When recorded return to:

City Clerk
City of Coolidge
130 West Central Avenue
Coolidge, Arizona 85128

PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (PINAL LAND HOLDINGS)

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the **CITY OF COOLIDGE**, an Arizona municipal corporation (the "City"), **PINAL LAND HOLDINGS, LLC**, a Delaware limited liability company ("PLH") and the **CITY OF MESA**, an Arizona municipal corporation ("Mesa"). The City, PLH and Mesa are sometimes referred to herein individually each as a "Party" and collectively as the "Parties".

RECITALS

A. PLH owns fee title to approximately 1,348.82 acres of real property located in Pinal County, Arizona, as legally described and depicted in **Exhibit A-1**, attached herein and incorporated by reference into this Agreement (the "Ensendero Property").

B. PLH owns fee title to approximately 272.75 acres of real property located in Pinal County, Arizona, as legally described and depicted in **Exhibit A-2**, attached herein and incorporated by reference into this Agreement (the "Other PLH Property").

C. Mesa owns fee title to approximately 5,222.46 acres of real property located in the unincorporated area of Pinal County, Arizona, as legally described and depicted in **Exhibit A-3**, attached herein and incorporated by reference into this Agreement (the "Mesa I Property"). PLH has the exclusive right and option to purchase the Mesa I Property.

D. Mesa owns fee title to approximately 1,307.69 acres of real property located in the unincorporated area of Pinal County, Arizona, as legally described and depicted in **Exhibit A-4**, attached herein and incorporated by reference into this Agreement (the "Mesa II Property"). PLH has the exclusive right and option to purchase the Mesa II Property.

E. Mesa owns fee title to approximately 3,285.74 acres of real property located in Coolidge, Pinal County Arizona, as legally described and depicted in **Exhibit A-5**, attached herein and incorporated by reference into this Agreement (the "Mesa III Property"). PLH has the exclusive right and option to purchase the Mesa III Property.

F. The Mesa I Property, the Mesa II Property and the Mesa III Property are sometimes referred to collectively herein as the "Mesa Property." The designations of the Mesa Property as the Mesa I Property, Mesa II Property and Mesa III Property do not relate to the properties subject

to the real estate Purchase Agreement and Escrow Instructions between PLH and Mesa ("Purchase Agreement"), or the Master Farm Lease related thereto. This Agreement shall have no effect whatsoever on that Purchase Agreement or the Master Farm Lease related thereto.

G. As used herein, the term "Property" includes the Ensendero Property, the Other PLH Property, the Mesa I Property, the Mesa II Property and the Mesa III Property, and shall be extended to include any other parcel only upon the incorporation of such properties into this Agreement pursuant to the terms hereof. The Property is depicted in **Exhibit A-6**, as attached hereto and incorporated by reference into this Agreement. The term "Additional Property" includes any other additional property that satisfies the contiguity requirements of A.R.S.§ 9-471 as may be subject to a request by Owner (as defined below) to be incorporated into the Agreement pursuant to Section 7.

H. The term "Owner" shall refer to PLH and to Mesa with respect to the portion of the Property owned in fee by that Party.

I. The City desires that the Ensendero Property, the Other PLH Property, the Mesa I Property and the Mesa II Property be annexed into the corporate limits of the City and be developed as part of the City. The City has filed a blank annexation petition with Pinal County, which includes the Ensendero Property. Further, the City has filed a blank annexation petition with Pinal County, which includes the Mesa I Property.

J. The City believes that annexation of the Ensendero Property, the Other PLH Property, the Mesa I Property and the Mesa II Property would allow the City to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the City.

K. The annexation and development of the Ensendero Property pursuant to this Agreement, the Planned Area Development Plan dated October 24, 2014 (the "PAD Plan"), which is on file with the City Clerk, and the annexation and development of the Other PLH Property, the Mesa I Property, and the Mesa II Property pursuant to this Agreement and the Development Standards (as defined herein) is acknowledged by the Parties to be consistent with the City's General Plan as of the date of this Agreement, and will operate to the benefit of the City and the general public. Further, the development of the Mesa III Property pursuant to this Agreement and the Development Standards (as defined herein) is acknowledged by the Parties to be consistent with the City's General Plan as of the date of this Agreement, and will operate to the benefit of the City and the general public.

L. Annexation of the Ensendero Property, the Other PLH Property, the Mesa I Property and the Mesa II Property into the corporate limits of the City will result in the imposition of additional regulations and the assessment of additional taxes and on the Property that would not apply to the Property if it were to be developed in the unincorporated area of Pinal County.

M. Arizona law provides Owner with various remedies to challenge the City's annexation of the Ensendero Property, the Other PLH Property, the Mesa I Property and the Mesa II Property into the corporate limits of the City, and to seek to recover any damages resulting from annexation of the Property.

N. The Parties are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") §§ 9-500.05 and 9-500.11, in order to fund economic development activities and to facilitate the annexation (as applicable in accordance with the Annexation Schedule contained in **Exhibit B**), proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the unincorporated portions of the Ensendero Property, the Other PLH Property, the Mesa I Property and the Mesa II Property by the City; (ii) conditions, terms, restrictions and requirements for the construction and installation of public services, infrastructure and improvements; (iii) conditions, terms restrictions, policies and procedures for the formation of one or more Community Facilities Districts ("CFD"), Municipal Improvement Districts ("MID") or Revitalization Districts ("RD"); (iv) the permitted uses for the Property; (v) the density of such uses; and (vi) other matters related directly or indirectly to the development of the Property.

O. Revised blank annexation petitions were filed on January 30, 2014, with Pinal County and a public hearing was held on February 18, 2014, in connection with the annexation of unincorporated property including the Ensendero Property and the Mesa I Property into the City.

P. The Parties intend for the City to annex the Other PLH Property and the Mesa II Property in accordance with the schedule outlined in **Exhibit B**.

Q. The Parties acknowledge that the development of the Property pursuant to this Agreement, the PAD Plan (as to the Ensendero Property only) and any other PAD zoning applicable thereto will have significant planning and economic impacts to the City by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the City's General Plan, the approved PAD Plan (as to the Ensendero Property only) and any other PAD zoning applicable thereto; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public improvements and infrastructure in order to support anticipated development of the Property; (iv) increasing tax and other revenues to the City based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; (vi) creating improved housing and other uses for citizens of the City; and (vii) increasing the demand for City-provided services during and after the development of the Property. The City and the Owner acknowledge that the development of the Property pursuant to this Agreement will result in benefits to the Owner by providing certainty in order to avoid the waste of resources, including assurances to the Owner that it will have the ability to develop the Property in accordance with this Agreement, the PAD Plan (as to the Ensendero Property only) and other PAD zoning approvals applicable thereto.

R. Among other things, development of the Property in accordance with this Agreement, the PAD Plan and other PAD zoning then applicable thereto will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services, infrastructure and improvements that will support development of the Property. The Parties acknowledge that development of the Property in accordance with the PAD Plan (as to the Ensendero Property only) and any other PAD zoning then applicable to any portion of the Property

and the Additional Property as may be incorporated into this Agreement and this Agreement, including the Lake Improvements (as defined below) will provide substantial recreational and economic benefits for the City, the Property, the Additional Property and the general public.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the Parties hereto state, confirm and agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement by reference as though fully restated.

2. Effective Date. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the date (the "Effective Date") on which all of the following has occurred:

(a) Adoption of this Agreement by the City,
(b) Execution by the duly authorized representatives of the parties,
(c) Recordation in the office of the Recorder of Pinal County, Arizona, and
(d) Effectiveness of the City ordinance annexing the Ensendero Property and the Mesa I Property into the Coolidge city limits.

3. Term.

(a) **Term and Extensions**. The term of this Agreement shall commence on the Effective Date, and shall automatically terminate on the twenty-fifth (25th) anniversary of such date (the "Initial Term"). If any of the Property remains undeveloped at the end of the Initial Term, this Agreement will automatically extend for one (1) additional term of twenty-five (25) years (the "Additional Term"). The terms, conditions and rights set forth in this Agreement shall be extended "as is" unless otherwise amended in accordance with this Agreement.

(b) **Termination**.

(1) End of Term. The Agreement terminates at the end of the Term.

(2) Owner's Transfer of Property. On the Owner's transfer of the Property or any portion thereof, the transferee(s), upon the approval of the City in accordance with Section 27 of this Agreement, shall automatically become the Owner hereunder and City shall release all prior owner(s) from the obligations of this Agreement that have not yet accrued and which are to be performed in that portion of the Property that has been transferred.

(3) Upon Sale of Subdivided Lots. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with the Property when the Property is developed and sold to the end purchaser or user. Therefore, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, so long as not prohibited by law, this Agreement shall automatically terminate

without the execution or recordation of any further document or instrument as to any residential lot (a "Subdivided Lot") which has been finally subdivided and individually (and not in bulk) leased (for a period of longer than one year) or sold to the end purchaser or user thereof and developed by such purchaser or user, and thereupon such Subdivided Lot shall be released from and no longer subject to or burdened by the provisions of this Agreement. The term Subdivided Lot shall include common areas within the Property, and the end user or purchaser of a Subdivided Lot means the individual homebuyer purchasing a home on a residential lot or the homeowners association in control of the common area.

Notwithstanding the foregoing, the Owner may elect to terminate the Agreement as to all or any portion of the Property owned by such Owner upon delivery of written notice to the City, and this Agreement shall terminate automatically upon the fifteenth (15^{th}) day after receipt of such written notice by the City without any requirement for the City's consent to such termination, provided however that if Mesa elects to terminate while PLH has an option to purchase any portion of the Mesa Property under the Purchase Agreement, then Mesa must obtain PLH's written consent before terminating the Agreement.

4. Annexation

(a) **Annexation of the Ensendero Property and the Mesa I Property**.

(1) Annexation Petitions. The Parties acknowledge that two blank annexation petitions meeting the requirements of A.R.S. § 9-471 have been filed in the office of the County Recorder for the Ensendero Property and the Mesa I Property and that the City has duly noticed and conducted the hearings as required by law. Concurrently with the execution and delivery of this Agreement by the City and the Owner, the Owner will deliver to the City an appropriate Petition for Annexation for each property duly executed by all necessary property owners in accordance with the schedule and outline set forth in this Agreement and Exhibits (the "Annexation Petition"). Upon receipt of the entire Annexation Petition for each property, the City shall comply with the provisions of A.R.S. § 9-471 et seq., and if determined to be in the best interest of the City, and adopt final ordinances annexing the property into the corporate limits of the City (each an "Annexation Ordinance" and collectively, the "Annexation Ordinances"). The Owner hereby waives its right to challenge the Annexation Ordinances or any other City ordinance or resolution related to annexation of the Ensendero Property into the corporate limits of the City.

(2) Rescission. Each Annexation Ordinance shall contain a provision for the automatic and immediate rescission and termination of that Annexation Ordinance by the City if: (1) the Owner delivers a written request to the City for such rescission and termination after any person or entity, other than a Party to this Agreement, files (i) a valid petition appearing (A) to be in proper form and (B) to have the requisite number of valid signatures to cause a referendum challenging this Agreement, the applicable Annexation Ordinance, or any other matter pertaining to the annexation of the property, or; (ii) litigation in a court of proper jurisdiction concerning this Agreement or the annexation, or (iii) a petition pursuant to A.R.S. § 9-471 (C) challenging the validity or approval of any Annexation Ordinance; (2) the City does not, at the same City meeting in which the Annexation Ordinances including the Ensendero Property and the Mesa I Property are adopted, approve the PAD Plan or any other rezoning of the Ensendero Property in the form approved by the Owner and approve the form of CFD Agreement attached hereto as **Exhibit C**

(the "CFD Agreement"); or (3) the Annexation Ordinance for either the Ensendero Property or the Mesa I Property is not effective. The City agrees to use its best efforts to accomplish the intent of this Section, even if a special meeting of the City Council must be called for the purpose of repealing the Annexation Ordinance. The City shall schedule a Council meeting for this purpose at the latest date reasonably possible prior to the Annexation Ordinance becoming final and effective and shall use its best efforts to perform in accordance with this Section.

(b) **Annexation of Other PLH Property and the Mesa II Property**.

(1) Annexation Petitions. The Parties agree that upon Owner's request and in accordance with the Annexation Schedule contained in **Exhibit B**, the City, will file a blank annexation petition meeting the requirements of A.R.S. § 9-471 in the office of the County Recorder for the portions of the Other PLH Property and the Mesa II Property or other property requested by the Owner to be annexed into the City (each an "Annexation Property"), and that the City will provide the requisite notice and conduct the hearings as required by law for each annexation. To facilitate the annexation of each Annexation Property, the Owner will deliver to the City an appropriate Annexation Petition for each Annexation Property. Upon receipt of the entire Annexation Petition for each Annexation Property, the City shall comply with the provisions of A.R.S. § 9-471 et seq., and if determined to be in the best interest of the City, and adopt an Annexation Ordinance. The Owner hereby waives its right to challenge the Annexation Ordinances or any other City ordinance or resolution related to annexation of such Annexation Property into the corporate limits of the City.

(2) Rescission. Each Annexation Ordinance shall contain a provision for the automatic and immediate rescission and termination of that Annexation Ordinance by the City if: (1) the Owner delivers a written request to the City for such rescission and termination after any person or entity, other than a Party to this Agreement, files (i) a valid petition appearing (A) to be in proper form and (B) to have the requisite number of valid signatures to cause a referendum challenging this Agreement, the applicable Annexation Ordinance, or any other matter pertaining to the annexation of the Annexation Property, or; (ii) litigation in a court of proper jurisdiction concerning this Agreement or the annexation, or (iii) a petition pursuant to A.R.S. § 9-471 (C) challenging the validity or approval of the Annexation Ordinance; or (2) the City does not, at the same City meeting in which the Annexation Ordinance is adopted, approve the PAD rezoning or any other rezoning of the applicable portion of the Annexation Property in the form approved by the Owner. The City agrees to use its best efforts to accomplish the intent of this Section, even if a special meeting of the City Council must be called for the purpose of repealing the Annexation Ordinance. The City shall schedule a Council meeting for this purpose at the latest date reasonably possible prior to the Annexation Ordinance becoming final and effective and shall use its best efforts to perform in accordance with this Section.

5. Land Use, Zoning and Entitlements.

(a) **Zoning Approvals**. Upon annexation, the Parties hereto agree to follow the prescribed procedures under state statutes and this Agreement to rezone or establish a planned area development (a "PAD") on the Ensendero Property or any portion thereof as necessary to allow for the development of the Ensendero Property as conceived of herein and in accordance with the Development Standards (as defined below).

Upon the execution and final approval by the City of this Agreement and final approval by the City of the PAD Plan, which PAD Plan approval shall take place at the same City Council meeting as the annexation of the Ensendero Property and the Mesa I Property, if such approval is determined to be in the best interest of the City, the Owner shall have the vested right to develop the Ensendero Property in accordance with this Agreement, the PAD Plan, any other zoning approvals applicable to the Ensendero Property, or any portion thereof, together with any subsequent amendments thereto (the "Zoning") and in conformity with applicable general law.

(b) **Future Zoning Approvals**.

(1) Other PLH Property and Mesa Property. The effectiveness of this Agreement shall vest in the Owner the right to obtain the following for the Other PLH Property and the Mesa Property: (1) PAD zoning in accordance with the this Agreement; (2) the land uses and densities allowed in this Agreement that are consistent with the City's General Plan, as amended; (3) the Residential Development Standards (as defined below), Commercial Development Standards (as defined below) and Industrial Development Standards (as defined below) for the Property (collectively, the "Development Standards"); (4) all other rights contained in this Agreement, and (5) the Rules (as defined herein); provided, however, that the City shall have the right to amend the foregoing subject to Section 8(b) of this Agreement.

(2) Additional Property. Upon incorporation of each portion of the Additional Property into this Agreement pursuant to Section 7 hereof the Owner shall have the vested rights to develop such portion of the Additional Property in accordance with this Agreement and the applicable PAD zoning upon the City's approval of the applicable PAD zoning for such property and upon the City's approval of the annexation of that portion of the Additional Property; provided however, that any all vested rights as to the Additional Property shall be determined in conformance to the Rules and Arizona law in existence at the time that such other Additional Property is incorporated into this Agreement.

(c) In no event shall City require Owner to waive any development right vested in this Agreement as a condition of development approval or issuance of a permit, without the consent of Owner. Further, the Owner's vested rights shall continue without change or governmental interference for the entire duration and term of the Agreement. The City also agrees not to impose or apply to the Property and the Additional Property, but only after incorporation of the same into this Agreement pursuant to Section 7, any additional density, height, or intensity restrictions that may be subsequently enacted or adopted by the City. The City also agrees not to impose or apply to the Property and the Additional Property, but only after incorporation of the same into this Agreement pursuant to Section 7, any additional restrictions that have the effect of (i) preserving land within the Property or the Additional Property, or; (ii) designating any land as environmentally sensitive, or; (iii) designating any land as necessary for conservation purposes, or; (iv) designating any land as a scenic corridors, or; (v) designating any land or anything thereon as a historic marker or structure in need of preservation, or (vi) restricting or limiting the use of the Property and the Additional Property for farming or any other agricultural purpose. This Agreement shall control as to any inconsistency between the City's Zoning Code and this Agreement. The foregoing provisions of this paragraph are subject to (i) Section 8(b) of this

Agreement and (ii) the parties' agreement that any and all determinations as to the Owner's vested rights as to the Additional Property shall be determined in conformance to the Rules and Arizona law in existence at the time that such other Additional Property is incorporated into this Agreement.

(d) **Phasing**. The Owner shall have the right to develop the Property in phases. The phasing of this Property shall be determined at the sole and absolute discretion of the Owner.

(e) **Density**. The maximum overall residential density for the Ensendero Property and for each other portion of the Property subject to PAD zoning shall not exceed 4.5 dwelling units to the acre (defined as total acres subject to the PAD zoning, exclusive of the area required for commercial uses, arterial right-of-way and school/public site reservations) (the "Maximum Overall Density").

(f) **Zoning Amendment**.

(1) Major Amendments. Once the Owner obtains a vested right to the PAD zoning applicable to any portion of the Property, the following changes shall be considered major amendments to the PAD zoning applicable to any portion of the Property, and shall require Council approval: (i) a request for any land use not already included in such PAD zoning; (ii) the addition or deletion of arterial roadways or parkways, any change concerning the connectivity of arterial roadways, parkways or Commerce Park Collector, Randolph Road Collector and any other Commerce Park/Major Collector developed in subsequent portions of the Property and any deviation more than one-eighth ($1/8^{th}$) mile off the centerline of proposed arterial roadways, parkways or collectors defined above; (iii) reduction in open space in residential-zoned land that results in less than the Required Open Space; (iv) an increase in residential density that exceeds the Maximum Overall Density as calculated for the entire property subject to that PAD rezoning.

(2) Minor Amendments. Except for those changes expressly included above as a Major Amendment, modifications and amendments to the applicable PAD zoning for any portion of the Property shall not necessitate approval by the City Council, but shall be approved in writing by the City Growth Management Director and the City Engineer.

(g) **Protected Development Rights Plan**.

(1) Ensendero Property. The PAD Plan approved for the Ensendero Property, when approved by the City, shall constitute a protected development right plan as defined in A.R.S. § 9-1201, paragraph 4. The protected development rights as defined in A.R.S. § 9-1201, paragraph 3 granted pursuant to this Agreement, the PAD Plan, upon approval by the City, shall remain in effect and shall not be changed without the agreement of the Owner for the term of this Agreement.

(2) The PAD zoning approved for those other portions of the Property or any of the Additional Property, when approved by the City, but only after such Additional Property has been incorporated into this Agreement pursuant to Section 7 below, shall at that time constitute a protected development rights plan as defined in A.R.S. § 9-1201, paragraph 4. The protected development rights as defined in A.R.S. § 9-1201, paragraph 3 granted at the time of subsequent City approval pursuant to this Agreement, the PAD zoning approval at the time of subsequent City

approval, shall remain in effect and shall not be changed without the agreement of the Owner for the term of this Agreement.

(h) **Off Site Advertising and Signage**. Upon the Owner's request, and if the criteria outlined in **Exhibit D** are met, the Growth Management Director shall approve, the development and/or construction of any off site advertising and signage upon the Property; provided, however, that this subsection (h), and possible modifications to Exhibit D, shall only be effective as to the portions of the Additional Property incorporated into this Agreement on and after the date of such incorporation.

(i) **Agricultural Uses; Farming**. Except as provided in Section 8(b) of this Agreement, and to the extent permitted by law, the City agrees that it will not take any action to prohibit or limit farming or other farming-related uses on the Property.

6. Preliminary Plats. Except as provided in Section 8(b) of this Agreement, any preliminary plats provided by the Owner for the Property shall be consistent with the applicable PAD zoning, the Applicable Rules, and this Agreement. Any preliminary plats approved by the City pursuant to this Agreement shall remain in effect from the date of approval by the City Planning and Zoning Commission until the fifth (5th) anniversary of such approval.

7. Additional Property. At the Owner's sole and absolute discretion, the Owner may elect to include in this Agreement, any portion of the Additional Property as may be requested by Owner from time to time. Owner's request to include such property shall include a reference to the proposed PAD zoning, any development standards and the Rules to be applied to such Additional Property. Upon receipt of Owner's request to include any portion of the Additional Property, so long as that portion of the Additional Property meets any statutory requirements applicable to such property, including consistency with the City's General Plan at that time, the City will take all actions required to amend the Agreement in accordance with typically applicable notice and public hearing requirements, to incorporate into this Agreement, the Additional Property requested by the Owner, if and when the Owner acquires title to such Additional Property. The Owner and City agrees that upon the Owner's request and the incorporation of such Additional Property or portions thereof in this Agreement: (1) thereafter, such Additional Property shall be subject to and shall benefit from all provisions of this Agreement applicable to the Property at that time and any reference herein to the Property shall include such Additional Property and any part thereof; (2) the City shall take all actions necessary to annex the Additional Property into the City; (3) the Owner and City shall cooperate in order for the Additional Property to receive the necessary land use and zoning approvals for such Additional Property to be developed by the Owner consistent with the General Plan, the Residential Development Standards, Commercial Development Standards and Industrial Development Standards, including any necessary amendment to the applicable zoning affecting the Property, all to be determined at the time the Additional Property is added to this Agreement; and (4) the development rights and rights conferred upon the vesting of this Agreement as and when required pursuant to this Section 7 shall be applied to the Additional Property at the time the Additional Property is added to this Agreement as though the Additional Property had been originally included in this Agreement, except that any and all determinations by the City regarding necessary land use and zoning approvals in order for such Additional Property to be consistent with the General Plan, the Residential Development Standards, Commercial Development Standards and Industrial Development Standards, including any

necessary amendment to the applicable zoning affecting the Additional Property shall be made at the time the Additional Property is added to this Agreement in conformance to the Rules and Arizona law in existence at the time unless the Parties agree in writing to deviate from any rights or benefits conferred in this Agreement. The foregoing provisions of this Section 7 are subject to Section 8(b) of this Agreement.

8. Regulation of Development.

(a) **Applicable Rules**. With respect to the development of the Property as contemplated by this Agreement, the code, ordinances, rules, regulations, permit requirements, exactions, Development Standards, Subdivision Design Standards, development fees (as defined in A.R.S. § 9-463.05), the City of Coolidge Comprehensive Transportation Feasibility Study, the Wastewater Master Plan and other requirements and/or official policies of the City (collectively, the "Rules") which apply to the development of the Property, shall mean those Rules in existence upon the Effective Date of this Agreement, or in the case of the Additional Property, the Rules determined to apply to such Additional Property at the time it is incorporated into this Agreement pursuant to Section 7 above. The City reserves the right to amend existing or to adopt new Rules and such new Rules as amended or adopted shall be applicable to and binding on the Property and uniformly applicable to all other similarly-situated properties and development within the City.

(b) **Permissible Additions to the Rules Impacting Vested Rights**.

Notwithstanding the provisions of Section 8(a) above, the City may change, apply, enact and enforce Rules against the Property and development thereof which have an adverse impact on the Owner's vested rights upon the occurrence of:

(1) Rules of the City reasonably necessary to alleviate legitimate threats to public health and safety, provided such Rules shall be applied uniformly and not arbitrarily to all areas that are subject to the similar threat;

(2) Future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, dangerous building, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction/safety organization, or by the county, state or federal governments or by the Sun Corridor Metropolitan Planning Organization (the "Sun Corridor MPO"), Central Arizona Association of Governments ("CAG") or any other regional organization with which the City must comply, provided, such code updates and amendments shall be applied uniformly and not arbitrarily;

(3) Rules of the City enacted as permitted by law to comply with mandatory requirements imposed on the City by the county, state or federal governments, including statutory requirements, court decisions, and other similar superior external authorities beyond the control of the City, provided that in the event such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law, such affected provisions of this Agreement shall be modified as may be necessary to achieve the minimum permissible compliance with such mandatory requirement; and

(4) Amendments to such construction and building safety codes generated by the City for the purpose of conforming such codes to the conditions generally existing in the City provided such code amendments shall be applied uniformly and not arbitrarily.

To the extent any appeal process exists under Arizona law or the City's codes, ordinances and regulations that is applicable to any tax payer or land owner, the Owner shall retain a right to appeal the application of any newly enacted or adopted Rules, including but not limited to those set forth in this Section, utilizing the appeal procedures and processes set forth in this Agreement.

(c) **Residential Development Standards**. The minimum residential development standards that shall apply to and be enforced upon the development of the Property are exclusively set forth in **Exhibit E-1**, as attached herein and incorporated by reference into this Agreement (the "Residential Development Standards"). These Residential Development Standards shall only be amended, changed, or replaced by a written, mutual agreement by the Parties. The foregoing provisions of this Section 8(c) are subject to (i) Section 8(b) of this Agreement and (ii) the parties' agreement that any residential development standards, and possible modifications thereto, shall only be vested as to any portion of the Additional Property incorporated into this Agreement after the date hereof, and shall be effective against such incorporated portion of the Additional Property on and after the date of such incorporation.

(d) **Commercial Development Standards**. The minimum commercial development standards that shall apply to and be enforced upon the development of the Property are exclusively set forth in **Exhibit E-2**, as attached herein and incorporated by reference into this Agreement (the "Commercial Development Standards"). These Commercial Development Standards shall only be amended, changed, or replaced by a written, mutual agreement by the Parties. The foregoing provisions of this Section 8(d) are subject to (i) Section 8(b) of this Agreement and (ii) the parties' agreement that any commercial development standards, and possible modifications thereto, shall only be vested as to any portions of the Additional Property incorporated into this Agreement after the date hereof, and shall be effective against such incorporated portion of the Additional Property on and after the date of such incorporation.

(e) **Industrial Development Standards**. The minimum industrial development standards that shall apply to and be enforced upon the development of the Property are exclusively set forth in **Exhibit E-3**, as attached herein and incorporated by reference into this Agreement (the "Industrial Development Standards"). These Industrial Development Standards shall only be amended, changed, or replaced by a written, mutual agreement by the Parties. The foregoing provisions of this Section 8(e) are subject to (i) Section 8(b) of this Agreement and (ii) the parties' agreement that the any industrial development standards, and possible modifications thereto, shall only be vested as to any portions of the Additional Property incorporated into this Agreement after the date hereof, and shall be effective against such incorporated portion of the Additional Property on and after the date of such incorporation.

(f) **Open Space**. The minimum open space requirement for the Property shall be 15% (the "Required Open Space") and shall be calculated by using the gross residential acreage minus areas devoted to public arterial rights-of-way. Each developed residential parcel within the

Property shall contain the Required Open Space. Other than those areas expressly identified by the Owner as part of the PAD Plan as amended for the Ensendero Property, the City shall not require or otherwise order the Owner to donate or dedicate any portion of the Property for any other public use, including but not limited to, dedication for parks and/or recreational use. For purposes of calculating the acreage to make up the Required Open Space for any portion of the Property, the following areas shall be included:

(1) School site acreage within that portion of the Property, whether public, charter, or private, that is not specifically devoted to building area and that is subject to an intergovernmental agreement (an "IGA") or other joint facilities use agreement reasonably acceptable to the City between the City, Owner or a homeowners' association affecting that portion of the Property and the school whereby residents are permitted to use the school site facilities during non-school hours. If requested by Owner, the City agrees to reasonably cooperate and use its best efforts to negotiate in good faith such an IGA or other joint use agreement if determined to benefit the City and its residents;

(2) Land within that portion of the Property that is donated for a community or other non-profit use;

(3) Land within that portion of the Property that is utilized for a Lake that is open to the public or residents of the adjacent development;

(4) Landscaped areas within the portion of Property that is used for drainage.

(g) **Future Separate Development Agreements**. The City agrees that in consideration for the benefits received by the City under this Agreement, including the construction of Public Improvements, job creation, and the provision of other economic benefits (both direct and indirect) to the City by and as a result of Owner's performance of the obligations contained herein, all planning and zoning review fees, as well as all building permit, engineering and inspection fees (the "City Fees") associated with the acquisition, zoning and/or development of any commercial, office and industrial uses located and developed within the Property which satisfy the requirements of **Exhibit F** in order to improve or enhance the economic welfare of the inhabitants of the City (the "Employment Uses") and payable by the Owner, shall be reduced by fifty percent (50%) at the time such fees are paid by the Owner. All development of the Property that is strictly residential shall be specifically excluded from and shall not be subject to this waiver provision. Nothing in this Agreement shall prevent any Owner and City from entering into a separate development agreement for any portion of the Property for economic development purposes if determined to be in the best interests of the City or from allowing the City to grant waivers for planning and zoning review fees or building permit fees or adopting other economic development incentives on a case-by-case basis.

(h) **Subdivision Design Standards**. The Owner shall have the right, in a manner consistent with the Development Standards and the PAD Plan or other applicable PAD zoning, to implement types and uses, location of uses, lot sizes and other design standards consistent with the PAD Plan or other applicable PAD zoning and as may be established for any portion of the Property by a property owners' association for that portion of the Property (the "**Subdivision**

Design Standards"). The City shall be estopped from changing, restricting or limiting the parameters and the applicability of the Subdivision Design Standards, except as permitted by Section 8(b) of this Agreement, provided such Rules shall be applied uniformly and not arbitrarily to all areas that are subject to the similar threat. Notwithstanding the foregoing provisions of this Section 8(h), any and all determinations by the City regarding types and uses, location of uses, lot sizes and other design standards affecting any portion of the Additional Property shall be made at the time that the portion of Additional Property is added to this Agreement in conformance to the Rules and Arizona law in existence at that time, and the City shall only be estopped as set forth above in this Section 8(h) in connection with the applicable portion of the Additional Property after the date that such portion of the Additional Property is incorporated into this Agreement.

9. Anti-Moratorium. The Parties hereby acknowledge and agree that this Agreement contemplates and provides for the development of the Property over a period of twenty-five (25) years, and one (1) automatic renewals of this term, and that for the Term of this Agreement as defined in Section 3, no moratorium shall be imposed except as permitted by A.R.S. § 9-463.06, as of the date of this Agreement. The City agrees, to the extent permitted by law that if subsequent law changes or repeals the standards or language of A.R.S. § 9-463.06, such changes or repeal shall not apply to impact this Agreement or any rights or duties conferred herein.

10. Vested Rights.

(a) Property. The City agrees that, for the term of this Agreement, the Owner shall have a vested right to develop the Property in accordance with this Agreement. Further, subject to the Rules and any permitted changes to the Rules as permitted by Section 8 of this Agreement, the Owner shall have the vested right to develop the Ensendero Property in accordance with the PAD Plan. Owner shall have the vested right to develop the Other PLH Property, the Mesa I Property, the Mesa II Property and the Mesa III Property consistent with the applicable zoning approvals in accordance with this Agreement and the Development Standards contained herein. The determinations of the City memorialized in this Agreement regarding the Property, together with the assurances provided to the Owners in this Agreement regarding the Property are provided pursuant to and as contemplated by A.R.S. § 9-500.05.

(b) Additional Property. Upon incorporation of the Additional Property in this Agreement pursuant to Section 7, the Owner shall have the vested right to develop the Additional Property, consistent with the applicable zoning approvals in accordance with this Agreement and the Development Standards contained herein all to be determined at the time the Additional Property is added to this Agreement.

11. City Cooperation.

(a) **Project Financing**. Any Public Infrastructure (as defined below) to be constructed by the Owner may be constructed, acquired and financed, at the Owner's option, through a CFD (as provided in the CFD Agreement), MID, and/or RD or other allowable financing mechanism. The City will use its best efforts to aid, cooperate with, and support the Owner in the Owner's efforts to obtain funding from any source now existing or subsequently made available in order to develop the Property, any improvements thereto and the Public Infrastructure (as defined below)

for the Property, including, but not limited to, supporting the Owner's efforts to: (a) establish and utilize a CFD, a MID and/or a RD; (b) apply for and obtain industrial development authority bonds; (c) apply for and obtain any local, county, state, private, or national bonds, grants, or other sources of financing that may be used to support the development of the Property; (d) apply for and obtain approval of any incentives offered through the Arizona Commerce Authority or other similar economic development agency or organization sponsored by the State of Arizona (e) obtaining any private or publicly subsidized loans; (f) establish financing for any project or business through the federal programs contained in 8 CFR 204.6 and 8 CFR 216.6, including establishment of a regional center within the Property; and (g) apply for and receive financing from the Native American Community State Shared Revenue Fund. After receipt of the Owner's written request, the City will use its best efforts to prepare and submit any application and/or supporting materials to any agency, private institution or public body as requested by the Owner to obtain funding for the development of the Property. Notwithstanding the foregoing, the City shall not be required to make any out of pocket expenditure related to Owner's efforts described in this subsection that is not reimbursed to the City by the Owner pursuant to Section 40 below and may expend grant funds in its sole and absolute discretion.

(b) **Project Permitting**. The City will use its best efforts to aid, cooperate with, support, review and provide comment, if required, on all state, federal or other permits and applications related to the development of the Property in accordance herewith and the applicable PAD zoning including but not limited to environmental, aquifer protection, and drainage permits and applications. Notwithstanding the foregoing, the City's obligation to support Owner's efforts shall not require the City to make any out of pocket expenditure that is not reimbursed to the City by the Owner pursuant to Section 40 below.

12. Community Facilities District Financing.

(a) **Formation of Community Facilities District**. Within ninety (90) days from the receipt of the Owner's petition requesting the formation of one or more CFDs, the City will establish the CFD(s) comprised of the Property or any portion thereof and, as determined to be necessary by the Owner, any other property within the City, in order to aid in financing the cost of the Public Infrastructure and provision of City Services (as defined in Section 17(a)) necessary to service the Property.

(b) **CFD Agreement**. If a CFD is requested by the Owner, the CFD shall be formed in accordance with the terms and conditions set forth in the CFD Agreement attached hereto as **Exhibit C**, and consistent with the City's CFD Policies and Procedures in existence on the Effective Date of this Agreement. Nevertheless, in the event of any conflicting terms between the CFD Agreement and the City's CFD Policies and Procedures, the CFD Agreement shall control. The terms and conditions set forth in the CFD Agreement shall be amended only upon mutual agreement by the parties to the Agreement.

(c) **Recovery of CFD Costs**. If a CFD is formed to fund the construction and/or acquisition of Public Infrastructure and/or provision of City Services in accordance with the terms of the Agreement, the Owner, subject to the terms of the CFD Agreement, will be permitted to recover one-hundred percent (100%) of any and all eligible Public Improvement costs that the

Owner has expended or will expend in designing, installing and constructing such Public Infrastructure and/or providing City Services to the Property in accordance with this Agreement, the CFD Agreement and for which Owner shall publicly procure as required by law. Such costs shall also include the Owner's costs related to financial, legal, engineering and other professional costs as well as any city fees and/or deposits which may be required related to the establishment of the CFD, as provided by the CFD Agreement.

13. Municipal Improvement District.

(a) **Formation of Municipal Improvement District**. Upon request by the Owner, the City, in accordance with any applicable Municipal Facilities Guidelines in effect at the time of the execution of this Agreement and applicable state law as set forth in A.R.S. § 48-501 et seq., will aid the Owner in forming an MID comprised of the Property or any portion thereof and, as necessary, any other property within the City in order to aid in financing the cost of the Public Infrastructure and/or provision of City Services within the MID.

(b) **Recovery of MID Costs**. If a MID is formed to fund the construction of Public Infrastructure and/or provision of City Services in accordance with the terms of the Agreement, the Owner is permitted to recover one-hundred percent (100%) of any and all costs the Owner has expended or will expend in designing, installing and building Public Infrastructure and/or providing City Services in accordance with this Agreement and the development of the Property and for which Owner shall publicly procure as required by law. Such costs shall also include the Owner's costs related to financial, legal, engineering and other professional costs as well as any city fees and/or deposits which may be required to establish the MID.

14. Revitalization District.

(a) **Formation of Revitalization District**. Upon request by the Owner, the City, in accordance with applicable state law as set forth in A.R.S. § 48-6801 et seq., will aid the Owner in forming an RD comprised of the Property or any portion thereof and, as necessary, any other property within the City in order to aid in financing the cost of the Public Infrastructure and/or provision of City Services within the RD. The City agrees that it will not require the preparation of RD Policies or guidelines prior to the establishment of the RD, but will follow the processes as outlined in A.R.S. § 48-6801 et seq.

(b) **Recovery of RD Costs**. If an RD is formed to fund the construction of Public Infrastructure (as defined below) or the provision of City Services in accordance with the terms of the Agreement, the Owner is permitted to recover one-hundred percent (100%) of any and all costs the Owner has expended or will expend in designing, installing and building such Public Infrastructure or providing City Services in accordance with this Agreement and the development of the Property and for which Owner shall publicly procure as required by law. Such costs shall also include the Owner's costs related to financial, legal, engineering and other professional costs as well as any city fees and/or deposits which may be required to establish the RD.

15. Foreign Trade Zone. The City will use its best efforts to aid, cooperate with, approve and support the Owner's efforts in obtaining designation of the Property or any part thereof as a Foreign

Trade Zone and in applying for subzone status under a designated Foreign Trade Zone. Upon request by the Owner, and at no out of pocket cost to the City, the City will use its best efforts to cooperate with the Owner and take reasonable actions necessary to sponsor and approve the Owner's application for a Foreign Trade Zone designation and to otherwise allow for reclassification of the ad valorem tax status of all buildings and equipment on the Property or any portion in order to result in the beneficial state property tax treatment for the same. Notwithstanding the foregoing, the City's obligation to support Owner's efforts shall not require the City to make any out of pocket expenditure that is not reimbursed to the City by the Owner pursuant to Section 40 below.

16. **Public Infrastructure**. At the time of application for platting, the Owner will submit for review and approval the plans for grading, drainage, sewer, water, roadway and other public improvements (these improvements defined as "Public Infrastructure") as necessary and required for implementation of the phased PAD Plan (collectively referred to as "Infrastructure Plans") and those guidelines outlined in **Exhibit G**, as amended from time to time by the Owner.

(a) **Traffic Impact Analysis**. At the time of application for platting for the Property or any portion thereof, the Owner shall provide to the City independent traffic impact analysis, studies and/or amendments thereto (the "Traffic Study") pertaining to the development of the roadways within the portion of the Property to be platted, which Traffic Study shall comply with all the City's requirements for such traffic analyses as set forth in the Rules. If the Traffic Study meets the requirements set forth in the Rules, the City's approval of the results of the Traffic Study will not be unreasonably conditioned, delayed, or denied.

(b) **Bridges and Rail Crossings**. The City will use its best efforts to cooperate with and support the Owner in obtaining any required approvals for and bonding or other funding mechanisms to be used for the purpose of constructing any bridges, rail crossings, overpasses, underpasses or other similar structures needed to (1) provide access over railroad tracks currently existing or subsequently constructed on the Property, and/or; (2) provide connection or access to any major roadways constructed on or surrounding, proximate to, or adjoining the Property. Notwithstanding the foregoing, the City's obligation to support Owner's efforts shall not require the City to make any out of pocket expenditure that is not reimbursed to the City by the Owner pursuant to Section 40 below.

(c) **Electrical Poles**. The City will use its best efforts to cooperate with and support the Owner in obtaining any bonding or other funding mechanisms to be used for the purpose of relocating and/or placing underground all electrical poles located within the Property that are impacted by arterial or major roadway improvements. Notwithstanding the foregoing, the City's obligation to support Owner's efforts shall not require the City to make any out of pocket expenditure that is not reimbursed to the City by the Owner pursuant to Section 40 below.

(d) **North-South Freeway**. The City agrees to cooperate with the Owner and shall use its best efforts to work in conjunction with the Owner to cause a parkway, freeway as part of, or related to, the North-South Freeway, or a related highway interchange to be constructed in the location requested by the Owners on or in close proximity to the Property (the "North-South Freeway Improvements"). Neither the Owner nor the City shall be required to pay for any costs

for such construction, nor shall any CFD, RD, or MID funds generated by the Property be required to pay for such construction. Notwithstanding the foregoing, Owner may elect, at its sole and absolute discretion to fund, or use any CFD (subject to the CFD Agreement), RD, or MID funds for the construction of the North-South Freeway Improvements. To the extent possible, the interchange(s) shall be located at those locations as agreed upon by the Parties to this Agreement. To the extent possible and if in the City's best interest in the City's sole and absolute discretion, the City agrees to cooperate with the Owner's requests for the realignment of arterial roadways on or adjacent to the Property to facilitate interchange locations required pursuant to this Agreement. Nevertheless, neither the Owner nor the City shall be required to pay for any costs for such relocation, nor shall any CFD, RD, or MID funds generated by the Property be used to pay for such construction.

(e) **Traffic and Other Restrictions**. Except as permitted by Section 8(b) of this Agreement, the City shall not impose any vehicle weight restrictions on any of the arterial, parkway or collector roadways built within or adjacent to the Property, except the City may impose weight restrictions on those roadways that, on the Effective Date of this Agreement, are not designed for heavy weight. Owner may request that the City establish heavy-weight corridors on public roadways within the City to provide for adequate transportation for trucks. Upon receipt of such written request from the Owner, the City will use its best efforts to establish such corridors, but such efforts shall not obligate the City incur any costs.

(f) **Access and Traffic Signals**. Subject to Section 8(b) of this Agreement, the City shall cooperate with the Owner and use its best efforts to coordinate access to and from the Property, the locations of traffic signals, and, where requested by the Owner, full turning movements from the arterial roadways and parkways adjacent to the Property. Notwithstanding the foregoing, the Owner shall not be required to pay for the costs of any traffic signal unless such signal is required by the approved Traffic Study.

(g) **Parking Revenues**. The Owner is entitled to and shall receive any and all parking revenues generated on private property within the Property.

(h) **Roadway Infrastructure**. Unless otherwise specified in this Agreement, Owner shall construct the streets and roadways in compliance with the City of Coolidge Subdivision Regulations, the City of Coolidge Comprehensive Transportation Feasibility Study and as deemed necessary by this Agreement and the Owner's site-specific final traffic impact study as required by Section 16(a). The Traffic Study, which will be incorporated as part of this Agreement, shall include "Recommended Improvements," and the Recommended Improvements listed in the study shall refer to the minimum required improvements for development of the Property. The Owner, at a maximum, shall be required to construct only the Recommended Improvements and the improvements required by Section 16(a). At the time of application for platting, the Owner will make an election whether or not to keep any or all of the streets private, which private roadways shall be required to be constructed to minimum standards as contained in the Rules. At the preliminary plat stage, the City may require some realignment of internal streets for the purpose of providing access to existing arterial roads. Acceptance of public streets into the City's maintenance system shall be in accordance with Section 16(n). The Owner, its successors or assigns, shall submit financial assurances in accordance with Section 16(p). The costs for such

public roadway improvements shall be eligible for reimbursement through Development Fee Credits or CFD, MID, or RD funding, consistent with the Rules and Arizona law.

(i) **Dedication and Acceptance of Roadways**. The City shall accept any dedication of rights of way identified in the Owner's plats or plans, regardless of whether such rights of way are improved or unimproved, and any roadways constructed on the Property upon request made by the Owner, so long as such dedication and right of way conforms to the Rules and applicable Arizona law. The dedication of rights-of-way, easements, and roadways shall not prohibit the acquisition or construction of any roadways through the use of a CFD, MID, RD or other such public financing mechanism.

(j) **Abandonment**. Upon the Owner's request, and after the City follows the process outlined in Arizona law, the City shall take any necessary action to abandon any and all roadways that the Owner wishes to use in the development of the Property so long as such abandonment conforms to the Rules and applicable Arizona law. Notwithstanding the foregoing, Owner's request shall not be unreasonably conditioned, delayed or denied.

(k) **Roadway Theming**. The Owner may request the City's cooperation in the planning, approval and implementation of a cohesive roadway theming and landscaping plan for the rights of way included in the Public Infrastructure and located on or adjacent to the Property (the "Roadway Theming Plan"). The Owner's written request shall include the locations for the roadways to be included in the Roadway Theming Plan, and the proposed types of landscaping to be included in such plan. The City agrees to use its best efforts to cooperate with the Owner and to implement the Roadway Theming Plan to ensure the roadway theming and landscape plans are cohesive throughout the area, but such cooperation shall not obligate the City incur any costs.

(l) **Prior Dedication**. The prior dedication of rights-of-way or roadways will not prohibit the Owner's ability to finance, construct or acquire eligible Public Infrastructure through the use of a CFD, MID or RD consistent with the Rules and Arizona law.

(m) **City to Acquire Property**. At the request of the Owner, the City, if determined in the sole and absolute discretion of the City to be in the City's best interest, may purchase or use its power of eminent domain to acquire such additional property for necessary rights of way or property rights for the construction of the Public Infrastructure Improvements. Notwithstanding the foregoing, the City shall not be obligated to make any out of pocket expenditure that is not reimbursed to the City by the Owner pursuant to Section 40 below.

(n) **Acceptance**. Upon completion of any Public Infrastructure or a portion thereof relating to a completed phase, the Owner shall convey, at no cost to the City, the completed Public Infrastructure to the City lien and debt free. The phrase "at no cost to the City" in the preceding sentence shall not prevent the Owner from receiving credits or reimbursements as may be available to the Owner through the use of a CFD, MID, RD or other such public financing mechanism. The Owner shall give the City written notice ("*Notice to Confirm*") promptly following completion of any Public Infrastructure or any portion thereof so long as any portion of completed Public Infrastructure is a discrete portion relating to a completed phase and its suitability for its purpose can be adequately determined. Within thirty (30) business days after its receipt of the Notice, the

City shall inspect the Public Infrastructure identified therein as to whether it has been constructed in accordance with the City-approved plans and specifications. Upon completion of the inspection, the City shall deliver written notice to the Owner within thirty (30) business days of the inspection either (1) approving construction and agreeing to accept conveyance of such Public Infrastructure ("*Final Acceptance*"); or (2) identifying, through a punch list, any other items that are not in accordance with the City-approved plans and specifications and that are to be corrected by Owner. Acceptance of any Public Infrastructure is expressly conditioned upon a warranty for such Public Infrastructure as provided in Section 16(o). Except as provided in Section 16(o), after acceptance of any Public Infrastructure, the City thereafter shall maintain, repair and operate such Public Infrastructure at its own cost. The Owner, at no cost to City, shall dedicate, convey or obtain, as applicable all rights-of-way, rights of entry, easements and/or other use rights, wherever located as necessary for the construction, installation, operation and maintenance of the Public Infrastructure as required by the City.

(o) **Warranty**. The Owner or its assignee(s) shall give to the City a one-year warranty for all Public Infrastructure, which warranty shall begin on the date that the City accepts the Public Infrastructure as provided in this section. Ten percent (10%) of the Infrastructure Assurance provided to the City in accordance with Section 16(p) shall be retained by the City until the warranty period expires to assure performance of the Owner or its assignee(s) obligations under the warranty period provided herein (the "Maintenance Assurance"). If the Owner's financial assurance under Section 16(p) does not include the posting of any financial assurance, prior to and as a condition of the issuance of final plat that includes the relevant Public Infrastructure, the parties shall mutually agree upon the amount of the Maintenance Assurance. Any material deficiencies in material or workmanship identified by City staff during the one-year warranty period shall be brought to the attention of the Owner or its assignees who provided the warranty, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of the City's staff. Continuing material deficiencies in a particular portion of the Public Infrastructure shall be sufficient grounds for the City to require (i) an extension of the warranty for an additional one-year period and, (ii) the proper repair of, or (iii) the removal and reinstallation of that portion of the Public Infrastructure that is subject to such continuing deficiencies. Regardless of whether the one-year warranty period has expired, the Owner agrees to repair any damage to the Public Infrastructure caused by the Owner's or Owner's assignee's construction activities on the Property, or portion thereof. Nothing contained herein shall prevent the City or Owner from seeking recourse against any other third party for damage to the Infrastructure Improvements caused by such third party.

(p) **Financial Assurances**. The Parties hereto acknowledge and agree that the City, prior to recording the final plat for each subdivision on any portion of the Property, shall require the Owner and/or its designees, grantees or buyers under contract, to provide appropriate assurances in such form and amount as required by the Rules to assure that the installation of Public Infrastructure within that subdivision or other Public Infrastructure directly related to such building permit or permits will be completed ("**Infrastructure Assurance**"). The Owner may elect to utilize any one or combination of the following methods of Infrastructure Assurance, each of which is reasonably acceptable to the City (each, an "**Acceptable Assurance**"):

i. Performance bond; or

ii. Irrevocable and unconditional letter of credit which, if necessary, will be acknowledged by the City in accordance with the appropriate lender's requirements; or

iii. Letter of financial assurance from the Owner's lender or the lender of the Owner's assignees, designees, grantees and purchasers under contract; or

iv. Dual Beneficiary Letter of Credit from a recognized financial institution acceptable to the City; or

v. Completing all Public Infrastructure as required by the Rules and applicable Arizona law prior to the issuance of a final plat that includes the relevant Public Infrastructure;

vi. Cash or certified check; or

vii. Such other assurance mechanism as may be approved by the City, in the exercise of its sole and absolute discretion.

To the extent that the CFD, MID or RD have issued bonds to finance the construction of the Public Infrastructure, the Owner will not be required to provide Infrastructure Assurance for such Public Infrastructure. If a discrete and self-sustaining portion of the Public Infrastructure has been delivered is dedicated to and approved by the City, the City agrees to release, within twenty (20) business days from such approval by the City, the portion of the assurance that relates to the Public Infrastructure so completed.

17. City Services.

(a) **Provision of Public Services**. Except as provided in Sections 17(b), 17(c) and 17(d), upon annexation of any portion of the Property into the City, to the extent such services are provided to other similarly-situated properties within the City, the City shall provide all city services for the Property, including but not limited to the following types of services: sewer, trash and recycling collection, wastewater services, police, emergency, and fire protection and all other services typically provided by the City to its residents (the "City Services") to the same extent and upon the same costs, terms and conditions as those services are being provided to other similarly-situated properties throughout the City unless otherwise agreed to herein. Notwithstanding the foregoing, the City shall only be obligated to provide those services that are provided to other similarly situated properties within the City. If no service is provided by the City, the Owner may, at its sole and absolute discretion, elect to obtain such services from a duly-qualified private service provider so long as Owner's election does not have a material, adverse effect on the City's efforts to plan and provide such services on a general and uniform basis and cost throughout the City.

(b) **Operations and Maintenance of Fire and Police Services**. The City shall provide fire, police, and emergency services to the Property and any portion thereof. For City Services only, the City shall be responsible for all design, construction and installation of all fire, police and emergency services facilities as well as operation and maintenance costs associated with the

provision of these services as set forth in Section 17(a), and other than the development fees or other requirement applicable to the Property in conformance with the Rules, this Agreement and Applicable Law, which must be applied uniformly and not arbitrarily by the City to all areas receiving such services, the Owner shall not be required to contribute any funding towards such services throughout the duration of this Agreement, except as permitted by the Rules and applicable Arizona law. If the Owner donates, designs, constructs, dedicates or otherwise provides any land or other capital improvements necessary for police, fire, or emergency services and the City imposes a development fee for the provision of such service to a development, the Owner shall receive a development fee credit equal to the value any actual donation, construction and dedication, payment or other provision of land or capital costs made by the Owner to the City. Notwithstanding the foregoing, the City shall only provide emergency services if such services are actually provided to other similarly-situated properties in the City.

(c) **Water**.

(1) The City has no obligation to provide water service to the Property, but in the event that the City becomes a water provider that provides water to a portion of the Property or acquires an existing water provider that provides water to a portion of the Property (collectively, the "City Water Served Property"), the City shall provide water to the City Water Served Property in accordance with Arizona law. The City shall design, install and construct all water system infrastructure necessary to serve the Property or any portion thereof with adequate water service, including but not limited to wells, storage tanks, water distribution lines, well transmission lines, water treatment systems (arsenic, fluoride, etc.) and booster pumps. The Owner shall not be required to contribute financially towards such design, installation or construction of any of the water infrastructure except as permitted by the Rules and Arizona law. If the Owner dedicates or donates any land or pays for the capital costs for the water system infrastructure, the Owner shall receive a credit against any water development fees or water resources fees that would otherwise apply to the Property. The City shall not require the Owner to relinquish any assured water supply or water rights associated with its Property or otherwise obtained by the Owner. In the event that the City becomes a water provider or acquires an existing water provider, in no event shall the Owner be required to extinguish any Irrigation grandfathered right, Type 1 non-irrigation grandfathered rights, or any Type 2 non-irrigation grandfathered rights or other Owner's rights under its agreements with the Central Arizona Irrigation and Drainage District and the Hohokam Irrigation District (collectively the "Water Rights"), except to the extent necessary for the City to serve the City Water Served Property with water services as outlined in this Agreement. In the event the Owner surrenders or extinguishes any excess Water Rights or credits over and above those necessary to provide water service to the City Water Served Property, the City shall promptly take all actions as may be reasonably necessary to return such excess Water Rights or credits to the Owner.

(2) The Owner, at its sole discretion, may elect to form a private water company (a "PWC") or establish a domestic water improvement district (a "DWID"), or obtain water services via the expansion of the service area of an existing or subsequently formed water company to serve the Property. The City agrees to cooperate and support the Owner's efforts to form a PWC or DWID, or to obtain water services from existing or subsequently formed water companies and will support the Owners efforts to obtain service from such providers pursuant to the

conditions and terms described above in subsection (d)(1). In the event a PWC or DWID is the water service provider within the Property or any portion thereof, then the City agrees that no City-adopted development fees related to water service shall be assessed or collected within the portion of the Property being served by a PWC or DWID; provided that if a PWC or DWID is formed, the PWC or DWID and the City must enter into agreement(s) with the City regarding the water services provided by the PWC or DWID, which agreement(s) shall include a provision indemnifying the City for any liability caused by the PWC or DWID. The rights of the Owner under this Section 17(c)(2) are subject to Section 17(h) of this Agreement.

(d) **Wastewater**.

(1) The City and the Owner acknowledge that a portion of the Property is located within the existing boundaries of the City of Eloy Designated Management Agency (the "Eloy DMA"). For those portions of the Property not located within the Eloy DMA, and except as provided for in subsection (e)(2) below, the City will use its best efforts to cooperate with the Owner to provide sewer service to the extent such portions of the Property are not served by Eloy as required by Section 17(d)(2). The City shall have no obligation to provide sewer service to the Property under the terms of this Agreement, but if the City elects to provide sewer service to a portion of the Property (the "City Sewer Served Property") the City shall design, install and construct all sewer system infrastructure necessary to serve the City Sewer Served Property with adequate sewer service, including but not limited to wastewater treatment plants, sewer lines, lift stations, recharge facilities and effluent facilities. Except as permitted by the Rules and Arizona law (including, without limitation the City Subdivision Code and exactions authorized thereunder and under Arizona law), the Owner shall not be required to contribute financially towards such design, installation or construction of any of the sewer infrastructure. If the Owner dedicates or donates any land or pays for the capital costs for the City-owned sewer system infrastructure the Owner shall receive a credit against any City sewer development fees that would otherwise apply to the Property. If an amendment to the Central Arizona Association of Government's ("CAG's") § 208 Plan is necessary for the City to provide sewer service to any portion of the Property, the Owner and City will cooperate in selecting and retaining the necessary the professional consultants to be retained to process such amendment and prepare all the necessary applications and documents. The City shall have the right to review and approve the application and documents prior to submission. The City agrees to process and submit the documents and application for the required amendment. Notwithstanding the foregoing, the City's obligation to support Owner's efforts shall not require the City to make any out of pocket expenditure that is not reimbursed to the City by the Owner pursuant to Section 40 below.

(2) At the time of the Owner's submittal of the site plan or final plat for any portion of the Property, if connection to the City's existing sewer line would require no more than one mile of new sewer line, then such property shall be required to be connected to the City's public sanitary sewer system at the Owner's sole cost and expense as permitted by the Rules and Arizona law, and Owner shall receive a credit for the amount of such costs against City sewer development fees as required by Section 18(b) of this Agreement. If connection to the City's sewer system would more than one mile of new sewer line, the Owner, at its sole discretion, may elect to establish a new wastewater provider, build and operate or contract for the operations of a wastewater and/or water treatment facilities to serve the Property or acquire service from an

existing sewer provider other than the City. If the City constructs additional sewer lines to within one mile of any development for which a site plan or final plat has been approved and is served in accordance with the foregoing, the City may require that such development connect to the City's public sanitary sewer system, and the City shall be responsible for all costs and expenses associated with such connection. All facilities constructed and operated by Owner or Owner's designee pursuant to this paragraph must meet the requirements of Arizona Department of Environmental Quality ("ADEQ") and any other applicable regulatory agency. The City agrees to cooperate and support Owner's efforts to obtain any licenses or permits necessary for the Owner to construct, operate and provide wastewater and/or water treatment infrastructure and services, to process an amendment to the Central Arizona Association of Government's ("CAG's") § 208 Plan to form a private wastewater company, or to obtain wastewater services from existing or subsequently formed wastewater companies and will support the Owners efforts to obtain service from such providers pursuant to the conditions and terms described above in subsection (e)(1). In the event a private wastewater company is the sewer service provider within the Property or any portion thereof, then the City agrees that no City-adopted development fees related to sewer service shall be assessed or collected within the portion of the Property being served by a private wastewater company. Any party providing sewer service pursuant to this Section 17(d)(2) shall enter into a contract with the City prior to initiating sewer service indemnifying the City for any liability arising out of the provision of sewer service by such party. The rights of the Owner under this Section 17(d)(2) are subject to Section 17(h) of this Agreement.

(e) **Effluent**. The City and the Owner agree that subject to the City's agreements with 3rd parties in existence as of the date of this Agreement, during the Term of this Agreement, the Owner shall have the right to receive fifty percent (50%) of the sewage effluent emanating from the Property and Additional Property and treated at the City's sewage treatment works subject to the requirements that (i) all such effluent discharged to the Owner shall be used solely for the development of the Property and other uses on the Property and Additional Property, and shall not be resold and (ii) the Owner shall provide the necessary infrastructure to transport such effluent to the Property and to obtain all necessary approvals and permits from ADEQ and ADWR at Owner's expense. Further, in compliance with all the applicable laws, Owner shall have the sole and absolute discretion to determine the use and distribution of the effluent on the Property and the Additional Property so long as the effluent is not sold for use outside of the Property or Additional Property. At Owner's sole and absolute expense, Owner may elect to utilize a CFD to design, build and construct such infrastructure. The City shall cooperate and provide Owner with the necessary rights of way, permits and approvals for the construction of such infrastructure. The City's obligations to deliver effluent under this subsection are conditioned upon Owner securing all necessary permits and approvals prior to delivery. As a condition to receiving City effluent pursuant to this Section 17(e), the Owner and the City must enter into an Effluent Use Agreement consistent with this subsection (e), which agreement shall include a provision indemnifying the City for any liability arising out of the use of the effluent provided under this Section 17(e). The rights of the Owner under this Section 17(e) are subject to Section 17(h) of this Agreement.

(f) **Lake Improvements**. The Owner may, in its sole and absolute discretion, but subject to the CFD Agreement, elect to design, construct and develop as part of the Public Infrastructure, up to 100 acres of recreational lakes and other compatible improvements and amenities (the "Lake Improvements"). The Lake Improvements shall be part of the Public

Infrastructure for purposes of this Agreement, and for purposes of CFD, MID or RD financing. In the event the Owner elects to develop the Lake Improvements, the Owner and the City shall cooperate and take all actions necessary: (i) to obtain all approvals and permits as may be required to complete and operate the Lake Improvements for the benefit of the Property and the City, including any permits or approvals required to be issued by the Arizona Department of Water Resources and (ii) to obtain any recharge and recovery permits required for the Lake Improvements. The City and the Owner shall cooperate and enter into an agreement (the "Lake Management Agreement") containing the terms and conditions for the operations and maintenance of the Lake Improvements, which agreement shall require the City to own the Lake Improvements but not manage the Lake Improvements. The Lake Management Agreement shall not require the City to construct the Lake Improvements or to make any expenditures for maintenance or operation of the Lake Improvements and shall include a provision indemnifying the City for any liability arising out of the management of the Lake Improvements. Approving the Lake Management Agreement is subject to approval by the City Council in its sole and absolute discretion.

(g) **Irrigation and Surface Water Rights**. Notwithstanding the results of any drainage study affecting the Property, the City agrees that the Owner shall retain the rights (if any) to all surface or irrigation drainage water affecting the Property as of the date of this Agreement, and in the Owner's sole and absolute discretion, the right to utilize, transport and convey such water on, over, and through the Property. The Owner shall retain the surface irrigation and groundwater rights (if any) as may be necessary for the improvement, maintenance and operation of the landscape and other improvements within the Property, including the Lake Improvements and other the Owner-developed facilities on the Property as may be described in the PAD Plan and this Agreement.

(h) **Prior Rights**. In the event that improvements constructed by Owner pursuant to Sections 17(c)(2), 17(d)(2) and 17(e) (collectively, the "Private Utility Improvements") of this Agreement shall at any time be found by the City to interfere unduly with vehicular and pedestrian traffic over public streets, avenues, alleys, highways or bridges or other public places, Owner shall, at its own expense, and within a reasonable time after notice from the City, remove or relocate such Private Utility Improvements so as to minimize such interference. In all other instances the costs incurred in relocating the Private Utility Improvements shall be borne by and added to the cost of the public or private improvement causing or resulting in such relocation. All Private Utility Improvements installed or constructed shall be located or relocated and constructed as to minimize interference with traffic or other uses by the City over, under or through the public right-of-way. Owner shall keep accurate records of the location of all Private Utility Improvements in the public rights-of-way and furnish such records to the City upon request in a format acceptable to the City. If the City participates in the relocating of the Private Utility Improvements for any reason, the cost of the relocation to the City shall not include any upgrade or improvement of the Private Utility Improvements as they existed prior to relocation, unless specifically requested by the City. If the City takes action to dispose of unnecessary public roadways in accordance with the provisions of Arizona Revised Statutes, the City shall recognize and preserve each of the Owner's prior rights-of-way, easements and rights under this Agreement which are affected thereby, as they existed prior to such disposition, by including specific and appropriate language for that purpose in any legal instrument utilized for the purpose of accomplishing such disposition.

18. Development Fees and Credits.

(a) **Development Fees**. Subject to the provisions of this Agreement, the Owner agrees to pay all current and future enacted development or impact fees, provided such development or impact fee is generally and uniformly applicable to the City and is consistent with the provisions and requirements of A.R.S. § 9-463.05 (the "Development Fees"). In the event that any Public Infrastructure is financed through the use of a CFD, the City shall not assess or collect a Development Fee for such Public Infrastructure. In the event that any Public Infrastructure is financed through the use of an MID or RD, the City shall amend the City's Infrastructure Improvements Plan (the "IIP") to remove the Public Infrastructure financed through the use of the MID or RD so that no Development Fee is assessed or collected for such Public Infrastructure. The City shall establish a system to account for the Development Fees collected within the Property and any Development Fee Credits (as defined herein) applicable thereto. The Owner shall have the right to audit the City's development fee funds.

(b) **Credits**. Notwithstanding any contrary provision of this Agreement, if the Owner provides, dedicate or pay for any public land, improvements, public infrastructure necessary public service or facility expansion or any structure or service for which a Development Fee is assessed, and which is included in the City's IIP (a "Development Fee Item"), then the Owner shall receive a credit equal to the value or cost of such dedications, donations, or payments (the "Development Fee Credit"), to be applied in lieu of existing or future development or impact fees imposed by the City which relate to or otherwise apply to the Property. At the Owner's sole and absolute discretion, the Owner may utilize the Development Fee Credits against the Development Fees consistent with A.R.S. § 9-463.05(B)(7)(c)(iii). Owner may elect, in its sole and absolute discretion, to transfer, assign, or convey the Development Fee Credits so that the Development Fee Credits can be applied to the development fees due for any other portion of the Property or the Additional Property to the extent such property has been annexed into this Agreement. At the Owner's request the IIP shall be amended to the extent permitted and applicable Arizona law to include those portions of the Public Infrastructure that are necessary for development of the Property, in accordance with the Infrastructure Plan. Following the City's receipt of an IIP Request from Owner (an "IIP Request"), the City shall cause the IIP to be amended at the next biennial audit of the IIP to include the identified Public Infrastructure and City shall provide a credit toward the payment of a development fee equal to the value of such construction, improvement, contribution or dedication of that Public Infrastructure by Owner pursuant to this Agreement.

(c) **Development Fee Appeal**. In the event the Owner disputes the calculation of the Development Fee imposed by the City for a specific development on any portion of the Property, the Owner may, prior to the issuance of a construction permit, appeal the calculation of such Development Fee by submitting a written request for review to the Director of the Growth Management Department. Owner's Development Fee appeal shall be acted upon in accordance with the City Code and subject to A.R.S. 9-500.13.

(d) **Additional Credits towards City Fees**. If the requirements of Exhibit F are satisfied, The Owner shall be reimbursed for all costs associated with designing and construction of any Public Infrastructure for the Employment Uses on the Property. If the cost of the Public Infrastructure exceeds the amount of the Development Fee Credits for the Property, the City shall

credit an amount equal to thirty-seven and one-half percent (37.5%) of each and every payment of the transaction privilege taxes payable for construction contracting pursuant to the Tax Code of the City of Coolidge Sec. 9-1-415 (the "Construction Sales Tax") so that 37.5% of each payment of Construction Sales Tax paid or caused to be paid by the Owner related to construction on the Property (each, a "Construction Sales Tax Credit" and collectively, the "Construction Sales Tax Credits") shall be credited against any City Fees for the Property. A Construction Sales Tax Credit shall be deemed made on the same date as the corresponding payment of Construction Sales Tax. Notwithstanding the foregoing, in no event shall the Owner receive credits against City Fees on account of the Construction Sales Tax Credits in excess of the difference between the Development Fee Credits and the Owner's actual costs for Public Infrastructure.

(e) **Exactions**. Except as permitted by the Rules and applicable Arizona law, the City shall not impose any additional conditions, exactions, dedications, or regulations on the Property through the use of its police or taxing authority except as provided for herein, unless the Parties either amend this Agreement or enter a separate written agreement allowing for the imposition of the additional conditions, exactions, dedications, or regulations.

(f) **Similarly-situated Properties**. Throughout the term and duration of this Agreement, the City shall not enter into an agreement with any similarly-situated property owner(s) ("Other Benefited Owner") within the City or to be subsequently annexed into the City comprising 640 acres or more of development that confers upon such Other Benefited Owner more favorable terms than those provided in this Section 18 unless the City provides the Owner the additional benefits described in the following sentence. If the City enters into such an agreement following the date hereof, the City shall give written notice to the Owner of such agreement and the benefits conferred therein within three (3) days after the recordation of such agreement, and this Agreement shall be amended to provide the Owner with the same benefits that are granted to the Other Benefited Owner; provided: (i) the Owner provides the City additional benefits other than those expressly enumerated by the parties at the time of this Agreement, such that the City may give the additional incentive to the Owner consistent with Article 9, Section 7 of the Arizona Constitution, and (ii) the Owner must apply for such additional incentive within twenty-four (24) months following the date the Owner receives the written notice from the City that it has conferred more favorable terms or benefits to the Other Benefitted Owner as described above in this Section 18(f). Nothing in this subsection 18(f) shall prohibit the City from entering into a retail sales tax incentive agreement pursuant to A.R.S. §9-500.11 or from entering into development agreements to provide incentives for affordable and low income housing projects, and such incentives shall not be automatically provided to the Owner pursuant to this subsection.

19. Oversizing.

(a) **No Requirement of Oversizing**. The Owner shall provide the City six (6) months prior written notice of the installation of sewer lines to serve the Property. The parties agree that to take advantage of time critical development opportunities, the Owner may request a waiver of this requirement, which waiver shall be subject to approval by the City's Public Works Director, not to be unreasonably conditioned, delayed or withheld. Subject to the foregoing waiver, the City may request that the Owner cooperate with adjacent property owners to oversize any Public Infrastructure and enter into a cost-sharing agreement between the Owner and such adjacent

property owners that may benefit from the oversizing of Public Infrastructure. If the Owner is unable to agree on and enter into a cost sharing agreement prior to the construction such Public Infrastructure, the City or its designee shall be responsible for paying all costs associated with any subsequent expansion or oversizing of any Public Infrastructure or other infrastructure that are above-and-beyond the costs that would have been incurred by the Owner prior to the expansion or oversizing of such Public Infrastructure.

(b) **Credits**. Notwithstanding any contrary provision of this Agreement, if the Owner elects to provide or pay for any dedicated public sites or public infrastructure (a "Payback Improvement") that will directly benefit property or developments other than the Property and the developments thereon (the "Benefited Non-Property Land/Development") (i.e., "oversized" or designed to provide public infrastructure to an area larger than, but encompassing, the Property or any part thereof), and is not reimbursed therefore, then the Owner shall receive a credit to be applied in lieu of existing or future impact or development fees imposed by the City which were meant to cover the category of public infrastructure or sites paid for or provided by the Owner. For example, but not by way of limitation, if the Owner installs and dedicates sewer lines and/or facilities that will benefit Benefited Non-Property Land/Development, the Owner shall be entitled to a Development Fee Credit against existing and any future sewer collection line portion of the sewer development fee, but not wastewater treatment portion of the Development Fees payable with respect to the Property.

(c) **Payback Agreements**. To the extent that the Owner exhausts their Development Fee Credits with respect to any "oversizing", the remaining oversizing cost shall be eligible to be repaid to the Owner through payback agreements with the owner(s) of the Benefited Non-Property Land/Developments (a "Payback Agreement"). Any Payback Agreement entered into in accordance with this section shall provide for payment in full to the Owner by the owner of any Benefited Non-Property Land/Developments for the fair share of costs attributable to the Benefited Non-Property Land/Developments, and that such payment shall be made by the Owner of any Benefited Non-Property Land/Developments and collected by the City prior to the issuance of a grading permit or recordation of a final plat on the Benefited Non-Property Land. Any Payback Agreement for a Payback Improvement shall be required by the City, if permitted by law and may be reasonably imposed, as a condition of annexation, zoning, or plat approval for any Benefited Non-Property Land/Developments.

(d) **Survival of Term**. Notwithstanding anything contained in this subsection to the contrary, this provision and the obligation of the City to require the Benefitted Non-Property Land/Developments to pay Payback Fees shall survive the term of this Agreement in the event this Agreement terminates prior to the expiration dates set forth herein.

20. Drainage and Flood Control. The City will use its best efforts to support the Owner in development and construction of any drainage and/or flood control solutions the Owner opts to construct so long as the effectiveness of the drainage and/or flood control solution is supported by an independent, certified engineering study that concludes the Owner's proposed solution will address and/or alleviate the Owner's drainage and/or flood control issues that exist on the portion of the Property where it is located. The Owner warrants that at the time of dedication of the construction of such drainage or flood control structure any adopted drainage and/or flood control

solutions comply with applicable State laws and regulations. This warranty shall survive termination of this Agreement. Notwithstanding the foregoing, the City's obligation to support the Owner's efforts shall not require the City to make any out of pocket expenditures that is not reimbursed to the City by the Owner pursuant to Section 40 below.

21. City Decisions and Appeals.

(a) **Review of Submitted Materials/Expedited Review**. The implementation of the approved PAD Plan and this Agreement shall be in accordance with the development review process of the City and this Agreement. The City acknowledges the necessity for expeditious review by the City of all plans and other materials (the "Submitted Materials") submitted by the Owner to the City hereunder or pursuant to any zoning, platting, permit, or other governmental procedure pertaining to the development of the Property and agrees to review the Submitted Materials in a manner consistent with the City's review process. Notwithstanding anything contained herein to the contrary, in the event the City cannot review and return Submitted Materials to Owner within a 60-day period from the time of submittal, then the City shall notify the Owner of such, and the Owner may then request expedited review and pay the costs incurred by the City for such private consultants and advisors selected by the Owner and retained by the City, as necessary, to assist the City in the expedited review and/or inspection process; provided, however, that such consultants shall take instructions from, be controlled by, and be responsible to, the City and not the Owner. If such consultants and/or advisors are used, the City shall not charge its standard permit, inspection, review or other fee typically charged for the services performed by such consultants and/or advisors, except to the extent, if any, such standard fees exceed the amount paid by the Owner pursuant to the preceding sentence. The parties acknowledge that the process set forth in this Section 21(a) satisfies the requirements of A.R.S. §9-831 *et seq*.

(b) **Appeal in the Event of Impasse**. The parties agree that if at any time the Owner believes that an impasse has been reached with the City Staff on any issue affecting the Property, the Owner shall have the right to immediately appeal to the City Manager for an expedited decision pursuant to this Section 21(b). If the issue on which an impasse has been reached is an issue where a final decision can be reached by the City Staff, the City Manager shall give the Owner a final decision within fifteen (15) days after the Owner's request for an expedited decision. If the issue on which an impasse has been reached is one where a final decision requires action by the City Council, the City Manager shall be responsible for scheduling a City Council hearing on the issue within four (4) weeks after the Owner's request for an expedited decision; provided, however, that if the issue is appropriate for review by the City's Planning and Zoning Commission (the "Commission"), the matter shall be submitted to the Commission first, and then to the City Council within such four week period. Both parties agree to continue to use reasonable good faith efforts to resolve any impasse pending any such expedited decision.

22. Dispute Resolution Remedies; Arbitration. With respect to all disputes, claims or allegations of default under this Agreement, the Parties shall be limited to the remedies and dispute resolution process set forth in **Exhibit H,** as attached herein and incorporated by reference into this Agreement, and in this Section. Any dispute, controversy, claim, or cause of action arising out of or relating to this Agreement shall be governed by Arizona law. The Owner and City agree that any award rendered by the arbitrator (as defined in Exhibit H) pursuant to the provisions of **Exhibit**

H shall be binding on both parties and if any party does not abide by the award rendered by the arbitrator, the provisions of **Exhibit H** shall apply.

23. **Defaults**. Failure or unreasonable delay by any Party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of fifteen (15) days after written notice thereof from the other parties ("Cure Period"), shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than fifteen (15) days would reasonably be required to perform such action or comply with any term or provision hereof, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within said fifteen (15) day period and diligently proceeds to complete such performance or fulfill such obligation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies that are set forth in Agreement and in accordance with **Exhibit H**. In addition to the dispute resolution process and remedies set forth in this Agreement and **Exhibit H** and notwithstanding anything in this Agreement to the contrary, the City shall have the right to withhold the issuance of building permits for improvements on the Property affected by such default regardless of Property ownership) until the Default is cured by the Owner. Nothing contained in this section shall prevent the City from using any remedies or imposing any fines available to it under the Rules for a violation or breach of such Rules by the Owner.

24. **Waiver**. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or the Owners of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

25. **Time is Essence**. Time is of the essence of this Agreement.

26. **Assignment**. Except as expressly provided for in a written assignment, upon Owner's transfer of the Property, or any portion thereof, the transferee(s) shall automatically become the Owner hereunder as to that transferred portion of the Property, and, as long as any accrued financial obligation pertaining to that transferred portion of the Property has been satisfied, the City shall automatically release all prior Owner(s) from the obligations of this Agreement that are to be performed for that portion of the Property that has been transferred. This Agreement may be assigned by Owner to any successor in interest to the Property (or any portion thereof) without the consent of City, provided that any accrued financial obligation pertaining to that transferred portion of the Property has been satisfied, and that Owner provide the City with written notice of such assignment and the identity of the transferee within thirty (30) days after such assignment.

27. **Rights Run With the Land; Successors**.

(a) The rights established under this Agreement and the PAD Plan are not personal rights but attach to and run with the Property, pursuant to the provisions in Subsection 3(b) entitled "Termination." Upon the Effective Date of this Agreement, the Owner and its successors or assigns are entitled to exercise the rights granted pursuant to this Agreement in conformance to A.R.S**.** § 9-500.05(D). This Agreement shall be interpreted and construed so as to preserve any

vested rights respecting the Owner and/or the Property existing under this Agreement and applicable law.

(b) All of the provisions hereof are binding and shall inure to the benefit of the Parties and be binding upon the successors and assigns of the Parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof subject to the provisions of Section 26, and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

(c) Notwithstanding the foregoing, the City agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement may be assigned to one or more homeowners associations to be established by the Owner. The Owner agrees to provide the City with written notice of any assignment of the Owner's rights or obligations to a homeowners' association within fifteen (15) days after such assignment. In the event of a complete or partial assignment by the Owner of all or a portion of the Owner's rights and obligations hereunder, the Owner's liability hereunder for any non-accrued obligation shall terminate effective upon the assumption by the Owner's assignee of such rights and obligations. As a condition precedent to the release of the Owner as contemplated by this Section 27(c), the City shall determine, exercising its reasonable discretion, that as of the date of assignment by Owner, the homeowner's association is capable of performing and paying for the obligations assigned to it. Subject to the provisions of this Section 27, nothing in this Agreement shall operate to restrict the Owner's ability to assign, sell or otherwise convey, in whole or in part, any of its rights and obligations under this Agreement to those entities that acquire any portion of the Property.

28. **No Owners Representations**. Subject to the representations and warranties made in Section 20 and Section 29, unless otherwise stated herein, nothing contained in this Agreement shall be deemed a representation or warranty by the Owner of any kind whatsoever.

29. **Good Standing; Authority**. Each of the Parties and their assigns or successors represent (and will represent) and warrants to the other that, as applicable: (a) it is validly authorized to do business in the State of Arizona under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the City (b) that the Owner is authorized to transact business in the State of Arizona and is in good standing under applicable state laws, and (c) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the Party on whose behalf each such individual is signing.

30. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

31. **Amendment**. No change or addition can be made to this Agreement except by a written amendment executed by the Owner and the City, except that only the City and that Party that owns fee simple title to the portion of the Property for which the Agreement is amended shall be required to execute such amendment. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

(a) Upon amendment of this Agreement as established herein, references to "Agreement" or "Development Agreement" shall mean the Agreement as amended by any subsequent, duly processed amendment.

(b) The effective date of any duly processed amendment shall be the date on which the last representative for the Parties executes the Agreement.

(c) If, after the effective date of any amendment(s), the Parties find it necessary to refer to this Agreement in its original, unamended form, they shall refer to it as the "Original Development Agreement." When the Parties mean to refer to any specific amendment to the Agreement which amendment is unmodified by any subsequent amendments, the parties shall refer to it by the number of the amendment as well as its effective date.

32. **Severability**. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the City from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the City to take such action at its discretion, if such a construction is permitted by law. If, however, the City fails to take the actions described herein, the Owners shall be entitled to terminate this Agreement and initiate de-annexation procedures at its discretion.

33. **Governing Law**. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona. The provisions of A.R.S. §38-511 are incorporated herein and made a part hereof.

34. **Recordation**. This Agreement and any amendments and Exhibits shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the City and the Owners and/or the passage and adoption of the Annexation Ordinance.

35. **Notices and Requests**. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (c) given to a recognized and reputable overnight delivery service, to the address set forth below or (d) delivered by facsimile transmission to the number set forth below; (e) delivered by email transmission to an agent authorized to act on behalf of either of the Parties, including those parties listed below:

The City:	City Manager City of Coolidge 130 West Central Avenue Coolidge, Arizona 85228-4406 (520) 723-5361 (Telephone) (520) 723-7910 (Fax)
With Copy To:	City Attorney for Coolidge
PLH:	Pinal Land Holdings, LLC 7702 East Doubletree Ranch Road, Suite 300 Scottsdale, Arizona 85258 Attn: Jackob Andersen (480) 209-9365 (Telephone) jandersen@pinalland.com (Email)
With Copy to:	Rose Law Group pc 7144 E. Stetson Drive, Suite 300 Scottsdale, Arizona 85251 Attn: Jordan R. Rose, Esq. (480) 505-3939 (Telephone) (480) 505-3925 (Facsimile)
Mesa:	City of Mesa 20 East Main Street Mesa, Arizona 85211 Attention: City Manager
With Copy to:	City of Mesa 20 East Main Street Mesa, Arizona 85211 Attention: City Attorney

or at such other address, and to the attention of such other person or officer, as any Party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the Party, (b) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (d) when received by facsimile transmission during the normal business hours of the recipient; (e) when email communication is received during the normal business hours of the recipient. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a Party shall mean and refer to the date on

which the Party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

36. Exhibits and Recitals. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof. The Recitals set forth at the beginning of this agreement are hereby acknowledged and incorporated herein and the parties hereby confirm the accuracy thereof.

37. Adequate Infrastructure Plan. The City acknowledges that this Agreement provides an adequate plan to provide the Property with an appropriate level of infrastructure and services to serve the anticipated new development within ten (10) years of the effective date of the annexation ordinance pursuant to and in compliance with A.R.S. §9-471(O).

38. Estoppel Certificate. Any party may request of the other parties, and the requested parties shall, within twenty-one (21) calendar days, respond and certify by written instrument to the requesting party that (a) the Agreement and the PAD Plan or other PAD Zoning applicable to the Property is unmodified and in full force and effect, or if there have been modifications, that the Agreement, the PAD Plan or other PAD Zoning is in full force and effect as modified, stating the nature and date of such modification, (b) the existence of the default under the Agreement, the PAD Plan or other PAD Zoning and the scope and nature of the default, (c) the existence of any counterclaims which the requested parties have against the other parties, and (d) any other matters that may reasonably be requested in connection with the development of land, development of the Property, any financing thereof, or any material aspect of the Development Plan. In the event Owner has not received an estoppel certificate within twenty-one (21) days from the date of the request, then in such event, Owner shall be entitled to prepare an estoppel certificate and deliver the certificate to City and such estoppel certificate shall be binding upon City.

39. Proposition 207 Waiver. Owner agrees, understands and acknowledges that City is entering into this Agreement in good faith and at the specific request of Owner, and further with the understanding that, if City acts consistently with the terms and conditions herein, it will not be subject to a claim for diminished value of the Property from Owner. Owner, on behalf of it and its successors and assigns, intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action Owner may have now or in the future under the provisions of A.R.S. §§ 12-1134 through and including 12-1136 (but specifically excluding any provisions included therein relating to eminent domain) and resulting from the development of the Property consistent with this Agreement or from any "land use law" (as such term is defined in the aforementioned statute sections) permitted by this Agreement to be enacted, adopted or applied by City now or hereafter.

40. Reimbursement of City Expenditures. The Owner shall reimburse the City for its reasonable out of pocket expenditures as expressly provided for in this Agreement and approved by the Owner pursuant to this Section 40 within thirty (30) days after City's written demand for reimbursement to the City by the Owner. The Owner and City agree and acknowledge that at least thirty (30) days prior to the City making any out of pocket expenditure that may be subject to reimbursement by the Owner pursuant to this Agreement, the City will provide written notice to

the Owner of the description and a good faith estimate of the amount of such proposed expenditure that is subject to reimbursement by the Owner (an "Expenditure Notice"). The Owner shall approve or disapprove of each Expenditure Notice in writing no later than fifteen (15) business days after the Owner's receipt such Expenditure Notice by delivering written notice to the City, which approval shall not be unreasonable conditioned, delayed or denied (the "Expenditure Notice Response"). If the Owner fails to deliver an Expenditure Notice Response within the time permitted in this Agreement, the Owner shall be deemed to have approved the City's Expenditure Notice. The City shall not make any expenditure until Owner has approved or has been deemed to have approved of the Expenditure Notice. If becomes aware that a City expenditure that has been approved or deemed approved will exceed the good faith estimate in the City's Expenditure Notice, the City shall provide the Owner with a revised Expenditure Notice outlining the excess amount and a description outlining the reason for the excess expenditure amount (the "Revised Expenditure Notice"). The City's delivery of any Revised Expenditure Notice and the Owner's approval of the same shall be subject to the same delivery and approval timelines for any Expenditure Notice. Notwithstanding any provision contained in this Section 40, the Owner may waive its right to review and approval of any City expenditure by delivering written notice of the same.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below:

CITY:

CITY OF COOLIDGE, ARIZONA, a municipal corporation

By:_____
Jon Thompson, Mayor for City of Coolidge

Date:_____

Attest:

_____
Norma Ortiz, Clerk for the City of Coolidge

APPROVED AS TO FORM AND AUTHORITY
The foregoing Agreement has been reviewed by the undersigned attorney, who has determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the City of Coolidge.

_____
Attorney for City of Coolidge

STATE OF ARIZONA)
)ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by Jon Thompson, the Mayor of the CITY OF COOLIDGE, an Arizona municipal corporation.

_____
Notary Public

My Commission Expires:

_____

PLH:

PINAL LAND HOLDINGS, LLC, a Delaware limited liability company

By: STREAM/PINAL HOLDINGS, INC., a Delaware Corporation
Its: Manager

By:_____
Jackob H. Andersen
Its: Vice President

Date:_____

By: MAZ LAND HOLDINGS, LLC, a Delaware limited liability company
Its: Manager

By:_____
Jackob H. Andersen
Its: Manager

Date:_____

STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by Jackob H. Andersen, Vice President of Stream/Pinal Holdings, Inc., a Delaware corporation, and the Manager of MAZ Land Holdings, LLC, a Delaware limited liability company, as Members of PINAL LAND HOLDINGS, LLC, a Delaware limited liability company.

_____
Notary Public

My Commission Expires:

_____

Mesa:

CITY OF MESA, ARIZONA, an Arizona municipal corporation

_____

By: Christopher J. Brady
Its: City Manager

Date:_____

ATTEST:

_____

By: _____
City Clerk

APPROVED AS TO FORM:

_____

By: _____
City Attorney

STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 201_, by Christopher J. Brady, the City Manager of the City of Mesa, Arizona, an Arizona municipal corporation, who acknowledged he signed the foregoing instrument on behalf of the City.

_____
Notary Public

My Commission Expires:

_____

Exhibit A-1

Ensendero Property Legal Description

Exhibit A-1

Parcel No. 4: (401-01-005)

The Southeast quarter of Section 1, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 5: (401-01-026B)

That part of the Northeast quarter of Section 11, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the North quarter corner of Section 11, Township 6 South, Range 7 East;

Thence run North 89 degrees 42 minutes 05 seconds East, a distance of 2642.00 feet to the Northeast corner of Section 11;

Thence run South 00 degrees 06 minutes 12 seconds East, a distance of 2406.14 feet;

Thence run South 89 degrees 57 minutes 18 seconds West, a distance of 165.00 feet;

Thence run North 00 degrees 06 minutes 12 seconds West, a distance of 455.00 feet;

Thence run West, a distance of 1162.00 feet;

Thence run South, a distance of 233.51 feet;

Thence run West, a distance of 1318.49 feet;

Thence run North, a distance of 2171.01 feet to the POINT OF BEGINNING.

Parcel No. 6: (401-01-031D)

That part of Section 12, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the Northeast corner of Section 12, Township 6 South, Range 7 East;

Thence run South, 5300.63 feet to the Southeast corner of said Section 12;

Thence West, 2642.30 feet to the South Quarter corner of said Section 12;

Thence North, 2652.24 feet to the center of said Section 12;

Thence West, 2665.02 feet to the West quarter corner of said Section 12;

Thence North along the West section line of said Section 12, a distance of 1328.07 feet;

Thence East, 2466.28 feet; Thence North, 1326.85 feet; Thence East, 2844.39 feet to the POINT OF BEGINNING.

Parcel No. 7: (401-01-034B)

That part of Section 13, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the Northeast corner of Section 13, Township 6 South, Range 7 East;

Thence run south, 2642.05 feet to the East quarter corner of said section;

Thence West, 1228.90 feet;

Thence North, 1311.00 feet;

Thence West, 1409.00 feet;

Thence North, 1338.07 feet the North quarter corner of said section;

Thence East, 2642.30 feet to the POINT OF BEGINNING.

Parcel No. 8: (401-21-042B)

Lots 1 and 2 and the East half of the Northwest quarter and the Northeast quarter of Section 19, Township 6 South, Range 8, East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT the South 819.00 feet of the East 644.00 feet of the Northeast quarter.

Parcel No. 9: (401-21-039)

The Southwest quarter of Section 17, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 10: (401-73-006K) and (401-73-006L)

The West half of the Northwest quarter of Section 20, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT the North 988.00 feet of the East 700.00 feet thereof;

and ALSO EXCEPTING the Warranty Deed recorded on July 12, 1993 in Docket 1926, page 493 Records of Pinal County, Arizona;

and ALSO EXCEPTING the Special Warranty Deed recorded on December 21. 2005 at Fee Number 2005-178417 Records of Pinal County, Arizona.

Parcel No. 10A: (401-73-006M)

An Easement for public utilities, as created in Recording No. 2005-178418 over the West 20 feet of the following described property:

COMMENCING at the Northwest quarter of Section 20, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Thence South 0 degrees 19 minutes 22 seconds West, a distance of 2636.95 feet;

Thence North 89 degrees 50 minutes 46 seconds East, a distance of 725.02 feet to the POINT OF BEGINNING;

Thence North 0 degrees 19 minutes 22 seconds East, a distance of 130 feet;

Thence North 89 degrees 50 minutes 46 seconds East, a distance of 597.89 feet;

Thence South 0 degrees 19 minutes 32 seconds West, a distance of 45 feet;

Thence South 89 degrees 50 minutes 46 seconds West, a distance of 150 feet;

Thence South 0 degrees 19 minutes 32 seconds West, a distance of 85 feet;

Thence South 89 degrees 50 minutes 46 seconds West to the POINT OF BEGINNING.

Exhibit A-2

Other PLH Property Legal Description

Exhibit A-2

Parcel No. 1: (509-63-007D) and (509-63-007F)

That part of the Southeast quarter of Section 35, Township 5 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the East quarter corner of Section 35, Township 5 South, Range 7 East;

Thence South 00 degrees 04 minutes 00 seconds West, 2643.31 feet;

Thence West, 769.15 feet;

Thence North 01 degrees 30 minutes 29 seconds West, 1681.85 feet;

Thence South 86 degrees 02 minutes 12 seconds West, 673.12;

Thence North 00 degrees 13 minutes 38 seconds East, 1009.17 feet;

Thence South 89 degrees 58 minutes 38 seconds East, 1484.00 feet to the POINT OF BEGINNING;

EXCEPT all uranium, thorium or other material necessary to the production of fissionable material, as reserved to the United States of America in the Patent recorded in Docket 196, page 504.

Parcel No. 2: (401-01-008B)

That part of Section 2, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the North quarter corner of Section 2, Township 6 South,

Range 7 East; Thence South, 1351.71 feet;

Thence West, 1494.03 feet;

Thence North, 1345.60 feet;

Thence East, 1489.90 feet to the POINT OF BEGINNING.

Parcel No. 3: (401-01-003)

Lots 10 and 11 and the South half of the Northwest quarter of Section 1, Township 6 South, Range 7 East of the Gila and Salt
River Base and Meridian, Pinal County, Arizona:

EXCEPT one-half of all oil, gas and/or other hydrocarbon substances as reserved in Docket 48, page 438 by John W. Brooks and
Florence B. Brooks.

Exhibit A-3

Mesa I Property Legal Description

Exhibit A-3

Parcel No. (a portion of 401-40-004B)

The West half of the Northwest quarter of Section 27, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona and that portion of vacated and abandoned streets, avenues, alleys and parks that may be vested per that Resolution recorded in Book 23 of Miscellaneous, page 191;

EXCEPT all of Block 4 and Lots 7, 8, 9, 10, 11 and 12, Block 9, and all vacated and abandoned streets, avenues and alleys adjoining said excepted lots and blocks to the center lines of said street and alleys and intersections, thereof, as shown on the platof LA PALMA, recorded in the office of the County Recorder of Pinal County, Arizona, recorded in Book 3 of Maps, page 2; and

EXCEPT that certain tract of situated in the Northwest quarter of the Northwest quarter of said Section 27 described as follows:

Commencing for a tie at the Northwest corner of said Section 27 (found an Arizona State Highway Department brass cap) from whence the North quarter corner of Section 27 (found a 5/8" rebar) bears North 89 degrees 55 minutes 26 seconds East a distance of 2639.62 feet;

Thence South 00 degrees 04 minutes 44 seconds West, along the West section line of said section 27 a distance of 801.69 feet, to a point which bears North 00 degrees 04 minutes 44 seconds East a distance of 4471.50 feet from the Southwest corner of said Section 27 (found an Arizona Highway Department brass cap);

Thence North 89 degrees 51 minutes 02 seconds East, a distance of 100.00 feet to a point on the East boundary line of State Highway 87-287 right-of way, said point also being the POINT OF BEGINNING;

Thence continuing North 89 degrees 51 minutes 02 seconds East, a distance of 309.33 feet;

Thence North 00 degrees 16 minutes 26 seconds West, a distance of 443.17 feet;

Thence South 89 degrees 55 minutes 26 seconds West, a distance 186.60 feet to Northeast corner of Lot 7, Block 9, LA PALMA, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Book 3 of Maps, page 2;

Thence South 00 degrees 04 minutes 44 seconds West along the East boundary line of Lots of Lots 7 and 12, Block 9 LA PALMA, for a distance of 250.00 feet to the Southeast corner of said Lot 12;

Thence South 89 degrees 55 minutes 26 seconds West along the Southern boundary line of Lots 12 and 11, Block 9, LA PALMA, to the Southwest corner of said Lot 11, said corner being on the East boundary line of said State Highway right-of-way;

Thence South 00 degrees 04 minutes 44 seconds West along said right-of-way line for a distance of 193.57 feet to the POINT OF BEGINNING.

Parcel No. (a portion of 401-40-002A)

The West half of the Southwest quarter of Section 27, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING THEREFROM the South half of the Southwest of the Southwest quarter of the Southwest quarter of said Section 27; and

EXCEPT that certain tract of land described as follows:

Commencing for a tie at the Southwest corner of said Section 27 (found an Arizona Highway Department brass cap);

Thence North 00 degrees 04 minutes 44 seconds East along the West section line of Section 27 for a distance of 1041.02 feet to a point which bears South 00 degrees 04 minutes 44 seconds West, a distance of 4232.17 feet from the Northwest corner of Section 27 (found an Arizona Highway Department brass cap);

Thence North 89 degrees 25 minutes 05 seconds East for a distance of 100.00 feet to a point on the East boundary line of State Highway 87-287 right-of-way, said point also being the POINT OF BEGINNING;

Thence continuing North 89 degrees 25 minutes 05 seconds East a distance of 221.32 feet;

Thence South 02 degrees 42 minutes 49 seconds West for a distance of 441.67 feet to a point on the Northeasterly slope toe of the Northeast bank of the Casa Grande Canal;

Thence North 32 degrees 38 minutes 30 seconds West along said slope toe for a distance of 371.86 feet to a point on the East boundary line of said State Highway 87-287 right- of-way;

Thence North 00 degrees 04 minutes 44 seconds East along said right-of-way line for a distance of 125.81 to the POINT OF BEGINNING; and

EXCEPT that portion conveyed in Warranty Deed recorded in Docket 1605, page 946, being all that portion lying South of the right-of-way for the Florence-Casa Grande Canal; and

EXCEPT any portion lying within the Casa Grande Canal.

Parcel No. (401-40-004B)

The East half of the Northwest quarter of Section 27, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona and that portion of vacated and abandoned streets, avenues, alleys and parks that may be vested per that Resolution recorded in Book 23 of Miscellaneous, page 191;

EXCEPT that portion of the Southwest quarter lying with the 125 foot right of way conveyed to Arizona Eastern Railroad Company by Deeds recorded January 17, 1925 and April 1, 1925 in Book 39 of Deeds, page 587 and Book 40 of Deeds, page 107, respectively, records of Pinal County, Arizona.

Parcel No. (401-40-002A)

The East half of the Southwest quarter of Section 27, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT that portion of the Southwest quarter lying with the 125 foot right of way conveyed to Arizona Eastern Railroad Company by Deeds recorded January 17, 1925 and April 1, 1925 in Book 39 of Deeds, page 587 and Book 40 of Deeds, page 107, respectively, records of Pinal County, Arizona; and

EXCEPT any portion lying within the Old Florence-Casa Grande Canal.

Parcel No. (401-21-059) and (401-21-060A) and (401-21-060B)

The Southeast quarter of Section 34; and the West half of the West half of Section 35, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

RESERVING unto the Grantors, their heirs, successors and assign, an easement for ingress and egress over the West 30 feet of the West half of the West half of said Section 35;

EXCEPT any portion lying within the Case Grande Canal.

Parcel No. (401-21-057C)

The Northeast quarter of Section 34, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying South of the Casa Grande Canal;

EXCEPT that portion of said Northeast quarter of Section 34, being more particularly described as follows:

Commencing for a tie at the Southwest corner of said Section 34 (an Arizona Highway Department brass cap);

Thence North 89 degrees 41 minutes 25 seconds East along the Southern boundary line of Section 34, for a distance of
2645.08 feet to the South quarter corner thereof (1/2" rebar), from whence the Southeast corner of Section 34 (a 3" diameter cement core) bears North 89 degrees 41 minutes 25 seconds East, a distance of 2648.38 feet;

Thence North 00 degrees 01 minutes 54 seconds West along the North-South mid-section line for a distance of 2643.88 feet to the Southwest corner of the Northeast quarter of Section 34, said corner also being the POINT OF BEGINNING;

Thence continuing North 00 degrees 01 minutes 54 seconds West along said mid-section line for a distance of 338.19 feet;

Thence South 83 degrees 34 minutes 48 seconds East for a distance of 233 .73 feet;

Thence South 01 degrees 35 minutes 43 seconds East for a distance of 56.00 feet;

Thence North 89 degrees 47 minutes 05 seconds East for a distance of 25.76 feet;

Thence South 01 degrees 35 minutes 43 seconds East for a distance of 255.27 feet;

Thence South 89 degrees 47 minutes 05 seconds West for a distance of 266.50 feet to the POINT OF BEGINNING.

Parcel No. (401-50-001)

All that portion of the North half of the Northeast quarter and the South half of the Northeast quarter of Section 3, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying North of the Northerly line of the Florence-Casa Grande Canal Extension.

Parcel No. (401-50-003A)

The West half of the West half of Section 3, Township 7 South, Range 8 East of the Gila and Salt River base and Meridian, Pinal County, Arizona; lying West of the Railroad right-of-way.

EXCEPT that part lying North of the San Carlos Canal and

EXCEPT any portion lying within the San Carlos Irrigation Project Canal.

Parcel No. (401-50-008)

The South 2160 feet of the West half of the Southeast quarter of Section 3, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona; and

All of the West half of Section 3, lying South of The San Carlos Irrigation & Drainage District Canal and lying East of the boundary line of The Arizona Eastern Railroad Right-of-way;

EXCEPT all that part of said section lying North of the San Carlos Irrigation and Drainage District Canal; and

EXCEPT any portion thereof lying West of the East boundary line of the right-of-way, as conveyed to Arizona Eastern Railroad Company, a corporation of the State of Arizona and New Mexico, by instrument recorded in Book 41 of Deeds, page 265, records of Pinal County, Arizona; and

EXCEPT that certain tract of land situated in the Southeast quarter of the Southwest quarter and the Southwest quarter of Southeast quarter, more particularly described as follows:

BEGINNING at the South quarter corner of said Section 3(a 1/2" rebar) from whence the Southeast corner of Section 3(a 1/2" rebar) bears North 89 degrees 41 minutes 38 seconds East, a distance of 2647.83 feet, and the Southwest corner of Section 3 (Arizona Highway Department brass cap) bears South 89 degrees 4l minutes 38 seconds West, a distance of 2647.83 feet;

Thence North 89 degrees 4l minutes 38 seconds East along the South section line for a distance of 305.34 feet;

Thence North 00 degrees 23 minutes 54 seconds East for a distance of 271.20 feet;

Thence South 89 degrees 18 minutes l1 seconds West for a distance of 838.99 feet;

Thence South 00 degrees 23 minutes 54 seconds West for a distance of 265.48 feet to a point on the South section line of Section 3;

Thence North 89 degrees 4l minutes 38 seconds East along said South section line for a distance of 533.06 feet to the POINT OF BEGINNING.;

EXCEPT any portion lying within The San Carlos Irrigation and Drainage District Canal.

Parcel No. (401-50-010)

The East half of Section 3, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT all that part of said section lying North of the San Carlos Irrigation and Drainage District Canal; and

EXCEPT the South 2160 feet of the West half of the Southeast quarter thereof; and

EXCEPT that certain tract of land situated in the Southeast quarter of the Southeast quarter, more particularly described as follows:

Commencing for a tie at the Southeast corner of said Section 3(1/2" rebar) from whence the South quarter corner of Section (1/2" rebar) bears South 89 degrees 41 minutes 38 seconds West, a distance of 2647.83 feet;

Thence South 89 degrees 41 minutes 38 seconds West along the South section line of Section 3 for a distance of 1158.25 feet;

Thence North 00 degrees 15 minutes 03 seconds West for a distance of 307.94 feet to the POINT OF BEGINNING;

Thence continuing North 00 degrees 15 minutes 03 seconds West for a distance of 115.00 feet;

Thence North 89 degrees 41 minutes 35 seconds East, a distance of 190.00 feet;

Thence South 00 degrees 15 minutes 03 seconds East for a distance of 115.00 feet;

Thence South 89 degrees 41 minutes 38 seconds West for a distance of 190.00 feet to the POINTOF BEGINNING;

RESERVING unto the grantors, their heirs, successors and assigns, an easement for ingress and egress 30.00 feet in width along the West side of the following described line "A";

Commencing for a tie at the Southeast corner of said Section 3;
Thence South 89 degrees 41 minutes 38 seconds West along the South section line of Section 3 for a distance of 1158.25 feet to the POINT OF BEGINNING for said line "A";

Thence North 00 degrees 15 minutes 03 seconds West for a distance of 422.94 feet to the TERMINATION POINT for said line "A"..,

EXCEPT any portion lying within the San Carlos Irrigation and Drainage District Canal.

Parcel No. (401-48-016D)

The West half of the Southwest quarter of Section 10, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying west of the Railroad right-of-way;

Except that portion of land conveyed to the Natural Gas Service of Arizona, an Arizona corporation recorded in Docket 93, page 145.

Parcel No. (a portion of 401-48-017B)

The West half of the Northwest quarter of Section 10, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying west of the Railroad right-of-way.

Parcel No. (401-48-016C) and (401-48-016E)

The West half of the Southeast quarter of Section 10, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

And The East of the Southwest quarter of Section 10, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, EXCEPT any portion lying within Railroad right-of-way.

Parcel No. (a portion of 40l-48-017B)

The East half of the Northwest quarter of Section 10, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT any portion thereof lying within the right-of-way, as conveyed to Arizona Eastern Railroad Company, a corporation of the State of Arizona and New Mexico, by instrument recorded in Book 41 of Deeds, page 265, records of Pinal County, Arizona; and

EXCEPT that certain tract of land situated in the Northeast quarter of the Northwest quarter, more particularly described as follows:

Commencing for a tie at the North quarter corner of said Section 10 (1/2" rebar) from whence the Northwest corner of Section 10 (Arizona Highway Department brass cap) bears South 89 degrees 4l minutes 38 seconds West, a distance of 2647.83 feet;

Thence South 89 degrees 41 minutes 38 seconds West along the North section line of said Section 10 for a distance of 23.04 feet to the POINT OF BEGINNING;

Thence continuing South 89 degrees 41 minutes 38 seconds West along said North section line for a distance of 221.93 feet;

Thence South for a distance of 167.91 feet;

Thence North 89 degrees 41 minutes 38 seconds East for a distance of 221.93 feet;

Thence North for a distance of 167.01 feet to the POINT OF BEGINNING.

Parcel No. (401-48-022D)

The West half of Section 14, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona,

EXCEPT the East 68 acres of the South half of said West half and further EXCEPT the East 54 acres of the North half of said West half.

Parcel No. (401-48-023C)

All of Section 15, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying East of the East right of way line of the Southern Pacific Railroad;

EXCEPT BEGINNING at the intersection of the Southerly right of way line of Hanna Road with the Easterly line of the land of the Southern Pacific Transportation Company, as described in Deed dated March 19, 1926, from Robert Denton, Administrator to Arizona Eastern Railroad Company recorded march 24, 1926, in Book 41 of Deeds, page 175;

Thence Easterly along said Southerly right-of-way line 250 feet;

Thence South 00 degrees 09 minutes 00 seconds West, parallel with said Easterly line 300 feet;

Thence Westerly parallel with said Southerly right-of-way line 250 feet;

Thence North 00 degrees 09 minutes seconds East, along said Easterly line 300 feet to the POINT OF BEGINNING; and

Except that portion of land conveyed to the Natural Gas Service of Arizona, an Arizona corporation recorded in Docket 93, page 145.

Parcel No. (401-48-035)

All of Section 22, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona lying East of the East right-of-way line of the Southern Pacific Railroad; and

Except that portion of land conveyed to the Natural Gas Service of Arizona, an Arizona corporation recorded in Docket 93, page 145.

Parcel No. (401-52-007)

The West half of the Southwest quarter of Section 23, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT 1/16 of all oil, gas, and other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metal, mineral, fossils, fertilizer of every name and description, and all materials which may be essential to production of fissionable material as reserved in ARS 37-231, E.

Parcel No. (401-71-001B)

All of Section 27, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona lying East of the East right-of-way line of the Southern Pacific Railroad.

EXCEPT the North 307 feet; and

Except that portion of land conveyed to the Natural Gas Service of Arizona, an Arizona corporation recorded in Docket 101, page 51.

Parcel No. (401-69-001B)

That portion of the following described property situated in the Southeast quarter of Section 31, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona:

Commencing for a tie at an iron pin which is the South quarter corner of Section 31, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, and the POINT OF BEGINNING from whence the iron pin which is the Southwest corner of Section 31 bears North 88 degrees 48 minutes 0l seconds West, a distance of 2828.77 feet;

Thence North 88 degrees 29 minutes 42 seconds East, along the South section line a distance of 247.56 feet;

Thence North 00 degrees 21 minutes 09 seconds East, a distance of 326.80 feel;

Thence South 85 degrees 42 minutes l2 seconds West, a distance of 432.47; Thence

South 00 degrees 05 minutes 46 seconds West, a distance of 197.08 feet; Thence South

88 degrees 48 minutes 0l seconds East, a distance of 100.00 feet;

Thence South 00 degrees 05 minutes 46 seconds West, a distance of 100.00 feet to a point on a South section line;

Thence South 88 degrees 48 minutes 01 seconds East, along the South section line a distance of 82.31 feet to the POINT OF BEGINNING.

Parcel No. (401-69-002B) and (401-69-002C)

Those portions of Lots 3 and 4 and the East half of the Southwest quarter of Section 31, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Commencing for a tie at the iron pin which is the Southwest corner of Section 31 and the POINT OF BEGINNING from whence an iron pin which is the South quarter corner of Section 31 bears South 88 degrees 48 minutes 0l seconds East, a distance of 2828.77 feet;

Thence South 88 degrees 48 minutes 0l seconds East, along the South section line a distance of 2646.46 feet;

Thence North 00 degrees 05 minutes 46 seconds East, a distance of 912.62 feet;

Thence North 88 degrees 42 minutes 51 seconds West, a distance of 2643.26 feet to a point on the West line of Section 31;

Thence South 00 degrees 18 minutes 04 seconds West, along the West section line a distance of 916.53 feet to the POINT OF BEGINNING.

AND the following described parcel:

Commencing for a tie at the iron pin which is the South quarter corner of Section 31, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, from whence the iron pin which is the Southwest corner of Section 31 bears North 88 degrees 48 minutes 0l seconds West, a distance of 2828.77 feet;

Thence North 88 degrees 48 minutes 0l seconds West, along the south section line a distance of 82.31 feet to the POINT OF BEG1NNNING;

Thence North 00 degrees 05 minutes 46 seconds East, a distance of 100.00 feet;

Thence North 88 degrees 48 minutes 0l seconds West, a distance of 100.00 feet;

Thence South 00 degrees 05 minutes 46 seconds West, a distance of 100.00 feet to a point on the South section line;

Thence South 88 degrees 48 minutes 0l seconds East along the South section line a distance of 100.00 feet to the POINT OF BEGINNING.

Parcel No. (401-85-001) and (401-85-002)

Lots 1 and 2 and the East half of the Northwest quarter and the Northeast quarter of Section 6, Township 7 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (402-02-001B)

Lot 1; the East 30 acres of Lot 2; the East 30 acres of the Southwest quarter of the Northeast quarter and the Southeast quarter of the Northeast quarter of Section 1, Township 7 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT the following described parcel:

Commencing for a tie at an iron pin which is the Northeast corner of Section 1, and which is the POINT OF BEGINNING, from whence an iron pin marking the North quarter corner of Section 1 bears South 89 degrees 57 minutes 40 seconds West, a distance of 2657.90 feet;

Thence South 00 degrees 23 minutes 18 seconds West, along the East line of Section 1, a distance of 590.63 to a point;

Thence South 89 degrees 57 minutes 40 seconds West, a distance of 45.00 feet to a rebar on the West line of the Pinal County road easement;

Thence continuing South 89 degrees 57 minutes 40 seconds West, a distance of 1582.19 feet to a rebar;

Thence North 00 degrees 23 minutes 18 seconds East, a distance of 550.63 feet to a rebar on the South line of the Pinal County road easement;

Thence continuing North 00 degrees 23 minutes 18 seconds East, a distance of 40.00 feet to a point on the North line of Section 1;

Thence North 89 degrees 57 minutes 40 seconds East, along the North line of Section 1, a distance of 1627.20 feet to the POINT OF BEGINNING.

Parcel No. (401-47-007) and (401-47-008) and (401-47-009)

The Southeast quarter of Section 33, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT that part of the Northwest quarter of the Southeast quarter and that part of the West 130 feet of the Northeast quarter of the Southeast quarter of said Section 33, lying North of the Florence-Casa Grande Canal; and

EXCEPT the East 40 feet of the Northeast quarter of the Southeast quarter of said Section 33;

EXCEPT any portion lying within the Florence-Casa Grande Canal.

Parcel No. (401-48-001)

The Northeast quarter of Section 4, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-48-002)

The Northwest quarter of Section 4, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPTING THEREFROM 1/16 of all gas, oil, metals and mineral rights as reserved in the Patent from the State of Arizona recorded in Docket 1260, page 95.

Parcel No. (401-48-004B)

The North half of the Northeast quarter of Section 5, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-48-004D)

The South half of the Northeast quarter of Section 5, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-48-003)

The South half of Section 4, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-48-005 and 006)

The South half of Section 5, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING THEREFROM 1/16th of all gas, oil, metal and mineral rights as reserved in State of Arizona Patent recorded in Docket 183, page 396. (This affects the Southwest quarter of Section 5 only.)

Parcel No. (401-85-004)

A parcel of land situate in Section 6, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona more particularly described as follows:

Commencing for a tie at a 1" iron pipe which is the Southeast corner of Section 6 from whence a brass cap which is the South quarter corner of Section 6 bears South 89 degrees 36 minutes 44 seconds West, a distance of 2637.95 feet;

Thence North 42 degrees 45 minutes 24 seconds West, a distance of 44.67 feet to a rebar which is the POINT OF BEGINNING;

Thence North 00 degrees 23 minutes 16 seconds West, a distance of 100.00 feet to a rebar;

Thence South 89 degrees 36 minutes 44 seconds West, a distance of 100.00 feet to a rebar;

Thence South 00 degrees 23 minutes 16 seconds East, a distance of 100.00 feet to a rebar;

Thence North 89 degrees 36 minutes 44 seconds East, along the roadway right-of-way a distance of 100.00 feet to the POINT OF BEGINNING.

Together with the following described easement:

An easement 30 feet in width for an irrigation ditch to convey water, and road for operation and maintenance of the irrigation ditch, situated in the East half of Section 6, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona more particularly described as follows:

Commencing for a tie at a 1" iron pipe which is the Southeast corner of Section 6 from whence a brass cap which is the South quarter corner of Section 6 bears South 89 degrees 36 minutes 44 seconds West, a distance of 2637.95 feet;

Thence North 47 degrees 51 minutes 5l seconds West, a distance of 119.16 feet to a rebar which is the POINT OF BEGINNING of the centerline of a strip of land 30.00 feet in width;

Thence North 13 degrees 40 minutes 39 seconds West, a distance of 2646.04 feet to a rebar which is the TERMINAL POINT of the centerline of this easement.

The sidelines of subject easement to be extended or shortened to meet at angle point, and to terminate at the boundary lines closed upon by the centerline described herein.

Parcel No. (401-40-001D)

The Southeast quarter of Section 27, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, EXCEPT the following described parcel:

BEGINNING at the Southeast corner of said Section 27, thence North 89 degrees 55 minutes 59 seconds West along the South line of said Section 27 a distance of 412.40 feet;

Thence North 0 degrees 10 minutes 34 seconds East a distance of 306.08 feet;

Thence South 89 degrees 55 minutes 59 seconds East a distance of 167.04 feet;

Thence North 0 degrees 10 minutes 34 seconds East a distance of 353.00 feet;

Thence South 89 degrees 55 minutes 59 seconds East a distance of 245.36 feet to a point on the East line of said Section 27;

Thence South 0 degrees 10 minutes 34 seconds West along said East line a distance of 659.08 feet to the Southeast corner of said Section 27 and POINT OF BEGINNING.

Exhibit A-4

Mesa II Property Legal Description

Exhibit A-4

Parcel No. (401-28-003A)

The Northwest quarter of the Northwest quarter and the West half of the Northeast quarter of the Northwest quarter of Section 9, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-25-007B)

The Southeast quarter of Section 8, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT the following described parcel situated in said Southeast quarter, and being more particularly described as follows:

Commencing at an iron post which is the South quarter corner of said Section 8, from whence a 1" iron pipe which is the Southeast corner of Section 8 bears North 89 degrees 46 minutes 00 seconds East, at a distance of 2669.85 feet;

Thence North 89 degrees 46 minutes 00 seconds East, along the South section line, a distance of 317.20 feet to the POINT OF BEGINNING;

Thence North 00 degrees l4 minutes 00 seconds West, a distance of 294.62 feet to a rebar;

Thence North 89 degrees 46 minutes 00 seconds East, a distance of 117.50 feet to a rebar;

Thence South 00 degrees l4 minutes 00 seconds East, a distance of 74.32 feet to a rebar;

Thence South 49 degrees 29 minutes 37 seconds East, a distance of 222.34 feet to a rebar;

Thence South 00 degrees 14 minutes 02 seconds East, a distance of 75.20 feet to a point on the South section line;

Thence South 89 degrees 46 minutes 00 seconds West, along the South section line, a distance of 285.96 feet to the POINT OF BEGINNING;

EXCEPTING THEREFROM a life estate to all gas, oil and mineral rights as reserved by Dalton H. Cole and Mae Cole in Deed recorded in Docket 997, page 85.

Parcel No. (401-21-037B)

The Northwest quarter of Section 16, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT the following described parcel situated in said Northwest quarter, and being more particularly described as follows:

Commencing for a tie at a rebar which is the West quarter corner of said Section 16, from whence a 1" iron pipe which is the Northwest corner of said section bears North 00 degrees 06 minutes 00 seconds East, a distance of 2638.07 feet;

Thence South 89 degrees 50 minutes 52 seconds East along the East-West mid-section line, a distance of 1541.89 feet to a rebar marking the POINT OF BEGINNING;

Thence North 00 degrees 09 minutes 08 seconds East, a distance of 87.18 feet to a rebar;

Thence North 89 degrees 50 minutes 53 seconds West, a distance of 27.50 feet to a rebar;

Thence North 01 degrees 34 minutes 19 seconds West, a distance of 77.50 feet to a rebar;

Thence North 89 degrees 34 minutes 54 seconds East, a distance of 290.49 feet to a rebar;

Thence South 00 degrees 19 minutes 21 seconds East, a distance of 167.55 feet to a rebar on the East-West mid-section line;

Thence North 89 degrees 50 minutes 52 seconds West along the East-West mid-section line, a distance of 262.03 feet to the POINT OF BEGINNING; and

EXCEPT all gas, oil, metals and mineral rights as reserved in the Patent from the State of Arizona recorded in Docket 53, page 492; and

RESERVING unto the Grantors, their heirs, successors and assigns, an easement 30 feet in width for use as a roadway for ingress and egress over a portion of the Northwest quarter of said Section 16 more particularly described as follows:

A strip of land 30.00 feet in width, the center line of which begins at a point on the North line of the Northwest quarter of said
Section 16, from which the Northwest corner of said section bears North 89 degrees 52 minutes 28 seconds West, a distance
of 1147.12 feet;

Thence South 16 degrees 48 minutes 14 seconds East, a distance of 1081.13 feet to a

point; Thence South 11 degrees 28 minutes 51 seconds East, a distance of 55.92 feet

to a point; Thence South 06 degrees 51 minutes 57 seconds East, a distance of 25.46

feet to a point;

Thence South 01 degrees 41 minutes 50 seconds East, a distance of 1360.45 feet to a point on the North property line of the previously described parcel of land, which is the terminal point of this easement.

The sidelines of subject easement to be extended or shortened to meet at angle points and to terminate at the boundary lines closed upon by the centerline described herein.

Parcel No. (401-28-004)

The West half of the Southwest quarter and the West half of the East half of the Southwest quarter of Section 9, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-28-003B)

The Southwest quarter of the Northwest quarter and the West half of the Southeast quarter of the Northwest quarter of
Section 9, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-20-004A)

That part of the Southeast quarter of Section 36, Township 6 South, Range 7 East of the Gila and Salt River Base and
Meridian, Pinal County, Arizona, lying South of the San Carlos Irrigation Project Canal.

Parcel No. (401-86-006)

The West half of the West half of Section 26, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, EXCEPT the following described parcel:

BEGINNING at the Southwest corner of said Section 26, thence North 0 degrees 10 minutes 34 seconds East along the West line of said Section 26 a distance of 219.97 feet;

Thence South 89 degrees 23 minutes 13 seconds East a distance of 87.50 feet;

Thence South 0 degrees 10 minutes 34 seconds East 219.97 feet to a point on the South line of said Section 26;

Thence North 89 degrees 23 minutes 13 seconds West along said South line a distance of 87.50 feet to the Southwest corner of said Section 26 and POINT OF BEGINNING.

Parcel No. (401-86-003A) and (401-86-004)

The Northeast quarter of the Northwest quarter and the North half of the Southeast quarter of the Northwest quarter of
Section 26, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County,

Arizona; EXCEPTING THEREFROM that portion thereof described as follows:

That portion of the Northeast quarter of the Northwest quarter of Section 26, Township 6 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona, being more particularly described as

follows: Commencing at the Northwest corner of said Section 26;

Thence South 89 degrees 55 minutes 00 seconds East along the Northerly line of said Northwest quarter, a distance of
1985.13 feet;

Thence South 00 degrees 05 minutes 00 seconds West, 33.00 feet, to the Southerly right-of-way line of Steele Road, said point being the POINT OF BEGINNING;

Thence South 89 degrees 55 minutes 00 seconds East along said right-of-way line, a distance of 185.00

feet; Thence South 00 degrees 39 minutes 47 seconds West, 1012.46 feet;

Thence North 83 degrees 45 minutes 0l seconds West, 184.06 feet;

Thence North 00 degrees 33 minutes 32 seconds East, 992.67 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM 50% of all oil, gas and mineral rights, as reserved in instrument recorded in Docket 723, page 735, Pinal County Records.

Parcel No. (401-48-016B)

The Northeast quarter and the East half of the Southeast quarter of Section 10, Township 7 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (400-01-007)

All of Lot 1 in Section 19, Township 6 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County,

Arizona; EXCEPTING THEREFROM 50% of all oil, gas and mineral rights, as reserved in instrument recorded in Docket

723, page
735, Pinal County Records.

Parcel No. (400-01-006A)

That portion of Lot 1, lying West of the Old Florence-Casa Grande Canal in Section 18, Township 6 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING THEREFROM 50% of all oil, gas and mineral rights, as reserved in instrument recorded in Docket 901, page

21, Pinal County Records.

Parcel No. (400-01-006B)

That portion of Lot 1, lying East of the Old Florence-Casa Grande Canal, Lots 2, 3 and 4, and the East half of the West half lying West of the New Florence-Casa Grande Canal in Section 18, Township 6 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING THEREFROM 50% of all oil, gas and mineral rights, as reserved in instrument recorded in Docket 723, page 735, Pinal County Records.

Parcel No. (401-38-001D)

That part of the Northeast quarter of Section 24, Township 6 South, Range 8 East of the Gila and Salt River Base and
Meridian, Pinal County, Arizona, described as

follows: Commencing at the East quarter corner

said Section 24;

Thence North 00 degrees 25 minutes East, along the East line of said Section 24, a distance of 1313.72 feet to the Northeast corner of the South half of the Northeast quarter of said Section 24;

Thence North 89 degrees 35 minutes West, along the North line of said South half Of the Northeast quarter of Section 24, a distance of 133.00 feet to the POINT OF BEGINNING;

Thence North 89 degrees 35 minutes West, along the North line of said South half of the Northeast quarter of Section 24, a distance of 335 feet;

Thence South 00 degrees 25 minutes West, a distance of 390.10

feet; Thence South 89 degrees 35 minutes East, a distance of 335

feet;

Thence North 00 degrees 25 minutes East, a distance of 390.10 feet to the POINT OF BEGINNING; and

EXCEPT any portion lying within the Old Florence-Casa Grande Canal.

Exhibit A-5

Mesa III Property Legal Description

Exhibit A-5

Parcel No. (401-30-001B) and (401-30-001E) and (401-30-001G)

The East half and the East half of the West half of Section 10, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT any portion lying within the Southern Pacific Rail Road Right-of-Way recorded in Book 39 of Deeds, page 614; and

EXCEPT THEREFROM land described in Document 2008-035867 and also

EXCEPT THEREFROM land described in Document 2008-113378.

Parcel No. (401-33-001A) and (401-33-003A) and (401-33-003B)

The North half and the Southeast quarter of Section 11, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT the North half of the Northeast quarter and the North half of the North half of the Southeast quarter of the Northeast quarter and the North half of the Southwest quarter of the Northeast quarter of said Section 11; and

EXCEPTING all uranium, thorium or other materials which or may determined to be peculiarly essential to the production of fissionable materials, as reserved in the Patent recorded in Docket 77, page 116, as to the Southeast quarter of Section 11.

Parcel No. (401-21-008) and (401-21-010)

Lots 3, 4, 5, 6, 11 and 12 and the South half of the Northwest quarter and Southwest quarter and the Southeast quarter of Section 2, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided 1/16th of all oil and gas rights as reserved in Deed recorded in Book 71 of Deeds, page 224, as to Lots 3, 4, 5, 6, 11 and 12 and the South half of the Northwest quarter of Section 2.

Parcel No. (401-21-006B)

Lots 1, 2, 7, 8, 9 and 10 and the South half of the Northeast quarter of Section 2, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT THEREFROM the following described land:

Commencing for a tie at a rebar which is the Northeast corner of Section 2, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, from whence the East quarter corner bears South 00 degrees 02 minutes West a distance of 5277.55 feet;

Thence South 00 degrees 02 minutes West along the East section line, a distance of 1376.62 feet to a point;

Thence North 89 degrees 58 minutes West, a distance of 33.00 feet to a rebar which is the POINT OF BEGINNING;

Thence South 00 degrees 02 minutes West, a distance of 350.44 feet parallel to the section line to a rebar;

Thence South 89 degrees l0 minutes 14 seconds West, a distance of 631.55 feet to a rebar; Thence South 00 degrees 15 minutes 03 seconds West, a distance of 42.65 feet to a rebar; Thence North 89 degrees 54 minutes 0l seconds West, a distance of 560.14 feet to a rebar;

Thence South 01 degrees 12 minutes 45 seconds East, a distance of 2553.36 feet to a rebar;

Thence South 88 degrees 47 minutes 15 seconds West, a distance of 80.00 feet to a rebar; Thence

North 01 degrees 12 minutes 45 seconds West, a distance of 2700.00 feet to a rebar; Thence

North 88 degrees 09 minutes 46 seconds East, a distance of 850.44 feet to a rebar; Thence North

00 degrees 02 minutes 12 seconds East, a distance of 222.93 feet to a rebar;

Thence North 89 degrees 10 minutes 14 seconds East, a distance of 425.00 feet to the POINT OF BEGINNING.

Parcel No. (401-21-031)

The Southeast quarter of Section 15, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-21-030)

The Southwest quarter of Section 14, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING all uranium, thorium or any other materials which is or may be determined to be particularly essential to the production of fissionable material as reserved in Docket 44, page 286.

Parcel No. (401-36-002E)

The East half of the Northwest quarter of Section 22, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT that portion of the Northwest quarter lying within the 125 foot right-of-way conveyed to Arizona Eastern Railroad Company by Deed recorded March 5, 1925 in Book 40, page 26 of Deeds, records of Pinal County, Arizona; and

RESERVING unto the Grantors, their heirs, successors and assigns an easement for ingress and egress over the East 30 feet of the East half of the Northwest quarter of said Section 22; and

EXCEPT those certain tracts of land described as follows:

EXCEPTION NO. 1:

Commencing for a tie at the North quarter corner of said Section 22 (found a 1" diameter cement filled pipe. G.L.O. brass cap had been torn off), from whence the Northwest corner of Section 22 (found an Arizona Highway Department brass cap) bears South 89 degrees 43 minutes 4l seconds West, a distance of 2629.40 feet;

Thence South 00 degrees 00 minutes 22 seconds East along the North-South mid-section line for a distance of 1216.53 feet to the POINT OF BEGINNING, said point bears North 00 degrees 00 minutes 22 seconds West, a distance of 1425.22 feet from the Southeast corner of the Northwest quarter of Section 22 (set a1/2" rebar);

Thence continuing South 00 degrees 00 minutes 22 seconds East, along said mid-section line for a distance of 180.8 feet; Thence North 89 degrees 45 minutes 34 seconds West, for a distance of 302.08 feet;

Thence North 0l degrees 03 minutes 44 seconds West, for a distance of 177.89 feet;

Thence North 89 degrees 41 minutes 11 seconds East, for a distance of 305.36 feet to the POINT OF BEGINNING

EXCEPTION NO. 2:

Commencing for a tie at the North quarter corner of said Section 22 (found a 1" diameter cement filler pipe. G.L.O. brass cap had been torn off), from whence the Northwest corner of Section 22 (found an Arizona Highway Department brass cap) bears South 89 degrees 43 minutes 41 seconds West, a distance of 2629.40 feet;

Thence South 00 degrees 00 minutes 22 seconds East, along the North-South mid-section line for a distance of 2641.75 feet to the Southeast corner of the Northwest quarter of Section 22 (set a 1/4" rebar), said corner also being the POINT OF BEGINNING, from whence the West quarter corner of Section 22 (found an Arizona Highway Department brass cap) bears South 89 degrees 56 minutes 19 seconds West, a distance of 2637.30 feet;

Thence South 89 degrees 56 minutes 19 seconds West along the East-West mid-section line for a distance of 289.96 feet;

Thence North 00 degrees 04 minutes 00 seconds West, for a distance of 281.58 feet;

Thence North 89 degrees 04 minutes 14 seconds East, for a distance of 290.30 feet to a point on the North- South mid-section line of Section 22;

Thence South 00 degrees 00 minutes 22 seconds East, along said mid-section line for a distance of 285.98 feet to the POINT OF BEGINNING; and

EXCEPT a strip of land in the Northwest quarter of Section 22, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, being more particularly described as follows:

Beginning at the Northwest corner of the Northwest quarter of said Section 22;

Thence North 89 degrees 35 minutes 09 seconds East, a distance of 1,314.91 feet to the Point of Beginning;

Thence South 00 degrees 03 minutes 43 seconds East, a distance of 466.69 feet;

Thence North 89 degrees 35 minutes 09 seconds East, a distance of 13.45 feet;

Thence North 00 degrees 03 minutes 43 seconds West, a distance of 466.69 feet;

Thence South 89 degrees 35 minutes 09 seconds West, a distance of 13.45 feet, more or less, to the Point of Beginning.

Parcel No. (401-36-001C)

The Northeast quarter of Section 22, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING the following described parcel:

Commencing at a point 1330.50 feet South of the Northwest corner of said Northeast quarter to the POINT OF BEGINNING;

Thence run South along the West line of said Northeast quarter, a distance of 1254.00 feet to a point; Thence

East parallel to the South line of said Northeast quarter, a distance of 165 feet to a point;

Thence North and parallel to the West line of said Northeast quarter, a distance of 1254 feet to a point; Thence

West, a distance of 165 feet to the POINT OF BEGINNING.

Parcel No. (401-36-007)

The Southeast quarter and the East half of the Southwest quarter of Section 22, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT that portion of the Southwest quarter lying within the 125 foot right of way conveyed to Arizona Eastern Railroad Company by Deeds recorded January 17, 1925 and April 1, 1925 in Book 39 of Deeds, page 587 and in Book 40 of Deeds, page 107, respectively, records of Pinal County, Arizona.

Parcel No. (401-21-051B)

The South half of Section 23, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT that certain tract of land situated in the Southeast quarter of the Southeast quarter of said Section 23, described as follows:

BEGINNING at the Southeast corner of said Section 23 (found a1/4" rebar), from whence the East quarter corner of Section 23 (found a1/2" rebar) bears North 00 degrees 03 minutes 50 seconds East, a distance of 2634.00 feet;

Thence North 89 degrees 59 minutes 43 seconds West along the South section line of said section, for a distance of 616.01 feet to a point which bears South 89 degrees 59 minutes 43 seconds East, a distance of 2038.16 feet from the South quarter corner of Section 23 (found a1/2" rebar);

Thence North 02 degrees 33 minutes 29 seconds West, for a distance of 371.66 feet;

Thence North 88 degrees 29 minutes 04 seconds East, for a distance of 633.24 feet to a point on the East section line of said section;

Thence South 00 degrees 03 minutes 50 seconds West along said section line, for a distance of 388.09 feet to the POINT OF BEGINNING;

EXCEPTING all uranium, thorium or any other materials which is or may be determined to be peculiarly essential to the production of fissionable materials, as reserved in the Patent recorded in Docket 53, page 595.

Parcel No. (401-21-050)

The North half of Section 23, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County; Arizona.

Parcel No. (401-34-006)

The Southwest quarter of the Southwest quarter of Section 13, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. (401-38-003)

The Northwest quarter of Section 24, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona. And

That part of the West half of the West half of the West half of the Northeast quarter of Section 24, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

BEGINNING at the center of said Section 24;

Thence North 89 degrees 43 minutes East along the East-West mid-section line of said Section 24, a distance of 49.3 feet;

Thence North 0 degrees 12 minutes West, 2630.5 feet, more or less, to a point on the North line of said Section 24 which bears North 89 degrees 46 minutes East thereon, a distance of 30 feet from the North quarter corner of said section;

Thence South 89 degrees 46 minutes West, along said North line, a distance of 30 feet to the North quarter corner of said Section 24;

Thence South 0 degrees 13 minutes West, along the North-South mid-section line of said Section 24, a distance of 2630.4 feet, more or less, to the POINT BEGINNING. AND

That part of the North half of the North half of the North half of the South half of Section 24, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as

follows: Beginning at the center of said Section 24;

Thence North 89 degrees 43 minutes East, along the East-West mid-section line of said Section 24, a distance of 49.3

feet; Thence South 0 degrees 12 minutes East, a distance of 44 feet;

Thence North 89 degrees 59 minutes West, a distance of 2685 feet, more or less, to a point on the West line of said Section 24 which bears South 0 degrees 10 minutes West thereon, a distance of 30 feet from the West quarter corner of said Section 24;

Thence North 0 degrees 10 minutes East, along said West line, a distance of 30 feet to the West quarter corner of said Section 24;

Thence North 89 degrees 43 minutes East, along the East-West mid-section line of said Section 24, a distance of 2635.7 feet, more
or less, to the POINT OF BEGINNING.

Parcel No. (401-38-007) and (401-38-002)

The South half of the South Half of the North Half of the Northeast quarter, the North half of the North half of the Northeast quarter and North half of the South half of the North half of the Northeast quarter of Section 24, Township 6 South, Range 8
East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPTING THEREFROM any portion thereof lying within that certain parcel of land described as

follows: BEGINNING at the center of said Section 24;

Thence North 89 degrees 43 minutes East, along the East-West mid-section line of said Section 24, a distance of 49.3 feet;

Thence North 0 degrees 12 minutes West, a distance of 2630.5 feet more or less, to a point on the North line of said Section 24 which bears North 89 degrees 46 minutes East thereon, a distance of 30 feet from the North quarter corner of said Section24;

Thence South 89 degrees 46 minutes West, along said North line, a distance of 30 feet to the North quarter corner of said Section 24;

Thence South 00 degrees 13 minutes West, along the North-South mid-section line of said section, a distance of 2630.4 feet, more or less, to the PONT OF BEGINNING; and

EXCEPT any portion lying within the Old Florence-Casa Grande Canal.

Parcel No. (401-34-009)

That portion of the East half of the East half of Section 13, Township 6 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying East of the Old Florence-Casa Grande Canal;

EXCEPTING THEREFROM 50% of all oil, gas and mineral rights, as reserved in instrument recorded in Docket 723, page 735, Pinal County Records.

Exhibit A-6

Depiction of the Property

Exhibit A-6
Depiction of Property

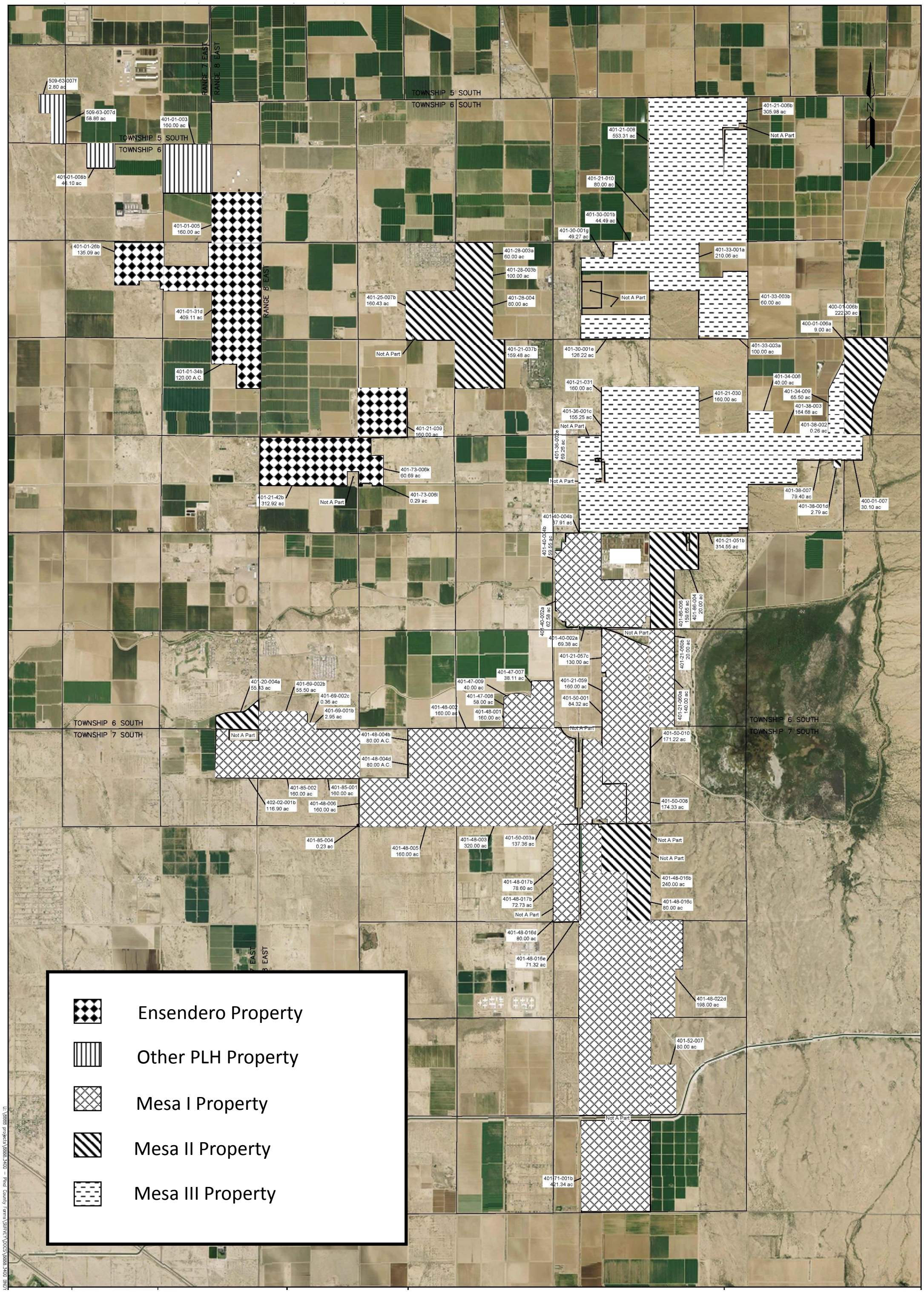

Exhibit B

Annexation Schedule

Property	**Date by which property must be annexed**
Other PLH Property	December 31, 2020
Mesa II Property	December 31, 2022

Exhibit C

Form of CFD Agreement

When recorded, please return to:

_____
_____
_____
_____
_____

DISTRICT DEVELOPMENT, FINANCING PARTICIPATION, WAIVER AND INTERGOVERNMENTAL AGREEMENT
(_____COMMUNITY FACILITIES DISTRICT NO.__)

THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION; WAIVER AND INTERGOVERNMENTAL AGREEMENT (_____COMMUNITY FACILITIES DISTRICT NO.___), dated as of _____, 20__ (hereinafter referred to as this "*Agreement*"), by and among the City of Coolidge, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"); _____ Community Facilities District No. __, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"); Pinal Land Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Delaware as the sole owner as of the date hereof of all of the real property in the District (hereinafter referred to as the "Original Owner") and _____ Owner's Agent, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of _____ (hereinafter referred to as the "*Owners' Agent*");

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, the Municipality, the District and the Original Owner entered into this Agreement as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time; and

WHEREAS, with regard to the real property described in Exhibit "A" hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District, the Municipality, the District and the Owners (as such term is hereinafter defined) have determined to specify some of such matters in this Agreement, particularly matters relating to the construction or acquisition of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of Owners with respect thereto, all pursuant to the Act, such public infrastructure being necessary to develop the Property prior to the time at which the District can itself pay for the construction or acquisition thereof and it being understood that the consent to annexation of the Property into the Municipality by the Original Owner was in part given as a result of the ability of the Owners to utilize financing of the District for the acquisition and construction of Infrastructure (as defined herein); and

WHEREAS, this Agreement as a "development agreement" is consistent with the "general plan" of the Municipality, as defined in Section 9-461, Arizona Revised Statutes, applicable to the Property on the date this Agreement is executed; and

WHEREAS, pursuant to an election to hereinafter be held in and for the District, questions authorizing the district board of the District (i) to issue certain general obligation bonds of the District, including to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District and in this Agreement (hereinafter referred to as the "*General Obligation Bonds*") including the levy, assessment and collection of a debt service tax against all real and personal property in the District, unlimited as to rate or amount therefor, and (ii) to levy, assess and collect an operation and maintenance tax in an amount approved pursuant to the Act against all real and personal property in the District (hereinafter referred to as the "*O/M Tax*") to provide for amounts which become attributable to the operation and maintenance expenses of the District in the future are expected to be approved pursuant to the Act; and

WHEREAS, special assessment lien bonds of the District shall be issued if certain conditions are met to provide moneys for certain public infrastructure purposes described in such General Plan (herein referred to as the "*Assessment Bonds*"); and

WHEREAS, the use of the proceeds of the sale of the General Obligation Bonds and the Assessment Bonds and amounts which will be collected with respect to the O/M Tax in the future is a subject of this Agreement; and

WHEREAS, pursuant to the Act, the District entered into this Agreement with respect to the advance of moneys for public infrastructure purposes and the repayment of such advances and process disbursement and investment of proceeds of, the General Obligation Bonds and the Assessment Bonds; and

WHEREAS, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District and the Municipality entered into the specified sections of this Agreement as an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure, including particularly to provide for the acceptance by the Municipality of certain public infrastructure constructed or acquired by the District;

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein, the parties hereto agree that, notwithstanding the attachment of a form of this Agreement to the hereinafter defined Land Development Agreement, this document in this form is the effective version of this Agreement and further that:

ARTICLE I
DEFINED TERMS; MISCELLANEOUS MATTERS RELATING TO USE THEREOF

Section 1.1. (a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section have the meanings assigned to them in this Section and include, as appropriate, the plural as well as the singular:

"*Acquisition Infrastructure*" means the Infrastructure which is not the subject of a request described in Section 2.1 and which shall be indicated as such in the applicable Report.

"*Acquisition Project*" means each project which is a part of the Acquisition Infrastructure on a project-by-project basis.

"*Acquisition Project Construction Contract*" means a construction contract for an Acquisition Project.

"*Act*" means Title 48, Chapter 4, Article 6, Arizona Revised Statutes.

"*Agreement*" means this District Development, Financing Participation, Waiver and Intergovernmental Agreement (_____ Community Facilities District No. __), dated as of _____, 20__, by and among the Municipality, the District, the Original Owner and the Owners' Agent as amended from time to time.

"*Assessed Property*" means parcels of the Property which from time to time are designated by an amendment to this Agreement joined in by the Owners of the real property in the District which is to be affected by Assessments and the District.

"*Assessment Bonds*" means a series of special assessment lien bonds of the District authorized to be sold and issued by the District as described in this Agreement, payable from amounts collected from, among other sources, the Assessments levied on the applicable Assessed Property.

"*Assessments*" means, as to be originally levied and as thereafter reallocated as described herein, the "not to exceed" proportionate share of costs and expenses of Work levied against each parcel of the Assessed Property pursuant to Title 48, Chapter 4, Article 2, Arizona Revised Statutes.

"*Bonds*" means, as applicable, the Assessment Bonds or the General Obligation Bonds.

"*Certificate of the Engineers*" means a certificate of the Owners' Engineer and the District Engineer in substantially the form of Exhibit "B" hereto.

"Code" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto.

"*Construction Contract*" means a construction contract for a Project.

"*Conveyance*" means a conveyance for a Segment in substantially the form of Exhibit "C" hereto.

"*Court*" means the Pinal County Superior Court.

"*Cure Period*" shall have the meaning provided in Section 10.20.

"*Disclosure Statement*" means the disclosure statement substantially in the form of Exhibit "D" hereto.

"*District*" means _____ Community Facilities District No. __, a community facilities district formed by the Municipality, and organized and existing, pursuant to the laws of the State.

"*District Board*" means the board of directors of the District.

"*District Budget*" means the budget of the District required for each Fiscal Year by the Act.

"*District Engineer*" means _____.

"*District Expenses*" means the fair and reasonable expenses and costs of the operation and administration of the District including the fair and reasonable expenses and costs incurred by the Municipality in connection with the formation of the District; its operations; its relationship with the Municipality; its issuance of the Assessment Bonds or the General Obligation Bonds or any similar matters and reasonable fees and related costs and expenses of staff of the Municipality, financial advisors, engineers, appraisers, attorneys and other consultants and including any overhead incurred by the Municipality with respect thereto and specifically allocated to the District Expenses.

"*District Indemnified Party*" means the Municipality and each legislator, director, trustee, member, officer, official or employee thereof or of the District.

"*Engineers*" means, collectively, the Owners' Engineer and the District Engineer; provided, however, that neither may be changed upon less than thirty (30) days written notice and, in the

case of the Owners' Engineer, without compliance with the other provisions hereof with respect to such change.

"Escrow Agent" means _____, or such as other person as the Owners' Agent may from time to time designate.

"Fiscal Year" means the twelve (12) month period beginning on July 1 of any year and ending on June 30 of the following year.

"*Force Majeure*" means any condition or event not reasonably within the control of a party obligated to perform hereunder, including, without limitation, "acts of God"; strikes, lock-outs, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any state thereof or any of their departments, agencies, or officials, or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosion; and partial or entire failure of utilities. Failure to settle strikes, lock-outs and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its best efforts to remedy such a condition or event.

"*General Obligation Bonds*" means the series of general obligation bonds of the District authorized to be sold and issued by the District as described in this Agreement.

"*Indemnified Party*" means the Municipality and the District and each legislator, director, trustee, partner, member, officer, official, independent contractor or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act.

"*Infrastructure*" means any "public infrastructure" (as such term is defined in the Act) which is intended by the District and the Owners' Agent to be the subject of a Report.

"*Intergovernmental Agreement Act*" means Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended.

"*Initial Expenses*" means, prior to receipt of collections of the first levy of the O/M Tax, the reasonable expenses and costs of the operation and administration of the District including the reasonable expenses and costs incurred by the Municipality in connection with the formation of the District, its operations, its relationship with the Municipality, its issuance of the Assessment Bonds or the General Obligation Bonds or any similar matters and reasonable fees and related costs and expenses of staff of the Municipality, financial advisors, engineers, appraisers, attorneys and other consultants and including any overhead incurred by the Municipality with respect thereto and specifically allocated to the Initial Expenses.

"*Initiation Notice*" shall have the meaning provided in Section 10.20(d).

"*Land Development Agreement*" means the Pre-Annexation and Development Agreement, entered into on _____, 20__, by and among the Municipality and Pinal Land Holdings, LLC a Delaware limited liability company and recorded _____, 20__, as Fee No. _____, official records of Pinal County, Arizona.

"*Letter of Credit*" means the standby letter of credit or substitute therefor under the terms provided herein in the face amount equal to two hundred dollars ($200) per gross acre of the land area included within the boundaries of the District, except that the maximum amount of the letter of credit

shall have a face amount equal to five hundred thousand dollars ($500,000), in favor of the District issued by an institution, the deposits of which are federally insured and the uninsured, unsecured and unguaranteed obligations of which are rated “BBB” or better by Standard and Poor’s Ratings Group, a Division of the McGraw Hill Companies, presentable for payment at such institution, and drawable as provided herein, which includes a provision requiring sixty (60) days’ notice to the District of any cancellation, terminations or non-renewal thereof and immediate notice to the District of a downgrading of the rating described hereinabove and, without limitation the foregoing, otherwise shall be acceptable to the District in the exercise of commercially reasonable standards.

"*Municipality*" means the City of Coolidge, Arizona, a municipality incorporated and existing pursuant to the laws of the State.

"*O/M Expenses*" means the reasonable expenses and costs of the operation and maintenance of the Projects and for accumulating a Replacement Reserve Amount with respect to the Projects including any overhead incurred by the Municipality with respect thereto and specifically allocated to the O/M Expenses.

"*O/M Tax*" means an operation and maintenance tax approved pursuant to the Act against all real and personal property in the District.

"*Original Owner*" means, Pinal Land Holdings, LLC a limited liability company a Delaware limited liability company.

"*Owner(s)*" means (i) Pinal Land Holdings, LLC, a Delaware limited liability company and (ii) persons/entities (other than the District) which subsequently acquire ownership of all or a portion of the Property.

“Owners’ Agent” means _____ Owner’s Agent, LLC, a limited liability company.

"*Owners' Engineer*" means any firm of professional engineers hired by the Owners after approval thereof by the District Manager to perform the services required therefrom for the purposes hereof.

"*Panel*" shall have the meaning provided in Section 10.20(d).

"*Plans and Specifications*" means the plans and specifications for a Project which shall be prepared and reviewed in accordance with the requirements for plans and specifications for construction projects of the Municipality similar to the Project.

"*Process*" shall have the meaning provided in Section 10.20(d).

"*Project*" means each project which is a part of the Infrastructure on a project-by-project basis.

"*Property*" means the real property described in Exhibit "A" to this Agreement.

"*Replacement Reserve Amount*" means an amount calculated using reasonable accounting practices based on the useful life of the various assets composing the Projects established by the Code to be used to replace such assets.

"*Report*" means the study of the feasibility and benefits required by the Act for the applicable Project or Acquisition Project.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Segment*" means a completed, discrete portion of an Acquisition Project.

"*Segment Price*" means an amount equal to the sum of (1) the amounts paid by an Owner for design of the Segment (including the costs of the review of such design by the District Engineer), (2) the amounts paid by an Owner for construction of the Segment pursuant to the Acquisition Project Construction Contract for such Segment (such amount to be equal to the contract amount plus any increases to such contract amount approved as described in Section 3.5 less any change orders decreasing the contract amount), (3) the amounts paid by an Owner for inspection and supervision of performance under such Acquisition Project Construction Contract including an amount determined by the Engineers in the Certificate of Engineers for such Segment determined to be then commercially reasonable by them, , (4) the fair market value of any real property required for municipal buildings such as fire stations and libraries and for public recreational facilities (excluding parks other than regional parks over 10 acres, parks that are owned and maintained by a homeowners' association and park corridor or similar land that would otherwise be dedicated as part of the dedication of public infrastructure serving the Property, including without limitation sidewalks, streets drainage, and utility easements) and other related real property interests and (5) other miscellaneous costs for such Segment attributable to construction of the Segment approved by the Engineers as certified in the Certificate of the Engineers for that Segment.

"*State*" means the State of Arizona.

"*Work*" means the portions of the Infrastructure which from time to time are designated by an amendment to this Agreement joined in by the Owner of the real property in the District of which is to be affected by Assessments and the District.

(b) All references in this Agreement to designated "Exhibits," "Articles," "Sections" and other subdivisions are to the designated Exhibits, Articles, Sections and other subdivisions of this Agreement as originally executed.

(c) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or other subdivision.

ARTICLE II
CONSTRUCTION OF PROJECTS BY THE DISTRICT; ACQUISITION OF PLANS AND SPECIFICATIONS

Section 2.1. Upon a written request of the Owners' Agent, on behalf of the applicable Owner and after approval by the District Manager prior to the construction bidding therefor and the District Board of the applicable Report prior to the issuance of a notice to proceed with construction with respect thereto, the District may cause the Plans and Specifications for the Infrastructure indicated in such request to be prepared and then the applicable Infrastructure to be constructed pursuant to the Plans and Specifications in a fashion which, in the discretion of the District Manager, allows for development of the Property to proceed in accordance with the terms of the Land Development Agreement. (Underlying ownership of real property in and on which the Infrastructure which is the subject to this Section is to be built (i.e., that it is being built on property not owned by an Owner) shall be determined in the final plat or final development plan process of the Municipality.)

Section 2.2. (a) The preparation of the Plans and Specifications and the construction of the Infrastructure shall be bid, and the Infrastructure shall be constructed, in accordance with the requirements for bidding and constructing projects of the Municipality similar to the Projects.

(b) The Infrastructure (or any Project which is a part thereof) shall be bid in one or more parts by and in the name of the District, and Construction Contracts shall be entered into with the bidders selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Construction Contracts as specified in any procurement guidelines promulgated by the Municipality for such purpose.

Section 2.3. Neither the Owner nor any entity related to any of them have been nor shall be compensated by the Municipality or the District for any costs of any Project except as provided herein.

Section 2.4. Construction of a Project shall be financed at any time after the sale and delivery of the Bonds (and while there are remaining available, unrestricted proceeds of the sale of the Bonds) only pursuant to Section 5.1.

Section 2.5. Plans and Specifications for the Projects which are not Acquisition Projects shall be acquired by the District pursuant to Section 5.2(b) simultaneously with the financing of the construction of the related Project pursuant to Section 5.1. The District shall not be liable for any payment or repayment to the Owner with respect to the Plans and Specifications except as provided by this Agreement.

ARTICLE III
CONSTRUCTION OF ACQUISITION PROJECTS BY THE OWNER; CERTAIN MATTERS RELATED TO PLANS AND SPECIFICATIONS

Section 3.1. (a) The construction of the Acquisition Infrastructure and the preparation of the Plans and Specifications for the Acquisition Projects shall be bid pursuant to the provisions of Title 34, Chapter 2, Article 1, Arizona Revised Statutes, as amended, and in accordance with the requirements for construction projects and plans and specifications, respectively, of the Municipality similar to the Acquisition Projects and the Plans and Specifications as specified in any procurement guidelines promulgated by the Municipality for such purpose. Acquisition Project Construction Contracts shall be entered into with the bidders selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Acquisition Project Construction Contracts as specified by such Code and guidelines, and contracts for preparation of the Plans and Specifications shall be entered into with the bidder selected in accordance with the requirements for awarding contracts for preparing plans and specifications of the Municipality similar to the Plans and Specifications as specified by such Code and guidelines. (Compliance with such requirements with respect to the Acquisition Projects shall be evidenced by a Certificate of the Engineers.)

(b) As between the applicable Owner and the District, the Owner shall bear all risks, liabilities, obligations and responsibilities under each Acquisition Project Construction Contract and all risk of loss of or damage to any Acquisition Project (or any part thereof) occurring prior to the time of acquisition of such Acquisition Project (or part thereof) pursuant to Article IV.

(c) The Municipality and the District shall be named as an insured on any and all insurance policies required under a bid for an Acquisition Project and as a third party beneficiary with respect to all warranties, guarantees and bonds with respect thereto.

(d) An indication of final payment and contract closeout shall be provided to the District Manager by the Owner before any acquisition pursuant to Article IV. If any liens are placed on any portion of an Acquisition Project which is the subject of an Acquisition Project Construction Contract or if litigation ensues between the Owner and any contractor with respect to an Acquisition Project Construction Contract, the District shall not acquire the Acquisition Project or any portion thereof until such liens are removed or such litigation is resolved.

Section 3.3. (a) Any advertisement for bids for construction of any Acquisition Project or provision of any Plans and Specifications to be acquired shall clearly indicate that the Owner will be the "owner" for purposes of the Acquisition Project Construction Contract or contract for such Plans and Specifications and shall include the following language: "**THE WORK WHICH IS THE SUBJECT OF THE BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT AMONG CERTAIN PARTIES INCLUDING THE OWNER, THE CITY OF COOLIDGE, ARIZONA, AND _____ COMMUNITY FACILITIES DISTRICT NO. __ PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED BY SUCH COMMUNITY FACILITIES DISTRICT. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH CITY OR COMMUNITY FACILITIES DISTRICT FOR ANY COSTS UNDER ANY CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM.**" (The Owner is "OWNER" for purposes of the foregoing.)

(b) Each Acquisition Project Construction Contract or contract for such Plans and Specifications shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Acquisition Project Construction Contract or contract for such Plans and Specifications or any liability, claim or expense arising therefrom and that the applicable Owner shall have sole liability therefor.

Section 3.4. The applicable Owner shall provide for inspection of work performed under any Acquisition Project Construction Contract by the Engineers.

Section 3.5. Any change order to any Acquisition Project Construction Contract shall be subject to approval by the Engineers (which approval shall not be unreasonably withheld or delayed) and shall be certified to in the applicable Certificate of the Engineers; provided, however, that any change order expected to increase the amount of an Acquisition Project Construction Contract shall be the subject of the same approval requirements that a change order to increase the cost of a construction contract of the Municipality would be subject unless modified by action of the District Board and, specifically, the approval of the District Manager.

ARTICLE IV
ACQUISITION OF ACQUISITION PROJECTS FROM THE OWNER

Section 4.1. (a) The applicable Owner shall sell to the District, and the District shall acquire from the applicable Owner, the Segments for the Segment Prices.

(b) Acquisition of a Segment shall be financed (1) at any time before the sale and delivery of the Bonds (or after there are no available, unrestricted proceeds of the sale of the Bonds remaining) only pursuant to Section 5.2(a) hereof and (2) at any time after the sale and delivery of the Bonds (and while there are available, unrestricted remaining proceeds of the sale of the Bonds) only pursuant to Section 5.2(b) hereof.

(c) The District shall not be liable for any payment or repayment to the Owners with respect to the Acquisition Infrastructure except as provided by this Agreement.

Section 4.2. (a) The District shall pay the Segment Price for and acquire from the applicable Owner, and the applicable Owner shall accept the Segment Price for and sell to the District, each Segment as provided in Section 4.1 after the approval of the Report and within thirty (30) days after receipt by the District Manager of the following with respect to such Segment, in form and substance reasonably satisfactory to the District Manager:

(1) the Certificate of the Engineers;

(2) the Conveyance;

(3) evidence that public access to the Segment or the Acquisition Project, as applicable, has been or will be provided to the Municipality;

(4) the assignment of all contractors' and materialmens' warranties and guarantees as well as payment and performance bonds;

(5) an acceptance letter issued by the Municipality and by its terms subject specifically to recordation of the Conveyance which is the subject of such letter and

(6) such other documents, instruments, approvals or opinions as may reasonably be requested by the District Manager including, with respect to any real property related to the Acquisition Project, title reports, insurance and opinions and evidence satisfactory to the District Manager that such real property does not contain environmental contaminants which make such real property unsuitable for its intended use or, to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such real property will be made suitable for its intended use and the sources of funds necessary to accomplish such purpose.

(b) The Owners hereby assign their rights to the Segment Prices as described in the preceding subsection to the Escrow Agent, and the District shall, pursuant to such assignment and without waiving or otherwise compromising any of its rights against, or releasing or otherwise affecting the obligations of, the applicable Owner, pay the Segment Prices to, or upon the order of, the Escrow Agent.

ARTICLE V
FINANCING OF COSTS OF PROJECTS AND PLANS AND SPECIFICATIONS

Section 5.1 (a) Any amounts due pursuant to any Construction Contract (including incidental costs relating thereto) after the sale and delivery of any of the Bonds (and while there are remaining, available, unrestricted proceeds of the sale of the Bonds) shall be provided for by the payment of such amounts from, and only from, the available, unrestricted proceeds of the sale of the Bonds to the extent only of the remaining amounts thereof (and, if applicable, cash collections, if any, from the Assessments). Proceeds of the sale of the Assessment Bonds shall only be applied for such purposes to amounts provided for Work.

(b) Until the sale and delivery of the Bonds, the District shall not have any obligation to pay such amounts. Neither the District or the Municipality shall be liable to the Owners' Agent or the Owners (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds of the sale of the Bonds are available for such purpose, and no representation or warranty is given that the Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Bonds shall be available to pay such amounts.

Section 5.2. (a) (1) To provide for any acquisition of a Segment occurring before the sale and delivery of the Bonds and after there are no remaining, available, unrestricted proceeds of the sale of the Bonds, the Segment Price of that Segment shall be advanced by the applicable Owner pursuant to the terms of this Agreement and the Conveyance for that Segment.

(2) As soon as possible after the sale and delivery of the Bonds, the amounts advanced by the applicable Owner for the Segment Price of a Segment prior to the sale and

delivery of the Bonds shall, subject to the requirements of Section 4.2, be paid to the Escrow Agent, as the assignee of the applicable Owner, from, and only from, the available, unrestricted proceeds of the sale of the Bonds to the extent only of the remaining amounts thereof (and, if applicable, cash collections, if any, from the Assessments). Neither the District nor the Municipality shall be liable to the Owners' Agent or the Owners (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price except to the extent available, unrestricted proceeds of the sale of the Bonds (and, if applicable, cash collections, if any, from the Assessments) are available for such purpose, and no representation or warranty is given that the Bonds can be sold or that sufficient available, unrestricted proceeds from the sale of the Bonds shall be available to pay any Segment Price. Proceeds of the sale of the Assessment Bonds shall only be applied for such purposes to amounts advanced for Work.

(3) Until the sale and delivery of the Bonds and after there are no available, unrestricted remaining proceeds of the sale of the Bonds, the District shall not have any obligation to repay the Owners' Agent or the Owners for any advance made by the Owners to pay a Segment Price.

(b) (1) Any acquisition of a Segment occurring after the sale and delivery of the Bonds (or of Plans and Specifications for a Project) which may occur only after sale and delivery of the Bonds (and while there are remaining, available, unrestricted proceeds of the sale of the Bonds) shall, subject to the requirements of Section 4.2, be provided for by the payment of the Segment Price for such Segment or of the costs of such Plans and Specifications as determined by the District Engineer and the District Manager based on actual amounts paid by the Owners to the Owners' Engineer therefor from, and only from, the available, unrestricted proceeds of the sale of the Bonds to the extent only of the remaining amounts thereof (and, if applicable, cash collections, if any, from the Assessments). Proceeds of the sale of the Assessment Bonds shall only be applied for such purpose to amounts provided for Work. (The District shall pay the costs of such Plans and Specifications to the applicable one of the Owners, as provided in Section 2.5 after approval of the Report and within thirty (30) days after receipt by the District Manager of evidence of exclusive ownership of the architectural materials (including memorandums, notes and preliminary and final drawings) and the related intellectual property rights (including copyright, if any) related to such Plans and Specifications, in all media, including electronic, and that the District shall be held harmless and be free to use such Plans and Specifications in any way it determines, including particularly, but not by way of limitation, giving them to another firm for the design of a similar structure in form and substance reasonably satisfactory to the District Manager; provided that the Owners assign their rights to such payments to the Owners' Agent and the District shall, pursuant to such assignment and without waiving or otherwise compromising any of its rights against, or releasing or otherwise affecting the obligations of, the applicable one of the Owners, pay such amounts to the Owners' Agent.)

(2) Until the sale and delivery of the Bonds, the District shall not have any obligation to pay such Segment Price or such costs of such Plans and Specifications. Neither the District or the Municipality shall be liable to the Owners' Agent or the Owners (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price or for the costs of such Plans and Specifications except to the extent available, unrestricted proceeds of the sale of the Bonds (and, if applicable, cash collections, if any, from the Assessments) are available for such purpose, and no representation or warranty is given that the Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Bonds shall be available to pay such Segment Price or such costs of such Plans and Specifications.

ARTICLE VI
MATTERS RELATING TO THE BONDS
AND OTHER OBLIGATIONS OF THE DISTRICT

Section 6.1. (a) Upon a written request of the Owners' Agent, the District Board shall, from time to time, take all actions necessary for the District to sell and issue in one or more series an applicable type and amount of the Bonds in an amount sufficient to repay advances for or to pay directly from the available, unrestricted proceeds thereof the total of all amounts due for the purposes of any Construction Contract for the Infrastructure and the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, to be established pursuant hereto plus all relevant issuance costs related thereto (except that amounts due in those respects with regard to Work which shall be provided from the proceeds of the sale of Assessment Bonds). To the extent the District is not otherwise prohibited from agreeing pursuant to applicable law, until such time as the Owners hold fee title to less than fifteen percent (15%) of the total acreage of the Property, the District shall not undertake the issuance of any of the Bonds to finance costs of any public infrastructure other than the Infrastructure without written approval of the Owners' Agent.

(b) If the Bonds are not issued or if the available, unrestricted proceeds of the sale of the Bonds are insufficient to pay any or all of the amounts due described in Section 5.1 or all of the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, there shall be no recourse against the District or the Municipality for, and neither the District nor the Municipality shall have liability with respect to, such amounts so due or the Segment Prices for the Acquisition Infrastructure, except from the available, unrestricted proceeds of the sale of the Bonds, if any and as applicable.

Section 6.2. (a) The District shall not issue any series of the Bonds unless the corresponding series of the Bonds shall receive one of the four highest investment grades by a nationally recognized bond rating agency or shall be sold in other than a "public sale" (as such term is used in the Act) as provided in Section 6.2(c)(6)(A) or otherwise with restrictions on subsequent transfer thereof under such terms as the District Board shall, in their sole discretion, approve.

(b) (1) The total aggregate principal amount of all of the series of the General Obligation Bonds shall not exceed $_____, to be approved at the election described in the recitals to this Agreement.

(2) A series of the General Obligation Bonds shall only be issued if the debt service therefor can be amortized with substantially equal amounts of annual debt service from amounts generated by a tax rate of not to exceed $3.25 per one hundred dollars of secondary assessed valuation of property within the boundaries of the District as indicated on the tax roll for the current tax year. For purposes of the foregoing, a delinquency factor for tax collections equal to the greater of five percent (5%) and the historic, average, annual, percentage delinquency factor for the District as of such Fiscal Year shall be assumed; all property in the District owned by the Owners or any entity owned or controlled (as such term is used in the Securities Act) by the Owners shall be assigned the last value such property had when categorized as "vacant" for purposes of secondary assessed valuation and the debt service for any outstanding series of the General Obligation Bonds theretofore issued shall be taken into account in determining whether such tax rate will produce adequate debt service tax collections; provided, however, that the first series of the General Obligation Bonds shall be issued no later than necessary to have the debt service tax costs therefor appear on the first tax bill applicable to any single family residential dwelling unit to be located within the boundaries of the District to be owned by other than the Owners or any entity owned or controlled (as such term is used in the Securities Act) by the Owners or any homebuilder to whom the Owners or any entity owned or controlled (as such term is used in the Securities Act) by the Owners sells property within the boundaries of the District.

(3) If necessary in the reasonable discretion of the District Board, the "sale proceeds" of the sale of each series of the General Obligation Bonds shall include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on that series of the General Obligation Bonds, in an amount equal to not more than the maximum amount permitted by the Code.

(c) (1) In the case of the Assessment Bonds, the Assessments shall be levied pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable and except as otherwise provided herein, upon the applicable Assessed Property, shall be collected pursuant to the procedures prescribed by Sections 48-599 and 600, Arizona Revised Statutes, as amended, as nearly as practicable and, in the event of nonpayment of any of the Assessments, the procedures for collection thereof and sale of the applicable portion of the Assessed Property prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes, as amended, shall apply, as nearly as practicable, except that neither the District nor the Municipality is required to purchase any of the Assessed Property at the sale if there is no other purchaser.

(2) The applicable Owner shall accept the applicable Assessments and have the Assessments allocated and recorded with the County Recorder of Pinal County, Arizona, by means of an amendment to this Agreement in which such Owner shall join the District against the various parcels comprising the Assessed Property; provided, however, that the District Board in its sole and absolute discretion may modify the Assessments after the Assessments have been legally assessed to correspond to subsequent changes in the development of the affected property but in no case shall the Assessments be reduced below a total necessary to provide for debt service for the corresponding Assessment Bonds.

(3) Assessed Property shall receive benefits from Work equal to not less than the Assessments as so allocated to the parcels into which the Assessed Property is or is to be divided, and the Assessments shall be final, conclusive and binding upon the Owners whether or not the Work is completed in substantial compliance with the Plans and Specifications.

(4) To prepay in whole or in part the applicable portion of any of the Assessments, the following shall be paid in cash to the District: (I) the interest on such portion to the next date Bonds may be redeemed plus (II) the unpaid principal amount of such portion plus (III) any premium due on such redemption date with respect to such portion plus (IV) any administrative or other fees charged by the District with respect thereto less (V) the amount by which any reserve therefor may be reduced on such redemption date as a result of such prepayment. The resulting prepayment amount shall then be rounded up to the next highest multiple of $1,000.

(5) The Owners hereby acknowledge that lenders and other parties involved in financing future improvements on Assessed Property (including mortgages for single family residences) may require that liens associated with the Assessments (or applicable portions thereof) be paid and released prior to accepting a lien with respect to any such financing.

(6) (A) At the time of sale of any series of the Assessment Bonds, an appraisal prepared by an MAI appraiser must show that the bulk, wholesale value of the applicable Assessed Property with all of the Infrastructure described in the applicable Report in place is worth at least three (3) times as much as the principal amount of such series of the Assessment Bonds. Notwithstanding the foregoing, if such series of the Assessment Bonds are purchased by an Owner or any affiliate thereof and are issued in a form in which they can only be transferred as described in the next sentence, such an appraisal must show that such value is worth at least one (1) times as much as the principal amount of a series of the Assessment Bonds. If such appraisal shows that such value is at least two (2) times as much as the principal amount of the series of the Assessment Bonds described in the preceding sentence, Assessment Bonds of such series shall be transferable to any "institutional investors"

such as, but not limited to, financial institutions, insurance companies, pension funds, sophisticated municipal market professionals and other such similar entities.

(B) If necessary in the reasonable discretion of the District Board, the "sale proceeds" of the sale of a series of the Assessment Bonds shall include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on such series of the Assessment Bonds, up to an amount equal to the maximum amount permitted by the Code. Payment from such reserve shall not effect a reduction in the amount of the applicable Assessments, and any amount collected with respect to the applicable Assessments thereafter shall be deposited to such reserve to the extent the applicable Assessments are so paid therefrom.

Section 6.3. Other than (1) this Agreement, (2) the Bonds and (3) any obligations necessary in connection with either of the foregoing, the District shall not incur, or otherwise become obligated with respect to, any other obligations.

ARTICLE VII
ACCEPTANCE BY THE MUNICIPALITY

Section 7.1. Simultaneously with the payment of the related Segment Price or completion of construction of a Project, the Segment of Acquisition Infrastructure or the Project constructed is hereby accepted (including for purposes of maintenance and operation thereof if not theretofore provided) by the Municipality, subject to the conditions pursuant to which facilities such as the Acquisition Projects and the Projects so constructed are typically accepted by the Municipality and thereafter shall be made available for use by the general public.

ARTICLE VIII
INDEMNIFICATION

Section 8.1. (a) The Owner (1) shall indemnify and hold harmless each Indemnified Party for, from and against any and all losses, claims, damages or liabilities as any of them relate to matters arising from the Owner, the Owners' Agent, or the Infrastructure arising from carrying out activities pursuant to the provisions of Section 10.3(b) or any challenge or matter relating to the formation, activities or administration of the District (including the establishment of the Assessed Property), or the carrying out of the provisions of this Agreement (but not for any matters which are related to infrastructure which is not part of the Infrastructure), including particularly but not by way of limitation for any losses, claims or damages or liabilities (A) related to any Acquisition Project Construction Contract or Project constructed pursuant to a Construction Contract including claims of any contractor, vendor, subcontractor or supplier, (B) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in any offering document relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Owners' Agent (which consent shall not be unreasonably withheld) and (2) shall reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the foregoing shall not apply to any loss, claim, damage or liability relating to or arising from the activities or administration of the District with respect to any portion of the Infrastructure that has been accepted by the Municipality pursuant to Section 7.1.

(b) Section 8.1(a) shall, however, not be applicable to any of the following:

(1) matters involving any gross negligence or willful misconduct of any Indemnified Party,

(2) any loss, claim, damage or liability for which insurance coverage is actually procured which names the District as an insured, in order to provide insurance against the errors and omissions of the District Board or the other representatives, agents or employees of the District and any loss, claim, damage or liability that is covered by any commercial general liability insurance policy actually procured which names the District as an insured (provided, however, that if the Owner also have insurance coverage for any such loss, claim, damage or liability, claims shall be made first against such coverage),

(3) any loss, claim, damage or liability arising from or relating to defects in any Infrastructure that are not known to the Owner or the Owners' Agent and are discovered one (1) year or more following acceptance thereof by the Municipality pursuant to Section 7.1 or

(4) matters arising from or involving any breach of this Agreement by the District or any other Indemnified Party.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Owner, notify the Owners' Agent in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified Party. Failure of the Indemnified Party to give such notice shall reduce the liability of the Owner by the amount of damages attributable to the failure of the Indemnified Party to give such notice to the Owners' Agent, but the omission to notify the Owners' Agent of any such action shall not relieve the Owner from any liability that any of them may have to such Indemnified Party otherwise than under this section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Owners' Agent of the commencement thereof, the Owner may, or if so requested by such Indemnified Party shall, participate therein or defend the Indemnified Party therein, with counsel satisfactory to such Indemnified Party and the Owner (it being understood that, except as hereinafter provided, the Owner shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Owners' Agent to such Indemnified Party of an election so to assume the defense thereof, the Owner, the Owners' Agent shall not be liable to such Indemnified Party under this section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that unless and until the Owner defend any such action at the request of such Indemnified Party, the Owner shall have the right to participate at their own expense in the defense of any such action. If the Owner shall not have employed counsel to defend any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Owner (in which case the Owner shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, the legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Owner.

Section 8.2. To the extent permitted by applicable law, the District shall indemnify, defend and hold harmless each Indemnified Party for, from and against any and all liabilities, claims or demands for injury or death to persons or damage to property arising from in connection with, or relating to the performance of this Agreement. The District shall not, however, be obligated to indemnify the District Indemnified Parties with respect to damages caused by the negligence or willful misconduct of the District Indemnified Parties. The District shall not indemnify, defend and hold harmless the Municipality with respect to matters relating to public infrastructure owned by the Municipality.

ARTICLE IX
PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 9.1. (a) To provide for expenses and costs for agents or third parties required to administer the General Obligation Bonds and the levy and collect *ad valorem* taxes for payment of the General Obligation Bonds and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and shall be paid from amounts available from the tax levy described in Section 6.2(b)(2).

(b) To provide for the payment of expenses and costs for agents or third parties required to administer the Assessment Bonds and the levy and collection of the Assessments and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and shall be paid from amounts collected for such purposes as a portion of the interest portion of the installments due with respect to the applicable Assessments.

Section 9.2. (a) To provide for the payment of the District Expenses and the O/M Expenses, the District Board shall levy all or a portion of the O/M Tax and shall apply the collections of the O/M Tax *first* to pay the District Expenses and *second* to pay the O/M Expenses. To the extent the collections of the O/M Tax are not sufficient to pay the District Expenses and the O/M Expenses, the Owner shall, to the extent of reasonable amounts necessary therefor, be liable and obligated to pay, or, on a reasonable basis acceptable to the District Manager in his sole discretion, obligate a homeowner's or similar association to pay, to the District on July 1 of each fiscal year of the District the amount of any shortfall indicated in the District Budget with respect to the District Expenses and the O/M Expenses, including any amount required because of any shortfall in the prior Fiscal Year as provided in such District Budget and no matter how such shortfall was otherwise funded. The District shall only levy the O/M Tax in an amount necessary for the District Expenses and the O/M Expenses reflected in the District Budget for the Fiscal Year of the District and only in reasonable amounts therefor. The obligations of the Owner pursuant to this Section shall not exceed $50,000 per Fiscal Year beginning with the first full Fiscal Year after the execution and delivery hereof by the District [provided, however, that for any period prior thereto such obligations shall not exceed $50,000 times the number of full months remaining in such Fiscal Year divided by twelve (12)] and shall only be effective until the July 1 after the levy of the O/M Tax at $0.30 per $100.00 of secondary assessed valuation could first result in the collections of $50,000, given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%).

(b) In the event the District Board has required a Letter of Credit from Owner, the Letter of Credit shall be provided by the Owners no later than November 1, 20__, and shall be drawn to its full amount and payable to the District upon the written demand of the District Manager to institutions supplying the Letter of Credit if any of the following occurs: (a) the nonpayment by July 31 of any Fiscal Year of any amount due pursuant to this Section by the Owners; (b) the cancellation, termination or non-renewal of the Letter of Credit and a failure by the Owners to substitute the Letter of Credit not less than thirty (30) days before its cancelation, termination or expiration date or (c) a reduction of the rating for the uninsured, unsecured and unguaranteed obligations of the issuer of the Letter of Credit as promulgated by Standard & Poor's Rating Group, a division of McGraw Hill Companies below "BBB" without the District having received within sixty (60) days after the date of such reduction a substitute for the Letter of Credit. The Letter of Credit shall only be effective until the July 1 after the levy of the O&M Tax as described in the preceding sentence first results in collections of $50,000.

Section 9.3. The Original Owner shall deposit $50,000 as a deposit on account to be applied by the Municipality in its reasonable discretion to pay Initial Expenses upon written demand by the District Manager. When $45,000 of the $50,000 deposit is expended, an accounting will be made to the Owner of all amounts incurred by the Municipality for the Initial Expenses to date, and the Owner

shall be liable and obligated, jointly and severally, upon prior presentment of reasonably detailed supporting documentation to provide additional funds as necessary for the Initial Expenses in an amount requested by the Municipality which must be paid forthwith and which shall thereafter be the subject of a similar accounting. Amounts paid pursuant to this Section by the Owner which may be reimbursed under applicable law from the proceeds of the sale of the General Obligation Bonds shall, at the request of the Owners' Agent and to the extent of available amounts therefore, be included as part of the purpose of the General Obligation Bonds. The obligations of the Owner pursuant to this Section shall only be effective until the first full Fiscal Year after the first Fiscal Year in which the O/M Tax is levied.

ARTICLE X
MISCELLANEOUS

Section 10.1. None of the Municipality, the District, the Owners or the Owners' Agent shall knowingly take, or cause to be taken, any action which would cause interest on any Bond to be includable in gross income for federal income tax purposes pursuant to Section 61 of the Code.

Section 10.2. (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Bonds may be then or in the future be outstanding, the Disclosure Statement shall be produced by the Owner; provided, however, that the Disclosure Statement may be modified as necessary in the future to adequately describe the District and the Bonds and source of payment for debt service therefor as agreed by the District Manager and the Owner.

(b) The Owner shall or shall require that the Owner or each homebuilder to whom the Owner has sold land:

(1) cause any purchaser of land to sign the Disclosure Statement upon entering into a contract for purchasing such land;

(2) provide a copy of each fully executed Disclosure Statement to be filed with the District Manager and

(3) provide such information and documents, including audited financial statements to any necessary repository or depository, but only to the extent necessary for the underwriters of the Bonds to comply with Rule 15c2-12 of the Securities Exchange Act of 1934.

Section 10.3. (a) This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns and the rights and obligations under this Agreement are attached to and run with the Property; provided, however, that none of the parties hereto shall be entitled to assign its right hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Agreement, which consent shall not be unreasonably withheld. Except for the “hold harmless” provisions of Sections 8.1 and 10.20, this Agreement shall not create conditions or exceptions to title to or, except with regard to waivers, consents and other matters relating to the Assessments, covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this Section when issuing any commitment to insure title to any individual lot or tract or when issuing a title insurance policy for any individual lot or tract. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot or tract (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer or commercial purchaser by a recorded deed (or conveyance of a tract to a homeowner association or governmental authority). For this section, "lot" shall be any lot upon which a home or commercial building has been completely

constructed and approved to be occupied that is contained in a recorded subdivision plat that has been approved by the Municipality.

(b) Notwithstanding the interests of the Owners in the Property and the activities to be undertaken hereunder and except as provided in Section 2.1, representatives of the Municipality and the District shall only take direction from representatives of the Owners' Agent identified in writing to the City Manager of the Municipality and the District Manager of the District with respect to the subject matter of this Agreement and all matters incidental thereto.

Section 10.4. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

Section 10.5. This Agreement sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto; provided, however, that if an amendment is solely for the purpose of designating certain parcels of Property and portions of Infrastructure (as contemplated by the definitions of "Assessed Property" and "Work" in connection with Assessments) and accepting, allocating and recording Assessments against such parcels (as contemplated by Section 6.2(c)(2)) and waivers related thereto, then such amendment need be signed only by (and shall be effective against only) the District and the Owner of such parcels and that such an amendment shall be effective against the Owners and the Owners' Agent of the District only if such amendment does not amend Section 7.1 or 9.3 and shall be effective against the Owners and the Owners' Agent, the District and the Municipality, as applicable, only if such amendment only amends Sections 7.1 or 9.3 as it relates to the Municipality. Otherwise, this Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party.

Section 10.6. Compliance by the District with the provisions hereof shall be considered satisfaction on behalf of the Municipality of the corresponding requirements thereof of the Land Development Agreement. This Agreement shall be governed by and interpreted in accordance with the laws of the State.

Section 10.7. The waiver by any party hereto of any right granted to it under this Agreement shall not be deemed to be a waiver of any other right granted in this Agreement nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Agreement.

Section 10.8. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 10.9. (a) The Municipality and the District may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, is, at any time while this Agreement is in effect, an employee or agent of the Owner in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, from the Owner arising as the result of this Agreement. The Owner have not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Owner in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement. (b) To the extent

applicable under Section 41-4401, Arizona Revised Statutes, the Owners each shall comply with all federal immigration laws and regulations that relate to their employees and their compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by any of them of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the District. The District retains the legal right to randomly inspect the papers and records of the Owners to ensure that they are complying with the foregoing. The Owners shall keep such papers and records open for random inspections during normal business hours by the District. The Owner shall cooperate with the random inspections by the District including granting the District entry rights on to their property to perform such random inspections and waiving their respective rights to keep such papers and records confidential.

Section 10.10. The term of this Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of the agreement of the District, the Municipality, the Owner to the termination hereof, December 1, 2064, and the date on which all of the Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 10.11. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:

City of Coolidge, City Manager
130 West Central Avenue
Coolidge, Arizona 85228
(520) 723-5361 (Telephone)
(520) 723-7910 (Fax)

If to the District:

City of Coolidge, District Manager
130 West Central Avenue
Coolidge, Arizona 85228
(520) 723-5361 (Telephone)
(520) 723-7910 (Fax)

If to the Owner addressed to the appropriate of them at:

Mr. Jackob Andersen
c/o Pinal Land Holdings, LLC
7702 East Doubletree Ranch Road
Scottsdale, Arizona 85258
(480) 209-9365 (Telephone)

With a copy to:

Jordan Rose, Esq.
7144 E. Stetson Drive, Suite 300
Scottsdale, Arizona 85251

(602) 505-3939 (Telephone)

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.12. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 10.13. The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

Section 10.14. This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law; provided, however, that if the provisions of this Agreement conflict in any particular with those of the Land Development Agreement relating to the District, the provisions of this Agreement shall supersede and control those of the Land Development Agreement, as amended, in all respects.

Section 10.15. No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Original Owners shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Pinal County, Arizona.

Section 10.16. The recitals to this Agreement are incorporated herein by this reference and shall be treated as part of this Agreement. Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

Section 10.17. If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of *Force Majeure*, then the failure to observe or perform such covenant or condition shall not constitute a default hereunder so long as such party shall use its best efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time.

Section 10.18. Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed unless specifically otherwise limited as provided herein.

Section 10.19. Notwithstanding any other provision of this Agreement to the contrary, the provisions of Sections 7.1, 8.1, 8.2, 8.4, 9.3, 10.1, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.16, 10.17, 10.18 and 10.20 are the only provisions that are effective against the Municipality for purposes of the Intergovernmental Agreement Act and as the Intergovernmental Agreement Act is intended to be applied for purposes of this Agreement.

Section 10.20. (a) Notwithstanding any provision of this Agreement to the contrary, no act, requirement, payment, or other agreed upon action to be done or performed by the Municipality or the District which would, under any federal, state, or Town constitution, statute, charter provision, ordinance or regulation, require formal action, approval or concurrence by the City Council or the District Board, respectively, shall be required to be done or performed by the Municipality or the District, respectively, unless and until said formal action of the City Council or the District Board, respectively, has been taken and completed. This Agreement in no way acquiesces to or obligates the Municipality or the District to perform a legislative act.

(b) Failure or unreasonable delay by any party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (hereinafter referred to as the "Cure Period") after written notice thereof from any other party, shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within said thirty (30) day period and diligently proceeds to complete such performance or fulfill such obligation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, any non-defaulting party shall have all rights and remedies that are set forth in the next subsection.

(c) Except as provided in subsection (b), the parties shall be limited to the remedies and the dispute resolution procedure set forth in this subsection and subsection (d). Any decision rendered by the Panel (as hereinafter defined) pursuant to the provisions of subsection (d) shall be binding on the parties unless and until a court of competent jurisdiction renders its final decision on the disputed issue, and if any party does not abide by the decision rendered by the Panel during the pendency of an action before the court of competent jurisdiction or otherwise (if no court action), any other party may institute an action for money damages on the issues that were the subject of the Panel's decision and/or any other relief as may be permitted by law.

(d) (1) If an event of default is not cured within the Cure Period, any non-defaulting party may institute the dispute resolution process set forth in this subsection (hereinafter referred to as the "Process") by providing written notice initiating the Process (hereinafter referred to as the "Initiation Notice") to the defaulting party.

(2) Within fifteen (15) days after delivery of the Initiation Notice, each involved party shall appoint one person to serve on an arbitration panel (herein referred to as the "Panel"). Within twenty-five (25) days after delivery of the Initiation Notice, the persons appointed to serve on the Panel shall themselves appoint one person to serve as a member of the Panel. Such person shall function as the chairman of the Panel.

(3) The remedies available for award by the Panel shall be limited to specific performance, declaratory relief, mandamus and injunctive relief.

(4) Any party can petition the Panel for an expedited hearing if circumstances justify it. Such circumstances shall be similar to what a court would view as appropriate for injunctive relief or temporary restraining orders. In any event, the hearing of any dispute not expedited shall commence as soon as practicable, but in no event later than forty-five (45) days after selection of the chairman of the Panel. This deadline can be extended only with the consent of all parties to the dispute or by decision of the Panel upon a showing of emergency circumstances.

(5) The chairman of the Panel shall conduct the hearing pursuant to the Center For Public Resources' Rules for Non-Administered Arbitration of Business Disputes then in effect. The chairman of the Panel shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence, consistent with the deadlines provided herein, and the parties' objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The chairman of the Panel upon proper application shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Court to have a protective order entered as may be appropriate to confirm such orders of the chairman of the Panel.

(6) The hearing, once commenced, shall proceed from business day to business day until concluded, absent a showing of emergency circumstances. Except as otherwise provided herein, the Process shall be governed by the Uniform Arbitration Act as enacted in the State.

(7) The Panel shall, within fifteen (15) days from the conclusion of any hearing, issue its decision. The decision shall be rendered in accordance with this Agreement and the laws of the State.

(8) Any involved party may appeal the decision of the Panel to the Court for a *de novo* review of the issues decided by the Panel, if such appeal is made within thirty (30) days after the Panel issues its decision. The remedies available for award by the Court shall be limited to specific performance, declaratory relief, mandamus and injunctive relief. The decision of the Panel shall be binding on both parties until the Court renders a binding decision. If a non-prevailing party in the Process fails to appeal to the Court within the time frame set forth herein, the decision of the Panel shall be final and binding. If one party does not comply with the decision of the Panel during the pendency of the action before the Court or otherwise, then another party shall be entitled to exercise all rights and remedies that may be available under law or equity, including without limitation the right to institute an action for money damages related to the default that was the subject of the Panel's decision and the provisions of this subsection shall not apply to such an exercise of rights and remedies.

(9) All fees and costs associated with the Process before the Panel, including without limitation the fees of the Panel, other fees, and the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party or parties. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Panel. Similarly, all fees and costs associated with an appeal to the Court or any appellate court thereafter, including without limitation, the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Court.

* * *

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the officers of the Owner their signatures, all as of the day and year first written above.

CITY OF COOLIDGE, ARIZONA

By.....
_____, Mayor

ATTEST:

.....
_____, City Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the Municipality who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the Municipality.

.....
_____City Attorney

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate (s) relate (s) to the District Development, Financing Participation, Waiver and Intergovernmental Agreement (Community Facilities District No. __), dated as of _____, executed by the City of Coolidge, Arizona, a municipal corporation, _____ Community Facilities District, an Arizona community facilities district and _____ (the "Notarized Document"). The Notarized Document contains a total of _____ pages.

_____ COMMUNITY
FACILITIES DISTRICT NO. __

By.....
_____, Chairman, District Board

ATTEST:

.....
_____, District Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the District, who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the District.

.....
_____District
Counsel

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate (s) relate (s) to the District Development, Financing Participation, Waiver and Intergovernmental Agreement (Community Facilities District No. __), dated as of _____, executed by the City of Coolidge, Arizona, a municipal corporation, _____ Community Facilities District, an Arizona community facilities district and _____ (the "Notarized Document"). The Notarized Document contains a total of _____ pages.

OWNER**:**

Pinal Land Holdings, LLC a Delaware limited liability company

By: _____

Printed Name: _____

Title _____

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this ___ day of _____, 201_, by _____, the _____ of Pinal Land Holdings, LLC a Delaware limited liability company.

_____
Notary Public

(Affix Seal Here)

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate (s) relate (s) to the District Development, Financing Participation, Waiver and Intergovernmental Agreement (Community Facilities District No. __), dated as of _____, executed by the City of Coolidge, Arizona, a municipal corporation, _____ Community Facilities District, an Arizona community facilities district and _____ (the "Notarized Document"). The Notarized Document contains a total of _____ pages.

____OWNER'S AGENT, LLC, an _____

limited liability company

By: _____

Printed Name: _____

Title _____

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this ___ day of _____, 201_, by _____, the _____ of _____ Owner's Agent, LLC a _____ limited liability company.

_____
Notary Public

(Affix Seal Here)

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate (s) relate (s) to the District Development, Financing Participation, Waiver and Intergovernmental Agreement (Community Facilities District No. __), dated as of _____, executed by the City of Coolidge, Arizona, a municipal corporation, _____ Community Facilities District, an Arizona community facilities district and _____ (the "Notarized Document"). The Notarized Document contains a total of _____ pages.

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this ..... day of ....., 20__, by _____, as Chairman of the District Board of _____ Community Facilities District No. __, an Arizona community facilities district.

.....
Notary Public

My commission expires:

.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate (s) relate (s) to the District Development, Financing Participation, Waiver and Intergovernmental Agreement (Community Facilities District No. __), dated as of _____, executed by the City of Coolidge, Arizona, a municipal corporation, _____ Community Facilities District, an Arizona community facilities district and _____ (the "Notarized Document"). The Notarized Document contains a total of _____ pages.

ATTACHMENTS:

EXHIBIT A	--	Legal Description Of The Property
EXHIBIT B	--	Form Of Certificate Of Engineers For Conveyance Of Segment Of Project
EXHIBIT C	--	Form Of Conveyance Of Segment Of Project
EXHIBIT D	--	Form Of Disclosure Statement

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY
TO BE INCLUDED IN THE DISTRICT

EXHIBIT B

FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(insert description of Acquisition Project/Segment)

STATE OF ARIZONA	)
COUNTY OF PINAL	)
CITY OF COOLIDGE	) ss.
_____ COMMUNITY	)
FACILITIES DISTRICT NO. __	)

We the undersigned, being Professional Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for _____ Community Facilities District No. __ (hereinafter referred to as the "District"), and the engineer employed by ..... (hereinafter referred to as "the Infrastructure Seller"), each hereby certify for purposes of the District Development, Financing Participation and Intergovernmental Agreement (_____ Community Facilities District No. __), dated as of _____, 20__ (hereinafter referred to as the "Agreement"), by and among the District, the City of Coolidge, Arizona and the Infrastructure Seller that:

1. The Segment indicated above has been performed in every detail pursuant to the Plans and Specifications (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) and the Acquisition Project Construction Contract (as modified by any change orders permitted by the Agreement) for such Segment.

2. The Segment Price as publicly bid and including the cost of approved change orders for such Segment is $.....

3. The Infrastructure Seller provided for compliance with the requirements for public bidding for such Segment as required by the Agreement (including, particularly but not by way of limitation, Title 34, Chapter 2, Article 1, Arizona Revised Statutes, as amended) in connection with award of the Acquisition Project Construction Contract for such Segment.

4. The Infrastructure Seller filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.

5. The Infrastructure Seller obtained good and sufficient performance and payment bonds in connection with such Contract.

DATED AND SEALED THIS ..... DAY OF ....., 20...

By.....
District Engineer

[P.E. SEAL]

[P.E. SEAL]

By.....
Engineer for the Owner

[Confirmed for purposes of Section
3.5 of the Development Agreement by

.....
Manager for _____ Community
Facilities District No. __*]

***[THIS WILL BE <u>REQUIRED</u>
FOR EVERY SEGMENT ACQUIRED
WITH PROCEEDS OF THE
SALE OF THE BONDS!!!]***

---

* To be inserted if the provisions of Section 3.5 hereof are applicable to the respective Segment of the Project

EXHIBIT C

FORM OF CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(Insert description of Acquisition Project/Segment)

STATE OF ARIZONA)
COUNTY OF PINAL)
CITY OF COOLIDGE) ss.
_____ COMMUNITY)
FACILITIES DISTRICT NO. __)

KNOW ALL MEN BY THESE PRESENTS THAT:

..... the "Owner"), for good and valuable consideration received by the Owner from _____ Community Facilities District No. __, a community facilities district formed by the City of Coolidge, Arizona (the "Municipality"), and duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), receipt of which is hereby acknowledged [, and the promise of the District to hereafter pay the amounts described in the hereinafter described Development Agreement]*, does by these presents grant, bargain, sell and convey to the District, its successors and assigns, all right, title and interest in and to the following described property, being the subject of a District Development, Financing Participation and Intergovernmental Agreement (_____ Community Facilities District No. __), dated as of_____, 20__, by and among the Owner, the Municipality and the District and more completely described in such Development Agreement:

[Insert description of Acquisition Project/Segment]

together with any and all benefits, including warranties and performance and payment bonds, under the Acquisition Project Construction Contract (as such term is defined in such Development Agreement) or relating thereto, all of which are or shall be located within utility or other public easements dedicated or to be dedicated by plat or otherwise free and clear of any and all liens, easements, restrictions, conditions, or encumbrances affecting the same [, such subsequent dedications not affecting the promise of the District to hereafter pay the amounts described in such Development Agreement][*], but subject to all taxes and other assessments, reservations in patents, and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, leases, and liabilities or other matters as set forth on Exhibit I hereto.

---

* Insert with respect to any acquisition financed pursuant to Section 5.2(a) hereof.

* Insert with respect to any acquisition financed pursuant to Section 5.2(a) hereof.

TO HAVE AND TO HOLD the above-described property, together with all and singular the rights and appurtenances thereunto in anywise belonging, including all necessary rights of ingress, egress, and regress, subject, however, to the above-described exception(s) and reservation(s), unto the District, its successors and assigns, forever; and the Owner do hereby bind themselves, their successors and assigns to warrant and forever defend, all and singular, the above-described property, subject to such exception(s) and reservation(s), unto the District, its successors and assigns, against the acts of the Owner and no other.

The Owner bind and obligate themselves, their successors and assigns, to execute and deliver at the request of the District any other or additional instruments of transfer, bills of sale, conveyances, or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the transfer to the District of the above-described property, subject to the exception(s) and reservation(s) hereinabove provided.

This conveyance is made pursuant to such Development Agreement, and the Owner hereby agree that the amounts specified above and paid [or promised to be paid*] to the Owner hereunder satisfy in full the obligations of the District under such Development Agreement and hereby release the District from any further responsibility to make payment to the Owner under such Development Agreement except as above provided.

The Owner, in addition to the other representations and warranties herein, specifically make the following representations and warranties:

1. The Owner has the full legal right and authority to make the sale, transfer, and assignment herein provided.

2. The Owner is not a party to any written or oral contract which adversely affects this Conveyance.

3. The Owner are not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.

4. The Owner is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of this Conveyance.

5. The person executing this Conveyance on behalf of the Owner has full authority to do so, and no further official action need be taken by the Owner to validate this Conveyance.

6. The facilities conveyed hereunder are all located within property owned by the Owner or utility or other public easements dedicated or to be dedicated by plat or otherwise.

IN WITNESS WHEREOF, the Owner have caused this Conveyance to be executed and delivered this ..... day of ....., 20...

.....

By.....

By.....

Title:.....

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

This instrument was acknowledged before me on ....., 200.. by ....., of ....., a ....., on behalf of said corporation.

.....
Notary Public

.....
Typed/Printed Name of Notary

[NOTARY SEAL] My Commission Expires:.....

EXHIBIT D

FORM OF DISCLOSURE STATEMENT

_____ COMMUNITY FACILITIES DISTRICT
DISCLOSURE STATEMENT

....., an .....* (the "Developer"), in conjunction with the City of Coolidge, Arizona (the "City"), have established a community facilities district ("CFD") at the development known as "_____." The CFD has financed and, in the future, will finance certain public infrastructure improvements, which will result in a property tax liability and a separate special assessment lien liability for each property owner of _____ resulting from being in the CFD.

BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona municipalities to form CFDs for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

HOW THE CFD WORKS

On _____, 20__, the Mayor and Council of the City formed the CFD which includes all of the residential and commercial property in ..... An election was held on February 21, 2006, at which time the owners of the property within the CFD voted to authorize up to $_____ of *ad valorem* tax bonds to be issued over time by the CFD to finance the acquisition or construction of ..... improvements. The proceeds of separate special assessment lien bonds will be used to finance acquisition or construction of .... improvements. Such improvements have been or will be dedicated to the City after acquisition or construction of such public infrastructure by the District. The City will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance up to $...,000,000 in public infrastructure improvements within ..... including financing costs related to such improvements. The initial bond issue is expected to be approximately $.....,000. The proceeds of this bond issue is currently expected to be utilized to finance the engineering, design and construction of ..... In addition, it is anticipated that approximately $.....,000 in bonds will be issued over the next ..... years for future phases of infrastructure at _____.

BENEFITS TO RESIDENTS

The bond issues by the CFD will benefit all residents within _____ by providing ..... improvements. This benefit was taken into account by the Developer in connection with establishing the price of the lot on which your home is to be located. Each resident of the CFD will participate in the repayment of the bonds in the form of an additional property tax to the current property taxes assessed by

other governmental entities as well as a separate special assessment lien payable twice a year in addition to such taxes. The added tax is currently deductible for purpose of calculating federal and state income taxes.

PROPERTY OWNERS' TAX AND ASSESSMENT LIABILITY

The obligation to retire the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Pinal County Treasurer in addition to all other property tax payments and the collection of installments of such assessment liens by the CFD. **(PLEASE NOTE THAT NO OTHER AREA WITHIN THE BOUNDARIES OF THE CITY IS SUBJECT TO A PROPERTY TAX OR AN ASSESSMENT LEVIED BY ANY OTHER COMMUNITY FACILITIES DISTRICT.)** Beginning in fiscal year 20...-0..., the CFD levied a not to exceed $..... per $100.00 of secondary assessed valuation tax rate to provide for repayment of the bonds and the payment of certain administrative expenses and of operation and maintaining the infrastructure it finances as well as a total assessment lien of $..... in principal amount.

Although the level of the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed $..... per $100.00 of secondary assessed valuation for as long as the bonds are outstanding. **(There can be no guarantee tax rates will not be increased to provide for repayment in the future.)**

IMPACT OF ADDITIONAL CFD PROPERTY TAX AND ASSESSMENT

The following illustrates the additional annual tax liability imposed by the CFD, based on varying residential values within _____ and a $..... tax rate:

Market Value of Residence	**Estimated Annual Additional Tax Liability***
$...,000	$.....
...,000	.....
...,000	.....
...,000	.....
...,000	.....
...,000	.....

_____

*Assumptions:

1. Market value is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.
2. Assumes residential property assessment ratio will remain at 10%.
3. Tax amount is computed by multiplying the tax rate per $100 of assessed value by full cash value times the assessment ratio.

The following illustrates the annual assessment liability imposed by the CFD which is in addition to the foregoing:

Market Value of Residence	**Estimated Annual Additional Assessment Liability**
$...,000	$.....
...,000	.....
...,000	.....
...,000	.....
...,000	.....
...,000	.....

Additional information regarding the description of infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the City of Coolidge City Clerk's office.

Your signature below acknowledges that you have read this disclosure document at the time you made your decision to purchase property at _____ and you signed your purchase contract and that you understand the property you are purchasing will be taxed and separately assessed to pay the CFD bonds described above.

....
Home Buyer(s) Signature/Date Home Buyer(s) Printed Name(s)

....
Home Buyer(s) Signature/Date ..... Parcel
No. ..... Lot No. .....

Exhibit D

Offsite Advertising and Signage Criteria

Off-site signs shall be permitted within Commercial and Industrial land use areas of an approved Planned Area Development (PAD) along existing or proposed freeways in accordance with the following development standards:

a. No off-site sign shall be closer than 1,000 feet from another off-site sign on the same side of the same street, highway or freeway as measured between closest support structures of each sign at ground level.

b. Sign faces may not be larger than 14 feet high by 40 feet wide per sign face; however, extensions integral to the design of the sign copy can exceed the allowed size by not more than 10 percent of the overall sign face area.

c. Off-site signs shall maintain the same setbacks as those required by the underlying zoning district for accessory structures.

d. Each off-site sign may contain up to 3 sign faces and each sign face must be oriented towards a street, highway or freeway. No off-site sign may have more than one sign face oriented at the same street, highway or freeway.

e. Off-site signs may utilize static or digital faces.

f. Digital off-site signs may not be externally illuminated.

g. When multiple advertisements are shown on a single digital sign face, each advertisement must remain on the sign face for at least 6 seconds.

h. Static off-site signs may be externally illuminated via sign mounted lighting if located more than 100 feet from a residential district boundary.

i. Off-site signs with multiple sign faces may utilize a combination of static and digital sign faces; however, each sign face must be one or the other.

j. Off-site signs shall not be audible in any manner.

k. Off-site signs shall be freestanding.

l. No off-site sign shall be located within 100 feet of a Single-Family residential district boundary, not including Agricultural districts.

m. As a part of regional commercial developments over 40 acres within Planned Area Developments, the City Council may approve off-site signs that deviate from these

development standards for parcels with a property boundary line located within two thousand (2,000) feet from Arizona Department of Transportation freeway right of way or from the approved alignment of an existing or proposed freeway with the approval of a comprehensive sign plan demonstrating cohesive theming and connection to the site, except that no off-site signage shall be allowed if any residential use is located between the proposed sign location and the existing or proposed freeway.

Exhibit E-1

Residential Development Standards

Single Family Residential Standards

Very Low Density Residential Development Standards

Development Standard	Single Family Residential Dwelling Units	
	Proposed District	City District
	Very Low Density Residential	R-1
Minimum Lot Area	12,000 SF	7,000 SF
Minimum Lot Width	100'	70'
Minimum Lot Depth	100'	100'
Maximum Building Height	30'	30'
Setbacks		
Front	20'	20'
Interior Side	5'/10'	5'/10'
Street Side	15'	20'
Rear	20'	20'

Uses allowed in the Very Low Density Residential district but not shown in the above table shall be governed by the R-1 zoning district of the Ordinance, or, if subsequent revisions to the Ordinance have renamed or removed the R-1 district those uses shall be governed by the district deemed most comparable by the Director of Growth Management.

Low and Medium Density Development Standards

Development Standard	Single Family Residential Dwelling Units				
	Proposed District				City District
	Low Density Residential	Low Density Residential	Low Density Residential	Low Density Residential	R-1
Minimum Lot Area	7,000 SF	6,000 SF	5,000 SF	2,500 SF	7,000 SF
Minimum Lot Width	70'	60'	40'	25'	70’
Minimum Lot Depth	100'	100'	80'	70'	100’
Maximum Building Height	30'	30'	30'	45'	30’
Setbacks					
Front (livable/front facing garage)	10'/18’	10'/18’	10'/18’	10'	20’
Interior Side	5'	5'	5'	0'/5'	5’/10’
Street Side	10'	10'	10'	8'	20’
Rear	10'	10'	10'	10'	20’

Development Standard	Single-Family Residential Dwelling Units		
	Proposed District		City District
	Medium Density Residential	Medium Density Residential	R-3
Minimum Lot Area	5,000 SF	2,500 SF	5,000 SF
Minimum Lot Width	40'	25'	45’
Minimum Lot Depth	80'	70'	90’
Maximum Building Height	30'	45'	30’
Setbacks			
Front (livable/front facing garage)	10'/18’	10'	20’
Interior Side	5'	0'/5'	5’/10’
Street Side	10'	8'	20’
Rear	10'	10'	20’

While the minimum lot size in the Neighborhood Residential is 5,000 square feet, this district will allow for lot sizes up to 18,000 square feet and larger. The target density for this district is four (4) dwelling units per acre. The maximum density of the Urban Neighborhood General Plan land use category is 4.5 dwelling units per acre.

Minimum building separation within the Medium Density Residential district must be a minimum of five (5) feet if greater than zero (0) feet. Side setbacks in conformance with these development standards are required for all housing product in the Medium Density Residential district other than attached units.

All development standards for Schools, civic, cultural and religious institutions will be governed by the R-2 zoning district standards as outlined in the Zoning Ordinance.

Driveways must be equal to or less than three (3) feet or equal to or greater than eighteen (18) feet.

Uses allowed by this PAD in the Low and Medium Density Residential districts but not shown in the above table shall be governed by the R-1 zoning district of the Ordinance for Low Density Residential and the R-3 zoning district of the Ordinance for Medium Density Residential, or, if subsequent revisions to the Ordinance have renamed or removed the R-3 district those uses shall be governed by the district deemed most comparable by the Director of Growth Management.

Single Family Residential Use Table

Land Use	Single Family Residential					
	Proposed District			City District		
	Very Low Density	Low Density	Medium Density	AG	R-1	R-2
Agricultural Activities	C	NP	NP	P	NP	NP
Auto Court, Z-Lot, Alley Loaded, Green Court, Zero Lot Line	NP	P	P	NP	NP	NP
Boarding of Horses	P	NP	NP	NP	C	NP
Cemeteries	NP	NP	NP	C	NP	NP
Churches/Civic/Cultural institutions	C	C	C	C	C	C
Day Care Centers	C	C	C	C	C	C
Electrical Sub Stations	C*	C*	C*	NP	C	C
Fences	A	A	A	A	A	A
Gas Regulating Stations	C*	C*	C*	NP	C	C
Golf Courses	C	C	C	C	C	C
Greenhouses (private)	A	A	A	A	A	A
Group Homes	C	C	C	C	C	C
Guest Houses	A	A	A	A	NP	NP
Home Occupations (with Home Occupation Permit)	A	A	A	A	A	A
Model Homes, Temporary	P	P	P	NP	C	C
Other Accessory Buildings and Structures	A	A	A	NP	A	A
Private Garages	A	A	A	A	A	A
Private or Jointly Owned Community Center Recreational Facilities, Pools, Tennis Courts, Spas	A	A	A	A	A	A
Public Buildings	C	C	C	C	C	C
Public Parks	P	P	P	P	P	P

Land Use	Single Family Residential					
	Proposed District			City District		
	Very Low Density	Low Density	Medium Density	AG	R-1	R-2
Public Utility Buildings, Structures, Equipment	C	C	C	C	NP	NP
Schools	P	P	P	NP	C	C
Sewer Lift Stations	C*	C*	C*	NP	C	C
Single Family Dwellings	P	P	P	P	P	P
Temporary sales and office buildings, accessory to construction	P	P	P	C	C	C
Tool Sheds, for storage of domestic supplies	A	A	A	A	A	A
Water Pump Stations	C*	C*	C*	NP	C	C
Water Towers	C**	C**	NP	NP	C	C

* Shall be permitted by right prior to construction of homes in the same development parcel.

**Water towers designed and used only for aesthetic purposes complimentary to project theming shall be permitted by-right.

P = Permitted

C = Conditionally Permitted

A = Permitted as Accessory Use

NP = Not Permitted

Multi-family Residential Use Table

Land Use	Multi-Family Residential			
	Proposed District		City District	
	Multi-Family Low	Multi-Family High	R-3	R-4
Auto Court, Z-Lot, Alley Loaded, Green Court, Zero Lot Line	P	NP	NP	NP
Churches/Civic/Cultural Institutions	C	C	C	C
Day Care Centers	C	C	C	C
Duplexes	P	NP	P	NP
Electrical Sub-stations	P	P	C	C
Fences	A	A	A	A
Four-Family Dwellings	P	NP	P	P
Gas Regulating Stations	P	P	C	C
Golf Courses	P	P	C	C
Greenhouses	A	A	A	A
Group Homes	C	C	C	C
Guest House	NP	NP	NP	NP
Model Homes, temporary	P	P	C	C
Multiple-Family Dwellings	P	P	P	P
Private Garages	A	A	A	A
Private or Jointly Owned Community Center Recreational Facilities, Pools, Tennis Courts, Spas	A	A	A	A
Public Buildings	C	C	C	C
Public Parks	P	P	P	P
Schools	P	P	C	C
Sewer Lift Stations	P	P	C	C
Single-Family Dwellings	P	C	P	NP
Temporary Sales and Office Buildings, accessory to construction	P	P	C	C
Three-Family Dwellings	P	C	P	P
Tool Sheds	A	A	A	A
Townhouse Cluster, not to exceed six (6) units	P	P	P	P

Land Use	Multi-Family Residential			
	Proposed District		City District	
	Multi-Family Low	Multi-Family High	R-3	R-4
Water Pump Stations	P	P	C	C
Water Towers	C	C	C	C

* Water towers designed and used only for aesthetic purposes complimentary to project theming shall be permitted by-right.

P = Permitted
C = Conditionally Permitted
A = Permitted as Accessory Use
NP = Not Permitted

Exhibit E-2

Commercial Development Standards

Commercial and Office Development Standards

The commercial and office development standards of the City of Coolidge Zoning Code (the "Zoning Code") dated February 2009 and as amended (Resolution 09-07 per Article 16-1, Coolidge City Code) applicable to the C-1, C-2, C-3, C-O and C-P zoning districts shall govern commercial and office development of the Property except as provided below.

The maximum height for a structure or building in the Commercial and Office zoning districts shall be 45 feet, with the exception that a structure or building may be erected to a height over 45 feet provided buildings over 35 feet in height shall be subject to additional fire protection as determined by the City Fire Chief.

Commercial and Office Use Tables

Land Use	Commercial				
	Proposed District		City District		
	Neighborhood Commercial	Community Commercial	C-1	C-2	C-3
Accessory Buildings as Approved by the Planning and Zoning Commission	A	A	A	A	A
Accessory Residential Uses, single family, when occupied by the owner or lessee, or watchman per Coolidge Zoning Ordinance	A	A	A	A	A
Adult Uses	NP	NP	NP	NP	C
Animal Hospitals, Clinics or Kennels, enclosed	C	P	NP	P	P
Antique Shops and Stores	P	P	NP	P	P
Apparel and Accessory Stores	P	P	NP	P	P
Appliance Sales and Services	P	P	NP	P	P
Art Supply Stores	P	P	NP	P	P
Athletic Clubs and Commercial Recreational Facilities	C	P	NP	P	P
Auto Body Repair	NP	P	NP	NP	P
Automobile Parking Lots or Garages (public or private)	NP	P	NP	P	P
Automobile Repair Shop	P	C	NP	C	C
Automobile Service Station	P	C	NP	C	C
Automobile Supply Stores	P	P	NP	P	P
Automobile Washing Establishment	C	C	NP	C	C
Automobile, Boat or Recreational Vehicle Sales, Service and Rental	NP	P	NP	NP	P
Bakeries for on-site sales, less than 3,500 square feet	P	P	P	P	P
Banks and other savings and lending institutions	P	P	P	P	P
Barber Shops	P	P	P	P	P
Beauty Parlors	P	P	P	P	P
Bicycle Sales, Service and Repair Shops	P	P	NP	P	P

Blueprint Shops	P	P	NP	NP	P
Boat Repair	C	P	NP	NP	P
Book and Stationary Stores	P	P	NP	P	P
Bowling Alley	C	P	NP	NP	P
Building Material Sales Yard, including sand and gravel	NP	P	NP	NP	P
Bus Terminal	NP	C	NP	C	P
Business and Office Machine Sales, Service and Repair Shops	NP	P	NP	P	P
Business Signs	A	A	A	A	P
Business, Technical or Vocational School	NP	C	NP	C	P
Candy and Ice Cream Stores	P	P	P	P	P
Catering Establishment	C	P	NP	P	P
Charity Dining Facilities, Homeless Shelter and Similar Services	NP	C	NP	C	C
Church or Place of Worship	P	P	C	C	C
Cigar and Tobacco Stores	P	P	P	P	P
Clothing and Costume Rental Shops	P	P	NP	P	P
Coffee Shop	P	P	P	P	P
Commercial Recreation Facilities	P	P	NP	P	C
Community Centers or Meeting Halls	C	P	NP	P	P
Contractor's Storage Yard	NP	P	NP	NP	P
Convenience Food Restaurant	P	P	NP	C	C
Convenience Food Store with Gas Station	C	C	NP	C	P
Convenience Food Store with not more than Four (4) Gas Pumps	C	C	C	C	C
Convenience Food Stores	P	P	C	P	P
Convenience Food Stores of not more than 3,500 square feet	P	P	P	P	P
Convenience Food Stores with Gas Pumps	C	C	NP	C	C

Custom Dressmaking, Furrier, Millinery or Tailor Shop Employing Five (5) Persons or less	P	P	NP	P	P
Dancing or Theatrical Studios	P	P	NP	P	P
Day Care Centers	C	P	C	C	C
Day Spa	P	P	NP	NP	NP
Delicatessen	P	P	NP	P	P
Department Store	NP	P	NP	P	P
Drug Store/Pharmacy	C	P	NP	P	P
Dry Cleaning and Laundry Establishments	P	P	P	P	P
Dry Goods and Notion Stores	NP	P	NP	P	P
Equipment Rental or Storage Yard	C	P	NP	NP	P
Essential Public Service or Utility Installations	P	P	P	P	P
Exterior Storage of Goods and Materials, provided all goods and materials are screened from view from adjacent properties and rights-of-way	NP	P	NP	NP	P
Exterminator Shop	C	C	NP	C	P
Feed Store, including yard	C	P	NP	NP	P
Florists	P	P	P	P	P
Food Banks	NP	C	NP	C	C
Frozen Food Locker	NP	P	NP	NP	P
Funeral Homes	C	P	C	C	C
Furniture Stores	P	P	NP	P	P
Game Rooms/Pool Halls	C	P	NP	P	P
Garden Supply Store	P	P	NP	C	P
Gas Stations	C	C	NP	C	P
Gift Shops	P	P	P	P	P
Golf Driving Range	NP	P	NP	NP	P
Granary, Elevator Storage	NP	NP	NP	NP	P
Greenhouse	NP	P	NP	NP	P
Grocery Store	P	P	NP	P	P
Gunsmith or Shooting Range, Indoor Only	NP	C	NP	NP	NP
Hardware Store (no exterior storage)	P	P	NP	P	P

Health and Exercise Centers	P	P	NP	P	P
Hobby, Stamp and Coin Shop	P	P	NP	P	P
Hospitals	NP	P	NP	P	P
Hotels or Motels	P	P	NP	P	P
Hunting and Fishing Supply Store	P	P	NP	P	P
Interior Decorator Shop	P	P	NP	P	P
Jewelry and Metal Craft Store, enclosed	P	P	NP	P	P
Laundromats, Self-Service	P	P	P	P	P
Leather Goods and Luggage Stores	P	P	NP	P	P
Liquefied Petroleum Gas Storage and Dispensing	NP	C	NP	C	NP
Liquor Store	C	P	C	P	P
Lock and Key Shops	P	P	NP	P	P
Lumber Yard, provided all goods and materials are screened from adjacent properties and rights-of-way	NP	P	NP	NP	P
Mail Order Catalog Stores	P	P	NP	P	P
Manufacturing, light	NP	P	NP	NP	P
Medical and Orthopedic Appliance Store	C	P	NP	P	P
Medical, Dental or Health Clinics	P	P	NP	P	P
Messenger or Telegraph Service Stations	P	P	NP	P	P
Miniature Golf Course	C	P	NP	NP	P
Mini-Warehouses/Self Storage	C	C	NP	C	NP
Mobile Vendors	C	C	NP	C	C
Model Homes, temporary	P	P	C	C	C
Monument Sales and Engraving Shops	NP	P	NP	NP	P
Mortuary	NP	C	NP	C	P
Museum	P	P	C	P	P
Music and Instrument Sales, Service, and Repair Shops	P	P	NP	P	P
Music or Dance Studios	P	P	NP	P	P
Newspaper Offices	NP	P	NP	P	P

Newsstands	P	P	P	P	P
Office Supply and Equipment Store	P	P	NP	P	P
Offices	C	P	NP	P	P
Offices of not more than 4,000 square feet	P	P	P	P	P
Offsite Advertising Signs (Static and Digital)	P	P	NP	NP	NP
Optician	P	P	NP	P	P
Package Liquor Including Drive-in	C	P	NP	P	P
Paint and Wallpaper Store	P	P	NP	P	P
Pawn Shop	C	P	NP	P	P
Pet Shop	P	P	NP	P	P
Photographic Equipment and Supply Store	P	P	NP	P	P
Photographic Studio	C	P	C	P	P
Picture Frame Shop	P	P	NP	P	P
Plant Nurseries	C	P	NP	NP	P
Plumbing Shop	C	P	NP	NP	P
Printing and Publishing House	C	P	NP	C	P
Private Clubs, Sororities, Fraternities or Lodges	C	P	NP	P	P
Public Buildings	P	P	P	P	P
Public Service Utility Yard	NP	P	NP	NP	P
Radio and Television Studio	C	P	NP	P	P
Radio or Television Sales, Service and Repair	P	P	NP	P	P
Recreational Vehicle Parks and Overnight Campgrounds	NP	NP	NP	NP	C
Recreational Vehicle Repair	NP	P	NP	NP	P
Research Laboratory	NP	P	NP	NP	P
Resorts and Spas	C	P	NP	NP	NP
Restaurants more than 3,500 square feet	P	P	NP	P	P
Restaurants of not more than 3,500 square feet	P	P	P	P	P
Schools	P	P	C	NP	P
Sewing Machine Store	P	P	NP	P	P
Shoe Repair and Shoe Shine Shop	P	P	C	P	P

Shoe Store	P	P	NP	P	P
Small Appliance Store	P	P	NP	P	P
Sporting and Athletic Goods Store	P	P	NP	P	P
Swap Meets/Flea Markets	NP	C	NP	C	P
Tavern, Bar or Lounge	C	P	NP	P	P
Taxidermist	NP	P	NP	NP	P
Theatre, excluding drive-in	NP	P	NP	P	P
Theatre, including drive-in	NP	P	NP	NP	P
Tire Sales, Repair and Mounting	C	P	NP	C	P
Toy Store	P	P	NP	P	P
Trade School	C	P	NP	NP	P
Trash Receptacles	A	A	A	A	P
Travel Agency	P	P	NP	P	P
Upholstery Shop	C	P	NP	C	P
Variety Store	NP	P	NP	P	P
Video Arcade	C	P	NP	NP	P
Video Sales and Rental	P	P	C	NP	NP
Warehousing, limited (not cover more than 40% floor area)	NP	P	NP	NP	P
Watch Repair Shop	P	P	NP	P	P
Wireless Communication Towers	C	C	NP	NP	NP

P = Permitted
C = Conditionally Permitted
A = Permitted as Accessory Use
NP = Not Permitted

Land Use	Office	
	Proposed District	City District
	Office	C-O
Accessory Residential Uses, single family, when occupied by the owner or lessee, or watchman per Coolidge Zoning Ordinance	A	A
Banks and Similar Financial Institutions	P	P
Business Signs	A	A
Business, Technical or Vocational Schools	P	C
Day Care Center	C	A
Medical, Dental, and Chiropractic Offices, but not including hospitals or medical facilities	P	P
Mobile Vendors	C	C
Professional, Semi-professional, Administrative and Business Offices	P	P
Restaurant, Cafes, Snack Shops, Coffee Shops, and similar Eating/Refreshment Shops	A	A
Trash Receptacles	A	A

P = Permitted
C = Conditionally Permitted
A = Permitted as Accessory Use
NP = Not Permitted

Exhibit E-3

Industrial Development Standards

Industrial Development Standards

General Provisions

Other Provisions

Fencing

Chain-link and barbed wire are allowed except where adjacent to residential zoning districts or residential areas of approved PADs, unless such property is used strictly for agricultural purposes, or arterial rights-of-way, in which case a 6' masonry screen wall, an alternative non-masonry wall or no screening shall be required as determined by the Planning and Zoning Commission.

Outdoor Storage does not have to be screened by a masonry wall except where adjacent to residential zoning districts or residential areas of approved PADs, unless such property is used strictly for agricultural purposes, or arterial rights-of-way, in which case a 6' masonry screen wall, an alternative non-masonry wall or no screening shall be required as determined by the Planning and Zoning Commission.

Access

Access Shall be allowed from arterial or collector streets
Local Streets See Coolidge requirements.

Height

Wireless towers, monuments, cooling towers, gas holders, grain elevators and silos and other structures, where the manufacturing process requires a greater height are exempt from height restrictions.

I-1 Development Standards

I-1 Zoning

	Coolidge	PLH
Building Setbacks		
Front	35	15
Interior Side & Rear	15	0-10*
Corner Side	30	15
Residential Zone Boundary	45	30
Adjacent to Rail	-	0
Parking Setbacks		
Front	4	4
Interior Side & Rear	3	3
Corner Side	4	4
Residential Zone Boundary	3	3
Minimum Lot Width	100	100
Minimum Lot Area	Varies	
Maximum Lot Coverage	80%	80%
Maximum Height	55*	55 at setback; increase 1 ft. for every 3 ft. in additional setback, max 125 ft.

* 0 Lot line with approval from City

I-2 Development Standards

I-2 Zoning

	Coolidge	PLH
Building Setbacks		
Front	35	15
Interior Side & Rear	15	0-10*
Corner Side	30	15
Residential Zone Boundary	75	75
Adjacent to Rail		0
Parking Setbacks		
Front	4	4
Interior Side & Rear	3	3
Corner Side	4	4
Residential Zone Boundary	3	3
Minimum Lot Width	100	100
Minimum Lot Area	Varies	
Maximum Lot Coverage	80%	80%
Maximum Height	55*	65 at setback; increase 1 ft. for every 3 ft. in additional setback, max 125 ft.

* 0 Lot line with approval from City

Industrial Use List

I-1 Light Industrial

Principally permitted uses

1. Athletic clubs and commercial recreation facilities
2. Automobile parking lots or garages (public or private)
3. Bakeries for on-site sales, less than three thousand five hundred - (3,500) square feet
4. Banks and other savings and lending institutions
5. Bowling alleys
6. Bus terminals
7. Business and office machine sales, service and repair shops
8. Business, technical, vocational or charter schools
9. Churches
10. Clothing and costume rental shops
11. Community centers or meeting halls
12. Essential public service or utility installations
13. Furniture stores
14. Health and exercise centers
15. Hotels or motels
16. Manufacturing, light
17. Medical Marijuana dispensary, cultivation & processing
18. Messenger or telegraph service stations
19. Mini-warehouses
20. Newsstands
21. Offices
22. Office supply and office equipment stores
23. Opticians
24. Outdoor Storage yards (Boats, RV etc.)
25. Public buildings
26. Radio and television studios
27. Research laboratories
28. Restaurants
29. Trade schools
30. Travel agencies
31. Warehousing, limited (not to cover more than 40% of floor area)
32. All uses Permitted in the Commercial and Office Use Lists above

Conditionally permitted uses

1. Charity dining facilities, homeless shelters and similar services
2. Day care centers:
   a. A minimum of seventy-five (75) square feet of outdoor play space per child shall be provided from which at least fifty (50) square feet of fenced-in play space per child shall be provided. Fenced-in outdoor play space shall not include driveways, parking areas or land unsuited, by virtue of other usage or natural features, for children's play space;
   b. At least two hundred fifty (250) square feet of lot area per child shall be provided.
3. Recreational vehicle parks and overnight campgrounds
   a. Recreational vehicle parks shall be screened from view of any residential development, as approved by the Planning and Zoning Commission;
   b. Internal circulation roads shall be paved with a dust-free surface;
   c. Individual recreational vehicle parking pads shall be plainly marked and paved with a dust-free surface and shall be at least one thousand five hundred (1,500) square feet in size;
   d. Individual recreational vehicle parking pads shall be set back at least thirty (30) feet from the perimeter of the park and thirty feet from any public street right-of-way;
   e. Approved trash disposal and toilet facilities shall be provided for use of overnight campers;
   f. Park plans, certified approved by the Pinal Department of Health
   Services shall be submitted.
4. Wireless telecommunication facilities with a height greater than thirty-five (55) feet
5. All Conditionally Permitted uses from the Commercial and Office Use Lists above

Permitted accessory uses

1. Personnel service facilities providing services, education, recreation, entertainment, food and convenience goods primarily for those personnel employed in the principal use;
2. Caretaker or security guard quarters
3. Business signs, consistent with Article XI of this Code
4. Trash receptacles
5. Accessory buildings as approved by the Planning and Zoning Commission
6. Temporary buildings incidental to construction work
7. Accessory residential uses, single family, when occupied by the owner or lessee, or watchman employed on the premises, and when such occupancy is directly associated to a developed and occupied permitted use, and is located within, or attached to, the principal building(s) of the permitted use. (No freestanding building, manufactured or mobile home, or recreational vehicle shall be permitted for such use.)
8. All Accessory uses in the Commercial and Office Use Lists above

I-2 Heavy Industrial

Principally permitted uses

All uses permitted in the Garden Industrial Zone (I-1), in addition to the following:

1. Animal hospitals, clinics or kennels provided the establishment and animal runs are completely enclosed in the building
2. Antique shops and stores
3. Art supply stores
4. Athletic clubs and commercial recreation facilities
5. Automobile, boat or recreational vehicle sales, service and rental
6. Automobile body repair
7. Automobile parking lots or garages (public or private)
8. Automobile supply stores
9. Bakeries
10. Banks and other savings and lending institutions
11. Barber shops
12. Beauty parlors
13. Blueprint shops
14. Boat repair
15. Book and stationery stores
16. Bowling alleys
17. Building material sales yard, including sand and gravel
18. Bus terminals
19. Business and office machine sales, service and repair shops
20. Business, technical or vocational schools
21. Clothing and costume rental shops
22. Community centers or meeting halls
23. Contractor's storage yards
24. Delicatessens and catering establishments
25. Equipment rental or storage yards
26. Essential public service or utility installations
27. Exterior storage of goods and materials provided that all goods and materials are screened from view from adjacent properties and rights-of- way
28. Exterminator shops
29. Feed stores, including yard
30. Food Processing Plant
31. Frozen food lockers
32. Furniture stores
33. Game rooms/pool halls

34. Garden supply stores
35. Golf driving ranges and miniature golf courses
36. Granaries, elevator storage
37. Grocery stores
38. Greenhouses
39. Hardware stores, no exterior storage
40. Health and exercise centers
41. Hotels or motels
42. Inland Port
43. Interior decorator's shops
44. Jewelry and metal craft stores
45. Lock and key shops
46. Lumber yards, provided that all goods and materials are screened from adjacent properties and rights-of-way
47. Manufacturing
48. Manufacturing, light
49. Medical Marijuana dispensary, cultivation & processing
50. Medical and orthopedic appliance stores
51. Messenger or telegraph service stations
52. Mini-warehouses
53. Monument sales and engraving shops
54. Mortuaries
55. Motor Freight terminal
56. Museums
57. Music and instrument sales, service and repair shops
58. Music or dance studio
59. Newspaper offices
60. Newsstands
61. Offices
62. Office supply and office equipment stores
63. Opticians
64. Outdoor Storage yards (Boats, RV etc.)
65. Package liquor stores, including drive-ins
66. Paint and wallpaper stores
67. Photographic studios
68. Plant nurseries
69. Plumbing shops
70. Printing and publishing houses (including newspapers)
71. Private clubs, fraternities, sororities or lodges
72. Public buildings

73. Public utility service yards
74. Radio or television sales, service and repair
75. Radio and television studios 71. Rail Freight Terminal
76. Recreational vehicle repair
77. Research laboratories
78. Restaurants
79. Swap meets/flea markets
80. Tailor shops, more than five employees
81. Taverns, bars or lounges
82. Taxidermists
83. Theatres, drive-in
84. Tire sales, repair and mounting
85. Trade schools
86. Travel agencies
87. Upholstery shops
88. Video arcades
89. Warehousing
90. All Permitted uses in the Commercial and Office Use Lists above

D. Conditionally permitted uses

1. Airports, subject to the regulations of the Federal Aviation Administration
2. Asphalt Mixing Plant
3. Automobile dismantling and salvage yards
4. Automobile reduction yards
5. Cement Mixing Plant
6. Charity dining facilities, homeless shelters and similar services
7. Contractor storage yard
8. Cotton gins
9. Excavation of sand, gravel, dirt, ore or minerals
10. Fiberglass manufacturing and processing
11. Heliports, subject to the regulations of the Federal Aviation
12. Administration
13. Junkyards
14. Meat packing
15. Oil refineries
16. Racetracks
17. Scrap metal or used materials processing, handling, and storage facilities, except recycling centers.
    a. The facility occupies a minimum lot of size of ten (10) acres;
    b. All such uses shall be located at least three hundred (300) feet from a property line.

c. All such uses shall be completely surrounded on all sides by a fence or wall at least eight (8) feet high. The fence or wall shall be of uniform height, uniform texture and color, and shall be so maintained as to ensure maximum safety to the public, obscure the scrap or used material from normal view of the public, and preserve the general welfare of the neighborhood. The fence or wall shall be installed in such a manner as to retain all scrap, or reused material within the yard. No scrap of other materials may be piled so as to exceed the height of this enclosing fence or wall.

d. No materials shall be loaded, unloaded, or otherwise placed either temporarily or permanently outside the fence or wall.

18. Sewage treatment plants
19. Wireless communication facilities with a height greater than fifty-five (65) feet
20. Any production, testing, processing of goods or products;
21. Those uses involving the storage, utilization or manufacture of volatile or explosive materials or products
22. All Conditionally Permitted uses from the Commercial and Office Use Lists above

E. Permitted accessory uses

1. Accessory structures approved by the Planning and Zoning Commission
2. Business signs, consistent with Article XI of this Code
3. Caretaker or security guard quarters
4. Personnel service facilities providing services, education, recreation, entertainment, food and convenience goods primarily for those personnel employed in the principal use
5. Temporary buildings incidental to construction
6. Trash receptacles
7. All Accessory uses in the Commercial and Office Use Lists above

Exhibit F

Economic Development Criteria

The Owner shall be entitled to the benefits provided in Section 8(g) and Section 18(d) of this Agreement only if all of the following standards are met for the land use the Owner claims a right under Section 8(g) or Section 18(d) of this Agreement (each an "Incentivized Land Use"):

1. Within one (1) year after the issuance of a certificate of occupancy for the Incentivized Land Use, the Incentivized Land Use shall employ the following minimum number of employees:

- 75 employees for an industrial project
- 50 employees for a commercial project
- 30 employees for an office project

2. The Incentivized Land Use must create and retain jobs in the City with an average hourly wage for non-exempt position (pursuant to the FSLA) of at least 50% higher than the federal minimum hourly wage and wherein the Incentivized Land Use pays at least 20% of its average hourly wage for non-exempt positions in benefits.

3. New Incentivized Land Uses must expend a minimum of One Million Two Hundred Fifty Thousand dollars ($1,250,000.00) in equipment, machinery, land and building improvements as its initial investment at a single location. Expansions of existing Incentivized Land Uses must expend a minimum of Five Hundred Thousand dollars ($500,000.00) in equipment, machinery, land, and building improvements as its expansion investment at a single location.

Any studies, analyses, or reports required pursuant to Arizona Revised Statutes to support any of the benefits provided in Section 8(g) and Section 18(b) of this Agreement shall be at Owner's sole cost and expense.

If Owner fails to satisfy the standards set forth in Exhibit F, Owner shall reimburse the City all of the City Fees waived pursuant to Section 8(g) of this Agreement and the sales tax credited to Owner pursuant to Section 18(d) of this Agreement.

Exhibit G

Infrastructure Plan Guidelines

The improvements to publicly owned facilities and Ancillary Activities (as defined below) are examples of what the parties to this Agreement intend to constitute Public Infrastructure. This list is intended by the parties to be illustrative, but not exhaustive. By its execution of this Agreement, the Owner does not undertake to provide all of the following improvements; but to the extent the Owner provides any of the following improvements, such improvements shall be deemed, for the purposes of this Agreement, to constitute Infrastructure.

1. Off-Site Infrastructure.
    a. Off-site rough grading
    b. Off-site right-of-way acquisition
    c. Off-site sewer construction (including collection, transport, storage, treatment, dispersal, effluent use and discharge)
    d. Off-site roadway improvements such as highways, streets, roadways and parking facilities (including all areas for vehicular use for travel, ingress, egress and parking)
    e. Traffic control systems and devices (including signals, controls, markings and signage)
    f. Off-site transit system
    g. Off-site storm drainage and flood control systems (including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge)
    h. Off-site utility relocation
    i. Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly and recreation
    j. Off-site landscaping (including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems)
    k. Equipment, vehicles, furnishings and other personalty related to the foregoing
    l. All architectural, design, planning, planning, engineering (including environmental assessments and remediation), legal, accounting, general and administrative activities and expenses in connection with the foregoing (collectively the "Ancillary Activities").

2. On-Site Infrastructure.
    a. On-site rough grading
    b. On-site sanitary sewer (including collection, transport, storage, treatment, dispersal, effluent use, and discharge) and tap fees, if paid.

c. On-site storm drainage and flood control systems (including collection, transport, diversion, storage, detention, retention, dispersal, use and discharge)

d. On-site right-of-way acquisition

e. On-site roadway improvements (including all areas for vehicular use for travel, ingress, egress and parking)

f. Traffic control systems and devices (including signals, controls, markings and signage)

g. Pedestrian malls, parks, recreational facilities other than stadiums, and open space areas for the use of members of the public for entertainment, assembly and recreation

h. On-site landscaping (including earthworks, structures, lakes and other water features, plants, trees and related water delivery systems)

i. On-site utility relocation

j. On-site utility trenching

k. On-site utilities (including gas and electric utilities)

l. Equipment, vehicles, furnishings and other personalty related to the foregoing

m. All Ancillary Activities in connection with the foregoing.

Exhibit H

Dispute Resolution/Remedies

A. The dispute resolution process ("*Process*") and remedies set forth herein shall not apply to an action by the City to condemn or acquire by inverse condemnation all or any portion of the Property, and in the event of any such action by the City, the Owner shall have all rights and remedies available to it at law or in equity.

B. If an event of default is not cured within the Cure Period, as defined at Section 23 of this Agreement, the non-defaulting party may institute the Process, pursuant to Paragraph C below.

C. Any controversy or claim subject to the Process shall be settled by an arbitration administered by the American Arbitration Association ("*AAA*") in accordance with its Commercial Arbitration Rules ("*Rules*") (except that the terms of this Agreement and this Exhibit shall control over conflicting rules), and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

D. The dispute shall be heard by a single arbitrator from a panel of qualified arbitrators located within the Phoenix metropolitan area.

E. The place of arbitration shall be Coolidge, Arizona unless the parties agree to another location.

F. The parties agree that the remedies available for the award by the arbitrator shall be limited to specific performance and declaratory relief and that under no circumstances shall the arbitrator issue an award of monetary damages, whether characterized as actual, consequential or otherwise, provided, however, the arbitrator may award the payment of an amount owed, or enjoin the withholding of amounts due pursuant to this Agreement.

G. The parties have structured this Process with the goal of providing for the prompt and efficient resolution of all disputes falling within the purview of this Process. The hearing of any dispute shall be expedited and will commence as soon as practicable, but no later than forty-five (45) days after selection of the arbitrator. This deadline can be extended only with the consent of both parties to the dispute, or by decision of the arbitrator upon a showing of emergency circumstances.

H. The arbitrator shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence consistent with the deadlines provided herein, and the parties' objective that the disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The arbitrator, upon proper application, shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary, or sensitive materials or information from public disclosure or other misuse.

I. In order to effectuate the parties' goals, the hearing, once commenced, will proceed from business day to business day until concluded, absent a showing of good cause.

J. The arbitrator shall, within thirty (30) days from the conclusion of the hearing, issue the award.

K. The arbitrator may determine how the costs and expenses of the arbitration shall be allocated between the parties, and may award attorneys' fees to any party.

L. The award of the arbitrator shall be accompanied by a reasoned opinion.

M. The award of the arbitrator shall be final and binding. Except as otherwise provided in this Agreement, this Exhibit and the Commercial Arbitration Rules of the AAA, the Process shall be subject to the provisions of the Arizona Arbitration Act (A.R.S. §§ 12-1501 through and including 1518). In the event a party seeks confirmation of an award, or if there is a failure to abide by any award, any party may seek any remedy at law or equity for failure to comply with the award, but in no event shall the award be reviewed de novo or consequential monetary damages be ordered by the court.