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BEFORE THE ARIZONA CORPORATION COMMISSION

2005 OCT 31 P 3:54

COMMISSIONERS

JEFF HATCH-MILLER - Chairman
MARC SPITZER
WILLIAM MUNDELL
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION
OF THE TOWN OF SAHUARITA, ARIZONA
TO ESTABLISH A NEW RAILROAD
CROSSING WITH AUTOMATIC WARNING
DEVICES AT THE TRACKS OF THE UNION
PACIFIC RAILROAD COMPANY AT M.P.
1009.18.

DOCKET NO. RR-03639A-00-0560

REQUEST FOR FURTHER EXTENSION OF TIME

On November 2, 2000, the Arizona Corporation Commission ("Commission") issued Decision No. 62987 in which the Commission approved the construction of a new railroad crossing with automatic warning devices (the "Crossing") at the tracks of the Union Pacific Railroad Company ("Railroad") at the Madera Highlands Subdivision ("Subdivision"), in the Town of Sahuarita (the "Town"), Arizona, M.P. 1009.18. The Crossing, which was requested by the Town in order to provide public access over what has been a private rail crossing for over 40 years, was to be completed by January 31, 2002.

On each of January 24, 2002, March 31, 2003, and August 2, 2004, the Administrative Law Judge issued a procedural order granting an extension of time for the completion of the Crossing, ultimately to November 1, 2005. Each of these extensions was made at the request of Madera Highlands, L.L.C. ("Madera Highlands"), the developer of the Subdivision at the time of each such request. The stated basis of each request and corresponding extension was the downturn in the general economy and other

1 factors beyond Madera Highland's control that slowed development of the Subdivision
2 from original expectations.

3 On July 27, 2004, Madera Highlands gave the Railroad authorization to commence
4 construction of the Crossing (see Exhibit "A" attached hereto).

5 On January 20, 2005, Madera Highlands entered into a Purchase Agreement with
6 Meritage Homes of Arizona, Inc., as successor by merger with Monterey Homes of
7 Arizona, Inc. ("Meritage"), pursuant to which Madera Highlands agreed to sell to
8 Meritage, and Meritage agreed to purchase from Madera Highlands, the Subdivision, in
9 two phases. In connection with its contemplated acquisition of the Subdivision, Meritage
10 requested assurances that the Crossing would be constructed prior to the current
11 November 1, 2005 deadline. In response, Meritage was told that the Railroad had
12 indicated to the Town and Madera Highlands that construction of the Crossing would
13 begin in April 2005 and would take approximately three weeks. After additional requests
14 for written assurances of the Railroad's construction schedule, and repeated attempts to
15 contact the Railroad directly, Meritage received the letters from Madera Highland's
16 counsel and from the counsel to the Town attached hereto as Exhibit "B" and Exhibit "C",
17 respectively.

18 On May 31, 2005, Meritage consummated the purchase of the first phase of the
19 Subdivision (approximately half of the total), and a Memorandum of Agreement was
20 recorded against the balance of the Subdivision, evidencing Meritage's exclusive right to
21 purchase the balance of the Subdivision (see Exhibit "D" attached hereto). Since
22 acquiring the first phase of the Subdivision, Meritage has sold portions of such phase to
23 other homebuilders and/or landbankers for such homebuilders (including a number of
nationally recognized homebuilders) and infrastructure construction for the Subdivision
has commenced.

1 During the spring and summer of 2005, the Railroad completed the concrete
2 bedding and track improvements portion of the Crossing. Since that time, the Railroad
3 has submitted a number of invoices to the Town for costs associated with the Construction
4 of the Crossing, whereupon the Town has forwarded such invoices to Meritage for
5 payment (see Exhibit "E" attached hereto). As fall began and the November 1, 2005
6 deadline for completion of the Crossing began to approach, Meritage became increasingly
7 concerned about the Railroad's commitment and ability to complete the balance of the
8 Crossing by the deadline. After a number of inquiries of the Town and the Railroad
9 (which culminated in the letter attached hereto as Exhibit "F") and discussions with Brian
10 Lehman, Supervisor of Railroad Safety for the Commission, regarding the matter,
11 Meritage employees finally were able to meet with employees of the Railroad on October
12 20, 2005, at which time they were told by the Railroad's employees that the Railroad's
13 anticipated start date for the balance of the work on the Crossing is December 20, 2005,
14 and the Railroad's anticipated completion date for the Crossing is January 20, 2006.

15 Accordingly, Meritage hereby requests that the deadline for completion of the
16 Crossing be extended for a sufficient period of time to enable the Railroad to complete the
17 Crossing. Meritage is uninformed as to the reasons for the Railroad's failure or inability
18 to complete the Crossing by November 1, 2005, so it cannot offer up an "excuse" as to
19 why the Railroad will not meet the current deadline. Meritage does note, however, the
20 following matters as a basis for the further extension of the deadline: (1) the Town has
21 entered into several agreements providing for the development of the Subdivision and the
22 construction of the Crossing, the purposes of which would be negatively impacted or
23 entirely negated if the Crossing is not completed; (2) final plats subdividing portions of
the Subdivision into residential lots have been approved and recorded in the Official
Records of the Pima County Recorder, and construction of the Subdivision is significantly
underway; (3) the Crossing is already partially complete and the group of homebuilders

1 with an interest in the Subdivision have incurred significant costs therefor, the benefits of
2 which will not be received by such homebuilders unless the Crossing is completed; (4) the
3 Town and the group of homebuilders with an interest in the Subdivision have taken all
4 steps available to them to encourage the Railroad's timely construction of the Crossing;
5 (5) the Town supports the Crossing and this extension request, as evidenced by the letter
6 attached hereto as Exhibit "G"; and (6) the Crossing is necessary for the public's
7 convenience and safety, as evidenced by the Commission's original order approving the
8 Crossing.

9 For the foregoing reasons, Meritage respectfully suggests that a further extension
10 of the date by which the Crossing must be completed is appropriate, and requests that the
11 Administrative Law Judge issue a procedural order extending the date by which the
12 Crossing must be completed to at least January 20, 2006, or such later date as the
13 Administrative Law Judge deems appropriate in light of the Railroad's currently
14 anticipated construction schedule and past history in meeting such schedules. Meritage
15 believes that it has discussed the need for this extension with all concerned parties,
16 including the Commission's staff, and would be pleased to make itself available for a
17 telephonic procedural conference during the week of October 31, 2005 should the
18 Administrative Law Judge have any questions regarding this request.

19 RESPECTFULLY SUBMITTED THIS 31st day of October, 2005.

20 MERITAGE HOMES CORPORATION

21 

22 Mel Faraoni
23 Vice President - Corporate Counsel

1 Original and thirteen (13) copies of the
2 foregoing filed this 31st day of October, 2005.

3 COPY of the foregoing mailed this
4 31st day of October, 2005 to:

5 Christopher Kempley, Chief Counsel
6 Arizona Corporation Commission
7 Legal Division
8 1200 West Washington Street
9 Phoenix, AZ 85007

10 Brian Lehman
11 Railroad Safety Supervisor
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, AZ 85007

15 James Stahle
16 Manager, Town of Sahuarita
17 P.O. Box 879
18 Sahuarita, Arizona 85629

19 Daniel J. Hochuli
20 Sahuarita Town Attorney
21 Hochuli & Benavidez, P.C.
22 220 East Wetmore Rd., Suite 110
23 Tucson, Arizona 85705-1748

James Smith
Union Pacific Railroad Company
10031 Foothills Boulevard
Roseville, California 95747

Jeffrey B. Guldner
George Tsiolis
Snell & Wilmer L.L.P.
One Arizona Center
400 E. Van Buren
Phoenix, Arizona 85004

21 Debbie Malone

22

23

EXHIBIT A



916-789-352

July 27, 2004

Jim Smith
Union Pacific Railroad Company
10031 Foothills Blvd.
Roseville, CA 95747

Re: Madera Highlands Railroad Crossing; Milepost No. 1009.16, DOT# 748402 B
Sahuarita, Arizona

Dear Mr. Smith:

Pursuant to our conversation this morning, Madera Highlands, LLC, consents that Union Pacific Railroad may begin construction of the above referenced railroad crossing as soon as Union Pacific may wish to proceed. Union Pacific is authorized to begin work at any time.

Madera Highlands' engineer to contact regarding road staking, finished grade and other specifications is Warren Thompson, Stantec Consulting, Inc., 201 N. Bonita Ave, Suite 101, Tucson, Arizona 85745-2999, phone (520) 750-7474, fax (520) 750-7470.

Madera Highlands acknowledges that Union Pacific may incur costs in excess of the costs that were estimated when the crossing was first contractually agreed upon, and Madera Highlands agrees to reimburse Union Pacific for its actual cost in constructing the railroad crossing. This will include any amount not reimbursed or paid by the Town of Sahuarita. It is understood, of course, that Madera Highlands is relying on Union Pacific's good practices, and that any such excess costs shall be in accordance with Union Pacific's customary and standard policies and reasonable cost determinations.

It is Madera Highlands' understanding that based on the foregoing, Union Pacific will support Madera Highlands' latest request for an extension from the Arizona Corporation Commission, and shall provide Madera Highlands a letter evidencing same. The letter may be sent by facsimile and mailed to the attention of Jeff Saffer at Snell & Wilmer, L.L.P., One South Church Ave., Tucson, Arizona 85701, fax (520) 884-1294 for handling.

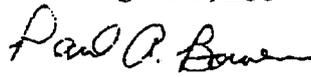
Madera Highlands, LLC
5055 East Broadway, Suite C-214
Tucson, Arizona 85711-3694
P 520 745-2520 F 520 745-2536

Jim Smith
July 27, 2004
Page 2

Thank you for your understanding and consideration. Please call me at (520) 429-5010 with any question.

Yours truly,

Madera Highlands, LLC



Paul Bowen

cc: Doug Zuber
Marc Simon
Jeff Saffer

SEP 21 2004 17:13 FR

WJ13

TO 915207507470

P.01/01



EXTENSION LETTER

September 21, 2004

Folder No. 0837-94

Robert Welch
Pima County c/o Santeo Consulting
201 North Bonita Avenue
Tucson, AZ 85745

RE: Construction of an 18-inch underground sanitary sewer pipeline crossing on and across Railroad property at Mile Post 1007.93 on the Nogales Subdivision, at or near Green Valley, Pima County, Arizona.

Dear Mr. Welch:

The September 21, 2000 Contractor's Right of Entry Agreement (hereafter "Agreement") issued to Borderland Construction Company, Inc. for installation of the above-mentioned pipeline crossing is hereby extended. The right of entry shall commence on September 21, 2004, and continue until December 31, 2005, unless sooner terminated as provided in the Agreement, or at such time as Contractor has completed its work on Railroad property, whichever is earlier.

All other terms and conditions of the Agreement remain in full force and effect.

Please contact me with any questions or concerns at 402-544-8498.

Sincerely yours,

Bill Luce
Manager - Contracts

Real Estate

UNION PACIFIC RAILROAD
1800 Douglas Street, Stop 1890
Omaha, NE 68102-1890
Ex. (402) 541-0340

EXHIBIT B

Snell & Wilmer

L.L.P.
LAW OFFICES

One South Church Avenue
Suite 1500
Tucson, Arizona 85701-1630
(520) 882-1200
Fax: (520) 884-1294
www.swlaw.com
Jeff Saffer
jsaffer@swlaw.com
520-882-1213

TUCSON, ARIZONA

PHOENIX, ARIZONA

IRVINE, CALIFORNIA

SALT LAKE CITY, UTAH

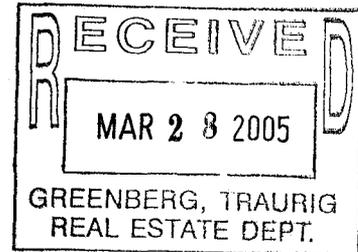
DENVER, COLORADO

LAS VEGAS, NEVADA

March 25, 2005

VIA FACSIMILE AND REGULAR MAIL

Melvin R. Faraoni
Greenberg Traurig LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Facsimile: (602) 445-8604



Tim C. White
Greenberg Traurig LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Facsimile: (602) 445-8602

Re: Madera Highlands; Construction of Railroad Crossing

Gentlemen:

We have been asked to write you with respect to Union Pacific Railroad's obligation to construct certain railroad crossing improvements at Madera Highlands Subdivision located at Milepost 1009.16.

Pursuant to that certain New Public Highway Crossing Agreement dated June 8, 2000 (the "Crossing Agreement"), Union Pacific has agreed to construct certain portions of the railroad crossing located on its property, including certain tract work and the signal crossing. The Crossing Agreement contains no completion date nor any explicit right of enforcement section against Union Pacific in the event of non-performance, however, as you must appreciate it is common that Union Pacific, being a publicly traded company with a vast number of projects nationwide, enters into similar form agreements like the Crossing Agreement entered into in this case.

Construction of the railroad crossing was initially to be completed by January 31, 2002 in accordance with Arizona Corporation Commission Decision No. 62987. Due to many factors construction of the railroad crossing has been delayed several times. Union Pacific has consented to each such extension, including the latest extension until November 1, 2005 granted by the Arizona Corporation Commission, as evidenced by the enclosed letter from Jim Smith,

March 25, 2005

Page 2

Manager Industry & Public Projects for Union Pacific, acknowledging that the deadline for completion of construction is November 1, 2005 and making no objection thereto.

The aforementioned letter from Jim Smith is the best written commitment made by Union Pacific that it shall complete the crossing before November 1, 2005. While the letter could have been drafted more precisely, any reasonable interpretation of the letter would be that Union Pacific intends and has agreed to complete construction no later than November 1, 2005.

In addition, after being contacted by our client and Daniel Hochuli, Sahuarita Town Attorney, regarding the commencement of construction, Jim Smith tentatively committed to begin the tract work in June. Enclosed herewith is a letter from Daniel Hochuli confirming his conversation with Jim Smith in which Jim Smith represented that construction would commence in June. Our understanding of the scope of construction work to be performed by Union Pacific is that the entire construction process, barring any unforeseen delays, is a relatively short process and estimated to take in between 4 to 6 weeks.

Union Pacific has already accepted payment from our client for all of the necessary equipment for construction and such equipment is ready to be delivered to the site upon notice. If construction begins in June, therefore, the railroad crossing will be completed well in advance of November 1, 2005.

We believe that Jim Smith will be able to more strongly confirm a commencement date, as well as an estimated completion date, as those dates draw closer and Union Pacific's construction schedule is solidified. Union Pacific is unwilling at this time to make any other commitment.

At no time, however, has Union Pacific made any statement that it would be unable to meet the November 1, 2005 deadline. Even in the absence of a specific remedy for non-performance or right of enforcement contained in the Crossing Agreement, we believe that based upon the foregoing facts Union Pacific is contractually obligated to complete construction of the railroad crossing prior to November 1, 2005.

Please call me at 882-1213 if you have any question.

Yours truly,

Snell & Wilmer



Jeff B. Saffer

JBS:tj

cc: Doug Zuber
William Jury
362228.1

EXHIBIT C



Hochuli & Benavidez, P.C.
220 East Wetmore Rd., Suite 110
Tucson, Arizona 85705-1748
Phone: (520) 623-1461
Fax: (520) 293-2793
Email: dhochuli@HBfirm.com
Website: www.HBfirm.com

March 20, 2005

Jeffrey A. Hursh, Esq.
Snell & Wilmer, L.L.P.
One South Church Avenue, Suite 1500
Tucson AZ 85701-1630

Daniel J. Hochuli, Shareholder
Thomas A. Benavidez, Shareholder
Lawrence Y. Gee
Elisabeth I. Lashbrook
Christopher B. Wencker

RE: Railroad crossing in Madera Highlands Development

Dear Jeff:

As you will recall, you contacted me regarding the railroad crossing improvements in the Madera Highlands development, and your repeated efforts to have Union Pacific Railroad Company complete the improvements. You asked me to see if the Town of Sahuarita would contact Union Pacific to see if we could expedite the improvements.

Last Friday, March 18, 2005, I was finally able to reach Jim Smith, the Construction Scheduler for the Western Region of Union Pacific. Initially he was rather upset, saying that he was getting so many calls from different people about this project that it was interfering with his ability to do his job. He said that he was not taking or returning calls relating to this matter, and it was only an accident that I reached him. He was very short, and said that their deadline was in November of this year, and they intended to meet the deadline.

I was able to calm him down, and he gave me a little more information. He said that the track work is *tentatively* scheduled to be started in June, and there is no schedule yet for the signal crossing. I asked if they intend to apply for another extension, and he clearly said that they did not plan to request any further extensions, and they fully intend to have the work completed by the November deadline.

Finally he asked that there be only one person contacting him about this matter, and while I cannot prevent you, or anyone else, from contacting him, I told him that I would attempt to assure that future contact would be by the Town Manager or his designee.

That's the best I can do, and I hope the information helps. If I can be of further assistance, please feel free to contact me.

Very truly yours,

Daniel J. Hochuli
Sahuarita Town Attorney

HOCHULI

BENAVIDEZ P.C.

AN ARIZONA LAW FIRM



Jeffrey A. Hursh, Esq.
RE: Railroad crossing in Madera Highlands Development
Page 2
March 20, 2005

DJH/hs

cc: Jim Stahle, Town Manager
John Neunuebel, Planning Director
Martin Roush, Town Engineer



July 27, 2004

Mr. Jeff Saffer
Snell & Wilmer, LLP
One South Church Avenue, Suite 1500
Tucson, AZ 85701-1630

Subject: ACC Decision No. 62987 (November 2, 2000)
Granting Construction of Madera Highlands Railroad crossing
Milepost 1009.16, DOT No. 748 402B
Sahuarita, AZ

Dear Mr. Saffer:

Please be advised that Union Pacific Railroad Company has no objection to extending the completion date for the subject project an additional 15 months from the current August 1, 2004 date.

Very truly yours,

A handwritten signature in black ink, appearing to read "James H. Smith".

cc: Don Thompson - Arizona Corporation Commission

James H. Smith
Manager Industry & Public Projects, Engineering Department

UNION PACIFIC RAILROAD
10031 Foothills Boulevard, Roseville, CA 95747
ph. (916) 789-6352 fx. (916) 789-6333

EXHIBIT D

3. All of the terms, conditions, and agreements contained within the Purchase Agreement are fully incorporated herein by reference as if fully set forth herein. This Memorandum is not intended to and shall not change any of the terms of the Purchase Agreement.

[Remainder of this page intentionally left blank. Signature pages follow.]

11-19-06

IN WITNESS WHEREOF, Seller and Buyer have executed this Memorandum as of the date first above written.

SELLER:

LAWYERS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AS TRUSTEE UNDER TRUST NO. 7950-T

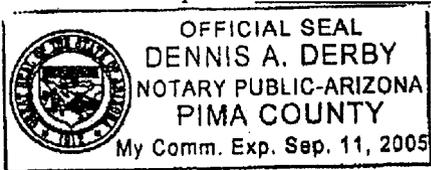
By: *Doris L Clark*
Name: Doris L Clark
Its: Trust Officer

STATE OF Arizona)
County of Pima) ss.

The foregoing instrument was acknowledged before me this 27 day of May, 2005, by Doris L Clark, as Trust Officer of Lawyers Title of Arizona, Inc., an Arizona Corp on behalf thereof.

Dennis A Derby
Notary Public

My Commission expires: _____



110000110000

EXHIBIT "A" TO MEMORANDUM OF AGREEMENT

Legal Description

11-11-2003 11-11-2003

EXHIBIT "A"

BLOCKS 1, 2, 4, 5, 6, 10, 15 AND 24 THROUGH 29, INCLUSIVE, AND COMMON AREAS "A", "B" AND "C", OF MADERA HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PIMA COUNTY, ARIZONA, RECORDED IN BOOK 59 OF MAPS, PAGE 8;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY:

THOSE PARCELS OF LAND PER THE PLAT OF MADERA HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PIMA COUNTY, ARIZONA, RECORDED IN BOOK 59 OF MAPS, PAGE 8, DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE WESTERLY AND SOUTHERLY LINES OF BLOCK 11;

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE EXTERIOR BOUNDARY LINES OF BLOCK 16;

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE WESTERLY LINE OF BLOCK 17;

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE EXTERIOR BOUNDARY LINES OF BLOCK 19;

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE WESTERLY LINE OF BLOCK 20;

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE WESTERLY LINE OF BLOCK 21;

ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE WESTERLY AND SOUTHERLY LINES OF BLOCK 23;

ALL THAT PORTION OF COMMON AREA "A" LYING SOUTHERLY OF MADERA HIGHLANDS PARKWAY AND NORTHERLY OF THE NORTH LINE OF BLOCK 24;

ALL THAT PORTION OF COMMON AREA "A" LYING ADJACENT TO AND CONTIGUOUS WITH THE WEST LINE OF BLOCK 25;

ALL THAT PORTION OF COMMON AREA "A" LYING NORTH OF AND ADJACENT TO THE NORTH LINE OF BLOCK 19 AND SOUTH OF AND ADJACENT TO THE SOUTH LINE OF BLOCK 16;

ALL THAT PORTION OF COMMON AREA "A" LYING EAST OF BLOCKS 16 AND 19 AND WEST OF THE WEST RIGHT OF WAY OF CAMPBELL AVENUE;

140001-1-10001-1

ALL THAT PORTION OF COMMON AREA "A" PER THE PLAT OF MADERA HIGHLANDS, BEING A STRIP OF LAND 90 FEET WIDE, 45 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

COMMENCING AT THE NORTHWEST CORNER OF THE PLAT OF MADERA HIGHLANDS, AS RECORDED IN BOOK 59 OF MAPS, PAGE 8, PIMA COUNTY RECORDS, SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT OF WAY OF THE UNION PACIFIC RAILROAD WITH THE NORTH LINE OF THE SAN IGNACIO DE LA CANOA LAND GRANT;

THENCE SOUTH 59 DEGREES 19 MINUTES 12 SECONDS EAST, ALONG THE NORTH LINE OF SAID LAND GRANT, A DISTANCE OF 130.11 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 19 DEGREES 21 MINUTES 26 SECONDS WEST, A DISTANCE OF 659.81 FEET;

THENCE SOUTH 10 DEGREES 07 MINUTES 48 SECONDS WEST, A DISTANCE OF 598.75 FEET;

THENCE SOUTH 05 DEGREES 30 MINUTES 35 SECONDS WEST, A DISTANCE OF 1804.00 FEET TO THE TERMINUS OF SAID CENTERLINE, THE SIDELINES OF SAID 90 FOOT STRIP TO INTERSECT AT ALL ANGLE POINTS;

TOGETHER WITH ALL THAT PORTION OF COMMON AREA "A" LYING WEST OF THE WEST RIGHT OF WAY OF CAMPBELL AVENUE AND EAST OF THE FOLLOWING DESCRIBED ARC:

COMMENCING AT THE NORTHWEST CORNER OF BLOCK 16;

THENCE SOUTH 85 DEGREES 31 MINUTES 18 SECONDS EAST ALONG THE NORTH LINE AND THE EASTERLY EXTENSION THEROF, A DISTANCE OF 74.29 FEET TO THE NORTHEAST CORNER OF COMMON AREA "B" WHICH LIES EAST OF AND ADJACENT TO SAID BLOCK 16, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE NORTHWESTERLY ALONG A 663.00 FOOT RADIUS CURVE CONCAVE TO THE EAST, WHICH IS 36.00 FEET WEST OF AND CONCENTRIC WITH THE WEST LINE OF CAMPBELL AVENUE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 33 MINUTES 00 SECONDS (THE CHORD OF WHICH BEARS NORTH 26 DEGREES 24 MINUTES 09 SECONDS WEST, A DISTANCE OF 64.20 FEET) AN ARC LENGTH OF 64.23 FEET TO THE TERMINUS;

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE OLD NOGALES-SAHUARITA ROAD RIGHT OF WAY.

1-100000

WHEN RECORDED, RETURN TO:

C. Timothy White, Esq.
Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, Arizona 85016

MEMORANDUM OF AGREEMENT

By this Memorandum of Agreement ("**Memorandum**") entered into as of the 26 day of May, 2005, LAWYERS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AS TRUSTEE UNDER TRUST NO. 7950-T ("**Seller**"), and MONTEREY HOMES ARIZONA, INC., an Arizona corporation ("**Buyer**"), hereby declare and agree as follows:

RECITALS:

A. Seller owns that certain real property located in Pima County, Arizona and described on Exhibit "A" attached hereto and incorporated herein by this reference (the "**Property**").

B. Buyer and Seller have entered into that certain Purchase Agreement (Including Escrow Instructions) dated as of January 20, 2005, as amended (the "**Purchase Agreement**"), pursuant to which Seller has granted to Buyer the exclusive right to purchase the Property.

C. Buyer and Seller desire to give actual and constructive notice to all persons dealing with the Property of the existence of the Purchase Agreement and of Buyer's exclusive right to purchase the Property pursuant to the terms of the Purchase Agreement.

MEMORANDUM:

1. Buyer's right to purchase the Property pursuant to the terms of the Purchase Agreement shall continue in full force and effect until the date that the Purchase Agreement is terminated with respect to the Property in accordance with the terms and conditions of the Purchase Agreement.

2. A copy of the Purchase Agreement is in the possession of Buyer, Seller, and Escrow Agent (as defined in the Purchase Agreement). Escrow Agent's address is as follows:

First American Title Insurance Company
1880 E. River Road, Suite 120
Tucson, Arizona 85718
Attention: Janice Saunders

1-1-0000

BUYER:

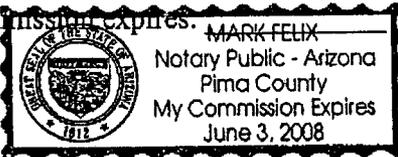
MONTEREY HOMES ARIZONA, INC., an
Arizona corporation

By: *Jeffrey R. Grobstein*
Name: Jeffrey R. Grobstein
Its: Division President, Tucson

STATE OF Arizona)
County of Pima) ss.

The foregoing instrument was acknowledged before me this 27th day of May,
2005, by Jeffrey R. Grobstein, as President - Tucson of MONTEREY HOMES
ARIZONA, INC., an Arizona corporation, on behalf thereof.

Mark Felix
Notary Public

My Commission Expires.  MARK FELIX
Notary Public - Arizona
Pima County
My Commission Expires
June 3, 2008

11-10000

EXHIBIT "A"

BLOCKS 1, 2, 4, 5, 6, 10, 15 AND 24 THROUGH 29, INCLUSIVE, AND COMMON AREAS "A", "B" AND "C", OF MADERA HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PIMA COUNTY, ARIZONA, RECORDED IN BOOK 59 OF MAPS, PAGE 8;

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ALL THAT PORTION OF COMMON AREA "B" LYING ADJACENT TO AND CONTIGUOUS WITH THE EXTERIOR BOUNDARY LINES OF BLOCK 16;

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ALL THAT PORTION OF COMMON AREA "A" LYING SOUTHERLY OF MADERA HIGHLANDS PARKWAY AND NORTHERLY OF THE NORTH LINE OF BLOCK 24;

ALL THAT PORTION OF COMMON AREA "A" LYING ADJACENT TO AND CONTIGUOUS WITH THE WEST LINE OF BLOCK 25;

ALL THAT PORTION OF COMMON AREA "A" LYING NORTH OF AND ADJACENT TO THE NORTH LINE OF BLOCK 19 AND SOUTH OF AND ADJACENT TO THE SOUTH LINE OF BLOCK 16;

ALL THAT PORTION OF COMMON AREA "A" LYING EAST OF BLOCKS 16 AND 19 AND WEST OF THE WEST RIGHT OF WAY OF CAMPBELL AVENUE;

1-15000

ALL THAT PORTION OF COMMON AREA "A" PER THE PLAT OF MADERA HIGHLANDS, BEING A STRIP OF LAND 90 FEET WIDE, 45 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE;

COMMENCING AT THE NORTHWEST CORNER OF THE PLAT OF MADERA HIGHLANDS, AS RECORDED IN BOOK 59 OF MAPS, PAGE 8, PIMA COUNTY RECORDS, SAID POINT BEING AT THE INTERSECTION OF THE EAST RIGHT OF WAY OF THE UNION PACIFIC RAILROAD WITH THE NORTH LINE OF THE SAN IGNACIO DE LA CANOA LAND GRANT;

THENCE SOUTH 59 DEGREES 19 MINUTES 12 SECONDS EAST, ALONG THE NORTH LINE OF SAID LAND GRANT, A DISTANCE OF 130.11 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 19 DEGREES 21 MINUTES 26 SECONDS WEST, A DISTANCE OF 659.81 FEET;

THENCE SOUTH 10 DEGREES 07 MINUTES 48 SECONDS WEST, A DISTANCE OF 598.75 FEET;

THENCE SOUTH 05 DEGREES 30 MINUTES 35 SECONDS WEST, A DISTANCE OF 1804.00 FEET TO THE TERMINUS OF SAID CENTERLINE, THE SIDELINES OF SAID 90 FOOT STRIP TO INTERSECT AT ALL ANGLE POINTS;

TOGETHER WITH ALL THAT PORTION OF COMMON AREA "A" LYING WEST OF THE WEST RIGHT OF WAY OF CAMPBELL AVENUE AND EAST OF THE FOLLOWING DESCRIBED ARC:

COMMENCING AT THE NORTHWEST CORNER OF BLOCK 16;

THENCE SOUTH 85 DEGREES 31 MINUTES 18 SECONDS EAST ALONG THE NORTH LINE AND THE EASTERLY EXTENSION THEROF, A DISTANCE OF 74.29 FEET TO THE NORTHEAST CORNER OF COMMON AREA "B" WHICH LIES EAST OF AND ADJACENT TO SAID BLOCK 16, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE NORTHWESTERLY ALONG A 663.00 FOOT RADIUS CURVE CONCAVE TO THE EAST, WHICH IS 36.00 FEET WEST OF AND CONCENTRIC WITH THE WEST LINE OF CAMPBELL AVENUE, THROUGH A CENTRAL ANGLE OF 05 DEGREES 33 MINUTES 00 SECONDS (THE CHORD OF WHICH BEARS NORTH 26 DEGREES 24 MINUTES 09 SECONDS WEST, A DISTANCE OF 64.20 FEET) AN ARC LENGTH OF 64.23 FEET TO THE TERMINUS;

EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE OLD NOGALES-SAHUARITA ROAD RIGHT OF WAY.

1-0001-1-0000-1

EXHIBIT E



UNION PACIFIC RAILROAD COMPANY

SAHUARITA CITY OF

P O BOX 879

SAHUARITA AZ 85629

DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788
CUSTOMER NUMBER	049847
BILL PREPARER	APAV070
REQUESTED BY	
CLS : 14-GOVERNMENT U.S., STA	

CORRESPONDENCE TO: MISCELLANEOUS ACCOUNTS RECEIVABLE
 1400 DOUGLAS STREET STOP 1750
 OMAHA, NE 68179-1750
 PHONE (402)544-0211 OR (402)544-0216 FAX (402)501-0027

DESCRIPTION

INSTALL 110TF CONCRETE PUBLIC CROSSING SURFACE @ MILE POST
 100°.16, NOGALES SUBDIVISION, SAHUARITA, PIMA COUNTY, AZ.
 W033788 PROGRESSIVE BILL NO.1

REFERENCE NO: 0

TOTAL WORK ORDER AMOUNT \$127,718.81

AMOUNT DUE \$127,718.81

PLEASE DETACH AT THIS LINE AND RETURN THIS PORTION WITH CHECK PAYABLE TO:

UNION PACIFIC RAILROAD COMPANY
 12567 COLLECTIONS
 CENTER DRIVE
 CHICAGO, IL 60693

COMPLETE THIS PORTION FOR CHANGE OF NAME/ADDRESS:

NAME
STREET
CITY STATE ZIP

DATE ISSUED	05-20-05
BILL NUMBER	818462
BILL AMOUNT	\$127,718.81
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788
CUSTOMER NUMBER	049847
CLS :14-GOVERNMENT U.S., STATE,	



BILL TYPE	W0
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

RECAP OF CHARGES

SUMMARY DESCRIPTION:

AMOUNT

JOINT FACILITIES OR JOBS SUBJECT TO APPORTIONMENT:

JT.FAC. OR JOB NO. 001	ENGINEERING	\$4,295.98
JT.FAC. OR JOB NO. 002	XTIE	\$5,289.93
JT.FAC. OR JOB NO. 003	RAIL	\$3,521.56
JT.FAC. OR JOB NO. 004	OTM	\$88,077.49
JT.FAC. OR JOB NO. 007	RDXING	\$20,754.44
JT.FAC. OR JOB NO. 013	REMOVAL - OTM	\$5,440.22
JT.FAC. OR JOB NO. 015	REMOVAL - RDXING	\$339.19

TOTAL CHARGES FOR APPORTIONMENT \$127,718.81

JOINT (OR OTHER) PROPORTION 100.00% \$127,718.81

JOINT FACILITIES OR JOBS NOT SUBJECT TO APPORTIONMENT:

NONE

TOTAL WORK ORDER AMOUNT (TO COVER PAGE) JOINT (OR OTHER) PROPORTION 100.00% \$127,718.81

LESS PREVIOUS BILLING:

DATE	BILL NUMBER	BILL AMOUNT
NONE	NONE	0.00

AMOUNT DUE (TO COVER PAGE) \$127,718.81



BILL TYPE	NO
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 001 ENGINEERING

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
		GENERAL OFFICE	001	8.00	\$17.96375	\$143.71
SUBTOTAL LABOR CHARGES						\$143.71
STANDARD MAINT OF WAY NON AGR			110.84000	% ON	\$143.71	\$159.29
SUBTOTAL ADDITIVES						\$159.29
		GENERAL OFFICE	001	8.00	\$16.30250	\$130.42
SUBTOTAL LABOR CHARGES						\$130.42
STANDARD MAINT OF WAY NON AGR NO ADM			56.97000	% ON	\$130.42	\$74.30
SUBTOTAL ADDITIVES						\$74.30
		GENERAL OFFICE	001	8.00	\$17.32625	\$138.61
SUBTOTAL LABOR CHARGES						\$138.61
STANDARD MAINT OF WAY NON AGR NO ADM			52.02000	% ON	\$138.61	\$72.10
SUBTOTAL ADDITIVES						\$72.10
TOTAL LABOR						\$718.43

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
0522466	TMS DESIGN SERVICES INC	ENGINEERING	\$16.31
7777777	Magnum Manufacturing	FREIGHT	\$2,376.00
7777777	Werner Logistics Ser	FREIGHT	\$834.00
7777777	SkyTrack Lynden	FREIGHT	\$351.24
SUBTOTAL PAYMENTS			\$3,577.55

TOTAL PAYMENTS

\$3,577.55

TOTAL JT.FAC./JOB NO. 001

\$4,295.98



BILL TYPE	W0
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 002 XTIE

MATERIAL INSTALLED

DATE	ITEM	DESCRIPTION	KIND	QUANTITY	UNITS	RATE	AMOUNT
04-05	5021000	SWITCH TIE 7" X 9" X 10'	NEW	80	EA	\$48.56	\$3,884.80
04-05	5027998	CROSS TIE 7" X 9" X 9'	NEW	30	EA	\$35.92	\$1,077.60
SUBTOTAL MATERIAL CHARGES							\$4,962.40
MSE ADDITIVE			1.00000	% ON		\$4,962.40	\$49.63
TAX ADDITIVE			5.60000	% ON		\$4,962.40	\$277.90
SUBTOTAL ADDITIVES							\$327.53
TOTAL MATERIAL							\$5,289.93
TOTAL JT.FAC./JOB NO. 002							\$5,289.93



BILL TYPE	WO
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 003 RAIL

MATERIAL INSTALLED

DATE	ITEM	DESCRIPTION	KIND	QUANTITY	UNITS	RATE	AMOUNT	
04-05	5525516	FIELD WELD KIT, 112/115#RE	NEW	8	EA	\$59.87	\$478.96	
04-05	5526457	PACKING SAND, P	NEW	2	CA	\$22.44	\$44.88	
04-05	5526493	REFRACTORY PAST	NEW	2	EA	\$1.83	\$3.66	
SUBTOTAL MATERIAL CHARGES							\$527.50	
FOREIGN LINE FREIGHT				3.29000	% ON	\$527.50	\$27.36	
MSE ADDITIVE				3.01000	% ON	\$544.86	\$16.40	
TAX ADDITIVE				5.60000	% ON	\$527.50	\$29.53	
SUBTOTAL ADDITIVES							\$63.29	
04-05	5511153	RAIL 115# RE	STAND	S.H.	312	LF	\$4.81	\$1,500.72
04-05	5511190	RAIL 119# RE	STAND	S.H.	312	LF	\$4.98	\$1,553.76
SUBTOTAL MATERIAL CHARGES							\$3,054.48	
WEAR AND TEAR ADDITIVE				5.00000	% ON	\$3,054.48	\$152.73CR	
MSE ADDITIVE				1.00000	% ON	\$2,901.75	\$29.02	
SUBTOTAL ADDITIVES							\$123.71CR	
TOTAL MATERIAL							\$3,521.56	
TOTAL JT.FAC./JOB NO. 003							\$3,521.56	



BILL TYPE	NO
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

PAGE 4

JT.FAC./JOB.NO. 004 OTH

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
04-05	2825	OTH RELAY/REPLACE	001	75.20	\$33.17021	\$2,494.40
04-05	7427	OTH RELAY/REPLACE	001	894.88	\$18.54655	\$16,596.94
04-05	7427	OTH RELAY/REPLACE	012	50.29	\$28.61304	\$1,438.95
04-05	7427	OTH RELAY/REPLACE	026	82.72	\$18.48005	\$1,528.67
SUBTOTAL LABOR CHARGES						\$22,058.96
STANDARD MAINT OF WAY AGR			134.63000	% ON	\$22,058.96	\$29,693.56
FORCE ACCT INS			16.00000	% ON	\$22,058.96	\$3,529.43
EQUIPMENT ALL OTHER			84.63000	% ON	\$22,058.96	\$18,668.50
SUBTOTAL ADDITIVES						\$51,891.49
04-05	7427	MEALS AND LDGNG ALLOWNCE	038			\$11,282.41
SUBTOTAL ALLOWANCES						\$11,282.41
TOTAL LABOR						\$85,232.86

MATERIAL INSTALLED

DATE	ITEM	DESCRIPTION	KIND	QUANTITY	UNITS	RATE	AMOUNT
04-05	5501413	RAIL ANCHOR, 5 1/2 INCH RA	NEW	400	EA	\$1.03	\$412.00
04-05	5506344	TRACK BOLT 1 1/16 X 6 US	NEW	2	KE	\$56.76	\$113.52
04-05	5506707	TRACK SPIKES 5/8 X 6 UNDE	NEW	5	KE	\$65.51	\$327.55
04-05	5522678	COMPROMISE JOINT 119WRE TO	NEW	4	JO	\$149.88	\$599.52
SUBTOTAL MATERIAL CHARGES							\$1,452.59
FOREIGN LINE FREIGHT			3.29000	% ON	\$1,452.59	\$47.78	
MSE ADDITIVE			3.01000	% ON	\$1,500.37	\$45.16	
TAX ADDITIVE			5.60000	% ON	\$1,452.59	\$81.34	
SUBTOTAL ADDITIVES							\$174.28
04-05	5543779	TIE PLATE, 5 1/2" RAIL BAS	S.H.	366	EA	\$3.23	\$1,182.18



BILL TYPE	NO
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

PAGE 5

SUBTOTAL MATERIAL CHARGES				\$1,182.18
MSE ADDITIVE	3.01000	% ON	\$1,182.18	\$35.58
SUBTOTAL ADDITIVES				\$35.58
TOTAL MATERIAL				\$2,844.63
TOTAL JT.FAC./JOB NO. 004				\$88,077.49



BILL TYPE	WD
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 007 RDXING

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
04-05	812 ^o	RDXING,PUB-RENEW/REPLACE	001	67.68	\$19.10993	\$1,293.36
04-05	812 ^o	RDXING,PUB-RENEW/REPLACE	012	3.76	\$28.72340	\$108.00
SUBTOTAL LABOR CHARGES						\$1,401.36
STANDARD MAINT OF WAY AGR			134.61000	% ON	\$1,401.36	\$1,886.37
FORCE ACCT INS			16.00000	% ON	\$1,401.36	\$224.22
EQUIPMENT ALL OTHER			84.63000	% ON	\$1,401.36	\$1,185.97
SUBTOTAL ADDITIVES						\$3,296.56
04-05	812 ^o	MEALS AND LDNG ALLOWNCE	038			\$615.78
SUBTOTAL ALLOWANCES						\$615.78
TOTAL LABOR						\$5,313.70

MATERIAL INSTALLED

DATE	ITEM	DESCRIPTION	KIND	QUANTITY	UNITS	RATE	AMOUNT
04-05	5400210	CROSSING, CONCRETE - 115#	NEW	10	ST	\$1,034.67	\$10,346.70
04-05	5401900	CROSSING END PLATE SET	NEW	1	ST	\$78.41	\$78.41
04-05	5401950	RUBBER FLANGEWAY	NEW	10	ST	\$284.02	\$2,840.20
04-05	5406650	CROSSING DEFLECT	NEW	2	ST	\$262.50	\$525.00
SUBTOTAL MATERIAL CHARGES							\$13,790.31
FOREIGN LINE FREIGHT				3.29000	% ON	\$13,790.31	\$453.70
MSE ADDITIVE				2.98000	% ON	\$14,244.01	\$424.47
TAX ADDITIVE				5.60000	% ON	\$13,790.31	\$772.26
SUBTOTAL ADDITIVES							\$1,650.43
TOTAL MATERIAL							\$15,440.74



UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

BILL TYPE	W0
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

PAGE 7

TOTAL JT.FAC./JOB NO. 007

\$20,754.44



BILL TYPE	W0
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 013 REMOVAL - OTM

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
04-05	2825	OTM RELAY/REPLACE	001	4.80	\$33.16667	\$159.20
04-05	7427	OTM RELAY/REPLACE	001	57.12	\$18.54657	\$1,059.38
04-05	7427	OTM RELAY/REPLACE	012	3.21	\$28.61682	\$91.86
04-05	7427	OTM RELAY/REPLACE	026	5.28	\$18.47917	\$97.57
SUBTOTAL LABOR CHARGES						\$1,408.01
STANDARD MAINT OF WAY AGR			134.61000	% ON	\$1,408.01	\$1,895.32
FORCE ACCT INS			16.00000	% ON	\$1,408.01	\$225.28
EQUIPMENT ALL OTHER			84.63000	% ON	\$1,408.01	\$1,191.60
SUBTOTAL ADDITIVES						\$3,312.20
04-05	7427	MEALS AND LDGNG ALLOWNCE	038			\$720.01
SUBTOTAL ALLOWANCES						\$720.01
TOTAL LABOR						\$5,440.22
TOTAL JT.FAC./JOB NO. 013						\$5,440.22



BILL TYPE	W0
DATE ISSUED	05-20-05
BILL NUMBER	818462
EXPENSE MONTH	05-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

PAGE 9

JT.FAC./JOB.NO. 015 REMOVAL - RDXING

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
04-05	812°	RDXING,PUB-RENEW/REPLACE	001	4.32	\$19.11111	\$82.56
04-05	812°	RDXING,PUB-RENEW/REPLACE	012	.24	\$28.75000	\$6.90
SUBTOTAL LABOR CHARGES						\$89.46
STANDARD MAINT OF WAY AGR			134.61000	% ON	\$89.46	\$120.42
FORCE ACCT INS			16.00000	% ON	\$89.46	\$14.31
EQUIPMENT ALL OTHER			84.63000	% ON	\$89.46	\$75.71
SUBTOTAL ADDITIVES						\$210.44
04-05	812°	MEALS AND LDGNG ALLOWNCE	038			\$39.29
SUBTOTAL ALLOWANCES						\$39.29
TOTAL LABOR						\$339.19
TOTAL JT.FAC./JOB NO. 015						\$339.19



UNION PACIFIC RAILROAD COMPANY

SAHUARITA CITY OF

P O BOX 879

SAHUARITA AZ 85629

DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788
CUSTOMER NUMBER	049847
BILL PREPARER	AMBC061
REQUESTED BY	
CLS : 14-GOVERNMENT U.S., STA	

CORRESPONDENCE TO: MISCELLANEOUS ACCOUNTS RECEIVABLE
1400 DOUGLAS STREET STOP 1750
OMAHA, NE 68179-1750
PHONE (402)544-0211 OR (402)544-0216 FAX (402)501-0027

DESCRIPTION

INSTALL 110TF CONCRETE PUBLIC CROSSING SURFACE @ MILE POST
1009.16, NOGALES SUBDIVISION, SAHUARITA, PIMA COUNTY, AZ.
W033788 PROGRESSIVE BILL NO. 2

REFERENCE NO: 0

TOTAL WORK ORDER AMOUNT \$8,580.08

AMOUNT DUE \$8,580.08

PLEASE DETACH AT THIS LINE AND RETURN THIS PORTION WITH CHECK PAYABLE TO:

UNION PACIFIC RAILROAD COMPANY
12567 COLLECTIONS
CENTER DRIVE
CHICAGO, IL 60693

COMPLETE THIS PORTION FOR CHANGE OF NAME/ADDRESS:

DATE ISSUED	07-25-05
BILL NUMBER	828128
BILL AMOUNT	\$8,580.08
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788
CUSTOMER NUMBER	049847
CLS :14-GOVERNMENT U.S., STATE,	

NAME
STREET
CITY STATE ZIP



BILL TYPE	WO
DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

RECAP OF CHARGES

SUMMARY DESCRIPTION:

AMOUNT

JOINT FACILITIES OR JOBS SUBJECT TO APPORTIONMENT:

JT.FAC. OR JOB NO. 001	ENGINEERING	\$191.42
JT.FAC. OR JOB NO. 003	RAIL	\$877.40
JT.FAC. OR JOB NO. 004	OTH	\$212.45
JT.FAC. OR JOB NO. 007	RDXING	\$7,285.26
JT.FAC. OR JOB NO. 013	REMOVAL - OTH	\$13.55

TOTAL CHARGES FOR APPORTIONMENT \$8,580.08

JOINT (OR OTHER) PROPORTION 100.00% \$8,580.08

JOINT FACILITIES OR JOBS NOT SUBJECT TO APPORTIONMENT:

NONE

TOTAL WORK ORDER AMOUNT (TO COVER PAGE) JOINT (OR OTHER) PROPORTION 100.00% \$8,580.08

LESS PREVIOUS BILLING:

DATE	BILL NUMBER	BILL AMOUNT
NONE	NONE	0.00

AMOUNT DUE (TO COVER PAGE) \$8,580.08



BILL TYPE	WO
DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

PAGE 1

JT.FAC./JOB.NO. 001 ENGINEERING

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
05-05 0076605	J L LUJAN	PERSONAL EXPENSE	\$21.32
05-05 0370145	J H FLANAGAN	PERSONAL EXPENSE	\$56.70
05-05 0370151	R VIGIL	PERSONAL EXPENSE	\$56.70
05-05 0370152	S P SLY	PERSONAL EXPENSE	\$56.70
SUBTOTAL PAYMENTS			\$191.42
TOTAL PAYMENTS			\$191.42
TOTAL JT.FAC./JOB NO. 001			\$191.42



BILL TYPE	NO
DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

PAGE 2

JT. FAC./JOB. NO. 003 RAIL

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
05-05 0364317	J C FIGUEROA	PERSONAL EXPENSE	\$87.74
05-05 0364318	D A SCOTT	PERSONAL EXPENSE	\$87.74
05-05 0364319	F COTA	PERSONAL EXPENSE	\$87.74
05-05 0364320	D BEGAY	PERSONAL EXPENSE	\$87.74
05-05 0364321	C DIAZ	PERSONAL EXPENSE	\$87.74
05-05 0364322	A H LUNA	PERSONAL EXPENSE	\$87.74
05-05 0364323	B R FIGUEROASR	PERSONAL EXPENSE	\$87.74
05-05 0364324	A C PORTILLOJR	PERSONAL EXPENSE	\$87.74
05-05 0364344	T BEGAY	PERSONAL EXPENSE	\$87.74
05-05 0364346	A C PAT	PERSONAL EXPENSE	\$87.74
SUBTOTAL PAYMENTS			\$877.40
TOTAL PAYMENTS			\$877.40
TOTAL JT.FAC./JOB NO. 003			\$877.40



UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

BILL TYPE	WO
DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788

PAGE 3

JT.FAC./JOB.NO. 004 OTH

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
05-05 888888	CORPORATE LODGING	TRAVEL/LODGING	\$212.45
SUBTOTAL PAYMENTS			\$212.45
TOTAL PAYMENTS			\$212.45
TOTAL JT.FAC./JOB NO. 004			\$212.45



UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

BILL TYPE	NO
DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788

PAGE 4

JT.FAC./JOB.NO. 007 RDXING

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
05-05 0376642	VP EXCAVATION INC	CONTRACT PAYMENT	\$2,100.87
05-05 0377388	VP EXCAVATION INC	CONTRACT PAYMENT	\$1,277.50
06-05 0382504	VP EXCAVATION INC	CONTRACT PAYMENT	\$1,406.89
06-05 0394243	VP EXCAVATION INC	CONTRACT PAYMENT	\$2,500.00
SUBTOTAL PAYMENTS			\$7,285.26
TOTAL PAYMENTS			\$7,285.26
TOTAL JT.FAC./JOB NO. 007			\$7,285.26



BILL TYPE	WO
DATE ISSUED	07-25-05
BILL NUMBER	828128
EXPENSE MONTH	07-05
CONTRACT NUMBER	W033788

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

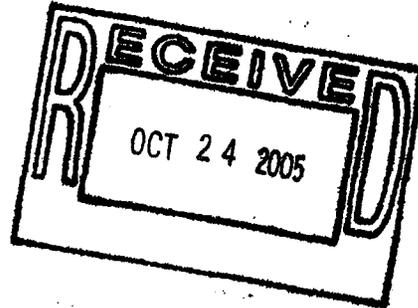
PAGE 5

JT.FAC./JOB.NO. 013 REMOVAL - OTH

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
05-05 888888	CORPORATE LODGING	TRAVEL/LODGING	\$13.55
SUBTOTAL PAYMENTS			\$13.55
TOTAL PAYMENTS			\$13.55
TOTAL JT.FAC./JOB NO. 013			\$13.55

UNION PACIFIC RAILROAD COMPANY



SAHUARITA CITY OF

P O BOX 879
SAHUARITA AZ 85629

CORRESPONDENCE TO: MISCELLANEOUS ACCOUNTS RECEIVABLE
1400 DOUGLAS STREET STOP 1750
OMAHA, NE 68179-1750
PHONE (402)544-0211 OR (402)544-0216 FAX (402)501-0027

DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787
CUSTOMER NUMBER	049847
BILL PREPARER	AMBC061
REQUESTED BY	
CLS : 14-GOVERNMENT U.S., STA	

DESCRIPTION

INSTALL SIGNALS @ PUBLIC HIGHWAY CROSSING AT MILE POST
1009.16, NOGALES SUBDIVISION, SAHUARITA, PIMA COUNTY, AZ.
W033787 PROGRESSIVE BILL NO. 3 DOT 748402B

REFERENCE NO: 0

TOTAL WORK ORDER AMOUNT \$52,061.55

AMOUNT DUE \$52,061.55

PLEASE DETACH AT THIS LINE AND RETURN THIS PORTION WITH CHECK PAYABLE TO:

UNION PACIFIC RAILROAD COMPANY
12567 COLLECTIONS
CENTER DRIVE
CHICAGO, IL 60693

COMPLETE THIS PORTION FOR CHANGE OF NAME/ADDRESS:

NAME		
STREET		
CITY	STATE	ZIP

DATE ISSUED	10-18-05
BILL NUMBER	840871
BILL AMOUNT	\$52,061.55
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787
CUSTOMER NUMBER	049847
CLS : 14-GOVERNMENT U.S., STATE,	



BILL TYPE	WO
DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787

UNION PACIFIC RAILROAD COMPANY

RECAP OF CHARGES

SUMMARY DESCRIPTION:

AMOUNT

JOINT FACILITIES OR JOBS SUBJECT TO APPORTIONMENT:

JT.FAC. OR JOB NO. 001 ENGINEERING

\$8,198.98

JT.FAC. OR JOB NO. 006 SIGNAL

\$43,862.57

TOTAL CHARGES FOR APPORTIONMENT

\$52,061.55

JOINT (OR OTHER) PROPORTION

100.00%

\$52,061.55

JOINT FACILITIES OR JOBS NOT SUBJECT TO APPORTIONMENT:

NONE

TOTAL WORK ORDER AMOUNT (TO COVER PAGE)

JOINT (OR OTHER) PROPORTION

100.00%

\$52,061.55

LESS PREVIOUS BILLING:

DATE

BILL NUMBER

BILL AMOUNT

NONE

NONE

0.00

AMOUNT DUE (TO COVER PAGE)

\$52,061.55



BILL TYPE	WO
DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 001 ENGINEERING

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
12-04	2897	GENERAL OFFICE	001	10.28	\$21.09241	\$216.83
02-05	2897	GENERAL OFFICE	001	10.28	\$23.35117	\$240.05
SUBTOTAL LABOR CHARGES						\$456.88
STANDARD MAINT OF WAY NON AGR			120.31000	% ON	\$456.88	\$549.67
FORCE ACCT INS			16.00000	% ON	\$456.88	\$73.10
SUBTOTAL ADDITIVES						\$622.77
09-05	2897	GENERAL OFFICE	001	10.28	\$22.29572	\$229.20
SUBTOTAL LABOR CHARGES						\$229.20
STANDARD MAINT OF WAY NON AGR			119.57000	% ON	\$229.20	\$274.05
FORCE ACCT INS			16.00000	% ON	\$229.20	\$36.67
SUBTOTAL ADDITIVES						\$310.72
TOTAL LABOR						\$1,619.57

- PAYMENTS -

DATE VOUCHER	VENDOR	DESCRIPTION	AMOUNT
07-04 9997777	JAMES H. SMITH	PERSONAL EXPENSE	\$29.78
09-04 0027771	J H SMITH	PERSONAL EXPENSE	\$13.21
09-04 9997777	JAMES H. SMITH	PERSONAL EXPENSE	\$72.65
01-05 0051729	J H SMITH	PERSONAL EXPENSE	\$7.82
01-05 9997777	JAMES H. SMITH	PERSONAL EXPENSE	\$101.42
02-05 0061432	ADVANCE SERVICES INC	CONTRACT PAYMENT	\$1,752.80
04-05 0069636	J H SMITH	PERSONAL EXPENSE	\$6.41
04-05 9997777	JAMES H. SMITH	PERSONAL EXPENSE	\$32.15
09-05 0016813	RCL WIRING LP	CONTRACT PAYMENT	\$4,563.17
SUBTOTAL PAYMENTS			\$6,579.41
TOTAL PAYMENTS			\$6,579.41



UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

BILL TYPE	WO
DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787

PAGE 2

TOTAL JT.FAC./JOB NO. 001

\$8,198.98



UNION PACIFIC RAILROAD COMPANY

BILL TYPE	WO
DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	WO35787

DESCRIPTION OF EXPENSES

JT.FAC./JOB.NO. 006 SIGNAL

- LABOR -

DATE	GANG	DESCRIPTION	CLASS	HOURS	RATE	AMOUNT
04-05	8105	SIG GENERAL CONST/INST	001	8.00	\$22.61000	\$180.88
SUBTOTAL LABOR CHARGES						\$180.88
STANDARD MAINT OF WAY AGR			134.61000	% ON	\$180.88	\$243.48
FORCE ACCT INS			16.00000	% ON	\$180.88	\$28.94
EQUIPMENT VEHICLE			25.71000	% ON	\$180.88	\$46.50
SUBTOTAL ADDITIVES						\$318.92
TOTAL LABOR						\$499.80

MATERIAL INSTALLED

DATE	ITEM	DESCRIPTION	KIND	QUANTITY	UNITS	RATE	AMOUNT
05-01	0901569	CIRCUIT BREAKER, 120/240V	NEW	1	EA	\$9.85	\$9.85CR
05-01	0905436	RELAY, GENERAL PURPOSE 120	NEW	1	EA	\$9.26	\$9.26CR
05-01	0905765	SOCKET, POTTER-BRUMFIELD 2	NEW	1	EA	\$2.73	\$2.73CR
05-01	5200137	AC OVERLAY SURGE PROTECTOR	NEW	1	EA	\$69.50	\$69.50CR
05-01	5207228	TERMINAL BLOCK, SIGNAL 2 P	NEW	5	EA	\$2.25	\$11.25CR
05-01	5277637	RELAY SOCKET, WITH ONE TES	NEW	1	EA	\$32.93	\$32.93CR
05-01	5277928	RELAY TEST TERMINAL, FOR 1	NEW	1	EA	\$6.85	\$6.85CR
SUBTOTAL MATERIAL CHARGES							\$142.37CR
FOREIGN LINE FREIGHT			3.29000	% ON	\$142.37CR	\$4.68CR	
MSE ADDITIVE			3.01000	% ON	\$147.05CR	\$4.42CR	
TAX ADDITIVE			5.00000	% ON	\$142.37CR	\$7.12CR	
SUBTOTAL ADDITIVES							\$16.22CR

06-01	0901569	CIRCUIT BREAKER, 120/240V	NEW	1	EA	\$9.85	\$9.85
06-01	0905436	RELAY, GENERAL PURPOSE 120	NEW	1	EA	\$9.25	\$9.25
06-01	0905765	SOCKET, POTTER-BRUMFIELD 2	NEW	1	EA	\$2.73	\$2.73
06-01	5200137	AC OVERLAY SURGE PROTECTOR	NEW	1	EA	\$69.50	\$69.50



BILL TYPE	WO
DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787

UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

06-01 5200363 EXTENSION CORD - 12'	NEW	1	EA	\$67.18	\$67.18
06-01 5206865 TERMINAL, #6 - 5 WIRE, RIN	NEW	25	EA	\$4.19	\$94.75
06-01 5207228 TERMINAL BLOCK, SIGNAL 2 P	NEW	5	EA	\$2.25	\$11.25
06-01 5277637 RELAY SOCKET, WITH ONE TES	NEW	1	EA	\$32.93	\$32.93
06-01 5277928 RELAY TEST TERMINAL, FOR 1	NEW	1	EA	\$6.85	\$6.85

SUBTOTAL MATERIAL CHARGES

\$214.29

FOREIGN LINE FREIGHT	3.29000 % ON	\$214.29	\$7.95
MSE ADDITIVE	3.01000 % ON	\$221.34	\$6.66
TAX ADDITIVE	5.60000 % ON	\$214.29	\$11.99

SUBTOTAL ADDITIVES

\$25.70

08-05 0204042 BATTERY, STORAGE WET, 2 VOL	NEW	6	EA	\$169.22	\$1,015.32
08-05 0204066 BATTERY, STORAGE WET, 2 VO	NEW	14	EA	\$298.72	\$4,182.08
08-05 0906570 TAPE, 3M SUPER 33 + VINYL	NEW	2	RL	\$2.84	\$5.68
08-05 0913710 2412 J TERMINAL LUG	NEW	10	EA	\$4.49	\$44.90
08-05 0940114 ADAPTER, 4 INCH CARLON PLA	NEW	2	EA	\$2.79	\$5.58
08-05 0940982 BUSHING, 4 INCH PLASTIC IN	NEW	2	EA	\$7.66	\$15.32
08-05 0942492 CONDUIT, 4 INCH CARLON PLA	NEW	20	LF	\$1.35	\$27.00
08-05 0946793 LOCKNUT, 4 INCH GALVANIZED	NEW	2	EA	\$5.10	\$10.20
08-05 0960297 LAMP, HALOGEN, 10V, 25W	NEW	7	EA	\$4.14	\$28.98
08-05 0984417 GROUND ROD, 5/8 INCH X 8 F	NEW	9	EA	\$5.66	\$50.94
08-05 0984675 4.68 GROUND ROD CONNECTOR	NEW	9	EA	\$4.72	\$42.48
08-05 0990864 WIRE #6 AWG 1 COND COPPER,	NEW	315	LF	\$1.44	\$444.10
08-05 0991220 WIRE #6 AWG 2 COND COPPER,	NEW	515	LF	\$1.27	\$654.05
08-05 0991320 WIRE #6 AWG 5 COND COPPER,	NEW	555	LF	\$2.16	\$1,198.80
08-05 0993055 WIRE #10 AWG 1 COND COPPER	NEW	1,037	LF	\$1.15	\$1,192.55
08-05 0994610 WIRE #14 AWG 7 COND COPPER	NEW	500	LF	\$1.04	\$520.00
08-05 3504001 PLASTER OF PARIS, DENTAL G	NEW	25	LB	\$1.03	\$25.75
08-05 5200569 BOND WIRE, 500 LF LENGTH 7	NEW	500	LF	\$4.49	\$2,245.00
08-05 5201953 ENCLOSURE KIT, SHUNT, POLE	NEW	2	EA	\$154.76	\$309.52
08-05 5201956 EQUALIZER, SIGNAL HEAVY D	NEW	1	EA	\$8.92	\$8.92
08-05 5202155 FOUNDATION, 4' STEEL	NEW	2	EA	\$196.41	\$392.82
08-05 5204265 SIGN POST, STEEL 2 LB X 9	NEW	4	EA	\$9.46	\$37.84
08-05 5207001 TERMINAL, #12 - 10 WIRE, R	NEW	150	EA	\$8.00	\$1,200.00
08-05 5207955 WIRE TAG, WHITE PLASTIC	NEW	100	EA	\$1.20	\$120.00
08-05 5207956 MARKING PEN	NEW	1	EA	\$1.95	\$1.95
08-05 5210812 FLASHER & GATE COMB ASSY,	NEW	4	EA	\$7,237.06	\$28,948.24
08-05 5210937 GATE ARM, 16'-32' ADJ COMP	NEW	2	EA	\$478.37	\$956.74
08-05 5212214 GATE ARM HIGH WIND BRACKET	NEW	2	EA	\$63.99	\$127.98
08-05 5213647 SHEAR PIN, SK-1000-1	NEW	2	EA	\$5.50	\$11.00
08-05 5225885 SHUNT, MULTI-FREQUENCY NARR	NEW	2	EA	\$311.05	\$622.10
08-05 5226360 SURGE ARRESTOR	NEW	1	EA	\$28.48	\$28.48
08-05 5395450 180429-000 BOOTLEG KIT	NEW	2	EA	\$46.48	\$92.96
09-05 1706140 PADLOCK, SIGNAL WITHOUT KE	NEW	5	EA	\$13.95	\$69.75

SUBTOTAL MATERIAL CHARGES

\$39,850.25



UNION PACIFIC RAILROAD COMPANY

DESCRIPTION OF EXPENSES

BILL TYPE	WO
DATE ISSUED	10-18-05
BILL NUMBER	840871
EXPENSE MONTH	10-05
CONTRACT NUMBER	W033787

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MSE ADDITIVE	3.01000 % ON	\$39,850.25	\$1,199.50
TAX ADDITIVE	5.60000 % ON	\$39,850.25	\$2,231.62
SUBTOTAL ADDITIVES			\$3,431.12
TOTAL MATERIAL			\$43,362.77
TOTAL JT.FAC./JOB NO. 006			\$43,862.57

EXHIBIT F

Greenberg Traurig

Mel R. Faraoni
Tel. 602.445.8219
Fax 602.445.8604
FaraoniM@gtlaw.com

September 23, 2005

VIA FACSIMILE AND FED EX

James H. Smith
Union Pacific Railroad
10031 Foothills Blvd.
Roseville, CA 95747
Fax: (916) 789-6333

Re: Madera Highlands Railroad Crossing - Milepost 1009.16
Sahuarita, Arizona
Arizona Corporation Commission Docket No. RR-03639A-00-0560

Dear Jim:

This firm represents Meritage Homes of Arizona, Inc. ("Meritage"). On May 31, 2005, Meritage purchased approximately half of the project located in the Town of Sahuarita, Arizona (the "Town") and commonly known as Madera Highlands ("Madera"). Meritage presently is under contract to purchase the balance of Madera at a future date.

Reference is hereby made to Decision 62987 of the Arizona Corporation Commission, dated November 2, 2000, with respect to Docket No. RR-03639A-00-0560, as modified by that certain Procedural Order of the Arizona Corporation Commission dated August 2, 2004 (collectively, the "Order"), which Order provides for the construction of a new railroad crossing with automatic warning devices at the tracks of the Union Pacific Railroad Company (the "Railroad") at Madera, M.P. 1009.16 (the "Crossing"). Pursuant to the Order, the Railroad is required to complete the Crossing on or before November 1, 2005. The Order also states that "no further extensions [of the deadline to complete the Crossing] shall be approved without extremely good cause shown."

It is our understanding that the concrete bedding and track improvements portions of the Crossing have been completed by the Railroad, and that our client has been billed for, and has paid, the costs of such improvements. We understand, however, that work on the balance of the Crossing (signalization, etc.) has yet to commence. Although we understand that you indicated back in March, 2005 that the Railroad would meet the November 1, 2005 deadline, and would not be requesting any further extensions of such deadline, there is some concern about whether or not the Railroad still will be able to meet this deadline when the balance of the Crossing work has not even been commenced.

phx-fs1\1512982v01

Greenberg Traurig, LLP | Attorneys at Law | 2375 East Camelback Road | Suite 700 | Phoenix, AZ 85016 | Tel 602.445.8000 | Fax 602.445.8100

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www.gtlaw.com

James H. Smith
October 31, 2005
Page 2

Perhaps this concern is unwarranted because you already have scheduled the commencement of the balance of the Crossing work for early October and will be able to complete it in short order, well before the November 1, 2005 deadline. Unfortunately, neither our client nor the Town has this information. Accordingly, while we certainly do not want to distract you from your work, especially as it pertains to the completion of the Crossing, we ask that you promptly contact Curtis Losutter, Development Manager for Meritage, at 520-399-5206 to coordinate the construction schedule for the balance of the Crossing work.

Thank you for your prompt attention to this matter.

Very truly yours,

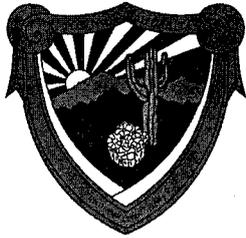


Mel R. Faraoni
For the Firm

MRF/jd

cc: Lorence Zimtbaum
Jeff Grobstein
Lisa Hoskin
Curtis Losutter
Jim Stahle, Town of Sahuarita Manager
Dan Hochuli, Town of Sahuarita Attorney
Brian Lehman, Arizona Corporation Commission

EXHIBIT G



The Town of Sahuarita

October 31, 2005

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Re: Madera Highlands Railroad Crossing
Docket No. RR-03639A-00-0560

Dear Commission Members:

This letter is written to express the Town of Sahuarita's support of an extension of the current deadline for the Union Pacific Railroad to complete the railroad crossing improvements at Milepost 1009.16, Sahuarita, Arizona. The Town of Sahuarita would like the crossing completed as soon as possible. The extension has been requested because the Union Pacific Railroad has indicated that the construction cannot be completed prior to the end of January 2006.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Stahle".

James R. Stahle
Town Manager

/mam

c: Lisa Hoskin