

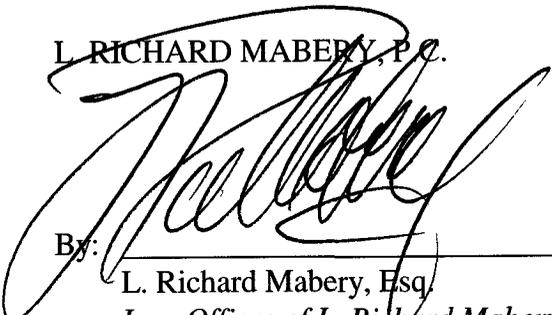


While the need for the Special Assessment has not diminished, the Commissioners believe that a reduction for 2012 - 2013 in the special assessment amount is appropriate.

Pursuant to the Court's Order of September 23, 2005 establishing the Special Assessment, the Commissioners of the Verde Ditch recommend that the Special Assessment for 2012 - 2013 be set at the reduced rate of twenty-five dollars (\$25.00) per share.

RESPECTFULLY SUBMITTED this 14 day of September, 2012.

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