When recorded, return to:

City of Mesa
Attn: Real Estate Services
20 E. Main Street
Mesa, Arizona 85201

DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT

by and among

CITY OF MESA, ARIZONA,

PALO DISTRICT,

VERDE FIESTA I, LLC,

and

PALO DISTRICT LLC

Dated as of _____ __, 2025

DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT

THIS DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT (this "*Agreement*"), dated as of _____, 2025 (the "*Effective Date*"), by and among the City of Mesa, Arizona, an Arizona municipal corporation (the "*Municipality*"); Palo District, a theme park district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (the "*District*"); Verde Fiesta I, LLC, an Arizona limited liability company (the "*Owner*"), which is the owner of all of the property within the boundaries of the District at the time of formation of the District; and Palo District LLC, an Arizona limited liability company duly organized and validly existing pursuant to the laws of the State of Arizona (the "*Successor Owner*"), which has an interest in all of the property within the boundaries of the District at the time of formation of the District, and intends to ultimately own and develop the property within the boundaries of the District.

RECITALS

A. Pursuant to Title 48, Chapter 36, Arizona Revised Statutes, as amended from time to time (the "*Act*"), and § 9-500.05, Arizona Revised Statutes ("*A.R.S.*"), the Municipality, the District, the Owner, and the Successor Owner are entering into this Agreement as an "intergovernmental agreement" and as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for the operation and financing of a "theme park" (as such term is defined in the Act).

B. With regard to the real property described in Exhibit A hereto (the "*Property*"), which makes up the real property included within the District, the Municipality, the District, the Owner, and the Successor Owner have determined to specify certain matters in this Agreement relating to the acquisition, construction, financing, operation and maintenance of the theme park, including matters relating to the construction or acquisition of certain theme park facilities by the District, the administration and operation of the District, the District's issuance of its Revenue Bonds (as defined herein), and indemnification of the Municipality.

C. This Agreement, as a "development agreement" pursuant to A.R.S. § 9-500.05, is applicable to the Property as of the Effective Date.

D. The District Board (as defined herein) is expected to, in its sole and absolute discretion, issue certain revenue bonds of the District allowed by the Act as a tool that will facilitate the development of significant improvements on the Property which is located in a large urban area, along major transportation corridors that is supported by robust public infrastructure.

E. The board of directors of the District (the "*District Board*"), pursuant to the Act and the procedures prescribed by A.R.S. § 48-6253, is authorized to levy a transaction privilege tax on business activity in the District that is subject to taxation under A.R.S. Title 42, Chapter 5 and any other taxes, assessments, levies, charges or fees allowed by the Act. The transaction privilege tax may be levied up to the maximum rate allowed under A.R.S. § 48-6253 of the gross proceeds of sales or gross income derived from the business, including admission and user fees. The District Board may use its discretion in approving differing percentage rates for the tax imposed that may vary by type of tangible personal property sold or by revenue source. Any tax, assessment, charge, or fee levied by the District Board will be in addition to, not in lieu of,

any taxes, charges, assessments, levies or fees that may be levied by any other taxing authority and is not a tax, assessment, charge, levy or fee of the Municipality.

F. If the District Board, in its sole and absolute discretion, adopts a resolution levying a transaction privilege tax on business activity in the District, pursuant to the Act, revenue bonds of the District (the "*Revenue Bonds*") may be issued and sold to provide monies for theme park purposes as described in the Act.

G. Pursuant to the Act and A.R.S. Title 11, Chapter 7, Article 3, the District and the Municipality are entering into this Agreement as an "intergovernmental agreement" with one another for joint or cooperative action and to provide for the acceptance by the Municipality of certain public infrastructure constructed or acquired by the District.

H. Nothing contained in this Agreement is intended to limit: (i) the District Board in exercising its sole and absolute discretion at any time with respect to the issuance of its Revenue Bonds, the levying of transaction privilege taxes, or the construction of theme park purposes, all as allowed by the Act; and (ii) the City Council (as defined herein) in exercising its sole and absolute discretion on matters within its governing power.

I. The Owner is the owner of the Property at the time of the initial formation of the District, and the Successor Owner has an interest in acquiring the Property from the Owner pursuant to that certain Lease and Purchase Agreement, effective as of November 21, 2025 (the "*Lease and Purchase Agreement*"), between the Owner and the Successor Owner. As described herein, upon the conveyance of fee title to the Property from the Owner to the Successor Owner, the rights, title, interests, and obligations of the Owner shall be consolidated to the Successor Owner. Furthermore, in the event the Lease and Purchase Agreement is terminated, and the Successor Owner no longer has any interest in the Property, the rights, title, interests, and obligations of the Successor Owner shall be consolidated to the Owner, as further described herein.

AGREEMENT

NOW, THEREFORE, in the joint and mutual exercise of the powers of the District and Municipality, and in consideration of the mutual promises and the mutual covenants herein contained made by the District, the Municipality, the Owner and the Successor Owner, and for other valuable consideration provided by the parties hereto, and subject to the conditions set forth herein, the parties hereto agree that:

ARTICLE I

DEFINED TERMS; MISCELLANEOUS MATTERS RELATING TO USE THEREOF; AND GENERAL DISTRICT MATTERS

Section 1.1. References; Definitions.

(a) **References.** All references in this Agreement designated to "Exhibits," "Articles," "Sections" and other subdivisions are to the designated Exhibits, Articles, Sections and other subdivisions of this Agreement as originally executed or as may be amended as allowed herein.

(b) **Herein, Hereof, and Hereunder.** 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.

(c) **Including.** The use of the term "including" in this Agreement is illustrative and not limiting, and shall be interpreted to mean "including, but not limited to," "including, by way of example and not limitation," and "including, without limitation."

(d) **Applicable Law Reference.** All references to statutes, codes, and regulations or any other Applicable Laws, including cited A.R.S. sections, are as the same may be amended from time to time whether or not specifically noted.

(e) **Definitions.** 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:

"*Act*" means A.R.S. Title 48, Chapter 36, as amended from time to time.

"*Affiliate Entity*" means, in connection with either the Owner's or the Successor Owner's (or their successors as permitted under Section 6.3(b)) ability to assign its respective rights, title, interest, and obligations pursuant to Section 6.3(b)(3) hereof, any entity that at the time of assignment is both: (i)(a) an entity directly or indirectly controlling, controlled by, or under common control with the Owner or the Successor Owner, as applicable; (b) an entity owning or controlling fifty-one percent (51%) or more of the outstanding voting securities or interests of the Owner or the Successor Owner, as applicable; or (c) an entity resulting from a merger or consolidation with the Owner or the Successor Owner, as applicable; and (ii) an entity that meets any of the following: (a) has total assets not materially less than the Owner or the Successor Owner, as applicable, at the time of the assignment contemplated by Section 6.3, and where "materially less" is an asset difference of more than $1,000,000.00 less than the Owner or the Successor Owner, as applicable; (b) an entity with available cash and Cash Equivalent Assets equal to or greater than $10,000,000.00; or (c) an entity with available cash and Cash Equivalent Assets equal to or greater than $5,000,000.00, and total assets equal to or greater than $25,000,000.00. Affiliate Entities may be any and all natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, limited liability companies, limited liability partnerships, trusts, land trusts, business trusts, and other groups and organizations, whether or not legal entities.

"*Agreement*" means this Development and Intergovernmental Agreement, dated as of _____, 2025, by and among the Municipality, the District, the Owner and the Successor Owner, as may be amended from time to time.

"*Applicable Laws*" means, collectively, the federal, State, county and local laws (statutory and common law), ordinances, rules, regulations, standards, permit requirements, and other requirements and official policies of the Municipality, as they may be amended or hereafter enacted from time to time, which apply to the development of the Project including the Mesa City Code, the Mesa General Plan & Zoning Ordinance, Mesa City Building Regulations (Title 4, Mesa

City Code), Mesa City Subdivision Regulations, and all related approvals or requirements by City Council or the Municipality's boards.

"*Business Day*" has the meaning as described in Section 6.24.

"*Cash Equivalent Assets*" means short-term investments that can be quickly converted into cash while incurring minimal loss in value, or as otherwise described under generally accepted accounting principles. Such assets shall have a maturity period of three (3) months or less, and include, without limitation, U.S. Treasury bills, commercial paper, and money market funds.

"*City Council*" means the governing body of the Municipality.

"*days*" means calendar days.

"*Disclosure Statement*" means the disclosure statement substantially in the form of Exhibit B hereto or such other form agreed to by the District, the Municipality, and the Owner or the Successor Owner, as applicable.

"*District*" means Palo District, a theme park district formed by the Municipality, and organized and existing, pursuant to the laws of the State.

"*District Audit*" means the annual audited financial statements of the District, prepared by an independent certified public accountant in accordance with the Act.

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

"*District Budget*" means the annual budget of the District adopted by the District Board for each Fiscal Year.

"*District Related Municipality Expenses*" means the reasonable costs, time, and expenses related to staff and overhead incurred by the Municipality for providing services to the District and Initial Expenses not paid pursuant to Section 5.1(a) of this Agreement; provided, however, the costs, time, and expenses charged to the District shall bear a reasonable relationship to the costs, time, and expenses actually incurred by the Municipality and, to the extent applicable, shall be consistent and proportionate to costs, time, and expenses charged by the Municipality to other special taxing districts located within the boundaries of the Municipality, for example community facilities districts. Notwithstanding the foregoing, this definition of District Related Municipality Expenses in no way limits what the Municipality may incur and charge to the District in connection with an Indemnified Claim.

"*Engineering & Design Standards*" means the Municipality's then current "Mesa Design Standards" and "Mesa Standard Details & Specifications."

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

"*Indemnify*" means as defined in Section 4.1(a).

"*Indemnified Claims*" means as defined in Section 4.1(a).

"*Indemnified Party*" means the Municipality and each City Council member, official, independent contractor, agent or employee thereof and each person, if any, who controls the Municipality within the meaning of the Securities Act.

"*Initial Expenses*" means, the expenses and costs incurred by the Municipality, including the reasonable third-party costs and expenses, in connection with the formation of the District and budgeted District Related Municipality Expenses specifically allocated to the Initial Expenses.

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

"*Lease and Purchase Agreement*" means the Lease and Purchase Agreement, dated as of November 21, 2025, between the Successor Owner and the Owner.

"*Municipality*" means the City of Mesa, Arizona, an Arizona municipal corporation.

"*Owner*" means Verde Fiesta I, LLC, an Arizona limited liability company.

"*party*" refers to the Municipality, the District, the Owner, and the Successor Owner individually.

"*parties*" refers to the Municipality, the District, the Owner, and the Successor Owner collectively.

"*Project*" means, collectively, all components or elements on the Property which are a part of the theme park or are for theme park purposes, as described in the Act.

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

"*Public Project*" means the components or portions of the Project intended to be conveyed or dedicated to the Municipality including, roadways and other public infrastructure.

"*Revenue Bonds*" means, as applicable, any revenue bonds issued by the District with transaction privilege taxes pledged as the source of repayment as allowed by the Act.

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

"*State*" means the State of Arizona.

"*Successor Owner*" means Palo District LLC, an Arizona limited liability company.

Section 1.2. Effect of Agreement on District. The District shall be subject to and shall comply with the terms and provisions of this Agreement.

Section 1.3. Municipality's Employees and Facilities. Notwithstanding anything to the contrary in the Act, no employees of the Municipality shall serve as administrative staff or officers of the District, and the District shall engage its own legal counsel, financial consultants, administrative and support staff separate and apart from employees of the Municipality. For the purpose of clarity, a member of the City Council serving on the District Board in accordance with A.R.S. § 48-6203 does not violate the requirements of this Section. The District shall secure its own accommodations for meetings, which may be at the facilities of the Municipality subject to payment by the District to the Municipality for use of such accommodations, and provided that the Municipality shall charge the District for such accommodations in accordance with the Municipality's then publicly posted rates or, if no specific rate is set for a particular facility, the commercially equivalent rate for such accommodations.

Section 1.4. Records and Affairs of District. The District shall maintain its records and conduct its affairs in accordance with the Act, the laws of the State, and this Agreement.

Section 1.5. Construction Contracts. All construction contracts relating to the Project entered into by the District, the Owner, or the Successor Owner shall provide that the respective contractors or vendors shall not have recourse, directly or indirectly, against the Municipality.

Section 1.6. District Revenue Bonds; Tax Levy.

(a) **Issuance of Revenue Bonds.** In addition to the general right of the District Board to authorize the issuance and sale of Revenue Bonds under the Act, upon notice from the Municipality, the District Board, at any time, shall authorize the issuance and sale of Revenue Bonds, if the proceeds of such Revenue Bonds are necessary to construct portions of a Public Project required to be constructed by the District, the Owner or the Successor Owner, as applicable, when the District, the Owner or the Successor Owner has failed to construct such portions of the Public Project after a written request has been presented by the Municipality. If the Municipality exercises its rights under this Section, the Municipality and the District shall mutually agree in writing as to the need for and timing of the remedial actions to construct any portion of a Public Project, including the District's issuance of Revenue Bonds for such purposes. All construction in accordance with this Section, including the financing thereof, shall be solely the responsibility of the District, and the Municipality's exercise of its rights under this Section shall in no way constitute or be considered the Municipality's expenditure of its public funds, a granting of tax concessions or relief, or the incurrence by the Municipality of any form of debt to construct or aid in the construction of any component of the Project. Any time spent by the Municipality's staff in connection with the Municipality exercising its rights under this Section shall be paid by the District as a District Related Municipality Expense.

(b) **No Rights; Municipal Levies.** The Successor Owner, the Owner, and the District have no rights and expressly waive any and all future rights, claims or causes of action, express or implied, that the Municipality is to levy or continue to levy any tax, charge, fee, assessment or any other similar levy. Further, the Successor Owner, the Owner, and the District each acknowledge and agree that the Municipality may increase taxes, charges, fees, levies, or

assessment of the Municipality that would be applicable to the development, operation, use or activities within the District.

(c) **No Pledge of Municipality.** Neither the general fund nor any other funds or moneys of the Municipality shall be liable for the payment or repayment of any obligation, liability, bond or indebtedness of the District, including the Revenue Bonds, and neither the credit nor the taxing power of the Municipality shall be pledged therefor. The District, the Owner, and the Successor Owner are separate and distinct legal entities from the Municipality and none of the District, the Owner, or the Successor Owner has the authority to act for or on behalf of the Municipality.

Section 1.7. Modification of Boundaries. In the event the boundaries of the District are modified or expanded by the District Board in accordance with the Act during the term of this Agreement, the boundaries of the District set forth in this Agreement that contain the Property will automatically be deemed amended immediately following approval by the District Board. Additionally, this Agreement will be amended by the Municipality, the District, the Owner, or the Successor Owner, as applicable, to reflect the modified or expanded boundaries of the District, including modifying Exhibit A. The City Manager of the Municipality is authorized to execute such an amendment on behalf of the Municipality without further action of the City Council. The executive director or District manager for the District is authorized to execute such an amendment on behalf of the District without further action of the District Board. The Successor Owner or the Owner, as applicable, will provide an authorized representative with the authority to execute such an amendment to this Agreement.

ARTICLE II

CERTAIN MATTERS RELATED TO CONSTRUCTION OF THE PUBLIC PROJECT TO BE DEDICATED OR CONVEYED TO THE MUNICIPALITY

Section 2.1. Public Project Requirements.

(a) **Standards.** All portions of the Project must be constructed in accordance with Applicable Laws; in addition, any Public Project intended to be dedicated to the Municipality shall be designed and constructed in accordance with the Engineering & Design Standards.

(b) **Procurement and Preparation.** The procurement and preparation of the plans and specifications and the procurement of a contractor for the construction of the Public Project, or portions thereof, that shall be dedicated or conveyed to the Municipality are the sole responsibility of the District, the Owner, or the Successor Owner, respectively, at the sole cost and expense of the District, the Owner, or the Successor Owner, as applicable.

(c) **Risk of Loss.** The Municipality shall not bear any risks, liabilities, obligations or responsibilities under any contract to prepare the plans and specifications, under any construction contract for the Public Project or portions thereof, or any risk of loss of or damage to any Public Project (or any part thereof) occurring prior to the time of conveyance of such Public Project components to the Municipality (see Section 3.3 for more information).

(d) **Additional Insured.** The Municipality shall be named as an additional insured party on any and all insurance policies required under the bid specifications for procurement of the plans and specifications or the procurement and contract terms of a construction contract for any Public Project and as a third-party beneficiary with respect to all bonds, warranties and guarantees with respect thereto.

(e) **Dedication at No Cost.** Under this Agreement, the Municipality has no obligation whatsoever to provide any form of reimbursement for the construction of the Public Project, and all portions of the Public Project will be dedicated to the Municipality at no cost to the Municipality. Notwithstanding the immediately preceding sentence, from time to time, at the sole and absolute discretion of the Municipality, the Municipality may approve reimbursement to the District, the Owner or the Successor Owner, as applicable, for certain portions of the Public Project. Solely with respect to portions of the Public Project where the Municipality has agreed to provide reimbursement, at a minimum: (1) it must be evidenced in a separate agreement, agreed to in advance of construction of such portions of the Public Project, the approval of which is subject to the sole and absolute discretion of the City Council; (2) the procurement and preparation of the plans and specifications and the procurement of a contractor for the construction of such portion of the Public Project shall be procured and awarded pursuant to the public procurement and award processes established pursuant to A.R.S. Title 34 and the procurement policies of the Municipality; and (3) construction contracts and the construction of such portions of the Public Project shall be in accordance with the requirements for constructing projects of the Municipality.

Section 2.2. Public Project Bids and Contracts.

(a) Any advertisement for bids or advertisement for other construction procurement methods for a construction contract for any Public Project components or any advertisement for bids and a contract for services relating to the preparation of any plans and specifications for any Public Project components shall clearly indicate that the Successor Owner, the Owner, or the District will be the "OWNER" for purposes of the construction contract or contract for such plans and specifications and shall include the following language: "**THE WORK WHICH IS THE SUBJECT OF THE BID OR PROCUREMENT IS THE SUBJECT OF A DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT AMONG VERDE FIESTA I, LLC, AS OWNER, PALO DISTRICT LLC, AS SUCCESSOR OWNER, THE CITY OF MESA, ARIZONA, AND PALO DISTRICT, A THEME PARK DISTRICT PURSUANT TO ARIZONA LAW, RECORDED IN THE RECORDS OF MARICOPA COUNTY, ARIZONA, PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED OR CONSTRUCTED BY SUCH THEME PARK DISTRICT. THE SUCCESSFUL BIDDER OR WINNER OF THE PROCUREMENT WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO THE CITY OF MESA, ARIZONA, FOR ANY COSTS UNDER ANY CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM."**

(b) In connection with any Public Project, each construction contract or contract for such plans and specifications shall provide that the respective contractors shall not have recourse, directly or indirectly, against the Municipality for the payment of any costs pursuant to such construction contract or contract for such plans and specifications or any liability, claim or

expense arising therefrom and that the Owner, the Successor Owner or the District shall have liability therefor.

ARTICLE III

PUBLIC PROJECT ACCEPTANCE BY THE MUNICIPALITY

Section 3.1. Dedication and Acceptance. When a portion of a Public Project is completed in accordance with the requirements of this Agreement and Applicable Laws, such portion of the Public Project shall be dedicated to the Municipality and the Municipality will accept and control such portion of the Public Project; however, the Municipality's acceptance of any portion of the Public Project will be conditioned upon such reasonable and customary conditions as the Municipality may impose including a two (2) year workmanship and materials contractor's warranty. The District, the Municipality, and, as applicable, the Owner and the Successor Owner, will agree upon a schedule of when portions of the Public Project will be dedicated and accepted by the Municipality in accordance with this Agreement.

Section 3.2. Maintenance. Upon acceptance of any portion of the Public Project by the Municipality, unless otherwise agreed to in writing by the Municipality, the District, and, as applicable, the Owner and/or the Successor Owner: (i) such portion of the Public Project will become public facilities and property of the Municipality; and (ii) all subsequent maintenance, replacement, or repairs of such portion of the Public Project will be the responsibility of the Municipality to complete except for landscaping which will remain the responsibility of the District, the Owner, or the Successor Owner to maintain, replace, and repair in accordance with Applicable Laws; provided, however, the Municipality, the District, the Owner, and the Successor Owner, as applicable, may agree to other terms and conditions with respect to the maintenance, replacement, or repairs of any portion of the Public Project.

Section 3.3. Risk of Loss. The District, the Owner, and the Successor Owner, as applicable, assume the risk of any and all loss, damage or claims to any portion of the Public Project unless and until title to such portion of the Public Project is accepted by and transferred to the Municipality. At the time title to any portion of the Public Project is accepted by and transferred to the Municipality by dedication deed, plat recordation, bill of sale, or otherwise, the District, the Owner, and the Successor Owner, as applicable, will, to the extent allowed by law, assign to the Municipality any unexpired warranties relating to the design, construction, or composition of such portion of the Public Project. Acceptance of any portion of the Public Project by the Municipality will be conditioned on the Municipality's receipt of a two (2) year warranty of workmanship, materials and equipment that will begin upon the issuance of the applicable certificate of occupancy, certificate of completion or letter of acceptance for such portion of the Public Project; provided, however, any such warranty may be provided by the District's, the Owner's, or the Successor Owner's contractor(s) directly to the Municipality, and will extend from the date of acceptance by the Municipality of such portion of the Public Project, any component thereof, or the work of any specific trade or contractor, as applicable.

ARTICLE IV

INDEMNIFICATION AND INSURANCE

Section 4.1. Indemnification.

(a) **Terms of Indemnification, Duty to Defend, and Hold Harmless.** The Successor Owner, the Owner, and the District, jointly and severally and each at its own sole cost and expense, shall indemnify, defend, and hold harmless (collectively, "*Indemnify*") each Indemnified Party for, from and against any and all third-party claims, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgments, liabilities, and suits or actions, and the investigation of same (including attorneys' fees, experts' fees and associated court costs) which may be imposed upon, incurred by or asserted against an Indemnified Party ("*Indemnified Claims*") pertaining to this Agreement or the District, including any Indemnified Claims, that arise from or relate in any way, whether in whole or in part:

(1) to any action, decision, or approval of the Municipality or City Council in the formation of the District;

(2) to the validity or enforceability of this Agreement or any of its terms, or the authority of the Municipality to enter into this Agreement or perform any of its obligations under this Agreement;

(3) to the formation, activities or administration of the District, or the carrying out of the provisions of this Agreement by the Municipality;

(4) to the compliance of this Agreement with any Applicable Laws (including a claim or determination arising under A.R.S. § 41-194.01);

(5) to the approval or issuance of any Revenue Bonds, or the levy or collection of any tax, fee, charge, or assessment which pays or secures any Revenue Bonds;

(6) to which any such Indemnified Party may become subject, under Applicable Laws or in equity or otherwise;

(7) arising out of or based upon any statement or alleged statement of a fact set forth in any offering document relating to the Revenue Bonds, or any amendment or supplement thereto, or that arise out of or are based upon the omission or alleged omission to state therein a fact required to be stated therein or which is necessary to make the statement therein, in light of the circumstances in which they were made, not misleading in any material respect; or

(8) to any construction contract for the Project or any portions thereof, including a Public Project, and including claims of any contractor, vendor, subcontractor or supplier.

(b) **Exception to Indemnification.** The duty to Indemnify in Section 4.1(a) does not extend to Indemnified Claims that solely and directly are the result of any gross negligence or willful misconduct of any Indemnified Party.

(c) **Notice of a Claim.** The Municipality shall, in a timely manner after the receipt of notice of a written Claim to the Municipality against an Indemnified Party in which the duty to Indemnify the Indemnified Party may be sought against the Successor Owner, the Owner, and/or the District, notify the Successor Owner, the Owner, and the District in writing of the commencement thereof and provide a copy of the written Claim received by the Municipality. Failure of the Municipality to give such notice in a timely manner shall reduce the liability of the Successor Owner, the Owner, and the District by the amount of damages directly attributable to the failure of the Municipality to give such notice to the Successor Owner, the Owner, and the District in a timely manner but the omission to notify the Successor Owner, the Owner, and the District of any such action shall not relieve the Successor Owner, the Owner, and the District, jointly and severally, from any liability that it may have to an Indemnified Party under this Section 4.

(d) **Defense.** The Successor Owner, the Owner, and District, jointly and severally, are responsible for the defense of an Indemnified Party against a Claim, including the full cost, expenses, settlement, and investigation thereof, but counsel for an Indemnified Party shall be selected, to the extent permitted by the insurer under the applicable policy, in consultation with the Municipality. The Municipality will cooperate with the Owner, the Successor Owner, and the District, as applicable, in connection with the defense of a Claim, so long as there is not a Claim against an Indemnified Party that could result in the independent liability of such Indemnified Party that is not covered by the duty to Indemnify that is the obligation of the Owner, the Successor Owner, and the District, jointly and severally, under this Agreement.

Section 4.2. Insurance.

(a) **General Liability and Public Official.** The District shall procure and maintain general liability and public official liability insurance for the District with limits of $1,000,000 per occurrence or claim, an annual aggregate liability of $3,000,000, with defense costs not included in the limits, and terms and conditions acceptable to the District in its reasonable discretion. The District shall maintain an additional $2,000,000 of excess insurance above such primary underlying limits. Such insurance shall name each of the Indemnified Parties as an additional insured. Proof of such insurance shall be provided to the Risk Manager of the Municipality annually by July 1st of each calendar year as long as development activities and operations for development of the Project in accordance with this Agreement are, from time to time, occurring.

(b) **Directors and Officers Liability.** The District shall procure and maintain at its own expense directors and officers (D&O) liability insurance for all members of the District Board pursuant to A.R.S. § 48-6203, with limits of $1,000,000 per occurrence or claim, and an annual aggregate liability of $3,000,000, with defense costs not included in the limits, and terms and conditions acceptable to the District Board members, each at their own reasonable discretion.

(c) **Commercial General Liability.** The Owner or the Successor Owner, as applicable, in connection with its development activities and operations for development of the Project in accordance with this Agreement, and at its own expense, shall procure and maintain "occurrence" form commercial general liability insurance which names the Indemnified Parties as additional insureds, with limits of not less than $1,000,000 for each occurrence, $2,000,000

products and completed operations aggregate, and $2,000,000 general aggregate. Proof of such insurance shall be provided to the Risk Manager of the Municipality annually by July 1st of each calendar year as long as development activities and operations for development of the Project in accordance with this Agreement are, from time to time, occurring. In no event shall the Owner or the Successor Owner be required to maintain insurance specified in this Section 4.2(c) after the District completes construction or acquisition of the Project from proceeds of the sale of the District's Revenue Bonds.

(d) **Requirements.** For the insurance required by Section 4.2:

(1) The insurance coverage held by the Owner, the Successor Owner, or the District pursuant to Section 4.2(a) and (c) will be primary insurance with respect to the Indemnified Parties. The insurance coverage held by the District pursuant to Section 4.2(b) will be primary insurance with respect to the members of the City Council who individually serve on the District Board. Any insurance or self-insurance maintained by an Indemnified Party will be in excess of the coverage provided by the Owner, the Successor Owner, and the District, respectively, and will not contribute to it.

(2) Coverage provided by the Owner, the Successor Owner, and the District, as applicable, will not be limited to the liability assumed under the duty to Indemnify provisions of the Agreement.

(3) All policies will contain a waiver of subrogation in favor of the Indemnified Parties.

(4) Each insurance policy will include provisions or similar provisions (to the extent the insurance company will provide such provisions) to the effect that it may not be suspended, voided, cancelled, or reduced in coverage except after thirty (30) days' prior written Notice has been given to the Municipality. Such Notice must be provided directly to the Municipality in accordance with the notice provisions of the Agreement. If an insurance company will not provide for the provisions required under this Subsection (4), the Owner, the Successor Owner, or the District, as applicable as the policy holder under the insurance, shall notify the Municipality within fifteen (15) days of the change to such insurance policy.

(5) Insurance is to be placed with insurers duly licensed of approved licensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A-VII. The Municipality in no way warrants that the above-required minimum insurer rating is sufficient to protect the Owner, the Successor Owner, or the District from potential insurer insolvency.

(6) The Owner, the Successor Owner, and the District, as applicable, will furnish the Municipality with customary certificates of insurance and the required endorsements on ACCORD forms approved by the Municipality naming the Indemnified Parties as additional insureds, except that the insurance provided under Section 4.2(b) is required to name members of the District Board as the additional insureds. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage will be clearly noted on the certificate of insurance.

(7) All certificates are to be received by the Municipality's Risk

Manager within forty-five (45) days following the Effective Date. Each insurance policy must remain in effect for the duration of the term of the Agreement. Failure to maintain the insurance policies as required by this Agreement or to provide timely evidence of renewal will be considered a material breach of the Agreement.

(8) All certificates or correspondence required by this Agreement to be given to the Municipality's Risk Manager will be sent to the City of Mesa, Attn: Risk Manager, 20 E. Main Street, P.O. Box 1466, Mesa, Arizona 85211-1466, or to such other address as shall be specified by the Municipality in a written notice. The Municipality reserves the right to require complete, certified copies of all insurance policies and endorsements required by this Agreement at any time.

(9) Modifications or variations from the insurance requirements in this Section may occur with the prior written approval from the City Manager of the Municipality; such action will not require formal contract amendment, and shall be made by administrative action.

(10) Should the Owner, the Successor Owner, or the District, respectively, obtain the types of insurance required by Section 4.2 in amounts exceeding the policy minimums set forth above, then the required additional insureds under each policy will be additional insureds up to the full amount of such policies as maintained by the Owner, the Successor Owner, or the District, respectively.

ARTICLE V

PAYMENT OF CERTAIN EXPENSES AND COSTS OF THE MUNICIPALITY; FINANCIAL REPORTING BY THE DISTRICT

Section 5.1. Replenishable Expense Fund; No Obligation of Municipality. In order to ensure that public funds of the Municipality are not expended towards the construction or to aid in the construction of the Project, the Successor Owner, or to the extent applicable, the Owner, shall maintain a replenishable expense fund from which the Municipality may draw from to pay District Related Municipality Expenses. Although the Municipality may, it is not obligated to, perform any functions that would result in any District Related Municipality Expenses.

(a) **Amounts; Accounting.** Within sixty (60) days after the formation of the District, the Successor Owner shall be obligated to promptly deposit with the Municipality $175,000.00, $125,000.00 of which will be to pay Initial Expenses of the Municipality related to formation of the District, and the remaining $50,000.00 will be the initial deposit into the fund. So long as the District has not been dissolved, the Successor Owner or the Owner, as applicable, shall be obligated to promptly deposit with the Municipality additional amounts at such times as determined by the Municipality, in its sole and absolute discretion; provided, however, that such additional amounts shall be limited as described herein. In accordance with the immediately preceding sentence, the Municipality may require additional deposits from the Owner or the Successor Owner, as applicable, at any time, and such amounts shall be deposited with the Municipality within thirty (30) days of the Municipality's request; provided, however, the Municipality generally expects to provide notice to the Owner or the Successor Owner, as

applicable, of the additional amount to be deposited on or prior to each May 1, commencing May 1, 2026, and the Owner or the Successor Owner, as applicable, shall deposit the amount requested on or prior to each June 1, commencing June 1, 2026. The amount on deposit with the Municipality shall not be less than $25,000.00 as measured on the first day of each Fiscal Year. The Municipality may not require the Successor Owner or the Owner to deposit more than $50,000.00 during any single Fiscal Year (excluding the deposit for the Initial Expenses) unless the Municipality provides thirty (30) days' advance written notice and reasonable evidence of the necessity of such additional funding based on the expenses of the Municipality. Notwithstanding the foregoing, when the District Board anticipates dissolving the District in accordance with the Act, the District may provide written notice to the Municipality not more than three (3) years prior to the anticipated date of dissolution, and during the period after receipt of the written notice of anticipated dissolution until dissolution of the District occurs, the amount on deposit in the fund may be less than $25,000.00. The Municipality shall provide written notice to the Successor Owner, the Owner, and the District when additional deposits are required, and upon request of the Successor Owner, the Owner, or the District, shall prepare an invoice for such additional deposits. Upon the request of the Successor Owner, the Owner, or the District, an accounting will be made to the Successor Owner, the Owner, and the District of all amounts spent for, as applicable, the Initial Expenses or District Related Municipality Expenses, for a specified time period. Amounts paid pursuant to this Section by the Successor Owner or the Owner which may be reimbursed under Applicable Law to the Successor Owner or the Owner from the proceeds of the sale of the District's Revenue Bonds shall, at the request of the Successor Owner or the Owner and to the extent of available amounts therefor, be included as part of the uses of the Revenue Bond proceeds in the sole and absolute discretion of the District Board. The District may pay the amounts due from the Successor Owner and the Owner under this Section, in the sole and absolute discretion of the District Board.

(b) **Minimum Drawdown.** The Municipality shall be paid from amounts deposited by the Successor Owner, the Owner, or the District in accordance with Section 5.1(a) for District Related Municipality Expenses, including any costs and expenses relating to the District and the Project financed by the District, provided, however, in no event shall the Municipality be paid less than five thousand dollars ($5,000.00) per Fiscal Year.

(c) **Deposit Requirements Limitation.** The deposit requirements in Section 5.1(a) are in connection with District Related Municipality Expenses, and in no way limit or restrict the amounts that may be payable by the Owner, the Successor Owner, and the District, jointly and severally, pursuant to Article IV.

(d) **Nonrefundable.** Any amounts deposited with the Municipality in accordance with Section 5.1(a) are nonrefundable.

Section 5.2. **District Reporting.**

(a) **Audit.** Within one hundred eighty (180) days after the completion of each Fiscal Year of the District, the District shall provide the Municipality a copy of the District Audit.

(b) **Budget.** Within sixty (60) days after adoption by the District of its District Budget for each Fiscal Year, the District shall provide a copy of the adopted District Budget to the Municipality.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Federal Tax Law Compliance. The Municipality, the District, the Owner, and the Successor Owner shall not knowingly take, or cause to be taken, any action which would cause interest on any Revenue Bond to be includable in gross income for federal income tax purposes of the Internal Revenue Code of 1986, as amended from time to time. Notwithstanding the foregoing, the preceding sentence does not apply to any Revenue Bonds issued on a taxable basis.

Section 6.2. Disclosure Statement.

(a) **Notice of Disclosure Statement; Signature Required.** To provide evidence satisfactory to the City Manager of the Municipality that any prospective purchaser or lessee of real property or business operator within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Revenue Bonds may be then or in the future be outstanding and the source of repayment of such Revenue Bonds is the District's levying and collection of transaction privilege taxes or other assessments, charges, or fees permitted under the Act, the Owner or the Successor Owner, as applicable, or their successor owners of real property within the boundaries of the District, and the District shall use commercially reasonable efforts to obtain execution of the Disclosure Statement in the form attached hereto as Exhibit B, signed by each subsequent owner or lessee of real property or business operator within the boundaries of the District, and such executed Disclosure Statement shall be provided to the executive director or District manager of the District as set forth below; provided, however, the Disclosure Statement shall be modified as necessary in the future by the Successor Owner or the Owner, as applicable, and the District to adequately describe the District and the Revenue Bonds and source of payment for debt service therefor as agreed by the District and the Owner or the Successor Owner, as applicable. The failure to provide any subsequent owner or lessee of real property or business operator within the boundaries of the District the Disclosure Statement shall not constitute a default under this Agreement and will not relieve the Owner, the Successor Owner, any other owner or lessee of real property within the boundaries of the District, or any business operator in the District, from the payment of any District tax, levy, assessment, fee or charge.

(b) **Disclosure Requirements.** The Successor Owner and the Owner, as applicable, shall use commercially reasonable efforts to:

(1) cause any purchaser or lessee of real property within the boundaries of the District, or any business operator within the boundaries of the District, to sign the Disclosure Statement upon entering into a contract for purchasing or leasing of such real property or the operation of a business; and

(2) provide a copy of each fully executed Disclosure Statement to be filed with the executive director or District manager of the District.

(c) **Copies.** Upon request of the Municipality, the District shall provide a copy of any Disclosure Statement executed by a property owner, a lessee, or a business operator to the Municipality.

(d) **Disclosure By District or Property Owners' Association.** If a property owners' association is created for owners of real property within the boundaries of the District and if it is agreed to among the District, a property owners' association, and the Owner or the Successor Owner, as applicable, the requirements described in this Section 6.2 pertaining to the Disclosure Statement may be completed by the District or the property owners' association.

Section 6.3. Binding Effect; Assignment; Bankruptcy.

(a) **Binding Effect.** 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, title, interest, duties, liabilities, and obligations under this Agreement are attached to and run with the Property; provided, however, as further described in Section 6.5, unless such rights, title, interest, duties, liabilities, and obligations are expressly assigned to and assumed by a subsequent purchaser of a parcel of real property within the boundaries of the District, such subsequent purchaser shall not succeed to and be obligated to perform the Owner's or the Successor Owner's, as applicable, obligations pursuant to this Agreement, except for the payment of transaction privilege taxes levied by the District as described herein and for procuring executed copies of the Disclosure Statement in accordance with Section 6.2.

(b) **Assignment; Consolidation.**

(1) The Municipality and the District may not assign their respective rights and obligations under this Agreement.

(2) The Successor Owner may assign this Agreement and its rights, title, interest, and obligations as "Successor Owner" under this Agreement (i) to the Owner as described in Section 6.3(b)(6), or (ii) to any other entity in accordance with Sections 6.3(b)(3), (4), and (5). The Owner may assign this Agreement and its rights, title, interest, and obligations as "Owner" under this Agreement (i) to the Successor Owner as described in Section 6.3(b)(6), or (ii) to any other entity in accordance with Sections 6.3(b)(3), (4), and (5). The subsequent sale, lease, or disposition of portions of the Property owned by the Successor Owner or the Owner shall in no way relieve the Successor Owner or the Owner from its respective obligations under this Agreement, except as provided in this Agreement or with the prior written consent of the Municipality and the District. Any assignment and assumption of the Owner's or the Successor Owner's rights, title, interests and obligations under this Agreement and release of the Owner's or the Successor Owner's obligations, as applicable, shall be pursuant to a written agreement that shall be recorded in the official records of Maricopa County, Arizona, and a copy of such recorded agreement shall be provided to the Municipality and the District.

(3) Either of the Owner and the Successor Owner, as applicable, may assign their respective rights, title, interest, and obligations under this Agreement to an Affiliate Entity without the prior written consent of either the Municipality or the District.

(4) Except as provided in Sections 6.3(b)(3) and (5), either the Owner or the Successor Owner may assign their respective rights, title, interest, and obligations under this Agreement only with the prior written consent of the Municipality and the District, and such consent shall be provided on a commercially reasonable basis and not unreasonably withheld, delayed or conditioned; provided that a commercially reasonable basis to withhold such consent is, at the determination of the Municipality and the District, any of the following or combination of the following: (i) the assignee does not meet the financial criteria of an Affiliate Entity; (ii) the assignee or the assignee's development team does not have relevant development experience or development experience similar or comparable to the Owner's or the Successor Owner's development team, as applicable; (iii) the assignee does not have total assets equal to or greater than the Owner or the Successor Owner, as applicable; or (iv) any other commercially reasonable basis as determined by the Municipality or the District, for example prior bankruptcies of the assignee or its affiliates.

(5) Either the Owner or the Successor Owner may assign all or a portion of their respective rights, title, interest, and obligations under this Agreement with the prior written confirmation of the Municipality and the District, and such confirmation shall be provided by the Municipality and the District subject to the Municipality's and the District's reasonable determination that the assignee does not otherwise qualify as an Affiliate Entity, but satisfies the following qualifications: (a) the assignee has total assets equal to or greater than the Owner or the Successor Owner, as applicable, at the time of the assignment, and (b) the Owner or the Successor Owner, as applicable, remains the primary entity responsible for supervising the development and construction of the Project, and is the manager or general partner of the assignee.

(6) At the time of the initial formation of the District, the Owner is the fee title owner of the Property and the Successor Owner has an interest in acquiring the Property from the Owner pursuant to the Lease and Purchase Agreement. Upon the conveyance of fee title of the Property from the Owner to the Successor Owner in accordance with the Lease and Purchase Agreement, the rights, title, interests, and obligations of the Owner under this Agreement shall be automatically consolidated to the Successor Owner in accordance with Section 6.3(b)(6)(i). Furthermore, in the event the Lease and Purchase Agreement is terminated and the Successor Owner no longer has any interest in the Property, the rights, title, interests, and obligations of the Successor Owner under this Agreement shall be automatically consolidated to the Owner in accordance with Section 6.3(b)(6)(ii).

(i) Upon the Successor Owner's acquisition of all of the Property from the Owner in accordance with the Lease and Purchase Agreement, the Owner shall, without any consent or approval required from the Municipality or the District, automatically relinquish and assign all of the Owner's rights, title, interest, and obligations as "Owner" under this Agreement to the Successor Owner. Upon such relinquishment and assignment by the Owner of all rights, title, interest, and obligations under this Agreement, the Owner shall automatically be relieved of all duties, obligations, and liabilities arising under this Agreement from and after the effective date of such relinquishment and assignment.

(ii) Upon the termination of the Lease and Purchase Agreement for any reason other than the consummation of the acquisition of the Property by the Successor Owner from the Owner, the Successor Owner shall, without any consent or approval required from the Municipality or the District, automatically relinquish and assign all of the Successor Owner's rights, title, interest, and obligations as "Successor Owner" under this Agreement to the Owner. Upon such relinquishment and assignment of all rights, title, interest, and obligations under this Agreement, the Successor Owner shall automatically be relieved of all duties, obligations, and liabilities arising under this Agreement from and after the effective date of such relinquishment and assignment.

(7) Notwithstanding the foregoing, upon and after any event of default or breach of this Agreement by the Owner or the Successor Owner, as applicable, and upon and after any debt service payment delinquency of any amounts owed on the District's Revenue Bonds caused by the Owner or the Successor Owner, as applicable, until such event of default, breach, or debt service payment delinquency is cured, neither the Owner nor the Successor Owner may assign its respective rights, title, interest, and obligations under this Agreement without the prior written consent of the Municipality and the District, which may be given at the Municipality's and the District's, respectively, sole and absolute discretion.

(8) For any assignment pursuant to Sections 6.3(b)(3), (4), (5), and (6), thirty (30) days' prior written notice shall be provided by the Owner or the Successor Owner, as applicable, to the Municipality and the District along with certification of the Owner or the Successor Owner, as applicable, together with sufficient information or supporting documentation (i) demonstrating the assignee qualifies as an Affiliate Entity; (ii) enabling the Municipality and the District to make a determination under Sections 6.3(b)(4) and (5); or (iii) evidencing the consummation of the transaction contemplated by the Lease and Purchase Agreement and resulting consolidation of the Owner and the Successor Owner in accordance with Section 6.3(b)(6).

(9) Following an assignment to an assignee under Section 6.3(b), the assignor shall be released from its duties, obligations and liabilities under this Agreement that are expressly assigned in such assignment and arise from and after the effective date of such assignment, and provided that the assignee assumes such duties, obligations and liabilities of the assignor arising from and after the effective date of such assumption. To the extent an assignee is fully relieved of its duties, obligations, and liabilities arising under this Agreement from and after the effective date of the assignment, the consent of the assignor to any amendment of this Agreement or other actions requiring consent pursuant to this Agreement shall not be required unless the amendment or other action affects the continuing obligations of the assignor pursuant to this Agreement.

(10) For the purpose of clarity, if the Owner or the Successor Owner, respectively, is relieved of all duties, obligations, and liabilities arising under this Agreement due to an assignment allowed herein, the Owner or the Successor Owner, respectively, is not relieved from the duty to Indemnify for any Indemnified Claims arising prior to the effective date of the assignment.

(c) **No Subordination of Municipality's Rights; Partial Assignment Related to Bank Financing.** The Municipality's rights under this Agreement shall not be

subordinated in connection with any bank or lender financings obtained by the Owner or the Successor Owner in connection with financing the construction and acquisition of the Project. Furthermore, the Owner and the Successor Owner may not make amendments to this Agreement without the prior written consent of the Municipality and the District as described in Section 6.5; provided, however, amendments to Section 6.12 adding lenders or financial institutions as recipients of notices under this Agreement are hereby agreed to not qualify as amendments requiring the prior written consent from the Municipality and the District. With respect any rights of the Owner or the Successor Owner under this Agreement to receive proceeds of District Revenue Bonds in connection with the acquisition of the Project or any portion thereof, no consent of the Municipality is required in connection with a partial assignment to a lender, bank, bond or corporate trustee, or other financial institution, provided that such partial assignment shall be limited solely to the Owner's or Successor Owner's right to receive such District Revenue Bond proceeds and not other rights, title, interest, or obligations of the Owner or the Successor Owner hereunder.

(d) **Bankruptcy.** To the extent applicable, upon any bankruptcy or dissolution of the Owner or the Successor Owner, the Owner's or the Successor Owner's respective interest herein may be assigned by a bankruptcy judge or other court of competent jurisdiction to a subsequent purchaser, receiver or trustee.

Section 6.4. Acknowledgment and Effect. Each party 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 6.5. Entire Agreement; No Exception to Title. 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; provided, however, that an amendment signed by only the Successor Owner, the Owner, and the District shall be effective against the Successor Owner, the Owner, and the District only if such amendment does not amend any right, benefit or obligation of the Municipality and the Municipality is provided with a copy of such amendment within ten (10) days of execution. 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. Subsequent purchasers of parcels within the boundaries of the District shall not be subject to the duties, liabilities and obligations under this Agreement unless such duties, liabilities, and obligations are expressly assigned by the Owner or the Successor Owner, as applicable, and assumed by the subsequent purchaser of the individual parcel, except as described in Section 6.3(a). As described in Section 6.3, certain of the obligations of the Owner and the Successor Owner, as applicable, may only be assigned with the prior written consent or confirmation of the Municipality and the District. Any title insurer can rely on this Section when issuing any commitment to insure title to any individual parcel or when issuing a title insurance policy for any individual parcel. Upon request of a title insurer, the Municipality will confirm that a third-party purchasing a parcel within the boundaries of the District is not subject to certain of the obligations of the Owner or the Successor Owner under this Agreement. For this Section, "parcel" shall be any lot or tract created by a legal process, including a recorded subdivision plat

or map of dedication approved by the Municipality, or any parcel of land conveyed to a public entity.

Section 6.6. Diminution in Value and Land Use Laws Waiver; Development Not Dependent on District Financing. Each of the Owner and the Successor Owner on behalf of itself and any third-parties having an interest in the Property intend to encumber the Property with the agreements and waivers described in this Section 6.6. The Owner and the Successor Owner each hereby waives and releases the District and the Municipality 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 to the Property as a result of the approval of this Agreement by the Municipality or the District, or the Municipality's approval of the Owner's or the Successor Owner's plans and specifications for any portion of the Project, the issuance of any permits, and all related zoning, land use, building and development matters arising from, relating to, or reasonably inferable from this Agreement. Furthermore, to the extent the District becomes an owner of any portion of the Property, the District waives and releases the Municipality 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 to the Property as a result of the approval of this Agreement by the Municipality, or the Municipality's approval of the District's, the Owner's, or the Successor Owner's plans and specifications for any portion of the Project, the issuance of any permits, and all related zoning, land use, building and development matters arising from, relating to, or reasonably inferable from this Agreement. The terms of these waivers shall run with the land and shall be binding upon all subsequent landowners and shall survive the expiration or earlier termination of this Agreement.

Section 6.7. Applicable Law; Venue and Jurisdiction. The terms and conditions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. Any action at law or in equity brought by the parties for the purpose of enforcing a right or rights provided for in this Agreement must be brought in a court of competent jurisdiction in Maricopa County, Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event a party brings suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including reasonable attorneys' fees, court costs, expert witness fees, and other litigation related expenses to be determined by the court in such action.

Section 6.8. Waivers. The waiver by any party of any right granted to it under this Agreement shall be in writing and 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 6.9. Counterpart Executions.

(a) **Effect of Counterparts.** 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.

(b) **Electronic Signatures.** The electronic signature of this Agreement shall be as valid as an original signature to bind such party to this Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature or a replicated signature furnished by signature procurement software that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 6.10. Cancellation Due To Conflict of Interest. The Municipality and the District may, within three (3) 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 or the Successor 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 or the Successor Owner arising as the result of this Agreement. The Owner and the Successor 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 or the Successor Owner in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

Section 6.11. Term; Expiration. The term of this Agreement shall commence on the Effective Date and shall expire upon the earlier of the agreement of the District, the Municipality, the Owner and the Successor Owner (subject to the provisions of Section 6.3(b) and such parties continuing to be obligated pursuant to this Agreement) to the termination hereof or the dissolution of the District pursuant to the Act, provided that prior to any termination hereof, all of the District Revenue Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 6.12. Notices. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given if addressed as set forth below and shall be deemed to have been received: (i) three (3) days after deposit in the United States mail in registered or certified form with postage fully prepaid, (ii) at the time of personal delivery if delivery fees are prepaid, or (iii) on the next Business Day after deposit with any nationally recognized express or overnight delivery service (e.g. Federal Express or UPS), delivery charges prepaid, for next Business Day delivery.

If to the Municipality:	City of Mesa, Arizona Attn: City Manager 20 East Main Street Mesa, Arizona 85201
With a copy to:	City of Mesa, Arizona Attn: City Attorney 20 East Main Street Mesa, Arizona 85201
If to the District:	Palo District Attn: [District Manager/Executive Director] [TBD]
With a copy to:	[District Counsel] [TBD]
If to Successor Owner:	Palo District LLC Attn: Vicki Mayo 8399 E. Hartford Drive Scottsdale, Arizona 86259
If to Owner:	Verde Fiesta I, LLC c/o Verde Investments, Inc. 1720 W. Rio Salado Parkway Tempe, Arizona 85281 Attn: General Counsel

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

Section 6.13. Severability. 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 and the remainder of the Agreement will remain in full force and effect; this Agreement will retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits to the parties as if such severance and reformation were not required. The parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

Section 6.14. Headings; Construction. 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. The terms and provisions of this Agreement represent the results of negotiations between the parties, each of which had the opportunity to be represented by counsel of its own choosing, and none of which acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement will be interpreted and construed in accordance with their usual and customary meanings, and the parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement will be interpreted or construed against the party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

Section 6.15. Recording. No later than ten (10) days after this Agreement is executed and delivered by each of the parties, the Municipality shall record a copy of this Agreement with the County Recorder of Maricopa County, Arizona.

Section 6.16. Materiality and Continuing Effect. 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 6.17. Enforced Delay. No party shall be considered not to have performed its obligations under this Agreement in the event of enforced delay (an "*Enforced Delay*") due to causes beyond its control and without its fault or negligence or failure to comply with applicable laws, including: acts of God, fires, floods, epidemics, pandemics, quarantines, governor's executive orders, restrictions, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, acts of a public enemy, war, terrorism or act of terror (including bio-terrorism or eco-terrorism), nuclear radiation, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain of any governmental body on behalf of any public entity, or a declaration of moratorium or similar hiatus (whether permanent or temporary) by any public entity directly affecting the obligations under this Agreement. In no event will an Enforced Delay include any delay resulting from unavailability for any reason of labor shortages, or the unavailability for any reason of particular contractors, subcontractors, vendors or investors desired by the Owner, the Successor Owner, or the District in connection with the obligations under this Agreement. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the party claiming delay shall be extended for a period of the Enforced Delay; provided, however, that the party seeking the benefit of the provisions of this Section shall, within thirty (30) calendar days after such party knows or should know of any such Enforced Delay, first notify the other parties of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay.

Section 6.18. Consent. Whenever the consent or approval of any party, 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. Wherever the Municipality's consent is required to be given in this Agreement, such consent will be the consent of the City Manager of the Municipality (or his/her designee), without the requirement of the prior approval of the City Council unless required by Applicable Law, the Municipality's policy, or at the request of the City Manager.

Section 6.19. City Council/District Board Final Actions. 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 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 and the District Board, respectively, has been taken and completed, each at its sole and absolute discretion. This Agreement in no way acquiesces to or obligates the City Council or the District Board to perform or approve any future act.

Section 6.20. Remedies and Mediation.

(a) **Default.** 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, as may be extended for additional time in accordance with the first sentence of this Subsection (a), any non-defaulting party shall have all rights and remedies that are set forth in Subsection (b).

(b) **Remedies.**

(1) **Representative Meeting.** If an event of default is not cured within the Cure Period, any non-defaulting party may request a meeting with the City Manager of the Municipality, the executive director or District Manager of the District, and the chief executive officer or the equivalent of each of the Owner and the Successor Owner for the purposes of resolving the dispute, and such meeting shall take place within thirty (30) days of the request unless otherwise agreed to by all the parties.

(2) **Mediation.** If within thirty (30) days after the representative meeting in Subsection (b)(1) the dispute has not been resolved (subject to approval by the City Council or District Board, if required, or agreed time to cure the dispute), then there will be a ninety (90) day moratorium on litigation (unless such longer period is agreed to by the parties) during which time the parties agree to attempt to settle the dispute by non-binding mediation before commencement of litigation The dispute will be submitted to a mutually acceptable third-party mediator who is acquainted with dispute resolution methods; the parties must act in good faith in the selection of a mediator, and the parties will participate in good faith in the mediation process. No party is entitled to seek or recover punitive damages in considering or fixing any award under

these proceedings and the information obtained during mediation will remain confidential unless otherwise required by law. The costs of mediation, including any mediator's fees, and costs for the use of the facilities during the meetings, will be borne equally by the parties.

(3) **Filing of Action; Action Remedies.** If during the ninety (90) day moratorium on litigation set forth in Subsection (b)(2) the dispute is not resolved (subject to approval by the City Council or District Board, if required, or agreed time to cure the dispute), then a non-defaulting party has the right to file an action in a court of competent jurisdiction in Maricopa County, Arizona. Each party shall have all remedies at law or in equity, except that the Owner's, the Successor Owner's, and the District's remedies against the Municipality shall be limited solely and exclusively to specific performance. The parties agree that claims for damages shall be limited to actual damages and hereby waive any right to seek consequential, punitive, multiple, exemplary and any other damages other than actual damages for breach of this Agreement by any party. This Section 6.20(b)(3) in no way limits, restricts or constrains the obligations of the District, the Owner and the Successor Owner, as applicable, to Indemnify any Indemnified Party pursuant to Article IV hereof.

(4) **Bond Issuance.** If the District is in default of this Agreement, the District hereby agrees that it shall not issue any Revenue Bonds until such default is cured.

Section 6.21. [Reserved.]

Section 6.22. Preservation of State Shared Revenue. Notwithstanding any other provision of or limitation in this Agreement to the contrary, if pursuant to A.R.S. § 41-194.01 the Attorney General determines this Agreement violates any provision of state law or the Constitution of Arizona, then the parties, in good faith, will attempt to modify this Agreement so as to resolve the violation with the Attorney General within thirty (30) days of notice from the Attorney General pursuant to and under the provisions of A.R.S. § 41-194.01(B)(1). If, by the twenty-ninth (29th) day after the date of the notice from the Attorney General, the parties, after good faith efforts, are not successful in modifying this Agreement to the satisfaction of the Attorney General, this Agreement will automatically terminate at midnight on the thirtieth (30th) day after the date of receiving such notice from the Attorney General, and upon such termination the parties will have no further obligations under this Agreement. Additionally, if, under A.R.S. § 41-194.01(B)(2), the Attorney General determines this Agreement may violate a provision of state law or the Constitution of Arizona under A.R.S. § 41-194.01(B)(2), and the Arizona Supreme Court requires the posting of a bond under A.R.S. § 41-194.01(B)(2), the Municipality will be entitled to terminate this Agreement, except if the Owner, the Successor Owner, or the District posts such bond; and provided further, that if the Arizona Supreme Court, determines this Agreement violates any provision of state law or the Constitution of Arizona, the Municipality may terminate this Agreement and the parties will have no further obligations hereunder.

Section 6.23. Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, except for successors and assigns of a party, and except that the Indemnified Parties are third-party beneficiaries of the provisions herein regarding a duty to Indemnify as it applies to the individual Indemnified Party and for insurance to be carried to which the Indemnified Party is required to be an additional insured.

Section 6.24. Computation of Time; Business Day. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement falls on a day that is a Saturday, Sunday, or Municipality recognized holiday in which the Municipality's offices are closed, then the duration of such time period or the date of performance, as applicable, will be extended so that it ends on the next succeeding day that is a Monday through Friday (a "*Business Day*"). The time for performance of any obligation or the taking of any action under this Agreement will expire at 5:00 p.m. (Phoenix, Arizona time) on the last day of the applicable time period.

Section 6.25. Nonliability. No City Council member, official, representative, agent, attorney or employee of the Municipality will be personally liable to the Owner, the Successor Owner, or the District, or to any successor in interest to the Owner or the Successor Owner, in the event of any uncured default of the Municipality under this Agreement or for any amount which may become due to the other party or their successors or assigns, or with respect to any obligation of the Municipality under the terms of this Agreement.

Section 6.26. No Boycott of Israel. To the extent applicable, the Owner and the Successor Owner each certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a "boycott," as that term is defined in A.R.S. § 35-393, of Israel.

Section 6.27. E-verify Compliance. To the extent applicable under A.R.S. § 41-4401, the Owner, the Successor Owner and their respective subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. § 23-214(A). The Owner's, the Successor Owner's, or their respective subcontractor's failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the District or the Municipality.

Section 6.28. No Forced Labor of Ethnic Uyghurs. To the extent applicable under A.R.S. § 35-394, the Owner and the Successor Owner each hereby certifies it does not currently, and for the duration of this Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certifications are made to the best knowledge of each of the Owner and the Successor Owner, respectively, without any current independent investigation or without any future independent investigation for the duration of this Agreement. If either the Owner or the Successor Owner becomes aware during the duration of this Agreement that it is not in compliance with such certification, the Owner and the Successor Owner, as applicable, shall take such actions as provided by law, including providing the required notice to the Municipality and the District. If the Municipality or the District determines that the Owner or the Successor Owner is not in compliance with the foregoing certification and has not taken remedial action, such failure to comply with the certifications in this Section shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the District or the Municipality.

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 and the Successor Owner their signatures, all as of the day and year first written above.

[Signature Pages to Follow]

CITY OF MESA, ARIZONA,
a municipal corporation

By:_____
Scott Butler, City Manager

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Scott Butler, as City Manager of the City of Mesa, Arizona, a municipal corporation under the laws of the State of Arizona.

_____
Notary Public

(Affix Seal Here)

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.

_____
James N. Smith, City Attorney

PALO DISTRICT,
an Arizona theme park district

By:_____
_____, Chairperson, District Board

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by _____, as Chairperson of the Board of Directors of _____ Palo District, an Arizona theme park district.

_____
Notary Public

(Affix Seal Here)

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

SUCCESSOR OWNER:

PALO DISTRICT LLC,
an Arizona limited liability company

By:_____
Name: Vicki Mayo
Its: Manager

STATE OF ARIZONA)
)ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by Vicki Mayo, the Manager of PALO DISTRICT LLC, an Arizona limited liability company.

(Seal and Expiration Date)

_____
Notary Public in and for the State of _____

OWNER:

VERDE FIESTA I, LLC,
an Arizona limited liability company

By: **VERDE INVESTMENTS, INC.**,
an Arizona corporation
Its: Manager

By:_____
Name:_____
Its:_____

STATE OF _____)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, the _____ of VERDE INVESTMENTS, INC., an Arizona corporation, and Manager of VERDE FIESTA I, LLC, an Arizona limited liability company.

(Seal and Expiration Date)

_____
Notary Public in and for the State of _____

ATTACHMENTS TO DEVELOPMENT AND INTERGOVERNMENTAL AGREEMENT:

EXHIBIT A - Legal Description Of The Property To Be Included in the District
EXHIBIT B - Form Of Disclosure Statement

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY TO BE INCLUDED IN THE DISTRICT

PARCEL NO. 1:

That portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Northeast corner of said Section 32;

Thence South 00 degrees 00 minutes 05 seconds west, a distance of 800.00 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 67.00 feet to the TRUE POINT OF BEGINNING;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 176.50 feet;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 182.83 feet;

Thence South 64 degrees 56 minutes 52 seconds West, a distance of 414.43 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 416.00 feet;

Thence North 07 degrees 47 minutes 24 seconds West, a distance of 530.10 feet;

Thence North 01 degrees 05 minutes 54 seconds West, a distance of 253.00 feet;

Thence North 88 degrees 54 minutes 06 seconds East, a distance of 44.00 feet;

Thence South 01 degrees 05 minutes 54 seconds East, a distance of 209.50 feet to a point of curvature of a curve to the left, having a radius of 19.00 feet, a tangent length of 19.00 feet, a central angle of 90 degrees 00 minutes 00 seconds, an arc distance of 29.85 feet;

Thence North 88 degrees 54 minutes 06 seconds East, a distance of 372.84 feet to the point of curvature of a curve to the right, having a radius of 349.50 feet, a tangent length of 225.17 feet, a central angle of 65 degrees 35 minutes 07 seconds, an arc distance of 400.07 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 164.02 feet;

Thence South 04 degrees 34 minutes 31 seconds West, a distance of 43.64 feet;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 251.50 feet to the TRUE POINT OF BEGINNING;

EXCEPT any portion lying within the North 55.00 feet thereof; and

EXCEPT that portion conveyed in Quitclaim Deed recorded in Recording No. 87-023102, described as follows:

That portion of the Northeast quarter of the Northeast quarter of said Section 32, described as follows:

Commencing at the Northeast corner of said Section 32;

Thence South 00 degrees 00 minutes 05 seconds West along the East section line of said Section 32, a distance of 800.48 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 67.00 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 89 degrees 59 minutes 55 seconds West, a distance 12.00 feet;

Thence North 00 degrees 00 minutes 05 seconds East parallel to the East section line of said Section 32, a distance of 251.50 feet;

Thence North 04 degrees 34 minutes 31 seconds East, a distance of 43.64 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 12.00 feet;

Thence South 04 degrees 34 minutes 31 seconds West, a distance of 43.64 feet;

Thence South 00 degrees 00 minutes 05 seconds West parallel to the East section line of said Section 32, a distance of 251.50 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 2:

That part of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Commencing at the Northeast corner of said Section 32;

Thence South 00 degrees 00 minutes 05 seconds West along the East line of said Section 32, 1840.00 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 67.00 feet to a point on the West right-of-way line of South Alma School Road and the TRUE POINT OF BEGINNING;

Thence continuing North 89 degrees 59 minutes 55 seconds West, a distance of 113.00 feet to the point of curvature of a curve;

Thence along said curve to the right, having a radius of 271.00 feet and a central angle of 32 degrees 17 minutes 45 seconds, an arc distance of 152.75 feet to the point of reverse curvature of said curve;

Thence along said curve to the left, having a radius of 15.00 feet, a central angle of 77 degrees 20 minutes 56 seconds, an arc distance of 20.25 feet to the point of reverse curvature of said curve;

Thence along said curve to the right, having a radius of 525.00 feet, a central angle of 19 degrees 06 minutes 05 seconds, an arc distance of 175.03 feet to the point of tangency of said curve;

Thence South 64 degrees 02 minutes 59 seconds West, a distance of 130.00 feet;

Thence South 25 degrees 57 minutes 01 second East, a distance of 44.41 feet;

Thence North 88 degrees 57 minutes 53 seconds East, a distance of 515.79 feet to a point on the West right-of-way line of South Alma School Road;

Thence South 00 degrees 00 minutes 05 seconds West along said West right-of-way line, as described in instrument recorded in Docket 11445, Page 506, records of Maricopa County, Arizona, a distance of 98.07 feet;

Thence South 04 degrees 45 minutes 33 seconds West along the West right-of-way line of the Superstition Freeway, a distance of 132.62 feet;

Thence South 88 degrees 57 minutes 53 seconds West along the North right-of-way line of the Superstition Freeway, a distance of 603.23 feet;

Thence South 82 degrees 43 minutes 07 seconds West along said North right-of-way line, a distance of 20.65 feet;

Thence North 25 degrees 57 minutes 01 second West, a distance of 129.18 feet;

Thence South 64 degrees 02 minutes 59 seconds West, a distance of 153.62 feet;

Thence North 25 degrees 57 minutes 01 second West, a distance of 74.00 feet;

Thence North 64 degrees 02 minutes 59 seconds East, a distance of 8.75 feet;

Thence North 25 degrees 57 minutes 01 second West, a distance of 66.48 feet;

Thence North 00 degrees 00 minutes 05 seconds East, a distance of 366.54 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 86.98 feet;

Thence North 00 degrees 00 minutes 05 seconds East, a distance of 60.28 feet;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 104.45 feet (measured) 104.51 feet (record);

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 35.00 feet;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 263.73 feet;

Thence North 70 degrees 00 minutes 05 seconds East, a distance of 41.28 feet;

Thence South 67 degrees 29 minutes 55 seconds East, a distance of 588.11 feet to a point on a curve;

Thence along said curve to the right, having a radius of 525.00 feet, a central angle of 26 degrees 09 minutes 27 seconds, a tangent bearing of South 06 degrees 45 minutes 33 seconds West, and an arc distance of 239.68 feet;

Thence South 57 degrees 05 minutes 00 seconds East, a distance of 19.22 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 191.14 feet to a point on the West right-of-way line of South Alma School Road;

Thence South 00 degrees 00 minutes 05 seconds West along said West right-of-way line as described in instrument recorded in Docket 11445, Page 506, records of Maricopa County, Arizona, a distance of 115.00 feet to the TRUE POINT OF BEGINNING;

EXCEPT that portion which lies East of that certain line described following, as conveyed to the State of Arizona in Order for Immediate Possession recorded in Recording No. 2001-0398086, and Amended Order of Immediate Possession recorded in Recording No. 2001-0894532, records of Maricopa County, Arizona:

Line Description:

Commencing at a brass cap in a hand hole marking the Northeast corner of said Section 32, from which a 1-inch iron pipe marking the East quarter corner of said Section 32 bears South 00 degrees 57 minutes 21 seconds West, 2642.68 feet;

Thence South 00 degrees 57 minutes 21 seconds West along the East line of said Section 32, a distance of 1859.78 feet;

Thence North 89 degrees 02 minutes 39 seconds West, a distance of 67.00 feet to a point on the existing West right-of-way line of Alma School Road and the TRUE POINT OF BEGINNING of said line;

Thence South 03 degrees 02 minutes 02 seconds West, a distance of 359.65 feet to the point of juncture of said existing West right-of-way line of Alma School Road and the existing North right-of-way line of US Highway 60 (Superstition Freeway) and the TERMINUS of said line; and

EXCEPT that portion conveyed to the City of Mesa, an Arizona municipal corporation, in Quit-Claim Deed recorded in Recording No. 86-666165, described as follows:

Commencing at the Northeast corner of said Section 32;

Thence South 00 degrees 00 minutes 05 seconds West along the East line of said Section 32, 1840.00 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 67.00 feet;

Thence North 00 degrees 00 minutes 05 seconds East, a distance of 40.26 feet to the TRUE POINT OF BEGINNING;

Thence continuing North 00 degrees 00 minutes 05 seconds East, a distance of 74.82 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 12.00 feet;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 74.82 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 12.00 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 3A:

A parcel of land located in the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more fully described as follows:

Commencing at the North quarter corner of Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of South Longmore Road as described in Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 1885.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 45.00 feet to a point on the East right-of-way line of South Longmore Road and the TRUE POINT OF BEGINNING;

Thence North 00 degrees 23 minutes 41 seconds West, a distance of 594.14 feet along said right-of-way line;

Thence East, along a line 0.04 feet North of and parallel to the North face of a parking structure, a distance of 280.46 feet;

Thence South 1.17 feet, to the center of a joint between the slabs of the parking deck;

Thence East, along the center of said joint and extension thereof, a distance of 230.58 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 383.34 feet;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 76.40 feet;

Thence South 71 degrees 33 minutes 59 seconds West, a distance of 81.34 feet to the point of curvature of a tangent curve concave Southeasterly and having a radius of 45.68 feet;

Thence Southwesterly along the arc of said curve through a central angle of 26 degrees 33 minutes 54 seconds, a distance of 21.18 feet to the point of tangency of said curve;

Thence South 45 degrees 00 minutes 05 seconds West, a distance of 348.65 feet to the point of curvature of a tangent curve concave Southeasterly and having a radius of 77.18 feet;

Thence Southwesterly along the arc of said curve, through a central angle of 45 degrees 00 minutes 00 seconds, a distance of 60.61 feet to the point of tangency of said curve;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 127.01 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 550.00 feet, the radius point of which bears North 25 degrees 58 minutes 24 seconds East;

Thence Northwesterly along the arc of said curve through a central angle of 00 degrees 46 minutes 24 seconds, a distance of 7.42 feet to the beginning of a compound curve, concave Northeasterly and having a radius of 700.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of 27 degrees 36 minutes 16 seconds, a distance of 337.25 feet;

Thence leaving said compound curve South 89 degrees 36 minutes 19 seconds West, a distance of 153.38 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 3B:

A non-exclusive easement as created in Cross Easement Agreement recorded in Recording No. 93-0847329, records of Maricopa County, Arizona, for the purpose of vehicular and pedestrian ingress and egress to, from, over and across that portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Glia and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of Longmore Road, according to Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 1885.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 45.00 feet to a point on the East right-of-way of South Longmore Road, and the TRUE POINT OF BEGINNING;

Thence North 00 degrees 23 minutes 41 seconds West along said East right-of-way, a distance of 43.29 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 24.50 feet, the radius point of which bears North 43 degrees 17 minutes 26 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 43 degrees 31 minutes 10 seconds, a distance of 18.61 feet to a point of tangency;

Thence North 89 degrees 46 minutes 16 seconds East, a distance of 45.19 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 20.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 115 degrees 04 minutes 52 seconds, a distance of 40.17 feet to a point of tangency;

Thence North 61 degrees 51 minutes 16 seconds East, a distance of 53.56 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 675.00 feet, the radius point of which bears North 61 degrees 51 minutes 15 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 34 degrees 40 minutes 11 seconds, a distance of 408.44 feet to a point on the arc;

Thence South 00 degrees 00 minutes 05 seconds West, a distance 27.96 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 550.00 feet, the radius point of which bears North 25 degrees 58 minutes 24 seconds East;

Thence Northwesterly along the arc of said curve through a central angle of 00 degrees 46 minutes 24 seconds, a distance of 7.42 feet to the beginning of a compound curve concave Northeasterly and having a radius of 700.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of 27 degrees 36 minutes 16 seconds, a distance of 337.25 feet to a point on the arc;

Thence South 89 degrees 36 minutes 19 seconds West, a distance of 153.38 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 4A:

That portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of South Longmore Road as described in Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 820.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 45.00 feet to a point on the East right-of-way line of South Longmore Road and the TRUE POINT OF BEGINNING;

Thence North 00 degrees 23 minutes 41 seconds West along said East right-of-way line, a distance of 50.00 feet;

Thence leaving said East right-of-way North 89 degrees 36 minutes 19 seconds East, a distance of 137.93 feet to a point on a non-tangent curve, concave Southeasterly and having a radius of 925.00 feet, the radius point of which bears South 58 degrees 42 minutes 09 seconds East;

Thence Northeasterly along the arc of said curve, through a central angle of 16 degrees 18 minutes 28 seconds, a distance of 263.28 feet;

Thence North 47 degrees 36 minutes 19 seconds East, a distance of 95.13 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 262.59 feet;

Thence North 68 degrees 27 minutes 04 seconds East, a distance of 17.85 feet;

Thence North 14 degrees 59 minutes 55 seconds West, a distance of 243.79 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 575.00 feet, the radius point of which bears South 37 degrees 21 minutes 30 seconds East;

Thence Northeasterly along the arc of said curve through a central angle of 07 degrees 40 minutes 35 seconds, a distance of 77.04 feet;

Thence leaving said curve South 21 degrees 32 minutes 56 seconds East, a distance of 453.83 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 189.10 feet;

Thence South 45 degrees 00 minutes 05 seconds West, a distance of 47.75 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 40.00 feet;

Thence South 45 degrees 00 minutes 05 seconds West, a distance 227.50 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 100.00 feet;

Thence South 45 degrees 00 minutes 05 seconds West, a distance of 217.46 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 37.89 feet to a point lying on the projected alignment of the center joint between the slabs of parking deck;

Thence West along said projection and said center of joint, a distance of 230.58 feet;

Thence North, a distance of 1.17 feet to a point lying on a line, 0.04 feet North of and parallel to the North face of the parking structure;

Thence West along said parallel line, a distance of 64.93 feet;

Thence North, a distance of 302.70 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 7.17 feet;

Thence North, a distance of 21.46 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 203.94 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 247.88 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 86.95 feet to a point on a non-tangent curve, concave Southeasterly and having a radius of 900.00 feet, the radius point of which bears South 59 degrees 23 minutes 55 seconds East;

Thence Southwesterly along the arc of said curve, through a central angle of 02 degrees 01 minutes 23 seconds, a distance of 31.78 feet;

Thence leaving said curve South 89 degrees 36 minutes 19 seconds West, a distance of 137.63 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 4B:

A non-exclusive easement as created in Cross Easement Agreement recorded in Recording No. 93-0847328, records of Maricopa County, Arizona, for the purpose of vehicular and pedestrian ingress and egress to, from, over and across that portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of Longmore Road, according to Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 820.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 45.00 feet to a point on the East right-of-way of South Longmore Road and the TRUE POINT OF BEGINNING;

Thence North 00degrees 23 minutes 41 seconds West, a distance of 43.56 feet along said East right-of-way to a point on a non-tangent curve concave to the Northeast and having a radius of 25.00 feet, the radius point of which bears North 43 degrees 55 minutes 32 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 44 degrees 18 minutes 24 seconds, a distance of 19.33 feet to a point of tangency;

Thence North 89 degrees 37 minutes 09 seconds East, a distance of 93.25 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 25.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 62 degrees 49 minutes 32 seconds, a distance of 27.41 feet to a point of tangency;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 4.98 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 925.00 feet, the radius point of which bears South 58 degrees 42 minutes 09 seconds East;

Thence Northeasterly along the arc of said curve through a central angle of 05 degrees 35 minutes 55 seconds, a distance of 90.39 feet to a point on the arc;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 50.53 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 875.00 feet, the radius point of which bears South 53 degrees 34 minutes 13 seconds East;

Thence Southwesterly along the arc of said curve through a central angle of 04 degrees 51 minutes 20 seconds, a distance of 74.15 feet to a point on the arc;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 29.19 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 900.00 feet, the radius point of which bears South 59 degrees 23 minutes 56 seconds East;

Thence Southwesterly along the arc of said curve through a central angle of 02 degrees 01 minutes 23 seconds, a distance of 31.78 feet to a point on the arc;

Thence South 89 degrees 36 minutes 19 seconds West, a distance of 137.63 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 5A:

That portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of Longmore Road, according to Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 820.00 feet;

Thence North 89 degrees 36. minutes 19 seconds East, a distance of 57.00 feet to a point on the East right-of-way line of South Longmore Road, the TRUE POINT OF BEGINNING;

Thence continuing North 89 degrees 36 minutes 19 seconds East, a distance of 125.63 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 900.00 feet, the radius point of which bears South 61 degrees 25 minutes 19 seconds East;

Thence Northeasterly along the arc of said curve through a central angle of 02 degrees 01 minutes 23 seconds, a distance of 31.78 feet to a point on the arc;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 86.95 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 247.88 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 203.94 feet;

Thence South, a distance of 21.46 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 7.17 feet;

Thence South, a distance of 302.70 feet;

Thence West, a distance of 215.53 feet to a point on the East right-of-way of South Longmore Road;

Thence North 00 degrees 23 minutes 41 seconds West along said East right-of-way line, a distance of 159.36 feet;

Thence North 04 degrees 10 minutes 45 seconds East along said East right-of-way line, a distance of 150.48 feet;

Thence North 00 degrees 23 minutes 41 seconds West along said East right-of-way line, a distance of 161.50 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 5B:

That portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Northeast corner of said Section 32;

Thence South 00 degrees 00 minutes 05 seconds West along the East line of said Section 32, a distance of 800.00 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 67.00 feet to a point on the West right-of-way of Alma School Road, according to Docket 10639, Page 1176 and in Recording No. 86-143917, records of Maricopa County, Arizona, said point being the TRUE POINT OF BEGINNING;

Thence South 00 degrees 00 minutes 05 seconds West along said West right-of-way, a distance of 699.50 feet;

Thence South 04 degrees 36 minutes 21 seconds West along said West right-of-way line as further described in Docket 11445, Page 506, records of Maricopa County, Arizona, a distance of 149.48 feet;

Thence South 00 degrees 00 minutes 05 seconds West along said West right-of-way line, a distance of 76.51 feet;

Thence North 89 degrees 59 minutes 55 seconds West along the property line of Broadway Parcel, as described in Docket 13853, Page 925, and in Recording No. 86-143917, records of Maricopa County, Arizona, a distance of 179.14 feet;

Thence North 57 degrees 05 minutes 00 seconds West along said property line, a distance of 19.22 feet to a point, on a non-tangent curve concave Northwesterly and having a radius of 525.00 feet, the radius point of which bears North 57 degrees 04 minutes 57 seconds West;

Thence Northeasterly along the arc of said curve through a central angle of 26 degrees 09 minutes 27 seconds, a distance of 239.68 feet to a point on the arc;

Thence along said property line, traversing the following courses and distances:

Thence North 67 degrees 29 minutes 55 seconds West, a distance of 588.11 feet;

Thence South 70 degrees 00 minutes 05 seconds West, a distance of 41.28 feet;

Thence South 45 degrees 00 minutes 05 seconds West, a distance of 263.73 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 35.00 feet;

Thence South 45 degrees 00 minutes 05 seconds West, a distance of 104.45 feet;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 60.28 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 86.98 Feet;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 366.54 feet;

Thence South 25 degrees 57 minutes 01 seconds East, a distance of 66.48 feet;

Thence South 64 degrees 02 minutes 59 seconds West, a distance of 8.75 feet;

Thence South 25 degrees 57 minutes 01 seconds East, a distance of 74.00 feet;

Thence North 64 degrees 02 minutes 59 seconds East, a distance of 153.62 feet;

Thence South 25 degrees 57 minutes 01 seconds East, a distance of 129.18 feet to a point on the North line of the Superstition Freeway right-of-way as described in Docket 12215, Page 814, records of Maricopa County, Arizona;

Thence South 82 degrees 43 minutes 07 seconds West (South 83 degrees 43 minutes 12 seconds West, record) along said North right-of-way line, a distance of 1036.35 feet;

Thence South 85 degrees 23 minutes 15 seconds West (South 86 degrees 23 minutes 38 seconds West, record) along said North right-of-way line, a distance of 174.04 feet (174.73 feet, record);

Thence North 05 degrees 28 minutes 15 seconds West (North 05 degrees 43 minutes 24 seconds West, record) along the right-of-way of Superstition Freeway, a distance of 301.23 feet (302.39 feet record) to a point on the East right-of-way line of Longmore Road as described in Docket 11445, Page 508, records of Maricopa County, Arizona;

Thence North 00 degrees 23 minutes 41 seconds West along said East right-of-way line, a distance of 155.26 feet;

Thence leaving said right-of-way, North 89 degrees 36 minutes 19 seconds East, a distance of 153.38 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 700.00 feet, the radius point of which bears North 54 degrees 21 minutes 04 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 27 degrees 36 minutes 16 seconds, a distance of 337.25 feet to the beginning of a compound curve concave Northeasterly and having a radius of 550.00 feet;

Thence Southeasterly along the arc of said curve through a central angle of 00 degrees 46 minutes 24 seconds, a distance of 7.42 feet to a point on the arc;

Thence North 00 degrees 00 minutes 05 seconds East, a distance of 127.01 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 77.18 feet;

Thence Northeasterly along the arc of said curve through a central angle of 45 degrees 00 minutes 00 seconds, a distance of 60.61 feet to a point of tangency;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 348.65 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 45.68 feet;

Thence Northeasterly along the arc of said curve through a central angle of 26 degrees 33 minutes 54 seconds, a distance of 21.18 feet to a point of tangency;

Thence North 71 degrees 33 minutes 59 seconds East, a distance of 81.34 feet;

Thence North 00 degrees 00 minutes 05 seconds East, a distance of 76.40 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 421.23 feet;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 217.46 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 100.00 feet;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 227.50 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 40.00 feet;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 47.75 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 189.10 feet;

Thence North 21 degrees 32 minutes 56 seconds West, a distance of 453.83 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 575.00 feet, the radius point of which bears South 29 degrees 40 minutes 56 seconds East;

Thence Southwesterly along the arc of said curve through a central angle of 07 degrees 40 minutes 35 seconds, a distance of 77.04 feet to a point on the arc;

Thence South 14 degrees 59 minutes 55 seconds East, a distance of 243.79 feet;

Thence South 68 degrees 27 minutes 04 seconds West, a distance of 17.85 feet;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 262.59 feet;

Thence North 47 degrees 36 minutes 19 seconds East, a distance of 90.31 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 625.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 41 degrees 17 minutes 47 seconds, a distance of 450.47 feet to a point of tangency;

Thence North 88 degrees 54 minutes 06 seconds East, a distance of 41.16 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 19.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds, a distance or 29.85 feet to a point of tangency;

Thence North 01 degrees 05 minutes 54 seconds West, a distance of 209.00 feet to a point on the South right-of-way line of Southern Avenue as described in Docket 10700, Page 695, records of Maricopa County, Arizona;

Thence North 88 degrees 54 minutes 05 seconds East along said South right-of-way line, a distance of 44.00 feet;

Thence South 01 degrees 05 minutes 54 seconds East along the property line of Sears Parcel as described in Docket 11086, Page 76, records of Maricopa County, Arizona, a distance of 253.00 feet;

Thence continuing along said property line, traversing the following courses and distances, South 07 degrees 47 minutes 24 seconds East, a distance of 530.10 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 416.00 feet;

Thence North 64 degrees 56 minutes 52 seconds East, a distance of 414.43 feet;

Thence North 00 degrees 00 minutes 05 seconds East, a distance of 182.83 feet;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 176.50 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 5C:

A non-exclusive easement as created in Cross Easement Agreement recorded in Recording No. 93-0847328, records of Maricopa County, Arizona, for the purpose of vehicular and pedestrian ingress and egress to, from, over and across that portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of Longmore Road, according to Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 820.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 45.00 feet to a point on the East right-of-way of South Longmore Road and the TRUE POINT OF BEGINNING;

Thence North 00degrees 23 minutes 41 seconds West, a distance of 43.56 feet along said East right-of-way to a point on a non-tangent curve concave to the Northeast and having a radius of 25.00 feet, the radius point of which bears North 43 degrees 55 minutes 32 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 44 degrees 18 minutes 24 seconds, a distance of 19.33 feet to a point of tangency;

Thence North 89 degrees 37 minutes 09 seconds East, a distance of 93.25 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 25.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 62 degrees 49 minutes 32 seconds, a distance of 27.41 feet to a point of tangency;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 4.98 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 925.00 feet, the radius point of which bears South 58 degrees 42 minutes 09 seconds East;

Thence Northeasterly along the arc of said curve through a central angle of 05 degrees 35 minutes 55 seconds, a distance of 90.39 feet to a point on the arc;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 50.53 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 875.00 feet, the radius point of which bears South 53 degrees 34 minutes 13 seconds East;

Thence Southwesterly along the arc of said curve through a central angle of 04 degrees 51 minutes 20 seconds, a distance of 74.15 feet to a point on the arc;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 29.19 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 900.00 feet, the radius point of which bears South 59 degrees 23 minutes 56 seconds East;

Thence Southwesterly along the arc of said curve through a central angle of 02 degrees 01 minutes 23 seconds, a distance of 31.78 feet to a point on the arc;

Thence South 89 degrees 36 minutes 19 seconds West, a distance of 137.63 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 5D:

A non-exclusive easement as created in Cross Easement Agreement recorded in Recording No. 93-0847329, records of Maricopa County, Arizona, for the purpose of vehicular and pedestrian ingress and egress to, from, over and across that portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Glia and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of Longmore Road, according to Docket 11445, Page 508, records of Maricopa County, Arizona, a distance of 1885.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 45.00 feet to a point on the East right-of-way of South Longmore Road, and the TRUE POINT OF BEGINNING;

Thence North 00 degrees 23 minutes 41 seconds West along said East right-of-way, a distance of 43.29 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 24.50 feet, the radius point of which bears North 43 degrees 17 minutes 26 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 43 degrees 31 minutes 10 seconds, a distance of 18.61 feet to a point of tangency;

Thence North 89 degrees 46 minutes 16 seconds East, a distance of 45.19 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 20.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 115 degrees 04 minutes 52 seconds, a distance of 40.17 feet to a point of tangency;

Thence North 61 degrees 51 minutes 16 seconds East, a distance of 53.56 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 675.00 feet, the radius point of which bears North 61 degrees 51 minutes 15 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 34 degrees 40 minutes 11 seconds, a distance of 408.44 feet to a point on the arc;

Thence South 00 degrees 00 minutes 05 seconds West, a distance 27.96 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 550.00 feet, the radius point of which bears North 25 degrees 58 minutes 24 seconds East;

Thence Northwesterly along the arc of said curve through a central angle of 00 degrees 46 minutes 24 seconds, a distance of 7.42 feet to the beginning of a compound curve concave Northeasterly and having a radius of 700.00 feet;

Thence Northwesterly along the arc of said curve through a central angle of 27 degrees 36 minutes 16 seconds, a distance of 337.25 feet to a point on the arc;

Thence South 89 degrees 36 minutes 19 seconds West, a distance of 153.38 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 5E:

A non-exclusive easement created in Easement Agreement recorded in Recording No. 93-0847327, records of Maricopa County, Arizona, for the purpose of vehicular and pedestrian ingress and egress to, from, over and across that portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West of said fractional portion and monument line of Longmore Road, according to Docket 11145, Page 508, records of Maricopa County, Arizona, a distance of 1885.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 229.29 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 675.00 feet, the radius point of which bears North 52 degrees 50 minutes 13 seconds East;

Thence Southeasterly along the arc of said curve through a central angle of 09 degrees 33 minutes 19 seconds, a distance of 112.57 feet to a point on the arc, and the TRUE POINT OF BEGINNING;

Thence North 45 degrees 11 minutes 40 seconds East, a distance of 281.94 feet;

Thence North 44 degrees 48 minutes 20 seconds West, a distance of 5.50 feet to a point on a non-tangent curve concave Northwesterly and having a radius of 21.00 feet, the radius point of which bears North 44 degrees 48 minutes 20 seconds West;

Thence Northeasterly along the arc of said curve through a central angle of 90 degrees 09 minutes 26 seconds, a distance of 33.04 feet to a point of tangency;

Thence North 44 degrees 57 minutes 46 seconds West, a distance of 264.98 feet to the beginning of a tangent curve Southeasterly and having a radius of 59.00 feet;

Thence Northeasterly along the arc of said curve through a central angle of 89 degrees 57 minutes 26 seconds, a distance of 92.63 feet to a point of tangency;

Thence North 44 degrees 59 minutes 40 seconds East, a distance of 243.36 feet;

Thence East, a distance of 53.73 feet;

Thence South 44 degrees 59 minutes 40 seconds West, a distance of 281.35 feet to the beginning of a tangent curve concave Southeasterly and having a radius of 21.00 feet;

Thence Southwesterly along the arc of said curve through a central angle of 89 degrees 57 minutes 26 seconds, a distance of 32.97 feet to a point of tangency;

Thence South 44 degrees 57 minutes 46 seconds East, a distance of 264.98 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 59.00 feet;

Thence Southwesterly along the arc of said curve through a central angle of 90 degrees 09 minutes 26 seconds, a distance of 92.84 feet to a point of tangency;

Thence North 44 degrees 48 minutes 20 seconds West, a distance of 5.50 feet;

Thence South 45 degrees 11 minutes 40 seconds West, a distance of 280.50 feet to a point on a non-tangent curve concave Northeasterly and having a radius of 675.00 feet, the radius point of which bears North 40 degrees 59 minutes 11 seconds East;

Thence Northwesterly along the arc of said curve through a central angle of 02 degrees 17 minutes 43 seconds, a distance of 27.04 feet to a point on the arc, and the TRUE POINT OF BEGINNING.

PARCEL NO. 5F:

A non-exclusive easement as created in Easement Agreement recorded in Recording No. 93-0847326, records of Maricopa County, Arizona, for the purpose of vehicular and pedestrian ingress and egress to, from, over and across that portion of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the North quarter corner of said Section 32;

Thence North 88 degrees 54 minutes 06 seconds East along the North line of said Section 32, a distance of 663.74 feet to the Northwest corner of the East half of the West half of the Northeast quarter of said Section 32;

Thence South 00 degrees 23 minutes 41 seconds East along the West line of said fractional portion and monument line of Longmore Road, according to Docket 11445, Page 508, records of Maricopa .County, Arizona, a distance of 820.00 feet;

Thence North 89 degrees 36 minutes 19 seconds East, a distance of 211.33 feet to a point on a non-tangent curve concave Southeasterly and having a radius of 875.00 feet, the radius point of which bears South 60 degrees 30 minutes 41 seconds East;

Thence Northeasterly along the arc of said curve through a central angle of 04 degrees 49 minutes 15 seconds, a distance of 73.62 feet to a point on the arc, and the TRUE POINT OF BEGINNING;

Thence continuing Northeasterly along the arc of said curve through a central angle of 02 degrees 04 minutes 57 seconds, a distance of 31.80 feet to a point on the arc;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 246.00 feet;

Thence North 45 degrees 00 minutes 05 seconds East, a distance of 6.20 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 318.76 feet;

Thence South 45 degrees 00 minutes 05 seconds West, a distance of 197.76 feet;

Thence South 44 degrees 59 minutes 55 seconds East, a distance of 28.90 feet;

Thence South 44 degrees 59 minutes 40 seconds West, a distance of 8.99 feet;

Thence West, a distance of 53.73 feet;

Thence North 44 degrees 59 minutes 40 seconds East, a distance of 159.07 feet to the beginning of a tangent curve concave Northwesterly and having a radius of 48.13 feet;

Thence Northeasterly along the arc of said curve through a central angle of 89 degrees 59 minutes 35 seconds, a distance of 75.60 feet to a point of tangency;

Thence North 44 degrees 59 minutes 55 seconds West, a distance of 502.18 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 6:

That part of the Northeast quarter of Section 32, Township 1 North, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

Commencing at the Northeast corner of Section 32;

Thence South 00 degrees 00 minutes 05 seconds West, along the East section line, a distance of 1840.00 feet;

Thence North 89 degrees 59 minutes 55 seconds West, a distance of 67.00 feet to the West right-of-way line of South Alma School Road to the TRUE POINT OF BEGINNING;

Thence South 00 degrees 00 minutes 05 seconds West, a distance of 148.83 feet along said West right-of-way line described in Docket 11445, Page 506, records of Maricopa County, Arizona;

Thence South 88 degrees 57 minutes 53 seconds West, a distance of 515.79 feet;

Thence North 25 degrees 57 minutes 01 seconds West, a distance of 44.41 feet;

Thence North 64 degrees 02 minutes 59 seconds East, a distance of 130.00 feet to a curve;

Thence along said curve to the left, having a radius of 525.00 feet, a central angle of 19 degrees 06 minutes 05 seconds, an arc distance of 175.03 feet to the point of reverse curvature;

Thence along said curve to the right, with a radius of 15.00 feet, a central angle of 77 degrees 20 minutes 56 seconds and an arc distance of 20.25 feet to the point of reverse curvature;

Thence along said curve to the left, having a radius of 271.00 feet, a central angle of 32 degrees 17 minutes 45 seconds and an arc distance of 152.75 feet to the point of tangent on said curve;

Thence South 89 degrees 59 minutes 55 seconds East, a distance of 113.00 feet to the West right-of-way line of South Alma School Road to the TRUE POINT OF BEGINNING;

EXCEPT any portion of above described property as set forth in Document No 2001-0233645, records of Maricopa County, Arizona; and

EXCEPT any portion lying East of described line:

Commencing at a brass cap in a handhole marking the Northeast corner of said Section 32, from which a 1-inch iron pipe marking the East quarter corner bears South 00 degrees 57 minutes 21 seconds West 2642.00 feet;

Thence along the East line of said Section 32, South 00 degrees 57 minutes 21 seconds West, a distance of 1859.78 feet;

Thence North 89 degrees 02 minutes 39 seconds West, a distance of 67.00 feet to an existing West right-of-way line Alma School Road also being the East line of above described property and the POINT OF BEGINNING;

Thence South 03 degrees 02 minutes 02 seconds West, a distance of 359.65 feet to the point of juncture of said existing West right-of-way line of Alma School Road and the existing North right-of-way line of U.S. Highway 60 (Superstition Freeway) and the POINT OF ENDING.

PARCEL NO. 7:

Easements for ingress, egress, the passage and parking of vehicles, the passage and accommodations of pedestrians, separate and common utility lines, construction, reconstruction, redevelopment, erection, removal and maintenance as created, defined, located and limited in Articles II and III of Construction, Operation and Reciprocal Easement Agreement recorded in Docket 13697, Page 73, Affidavit, correcting legal description, recorded in Docket 16122, Page 357, First Amendment recorded in Docket 16519, Page 444, Second Amendment recorded in Document No. 93-0847325, and in Document No. 94-0248688, records of Maricopa County, Arizona.

EXHIBIT B

FORM OF DISCLOSURE STATEMENT

PALO DISTRICT

DISCLOSURE STATEMENT

The Palo District, a theme park district under Arizona law (the "**District**"), was established pursuant to a request submitted by Verde Fiesta I, LLC, an Arizona limited liability company (the "**Owner**") and Palo District LLC, an Arizona limited liability company (the "**Successor Owner**" and, for convenience, the Owner and the Successor Owner are referred to herein interchangeably as the "**Developer**"). The District is authorized to levy, and [currently does levy/ is expected to levy], a transaction privilege tax on business activity in the District that is subject to taxation under Title 42, Chapter 5, Arizona Revised Statutes ("**A.R.S.**"). The tax may be levied up to a maximum rate allowed under A.R.S. § 48-6253 on the gross proceeds of sales or gross income derived from the business, including admission and user fees. The District has financed and, in the future, will finance certain theme park facilities, and the District shall levy the tax to repay the financing related to such theme park facilities.

THE DISTRICT AND THE THEME PARK FACILITIES

On November 26, 2025, the City Council of the City of Mesa, Arizona, formed the District consisting of approximately 80 acres of land. The District has been established to finance, at the request of Developer, approximately $___,000,000 in theme park facilities and related improvements, including financing costs related to such improvements, through the District's revenue bonds to be issued to finance the acquisition and construction of theme park facilities and improvements. The District's revenue bonds will be repaid with transaction privilege tax revenues generated for business activity within the boundaries of the District. [The District issued $_,___,000 of its Revenue Bonds, Series 20__ on _____, 20__.] The District will continue to levy the tax until the revenue bonds are fully repaid, which is scheduled for _____, 20__.

Additional information regarding the description of theme park facilities and improvements to be financed by the District, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the District's office.

TAX LIABILITY

The District presently levies a transaction privilege tax at the following rates for the applicable categories of business activity:

[District to Insert Chart with Tax Rates and Business Activities]

In accordance with Arizona law, "business" includes all activities or acts, personal or corporate, that are engaged in or caused to be engaged in with the object of gain, benefit or advantage, either directly or indirectly. Property owners, lessees of property and business operators within the

District should consult their own tax advisors regarding the impact of the District's transaction privilege tax.

The levying of such transaction privilege taxes as allowed by Arizona law is not a levying of any tax by the City and is not a tax the levying of which requires the approval of the City Council; the levying of such tax requires action of the District Board. The City has no control over the transaction privilege taxes levied by the District, and only the District, not the City, receives revenues from such transaction privilege taxes.

NO DISTRICT AD VALOREM PROPERTY TAXES

The District is only authorized to levy transaction privilege taxes. It has no statutory authority to levy any ad valorem property taxes.

Your signature below acknowledges that you have read this Disclosure Statement at the time you made your decision to purchase or lease property or establish business operations within the District and that you understand the District's transaction privilege tax levied to pay the District's revenue bonds described above and issued in the future.

_____ _____

Buyer/ Business Operator Signature/Date Printed Name

Parcel No. _____

UPON EXECUTION, MAIL DIRECTLY TO: _____

_____

_____

_____