

WHEN RECORDED RETURN TO:

City of Mesa (Beth Hughes-Ornelas)  
55 North Center Street  
Mesa, AZ 85201

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "**Agreement**") is entered into as of \_\_\_\_\_, 2017, by and between Farnsworth Development Company, an Arizona corporation ("**FDC**"), Springs Seven Development, Inc., an Arizona corporation ("**Springs Seven**"), Springs Nine Development, Inc., an Arizona corporation ("**Springs Nine**"), SSV Unit 8 Development, Inc., an Arizona corporation ("**SSV 8**"), Sunland Springs Village Homeowners Association, an Arizona nonprofit corporation (the "**HOA**"), and the CITY OF MESA, an Arizona municipal corporation (the "**City**"). FDC, Springs Seven, Springs Nine, SSV 8, the HOA and the City are collectively referred to herein as the "**Parties**," or individually as the "**Party**." FDC, Springs Seven, Springs Nine and SSV 8 are sometimes collectively referred to herein as the "**Developer Parties**" or individually as a "**Developer Party**."

### RECITALS:

A. FDC is the master developer of the planned community known as Sunland Springs Village, which is located within portions of Section 1 and the North Half of Section 12, Township 1 South, Range 7 East, Gila and Salt River Base and Meridian, Maricopa County, Arizona ("**Sunland Springs Village**"). Sunland Springs Village has been largely developed and is being developed by FDC and various affiliates of FDC.

B. The companies listed on **Exhibit Z** are or have been affiliated with FDC and each of them has developed, is in the process of developing or intends to develop property that is located or is to be located within Sunland Springs Village.

C. As used herein, the "**Property**" means and includes the property that is legally described in **Exhibit A** and depicted on **Exhibit B** within the City of Mesa, AZ. The Property includes the Right-Of-Way Property described below in Recital H and

certain other property that is adjacent to the Right-Of-Way Property and located within Sunland Springs Village. The Developer Parties have developed and/or are in the process of developing the Property.

D. Springs Nine Development, Inc., an Arizona corporation ("**Springs Nine**" or "**Developer**") is currently the owner of many of the Lots, and was the developer of the Lots and Tracts, that are located within Sunland Springs Village Unit Nine, according to the Plat recorded in Book 1272 of Maps, Page 9 (Document No. 2016-0321257), records of Maricopa County, Arizona (sometimes herein, the "**Unit Nine Plat**"). Sunland Springs Village Unit Nine, is located near the intersection of the alignments of South Meridian Road and East Guadalupe Road within the City of Mesa, as shown on the Unit Nine Plat.

Springs Nine is also the owner of most of the Lots and Tract B, and the developer, of Sunland Springs Village Unit Ten, according to the Plat recorded in Book 1306, Page 37 (Document No. 2017-0018901), records of Maricopa County, Arizona. Sunland Springs Village Unit Ten is located south of and adjacent to Sunland Springs Village Unit Nine (see Exhibit B).

SSV 8 was the developer of Sunland Springs Village Unit Eight, according to the plat recorded in Book 1197 of Maps, Page 8 (Document No. 2014-0521167), records of Maricopa County, Arizona.

Springs Seven was the developer of Sunland Springs Village Unit Seven, Phase Four, recorded in Book 1189 of Maps, Page 27, records of Maricopa County, Arizona.

E. FDC is the owner of the following property:

Tract A, Sunland Springs Village Unit Nine, according to Plat recorded in Book 1272, Page 9 (Document No. 2016-0321257), official Records of Maricopa County, Arizona.

Assessor Parcel No. 312-07-942

Tract A, Sunland Springs Village Unit Ten, according to the Plat recorded in Book 1306, Page 37 (Document No. 2017-0018901), records of Maricopa County, Arizona.

F. The HOA is the homeowners association for Sunland Springs Village. Amongst other properties, the HOA owns the following:

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Tract C, Sunland Springs Village Unit Nine, according to the plat recorded in Book 1272 of Maps, Page 9 (Document No. 2016-0321257), records of Maricopa County, Arizona ("**Tract C**"). Tract C has been reserved for possible future development as right of way for the Meridian Road alignment and for the Guadalupe Road alignment.

Assessor Parcel No. 312-07-944

Tract B, Sunland Springs Village Unit Nine, according to the plat recorded in Book 1272 of Maps, Page 9 (Document No. 2016-0321257), records of Maricopa County, Arizona.

Assessor Parcel No. 312-07-943

Tract E, Sunland Springs Village Unit Eight, according to the plat recorded in Book 1197 of Maps, Page 8 (Document No. 2014- 0521167), records of Maricopa County, Arizona ("**Tract E**"). Tract E has been reserved for possible future development as right of way for the Meridian Road alignment.

Assessor Parcel No. 304-16-836

Tract D, Sunland Springs Village Unit Eight, according to the plat recorded in Book 1197 of Maps, Page 8 (Document No. 2014- 0521167), records of Maricopa County, Arizona.

Assessor Parcel No. 304-16-835

Tracts A and B, Sunland Springs Village Unit Seven Phase 4, according to Plat recorded in Book 1189, Page 27, (Document No. 2014-0378038), records of Maricopa County, Arizona.

Assessor's Parcels No. 312-12-345 and 312-12-346

Said Tract B, which is located in the Meridian Road Alignment, has been reserved for future dedication to the City.

G. The Parties desire to enter into this Agreement for the purpose of memorializing their agreements concerning the design, installation and/or construction of specific public street improvements on South Meridian Road and East Guadalupe Road which are to be located within a portion of the Property, intending this document to be a "**Development Agreement**" within the meaning of A. R. S. § 9-500.05.

H. Developer is subject to the regulations contained in Title Nine, Chapter Six and/or Eight of the City Code, and shall be required to cause, in conjunction with the development of the Property, the design, installation and/or construction of specific

public street improvements ("**Required Improvements**") on **South Meridian Road and East Guadalupe Road**, which are to be located within a portion of the Property. More specifically, the Required Improvements are to be located within that portion of the Property that is described by **Exhibit C** (the "**Right-Of-Way Property**"), which is attached hereto and incorporated herein by this reference. The Right-Of Way Property is also shown or depicted on Exhibit B as Tract C of Sunland Springs Village Unit Nine and Tract E of Sunland Springs Village Unit Eight.

I. Title Nine, Chapter Six and/or Eight of the City Code also require that Developer dedicate property for necessary right-of-way ("**Required Dedications**").

J. The City has determined that the Required Dedications and the design, installation and/or construction of the Required Improvements, in conjunction with the development of the Property, are not currently necessary due to the adequacy of existing public street improvements on **South Meridian Road and East Guadalupe Road** and it is in the City's interest for the Required Dedications and the inclusion of the Required Improvements to be included in a future and comprehensive City capital improvement project at a more appropriate time.

K. As an alternative to designing, installing and constructing the Required Improvements now, the City has approved Developer's remittance of a cash payment ("**In Lieu Payment**") to City. The In Lieu Payment cost estimate shall include all design costs, labor and material costs, plus twenty percent (20%) for future contingency costs of the Required Improvements on **South Meridian Road and East Guadalupe Road within the Right-Of-Way Property**.

L. This Agreement allows the Developer and its affiliates to proceed with the current development plans for the Property, while preserving the City's right to obtain the Required Dedications in the future when the right-of-way and public infrastructure is needed. This Agreement allows for planning and development efficiencies for the Developer Parties and the City.

#### **AGREEMENT:**

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the mutual promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties state, confirm and agree as follows:

1. Duties and Obligations of HOA and Developer Parties. The HOA and the Developer Parties, and their respective successors and assigns agree that the obligations set forth in this Agreement are covenants running with the land that are binding and enforceable upon each Developer Party and the HOA, and their successors and assigns.

1.1 In Lieu Payment. Springs Seven shall remit the In Lieu Payment to City in the amount of **Eight Hundred Eighty-Two Thousand Six Hundred Sixty Dollars and Sixty Cents (\$882,660.60)**, as established in Exhibit D, for the Developer Parties' share of the cost to design, install and/or construct the Required Improvements on the Right-Of-Way Property. This In Lieu Payment shall be remitted to City within fifteen (15) business days after this Agreement has been duly executed by the parties and recorded with the office of the Maricopa County Recorder.

1.2 Required Dedications. The HOA, as the current owner of Tract C and Tract E, as defined above in Recital F, its successors and assigns, agree that they will make the Required Dedications, at no cost to the City, within fifteen (15) business days of the City's written request for the Required Dedications.

2. City's Duties and Obligations. The City agrees:

2.1 To accept the In Lieu Payment from the Developer Parties, as an approved alternative to requiring the Developer Parties to cause the design, installation and/or construction of Required Improvements to be located on the Right-Of-Way Property.

2.2 That the In Lieu Payment is based on estimated construction quantities and unit prices listed in Exhibit D. No Developer Party and no party listed or described on Exhibit Z is obligated to pay City any additional amounts if the actual later design, installation and/or construction costs for the Required Improvements exceed the In Lieu Payment amount as listed in Exhibit D and in Section 1.1 above. Other than the requirement to pay the In Lieu Payment as set forth in Section 1.1 above, none of the Developer Parties nor any past, current or future developer, owner or occupant (other than the City) of any of the property described in Exhibit A and/or Exhibit Z, and none of the Lots, Condominium Units or Tracts located within Sunland Springs Village nor the owners thereof and their respective successors and assigns, will be assessed or otherwise charged or required to pay for any portion of the costs associated with the

design, installation and/or construction of Meridian Road and/or Guadalupe Road within the Right-Of-Way Property, including, without limitation, the Required Improvements.

2.3 That the In Lieu Payment shall also satisfy all of the obligation(s) of the HOA and any and all Developer Parties for designing, installing and/or constructing public street improvements within the Right-Of-Way Property, including, without limitation, the Required Improvements. The Required Improvements will be installed in the future by City when deemed appropriate by City.

3. Term/Termination. This Agreement shall become effective on the date this Agreement is recorded and shall thereafter continue in full force and effect.

4. General Provisions.

4.1 Recordation. This Agreement shall be recorded in its entirety in the Official Records of Maricopa County, Arizona, not later than ten (10) days after its full execution by the Parties.

4.2 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 or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

The City: City of Mesa  
20 East Main Street, Suite 750  
Mesa, Arizona 85211  
Facsimile: 480-644-2175  
Attn: City Manager

With copy to: Mesa City Attorney's Office  
20 East Main Street, Suite 850  
Mesa, Arizona 85211  
Facsimile: 480-644-2498  
Attn: City Attorney

Developer Parties: Farnsworth Development Company  
460 S. Greenfield Road, Suite 2  
Mesa, AZ 85206

Attention: David A. Palmer or Craig M. Ahlstrom

With copy to: Roger Heywood  
25441 S. Tangelo Ave.  
Queen Creek, AZ 85142-8069

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 (3) business days after being placed in the U.S. Mail, properly addressed, with sufficient postage or (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. 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.

4.3 Choice of Law, Venue and Attorneys' Fees. The laws of the State of Arizona shall govern any dispute, controversy, claim or cause of action arising out of or related to this Agreement. The venue for any such dispute shall be Maricopa County, Arizona, and each Party waives the right to object to venue in Maricopa County for any reason. The prevailing Party(ies) in any such dispute, controversy, claim, or cause of action shall be entitled to recover its reasonable attorneys' fees and other costs from the other Party(ies), whether the same is resolved through arbitration, litigation in a court, or otherwise.

4.4 Default. In the event a Party fails to perform or fails to otherwise act in accordance with any term or provision hereof (the “**Defaulting Party**”) then the other Party (the “**Non-Defaulting Party**”) may provide written notice to perform to the Defaulting Party (the “**Notice of Default**”). The Defaulting Party shall have 30 days from receipt of the Notice of Default to cure the default. In the event the failure is such that more than 30 days would reasonably be required to cure the default or otherwise comply with any term or provision herein, then the Defaulting Party shall notify the City of such and the timeframe needed to cure such default, so long as the Defaulting Party commences performance or compliance or gives notice of additional time needed to cure within said 30-day period and diligently proceeds to complete such performance or fulfill such obligation; provided further, however, that no such cure period shall exceed 90 days. Any written notice shall specify the nature of the default and the manner in which the default may be satisfactorily cured, if possible.

4.5 Good Standing; Authority. Each Party represents and warrants that it is a duly formed and legally valid existing entity under the laws of the State of Arizona with respect to the Developer Parties and the HOA, or a municipal corporation within Arizona with respect to the City, and that the individuals executing this Agreement on behalf of their respective Party are authorized and empowered to bind the Party on whose behalf each such individual is signing.

4.6 Assignment. The provisions of this Agreement are binding upon and shall inure to the benefit and burden of the Parties, and all of their successors in interest and assigns.

4.7 Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Parties. No term or provision of this Agreement is intended to, or shall be for the benefit of any person, firm or entity not a party hereto other than those listed on Exhibit Z, and no such other person, firm, or entity (other than those listed on Exhibit Z) shall have any right or cause of action hereunder. It is the intent of the Parties that the persons, firms, and entities named, listed or described on Exhibit Z and the properties described on Exhibit Z benefit from the provisions of Section 2 above.

4.8 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver of any breach shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant, or condition of this Agreement. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.



4.9 Further Documentation. The Parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

4.10 Fair Interpretation. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the Party who drafted a provision shall not be employed in interpreting this Agreement.

4.11 Computation of Time. In computing any period of time under this Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last date of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Phoenix, Arizona time) on the last day of the applicable time period provided herein.

4.12 Conflict of Interest. Pursuant to A.R.S. § 38-503 and A.R.S. § 38-511, no member, official or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to cancellation pursuant to the terms of A.R.S. § 38-511.

4.13 Entire Agreement. This Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitute the entire agreement between the Parties:

- Exhibit A: Legal Description of the Property
- Exhibit B: Depiction of the Property
- Exhibit C: Right-Of-Way Property
- Exhibit D: Engineer's Cost Estimate of Required Improvements
- Exhibit Z: List of Developers of Sunland Springs Village

All prior and contemporaneous agreements, representations and understandings of the

Parties, oral or written, are superseded by and merged in this Agreement.

4.14 Time of the Essence. Time is of the essence in this Agreement and with respect to the performance required by each Party hereunder.

4.15 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 so long as the general purpose of this Agreement are not materially and adversely affected.

4.16 Proposition 207 Waiver. Developer hereby waives and releases the City from any and all claims under A.R.S. § 12-1134 et seq., including any right to compensation for reduction to the fair market value of the Property, as a result of the City's approval of this Agreement. The terms of this waiver shall run with the land and shall be binding upon all subsequent landowners and shall survive the expiration or earlier termination of this Agreement.

4.17 E-Verify. To the extent applicable under A.R.S. § 41-4401 and A.R.S. § 23-214, the Developer Parties represent and warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements of A.R.S. § 23-214(A). Breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by City. The City retains the legal right to randomly inspect the papers and records of any employee who works under this Agreement to ensure compliance with the above-mentioned laws.

**[SIGNATURES OF THE PARTIES APPEAR ON THE FOLLOWING PAGES]**

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**Homeowners Association:**

Sunland Springs Village Homeowners Association, an  
Arizona nonprofit corporation

By \_\_\_\_\_  
Craig M. Ahlstrom  
Its: President

STATE OF ARIZONA       )  
                                      ) ss.  
County of Maricopa       )

The foregoing instrument was acknowledged before me, a Notary Public, this \_\_\_\_\_ day  
of \_\_\_\_\_, 2017, by Craig M. Ahlstrom, as the President of Sunland Springs Village  
Homeowners Association, an Arizona nonprofit corporation, on behalf of the association.

\_\_\_\_\_  
Notary Public

My commission expires:

**"Developer Parties"**

Springs Seven Development, Inc.,  
an Arizona Corporation

By: \_\_\_\_\_  
David A. Palmer  
Its: Executive Vice President

Springs Nine Development, Inc.,  
an Arizona Corporation

By: \_\_\_\_\_  
David A. Palmer  
Its: Executive Vice President

SSV Unit 8 Development, Inc.,  
an Arizona Corporation

By: \_\_\_\_\_  
David A. Palmer  
Its: Executive Vice President

Farnsworth Development Company,  
an Arizona Corporation

By: \_\_\_\_\_  
David A. Palmer  
Its: Executive Vice President

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa            )

The foregoing instrument was acknowledged before me, a Notary Public, this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by David A. Palmer, as the Executive Vice President of Springs Seven Development, Inc., an Arizona corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My commission expires:

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa            )

The foregoing instrument was acknowledged before me, a Notary Public, this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by David A. Palmer, as the Executive Vice President of Springs Nine Development, Inc., an Arizona corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My commission expires:

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa            )

The foregoing instrument was acknowledged before me, a Notary Public, this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by David A. Palmer, as the Executive Vice President of SSV Unit 8 Development, Inc., an Arizona corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My commission expires:

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa            )

The foregoing instrument was acknowledged before me, a Notary Public, this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by David A. Palmer, as the Executive Vice President of Farnsworth Development Company, an Arizona corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My commission expires:

{00216360.1}

**EXHIBIT A  
TO DEVELOPMENT AGREEMENT  
(Legal Description of the Property)**

The Property includes the following:

Parcel One (owned by Springs Nine):

Lots 1790 through 1867, inclusive, Sunland Springs Village Unit Nine, according to Plat recorded in Book 1272, Page 9 (Document No. 2016-0321257), official Records of Maricopa County, Arizona.

Parcel Two (owned by FDC):

Tract A, Sunland Springs Village Unit Nine, according to Plat recorded in Book 1272, Page 9 (Document No. 2016-0321257), official Records of Maricopa County, Arizona.

Assessor Parcel No. 312-07-942

Parcel Three (owned by the HOA):

Tract B, Sunland Springs Village Unit Nine, according to Plat recorded in Book 1272, Page 9 (Document No. 2016-0321257), official Records of Maricopa County, Arizona.

Assessor Parcel No. 312-07-943

Parcel Four (owned by HOA):

Tract C, Sunland Springs Village Unit Nine, according to Plat recorded in Book 1272, Page 9 (Document No. 2016-0321257), official Records of Maricopa County, Arizona.

Assessor Parcel No. 312-07-944



Parcel Five (owned by HOA):

Tract D, Sunland Springs Village Unit Eight, according to Plat recorded in Book 1197, Page 8 (Document No. 2014-0521167), official Records of Maricopa County, Arizona.

Assessor Parcel No. 304-16-835

Parcel Six (owned by HOA):

Tract E, Sunland Springs Village Unit Eight, according to Plat recorded in Book 1197, Page 8 (Document No. 2014-0521167), official Records of Maricopa County, Arizona.

Assessor Parcel No. 304-16-836

Parcel Seven (owned by Springs Nine):

Lots 1868 through 1938, and Tract B, Sunland Springs Village Unit Ten, according to the Plat recorded in Book 1306, Page 37 (Document No. 2017-0018901), records of Maricopa County, Arizona.

Parcel Eight (owned by FDC):

Tract A, Sunland Springs Village Unit Ten, according to the Plat recorded in Book 1306, Page 37 (Document No. 2017-0018901), records of Maricopa County, Arizona.

Parcel Nine (owned by HOA):

Tract A, Sunland Springs Village Unit Seven Phase 4, according to Plat recorded in Book 1189, Page 27, (Document No. 2014-0378038), records of Maricopa County, Arizona.

Assessor's Parcel No. 312-12-345

Parcel Ten (owned by HOA):

Tract B, Sunland Springs Village Unit Seven Phase 4, according to Plat recorded in Book 1189, Page 27, (Document No. 2014-0378038), records of Maricopa County, Arizona.

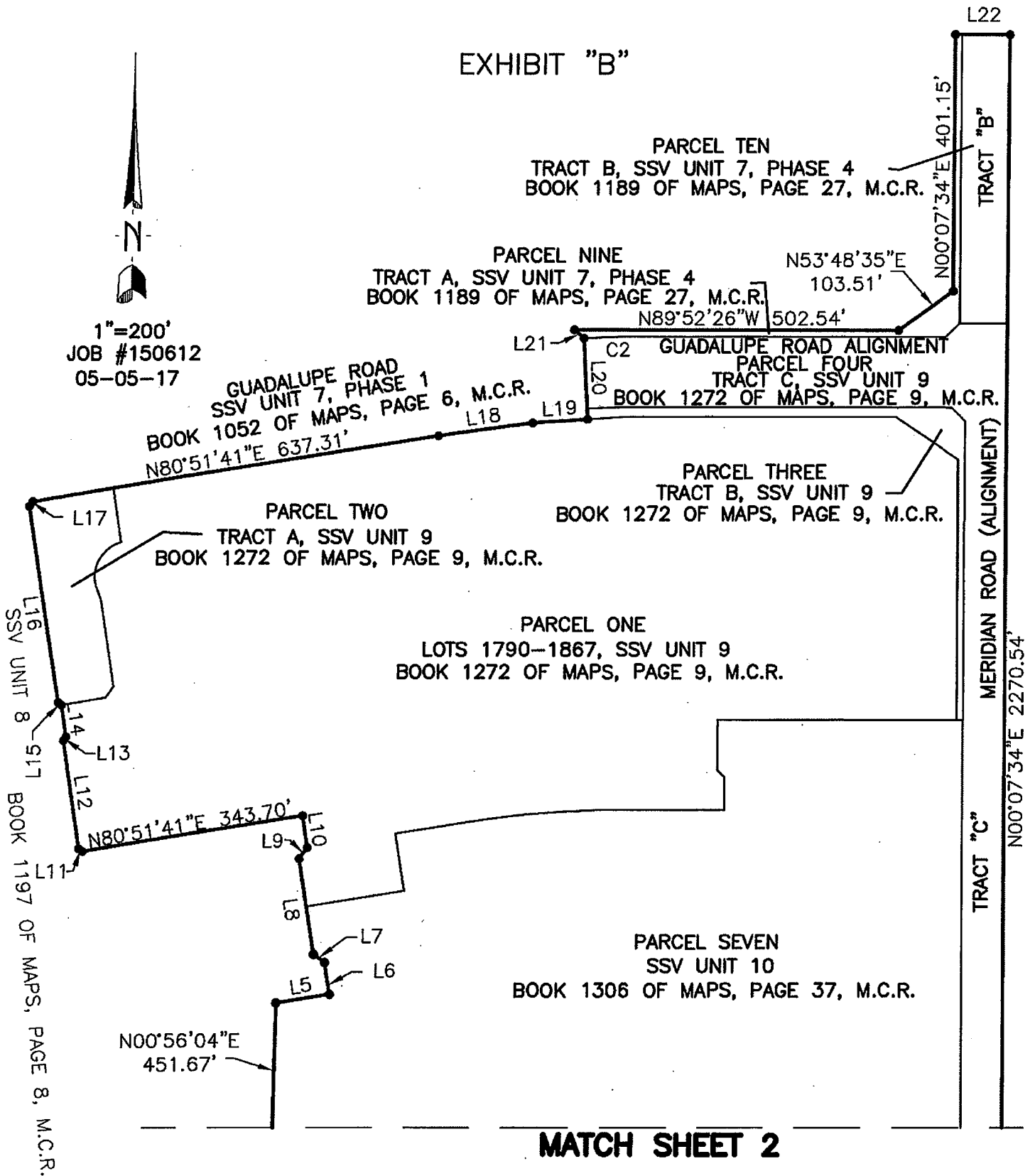
Assessor's Parcel No. 312-12-346

Said Tract B is located in the Meridian Road Alignment and has been reserved for future dedication to the City of Mesa.

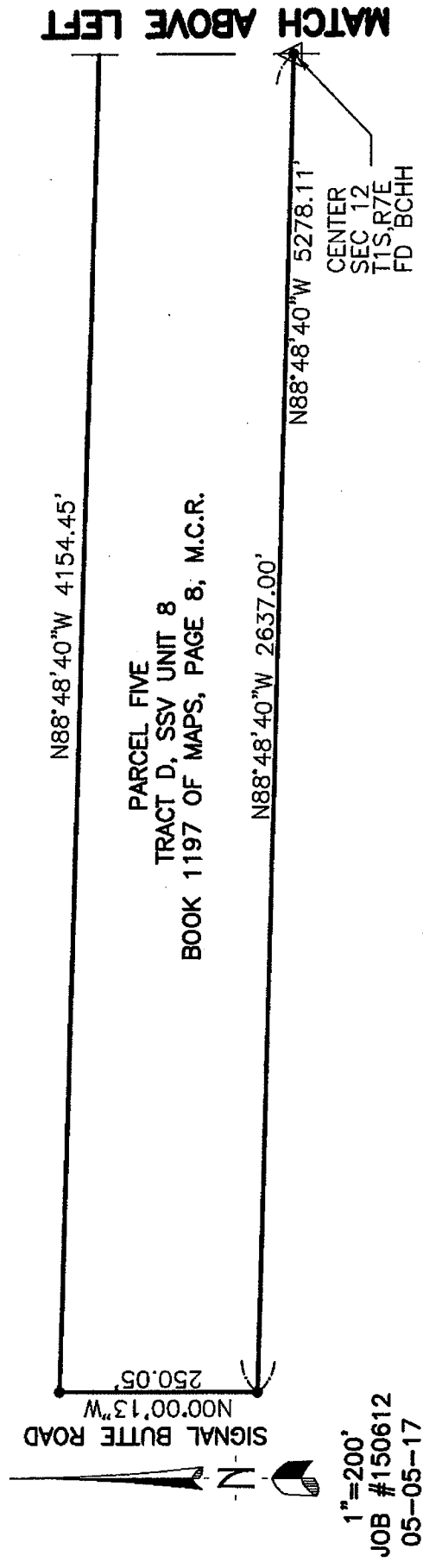
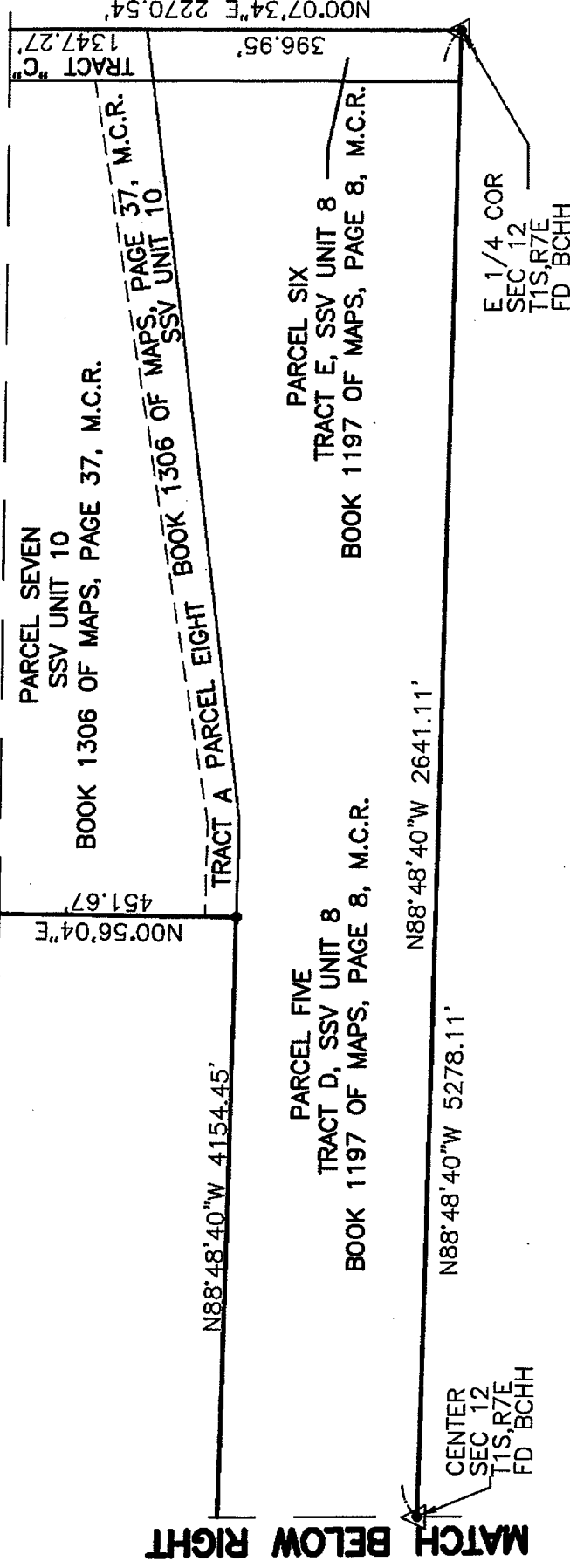
**EXHIBIT B  
TO DEVELOPMENT AGREEMENT**

**Depiction of the Property  
(Including the Required Improvements)**

# EXHIBIT "B"



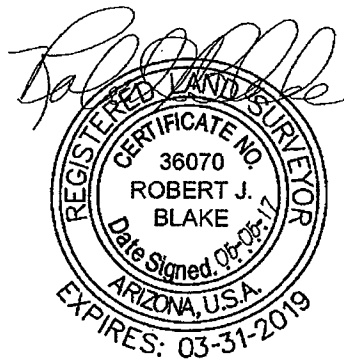
# EXHIBIT "B" MATCH SHEET 1



# EXHIBIT "B"

| LINE TABLE |        |             |
|------------|--------|-------------|
| LINE       | LENGTH | BEARING     |
| L5         | 83.30  | N80°51'41"E |
| L6         | 50.00  | N09°08'19"W |
| L7         | 21.21  | N54°08'19"W |
| L8         | 150.00 | N09°08'19"W |
| L9         | 21.21  | N35°51'41"E |
| L10        | 50.00  | N09°08'19"W |
| L11        | 7.07   | N54°08'19"W |
| L12        | 170.00 | N09°08'19"W |
| L13        | 7.07   | N35°51'41"E |
| L14        | 50.00  | N09°08'19"W |
| L15        | 7.07   | N54°08'19"W |
| L16        | 308.69 | N09°08'19"W |
| L17        | 8.93   | N35°51'41"E |
| L18        | 146.78 | N82°04'47"E |
| L19        | 83.52  | N86°14'13"E |
| L20        | 126.51 | N03°08'58"W |
| L21        | 19.83  | N48°48'05"W |
| L22        | 85.00  | N89°50'28"W |

| CURVE TABLE |        |         |          |
|-------------|--------|---------|----------|
| CURVE       | LENGTH | RADIUS  | DELTA    |
| C2          | 106.05 | 1855.00 | 3°16'33" |



**EXHIBIT C  
TO DEVELOPMENT AGREEMENT**

**Right-Of-Way Property  
(Location for Required Improvements)**

Tract C, Sunland Springs Village Unit Nine, according to the plat recorded in Book 1272 of Maps, Page 9 (Document No. 2016-0321257), records of Maricopa County, Arizona.

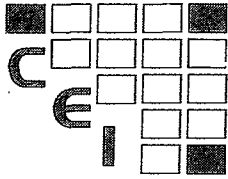
Tract E, Sunland Springs Village Unit Eight, according to the plat recorded in Book 1197 of Maps, Page 8 (Document No. 2014- 0521167), records of Maricopa County, Arizona.

Said Tracts are depicted on Exhibit B to the Development Agreement.

**EXHIBIT D  
TO DEVELOPMENT AGREEMENT**

**Engineer's Cost Estimate of Required Improvements**





# Clouse Engineering, Inc.

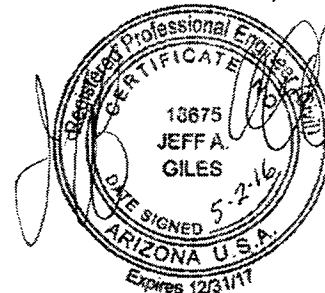
## ENGINEERS ■ SURVEYORS

1642 E. Orangewood Ave. ■ Phoenix, Arizona 85020 ■ TEL (602) 395-9300 ■ FAX (602) 395-9310

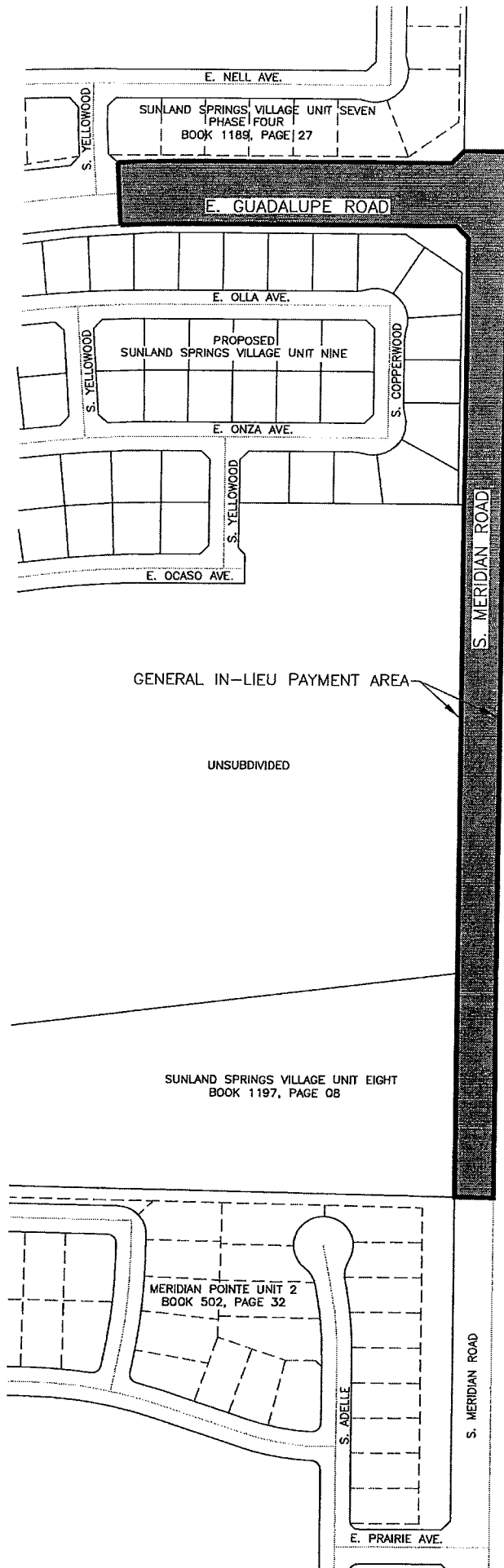
### IN-LIEU DEVELOPER SHARE COST ESTIMATE FOR SUNLAND SPRINGS VILLAGE GUADALUPE ROAD AND MERIDIAN ROAD

| <u>DESCRIPTION</u>           | <u>QUANTITY/COST</u>   | <u>TOTAL</u> |
|------------------------------|------------------------|--------------|
| 5.5" AC OVER 10" ABC         | 7,490 S.Y. @ 45.00 \$  | 337,050.00   |
| SUB GRADE PREP               | 7,490 S.Y. @ 1.00 \$   | 7,490.00     |
| 6" VERTICAL CURB AND GUTTER  | 2,901 L.F. @ 10.00 \$  | 29,010.00    |
| CONCRETE SIDEWALK            | 16,332 S.F. @ 3.00 \$  | 48,996.00    |
| RAMP                         | 2 EA. @ 3,000.00 \$    | 6,000.00     |
| WATER VALVE ADJUSTMENT       | 9 EA. @ 390.00 \$      | 3,510.00     |
| STREET LIGHTS TOTAL FRONTAGE | 2,901 L.F. @ 27.00 \$  | 78,327.00    |
| LANDSCAPING AND IRRIGATION   | 60,142 S.F. @ 1.25 \$  | 75,177.50    |
| TRAFFIC SIGNING AND STRIPING | 16,000 LUMP SUM \$     | 16,000.00    |
| QUAD DUCTS                   | 2,266 L.F. @ 15.00 \$  | 33,990.00    |
| TRAFFIC SIGNALS              | 2 EA. @ 50,000 \$      | 100,000.00   |
| 20% CONTINGENCY              | 147,110.10 LUMP SUM \$ | 147,110.10   |

**GRAND TOTAL \$ 882,660.60**



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SUNLAND SPRINGS VILLAGE  
GUADALUPE ROAD AND MERIDIAN  
ROAD IN-LIEU PAYMENT  
DEVELOPER SHARE EXHIBIT

**EXHIBIT Z  
TO DEVELOPMENT AGREEMENT**

**List of Developers of Sunland Springs Village**

The following is a list of the names of the developers that (i) have subdivided and/or developed real property located within Sunland Springs Village (which is located within portions of the real property located within Section 1 and/or the North Half of Section 12, Township 1 South, Range 7 East, Salt River Base and Meridian), and have annexed Lots, Tracts and Condominium Units located within such subdivisions to the Restated Declaration of Covenants, Conditions and Restrictions for Sunland Springs Village, recorded on April 3, 1998, at Recording No. 98-0271108, records of Maricopa County, Arizona, as thereafter amended (the “**CC&Rs**”), and/or (ii) intend to subdivide land to be located within said Sunland Springs Village and to annex lots, condominium units and/or tracts to the CC&Rs.

- |    |                                      |
|----|--------------------------------------|
| 1  | Farnsworth Development Company;      |
| 2  | SSV Units 4, 5 & 6 Development, Inc. |
| 3  | SSV Unit 7 Development, Inc.         |
| 4  | SSV Unit 8 Development, Inc.         |
| 5  | SSV Twin Homes 2, Inc.               |
| 6  | Springs Seven Development, Inc.      |
| 7  | Springs Nine Development, Inc.       |
| 8  | Springs Golf Condos 3, Inc.          |
| 9  | Springs Golf Condos 2, Inc.          |
| 10 | Desert Trails Condominium LLC        |
| 11 | Springs Condominium Homes, Inc.      |

As indicated in Section 2.2 of the Development Agreement, other than the obligation of the Developer Parties to pay the In Lieu Payment in accordance with the Development Agreement, none of the developers named above and none of the owners from time to time of any of the Tracts, Lots or Condominium Units located within Sunland Springs Village (nor their respective successors and assigns) will be assessed or otherwise charged or required to pay for any portion of the costs associated with the design, installation and/or construction of Meridian Road and/or Guadalupe Road within the Right-Of-Way Property, including, without limitation, the Required Improvements.