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July 9, 2015

Mr. Eric Laurin, P.E.
Coe & Van Loo Consultants, Inc.
4550 N. 12th Street
Phoenix, AZ 85014

Sent via e-mail to: etlaurin@cvlci.com

Re: Will-Serve Letter for Water Service
Ritz Carlton

Dear Mr. Laurin;

This letter is in response to your request to EPCOR Water Arizona Inc. ("EPCOR") regarding EPCOR's willingness to provide water service to the proposed development known as the Ritz Carlton (the "Development"). The Development consists of approximately 125 acres, of which roughly 108 acres is located in the Town of Paradise Valley with the remaining 17 acres in the City of Scottsdale, all located near the northwest corner of Lincoln Drive and Scottsdale Road as shown in Exhibit A. The Development is proposed to consist of 200 hotel guest suites, 160 single family residential units, 760 multi-family units, and approximately 30 acres of retail and restaurant space. EPCOR provides the following information for your consideration:

1. EPCOR has confirmed that the Development is located within the area encompassed by EPCOR's Certificate of Convenience & Necessity ("CC&N") as issued by the Arizona Corporation Commission.
2. Water service to the Development by EPCOR will be conditioned upon the developer entering into a Main Extension Agreement (an "MXA") with EPCOR in a form acceptable to EPCOR, and upon the developer fully performing its obligations under the MXA. The MXA will provide, among other things, that the developer will be responsible for the cost to bring additional water resources and to construct all water main extensions necessary to distribute water from EPCOR's existing system to the individual service line connections in the Development. The design and construction of all such main extensions will be subject to EPCOR's approval, and ownership of the main extensions, together with related real property easement rights, must be transferred to EPCOR prior to the initiation of water service in the Development. All on-site and off-site improvement costs to serve the Development, including the costs for additional water resources and related infrastructure, will be borne by the developer and such costs will not be passed on to existing customers.
3. Based on the developer's projections and the MXA requirements, EPCOR will have adequate water capacity for normal use in the Development upon developer's fulfillment of its obligations under the MXA. Please note that EPCOR does not guarantee the adequacy of its water capacity for fire protection.
4. Developer will be required, as a condition to EPCOR providing water service to the Development, to pay all required fees pursuant to EPCOR's then-current tariffs and as may be provided in the MXA.

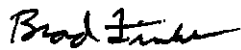
This letter assumes that construction of the main extensions within the Development will begin within one (1) year after the date of this letter.

If developer begins construction of any water mains in the Development or any other water service infrastructure intended to serve the Development without, in each instance, the prior written approval of such construction by EPCOR, developer will be proceeding with such construction at its own risk.

This letter does not independently create any rights or obligations in either developer or EPCOR, and is provided to developer for information only. Any agreement between developer and EPCOR for water service in the Development must be memorialized in a written agreement executed and delivered by their respective authorized representatives.

For additional information, please contact me at (623) 445-2402 or at BFinke@epcor.com

Sincerely,



Brad Finke, P.E.
Engineering Manager

EXHIBIT A

Location (Aerial Map) of the Development

