Pages 671 to 807, inclusive, of the Wasatch County Records. Capitalized terms not defined in this First Amendment shall have the meanings set forth in the Declaration.

B. Developer is the Developer and the sole owner of the Assessed Property described in, and encumbered by, the Declaration.

C. Association is an "association" as described in Utah Code section 57-8a-102 and is the Association identified in the Declaration. On July 6, 2020, the Association registered with the State of Utah Department of Commerce pursuant to Utah Code section 57-8a-105.

D. The Declaration created a lien of Assessments pursuant to an Assessment Plan contained in a Benefit Apportionment Analysis prepared by the Administrator and attached as Exhibit "J" to the Declaration. Pursuant to that certain Indenture referenced in the Declaration and entered into on the Effective Date, the Association's lien and right to collect the Assessments secures its indebtedness under those certain Special Assessment Bonds, Series 2020 issued by Association in the amount of \$33,790,000.00 (the "*Series 2020 Bonds*"). The Assessed Property remains subject to the lien of the Association securing payment of Assessments.

E. Proceeds of the Series 2020 Bonds are to be used as follows: (i) payment of costs of the issuance of the Series 2020 Bonds; (ii) payment of capitalized interest on the Series 2020 Bonds; (iii) funding Financed Improvements itemized in Exhibit "I" of the Declaration for direct and special benefit of the Assessed Property located within Benloch Ranch currently owned by the Developer; and (iv) funding a reserve account.

F. As provided in the Declaration, Declarant and Developer caused the formation of the Association for the express purpose of issuing the Series 2020 Bonds and facilitating repayment thereof pursuant to the Indenture through assessment payments made by the Members of the Association, which are and will be the Owners of the Lots, until the Series 2020 Bonds are fully repaid. Prior to such repayment, it is intended that Declarant will remain in control of the Association.

G. All of the Series 2020 Bonds were sold to the two Bondholder entities, who continue to hold the Series 2020 Bonds. Developer has requested that Bondholders authorize an incremental further bonding capacity for the Assessed Property in the approximate amount of \$19,750,000.00 to further reimburse Developer for the costs of utility fees, connection fees, impact fees and water rights (the "***Additional Financed Improvements***"), as set forth in the attached Exhibit "I-1."

H. Bondholders authorized and consented to the issuance and sale to Bondholders of additional bonds under the Indenture for purposes of funding the Additional Financed Improvements, and consented to this First Amendment as evidenced and set forth in Attachment 1, annexed hereto.

I. Accordingly, pursuant to the concurrently executed and delivered First Supplement to Indenture of Trust and Pledge (the "***First Supplement***") and this First Amendment, Declarant will cause the Association to issue Special Assessment Bonds, Series 2021 (the "***Series 2021 Bonds***") from which the proceeds (the "***Series 2021 Bond Proceeds***") will be used to (i) fund the Additional Financed Improvements, (ii) pay capitalized interest on the Series 2021 Bonds, (iii) fund the Series 2020 Reserve Account, and (iv) pay costs of issuance of the Series 2021 Bonds. In accordance with the First Supplement, the Series 2021 Bonds will have a repayment term coextensive with the repayment term of the Series 2020 Bonds, and Association will service and repay the Series 2021 Bonds through the levying and collecting of Assessments as set forth in the Amended and Restated Assessment Plan set forth in the Exhibit "J-1", attached hereto, which shall supersede Exhibit "J" attached to the Declaration.

J. Following recordation of the Declaration and prior hereto, Developer adjusted the boundaries of the Assessed Property to account for road dedication and corresponding realignment of certain units, but without any reduction in unit count and type and without reduction in acreage. The revised legal description of the Assessed Property is set forth in Exhibit "C-1" attached hereto, and the revised depiction of the Assessed Property is set forth in Exhibit "D-1" attached hereto. Said attached Exhibits "C-1" and "D-1" amend, supersede and replace Exhibits "C" and "D", respectively, to the Declaration. The Lien of Assessment created by the Declaration over the Assessed Property therein described shall continue over, and be spread to include, the real property described in Exhibit "C-1".

NOW, THEREFORE, Declarant, in exercise of its rights under Section 2.4.8 and Section 5.2 of the Declaration, and with the consent and authorization of the Bondholders and acknowledgements of the Bond Trustee, hereby amends the Declaration as follows:

1. **Definitions.** The definitions contained in Article 1 of the Declaration shall remain the same, except for the following:

a. **Assessed Property.** “**Assessed Property**” means the Lots and parcels of the Ranch Property that will be later subdivided into Lots that are included within that portion of the Ranch Property as initially described and depicted in Exhibits “C-1” and “D-1”, and as subsequently allocated to individual Lots created upon platting of the Neighborhood subdivisions, pursuant to a Supplemental Declaration, showing the exact locations of the Lots that will individually be identified as part of the Assessed Property.

b. **Assessment.** The definition of “**Assessment**” contained in Declaration section 1.1.8 is amended and supplemented to mean the charge imposed and levied pursuant to the Declaration by the Association against each Lot and its Owner, as set forth in the Assessment Plan.

c. **Assessment Plan.** The definition of “**Assessment Plan**” contained in Declaration section 1.1.9 is hereby amended and restated to mean the “Assessment Plan” section of the Benefit Apportionment Analysis prepared by the Administrator, which is attached hereto as Exhibit “J-1”, and incorporated herein by reference, which exhibit amends, restates and supersedes Exhibit “J” of the Declaration. Accordingly, in all places where Exhibit J is identified and referenced in the Declaration, it shall be deemed to refer instead to Exhibit “J-1” attached hereto. Declarant, with the recommendation and advice of the Administrator, shall have the power to further modify, supplement or replace the Assessment Plan as reasonably required to satisfy the Association’s duties and obligation under the Indenture; provided that no such modification, supplement or replacement may materially and unreasonably increase the financial obligations of any Owner of a Lot.

d. **Bonds.** The definition of “**Bonds**” contained in Declaration section 1.1.3 is amended to mean Special Assessment Bonds Series 2020 as set forth in the Indenture and Special Assessment Bonds Series 2021 as set forth in the First Supplement, to be financed by Assessments on each Lot within the Assessed Property.

e. **Debt Service Reserve Requirement.** The definition of “**Debt Service Reserve Requirement**” contained in Declaration section 1.1.26 is amended to mean, with respect to the Bonds, an amount initially equal to \$5,354,000, which amount shall be adjusted as prepayments are made.

f. **Declaration.** The term “**Declaration**” shall hereafter mean the Declaration as amended and supplemented by this First Amendment.

g. **Financed Improvements.** The definition of “**Financed Improvements**” contained in Declaration section 1.1.33 is amended to mean those improvements to the Ranch Property being financed by means of both the Series 2020 Bond Proceeds and the Series 2021 Bond Proceeds, as set forth in Exhibit “I” attached to the Declaration, as amended and superseded by Exhibit “I-1” attached to this First Amendment.

h. **Indenture.** The definition of “*Indenture*” in Declaration section 1.1.36 is hereby amended to mean the Indenture of Trust and Pledge dated July 1, 2020, by and between the Association and the Bond Trustee, as amended and supplemented by that certain First Supplement to Indenture dated as of April 1, 2021, all of which is incorporated herein by this reference.

2. **Declarant Requisition.** Subsection 3.2.3 of the Declaration is amended to include, for purposes of Declarant providing a Requisition, the estimated costs for the elements of the Financed Improvements identified and itemized on Exhibit “I” of the Declaration, and Exhibit “I-1” to this First Amendment.

3. **Reserve Fund.** Pursuant to the Indenture, upon issuance of the Bonds, Bond Trustee created and established a special trust fund in the name of the Association and in the custody of the Bond Trustee referred to as the Reserve Fund. The Series 2020 Reserve Account created thereunder shall include the Reserve Funds for both the Series 2020 Bonds and Series 2021 Bonds.

4. **Maintenance of Debt Service Requirement.** Subsection 3.4.3 of the Declaration is amended to include, within the Owner consent and waiver, a waiver of the right to contest maintenance of sufficient funds in the Series 2020 Reserve Account to cover the Debt Service Reserve Requirement for both Series 2020 Bonds and Series 2021 Bonds.

5. **Deficiency in Reserve Account.** Each Owner, by acceptance of a deed or other instrument conveying title to a Lot, group of Lots or Subdivision Parcel, whether or not it is so expressed in such deed or instrument, expressly consents to and waives its right to contest the Association’s replenishment of the Series 2020 Reserve Account from proceeds received from the sale of delinquent property if at any time the amount on deposit in said Series 2020 Reserve Account is less than the Debt Service Reserve Requirement with respect to the Bonds, upon notice thereof by the Bond Trustee, as set forth in the Indenture. As set forth in the Indenture, the Association shall not be required to replenish the Series 2020 Reserve Account to the Debt Service Reserve Requirement except as funds become available from the Assessments and the enforcement thereof.

6. **Determination of Costs of Financed Improvements.** Section 4.1 of the Declaration is amended to remove and replace the section title to state “Determination of Costs of Financed Improvements,” to replace the amount of total Bond Obligation to be \$53,540,000.00, and to replace Exhibit “I” to the Declaration with the Exhibit “I-1” attached hereto.

7. **Approval of Assessment Plan.** Section 4.2 of the Declaration is amended to confirm and adopt the Assessment Plan as revised pursuant to Exhibit “J-1” attached hereto.

8. **Levy of Assessments.** Section 4.3 of the Declaration is amended to increase the Assessments levied created and levied against the Assessed Property to be those set forth in the Assessment Plan as revised pursuant to Exhibit “J-1” attached hereto.

9. **Method and Rate.** Section 4.5 of the Declaration is amended to remove and replace the chart showing the Assessment rate per Lot with the following chart:

| <u>Lot Type</u> | <u>Number of Home Lots Planned</u> | <u>% Assessed Value</u> | <u>Allocated Bond Principal</u> | <u>Lot Installment/Year</u> |
|-----------------|------------------------------------|-------------------------|---------------------------------|-----------------------------|
| SF Large        | 43                                 | 12.81%                  | \$6,858,105                     | \$19,545                    |
| SF Medium       | 56                                 | 12.96%                  | \$6,936,787                     | \$15,180                    |
| SF M/S          | 57                                 | 11.32%                  | \$6,060,651                     | \$13,030                    |
| HD Small        | 384                                | 62.91%                  | \$33,684,458                    | \$10,750                    |

10. **Affirmative Covenant to Pay Assessments.** Section 4.7 of the Declaration is amended to change the date of the DTA Benefit Apportionment Analysis to March 4, 2021 as per the amended and replaced Exhibit "J-1" attached hereto.

11. **Declarant Amendments.** Section 5.2 of the Declaration is hereby amended to add the following two sentences. The First Amendment is an amendment to effectuate the purposes of the Declaration for the funding of the Financed Improvements for the benefit of the Assessed Property. Except as expressly set forth in the First Amendment or as necessary to carry out the intent as expressed in the First Amendment, all other provisions of the Declaration shall remain in full force and effect.

12. **Recordation.** Declarant shall cause this First Amendment to be recorded in the Official Records of the County.

13. **Affirmation and Ratification.** By its execution of this First Amendment, the Declaration is hereby amended, ratified and affirmed by Declarant and Developer.

14. **Governing Law.** This First Amendment shall be construed and enforced in accordance with the internal laws of the State of Utah (without regard to conflicts of law).

15. **Full Force and Effect.** Except to the extent specifically amended in this First Amendment, all other terms, provisions and conditions of the Declaration shall remain unmodified and in full force and effect. In the event of any conflict between the provisions of the Declaration and the provisions of this First Amendment, the provisions of this First Amendment shall control.

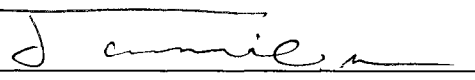
16. **Counterparts.** This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[SIGNATURES BEGIN ON NEXT PAGE.]

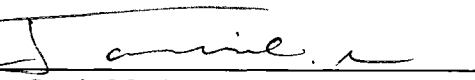
*[SIGNATURE PAGE TO  
FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1]*

IN WITNESS WHEREOF, this First Amendment is being executed by Declarant and Developer as of the date first written above.

**DECLARANT:**                    **BENLOCH RANCH  
DEVELOPMENT GROUP, LLC,**  
a Utah limited liability company

By:   
Name: Jamie Mackay  
Its: President

**DEVELOPER:**                    **BENLOCH RANCH LAND COMPANY,  
LLC,** a Utah limited liability company

By:   
Name: Jamie Mackay  
Its: President

[SIGNATURES OF ASSOCIATION AND BOND TRUSTEE  
CONTINUE ON THE NEXT PAGE(S)]

ACKNOWLEDGEMENTS

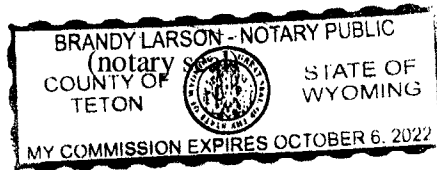
State of Wyoming )  
 ) §  
County of Teton )

The foregoing instrument was acknowledged before me this 6th day of April, 2021, by Jamie Mackay, as President of BENLOCH RANCH DEVELOPMENT GROUP, LLC, a Utah limited liability company.

Witness my hand and official seal.

Brandy Larson

(notary signature)



State of Wyoming )  
 ) §  
County of Teton )

The foregoing instrument was acknowledged before me this 6th day of April, 2021, by Jamie Mackay, as President of BENLOCH RANCH LAND COMPANY, LLC, a Utah limited liability company.

Witness my hand and official seal.

Brandy Larson

(notary signature)



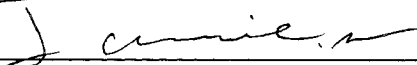


*[SIGNATURE PAGE TO  
FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1]*

The Association hereby acknowledges and agrees to the terms and provisions of the First Amendment.

**ASSOCIATION:**                    **BENLOCH RANCH IMPROVEMENT  
ASSOCIATION NO. 1,**  
a Utah nonprofit corporation

By: **BENLOCH RANCH  
DEVELOPMENT GROUP, LLC,**  
a Utah limited liability company  
Its: Declarant

By: \_\_\_\_\_  
  
Name: Jamie Mackay  
Its: President

The Bond Trustee, in its capacity as trustee for the Bondholders, hereby acknowledges the terms and provisions of the First Amendment, including with respect to its rights and interests hereunder.

**BOND TRUSTEE:**                    **UMB BANK, N.A.,**  
a national banking association

By: \_\_\_\_\_  
Name: Sandra L. Battas  
Its: Vice President

ACKNOWLEDGEMENTS

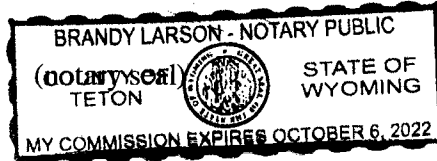
State of Wyoming )  
 ) §  
County of Teton )

The foregoing instrument was acknowledged before me this 6th day of April, 2021, by Jamie Mackay, as President of BENLOCH RANCH DEVELOPMENT GROUP, LLC, a Utah limited liability company, as Declarant of BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1, a Utah nonprofit corporation.

Witness my hand and official seal.

*Brandy Larson*  
\_\_\_\_\_

(notary signature)



\_\_\_\_\_  
State of Utah )  
 ) §  
County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, in the year 2021, personally appeared before me \_\_\_\_\_, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_ and that said document was signed by him/her in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said \_\_\_\_\_ acknowledged to me that said Corporation executed the same.

Witness my hand and official seal.

\_\_\_\_\_  
(notary signature)

(notary seal)

**[SIGNATURE PAGE TO  
FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR BENLOCH RANCH IMPROVEMENT ASSOCIATION NO. 1]**

The Association hereby acknowledges and agrees to the terms and provisions of the First Amendment.

**ASSOCIATION:**                    **BENLOCH RANCH IMPROVEMENT  
ASSOCIATION NO. 1,**  
a Utah nonprofit corporation

By: **BENLOCH RANCH  
DEVELOPMENT GROUP, LLC,**  
a Wyoming limited liability company  
Its: Declarant

By: \_\_\_\_\_  
Name: Jamie Mackay  
Its: President

The Bond Trustee, in its capacity as trustee for the Bondholders, hereby acknowledges the terms and provisions of the First Amendment, including with respect to its rights and interests hereunder.

**BOND TRUSTEE:**                    **UMB BANK, N.A.,**  
a national banking association

By: Sandra L. Battas  
Name: Sandra L. Battas  
Its: Vice President

ACKNOWLEDGEMENTS

State of Utah )  
 ) §  
County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, in the year 2021, personally appeared before me \_\_\_\_\_, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the \_\_\_\_\_ of \_\_\_\_\_ and that said document was signed by him/her in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said \_\_\_\_\_ acknowledged to me that said Corporation executed the same.

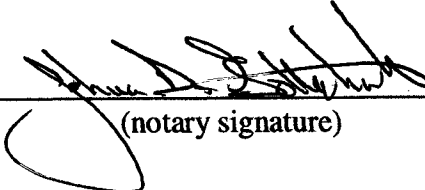
Witness my hand and official seal.

\_\_\_\_\_  
(notary signature) (notary seal)

State of ~~Utah~~ Arizona )  
 ) §  
County of Maricopa )

On this 6<sup>th</sup> day of April, in the year 2021, personally appeared before me Sandra L. Baltas, whose identity is personally known to me (or proven on the basis of name of document signer satisfactory evidence) and who by me duly sworn/affirmed, did say that he/she is the Vice President of UMB Bank and that said document was signed by him/her in behalf of said Corporation by Authority of its Bylaws, or (Resolution of its Board of Directors), and said Vice President acknowledged to me that said Corporation executed the same.

Witness my hand and official seal.

  
(notary signature)



Joshua D Gottschall  
NOTARY PUBLIC  
STATE OF ARIZONA  
Maricopa County  
My Commission Expires  
July 23, 2022  
Commission # 550844

**LIENHOLDER CONSENT AND SUBORDINATION**

The undersigned Beneficiary, as the current beneficiary under that certain Trust Deed, Assignment of Rents, Security Agreement, and Financing Statement recorded on March 17, 2021 as Entry No. 496028 in the official records of Wasatch County, Utah, encumbering certain real property situated in Wasatch County, Utah (the "**Trust Deed**") originally by and between AJ Fireside Park City LLC, a Delaware limited liability company ("**AJ Fireside**") and Benloch Ranch Land Company, LLC, a Utah limited liability company ("**Benloch Ranch**," and together with AJ Fireside, "**Trustor**"), Jonathan K. Hansen, a member of the Utah State Bar ("Trustee"), and SDP REIT, LLC, a Delaware limited liability company ("**SDP REIT**") and SDP FINANCIAL 2020, LP, a Delaware limited partnership ("**SDP 2020**," and collectively with SDP REIT, "**Beneficiary**"), expressly subordinates said Trust Deed to the attached First Amendment to Declaration of Covenants, Conditions and Restrictions for Benloch Ranch Improvement Association No. 1 dated as of April 5, 2021, as the same amends that certain Declaration of Covenants, Conditions and Restrictions for Benloch Ranch Improvement Association No. 1, recorded on July 6, 2020 as entry 480407 in the official records of Wasatch County, Utah (collectively and as supplemented or amended from time to time, the "**Declaration**") and to all liens for assessments thereunder and easements conveyed in accordance therewith. By executing this Lienholder Consent and Subordination, the undersigned agrees that should the undersigned acquire title to all or any portion of the real property encumbered by the Declaration by foreclosure (whether judicial or nonjudicial), deed-in-lieu of foreclosure or any other remedy in or relating to the Deed of Trust, the undersigned will acquire title subject to the terms and conditions of the Declaration, which shall remain in full force and effect.

Dated: April 6, 2021

[Signature Page to Follow]

**Signature Page to Lienholder Consent and Subordination**

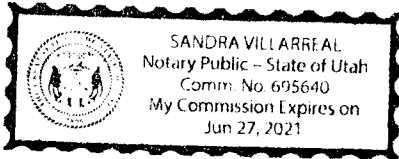
SDP REIT, LLC,  
a Delaware limited liability company

By: [Signature]  
Name: RYAN BAUGHMAN  
Title: MANAGER

**ACKNOWLEDGMENT**

STATE OF Utah )  
COUNTY OF Salt Lake )

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of April, 2021, by Ryan Baughman, as Manager of SDP REIT, LLC, a Delaware limited liability company, on behalf of said company.



Sandra Villarreal  
Notary Public for Salt Lake County, Utah  
My Commission expires: June 27, 2021

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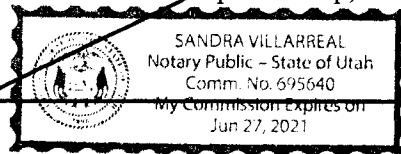
~~SDF FINANCIAL 2020, LP,  
a Delaware limited partnership~~

~~By: [Signature]  
Name: RYAN BAUGHMAN  
Title: MANAGER~~

**ACKNOWLEDGMENT**

~~STATE OF Utah )  
COUNTY OF Salt Lake )~~

~~The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of April, 2021, by Ryan Baughman, as Manager of SDF FINANCIAL 2020, LP, a Delaware limited partnership, on behalf of said company.~~



~~Sandra Villarreal  
Notary Public for Salt Lake County, Utah  
My Commission expires: June 27, 2021~~

**Signature Page to Lienholder Consent and Subordination**

SDP FINANCIAL 2020, LP,  
a Delaware limited partnership

By: Sundance Bay Debt Partners GP, LLC  
a Delaware limited liability company,  
Its General Partner

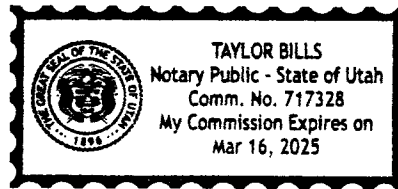
By: [Signature]  
Name: Mark Maughan  
Title: Manager

**ACKNOWLEDGMENT**

STATE OF Utah )  
COUNTY OF Salt Lake )

The foregoing instrument was acknowledged before me this 7 day of April, 2021, by Mark Maughan, as Manager of Sundance Bay Debt Partners GP, LLC, the General Partner of SDP FINANCIAL 2020, LP, a Delaware limited partnership, on behalf of said company.

[Signature]  
Notary Public for State of Utah  
My Commission expires: March 16, 2025



**ATTACHMENT 1**  
**BONDHOLDER CONSENTS TO AMENDMENT**

[Attach Executed Bondholder Consents.]



**BONDHOLDER CONSENT TO AMENDMENTS AND  
ISSUANCE OF ADDITIONAL BONDS  
(GOLDMAN SACHS ASSET MANAGEMENT LP)**

Goldman Sachs Asset Management LP (“GSAM”) hereby represents that it is the owner of \$18,790,000 aggregate principal amount of the Benloch Ranch Improvement Association No. 1 (the “Issuer”) Special Assessment Bonds, Series 2020 (the “Series 2020 Bonds”), issued in the principal amount of \$33,790,000. The Series 2020 Bonds were issued pursuant to an Indenture of Trust and Pledge, dated as of July 1, 2020 (the “Original Indenture”), between the Issuer and UMB Bank, n.a., as Trustee (the “Trustee”). Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture (defined hereafter).

As the owner of a portion of the Series 2020 Bonds, GSAM hereby consents as follows:

1. Pursuant to Section 2.10 of the Original Indenture, to the issuance by the Issuer of its Special Assessment Bonds, Series 2021 (the “Series 2021 Bonds”) in the aggregate principal amount of \$19,750,000 pursuant to the Original Indenture and the First Supplement to Indenture of Trust and Pledge, dated as of April 1, 2021 (the “First Supplement to Indenture” and together with the Original Indenture, the “Indenture”), between the Issuer and the Trustee.
2. To the amendments to the Original Indenture contained in the First Supplement to Indenture (including the Exhibits thereto), attached hereto as Exhibit A and incorporated by reference.
3. To the amendments to the Declaration of the Issuer dated as of July 2, 2020 contained in the First Amendment to Declaration of Covenants, Conditions and Restrictions for the Issuer dated April 5, 2021 (including the Exhibits thereto), attached hereto as Exhibit B and incorporated by reference.

The undersigned hereby certifies that he/she is authorized to execute this Bondholder Consent to Amendments and Issuance of Additional Bonds on behalf of GSAM.

DATED: March 5, 2021

GOLDMAN SACHS ASSET MANAGEMENT LP

By: Scott K. Diamond  
Name: Scott K. Diamond  
Title: M.D.

**BONDHOLDER CONSENT TO AMENDMENTS AND  
ISSUANCE OF ADDITIONAL BONDS  
(NUVEEN ASSET MANAGEMENT, LLC)**

Nuveen Asset Management, LLC (“Nuveen”) hereby represents that it is the owner of \$15,000,000 aggregate principal amount of the Benloch Ranch Improvement Association No. 1 (the “Issuer”) Special Assessment Bonds, Series 2020 (the “Series 2020 Bonds”), issued in the principal amount of \$33,790,000. The Series 2020 Bonds were issued pursuant to an Indenture of Trust and Pledge, dated as of July 1, 2020 (the “Original Indenture”), between the Issuer and UMB Bank, n.a., as Trustee (the “Trustee”). Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture (defined hereafter).

As the owner of a portion of the Series 2020 Bonds, Nuveen hereby consents as follows:

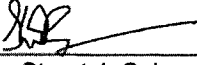
1. Pursuant to Section 2.10 of the Original Indenture, to the issuance by the Issuer of its Special Assessment Bonds, Series 2021 (the “Series 2021 Bonds”) in the aggregate principal amount of \$19,750,000 pursuant to the Original Indenture and the First Supplement to Indenture of Trust and Pledge, dated as of April 1, 2021 (the “First Supplement to Indenture” and together with the Original Indenture, the “Indenture”), between the Issuer and the Trustee.
2. To the amendments to the Original Indenture contained in the First Supplement to Indenture (including the Exhibits thereto), attached hereto as Exhibit A and incorporated by reference.
3. To the amendments to the Declaration of the Issuer dated as of July 2, 2020 contained in the First Amendment to Declaration of Covenants, Conditions and Restrictions for the Issuer dated April 5, 2021 (including the Exhibits thereto), attached hereto as Exhibit B and incorporated by reference.

The undersigned hereby certifies that he/she is authorized to execute this Bondholder Consent to Amendments and Issuance of Additional Bonds on behalf of Nuveen.

DATED: March 5, 2021

Nuveen High Yield Municipal Bond Fund

By: Nuveen Asset Management, LLC as investment advisor

By:   
Name: Stuart J. Cohen  
Title: Managing Director and Head of Legal

**PARCEL 1 ("PHASE 1A")**

Part of the Northeast and Northwest quarters of Section 2, the Northeast quarter of Section 3, Township 3 South, Range 5 East, Salt Lake Base and Meridian, U.S. Survey, described as follows:

Beginning at a point on the Southerly right of way line of Benloch Ranch Road, said point being North 89°31'27" East 6017.58 feet and South 00°28'33" East 632.41 feet from a found brass cap monument at the Southwest corner of Section 34, Township 2 South, Range 5 East (said Southwest corner of Section 34, Township 2 South, Range 5 East being South 89°31'27" West 16027.88 feet from the Northeast corner of Section 1, Township 3 South, Range 5 East and being the basis of bearings for this project), and running thence along said Southerly right of way line the following seven (7) courses: (1) along a non-tangent curve turning to the right with a radius of 320.00 feet, an arc length of 5.01 feet, a delta angle of 00°53'50", a chord bearing of South 55°15'54" East, and a chord length of 5.01 feet; (2) South 54°48'59" East 122.63 feet; (3) along a tangent curve turning to the left with a radius of 1555.00 feet, an arc length of 306.88 feet, a delta angle of 11°18'26", a chord bearing of South 60°28'12" East, and a chord length of 306.38 feet; (4) South 66°07'25" East 250.14 feet; (5) along a tangent curve turning to the left with a radius of 705.00 feet, an arc length of 178.14 feet, a delta angle of 14°28'39", a chord bearing of South 73°21'44" East, and a chord length of 177.67 feet; (6) South 80°36'04" East 756.52 feet; and (7) along a tangent curve turning to the left with a radius of 1315.00 feet, an arc length of 613.39 feet, a delta angle of 26°43'33", a chord bearing of North 86°02'06" East, and a chord length of 607.84 feet; thence South 17°19'41" East 73.31 feet; thence South 31°03'02" East 99.94 feet; thence South 13°12'27" East 123.35 feet; thence South 09°37'26" West 160.48 feet; thence South 30°23'51" West 123.37 feet; thence South 52°15'06" West 102.40 feet; thence South 26°59'52" West 488.46 feet; thence South 31°59'27" West 146.05 feet; thence South 44°19'13" West 146.05 feet; thence South 56°38'59" West 146.05 feet; thence South 68°58'46" West 146.05 feet; thence South 81°18'32" West 146.05 feet; thence North 86°55'42" West 136.73 feet; thence North 79°18'30" West 268.60 feet; thence North 69°54'02" West 98.11 feet; thence North 55°36'39" West 115.81 feet; thence North 36°10'33" West 176.90 feet; thence North 26°58'51" West 76.04 feet; thence North 12°34'50" West 76.97 feet; thence South 75°44'48" West 29.13 feet; thence along a tangent curve turning to the right with a radius of 1117.22 feet, an arc length of 246.34 feet, a delta angle of 12°38'00", a chord bearing of South 82°03'48" West, and a chord length of 245.84 feet; thence South 113.04 feet; thence South 17°17'32" West 97.61 feet; thence South 29°49'19" West 172.83 feet; thence South 48°35'21" West 172.83 feet; thence South 67°25'39" West 174.12 feet; thence South 86°15'56" West 172.83 feet; thence North 78°06'15" West 167.29 feet; thence North 69°00'37" West 137.42 feet; thence North 53°32'36" West 222.67 feet; thence North 12°53'17" West 224.48 feet; thence North 23°24'22" East 224.02 feet; thence North 62°51'42" East 265.60 feet; thence North 53°48'40" East 58.57 feet; thence North 37°16'02" West 487.87 feet; thence North 05°00'04" West 125.71 feet; thence North 06°55'10" East 135.96 feet; thence North 19°24'49" East 138.25 feet; thence North 31°04'15" East 117.65 feet; thence North 43°23'25" East 152.72 feet; thence North 61°07'00" East 55.99 feet; thence North 61°30'31" East 60.19 feet; thence North 60°30'43" East 281.65 feet; thence South 33°53'57" East 177.36 feet; thence North 80°47'54" East 48.95 feet; thence along a non-tangent curve turning to the right with a radius of 125.00 feet, an arc length of 109.31 feet, a delta angle of 50°06'15", a chord bearing of North 10°07'54" East, and a chord length of 105.86 feet; thence North 35°11'22" East 99.40 feet to the point of beginning.

**PARCEL 2 ("PHASE 1C")**

Part of the North half of Section 2 and the Northwest quarter of Section 1, Township 3 South, Range 5 East, and part of the South half of Section 35, Township 2 South, Range 5 East, Salt Lake Base and Meridian, U.S. Survey, described as follows:

Beginning at a point on the Southerly right of way line of S.R. 32, said point being North 89°31'27" East 7546.18 feet and North 00°28'33" West 332.51 feet from a found brass cap monument at the Southwest corner of Section 34, Township 2 South, Range 5 East (said Southwest corner of Section 34, Township 2 South, Range 5 East being South 89°31'27" West 16027.88 feet from the Northeast corner of Section 1, Township 3 South, Range 5 East and being the basis of bearings for this project); thence along the Southerly right of way line of S.R. 32 the following eleven (11) courses: (1) North 69°06'21" East 582.54 feet; (2) North 69°12'39" East 422.32 feet; (3) South 88°26'59" East 300.00 feet; (4) North 89°39'42" East 324.08 feet; (5) North 82°24'02" East 333.19 feet; (6) North 59°39'18" East 336.67 feet; (7) North 41°13'03" East 300.01 feet; (8) North 71°55'29" East 195.18 feet; (9) North 71°56'08" East 237.32 feet; (10) North 71°53'17" East 347.09 feet; and (11) North 72°01'10" East 24.25 feet; thence South 00°06'29" East 1344.16 feet; thence North 89°33'35" East 2357.77 feet; thence South 05°05'03" West 269.83 feet; thence South 00°38'10" West 60.11 feet; thence South 01°09'16" West 1673.29 feet; thence North 90°00'00" West 3362.43 feet; thence North 14°22'39" West 186.51 feet; thence along a tangent curve turning to the right with a radius of 245.00 feet, an arc length of 214.39 feet, a delta angle of 50°08'16", a chord bearing of North 10°41'26" East, and a chord length of 207.62 feet; thence North 35°45'34" East 258.55 feet; thence along a tangent curve turning to the left with a radius of 355.00 feet, an arc length of 679.09 feet, a delta angle of 109°36'10", a chord bearing of North 19°02'28" West, and a chord length of 580.18 feet; thence North 73°50'33" West 320.44 feet; thence along a tangent curve turning to the left with a radius of 620.00 feet, an arc length of 377.39 feet, a delta angle of 34°52'31", a chord bearing South 88°43'12" West, and a chord length of 371.59 feet; thence South 71°16'56" West 805.33 feet; thence along a tangent curve turning to the right with a radius of 1205.00 feet, an arc length of 591.33 feet, a delta angle of 28°07'00", a chord bearing of South 85°20'26" West, and a chord length of 585.41 feet; thence North 80°36'04" West 388.71 feet; thence North 09°23'56" East 13.88 feet; thence along a tangent curve turning to the right with a radius of 95.00 feet, an arc length of 76.64 feet, a delta angle of 46°13'13", a chord bearing of North 32°30'33" East, and a chord length of 74.57 feet; thence North 55°37'09" East 115.57 feet; thence along a tangent curve turning to the left with a radius of 190.00 feet, an arc length of 317.88 feet, a delta angle of 95°51'29", a chord bearing of North 07°41'25" East, and a chord length of 282.08 feet; thence North 40°14'20" West 81.39 feet; thence along a tangent curve turning to the right with a radius of 120.00 feet, an arc length of 103.96 feet, a delta angle of 49°38'16", a chord bearing of North 15°25'12" West, and a chord length of 100.74 feet; thence North 09°23'56" East 56.96 feet; thence along a tangent curve turning to the right with a radius of 170.00 feet, an arc length of 188.66 feet, a delta angle of 63°35'09", a chord bearing of North 41°11'31" East, and a chord length of 179.13 feet; thence North 72°52'40" East 359.41 feet; thence along a non-tangent curve turning to the left with a radius of 155.00 feet, an arc length of 422.46 feet, a delta angle of 156°09'47", a chord bearing of North 05°03'41" West, and a chord length of 303.32 feet; thence North 83°08'34" West 80.15 feet; thence along a tangent curve turning to the right with a radius of 70.00 feet, an arc length of 71.15 feet, a delta angle of 58°14'16", a chord bearing of North 54°01'27" West, and a chord length of 68.13 feet; thence North 24°54'19" West 84.46 feet to the point of beginning.

[End of Legal Description.]

**EXHIBIT "D-1"**

**DEPICTION OF THE ASSESSED PROPERTY**

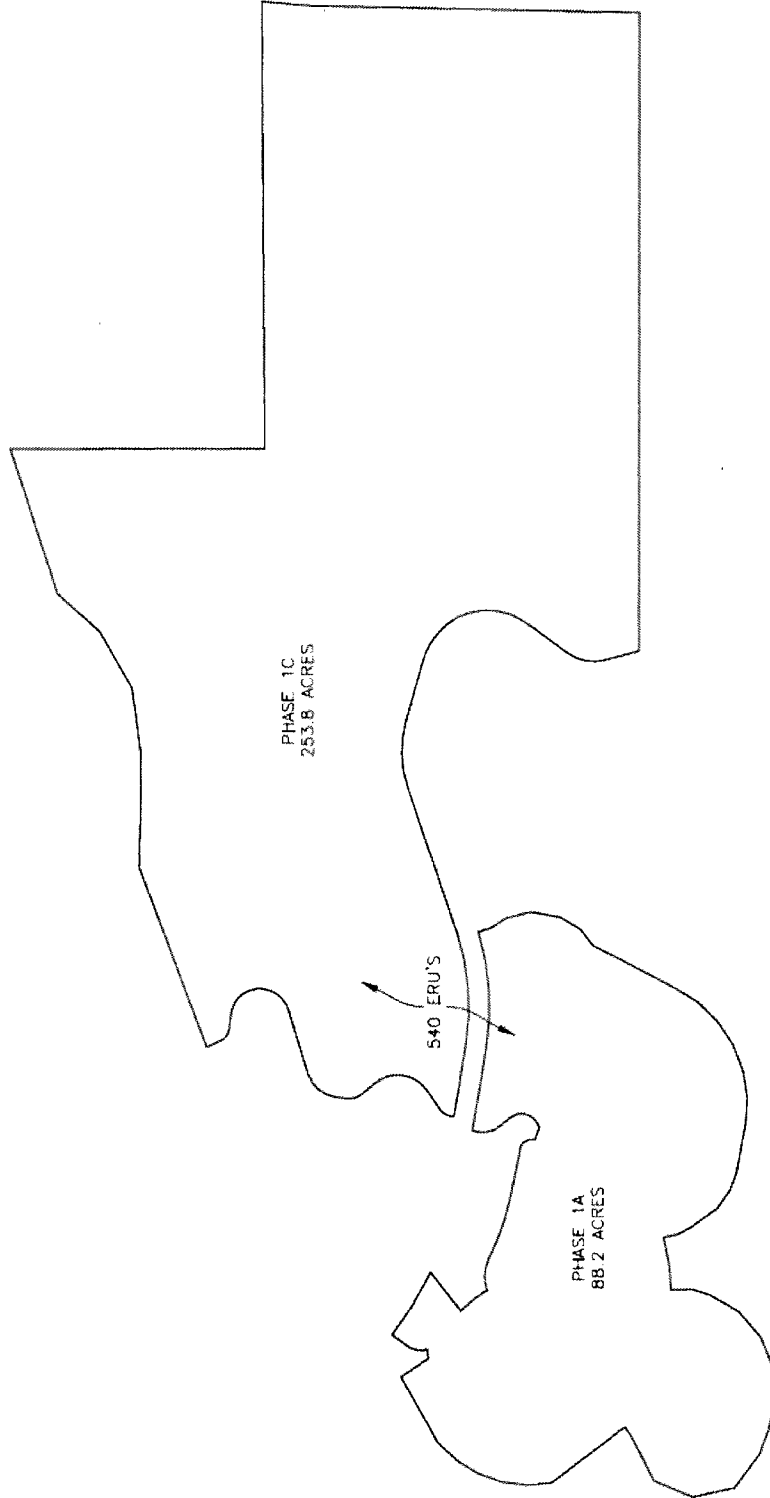


Exhibit D-1

**EXHIBIT "I-1"**  
**FINANCED IMPROVEMENTS**  
**[Series 2021 Bonds]**

[See attached.]





## DESCRIPTION OF THE IMPROVEMENTS

### DESCRIPTION OF THE IMPROVEMENTS

#### A Improvement Overview

Both the Indenture and Supplement between Association and the Trustee of the Series 2020 and Series 2021 Bonds define the authorized Improvements that may be undertaken by the Association through the Indenture/Supplement. Improvements that may be undertaken pursuant to the Indenture/Supplement include, but are not limited to, various quantities of the following types of infrastructure and equipment:

1. Street Improvements and Fees – Funding for capital improvements, including local and arterial streets with related grading, installation maintenance, concrete curb, gutter and sidewalk, aggregate base, asphaltic concrete paving, and street lighting improvements necessary to meet the project service demands of the Assessed Property;
2. Water Improvements and Fees (Jordanelle Special Service District) – Funding for capital improvements for the water system, including the removal and setting up of water mains and appurtenances and installation of fire hydrants, connections, offsite water infrastructure, water rights, a backflow preventer, and irrigation necessary to meet the potable and non-potable water needs of the Assessed Property;
3. Sanitary Sewer Improvements and Fees (Jordanelle Special Service District) – Funding for capital improvements for the collection of sewage, including manholes, connections and gravity mainline necessary to meet the project service demands of the Assessed Property;
4. Storm Drain Improvements and Fees – Funding for capital improvements, including facilities for the collection and disposal of storm waters for drainage and flood control purposes, such as mainline and connector pipes, drainage inlets, manholes, a retention basin, bubblers, risers, and outfall pumps necessary to meet the project service demands of the Assessed Property;
5. Grading, Earthwork, and Land Management Improvements and Fees – Funding for capital improvements to manage growth including the creation of natural water sources and construction of ponds necessary to meet the project service demands of the Assessed Property;
6. Dry Utilities, Landscape Improvements, and Fees – Funding for capital improvements, including dry utilities, ground cover, irrigation, trees and access features, and erosion control necessary to serve the Assessed Property;
7. Backbone Improvements and Fees – Funding for the Phase 1A and Phase 1C allocable share of Benloch Ranch-wide backbone roadway improvements (including the Benloch Ranch Roadway, Fireside Drive, SR-32 Access Points, etc.) necessary to meet the project service demands of the Assessed Property; and



## DESCRIPTION OF THE IMPROVEMENTS

8. Miscellaneous – Funding for incidental costs associated with the Improvements, including contingency, design, engineering, and construction management. Also includes a partial reimbursement to the Project Developer for the assignment of water rights, utility connections, and impact fees.

### B Description and Costs of the Series 2020 and Series 2021 Improvements

The costs of the Series 2020 and Series 2021 Improvements related to the 540 units are shown in Table 1. These costs are estimates and may be revised in Annual Administrative Reports but may not exceed the updated cost of the total authorized Improvements set forth herein. Savings from a line item may be applied to a cost increase in another item, as approved by the Association, and these savings may be applied to increases in the costs of the remaining authorized Improvements permitted by the Indenture and Supplement

**Table 1: Series 2020 and Series 2021 Improvement Costs (Phase 1A and Phase 1C)**

| Description  | Total*              |
|--|---------------------|
| Street Improvements (1A And 1C)  | \$2,675,548         |
| Water System (1A And 1C)   | \$1,975,920         |
| Sanitary Sewer System (1A And 1C)  | \$1,502,160         |
| Storm Drain System (1A And 1C)   | \$992,985           |
| Grading/Earthwork (1A And 1C)  | \$1,110,000         |
| Dry Utilities And Common Costs (1A And 1C)   | \$1,470,240         |
| Backbone Costs Allocated to 1A and 1C  | \$3,086,086         |
| Softs Costs And Contingency (1A And 1C)  | \$3,630,000         |
| Partial Developer Reimbursement For Assignment Of Water Rights, Utility Connections, And Impact Fees | \$21,661,041        |
| <b>Total Authorized Improvements</b>   | <b>\$37,705,979</b> |

**EXHIBIT "J-1"**  
**AMENDED AND RESTATED ASSESSMENT PLAN**



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99 Almaden Boulevard, Suite 875  
San Jose, CA 95113

Ent 497615 Bk 1348Pg 651

**MACKAY DEVELOPMENTS**  
**AMENDED BENEFIT APPORTIONMENT ANALYSIS**

Benloch Ranch Improvement Association No. 1

Special Assessment Bonds

Wasatch County, Utah

**Prepared for:**

**Mackay Developments**

Attention: Jamie MacKay, CEO

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## APPENDICES

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## SECTION I PLAN DESCRIPTION

### I PLAN DESCRIPTION

#### A Introduction

Benloch Ranch is a residential master-planned development located in the shadow of the Wasatch and Uinta Mountains and is 20 minutes from Downtown Park City, Utah. The planned and anticipated development of the 2,336.3-acre site includes over 900 acres of open space and 23.5 miles of trails. The Benloch Ranch site is also referred to as the "subject site" throughout this Amended Benefit Apportionment Analysis (the "Report").

The Benloch Ranch Primary Trade Area ("PTA"), which is an approximately 15- to 20-minute drive from the subject site, is projected to add 1,790 people and 593 households annually through 2029. Over the next decade, housing unit demand generated by both seasonal housing and from within the Benloch Ranch PTA is projected to increase by 840 units annually. Of the new housing units demanded, this Report specifically addresses 156 units of low density detached single-family product and 384 units of high density attached/detached single-family product.

In addition to strong residential demand in the area, Benloch Ranch will benefit from planned amenities that include a fireside resort (convention center and clubhouse), sledding hill, equestrian center, commercial center (grocery store, restaurants, other retail, and a helipad), indoor/outdoor storage area, lakes, and trails. Benloch Ranch's topography also provides for excellent views of the Jordanelle Reservoir and Wasatch and Uinta Mountains.

#### B Special Assessment Revenue Bonds

Benloch Ranch Improvement Association No. 1 (the "Association") in Heber City, Utah issued its Homeowners Special Assessment Revenue Bonds, Series 2020 (Taxable) (the "Series 2020 Bonds") and is now planning to issue parity Homeowners Special Assessment Revenue Bonds Series 2021 (Taxable) (the "Series 2021 Bonds"). The Series 2020 and Series 2021 Bonds are being utilized to: (i) finance the costs of infrastructure, utility fees, connection fees, and impacts fees, and other related improvements (the "Improvements") to be constructed within or adjacent to the boundaries of, and necessary to develop, the Assessed Properties (as hereinafter defined), (ii) fund future water reservations, and (iii) pay the costs of issuing Series 2020 and Series 2021 Bonds.

The Series 2020 and Series 2021 Bonds shall be special limited obligations of the Association and payable solely from monies collected by the Bond Trustee from the Association's levy of assessments (the "Assessments") against the owners of the developable properties that will be benefited by the Improvements (collectively, the "Assessed Property") pursuant to the Declaration of Covenants, Conditions, and Restrictions (the "Declaration"); monies collected by the Association from the enforcement against the Owner(s) of the Assessed Properties; and other funds as described in the Indenture and the First Supplement to Indenture of Trust and Pledge



**SECTION I  
PLAN DESCRIPTION**

dated as of March 1, 2021 (the "Supplement").

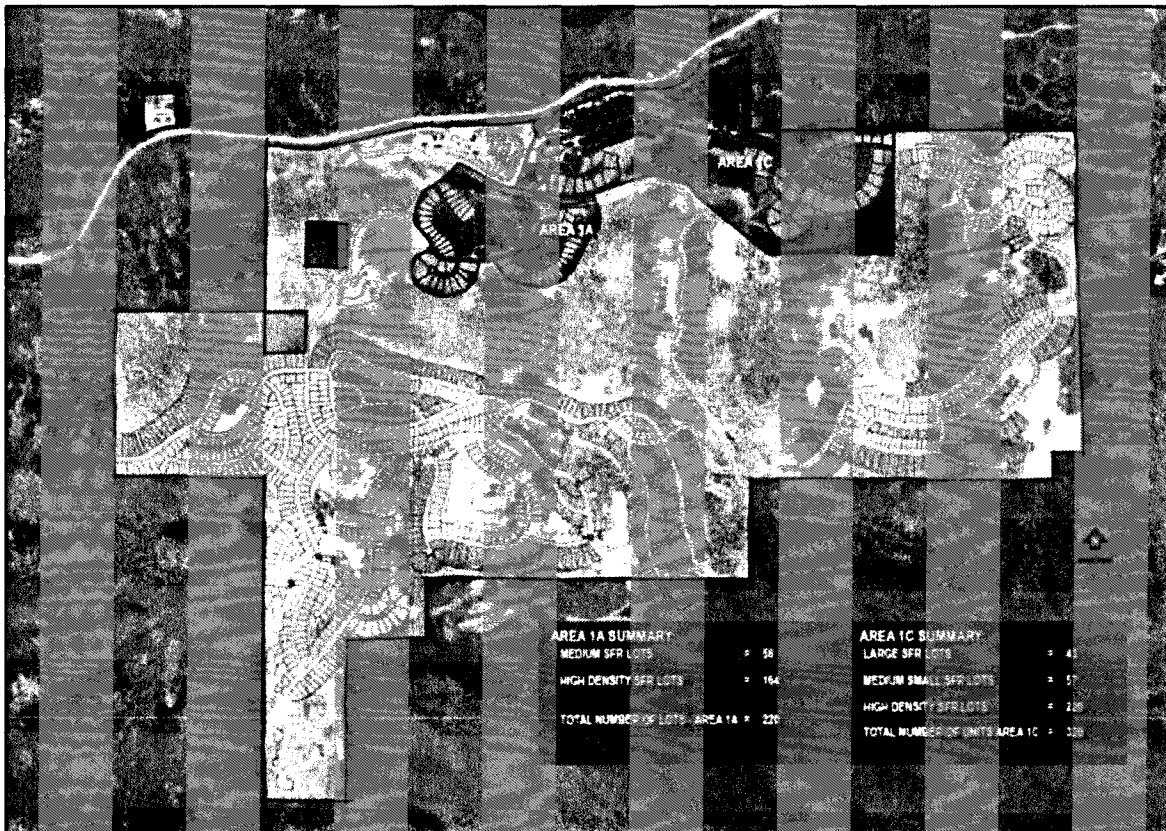
The Assessments are anticipated to be paid annually in substantially equal amounts over a period of 20 years. The Association is not an agency or instrumentality of the State of Utah (the "State") or any political subdivision thereof. Neither the State, nor any political subdivision thereof, shall be liable for the payment of the principal of, redemption price, or interest on the Series 2020 and Series 2021 Bonds.

**SECTION II  
PROPERTY INCLUDED IN THE  
DISTRICT**

**II PROPERTY INCLUDED IN THE DISTRICT**

Figures 1, 2, and 3 depict the conceptual maps of the Association Assessed Property. Please see Appendix D for the corresponding legal descriptions, which have been provided by Reeve & Associates, Inc.

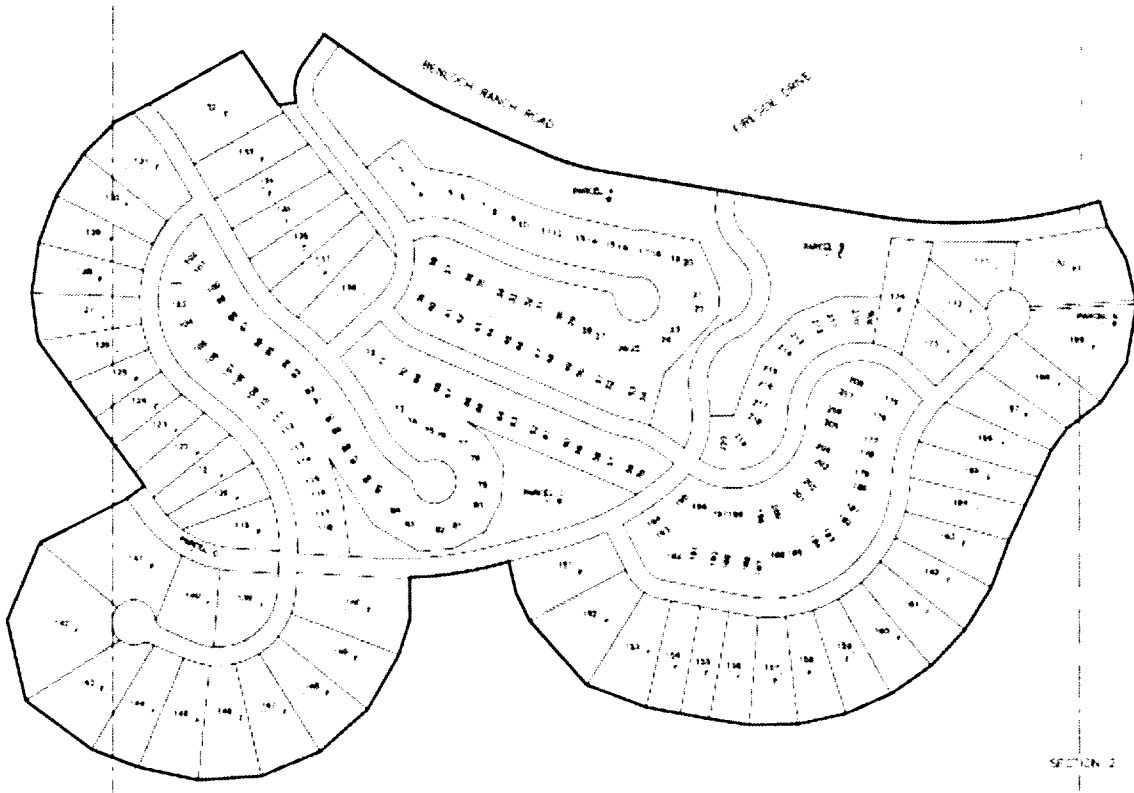
**Figure 1: Conceptual Map**





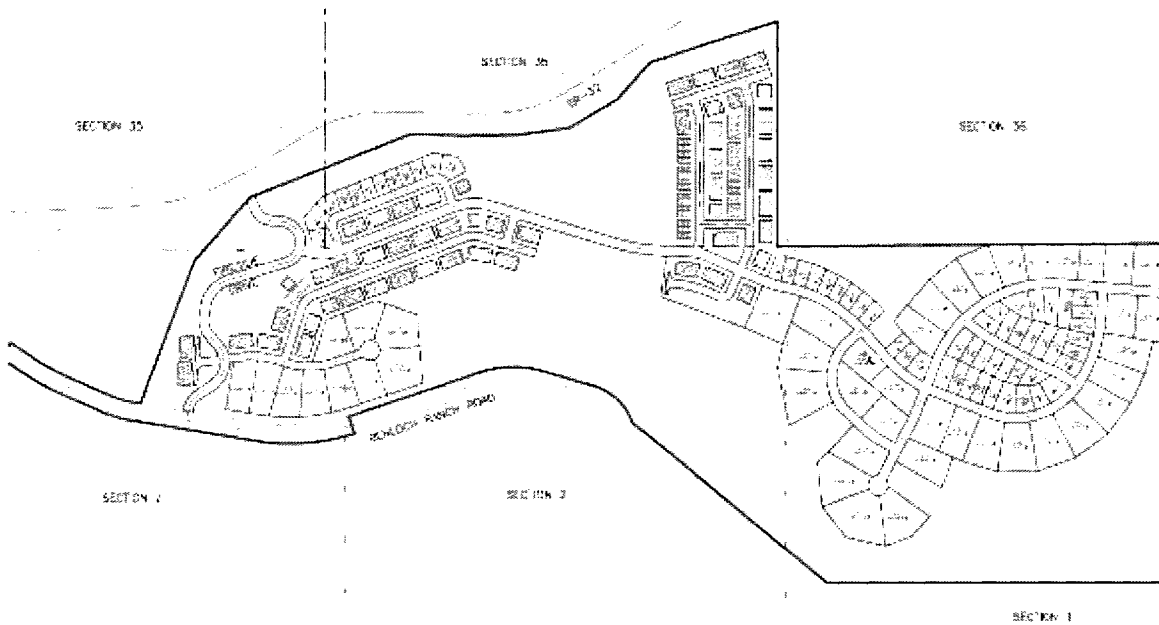
**SECTION II  
PROPERTY INCLUDED IN THE  
DISTRICT**

**Figure 2: Plat - Section 1A Conceptual Map**



**SECTION II  
PROPERTY INCLUDED IN THE  
DISTRICT**

**Figure 3: Plat - Section 1C Conceptual Map**





## SECTION III DESCRIPTION OF THE IMPROVEMENTS

### III DESCRIPTION OF THE IMPROVEMENTS

#### A Improvement Overview

Both the Indenture and Supplement between Association and the Trustee of the Series 2020 and Series 2021 Bonds define the authorized Improvements that may be undertaken by the Association through the Indenture/Supplement. Improvements that may be undertaken pursuant to the Indenture/Supplement include, but are not limited to, various quantities of the following types of infrastructure and equipment:

1. Street Improvements and Fees – Funding for capital improvements, including local and arterial streets with related grading, installation maintenance, concrete curb, gutter and sidewalk, aggregate base, asphaltic concrete paving, and street lighting improvements necessary to meet the project service demands of the Assessed Property;
2. Water Improvements and Fees (Jordanelle Special Service District) – Funding for capital improvements for the water system, including the removal and setting up of water mains and appurtenances and installation of fire hydrants, connections, offsite water infrastructure, water rights, a backflow preventer, and irrigation necessary to meet the potable and non-potable water needs of the Assessed Property;
3. Sanitary Sewer Improvements and Fees (Jordanelle Special Service District) – Funding for capital improvements for the collection of sewage, including manholes, connections and gravity mainline necessary to meet the project service demands of the Assessed Property;
4. Storm Drain Improvements and Fees – Funding for capital improvements, including facilities for the collection and disposal of storm waters for drainage and flood control purposes, such as mainline and connector pipes, drainage inlets, manholes, a retention basin, bubblers, risers, and outfall pumps necessary to meet the project service demands of the Assessed Property;
5. Grading, Earthwork, and Land Management Improvements and Fees – Funding for capital improvements to manage growth including the creation of natural water sources and construction of ponds necessary to meet the project service demands of the Assessed Property;
6. Dry Utilities, Landscape Improvements, and Fees – Funding for capital improvements, including dry utilities, ground cover, irrigation, trees and access features, and erosion control necessary to serve the Assessed Property;
7. Backbone Improvements and Fees – Funding for the Phase 1A and Phase 1C allocable share of Benloch Ranch-wide backbone roadway improvements (including the Benloch Ranch Roadway, Fireside Drive, SR-32 Access Points, etc.) necessary to meet the project service demands of the Assessed Property; and



## SECTION III DESCRIPTION OF THE IMPROVEMENTS

8. Miscellaneous – Funding for incidental costs associated with the Improvements, including contingency, design, engineering, and construction management. Also includes a partial reimbursement to the Project Developer for the assignment of water rights, utility connections, and impact fees.

After analyzing the Improvements authorized by the Indenture and Supplement, the Association has determined that the authorized Improvements described in Section III(B) of this Report should be undertaken by the Association.

### B Description and Costs of the Series 2020 and Series 2021 Improvements

The costs of the Series 2020 and Series 2021 Improvements related to the 540 units are shown in Table 1. These costs are estimates and may be revised in Annual Administrative Reports but may not exceed the updated cost of the total authorized Improvements set forth herein. Savings from a line item may be applied to a cost increase in another item, as approved by the Association, and these savings may be applied to increases in the costs of the remaining authorized Improvements permitted by the Indenture and Supplement and identified within this Report.

**Table 1: Series 2020 and Series 2021 Improvement Costs (Phase 1A and Phase 1C)**

| Description  | Total*              |
|--|---------------------|
| Street Improvements (1A And 1C)  | \$2,675,548         |
| Water System (1A And 1C)   | \$1,575,920         |
| Sanitary Sewer System (1A And 1C)  | \$1,502,160         |
| Storm Drain System (1A And 1C)   | \$992,985           |
| Grading/Earthwork (1A And 1C)  | \$1,110,000         |
| Dry Utilities And Common Costs (1A And 1C)   | \$1,470,240         |
| Backbone Costs Allocated to 1A and 1C  | \$3,086,086         |
| Softs Costs And Contingency (1A And 1C)  | \$3,630,000         |
| Partial Developer Reimbursement For Assignment Of Water Rights, Utility Connections, And Impact Fees | \$21,663,041        |
| <b>Total Authorized Improvements</b>   | <b>\$37,705,979</b> |

\*Note: Please see Appendix B for full description of the eligible infrastructure; the table herein has been condensed and is merely illustrative. Costs are provided by Reeve & Associates, Inc. Estimates, subject to change.



## SECTION IV SOURCES AND USES OF FUNDS

### IV SOURCES AND USES OF FUNDS

The estimated costs for the Improvements, plus costs related to the issuance of the Series 2020 and Series 2021 Bonds, and payment of expenses incurred in the establishment, administration, and operation of the Indenture and Supplement is approximately \$53,540,000, as shown below in Table 2. The developer contribution will be applied proportionally across all phases (540 Lots) based on lot type and lot size.

The sources and uses of funds as presented shall be updated each year in the Annual Administrative Report to reflect any budget revisions and changes to actual costs.



## SECTION IV SOURCES AND USES OF FUNDS

**Table 2: Sources and Uses of Funds**

| Sources and Uses of Funds  | Series 2020 and<br>Series 2021 Bonds <sup>4</sup> |
|--|---|
| <b>Sources of Funds</b>  |   |
| Series 2020 Bond Par Amount  | \$33,790,000                                      |
| Series 2021 Bond Par Amount  | \$19,750,000                                      |
| <b>Total Sources of Funds</b>  | <b>\$53,540,000</b>                               |
| <b>Uses of Funds</b>   |   |
| <u>Specific Improvements<sup>1</sup></u>   |   |
| Street Improvements (1A and 1C)  | \$2,675,548                                       |
| Water System (1A and 1C)   | \$1,575,920                                       |
| Sanitary Sewer System (1A and 1C)  | \$1,502,160                                       |
| Storm Drain System (1A and 1C)   | \$992,985   |
| Grading/Earthwork (1A and 1C)  | \$1,110,000                                       |
| Dry Utilities and Common Costs (1A and 1C)   | \$1,470,240                                       |
| Backbone Costs Allocated to 1A and 1C  | \$3,086,086                                       |
| Softs Costs and Contingency (1A and 1C)  | \$3,630,000                                       |
| Partial Developer Reimbursement for Assignment of Water Rights, Utility Connections, and Impact Fees | \$21,663,041                                      |
| <b>Subtotal Specific Improvements</b>  | <b>\$37,705,979</b>                               |
| <u>Financing Costs</u>   |   |
| Series 2020 Capitalized Interest <sup>2</sup>  | \$6,259,598                                       |
| Series 2020 Bond Reserve Fund  | \$3,379,000                                       |
| Series 2020 Underwriter's Discount   | \$675,800   |
| Series 2020 Costs of Issuance / Deposit to Administrative Fund                                       | \$973,998   |
| Series 2021 Capitalized Interest <sup>3</sup>  | \$1,925,625                                       |
| Series 2021 Bond Reserve Fund  | \$1,975,000                                       |
| Series 2021 Underwriter's Discount   | \$395,000   |
| Series 2021 Costs of Issuance / Deposit to Administrative Fund                                       | \$250,000   |
| <b>Subtotal Financing Costs</b>  | <b>\$15,834,021</b>                               |
| <b>Total Uses of Funds</b>   | <b>\$53,540,000</b>                               |

**Notes:**

1. See Table 1 for details.
2. Capitalized Interest is approximately 23 months for the Series 2020 Bonds.
3. Capitalized Interest is approximately 15 months for the Series 2021 Bonds.
4. May not sum due to rounding.



## SECTION V ASSESSMENT PLAN

### V ASSESSMENT PLAN

#### A Introduction

The Series 2020 and Series 2021 Bonds instruct the Association to apportion the costs of the Improvements on the basis of special benefits conferred upon the property as a result of the Improvements. DTA, the Administrator, recommends that the costs of the Improvements be assessed (i) according to the value of the property as determined by the governing body (with or without regard to Improvements on the property), (ii) equally per front foot or square foot, or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited.

The Series 2020 and Series 2021 Bonds Indenture, Supplement, and Declaration further provide that the Association, in consultation with the Administrator, may establish by resolution reasonable classifications and formulas for the apportionment of the cost between the Association and area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed bond issuance program entails a potential series of bond financings that are intended to finance the infrastructure required for the development. This financing may be undertaken in phases to coincide with the private investment and development of the Improvements.

The purpose of the issuance of bonds in phases is to mirror the actual development of the Improvements. Special assessment bonds are most prudently and efficiently utilized when directly coinciding with construction of the infrastructure needed for the private development that is to occur once the infrastructure is completed. It is most effective to issue bonds when the infrastructure is needed, not before.

Additionally, the issuance of Series 2020 and Series 2021 Bonds will maintain a prudent Value-to-Lien ("VTL") within the financing program. In order to maintain a prudent VTL, the initial issuance of bonds for a specific portion of Improvements within a phase may not fund all the necessary Improvements because the property value is not high enough to support the entire debt load at the VTL chosen for the development. In that case, the owner will need to fund the additional infrastructure costs with its own funds and be responsible for any cost overruns that exceed the total budget.

For purposes of this Report, the Association has determined that the costs of the Improvements shall be allocated as described below.

1. The Improvement costs shall be allocated on the basis of the size of the lots and their estimated value once the Assessed Property is developed and the fact that such a method of allocation will result in the imposition of equivalent shares of the costs of the Improvements to lots similarly benefited.
2. The Association has concluded that larger, more expensive homes are likely to be built on the larger lots and that these homes are likely to make greater use of and



## SECTION V ASSESSMENT PLAN

receive greater benefit from the Improvements. In determining the relative values of parcels, the Association has taken into consideration the type of development (i.e., attached versus detached residential), the relative residential lot sizes and the size of homes likely to be built on lots of different sizes, current and projected home prices provided by the owner, the Improvements to be provided and estimated costs, and ability of different property types to utilize and benefit from the Improvements.

3. The Assessed Property is classified into different lot types as detailed in Table 3 based on the type and size of proposed development on each lot.
4. The Improvement costs (which include, at this time, only the Series 2020 and Series 2021 Improvements) are allocated to each lot within the 540-unit development based on the size of the lot and the estimated assessed value at build-out.

### B Special Benefit

Assessed Property must receive a direct and special benefit from the Improvements and this benefit must be equal to or greater than the amount of the assessments. The Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of Assessed Property has acknowledged that the Improvements confer a special benefit on the property and consented to the imposition of assessments to pay for the actual costs associated therewith. Each of the owners is acting in his or her best interest in consenting to this apportionment and levying of assessments because the special benefit conferred upon the Assessed Property by the Improvements exceeds the amount of the assessments.

The Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Improvements. The Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The assessments are being levied to provide the Improvements required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value" (*Dictionary of Real Estate Appraisal, Third Edition*). The Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The owner has evaluated the potential use of the property and determined that the highest and best use of the property is the use intended and legal use for the property for the various residential units as described in this Report. The use of the Assessed Property as described herein will require the construction of the Improvements.





## SECTION V ASSESSMENT PLAN

Each owner of Assessed Property will ratify, confirm, accept, agree to, and approve the determinations and findings by the Association as to the special benefits described in this Report, Declaration, and levy of assessments on the Assessed Property.

The use of Assessed Property as described in this Report and authorized by the Association requires that Improvements be acquired, constructed, installed, and/or improved. Funding the actual costs of the Improvements through the Indenture/Supplement has been determined by the Association to be the most beneficial and cost-effective means of doing so. The assessments result in a special benefit to the Assessed Property and this special benefit exceeds the amount of the assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the Association.

In summary, the Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property, and provide a special benefit to the assessed property;
2. The Improvements are required for the highest and best use of the Assessed Property and the highest and best use of the Assessed Property is the construction of residential units; and
3. The special benefits to the Assessed Property from the Improvements will be equal to or greater than the Assessments.

### **C Assessment Methodology**

The estimated costs of the Improvements may be assessed by the Association against the Assessed Property so long as the special benefit conferred upon the property by the Improvements equals or exceeds the assessments. The estimated costs of the Improvements may be assessed using any methodology that results in the imposition of relatively equivalent shares of the costs on Assessed Property similarly benefited.

#### ***C.1 Assessment Methodology for Improvements***

For purpose of this Report, the Association has determined that the estimated costs of the Improvements shall be allocated to Assessed Property by spreading the entire assessment across the assessed property based on the estimated assessed value at build-out as calculated and shown in **Table 3** using the types and number of lots anticipated to be developed on the Assessed Property.

The assessment and annual installments for Assessed Property within the project are shown on the assessment roll, attached as **Appendix A**, and no assessment shall be changed except as authorized by this Report.



## SECTION V ASSESSMENT PLAN

**Table 3: Series 2020 and Series 2021 Improvements –  
Assessment Allocation by Lot Type and Phase<sup>1</sup>**

| <b>Lot Type</b>                           | <b>No. of Lots</b> | <b>Estimated Assessed Value Per Home</b> | <b>Estimated Assessed Value at Build-Out</b> | <b>Allocation by Lot Type<sup>2</sup></b> |
|---|--------------------|--|--|---|
| <b>Phase IA and IC Lots</b>               |                    |  |  |   |
| Single-Family Detached (Large Lot)        | 43                 | \$1,500,000                              | \$64,500,000                                 | 12.809%                                   |
| Single-Family Detached (Medium Lot)       | 56                 | \$1,165,000                              | \$65,240,000                                 | 12.956%                                   |
| Single-Family Detached (Medium Small Lot) | 57                 | \$1,000,000                              | \$57,000,000                                 | 11.320%                                   |
| High Density Residential (Small Lots)     | 384                | \$825,000                                | \$316,800,000                                | 62.915%                                   |
| <b>Total</b>                              | <b>540</b>         | <b>N/A</b>                               | <b>\$503,540,000</b>                         | <b>100.00%</b>                            |

**Notes:**

1. See Table 4 for additional details.
2. Numbers may not sum due to rounding.

### **D Assessment Allocation**

The assessments for the Series 2020 and Series 2021 Bonds will be levied on the Assessed Property according to the assessment roll, attached hereto as **Appendix A**. The annual installments for the Series 2020 and Series 2021 Bonds will be collected at the time and in the amounts shown on the assessment roll, subject to any revisions made during the preparation of an Annual Administrative Report. The total assessments are set forth below in **Table 4**.



SECTION V  
ASSESSMENT PLAN

Table 4: Series 2020 and Series 2021 Bonds – Estimated Assessment per Lot<sup>1</sup>

| Lot Type                                  | No. of Lots | Estimated Assessed Value Per Home <sup>2</sup> | Estimated Assessed Value at Build-Out | Series 2020 and 2021 Assessment Allocation by Lot Type | Total Assessment Principal | Total Assessment Principal Per Lot | Total Assessment Installments Per Lot | Annual Assessment Installment Per Lot <sup>3</sup> | Tax Rate Equivalent (per \$100) |
|---|-------------|--|---------------------------------------|--|----------------------------|------------------------------------|---------------------------------------|--|---------------------------------|
|   |             |  |                                       |  |                            |                                    |                                       |  |                                 |
| Single-Family Detached (Large Lot)        | 43          | \$1,500,000                                    | \$64,500,000                          | 12.81%   | \$6,858,105                | \$159,491                          | \$14,721,419                          | \$19,545   | \$1.30                          |
| Single-Family Detached (Medium Lot)       | 56          | \$1,165,000                                    | \$65,240,000                          | 12.96%   | \$6,936,787                | \$123,871                          | \$14,890,316                          | \$15,180   | \$1.30                          |
| Single-Family Detached (Medium Small Lot) | 57          | \$1,000,000                                    | \$57,000,000                          | 11.32%   | \$6,060,651                | \$106,327                          | \$13,009,626                          | \$13,030   | \$1.30                          |
| High Density Residential (Small Lots)     | 384         | \$825,000                                      | \$316,800,000                         | 62.91%   | \$33,684,458               | \$87,720                           | \$72,306,134                          | \$10,750   | \$1.30                          |
| <b>Total</b>                              | <b>540</b>  | <b>\$932,481</b>                               | <b>\$503,540,000</b>                  | <b>100.00%</b>   | <b>\$53,540,000</b>        | <b>N/A</b>                         | <b>\$114,927,495</b>                  | <b>N/A</b>   | <b>N/A</b>                      |

NOTES:

1. Numbers may not sum due to rounding.
2. Estimates based on information available as of June 26, 2020.
3. Assessment installments include the annual principal amount due on the assessment, annual interest amount due on the assessments, and administrative expense portion of the assessment.
4. Average annual assessment installments reflect principal payment years without capitalized interest. Series 2020 and Series 2021 average annual assessment installments thus reflect the Fiscal Year ending in 2023 through the Fiscal Year ending in 2040.



## SECTION VI TERMS OF THE ASSESSMENTS

### VI TERMS OF THE ASSESSMENTS

#### A Amount of Assessment and Annual Installments for Assessed Property

##### A.1 Assessments

The Assessment and annual installments for Assessed Property are presented in **Appendix A**. No Assessment shall be changed except as authorized in a Report Update or Annual Administrative Report.

The annual installments shall be collected in an amount sufficient to pay the annual principal amount due on the Assessments, annual interest amount due on the assessments, administrative expense portion of the assessment, and as payment for any other costs authorized by the Association.

#### B Reallocation of Assessments for Assessed Property

##### B.1 Apportionment of Assessments Upon Consolidation Parcels

Upon the consolidation of two or more parcels of the Assessed Property, the assessment for the consolidated parcels Assessed Property shall be the sum of the Assessments for the parcels prior to consolidation.

##### B.2 Apportionment of Assessments Upon the Division of Assessed Properties

In general, the sum of the Assessments for all newly subdivided parcels of the Assessed Property shall equal the Assessment for the subdivided parcel of Assessed Property prior to subdivision. The Assessment initially applicable to each parcel of Assessed Property is equal to the Assessment that corresponds to the lot type for such parcel of Assessed Property. If a subdivided parcel of the Assessed Property contains two or more lots, the Assessment initially applicable is equal to the sum of the assessments that correspond to the lot types for such parcel of Assessed Property. Similarly, if a subdivided parcel of the Assessed Property is subsequently platted, subdivided, re-subdivided, or re-platted, the Assessment applicable to each resulting new parcel shall be equal to the Assessment that corresponds to the lot type for such parcel of the Assessed Property. However, the reallocation of an Assessment for a parcel of Assessed Property shall not exceed the Assessment prior to the reallocation without a mandatory prepayment made pursuant to **Section VI(C)**.

A mandatory Assessment requires an owner of Assessed Property to pay any assessment excess or shortfall, as well as any Assessment that is transferred to a party that is exempt from the payment of the Assessments under applicable law. This may also include cases in which the owner causes all or portion thereof to become non-benefited property, plus prepayment costs (described as a "Mandatory Payment" the next section).



## SECTION VI TERMS OF THE ASSESSMENTS

Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in a Report Update or Annual Administrative Report approved by the Association. The reallocation of any Assessments as described herein shall be made by the Administrator but will require Association approval.

### ***B.3 Non-Benefited Property to Assessed Property***

In the case it has been determined that a non-benefited portion of the Assessed Property shall be classified as a benefitted portion of the Assessed Property (i.e., it has been determined that the property now receives benefit from the Improvements), an assessment is hereby levied against such Assessed Property in accordance with the methodology described in this Report and the assessment roll shall be amended in the next Report Update or Annual Administrative Report.

## **C Mandatory Prepayment of Assessments**

The Mandatory Prepayments required below shall be treated the same as any Assessment that is due and owing under the Indenture/Supplement, the Declaration, and this Report, including the same lien priority, penalties, procedures, and foreclosure specified by the Association.

### ***C.1 Assessment Excess***

If at any time the Assessment on a lot exceeds the original Assessment calculated for the lot as set forth in the Report as a result of any reallocation of an Assessment authorized by this Report (including platting or re-platting) and initiated by the owner of the lot, then, following necessary compliance, such owner shall pay to the Association prior to the recordation of the document subdividing or re-subdividing the lot the amount calculated by the Association by which the new assessment for the lot exceeds the original assessment for the lot.

### ***C.2 Assessment Shortfall***

If at any time the Assessment on a lot is less than the original Assessment calculated for the lot as a result of any reallocation of an assessment authorized by this Report (including platting or re-platting) and initiated by the owner of the lot, then, such owner shall pay to the Association prior to the recordation of the document subdividing or re-subdividing the lot the amount calculated by the Association by which the new assessment for the lot is less than the original assessment for the lot.

### ***C.3 Transfer of Assessed Property to Exempt Party and Conversion of Assessed Property to Non-Benefitted Property***

If an Assessed Property or portion thereof is transferred to a party that is exempt from the payment of the assessment under applicable law, or if an owner causes an assessed property or portion thereof to become non-benefitted property, the owner of such Assessed Property or portion thereof shall pay to the Association the full



## SECTION VI TERMS OF THE ASSESSMENTS

amount of the Assessment, plus all prepayment costs, for such Assessed Property or portion thereof prior to any such transfer or act.

### D Reduction of Assessments

If, after all Improvements to be funded with a series of Series 2020 and Series 2021 Bonds have been completed, and the actual costs for the Improvements are less than the estimated costs used to calculate the assessments securing such Series 2020 and Series 2021 Bonds resulting in excess assessments, then the Association shall, in accordance with the Indenture/Supplement related to such series of bonds, reduce the assessments securing the series of bonds for each applicable Assessed Property pro rata such that the sum of the resulting reduction in such assessments equals the reduced actual costs. The Assessments shall not be reduced to an amount less than the amount due on the related outstanding Series 2020 and Series 2021 Bonds.

Similarly, if any of the Improvements to be funded with a series of Series 2020 and Series 2021 Bonds are not undertaken, resulting in excess bond proceeds, then the Association may, in its discretion and in accordance with the applicable Indenture/Supplement, reduce the Assessment for each Assessed Property securing such Series 2020 and Series 2021 Bonds pro rata to reflect only the actual costs that were expended and deposit and apply such excess Series 2020 and Series 2021 Bond proceeds as described in the paragraph above or as authorized in the Indenture.

The Assessments shall not be reduced to an amount less than the amount due on the related outstanding series of the Series 2020 and Series 2021 Bonds. If all the Improvements are not completed, the Association may reduce the assessments in another method if it determines such method would better reflect the benefit received by the parcels from the Improvements completed.

If all of the Improvements are not undertaken, resulting in excess bond proceeds, then the Association shall, at its discretion and in accordance with the applicable Indenture, reduce Assessments and annual installments for each applicable Assessed Property on a pro rata basis to reflect only the amounts required to repay the Series 2020 and Series 2021 Bonds, including interest on the Bonds, and administrative expenses. Such excess bond proceeds shall be applied to redeem bonds as set forth in the applicable Indenture/Supplement. The Assessments shall not, however, be reduced to an amount less than the amount due on the related outstanding Series 2020 and Series 2021 Bonds.

### E Payment of Assessments

#### *E.1 Payment in Full*

The Assessment for any Assessed Property may be paid in full at any time. Such payment shall include all prepayment costs. If prepayment in full will result in redemption of the Series 2020 and Series 2021 Bonds, the payment amount shall be reduced by the amount, if any, of reserve funds applied to the redemption under the



## SECTION VI TERMS OF THE ASSESSMENTS

Indenture, net of any other costs applicable to the redemption of Bonds as set forth in the applicable Indenture/Supplement.

If an annual installment has been billed prior to payment in full of an Assessment, the annual installment shall be due and payable and credited against the payment-in-full amount.

If an Assessment is paid in full, the Administrator shall cause the assessment to be reduced to zero and the assessment roll to be revised accordingly. The Administrator shall cause the revised assessment roll to be approved by the Association as part of the next Report Update or Annual Administrative Report, the obligation to pay the Assessment and corresponding annual installments shall terminate, and the Association shall provide the owner with a recordable notice that the lien on such Assessed Property has been released by the Association. If an annual installment has been billed prior to payment in full of an Assessment, the annual installment shall be due and payable and shall be credited against the payment in full amount.

If an Assessment is prepaid in part (if permitted by the Declaration), the Administrator shall cause the Assessment to be reduced by the amount of such partial prepayment in a manner conforming to the provisions of the Indenture/Supplement and the assessment roll revised accordingly. The Administrator shall cause the revised assessment roll reflecting such partial prepayment to be approved by the Association as part of the next Report, and the obligation to pay the assessment and corresponding annual installments shall be reduced to the extent the partial payment is made.

### ***E.2 Payment in Annual Installments***

The Indenture/Supplement provides that an Assessment for any Assessed Property may be paid in full at any time. If not paid in full, the Indenture/Supplement authorizes the assessment to be paid in installments and additionally allows the Association to collect principal, interest, and administrative expenses in installments. An assessment for Assessed Property that is not paid in full will be collected in annual installments each year in the amounts shown on the assessment roll, as updated and provided for herein. Payment of the annual installments shall commence with invoices mailed in Fiscal Year 2021-2022.

The assessment roll sets forth for each year the annual installment for each Assessed Property consisting of the annual principal amount due on the assessments, annual interest amount due on the assessments, and administrative expense portion of the assessments. The annual installments may not exceed the amounts shown on the assessment roll in **Appendix A**.

The Association reserves and shall have the right and option to refund Series 2020 Bonds and Series 2021. In the event of issuance of refunding bonds, the



## SECTION VI TERMS OF THE ASSESSMENTS

Administrator shall recalculate the annual installments and, if necessary, may adjust or decrease the amount of the annual installment so that total annual installments of Assessments will be produced in annual amounts that are required to pay the debt service on the refunding bonds when due and payable as required by and established in the Declaration and/or the Indenture/Supplement authorizing and securing the refunding bonds and such refunding bonds shall constitute "Series 2020 and Series 2021 Bonds" for the purposes of this Report.

### *E.3 Collection of Annual Installments*

The Administrator shall, no less frequently than annually, prepare and submit to the Association for its approval an Annual Administrative Report to allow for the billing and collection of annual installments. Each Annual Administrative Report shall include an updated assessment roll and a calculation of the annual installment for each Assessed Property. Administrative expenses shall be allocated among assessed properties in proportion to the amount of the annual installments for the Assessed Property. Each annual installment shall be reduced by any credits applied under the Indenture/Supplement, such as capitalized interest, interest earnings on any account balances, and any other funds available under the applicable Indenture/Supplement for such purpose, including any existing deposits for a delinquency and prepayment reserve.

Annual installments may be collected by the Association (or such entity to whom the Association directs) on the due date set forth in the Administrator invoice. Annual installments shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as set forth by the Declaration. The Association may provide for other means of collecting the annual installments to the extent permitted. The assessments shall have lien priority as specified in the Declaration.

Any foreclosure and sale of Assessed Property for nonpayment of the delinquent annual installments shall be subject to the lien established for the remaining unpaid annual installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent annual installments against such Assessed Property as they become due and payable.

Failure of an owner to receive an invoice for an annual installment shall not relieve the owner of the responsibility for payment of the assessment. Assessments, or annual installments thereof, that are delinquent shall incur delinquent collection costs. The Association may provide for other means of collecting the annual installments to the extent permitted.





## SECTION VII THE ASSESSMENTS

### VII THE ASSESSMENTS

#### A Series 2020 and Series 2021 Assessment

As described by this Report, Assessed Property will be assessed for the special benefits conferred upon the property as a result the Series 2020 and Series 2021 Improvements. Table 5 summarizes the special benefit received.

Table 5: Special Benefit Summary

| Public Improvement   | Series 2020 and Series 2021 Improvement Costs |
|--|---|
| Specific Improvements  | \$37,705,979                                  |
| Formation/Bond Issuance Costs                                  |   |
| Capitalized Interest   | \$8,185,223                                   |
| Bond Reserve Fund  | \$5,354,000                                   |
| Underwriter's Discount   | \$1,070,800                                   |
| Costs of Issuance / Deposit to Administrative Fund             | \$1,223,998                                   |
| Total Series 2020 and Series 2021 Formation/Bond Issuance Cost | \$15,834,021                                  |
| Total Special Benefit  | \$53,540,000                                  |
| Total Assessment   | \$53,540,000                                  |
| Excess Benefit   | \$0   |

#### B Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the Association for approval, annual updates to the assessment roll in conjunction with the Annual Administrative Report to reflect the following matters, together with any other changes helpful to the Administrator or the Association and permitted:

- Identification of each parcel and lot;
- Assessment for each lot of Assessed Property, including any adjustments authorized by this Report;
- Annual installment for the Assessed Property for the year (if the assessment is payable in installments); and
- Payments of the assessment, if any, as provided in Section V of this Report.

The Annual Administrative Report shall reflect the actual interest on the Series 2020 and Series 2021 Bonds on which the annual installments shall be paid, any reduction in the assessments, and any revisions in the actual costs to be funded by the Series 2020 and Series 2021 Bonds and owner's funds.



## SECTION VIII MISCELLANEOUS PROVISIONS

### VIII MISCELLANEOUS PROVISIONS

#### A Administrative Review

An owner of Assessed Property claiming that a calculation error has been made in the assessment roll, including the calculation of the annual installment, shall send a written notice describing the error to the Association not later than 30 days after the date the invoice or other bill for the annual installment is received. If the owner fails to give such notice, such owners shall be deemed to have accepted the calculation of the assessment roll (including the annual installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the assessed parcel owner, consider written and oral evidence regarding the alleged error, and decide whether, in fact, such a calculation error occurred. The Association may elect to designate a third party who is not an officer or employee of the Association to serve as Administrator for purposes of allocating and levying the Assessments.

If the Administrator determines that a calculation error has been made and the assessment roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the Association for approval to the extent permitted. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the annual installment shall be collected or if it is determined there are sufficient funds to meet the expenses for the current year), but an adjustment may be made in the amount of the annual installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the assessment roll may be appealed to the Association.

The decision of the Administrator, or if such decision is appealed to the Association, the decision of the Association shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

#### B Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid annual installments and delinquent collection costs, if any. After the extinguishment of an Assessment and (collection of any delinquent annual installments and delinquent collection costs), the Association shall provide the owner of the affected parcel a recordable "Notice of Termination of the Special Assessment, Termination of Association Membership and Release from Encumbrance of Declaration."



## SECTION VIII MISCELLANEOUS PROVISIONS

### **C Amendments**

The Association reserves the right to the extent permitted to amend this Report without notice and without notice to property owners of the Assessed Property to correct mistakes and clerical errors, clarify ambiguities, and provide procedures for the collection and enforcement of assessments, prepayment costs, delinquent collection costs, and other charges imposed by the Declaration in accordance with the provisions of this Report or the Annual Administrative Report.

### **D Administration and Interpretation of Provisions**

The Association shall administer the Series 2020 and Series 2021 Bonds, this Report, and all Annual Administrative Reports and shall make all interpretations and determinations related to the application of this Report unless stated otherwise herein or in the Indenture/Supplement. Such determinations shall be final, binding, and conclusive.

### **E Severability**

If any provision, section, subsection, sentence, clause, or phrase of this Report or the application of same to Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Report or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of Association in adopting this Report that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other part hereof, and all provisions of this Report are declared to be severable for that purpose.

If any provision of this Report is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Report and shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Association.

## **APPENDIX A**

Mackay Developments  
Benloch Ranch Improvement Association No. 1  
Amended Benefit Apportionment Analysis



**AMENDED  
ASSESSMENT ROLL**

Table A-1: Amended Assessment Roll – Assessment by Parcel ID, Phase

| Parcel ID <sup>1</sup> | Phase | Owner                           | Single-Family Detached (Large Lot) | Single-Family Detached (Medium Lot) | Single-Family Detached (Medium Small Lot) | High Density Residential (Small Lot) | Total Lots | Series 2020 and Series 2021 Assessment Principal |
|------------------------|-------|---------------------------------|------------------------------------|-------------------------------------|---|--------------------------------------|------------|--|
| Parcel 1               | 1A    | Bentloch Ranch Land Company LLC | 0                                  | 56                                  | 0   | 164                                  | 220        | \$21,322,857                                     |
| Parcel 2               | 1C    |                                 | 43                                 | 0                                   | 57  | 220                                  | 320        | \$32,217,143                                     |
| <b>Total</b>           |       |                                 | <b>43</b>                          | <b>56</b>                           | <b>57</b>                                 | <b>384</b>                           | <b>540</b> | <b>\$53,540,000</b>                              |

Notes:

1. Details of Parcel ID's can be found in Appendix C.

Table A-2: Debt Service Schedule (Final)

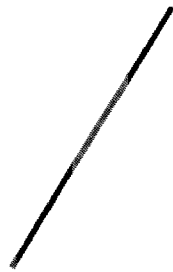
| Fiscal Year End <sup>1</sup> | Principal           | Interest            | Capitalized Interest | Debt Service Reserve | Administrative Expenses <sup>2</sup> | Annual Installment <sup>3</sup> | Assessment Balance |
|------------------------------|---------------------|---------------------|----------------------|----------------------|--------------------------------------|---------------------------------|--------------------|
| 2020                         | \$0                 | \$1,317,810         | (\$1,317,810)        | \$0                  | \$100,000                            | \$100,000                       | \$53,540,000       |
| 2021                         | \$0                 | \$4,728,046         | (\$4,728,046)        | \$0                  | \$102,000                            | \$102,000                       | \$53,540,000       |
| 2022                         | \$0                 | \$5,220,150         | (\$2,139,367)        | \$0                  | \$104,040                            | \$3,184,823                     | \$53,540,000       |
| 2023                         | \$1,220,000         | \$5,220,150         | \$0                  | \$0                  | \$106,121                            | \$6,546,271                     | \$53,540,000       |
| 2024                         | \$1,335,000         | \$5,101,200         | \$0                  | \$0                  | \$108,243                            | \$6,544,443                     | \$52,320,000       |
| 2025                         | \$1,465,000         | \$4,971,038         | \$0                  | \$0                  | \$110,408                            | \$6,546,446                     | \$50,985,000       |
| 2026                         | \$1,610,000         | \$4,828,200         | \$0                  | \$0                  | \$112,616                            | \$6,550,816                     | \$49,520,000       |
| 2027                         | \$1,765,000         | \$4,671,225         | \$0                  | \$0                  | \$114,869                            | \$6,551,094                     | \$47,910,000       |
| 2028                         | \$1,935,000         | \$4,499,138         | \$0                  | \$0                  | \$117,166                            | \$6,551,303                     | \$46,145,000       |
| 2029                         | \$2,125,000         | \$4,310,475         | \$0                  | \$0                  | \$119,509                            | \$6,554,984                     | \$44,210,000       |
| 2030                         | \$2,330,000         | \$4,103,288         | \$0                  | \$0                  | \$121,899                            | \$6,555,187                     | \$42,085,000       |
| 2031                         | \$2,560,000         | \$3,876,113         | \$0                  | \$0                  | \$124,337                            | \$6,560,450                     | \$39,755,000       |
| 2032                         | \$2,810,000         | \$3,626,513         | \$0                  | \$0                  | \$126,824                            | \$6,563,337                     | \$37,195,000       |
| 2033                         | \$3,080,000         | \$3,352,538         | \$0                  | \$0                  | \$129,361                            | \$6,561,898                     | \$34,385,000       |
| 2034                         | \$3,385,000         | \$3,052,238         | \$0                  | \$0                  | \$131,948                            | \$6,569,185                     | \$31,305,000       |
| 2035                         | \$3,715,000         | \$2,722,200         | \$0                  | \$0                  | \$134,587                            | \$6,571,787                     | \$27,920,000       |
| 2036                         | \$4,075,000         | \$2,359,988         | \$0                  | \$0                  | \$137,279                            | \$6,572,266                     | \$24,205,000       |
| 2037                         | \$4,475,000         | \$1,962,675         | \$0                  | \$0                  | \$140,024                            | \$6,577,699                     | \$20,130,000       |
| 2038                         | \$4,910,000         | \$1,526,363         | \$0                  | \$0                  | \$142,825                            | \$6,579,187                     | \$15,655,000       |
| 2039                         | \$10,745,000        | \$1,047,638         | \$0                  | (\$5,354,000)        | \$145,681                            | \$6,584,319                     | \$10,745,000       |
| <b>Total</b>                 | <b>\$53,540,000</b> | <b>\$72,496,981</b> | <b>(\$8,185,223)</b> | <b>(\$5,354,000)</b> | <b>\$2,429,737</b>                   | <b>\$114,927,495</b>            |                    |

Notes:

1. Fiscal Year 2019-2020 administrative expenses will be prefunded at bond closing. Annual installments will be due by December 1. Administrative Expenses assume a 2% annual increase.
2. Annual installments are calculated based on the true interest rate on the Series 2020 and Series 2021 Bonds plus administrative expenses.
3. Assumes the annual installment has not been paid for such Fiscal Year.

## **APPENDIX B**

Mackay Developments  
Benloch Ranch Improvement Association No. 1  
Amended Benefit Apportionment Analysis



# **BENLOCH RANCH INFRASTRUCTURE COST ESTIMATE**



**Benloch Ranch - Phases 1A 1C  
Lot Improvement Cost to Complete Summary**

**Total Finished Lot Costs Including Onsite and Offsites**

| Phase 1A           | Phase 1C           | Benloch Ranch Roadway | Finside Drive   | SR-32 Primary Access | SR-32 Secondary Access | Onsite Infrastructure | Offsite Infrastructure | Future Phases - For Phase 1 BB Allocation | Total              |
|--------------------|--------------------|-----------------------|-----------------|----------------------|------------------------|-----------------------|------------------------|---|--------------------|
| Intract            | Intract            | Onsite Backbone       | Onsite Backbone | Onsite Backbone      | Onsite Backbone        | Onsite Backbone       |                        |   |                    |
| 220                | 320                |                       |                 |                      |                        |                       |                        | 1,613                                     | 2,153              |
| 92.3               | 253.8              |                       |                 |                      |                        |                       |                        | N/A                                       | 346.1              |
| 10.2%              | 14.9%              |                       |                 |                      |                        |                       |                        | 74.9%                                     | 100.0%             |
| \$1,478,869        | \$2,151,111        | \$0                   | \$0             | \$0                  | \$0                    | \$0                   | \$0                    | \$0                                       | \$3,630,000        |
| <b>\$1,478,869</b> | <b>\$2,151,111</b> | <b>\$0</b>            | <b>\$0</b>      | <b>\$0</b>           | <b>\$0</b>             | <b>\$0</b>            | <b>\$0</b>             | <b>\$0</b>                                | <b>\$3,630,000</b> |

**Lot Improvement Indirect Costs**

|                                     |                    |                    |                    |                    |                  |                    |            |            |                     |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|------------|------------|---------------------|
| Grading / Earthwork                 | \$520,000          | \$620,000          | \$261,000          | \$0                | \$0              | \$0                | \$0        | \$0        | \$1,991,000         |
| Storm Drain System                  | \$347,795          | \$645,190          | \$88,944           | \$22,000           | \$22,000         | \$0                | \$0        | \$0        | \$1,336,659         |
| Sanitary Sewer System               | \$467,960          | \$1,034,200        | \$106,850          | \$0                | \$0              | \$344,550          | \$0        | \$0        | \$2,047,648         |
| Water System                        | \$537,775          | \$1,038,145        | \$110,450          | \$123,160          | \$0              | \$4,500,250        | \$0        | \$0        | \$6,309,780         |
| Street Improvements                 | \$1,053,140        | \$1,622,408        | \$440,230          | \$171,752          | \$659,750        | \$0                | \$0        | \$0        | \$4,607,030         |
| Walls                               | \$0                | \$0                | \$110,000          | \$145,000          | \$0              | \$0                | \$0        | \$0        | \$255,000           |
| Common Costs                        | \$45,000           | \$175,000          | \$45,000           | \$35,000           | \$0              | \$0                | \$0        | \$0        | \$3,478,714         |
| Dry Utilities                       | \$447,040          | \$803,200          | \$143,800          | \$76,320           | \$67,500         | \$3,178,714        | \$0        | \$0        | \$1,805,360         |
| Offsite Infrastructure - COMPLETED  | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0        | \$0        | \$0                 |
| Onsite Infrastructure - COMPLETED   | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0        | \$0        | \$0                 |
| Other Reimbursements                | \$0                | \$0                | \$0                | \$0                | \$0              | \$0                | \$0        | \$0        | \$0                 |
| <b>Lot Improvement Direct Costs</b> | <b>\$3,418,710</b> | <b>\$5,908,143</b> | <b>\$1,774,298</b> | <b>\$1,008,026</b> | <b>\$749,250</b> | <b>\$9,023,514</b> | <b>\$0</b> | <b>\$0</b> | <b>\$21,831,190</b> |

**Total Lot Improvement Costs**

|                    |                    |                      |                      |                    |                    |                      |            |                    |                     |
|--------------------|--------------------|----------------------|----------------------|--------------------|--------------------|----------------------|------------|--------------------|---------------------|
| <b>\$4,897,599</b> | <b>\$8,059,254</b> | <b>\$1,774,298</b>   | <b>\$1,008,026</b>   | <b>\$749,250</b>   | <b>\$749,250</b>   | <b>\$9,023,514</b>   | <b>\$0</b> | <b>\$0</b>         | <b>\$25,261,190</b> |
| <b>\$1,257,294</b> | <b>\$1,828,781</b> | <b>(\$1,774,298)</b> | <b>(\$1,008,026)</b> | <b>(\$749,250)</b> | <b>(\$749,250)</b> | <b>(\$8,023,514)</b> | <b>\$0</b> | <b>\$9,218,252</b> | <b>\$0</b>          |

**Backbone Costs Allocated by Lots**

|                    |                    |            |            |            |            |            |            |            |                     |
|--------------------|--------------------|------------|------------|------------|------------|------------|------------|------------|---------------------|
| <b>\$6,154,893</b> | <b>\$9,888,045</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$25,261,190</b> |
|--------------------|--------------------|------------|------------|------------|------------|------------|------------|------------|---------------------|

**Total Lot Improvement Costs after Backbone Allocation before Impact / Connection Fees & Water Rights**

|                     |                     |            |            |            |            |            |            |            |                     |
|---------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|---------------------|
| <b>\$5,779,951</b>  | <b>\$8,407,201</b>  | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$14,187,152</b> |
| <b>\$11,934,844</b> | <b>\$18,295,246</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$39,448,342</b> |

**Total Lot Improvement Costs Including Allocated Backbone & Impact / Connection Fees & Water Rights**

|                     |                     |            |            |            |            |            |            |            |                     |
|---------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|---------------------|
| <b>\$11,934,844</b> | <b>\$18,295,246</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$39,448,342</b> |
|---------------------|---------------------|------------|------------|------------|------------|------------|------------|------------|---------------------|



**Benloch Ranch - Phases 1A 1C**  
**Lot Improvement Cost to Complete Summary**



| Qan  | Unit | Unit Price     | Phase 1A | Phase 1C | Benloch Ranch Roadway | Frisdie Drive | SR-32 Primary Access | SR-32 Secondary Access | Onsite Infrastructure | Onsite Infrastructure | SR-32 Primary Access | SR-32 Secondary Access | Onsite Infrastructure | Onsite Infrastructure | Total       |
|--|------|----------------|----------|----------|-----------------------|---------------|----------------------|------------------------|-----------------------|-----------------------|----------------------|------------------------|-----------------------|-----------------------|-------------|
|  |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| <b>Soil Costs &amp; Contingency</b>            |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| 100.0%   | %    | \$1,850,000.00 | 40.7%    | 59.3%    | 0.0%                  | 0.0%          | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | \$1,850,000 |
| 100.0%   | %    | \$850,000.00   | 40.7%    | 59.3%    | 0.0%                  | 0.0%          | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | \$850,000   |
| 100.0%   | %    | \$480,000.00   | 40.7%    | 59.3%    | 0.0%                  | 0.0%          | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | \$480,000   |
| 100.0%   | %    | \$850,000.00   | 40.7%    | 59.3%    | 0.0%                  | 0.0%          | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | 0.0%                 | 0.0%                   | 0.0%                  | 0.0%                  | \$850,000   |
| <b>Subtotal - Soil Costs &amp; Contingency</b> |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| <b>Grading/Earthwork</b>                       |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| 1  | LS   | \$310,000.00   | 1        | -        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$310,000   |
| 1  | LS   | \$210,000.00   | 1        | -        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$210,000   |
| 1  | LS   | \$390,000.00   | -        | 1        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$390,000   |
| 1  | LS   | \$210,000.00   | -        | 1        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$210,000   |
| 1  | LS   | \$1,000,000.00 | -        | 1        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$1,000,000 |
| 1  | LS   | \$210,000.00   | -        | 1        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$210,000   |
| 1  | LS   | \$240,000.00   | -        | 1        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$240,000   |
| 1  | LS   | (\$539,500.00) | -        | -        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$0         |
| 1  | LS   | (\$381,500.00) | -        | -        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$0         |
| <b>Subtotal - Grading/Earthwork</b>            |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| <b>Storm Drain System</b>                      |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| 6,200  | LF   | \$31.50        | 4,850    | 6,850    | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$152,775   |
| 6,200  | LF   | \$29.80        | 2,450    | 5,525    | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$184,845   |
| 6,200  | EA   | \$2,490.00     | 24       | 48       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$19,920    |
| 6,200  | EA   | \$4,000.00     | 15       | 35       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$14,000    |
| 1  | LS   | \$185,000.00   | -        | -        | 6,200                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$185,000   |
| 3,360  | LF   | \$4.15         | -        | -        | 1                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$13,944    |
| 2  | LS   | \$72,000.00    | -        | -        | 3,360                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$144,000   |
| <b>Subtotal - Storm Drain System</b>           |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| <b>Sanitary Sewer System</b>                   |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| 15,560   | LF   | \$21.00        | 9,760    | 5,800    | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$207,760   |
| 12,600   | EA   | \$41.50        | 25       | 37       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$522,900   |
| 62   | EA   | \$4,150.00     | 20       | 30       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$83,000    |
| 940  | EA   | \$350.00       | 20       | 30       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$325,000   |
| 60   | EA   | \$3,500.00     | 40       | 90       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$210,000   |
| 3  | EA   | \$7,500.00     | 2        | 2        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$22,500    |
| 1,350  | LF   | \$51.25        | -        | -        | 1,350                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$69,188    |
| 6  | EA   | \$4,150.00     | -        | -        | 6                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$24,900    |
| 1,680  | LF   | \$51.25        | -        | -        | 1,680                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$86,100    |
| 5  | EA   | \$4,150.00     | -        | -        | 5                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$20,750    |
| 6,500  | LF   | \$41.50        | -        | -        | 6,500                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$269,750   |
| 12   | EA   | \$4,000.00     | -        | -        | 12                    | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$48,000    |
| 1  | LS   | \$25,000.00    | -        | -        | 1                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$25,000    |
| <b>Subtotal - Sanitary Sewer System</b>        |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| <b>Water System</b>                            |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |
| 22,380   | LF   | \$27.50        | 9,760    | 12,600   | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$613,400   |
| 5,800  | EA   | \$36.50        | 21       | 37       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$212,300   |
| 58   | EA   | \$975.00       | 14       | 14       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$56,550    |
| 57   | EA   | \$3,950.00     | 20       | 37       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$225,150   |
| 540  | EA   | \$400.00       | 41       | 51       | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$166,500   |
| 92   | EA   | \$2,490.00     | 1        | 3        | -                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$228,000   |
| 1,350  | EA   | \$55.00        | -        | -        | 1,350                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$74,250    |
| 5  | EA   | \$2,490.00     | -        | -        | 5                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$12,450    |
| 1,680  | LF   | \$3,950.00     | -        | -        | 1,680                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$66,760    |
| 4  | EA   | \$2,490.00     | -        | -        | 4                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$9,960     |
| 6,500  | LF   | \$25.00        | -        | -        | 6,500                 | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$162,500   |
| 1  | LS   | \$710,000.00   | -        | -        | 1                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$710,000   |
| 1  | EA   | \$3,850,000.00 | -        | -        | 1                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$3,850,000 |
| 1  | EA   | \$45,000.00    | -        | -        | 1                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | \$45,000    |
| 1  | LS   | (\$379,800.00) | -        | -        | 1                     | -             | -                    | -                      | -                     | -                     | -                    | -                      | -                     | -                     | (\$379,800) |
| <b>Subtotal - Water System</b>                 |      |                |          |          |                       |               |                      |                        |                       |                       |                      |                        |                       |                       |             |

Reeve Associates - Preliminary Engineers Cost Estimate for Benloch Ranch Improvement Association No. 1 - Phases 1A and 1C

**Benloch Ranch - Phases 1A 1C  
Lot Improvement Cost to Complete Summary**

| Item  | Chain  | Unit | Unit Price        | Benloch Ranch Roadway |          | Phase 1A |          | Phase 1C |   | Benloch Ranch Roadway | SR-32 Primary Access | SR-32 Secondary Access | SR-32 Primary Access | SR-32 Secondary Access | Onsite Infrastructure | Onsite Infrastructure | Total          |
|---|--------|------|-------------------|-----------------------|----------|----------|----------|----------|---|-----------------------|----------------------|------------------------|----------------------|------------------------|-----------------------|-----------------------|----------------|
|   |        |      |                   | Phase 1A              | Phase 1C | Phase 1A | Phase 1C |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| <b>Street Improvements</b>  |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| 3-inch AC over 12-inch Base - Intraid   | 61,355 | SY   | \$26.50           | 26,200                | 53,155   | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$2,155,908    |
| Curb & Gutter - Intraid   | 31,170 | LF   | \$14.50           | 19,520                | 11,650   | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$451,240      |
| Street Signs & Markers - Intraid  | 14,697 | EA   | \$950.00          | 24                    | 48       | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$14,697       |
| SR-32 Roadway - 12 inch AC over 12 inch Base                                    | 14,697 | SY   | \$26.50           | 24                    | 48       | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$14,697       |
| Benloch Ranch Roadway - Gravel Shoulder   | 6,200  | LF   | \$2.95            | -                     | -        | 8,200    | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$18,200       |
| Phase 1C Roadway - Gravel Shoulder  | 5,600  | SY   | \$29.80           | -                     | -        | -        | 5,600    | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$161,840      |
| Phase 1C Drive - Gravel Shoulder  | 3,360  | SY   | \$2.95            | -                     | -        | -        | 3,360    | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$9,912        |
| Phase 1C Drive - Gravel Shoulder  | 20,400 | SY   | \$81.25           | -                     | -        | -        | -        | 20,400   | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$1,666,500    |
| UDOT Access / Decal - 8 inch AC over 8 inch Gravel over 18-inch Granular Borrow | 2      | LS   | \$16,500.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$33,000       |
| UDOT Access / Decal - Guard Rail and Signage                                    | 2      | LS   | \$16,500.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$33,000       |
| <b>Subtotal - Street Improvements</b>   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$4,887,239    |
| <b>Walls</b>  |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| Benloch Ranch Roadway - Retaining Walls   | 1      | LS   | \$110,000.00      | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$110,000      |
| Phase 1C Roadway - Retaining Walls  | 1      | LS   | \$145,000.00      | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$145,000      |
| <b>Subtotal - Walls</b>   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$255,000      |
| <b>Common Costs</b>   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| Phase 1A Trail System - Intraid   | 1      | LS   | \$45,000.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$45,000       |
| Trail System - Intraid  | 1      | LS   | \$45,000.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$45,000       |
| Benloch Ranch Roadway - Trail System  | 1      | LS   | \$45,000.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$45,000       |
| Phase 1C Drive - Trail System   | 1      | LS   | \$35,000.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$35,000       |
| Landscaping Entry Features & Bridges  | 1      | LS   | \$1,160,000.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$1,160,000    |
| Water Features - Pumps/Liners/Final Shipping                                    | 1      | LS   | \$950,000.00      | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$950,000      |
| Water Features - Rongelation, Landscaping & Structures                          | 1      | LS   | \$768,714.00      | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$768,714      |
| Water Features - Final Trees, Shrubs & Perennials                               | 1      | LS   | \$560,000.00      | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$560,000      |
| <b>Subtotal - Common Costs</b>  |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$3,478,714    |
| <b>DR UTILITIES</b>   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| Conduits for Dry Utilities - Intraid  | 28,160 | LF   | \$34.00           | 9,760                 | 16,400   | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$957,440      |
| Street Lights - Intraid   | 61     | EA   | \$4,500.00        | 24                    | 37       | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$272,800      |
| Benloch Ranch Roadway - Street Lights   | 3,100  | EA   | \$4,500.00        | -                     | -        | 3,100    | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$13,950       |
| Phase 1C Drive - Street Lights  | 4      | EA   | \$3,200.00        | -                     | -        | -        | 4        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$12,800       |
| Phase 1C Drive - Conduits for Dry Utilities                                     | 1,680  | EA   | \$34.00           | -                     | -        | -        | 1,680    | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$57,120       |
| UDOT Access / Decal Lines - Street Lights                                       | 12     | EA   | \$11,250.00       | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$135,000      |
| <b>Subtotal - Dry Utilities</b>   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$1,405,389    |
| <b>Onsite Infrastructure - COMPLETED</b>  |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| Existing Onsite JSSD Sewer & Water Infrastructure                               | 1      | LS   | \$27,226,558.00   | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$27,226,558   |
| Existing Onsite Natural Gas, Power Lines & Telecommunications Stubbed to Site   | 1      | LS   | \$1,480,000.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$1,480,000    |
| CREDIT - Existing Onsite JSSD Sewer & Water Infrastructure                      | 1      | LS   | (\$27,226,558.00) | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$27,226,558) |
| CREDIT - Existing Onsite Natural Gas, Power Lines & Telecomm to Site            | 1      | LS   | (\$1,480,000.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$1,480,000)  |
| <b>Subtotal - Onsite Infrastructure - COMPLETED</b>                             |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$0            |
| <b>Onsite Infrastructure - COMPLETED</b>  |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| Stockpile Rock / Boulders for Onsite Retaining Walls                            | 1      | LS   | \$2,384,040.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$2,384,040    |
| Primary Excavation of Natural Water Sources / Pond Construction                 | 1      | LS   | \$3,665,486.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$3,665,486    |
| Excavation of Trenches, Landscaping & Access Features                           | 1      | LS   | \$1,678,780.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$1,678,780    |
| Roadway Excavation - Tallman Parkway  | 1      | LS   | \$8,268,525.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$8,268,525    |
| Lot and Roadway Excavation - 71 Tallman Estate Lots                             | 1      | LS   | \$5,910,415.00    | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$5,910,415    |
| CREDIT - Stockpile Rock / Boulders for Onsite Retaining Walls                   | 1      | LS   | (\$2,384,040.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$2,384,040)  |
| CREDIT - Primary Excavation of Natural Water Sources / Pond Construction        | 1      | LS   | (\$3,665,486.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$3,665,486)  |
| CREDIT - Stockpile Rock / Boulders for Onsite Retaining Walls                   | 1      | LS   | (\$1,678,780.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$1,678,780)  |
| CREDIT - Excavation of Trenches, Landscaping & Access Features                  | 1      | LS   | (\$8,268,525.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$8,268,525)  |
| CREDIT - Lot and Roadway Excavation - 71 Tallman Estate Lots                    | 1      | LS   | (\$5,910,415.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$5,910,415)  |
| <b>Subtotal - Onsite Infrastructure - COMPLETED</b>                             |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$0            |
| <b>Other Reimbursements</b>   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| Adjacent Property Reimbursement - Fee Share of Roadway & Utilities              | -      | LS   | (\$4,185,025.00)  | -                     | -        | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | (\$4,185,025)  |
| <b>Subtotal - Other Reimbursements</b>  |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | (\$4,185,025)  |
| <b>Total Costs before Impact / Connection Fees &amp; Water Rights</b>           |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$13,261,130   |
| <b>Impact / Connection Fees &amp; Water Rights</b>                              |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       |                |
| JSSD - Sanitary Sewer Connection and Associated Impact Fees                     | 540    | EA   | \$12,023.00       | 220                   | 320      | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$6,412,400    |
| JSSD - Water Connection and Associated Impact Fees                              | 540    | EA   | \$3,224.00        | 220                   | 320      | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$1,749,600    |
| Water Rights (\$12,000 value per acre below reservation fee)                    | 517    | ACFT | \$11,516.00       | 211                   | 306      | -        | -        | -        | - | -                     | -                    | -                      | -                    | -                      | -                     | -                     | \$5,953,772    |
| <b>Subtotal - Impact / Connection Fees &amp; Water Rights</b>                   |        |      |                   |                       |          |          |          |          |   |                       |                      |                        |                      |                        |                       |                       | \$14,115,772   |