RESOLUTION NO. 08-17

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MARICOPA, ARIZONA, APPROVING AND ADOPTING THE LEGACY DEVELOPMENT AGREEMENT AND SETTLEMENT AGREEMENT BETWEEN THE CITY OF MARICOPA AND MA MARICOPA, LLC, IN COMPLIANCE WITH A.R.S. §9-500.05.

WHEREAS, pursuant to A.R.S. §9-500.05, MA Maricopa, LLC, an Arizona limited liability company ("Owner"), and the City of Maricopa have agreed enter into a Development Agreement and Settlement Agreement in the form which is attached to this Resolution and by this reference made a part hereof; and

WHEREAS, on May 1, 2007 the Mayor and City Council adopted Resolution 07-25, approving a Development Agreement with Owner for the development of Legacy School; and

WHEREAS, Owner has been unable to develop the Legacy School and has filed a claim against the City of Maricopa for an alleged breach of A.R.S. §15-189.01 and breach of the Development Agreement and other claims; and

WHEREAS, the City of Maricopa believes that it is in the best interest of the City to enter into this Development Agreement and Settlement Agreement in order to facilitate the proper development of the property subject to the Development Agreement and Settlement Agreement and to avoid litigation.

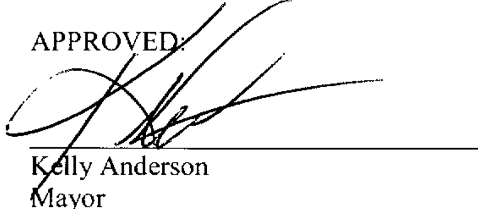
NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Maricopa, Arizona, as follows:

Section 1. The City of Maricopa by the requisite vote of its City Council hereby approves and adopts, and authorizes and instructs its Mayor on behalf of the City of Maricopa to enter into the Legacy Development Agreement and Settlement Agreement with the Owner in the form attached to and made a part of this Resolution.

Section 2. Pursuant to A.R.S. §9-500.05(G), the provisions of this Resolution are not enacted as an emergency measure and shall not be effective for thirty (30) days.

PASSED AND ADOPTED by the Mayor and City Council of the City of Maricopa, Arizona, this 22nd day of April, 2008.

APPROVED:

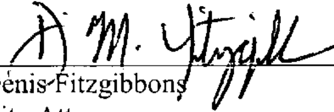


Kelly Anderson
Mayor

ATTEST:

Vanessa Bueras, CMC
City Clerk

APPROVED AS TO FORM:



Denis Fitzgibbons
City Attorney

LEGACY DEVELOPMENT-SETTLEMENT AGREEMENT

THIS REVISED AND RESTATED DEVELOPMENT AGREEMENT AND SETTLEMENT AGREEMENT (this "**Agreement**") is entered into this 22nd day of April, 2008 ("**Effective Date**"), by and between the **City of Maricopa**, an Arizona municipal corporation (the "**City**"), and M.A. Maricopa, LLC, an Arizona limited liability company, (the "**Developer**"). City and Developer are sometimes referred to herein collectively as the "**Parties**" or individually as a "**Party**".

RECITALS

A. **WHEREAS,** A.R.S. § 9-500.05 authorizes the City to enter into development agreements with landowners and persons having an interest in real property that is located in the City;

B. **WHEREAS,** Developer is the owner of certain real property located within the City and located generally on Honeycutt Road, between Porter Road and White and Parker Road (the "**Property**");

C. **WHEREAS,** Developer and the City entered into that certain Legacy Development Agreement dated May 3, 2007 ("**Initial Development Agreement**") in order for the Developer to construct the Legacy Traditional School, a charter school ("**School**") on a portion of the Property so that the School can be operated as required by this Agreement. The School is the subject of Case No. CV 2008-050888 presently pending in Maricopa County Superior Court (the "**Lawsuit**") and which is legally described in Exhibit A, attached hereto and incorporated herein by reference; and

D. **WHEREAS,** the Parties understand and acknowledge that this Agreement is a "**Development Agreement**" within the meaning of and entered into pursuant to the terms of A.R.S. § 9-500.05, in order establish certain terms, conditions, and covenants concerning the development of the Property as set forth herein.

NOW THEREFORE, the parties agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

1.1 School Opening. The City and the Developer shall use their best efforts in accordance with the terms of this Agreement to open the School by August 2008 so the residents of the City will have the benefit of this educational institution.

ARTICLE 2 LEGAL ACTION AND DEVELOPMENT OF PROPERTY

2.1 Legal Action and Release. Within one (1) business day following the execution and delivery of this Agreement, the parties will cause the execution and filing of a Stipulation to Dismiss with Prejudice Case No. CV2008-050888 (the "**Lawsuit**") presently pending in Maricopa County Superior Court ("**Dismissal**"). Simultaneously with the execution and delivery of this Agreement, the Developer and related entities as set forth in the Release shall execute and deliver

a release in the form attached as Exhibit B in order to waive all claims, release, and forever discharge the City and its agents, employees, and officers, former and current, from and against all liability in connection with or arising out of any injury or damage caused by the events giving rise to the Lawsuit, including any and all claims, disputes, demands, causes of action, claims for relief, damages, liabilities, costs, expenses, and reasonable attorneys' fees, of any and every kind, nature or character (the "**Release**"). The City shall have no obligation to make any deposit under the Offsite Improvement Agreement (defined below and attached hereto as Exhibit C), unless and until the Dismissal is appropriately filed in the Maricopa County Superior Court and the Release is executed and delivered.

2.2 Zoning. Concurrently with the execution of this Agreement, the City will initiate the process to adopt the zoning classification of CB-1/CB-2 commercial zoning for certain of Developer's parcels along Porter, Honeycutt, and Edison Roads. Those parcels are:

Seven Ranch Parcels:

APN 510-71-017

APN 510-71-018(A), (C), (D), (E), and (F)

APN 510-71-016(C), (D), (E), and (F)

APN 510-71-030(A)

APN 510-71-033(B)

APN 510-71-011(G)

APN 510-71-005(Q)

APN 510-71-005(R)

APN 510-71-005(S)

West Edison Parcels:

APN 510-20-032

APN 510-20-018

APN 510-20-017(A)

2.3 Zoning Procedures. The City shall hold public meetings on a zoning amendment and fully comply with all other requirements of A.R.S. § 9-462.04 necessary to adopt municipal zoning for such parcels. Developer shall be responsible for following all customary zoning procedures.

2.4 Purchase of Right-of-Ways. In order to serve its regional transportation needs, City shall purchase from Developer the portion of right-of-way along the Porter, Honeycutt, and Continental alignments adjacent to Developer's parcels as identified in Exhibit A, attached hereto (the "**Acquired ROW**") which have not already been dedicated to the City. The purchase price shall be fair market value as determined pursuant to Section 2.4.1 of this Agreement. All such Acquired ROW shall be free and clear of any and all liens.

2.4.1 Appraisal. The Acquired ROW shall be appraised by CB Richard Ellis for and paid by the City and by David M. Lyons, MAI of Lyons Valuation Group, LLC for and paid by the Developer. The ROW shall be appraised pursuant to appraisal instructions in the form of Exhibit D. Each appraisal shall produce an aggregate fair market value ("**Total ROW Value**") for all ROW appraised. The parties shall use their best efforts to exchange their respective appraisals no later than twenty-eight (28) days after the date of the Effective Date. If the difference between the appraisals is less than or equal to twenty percent (20%) of the lowest appraisal, the two appraisals shall be averaged to determine the Total ROW Value. If the difference between the appraisals is greater than twenty percent (20%) of the lowest appraisal, and if the parties do not otherwise mutually agree to a value, within two (2) days the two appraisals shall be delivered to an appraiser mutually acceptable to the parties ("**Independent Appraiser**") who shall review the two appraisals and deliver an opinion as to the amount of the Total ROW Value. Such opinion shall be used to determine the Total ROW Value. The Total ROW Value as determined pursuant to this Section 2.4.1 shall be used as the fair market value of the Acquired ROW. The Independent Appraiser will use its best efforts to render a decision within seven (7) days after receiving the two appraisals. The fees and costs of the Independent Appraiser shall be shared equally by the parties.

2.4.2 Payment. Upon the final determination of the Total ROW Value pursuant to Section 2.4.1, the parties shall enter into a purchase agreement in form of Exhibit E ("**ROW Purchase Agreement**"). Within three (3) business days following the final determination of the Total ROW Value pursuant to Section 2.4.1, the City shall pay the Developer pursuant to ROW Purchase Agreement.

2.5 Street, Off-Site, and Other Related Improvements.

2.5.1 Developer Improvements. Developer shall construct and City shall fund certain improvements in right-of ways of intersections of a public way within the City ("**Developer Improvements**") pursuant to the Agreement Regarding Repayment of Offsite Improvements Funding ("**Offsite Improvements Agreement**") attached hereto as Exhibit C. The Developer shall construct the Developer Improvements in accordance with a Performance Schedule, attached hereto as Exhibit F. The Developer Improvements shall be constructed, inspected, approved, paid for and dedicated pursuant to the Offsite Improvements Agreement.

2.5.2 City Improvements. City shall fund and construct certain improvements in right-of-ways and improvement of intersections of a public way within the City ("**City Improvements**") pursuant to the Offsite Improvements Agreement attached hereto as Exhibit C. The City shall construct the City Improvements in accordance with a "**Performance Schedule,**" attached hereto as Exhibit F. If the City fails to construct the City Improvements as required by the Performance Schedule, subject to the Force Majeure provisions of Section 6.2 of this Agreement, the Developer may thereafter construct, at the City's expense (subject to the other terms of this Agreement), the City Improvements as Developer Improvements pursuant to the Offsite Improvements Agreement. This Section 2.5.2 shall not limit in any way the City's rights and powers under its Development Fee Code (Exhibit G), as may be amended.

2.5.3 Water Tank Improvements. The City shall fund the construction of the water retention tank improvements for Seven Ranch Water District necessary to meet International Fire Code suppression requirements for the surrounding properties, including the permanent site for the School ("**Water Tank Improvements**"). Water Tank Improvements shall be Developer Improvements constructed, inspected, approved, paid for and dedicated pursuant to the Offsite Improvement Agreement. If the water retention tank is to be constructed on property not owned by the City, the parties acknowledge that the right to construct the water retention tank on such property must be obtained.

2.5.4 School Opening and Operation. The Developer shall construct the School so that the School can be operated for the 2008-2009 school year in substantially the same manner as existed for the 2007-2008 school year. The City's obligation to deposit funds into the Escrow Account for Whisker and Seven Ranches Roads (pursuant to the Offsite Improvement Agreement) is conditioned upon (i) the School receiving a certificate of occupancy; (ii) the School being opened and operated for 2008-2009 school year in substantially the same manner as existed for the 2007-2008 school year; and (iii) the City issuing Developer a building permit for the permanent Porter Campus location (currently the temporary School site).

2.5.5 Dedication. Any and all improvements listed in Sections 2.5.1 and 2.5.3 of this Agreement shall be dedicated to the City or (in the case of the Water Tank Improvements) the City's Designee free and clear of all liens.

2.6 Development Fees. All of Developer's parcels shall be subject to any and all future development fees that may be associated with the improvements contemplated by this Agreement. If following the issuance of the certificate of occupancy for the School the School is not used as a charter school, no exceptions for the payment of development fees shall be applicable.

2.7 Application of Subdivision Ordinance. The School was developed as a Minor Land Division pursuant to Section 2.1 of the Initial Development Agreement. The balance of the Property will be developed as a subdivision in compliance with the Maricopa City Code, including, but not limited to, the Maricopa Subdivision Ordinance (Ordinance 06-18; Article 14-1). Both will be developed pursuant to subdivision applications under the Maricopa City Code. The parties acknowledge that Developer has submitted its application for such subdivision (Subdivision Case No. 08.04 and Zoning No. 08.02). The City's Planning and Zoning Commission is scheduled to act on such application on April 28, 2008 and the City Council is scheduled to act on the Planning and Zoning Commission recommendation on May 20, 2008.

2.8 Waiver. The Developer on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Developer agrees and consents to all the conditions imposed by this Agreement, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the Developer of the Property may have now or in the future under the provisions of A.R.S. §§ 12-1134 through and including 12-1136 resulting from this Agreement, or from any "land use law" (as such term is defined in the aforementioned statute sections) permitted by this Agreement to be enacted, adopted or applied by the City now or hereafter. Developer acknowledges and agrees the terms and conditions set forth in this

Agreement cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the City to the Property.

ARTICLE 3 CONSTRUCTION

3.1 Schedule of Performance. Subject to Section 6.2 of this Agreement, all improvements conducted pursuant to Section 2.5 of this Agreement shall be accomplished pursuant to the Performance Schedule attached hereto as Exhibit E.

3.2 Additional City Resources. Pursuant to A.R.S. § 15-189.01, the City shall use its best efforts to ensure that hearings and administrative reviews involving that portion of the Property to be used as the School are scheduled and conducted on an expedited basis. If the City is not able to respond to requests for City approvals in a timely manner pursuant to the Performance Schedule, the City shall notify Developer in writing no later than fifteen (15) days following receipt of the applicable Developer request for City approval. In such event, Developer may elect to request that the City obtain additional resources in order to allow the City to respond in a timely manner. Upon such a request, and if such resources are available, the City shall obtain additional resources it reasonably believes are necessary in order to timely respond to Developer's requests for City approvals. Developer will pay for half of the additional costs to the City for such additional resources.

3.3 Property Reviews. The City and its personnel and representatives shall have the right to conduct reviews of the Property as required and permitted by the City Code, Ordinances, Resolutions and regulations periodically during the course of construction of the Property.

3.4 Fees. In addition to the obligations under Section 2.6 of this Agreement, the Developer shall remain liable for other fees and charges required by the City Code, Ordinances, Resolutions, or regulations, as amended, to develop the property.

3.5 Failure of Timely Performance. In the event that either party hereto fails to perform any of its obligations which are set forth in or contemplated by this Agreement or in the Schedule or Performance in a timely manner, and should such failure not otherwise be excused by agreement of the parties, such failure shall be considered to be a breach of this Agreement and the nonbreaching party shall have their respective remedies as set forth in this Agreement.

ARTICLE 4 MEDIATION AND DEFAULT

4.1 Representatives. To further the cooperation of the parties in implementing this Agreement, the City and Developer each shall designate and appoint a representative to act as a liaison between the City and its various departments and Developer. The initial representative for the City (the "**City Representative**") shall be the City Manager and the initial representative for Developer shall be Paul Scarlett (the "**Developer Representative**"). The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement and the development of the Property. Either party may designate a new representative by notifying the other party in writing of such designation.

4.2 Mediation. In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by Developer and the City. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the City and Developer shall request the presiding judge of the Superior Court in and for the County of Pinal, State of Arizona, to appoint an independent mediator. The cost of any such mediation shall be divided equally between the City and Developer. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the moratorium.

4.3 Default. Subject to Section 6.2 this Agreement, failure or unreasonable delay by any party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from the other party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any party, the non-defaulting party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance and the right to perform the obligation(s) of which the defaulting party is in default and to immediately seek reimbursement from the defaulting party of all sums expended in order to cure such default, together with interest on all such sums from the date said sums are expended by the non-defaulting party for the purpose of curing the default to the date such sums are paid in full.

ARTICLE 5 TERM OF AGREEMENT

5.1 Term. The term of this Agreement shall commence on the Effective Date and shall terminate on the tenth (10th) anniversary of the Effective Date.

ARTICLE 6 MISCELLANEOUS PROVISIONS

6.1 Notices. All notices and communications provided for herein, or given in connection herewith, shall be validly made if in writing and delivered personally or sent by registered or certified United States Postal Service mail, return receipt requested, postage prepaid to:

If to the City:
City Manager
City of Maricopa
45145 W. Madison Avenue
Maricopa, Arizona 85239

With a copy to:
Denis Fitzgibbons, Esq.
PO Box 11208
Casa Grande, Arizona 85230

If to Developer:	Steven M. Northroup M.A. Maricopa, LLC PO Box 543 Maricopa, Arizona 85239
With a copy to:	John T. Gilbert, Esq. Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd., Suite 216 Scottsdale, Arizona 85260

or to such other addresses as either party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices given by mail shall be deemed delivered 72 hours following deposit in the United States Postal Service in the manner set forth above.

6.2 Force Majeure. Should the performance of any term or condition contained in this Agreement be delayed by strikes, lockouts, civil strife, war, natural disasters, action of the elements, or unavailability of materials or supplies, the time for performance will be deemed extended by the number of days during which performance was necessarily delayed by any one or more of the above.

6.3 Assignment. The City agrees that Developer shall have the right to separately assign from time to time all or portions of this Agreement to its assignees, transferees and successors. Developer shall provide the City with copies of all such assignments, which form of assignment shall be subject to the reasonable approval of the City. Assignees shall have the right to enforce their respective rights under this Agreement, and the City shall have the right to enforce its rights under this Agreement.

6.4 Non-Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement.

6.5 Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

6.6 Authority. The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement. Developer represents and warrants that it is duly formed and validly existing under the laws of the State of Arizona, and that it is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. Developer and the City warrant to each other that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each individual is signing.

6.7 Entire Agreement. This Agreement, including the following exhibits and any attachments thereto, constitutes the entire agreement between the parties.

Exhibit A	Property Description
Exhibit B	Release
Exhibit C	Agreement Regarding Repayment of Offsite Improvements Funding
Exhibit D	Appraisal Instructions
Exhibit E	Purchase Agreement
Exhibit F	Performance Schedule
Exhibit G	Development Fee Code

This Agreement amends, restates, and replaces the Initial Development Agreement in all respects, which Initial Development Agreement terminates as of the Effective Date.

6.8 Amendment of the Agreement. This Agreement may be amended, in whole or in part only with the mutual written consent of the parties to this Agreement or by their successors in interest or assigns. The City shall record the amendment or cancellation in the official records of the Pinal County Recorder.

6.9 Severability. If any other provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

6.10 Governing Law. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement. The parties agree that venue for any mediation or action commenced in connection with this Agreement shall be proper only in Pinal County, Arizona, and the parties hereby waive any right to object to such venue.

6.11 Recordation of Agreement and Subsequent Amendment; Cancellation. This Agreement, and any amendment or cancellation of it shall be recorded in the official records of the Pinal County Recorder no later than ten (10) days after the City and Developer execute such agreement, amendment, or cancellation, as required by A.R.S. § 9-500.05.

6.12 Attorneys' Fees and Costs. If either party brings a legal action either because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and court costs.

6.13 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.

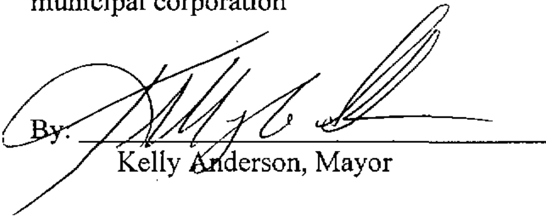
6.14 No Agency Created. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties.

6.15 Non-Liability of City Officials and Employees. Except for mandamus and other special actions, no official or employee of the City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the City or for any amount that may become due to Developer or successor, or under any obligation under the terms of this Agreement.

6.16 Notice of A.R.S. § 38-551. Under Section 38-511, Arizona Revised Statues, as amended, the City may cancel any contract to which it is a party within three years after execution of such contract and without penalty or further obligation, if any person significantly involved in initiating, negotiation, securing, drafting, or crating the contract on behalf of the City is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to other party to the contract with respect to the subject matter of the contract. The City acknowledges that as of the Effective Date it is not aware of any person whose actions would give the City termination rights under A.R.S. § 38-511. In the event that the City elects to exercise its rights under § 38-511, Arizona Revised Statutes, as amended, the City agrees to immediately give notice thereof to the Developer.

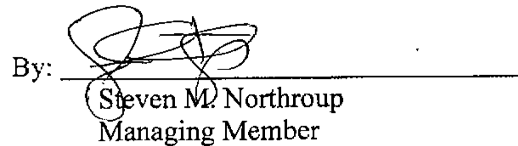
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF MARICOPA, an Arizona municipal corporation



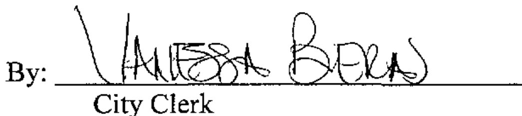
By: ______________________
Kelly Anderson, Mayor

M.A. MARICOPA, LLC, an Arizona limited liability company



By: ______________________
Steven M. Northroup
Managing Member

ATTEST:



By: ______________________
City Clerk

APPROVED AS TO FORM:

By: ______________________
City Attorney

J:\rlumley\Maricopa\RL00100.07.doc

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing instrument was acknowledged before me this 28TH day APRIL, 2008, by Kelly Anderson, Mayor of the City of Maricopa, Arizona, an Arizona municipal corporation.

VANESSA BUERAS
Notary Public - Arizona
Pinal County
My Commission Expires
December 29, 2008

Notary Public

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing instrument was acknowledged before me this 24TH day APRIL, 2008, by Steven M. Northroup on behalf of M.A. Maricopa, LLC, an Arizona limited liability Developer.

VANESSA BUERAS
Notary Public - Arizona
Pinal County
My Commission Expires
December 29, 2008

Notary Public

EXHIBIT A

File No.: **01582107**

Parcel No. 1:

The Northwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 2:

The North half of the Northeast quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 3: — 510-71-030A.

The Northwest quarter of the Northeast quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 4: — 510-71-033B.

The Southwest quarter of the Northeast quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except beginning at the Southwest corner of the Southwest quarter of the Northeast quarter of the Northwest quarter of said Section 25;

Thence North, 165.00 feet;

Thence East, 330.00 feet;

Thence South,165.00 feet;

Thence West, 330.00 feet to the point of beginning; and

Except beginning at the Southeast corner of the Southwest quarter of the Northeast quarter of the Northwest quarter of said Section 25;

Thence North, 330.00 feet;

Thence West, 165.00 feet;

Thence South, 330.00 feet;

Thence East to the point of beginning.

EXHIBIT A

File No.: 01570593

Parcel No. 1: – 510-71-018F

The West half of the West half of the South half of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 2: 510-71-018E

The East half of the West half of the South half of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 3: 510-71-018D

The West half of the East half of the South half of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 4: 510-71-018C

The East half of the East half of the South half of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXHIBIT A

File No.: 01642947

PARCEL NO. 1: -510-71-017.

The Northwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL NO. 2: -510-71-016F.

The North half of the Northeast quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXHIBIT A

File No.: **01570585**

Parcel No. 1: – 510 – 71 – 016D.

The West 394.14 feet of the South half of the East half of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 2: – 510-71- 016C.

The East 265.86 feet of the South half of the East half of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 3: - 510-71- 018A.

The North half of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River and Base and Meridian, Pinal County, Arizona

EXHIBIT A

File No.: 01642950

The South half of the Northeast quarter of the Northwest quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

510-71-016E.

EXHIBIT A

File No.: 01590544

The East half of the Northeast quarter of the Northwest quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the South 30.00 feet of the East 50.00 feet, thereof.

510-71-011G

EXHIBIT A

File No.: 01617833

PARCEL NO. 1: 510-71-005A

The West half of the East half of the Northwest quarter of the Northeast quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

PARCEL NO. 2: 510-71-005B

The East half of the East half of the Northwest quarter of the Northeast quarter of Section 25, Township 4 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXHIBIT B

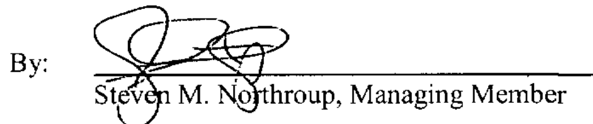
RELEASE

In consideration of that certain Legacy Development-Settlement Agreement (the "**Agreement**") entered into by and between M.A. Maricopa, LLC, an Arizona limited liability company, (the "**Developer**") and the City of Maricopa, an Arizona municipal corporation, (the "**City**"), dated as of April 18, 2008, the Developer, AND Northroup, LLC, and Charter For Excellence, LLC and their respective representatives and assigns do hereby completely release, acquit, and forever discharge the City and its representatives, successors, assigns, officers, agents, employees, and attorneys from any and all claims including all rights, demands, actions, obligations, liabilities, and causes of action of any and every kind, nature and character whatsoever, known or unknown, which each may now have or has ever had against the City and its representatives, successors, assigns, officers, agents, employees, and attorneys in connection with or arising out of any injury or damage caused by or in connection with the events giving rise to Case No. CV2008-050888 (the "**Lawsuit**") presently pending in Maricopa County Superior Court including all claims for costs and attorney's fees, except claims or proceedings necessary to enforce the provisions of the Agreement.

The undersigned represent and warrant that each is duly formed and validly existing under the laws of the State of Arizona, is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. Each warrant that the individual executing this Agreement on its behalf is authorized and empowered to bind the party on whose behalf the individual is signing.

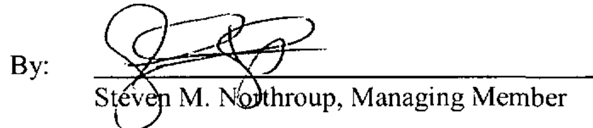
Each understands the terms of this document and have signed this document as the free act of the undersigned.

M.A. MARICOPA, LLC

By:  Date: 4-25-08

Steven M. Northroup, Managing Member

AND NORTHROUP, LLC

By:  Date: 4-25-08

Steven M. Northroup, Managing Member

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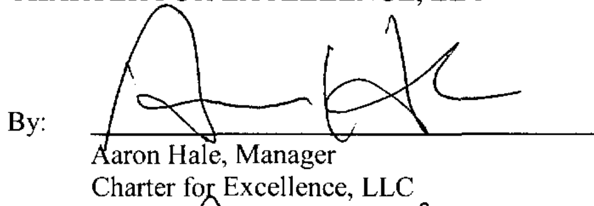
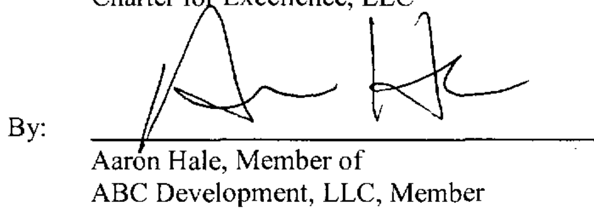
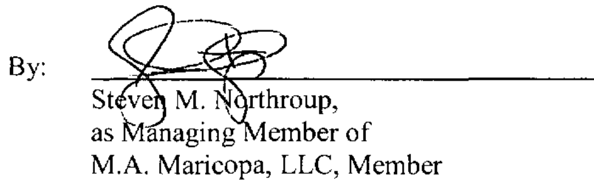
CHARTER FOR EXCELLENCE, LLC

By:  Date: 4-25-08

Aaron Hale, Manager
Charter for Excellence, LLC

By:  Date: 4-25-08

Aaron Hale, Member of
ABC Development, LLC, Member

By:  Date: 4-25-08

Steven M. Northroup,
as Managing Member of
M.A. Maricopa, LLC, Member

EXHIBIT C

AGREEMENT REGARDING REPAYMENT OF OFFSITE IMPROVEMENTS FUNDING

THIS AGREEMENT (the "**Agreement**") is entered into this ___ day of April, 2008, by M.A. MARICOPA, LLC, an Arizona limited liability company (the "**Developer**"), and the CITY OF MARICOPA, a political subdivision of the State of Arizona (the "**City**").

WHEREAS, the parties have entered into a separate Revised and Restated Development and Settlement Agreement dated April ____, 2008 ("**Development Settlement Agreement**") to provide for the development of certain property located within the City (the "**Property**") and the dismissal with prejudice of Developer's complaint CV #2008-050888 against the City;

WHEREAS, the Developer is willing to build certain offsite improvements to benefit certain property within the City; and

WHEREAS, the City will undertake financing of such certain offsite improvements to facilitate commercial development within the City and provide access to Developer's Legacy Traditional School property.

NOW, THEREFORE, in consideration of the mutual covenants and conditions expressed herein, the Developer and the City agree as follows:

1. The parties have established an escrow account ("**Escrow Account**") with Traci Greenhow in care of LandAmerica Transnation Title ("**Escrow Agent**") for purposes of implementing the Development Settlement Agreement. The Escrow Account shall be subject to the instructions set forth at Exhibit 1. The Escrow Agent shall open an account at Great Western Bank in the City of Maricopa for the purpose of serving this transaction.

2. Developer agrees to construct certain improvements in right-of-ways and to improve intersections of a public way within the City, which improvements include, but are not necessarily limited to, grading, curbs, gutters, street paving, sidewalks, and landscaping required by the City, and other related improvements. A list of such improvements (the "**Developer Improvements**") is set forth on Exhibit 2 attached hereto and hereby incorporated. The Developer shall construct the Developer Improvements in accordance with a Performance Schedule to be agreed upon by the parties and incorporated into the Development Settlement Agreement.

3. The City shall deposit funds into the Escrow Account based on the funding schedule for the Developer Improvements as set forth on Exhibit 3. The City's obligation to pay for the costs of the Developer Improvements is limited to the amounts set forth on Exhibit 3. The amounts set forth on Exhibit 3 reflect the City's estimate of the cost of completing the improvements described on Exhibit 2. If the actual cost of such Developer Improvements is less than the amount provided in Exhibit 3, additional funds may be withdrawn from the Escrow Account pursuant to the terms hereof up to the amounts set forth on Exhibit 3 and expended on engineering, permits, grading, curbs, gutters, street paving, sidewalks, and landscaping as required by the City for such improvements, which shall be included within the definition of Developer Improvements.

4. Developer shall comply with City Code and Arizona Revised Statutes Title 34 Procurement Rules (subject to any permitted exception) when procuring the Developer Improvements, and all Developer Improvements shall be constructed in accordance with City specifications. Upon completion, the Developer Improvements shall be inspected, deficiencies corrected, and approved by the City. Upon such approval the Developer Improvements shall be dedicated to the City free and clear of all liens.

5. The City shall authorize the Escrow Agent to pay the Developer for the Developer Improvements as the costs are incurred within ten (10) days of Developer's submittal to the City and the Escrow Agent of a request for a progress payment together with evidence of the extent of completion of the subject Developer Improvements, the actual cost thereof, and lien releases for such Developer Improvements. In the event any funds in the Escrow Account are not expended for Developer Improvements, such funds shall be returned to the City within ten (10) days following the completion of the Developer Improvement for which the funds were deposited into the Escrow Account. The City shall remain the owner of all deposited funds, and Developer shall have no rights therein, until the City authorizes in writing their release as provided herein.

6. The City shall at its expense (subject to the City's development fee ordinance) construct certain improvements in right-of-ways and improve intersections of a public way within the City, which improvements include, but are not necessarily limited to, grading, curbs, gutters, street paving, sidewalks, and landscaping required by the City, and other related improvements. A list of such improvements, (the "**City Improvements**") is set forth on Exhibit 4 attached hereto and hereby incorporated. The City shall construct the City Improvements in accordance with a "**Performance Schedule**" as agreed upon by the parties and incorporated into the Development Settlement Agreement. If the City fails to construct the City Improvements as required by the Performance Schedule (subject to the force majeure provisions of the Development Settlement Agreement) the Developer may thereafter construct the City Improvements (at City expense, subject to the City's development fee ordinance) as Developer Improvements pursuant to this Agreement.

7. This Agreement and the Development Settlement Agreement contains the entire understanding between the parties with respect to the subjects hereof and supersedes all prior negotiations and agreements. This Agreement may be amended only by an instrument in writing signed by all parties. The waiver of any breach of this Agreement shall not be deemed to amend this Agreement.

8. This Agreement shall be governed by the laws of the State of Arizona. In the event of any litigation or arbitration arising out of this Agreement, the substantially prevailing party shall be entitled to recover attorneys' fees and costs.

9. This Agreement may be executed in any number of counterparts, all of which together shall be deemed to constitute one instrument, and each of which shall be deemed an original.

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

11. Under Section 38-511, Arizona Revised Statutes, as amended, the City may cancel any contract to which it is a party within three years after execution of such contract and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the City is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The City acknowledges that as of the Effective Date it is not aware of any person whose actions would give the City termination rights under A.R.S. § 38-511. In the event that the City elects to exercise its rights under §38-511, Arizona Revised Statutes, as amended, the City agrees to immediately give notice thereof to the Developer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

M.A. MARICOPA, LLC,
an Arizona Limited Liability Company

By: ______________________________

Its: ______________________________

Date: ____________________________

CITY OF MARICOPA, a political subdivision of the State of Arizona

By: ______________________________

Its: ______________________________

Date: ____________________________

EXHIBIT C

EXHIBIT 1

ESCROW INSTRUCTIONS

INVESTMENT AUTHORIZATION

RE: Escrow No. **01644047 - 268 - TG3**

Date *April 22, 2008*

As escrow agent, you are hereby authorized and instructed to invest the sum of $______________, handed you herewith, or presently held in the above referenced escrow, in the following manner:

Name of Financial Institution:	JPMorgan Chase
Type of Investment:	Short Term US Securities (13-Months) as required by Law
Name of Account:	**TRANSNATION TITLE INSURANCE COMPANY**
Agent For:	City of Maricopa
Interest Shall Accrue for the Account of:	City of Maricopa

If funds are received after the investment deadline set by the institution, the funds will be invested on the following day.

All such funds are to be invested for the full term of this escrow and withdrawn only when you are in a position to use said funds to close the escrow or upon cancellation. **TRANSNATION TITLE INSURANCE COMPANY** is not responsible for any loss of principal or interest as a result of complying with these instructions.

The undersigned hereby release **TRANSNATION TITLE INSURANCE COMPANY** from any liability and assume all responsibility for any loss to the undersigned which may result from a lack of FDIC insurance of this investment in excess of $100,000. The undersigned acknowledge that, in calculating the amount of available insurance, the FDIC will consolidate this investment with all other funds of the undersigned which are on deposit with the above designated financial institution.

In consideration of your acceptance of this instruction, the undersigned hereby acknowledge that all earnings will be established by the designated Financial Institution, and also acknowledge that **TRANSNATION TITLE INSURANCE COMPANY**, as Escrow Agent, is in no way liable for the amount of earnings generated, and provided you have complied with the within instructions, you are held harmless from any loss which might arise in connection with such investment, including, but not limited to principal, interest, attorney fees and/or other cost incurred. Further, you will be held harmless if the investment item is not available, in the amount requested, at the named institution on the date the account is to be initiated.

PLEASE FILL OUT

THE INTEREST AND DIVIDEND TAX COMPLIANCE ACT OF 1983 REQUIRES YOUR CERTIFICATION TO BE SUBMITTED WITH THE INVESTMENT.

TAX IDENTIFICATION NO./SS #:

- ☐ The number on this form is my correct Taxpayer Identification Number.
- ☐ I am not subject to back-up withholding under Section 3406(A)(1)(C) of the Internal Revenue code, or;
- ☐ I am not a resident or citizen of the United States nor am I engaged in trade of business in the United States.

Note: If you refuse to certify the above information, you may be subject to back-up withholding ________ (initial of recipient of interest).

CERTIFICATION: Under penalties or perjury, I certify that the information provided on this form is true, correct and complete.

SIGNATURE OF RECIPIENT OF INTEREST, OR Date:

SIGNATURE OF ITS REPRESENTATIVE ____________________ Date: __________

____________________ __________

NAME AND ADDRESS OF RECIPIENT OF INTEREST:
City of Maricopa
45145 W. Madison Ave
Maricopa AZ 85239

Dated: 04/22/2008

SUPPLEMENT
TO
INTEREST –BEARING ACCOUNT INSTRUCTIONS

The undersigned hereby acknowledge and agree that the Interest-Bearing Account opened under the name(s) of the undersigned will be opened using only the Social Security Number or Taxpayer Identification Number of ___________________. As such, regardless of the manner in which the funds in said account, both principal and interest, are ultimately disbursed, the reporting of interest accrued, and the issuance of IRS Form 1099-S, thereon by the depository bank shall be done in the name of the person named herein. If interest is or may be disbursed to a party other than the person named herein, then it is the parties' individual responsibility to report the accurate amount of interest and/or proceeds received to the IRS.

The parties understand and agree that the Company shall have no responsibility and/or liability in connection with said reporting of interest earned as stated above. Escrow agent recommends and advises the parties to seek the advice and counsel of a qualified attorney and/or tax consultant should they have any questions regarding the foregoing.

By MA Maricopa:

_________________________________ _________________________________

By City of Maricopa:

_________________________________ _________________________________

Authorized Signer

EXHIBIT C

EXHIBIT 2

DEVELOPER IMPROVEMENTS

Continental Blvd (Super local ½ street improvements)
Approximately ¼ mile of improvements from Honeycutt Road alignment south to Seven Ranch Road alignment including: 24 feet of pavement, curb and gutter (west side only), all within 30 feet of right of way (as depicted in plans submitted by Developer on January 24, 2008)

Honeycutt Road (Accel/Decel turn lane)
Approximately 660 linear feet of improvements from property line east to Continental Blvd. alignment including: 12 feet of pavement with a MAG standard thickened edge.

Water Tank Improvements
Improvements based preliminary design prepared by Seven Ranch Water District Engineer William Collings to include: high volume pump, 200,000 gallon water storage tank capable of providing 2 hour storage for a 1500gpm fire flow together with a concrete foundation, spillway and incidental inlet/outlet piping and electrical services.

Whisker Road Improvements (Super local full street improvements)
Approximately ¼ mile of improvements from Honeycutt Road alignment south to Seven Ranch Road alignment including: 36 feet of pavement, curb, gutter and sidewalk all within 60 feet of right of way (per City super local standard) with drainage retained outside of right of way.

Seven Ranch Road Improvements (Super local full street improvements)
Approximately ¼ mile of improvements from Porter Road alignment east to Whisker Road alignment including: 36 feet of pavement, curb, gutter and sidewalk (sidewalk to be on north side of road only) all within 60 feet of right of way (per City super local standard modified for project) with drainage retained outside of right of way.

EXHIBIT C

EXHIBIT 3

ESCROW ACCOUNT DEPOSIT SCHEDULE

Description of Improvement	Cost	Estimated Deposit Dates
Continental Boulevard	$185,929	Three business days following execution of the Development Settlement Agreement
Honeycutt Acceleration and Deceleration lanes.	$27,700	Three business days following execution of the Development Settlement Agreement
Water tank improvements for fire suppression	$267,816	Three business days following execution of the Development Settlement Agreement
Whisker Road	$290,500	Following issuance of the building permit for the permanent Porter Campus located on a parcel served by Whisker Road and Seven Ranch Road.
Seven Ranch Road	$277,300	Following issuance of the building permit for the permanent Porter Campus located on a parcel served by Whisker Road and Seven Ranch Road.

EXHIBIT C

EXHIBIT 4

CITY IMPROVEMENTS

Description of Improvement	Performance Date
Intersection Improvements Honeycutt and Porter intersection improvements, including traffic control signalization.	Commence as soon as practicable but no later than twelve months after execution of Development Settlement Agreement
Honeycutt Road Improvements (Principal arterial road improvements) Approximately ¾ mile of improvements from Porter Road alignment east to Continental Blvd alignment including: 37 feet of pavement, curb, gutter and sidewalk.	The City shall commence the improvement process during FY 2008/2009
Porter Road Improvements (Principal arterial road improvements) Approximately ¼ mile of improvements from Seven Ranch Road alignment north to Honeycutt Road alignment including: 37 feet of pavement, curb, gutter and sidewalk.	The City shall commence the improvement process during FY 2008/2009

EXHIBIT D

APPRAISAL INSTRUCTIONS

Dear Appraisers:

You have been engaged to appraise the fee-simple market value of the following parcels located in the City of Maricopa along Porter, Honeycutt, and Continental Roads:

Porter Road	APN 510-71-018(C) APN 510-71-018(A) APN 510-71-017
Honeycutt Road	APN 510-71-017 APN 510-71-016(F) APN 510-71-030(A) APN 510-71-011(G) APN 510-71-005(Q) APN 510-71-005(R) APN 510-71-005(T)*
Continental Road	APN 510-71-005(R) APN 510-71-005(S) APN 510-71-005(T)*

[*Parcel 510-71-005T is to be valued as though it is a part of the larger parcel, 510-70-005(Q), -005(R), and -005(S).]

These parcels are currently zoned General Rural with a General Plan designation of Employment and/or Mixed use. There is a reasonable likelihood of rezoning to CB-1 and CB-2 zoning.

Use of Appraisal

The appraisal is intended to be used by the City of Maricopa and M.A. Maricopa, LLC to determine the value of the real property sought to be acquired.

Definition of Value

The property is to be appraised at current fair market value. The value is to be determined based on the sales comparison approach. Appraisers are not to consider the sales of any similar properties where the seller or buyer was M.A. Maricopa, LLC or the City of Maricopa.

Value shall be the most probable price estimated in terms of cash in United States dollars the property would bring if exposed for sale in the open market, with reasonable time allowed in which to find a purchaser, buying with knowledge of all of the uses and purposes to which it was adapted and for which it was capable.

The appraised value it to be expressed in a per square foot price. Appraisers are to determine the per square foot value of the parcels as if they collectively were a single or whole property. The City of Maricopa and M.A. Maricopa, LLC will apply the appraised square foot value to the portion of real property being sold in order to determine the overall sale price.

Date of Value Estimate

The date of valuation for the appraisal assignment will be April 22, 2008.

Additional Instructions

The appraisers will provide one copy of their appraisals to the City of Maricopa and M.A. Maricopa, LLC at the following addresses:

Kevin P. Evans
City Manager
City of Maricopa
45145 W. Madison Avenue
Maricopa, Arizona 85239

Steven M. Northroup
M.A. Maricopa, LLC
PO Box 543
Maricopa, Arizona 85239

The appraisers will use their best efforts to complete the appraisals by May 20, 2008.

EXHIBIT E

PURCHASE AGREEMENT OF PURCHASE AND SALE WITH ESCROW INSTRUCTIONS

THIS PURCHASE AGREEMENT (**"Purchase Agreement"**), dated as of ____________, 2008 (**"Effective Date"**), is entered into by and between the **City of Maricopa**, an Arizona municipal corporation (the **"City"**), and M.A. Maricopa, LLC, an Arizona limited liability company, (the **"Developer"**) and constitutes (i) a contract of purchase and sale between the parties and (ii) escrow instructions to Traci J. Greenhow, LandAmerica Transnation Title Insurance Company (**"Escrow Agent"**). City and Developer are sometimes referred to herein collectively as the **"Parties"** or individually as a **"Party."** This Purchase Agreement is entered into in light of the following facts:

RECITALS:

A. WHEREAS, Developer owns approximately 92.5 acres of real property located in Seven Ranches generally on Honeycutt Road, between Porter Road and White and Parker Road, in the City of Maricopa, Pinal County, Arizona (the **"Property"**), legally described in Exhibit A attached to that certain Legacy Development-Settlement Purchase Agreement entered into by and between the parties on April 22, 2008 (the **"Development Agreement"**) and incorporated herein by this reference; and

B. WHEREAS, City desires to purchase certain rights of way (**"Acquired ROW"**) in connection with the Property for use as rights-of-ways within boundaries of the City. The rights of way are legally described on Exhibit PSA-1 attached hereto.

C. WHEREAS the Escrow Agent is also the Escrow Agent under the terms of that certain Agreement Regarding Repayment of Offsite Improvements Funding, dated April __, 2008, by and between the City and the Developer

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and covenants set forth in this Purchase Agreement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Agreement to Sell and Buy. This Purchase Agreement constitutes a binding Purchase Agreement by Developer to sell and City to buy the Acquired ROW upon the terms and conditions set forth in this Purchase Agreement.

2. Purchase Price. The total purchase price (the **"Purchase Price"**) for the Acquired ROW shall be determined by the appraisal process as described in Section 2.4.1 of the Development Agreement (the **"Appraisal"**).

3. Payment of Purchase Price. City shall pay to Developer the Purchase Price, in United States Dollars, as follows:

3.1 Closing Funds. The City shall deposit the Purchase Price plus the City's share of the closing costs ("**Closing Funds**") with the Escrow Agent within three (3) business days following the final determination of the fair market value of the Acquired ROW.

4. Escrow Closing. The sale shall be consummated through an escrow ("**Escrow**") administered by Escrow Agent in accordance with the following:

4.1 Opening and Closing Dates. The "**Opening of Escrow**" shall be the business day on which Escrow Agent receives two (2) fully executed counterparts of this Purchase Agreement. Upon the Opening of Escrow, Escrow Agent shall (1) assign an escrow number to this transaction, and (2) notify the parties in writing of such escrow number and the Opening of Escrow date. The "**Close of Escrow**" or "**Closing**" shall occur on or before 5:00 p.m. Arizona time three (3) business days following the final determination of the Total ROW Value pursuant to Section 2.4.1 of Development Agreement (the "**Closing Date**"). For purposes of this Purchase Agreement, the term "**business days**" shall mean every day in a calendar year except Saturday, Sunday and legal holidays recognized by the U.S. Government.

4.2 Closing Place. The Closing shall take place in the offices of Escrow Agent, or at such other place as Developer and City agree upon.

4.3 Developer's Closing Items. On or before the Close of Escrow, Developer shall deposit into Escrow the following documents, instruments and other items:

4.3.1 Special Warranty Deed ("**Deed**"), duly executed by Developer in the form and substance of Exhibit PSA-2 attached hereto, bearing the notation of an exemption pursuant to A.R.S. §11-1134(A)(3);

4.3.2 A certificate ("**Non-Foreign Certificate**") that Developer is not a foreign person or entity under Section 1445 of the Internal Revenue Code;

4.3.3 Any affidavits, or other documents customarily required by Escrow Agent in connection with the issuance of the Title Policy;

4.3.4 A "closing" or "pre-audit settlement" statement prepared by Escrow Agent and approved by Developer and City, in form and substance consistent with this Purchase Agreement (the "**Settlement Statement**");

4.3.5 All such documents, instruments and other items shall be duly executed and, if required, acknowledged. At Close of Escrow, Escrow Agent shall deliver such documents to City or record them, as appropriate.

4.4 City's Closing Items. On or before the Close of Escrow, City shall deposit the Closing Funds into Escrow, together with:

4.4.1 Any affidavits, or other documents customarily required by Escrow Agent in connection with the issuance of the Title Policy; and

4.4.2 The Settlement Statement.

4.5 Title Policy. It shall be a condition to City's obligation to consummate this transaction that Escrow Agent shall, as of the Closing Date, have unconditionally committed to issue in favor of City an extended coverage owner's policy of title insurance (the "**Title Policy**") with such endorsements to the Title Policy as City deems necessary (the "**Endorsements**"), insuring title to the Acquired ROW in an amount equal to the total of the Purchase Price, subject only to the usual exceptions, conditions and stipulations contained in the printed form of an ALTA extended coverage owner's policy, and any other exceptions approved by City within City's sole discretion (the "**Permitted Exceptions**") pursuant to the following sentence. Upon City's receipt of a commitment for title insurance with respect to the Acquired ROW and legible copies of all documents, whether recorded or unrecorded referred to in Schedule B of such commitment, City shall have the right to approve or disapprove any material exceptions that impair the City's intended use by written notice to Developer and Escrow Agent. Developer shall cause any and all monetary liens on the Acquired ROW to be released. The Developer may cure any other exceptions disapproved by City. If the Developer elects not to cure such other exceptions, the City may elect not to acquire the Acquired ROW, and the Purchase Price shall be reduced accordingly.

4.6 Printed Form Escrow Instructions. This Purchase Agreement constitutes escrow instructions to the Escrow Agent and a fully executed counterpart of this Purchase Agreement shall be deposited with Escrow Agent for that purpose. The Escrow Agent is hereby engaged to administer the Escrow in accordance with this Purchase Agreement. If required by Escrow Agent, City and Developer agree to execute Escrow Agent's usual form of printed escrow instructions for transactions of this type; provided, however, that such printed form escrow instructions (i) shall be for the sole purpose of implementing this Purchase Agreement, (ii) shall incorporate this Purchase Agreement by reference, and (iii) shall specifically provide that no provision thereof shall have the effect of modifying this Purchase Agreement unless it is so expressly stated and initialed on behalf of both City and Developer. City and Developer shall also execute such additional instructions as may be reasonably required by Escrow Agent, so long as such instructions are not inconsistent with this Purchase Agreement. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF ANY PRINTED FORM ESCROW INSTRUCTIONS AND THE PROVISIONS OF THIS PURCHASE AGREEMENT, THE PROVISIONS OF THIS PURCHASE AGREEMENT SHALL CONTROL.

5. City's Conditions Precedent.

5.1 The "**Review Period**" shall begin upon the Effective Date of the Development Agreement and shall terminate on the Closing Date, during which time the City may inspect the Acquired ROW and conduct such investigations of the Acquired ROW and the condition of title thereto as the City deems necessary. The following items illustrate some of the conditions upon the obligations of City hereunder:

5.1.1 City's receipt, review and approval of all items required to be delivered to City pursuant to Section 5.3 of this Purchase Agreement.

5.1.2 City's completion of review and approval of the Acquired ROW pursuant to Section 5.2 of this Purchase Agreement.

5.1.3 City's review and approval of the Survey pursuant to Section 5.4 of this Purchase Agreement.

5.1.4 City's review and approval of the Title Policy and Permitted Exceptions pursuant to Section 4.5 of this Purchase Agreement.

5.1.5 Approval of the City pursuant to Section 5.5 of this Purchase Agreement.

5.2 City, its agents and designees shall have the right to enter upon the Acquired ROW at all times prior to the Close of Escrow for the purpose of performing any additional engineering, surveying or related work, and conducting geological, soil, drainage, engineering, archaeological, and environmental tests and such other studies and investigations as City deems necessary or appropriate. To the extent permitted by law, City shall defend, indemnify and hold Developer harmless for, from and against all claims, demands, actions, liabilities and obligations (including, but not limited to, mechanics' and materialmen's liens) arising from any exercise of the rights granted under this paragraph (the "**Entry Indemnity**"), which Entry Indemnity shall survive the Close of Escrow or the termination or cancellation of this Purchase Agreement. City shall promptly restore the Acquired ROW to its condition existing immediately prior to any entry upon the Acquired ROW as provided herein.

5.3 Acquired ROW Information. As soon as practicable after the Effective Date of the Development Agreement, Developer shall make available for City's inspection or deliver to City originals or copies, as applicable, of each of the following items ("**Information**") to the extent such items are in Developer's possession, custody or control:

5.3.1 any available study, test or report relating to any water, wastewater, drainage, environmental, geological or soil testing or other engineering tests performed upon the Acquired ROW and all information pertaining to any work performed as a result thereof;

5.3.2 any notices, correspondence or reports with respect to the Acquired ROW from any governmental or quasi-governmental body having jurisdiction over any part of the Acquired ROW, including but not limited to any condemnation notices and any notices of violation received by Developer from any governmental or quasi-governmental body having jurisdiction over any portion of the Acquired ROW;

5.3.3 copies of any leases, contracts, options, rights of first refusals (recorded or unrecorded) affecting the Acquired ROW; and

5.3.4 any available ALTA survey of the Acquired ROW;

If Developer does not have any such Information or any item of such Information but later obtains any item of Information, which would have been required to be delivered hereunder, Developer shall promptly deliver to City such item.

5.4 Survey. City shall fulfill any requirements of Escrow Agent for issuance of the Title Policy, including the preparation of an ALTA survey, if required. Developer shall supply to City the ALTA survey prepared by Hansen Engineering & Surveying currently in Developer's possession. All costs and expenses in connection with the preparation of a new survey or the update of a prior survey shall be the City's responsibility. City will use its best efforts to obtain a survey to meet title requirements within two (2) weeks of the Effective Date of the Development Agreement.

5.5 Waiver of Conditions. The conditions set forth in this Section 5 are for the sole benefit of City. City may waive any condition, in its sole discretion, by providing written notice of such waiver to Escrow Agent and Developer. If any condition is not satisfied by the termination of the Review Period (except as the result of a default by City or Developer, in which event Section 9 hereof shall apply), then City may elect to waive the condition and proceed to Closing or elect not to acquire the Acquired ROW for which a condition has not been satisfied, and the Purchase Price shall be reduced accordingly.

6. Developer's Representations and Warranties. In addition to the representations and warranties set forth elsewhere in this Purchase Agreement, in order to induce City to enter into this Purchase Agreement and purchase the Acquired ROW, Developer represents, warrants and covenants as follows (with each representation and warranty deemed made by Developer):

6.1 Developer is an Arizona limited liability company in good standing and authorized to do business in Arizona and has full power and authority to enter into this Purchase Agreement and all documents executed pursuant to this Purchase Agreement, and to perform its obligations in accordance with the terms and conditions hereof and thereof.

6.2 Neither the execution of this Purchase Agreement nor the consummation of the transactions contemplated hereby will constitute a default or an event which, with notice or the passage of time or both, would constitute a default under, or violation or breach of, any Purchase Agreement, court order or other arrangement to which Developer is a party or by which Developer may be bound.

6.3 From and after the Closing Date, Developer shall have no further right to possess the Acquired ROW.

6.4 To Developer's actual knowledge, there is no investigation, litigation or proceeding pending or threatened, which adversely affects the Acquired ROW, Developer's interest therein, or Developer's ability to perform hereunder. Developer has received no notice of, nor does Developer have any knowledge of, any pending or threatened investigation,

litigation or proceeding in eminent domain, special assessment, zoning, or otherwise, which would adversely affect the Acquired ROW.

6.5 Developer agrees not to encumber all or any portion of the Acquired ROW or enter into any contracts, leases, purchase agreements or encumbrances affecting the Acquired ROW prior to the Closing Date without the express prior written approval of City, which shall not be unreasonably withheld, conditioned or delayed.

6.6 To Developer's actual knowledge, no pesticides, herbicides, or fertilizers (other than for customary landscape maintenance and farming of the Acquired ROW), toxic or hazardous waste, radiation, urea-formaldehyde, asbestos, petroleum hydrocarbons or other soil contaminants, or like substances or perils have been or are present on the Acquired ROW (and Developer has not placed any such substance on the Acquired ROW) other than as identified in that certain Phase I Environmental Site Assessment, dated September 27, 2006, prepared by Environmental Site Assessments, Inc., a copy of which shall be delivered to City prior to or at the execution of this Purchase Agreement. To Developer's actual knowledge, no storage tanks or treatment facilities are or have been located above, on or under the Acquired ROW. To Developer's actual knowledge the Acquired ROW has not at any time either required or been subject to soil remediation.

6.7 To Developer's actual knowledge, the Acquired ROW is in compliance with all federal and state environmental laws, codes, orders, decrees, rules, regulations and ordinances and no **"Environmental Pollutant"** (defined below) has been stored or exists in, on, under or around the Acquired ROW. No environmental legal action exists nor, to Developer's actual knowledge, is there a basis for such an action with respect to the Acquired ROW. Without limiting the foregoing, for purposes of this Purchase Agreement, **"Environmental Pollutant"** shall mean any substances, wastes, pollutants, chemicals, compounds, mixtures or contaminants now or hereafter included within those respective terms under any now existing or hereafter or amended federal, state or local statute, ordinance, code or regulation which, due to its characteristics or interaction with one or more other substances, wastes, chemicals, compounds, mixtures or contaminants, damages or threatens to damage health, safety, or the environment and is required to be remediated by any law applicable to the Acquired ROW, including (without limitation): The Resource Conservation and Recovery Act (RCRA, 42 U.S.C. §6901 *et seq.*), the Comprehensive Environmental Response Compensation and Liability Act (CERCLA, 42 U.S.C. §9601 *et seq.*) as amended, the Toxic Substance Control Act (TSCA, 15 U.S.C. §2601 *et seq.*), the Emergency Planning and Community Right to Know Act of 1986 (EPCRTKA, 42 U.S.C. §11001 *et seq.*), the Arizona Water Quality Control Program (A.R.S. Title 49, Chapter 2), the Arizona Hazardous Waste Disposal Act (A.R.S. Title 49 Chapter 5), the Arizona Underground Storage Tank Regulation Act (A.R.S. Title 49, Chapter 6) and/or any regulations promulgated pursuant to the foregoing. If any new information concerning any of the foregoing is discovered by Developer (whether arising before or after the Effective Date), or Developer receives notice of any violation or claimed violation of any law, ordinance, rule or regulation relating to an Environmental Pollutant after the Effective Date, but prior to the Close of Escrow, Developer shall give prompt written notice thereof to City prior to Close of Escrow.

6.8 Developer is not a foreign person or entity under Section 1445 of the Internal Revenue Code.

6.9 To Developer's knowledge, there are no material or mechanics' liens against the Acquired ROW. Developer shall indemnify, defend and hold the City harmless for, from and against any and all cost and liability arising out of any material or mechanic's liens arising against the Acquired ROW for material, services, machinery, fixtures or tools provided prior to the Closing except those arising from City's activities.

6.10 Developer's **"actual knowledge"** shall mean the actual (not constructive or imputed) knowledge of Steven M. Northroup or Paul Scarlett. All of the Developer's warranties, representations or covenants in this Purchase Agreement (i) are true and complete as of the date hereof; (ii) shall be true and complete as of the Close of Escrow; and (iii) and shall survive the Close of Escrow for a period of twelve (12) months and then terminate. In no event shall Developer or City voluntarily commit or knowingly permit any act which would cause any of its representations and warranties to become untrue between the date hereof and the Closing. If Developer or City learns of an error in any of the foregoing representations or covenants prior to Closing, the learning party shall promptly give notice thereof to the other party. In the event of such a pre-Closing notice, Developer's representation or warranty shall be deemed amended by such notice (unless the same is a default by Developer under this Purchase Agreement in which case the provisions of Section 9 of this Purchase Agreement shall apply).

7. City's Representations and Warranties. In addition to the representations and warranties set forth elsewhere in this Purchase Agreement, in order to induce Developer to enter into this Purchase Agreement and purchase the Acquired ROW, City represents, warrants and covenants as follows (with each representation and warranty deemed made by City):

7.1 City has full power and authority to enter into this Purchase Agreement and all documents executed pursuant to this Purchase Agreement, and to perform its obligations in accordance with the terms and conditions hereof and thereof.

7.2 All necessary and appropriate action on the part of City required for the execution, delivery and performance of this Purchase Agreement has been duly and effectively taken, and no consent, approval or authorization of any other person or entity is required in connection with City's execution or performance of this Purchase Agreement. The person signing this Purchase Agreement and all documents delivered in connection with the transaction contemplated by this Purchase Agreement has full authority to execute and deliver such documents on behalf of City.

7.3 Neither the execution of this Purchase Agreement nor the consummation of the transactions contemplated hereby will constitute a default or an event which, with notice or the passage of time or both, would constitute a default under, or violation or breach of, any agreement, court order, or other arrangement to which City is a party or by which City may be bound.

7.4 Except as specifically provided in this Purchase Agreement, Developer, its employees, representatives, agents and attorneys have not made, nor has City relied on, any representations, warranties or promises regarding the condition of the Acquired ROW or the suitability of the Acquired ROW for City's intended use or any other use.

7.5 Prior to Close of Escrow, City shall have made its own examination, inspection and investigation of the condition of the Acquired ROW (including, without limitation, the subsurface thereof, all soil, engineering and other conditions which may affect development or construction thereon) and all matters as it deems necessary or appropriate, and City is entering into this Purchase Agreement and purchasing the Acquired ROW based upon the results of such inspections and investigations and not in reliance on any statements, representations or Purchase Agreements of Developer (except as specifically provided in this Purchase Agreement), and is acquiring the Acquired ROW in "AS IS" and "WHERE IS" condition, except as specifically provided in this Purchase Agreement.

7.6 All of the City's warranties, representations or covenants in this Purchase Agreement (i) are true and complete as of the date hereof; (ii) shall be true and complete as of the Close of Escrow; and (iii) shall survive the Close of Escrow for a period of twelve (12) months. None of the statements, representations or warranties of City shall misstate or omit any facts that would make such statements, representations or warranties incomplete, misleading or incorrect. City shall inform Developer if any statement, representation or warranty becomes incorrect, misleading or incomplete subsequent to the date hereof.

8. <u>Allocation of Costs and Prorations</u>.

8.1 Developer shall pay the cost of (a) a standard coverage owner's policy of title insurance, (b) any Phase I Reports and updates, and (c) any other reports or studies obtained by Developer. City shall pay (a) the cost of any additional premium for ALTA extended coverage owner's title insurance, (b) the cost of the Endorsements, if any, (c) a new or updated ALTA Survey, if any, and (d) reports or studies obtained by City. All escrow fees shall be divided equally between City and Developer. Developer shall pay the fees for recording the Deed. Any other costs or expenses shall be paid by the party to whom they are specifically allocated hereunder or, if not specifically allocated hereunder, shall be allocated in accordance with the customary practices of Escrow Agent in Pinal County, Arizona.

8.2 Developer shall be responsible for the payment of all real property taxes and general assessments applicable to the Acquired ROW prior to the Close of Escrow, and City shall be responsible for the payment of all real property taxes and general assessments that accrue after and are applicable to the Acquired ROW following the Close of Escrow. However, if and to the extent real property taxes and/or general assessments will apply to the Acquired ROW for any period of time after the Close of Escrow, such real property taxes and assessments shall be prorated between City and Developer as of the Close of Escrow, based upon the most current available information and City's best estimate (confirmed by the Maricopa County Assessor) of when the Acquired ROW will be removed from the real property tax rolls.

8.3 Developer shall pay in full the amount of any special assessment that is a lien against the Acquired ROW as of the Close of Escrow.

9. Default and Remedies. Any breach of any term or condition of this Purchase Agreement shall be a default under the terms of the Development Agreement and subject to the remedies of Article 4 thereunder.

10. Possession. Upon the Close of Escrow, Developer shall deliver possession of the Acquired ROW to City.

11. Notices. All notices, consents, approvals and waivers made or given by City or Developer in connection with this Purchase Agreement must be in writing to be effective. All notices required to be given hereunder or by operation of law in connection with the performance or enforcement hereof shall be deemed given if delivered personally (which includes notices delivered by messenger) or, if delivered by facsimile, shall be deemed given on the date of confirmation of the facsimile transmission or, if delivered by mail, shall be deemed given seventy-two (72) hours after being deposited in any duly authorized United States mail depository, by certified mail, postage prepaid, return receipt requested and properly addressed. All such notices shall be addressed as follows or at such other address or addresses as the parties or Escrow Agent may from time to time specify in writing delivered as provided in this Section:

If to Escrow Agent:	Traci J. Greenhow LandAmerica Transnation Title Insurance Company 7077 E. Marilyn Road, Suite 142 Scottsdale, Arizona 85254
If to the City:	City Manager City of Maricopa 45145 W. Madison Avenue Maricopa, Arizona 85239
With a copy to:	Denis Fitzgibbons, Esq. PO Box 11208 Casa Grande, Arizona 85230
If to Developer:	Steven M. Northroup M.A. Maricopa, LLC P.O. Box 543 Maricopa, Arizona 85239
With a copy to:	John T. Gilbert, Esq. Alvarez & Gilbert, PLLC 14500 N. Northsight Blvd., Suite 216 Scottsdale, Arizona 85260

12. Risk of Loss. If any damage or destruction to the Acquired ROW occurs prior to the Closing, City shall proceed to close with no reduction in the Purchase Price, and Developer shall assign all insurance proceeds for such damage or destruction to City at Closing.

13. General Provisions.

13.1 Modification and Waiver. Except as expressly provided herein to the contrary, no supplement, modification or amendment of any term of this Purchase Agreement shall be deemed binding or effective unless in writing and signed by the parties hereto. No waiver of any of the provisions of this Purchase Agreement shall constitute or be deemed a waiver of any other provision, nor shall any waiver be a continuing waiver. Except as otherwise expressly provided herein, no waiver shall be binding unless executed in writing by the party making the waiver.

13.2 Exhibit. Any Exhibit attached hereto is incorporated herein by this reference.

13.3 Entire Contract. This Purchase Agreement and any Exhibit attached hereto constitute the entire Purchase Agreement among the parties as to the transaction described herein.

13.4 Attorneys' Fees. In the event of litigation involving this Purchase Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its costs and expenses incurred in such action from the other party, including without limitation the cost of reasonable attorneys' fees as determined by the court.

13.5 Severability. Whenever possible, each provision of this Purchase Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Purchase Agreement shall be deemed invalid or prohibited thereunder, such provision shall be ineffective to the extent of such prohibition or invalidation, but it shall not invalidate the remainder of such provision or the remaining provisions of this Purchase Agreement.

13.6 Successors and Assigns. Except as provided in Section 14.14 of this Purchase Agreement, this Purchase Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the parties to this Purchase Agreement and their respective heirs, executors, administrators, personal representatives, successors and assigns.

13.7 Counterparts. This Purchase Agreement may be executed by the signing in counterparts of this instrument. The execution of this instrument by each of the parties signing a counterpart hereof shall constitute a valid execution, and this instrument and all of its counterparts so executed shall be deemed for all purposes to be a single instrument.

13.8 Applicable Law. This Purchase Agreement shall be governed by, and construed and enforced in accordance with, the law of the State of Arizona, without regard to principles of conflicts of laws, and Developer and City hereby agree to submit to personal jurisdiction in such state in any action or proceeding arising out of this Purchase Agreement. The venue for any dispute arising hereunder shall be in a court of competent jurisdiction in Pinal County, Arizona, and City and Developer each hereby irrevocably waive any objection to such venue.

13.9 Captions. The captions of the paragraphs of this Purchase Agreement are inserted for convenience only and shall not define, limit, extend, control or affect the meaning or construction of any provision hereof.

13.10 Survival. Except as expressly set forth herein to the contrary, all covenants, warranties, representations and obligations shall survive the Close of Escrow.

13.11 Time of the Essence. Time is of the essence in each and every provision hereof.

13.12 Interpretations and Definitions. The parties agree that each party and such party's counsel have reviewed and revised this Purchase Agreement (or have had the opportunity to do so) and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Purchase Agreement.

13.13 Code Section 6045. Escrow Agent, as the party responsible for closing the transaction contemplated herein within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code, shall file all necessary information, reports, returns, and statements (collectively, "**Reports**") regarding the transaction as may be required by the Code including, but not limited to, the Reports required pursuant to Section 6045 of the Code.

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

13.15 Facsimile Signatures. Signatures may be exchanged by facsimile, with the original signature to follow. Each party to this Purchase Agreement agrees to be bound by its own faxed signature and to accept the faxed signature of the other parties to this Purchase Agreement.

13.16 Further Assurances. Each party, promptly upon the request of the other or upon the request of Escrow Agent, shall do such further acts and shall execute and have acknowledged and delivered to the other party or to Escrow Agent, as may be appropriate, any and all further documents or instruments as may be reasonably requested or appropriate in connection with this transaction to carry out the intent and purpose of this Purchase Agreement.

13.17 Notice Regarding A.R.S. §38-511. Under Section 38-511, Arizona Revised Statutes, as amended, City may cancel any contract to which it is a party within three years after execution of such contract and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of City is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The City acknowledges that as of the Effective Date of the Development Agreement it is not aware of any person whose actions would give the City termination rights under A.R.S. § 38-511. In the event that City elects to exercise its rights under §38-511, Arizona Revised Statutes, as amended, the City agrees to immediately give notice thereof to Developer and Escrow Agent.

Attachments:

Exhibit PSA-1	Legal Description
Exhibit PSA-2	Form of Deed

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date first set forth above.

ESCROW AGENT:

Accepted this _____ day of ____________, 2008
which date shall be the "**Opening of Escrow**."

LANDAMERICA TRANSNATION TITLE
INSURANCE COMPANY

By: ____________________________
Traci J. Greenhow

EXHIBIT PSA-1

LEGAL DESCRIPTION

EXHIBIT PSA-2

When recorded return to:
City Manager
City of Maricopa
45145 W. Madison Avenue
Maricopa, Arizona 85239

SPECIAL WARRANTY DEED

Escrow No. NCS-

For good and valuable consideration, M.A. MARICOPA, LLC, an Arizona limited liability company ("**Grantor**"), hereby grants, sells and conveys to the CITY OF MARICOPA, an Arizona municipal corporation("**Grantee**"), all right, title and interest in and to the real property located in Maricopa County, Arizona and described in Exhibit 1 attached hereto and incorporated herein by this reference ("**Acquired ROW**"), together with Grantor's interest, if any, in all improvement, buildings, structures and fixtures located on the Acquired ROW; all easements benefiting the Acquired ROW; all rights, benefits, privileges and appurtenances pertaining to the Acquired ROW, including any right, title and interest of Grantor in and to any property lying in or under the bed of any street, alley, road or right-of-way, open or proposed, abutting or adjacent to the Acquired ROW; all water, water rights, oil, gas or other mineral interest in, on, under or above the Acquired ROW; all rights and interest to receive any condemnation awards from any condemnation proceeding pertaining to the Acquired ROW; and sewer and utility rights appurtenant to the Acquired ROW.

SUBJECT TO: current taxes and other current assessments; patent reservations; all covenants, conditions, restrictions, reservations, easements and declarations, encumbrances, liens, obligations, liabilities or other matters of record or to which reference is made in the public record; any and all conditions, easements, encroachments, rights-of-way, or restrictions which a physical inspection or accurate ALTA/ACSM survey of the Acquired ROW would reveal; and the applicable zoning and use regulations of any municipality, county, state, or the United States affecting the Acquired ROW.

Grantor hereby binds itself and its successors to warrant and defend the title against the acts of the Grantor and no other, subject to the matters set forth above.

Exempt from Affidavit of Property Value pursuant to A.R.S. § 11-1134(A)(3).

DATED this ____ day of ____________ 2008.

GRANTOR:

M.A. MARICOPA, LLC

____
Steven M. Northroup, Managing Member

STATE OF ARIZONA)
) ss.
County of ______________)

The foregoing instrument was acknowledged before me this ___ day of _________ 2008, by Steven M. Northroup, Managing Member, M.A. Maricopa, LLC, an Arizona Limited Liability Company.

____
Notary Public

EXHIBIT F

PERFORMANCE SCHEDULE

DEVELOPER IMPROVEMENTS	START OF IMPROVEMENT
Continental Boulevard	May 15, 2008
Honeycutt acceleration and deceleration lanes	May 15, 2008
Water tank improvements for fire suppression	May 15, 2008
Whisker Road	Within thirty (30) days following the issuance of the building permit for the permanent Porter Campus located on a parcel served by Whisker Road and Seven Ranch Road.
Seven Ranch Road	Within thirty (30) days following the issuance of the building permit for the permanent Porter Campus located on a parcel served by Whisker Road and Seven Ranch Road.

CITY IMPROVEMENTS	START OF IMPROVEMENT
Honeycutt and Porter Intersection Improvements	As soon as practicable but no later than April 18, 2009.
Honeycutt Road Improvements	The City shall commence the improvement process during FY 2008/2009
Porter Road Improvements	The City shall commence the improvement process during FY 2008/2009

EXHIBIT G

THE CITY OF MARICOPA DEVELOPMENT FEES CODE

CITY OF MARICOPA
DEVELOPMENT FEES CODE
CHAPTER 17

DEVELOPMENT FEES

Article 17-1	**Definitions**
Article 17-2	**Purpose and Intent**
Article 17-3	**General Provisions; Applicability**
Article 17-4	**Procedures for Imposition, Calculation and Collection of Development Fees**
Article 17-5	**General Government Development Fee**
Article 17-6	**Library Development Fee**
Article 17-7	**Parks and Recreation Development Fee**
Article 17-8	**Public Safety Development Fee**
Article 17-9	**Transportation Development Fee**
Article 17-10	**Conflict**
Article 17-11	**Severability**

Article 17-1 Definitions

The words or phrases used herein shall have the meaning attributed or prescribed to them in the current Maricopa City Code except as may otherwise be indicated herein:

A. "Applicant" means any person who files an application with the City for a building permit.

B. "Appropriation" or "to appropriate" means an action by the City to identify specific Public Facilities for which Development Fee funds may be utilized. Appropriation shall include, but shall not necessarily be limited to: inclusion of a Public Facility in the adopted City budget or capital improvements program; execution of a contract or other legal encumbrance for construction of a Public Facility using Development Fee funds in whole or in part; and/or actual expenditure of Development Fee funds through payments made from a Development Fee account.

C. "Development Fee" means a fee adopted pursuant to A.R.S. §9-463.05 which is imposed on New Development on a pro rata basis in connection with and as a condition of the issuance of a building permit and which is calculated to defray all or a portion of the costs of the Public Facilities required to accommodate New Development at City-designated level of service (LOS) standards and which reasonably benefits the New Development.

D. "Dwelling Unit" means a room or group of rooms within a building containing cooking accommodations and designed to be used for living purposes. Each apartment unit,

mobile home or mobile home space, travel trailer or travel trailer space shall be considered a Dwelling Unit. Dwelling Unit shall not include those units designed primarily for transient occupant purposes, nor shall they include rooms in hospitals or nursing homes.

1. "Single-family Detached Dwelling Unit" means a Dwelling Unit designed and used only by one family and which unit is physically separated from any other Dwelling Unit.

2. "All Other Dwelling Units" means a Dwelling Unit typically designed and used only for a single family, but which is either attached to another Dwelling Unit, such as an apartment, duplex, townhouse or single-family attached Dwelling Unit, or which is a mobile home, mobile home space, travel trailer or travel trailer spaces.

E. "General Government Development Fee" means a fee imposed on all new residential and non-residential development to fund the proportionate share of the costs of providing general governmental services, including but not limited to municipal office space and major capital equipment.

F. "Library Development Fee" means a fee imposed only on new residential development to fund the proportionate share of the costs of library buildings, collections and facilities.

G. "Multiple Uses" means a New Development consisting of both residential and non-residential uses, or one (1) or more different types of non-residential use, on the same site or part of the same New Development.

H. "Municipal Planning Area" means an area outside of the present Maricopa City limits, but in which the City may provide Public Facilities and Services.

I. "New Development" means, subject to the exceptions set forth in Section 17-3(C)(2), any new construction, reconstruction, redevelopment, rehabilitation, structural alteration, structural enlargement, structural extension, or new use which requires a building permit, or any change in use of an existing non-residential building, structure or lot requiring any form of City building permit or approval.

J. "Parks and Recreation Development Fee" means a fee imposed only on new residential development to fund its proportionate share of the costs of parkland, park improvements, recreation facilities and support buildings and vehicles.

K. "Public Safety Development Fee" means a fee imposed on all new residential and non-residential development to fund its proportionate share of the costs of public safety buildings and facilities, communication systems, vehicles and major capital equipment.

L. "Public Facility or Service" means public improvements, facilities or services necessitated by New Development, including, but not limited to, transportation, police facilities, community facilities, municipal facilities, recreational facilities, open space, parks, and utilities.

M. "Public Facility Expenditures" means an appropriation or expenditure of public funds incurred in connection with the provision of a Public Facility or Service, including but not limited to:

1. Amounts appropriated in connection with the planning, design, engineering and construction of Public Facilities, which expenditures include, but are not limited to:

2. Planning, legal, appraisal, financing, development, and other costs related to the acquisition of, or use rights on, land;

3. The costs of compliance with bidding procedures and applicable administrative and legal requirements; and

4. All other costs necessarily incident to provision of the Public Facility.

N. "Transportation Development Fee" means a fee imposed on all new residential and non-residential development to fund the proportionate share of the costs of transportation improvements and new roads designed to solve congestion-related problems that are anticipated from increased traffic demands resulting from New Development, and including improvements to minor arterials and/or collectors needed for access and traffic mobility, but excluding project-specific traffic and transportation improvements such as turn lanes, individual traffic signals for the benefit of a specific development project.

Article 17-2 **Purpose and Intent**

The purposes and intent of the City's Development Fees Code and procedures are:

A. To establish uniform procedures for the imposition, calculation, collection, expenditure and administration of any Development Fees imposed on New Development;

B. To implement the goals, objectives and policies of the City of Maricopa to assure that New Development contributes its fair share towards the costs of providing Public Facilities or Services reasonably necessitated by such New Development;

C. To ensure that New Development obtains a reasonable benefit by the Public Facilities or Services provided with the proceeds of Development Fees;

D. To ensure that all applicable and appropriate legal standards and criteria relating to the imposition of Development Fees are properly incorporated into the City Code;

E. To ensure that all applicable procedural requirements of A.R.S. § 9-463.05, as amended from time to time, have been met.

Article 17-3 **General Provisions, Applicability**

A. Term. This Development Fees Code, the Ordinance enacting the same, and the procedures established herein shall remain in effect unless and until repealed, amended or modified by the Mayor and Council in accordance with applicable State law, City Code, or City Ordinances and Resolutions.

B. Annual Review and Report.

1. Within ninety (90) days following the end of the fiscal year, the City Manager or his or her designee shall coordinate the preparation and submission of an Annual Report to the Mayor and Council on the subject of Development Fees enacted pursuant to this Development Fees Code.

2. The Annual Report shall set forth the following information:

a. The number of building permits issued by type of residential or non-residential development;

b. The square footage (gross floor area) of non-residential development, by type;

c. The total amount of Development Fees assessed and collected by the City for each type of Development Fee;

d. The balance of each fund maintained for each type of Development Fee assessed as of the beginning and end of the fiscal year;

e. The amount of interest or other earnings on the monies in each Development Fee fund as of the end of the fiscal year;

f. The amount of expenditures made from the Development Fee account or sub-accounts and the purpose for which the expenditure was made, i.e., the description, type and location of the Public Facility project;

g. The amount of Development Fee monies used to repay: (a) Bonds issued by the City to pay the cost of a capital improvement project that is

the subject of a Development Fee assessment; (b) Monies advanced by the City from funds other than Development Fee funds to pay the cost of a capital improvement project that is the subject of a Development Fee assessment;

h. The amount of Development Fee monies spent for each purpose other than a capital improvement project that is the subject of a Development Fee assessment;

i. When each Public Facility project was initiated and when it was (or will be) completed;

j. Whether additional Development Fee funds will be appropriated for the same project(s) in the future;

k. Whether supplemental non-Development Fee funds have been used for the project(s) and, if so, how much;

l. The total estimated cost of the project(s) and the portion funded with Development Fees;

m. Whether each Public Facility project is in the City's current annual budget or capital improvements program;

n. The estimated useful life of each project;

o. The extent to which each Public Facility project is needed to serve new/projected growth; and

p. The extent to which the Public Facility project is needed to maintain the existing level of service (LOS) standard.

3. In addition to the matters set forth in Paragraph (B)2 of this Section, the Annual Report may include any or all of the following as appropriate:

a. Recommendations for amendments, if appropriate, to these procedures or to specific Ordinances or City Code sections adopting Development Fees for particular Public Facilities or Services;

b. Proposed changes to the City of Maricopa General Plan, as adopted and then amended from time to time, or plan elements and/or an applicable Capital Improvements Program, including the identification of additional Public Facility projects anticipated to be funded wholly or partially with

Development Fees;

c. Proposed changes to Development Fee schedules as set forth in the City Code sections or Ordinances imposing and setting Development Fees for particular Public Facilities;

d. Proposed changes to level of service standards for particular Public Facilities;

e. Proposed changes to any Development Fee calculation methodology;

f. Proposed changes to the population, housing, land use, persons per household or non-residential development projections included in the Development Fee Report and upon which the Development Fee amounts have been determined;

g. Other data, analysis or recommendations as the City Manager or appropriate designee may deem appropriate, or as may be requested by the Mayor and Council.

4. Submission of Development Fee Annual Report and Council Action. The City Manager or appropriate designee shall submit the Development Fee Annual Report to the Mayor and Council, which shall receive the Annual Report and which may take such actions as it deems appropriate, including, but not limited to, requesting additional data or analyses and holding public workshops and/or public hearings. Copies of the Annual Report shall be made available to the public on request. The Annual Report may contain financial information that has not been audited.

5. If the City fails to file an Annual Report in compliance with A.R.S. §9-463.05(D), the City shall not collect Development Fees until the Annual Report is filed.

C. New Development Affected. This Development Fees Code shall apply to all New Development as herein defined and as defined in the Development Fee Code or other city Code sections for particular Public Facilities or Services.

1. Municipal Planning Areas. Development Fees imposed by the City may, if necessary and appropriate, be collected by other municipalities or by the County on New Development within the City's Municipal Planning Area, but outside of the Maricopa City limits, pursuant to an intergovernmental agreement which provides that the Development Fees collected be transferred to the appropriate City fund for expenditure in accordance with the terms of this Development Fees Code.

2. Exceptions to the application of Development Fees to New Development. Unless otherwise expressly noted, the fees imposed in this Development Fees Code shall not apply in the following circumstances:

a. Previously-Issued Building Permits. No Development Fee shall be imposed on New Development for which a building permit has been issued prior to the effective date of this Development Fees Code.

b. Previous Payment of Development Fees. Subject to the requirements of Subsection 17-4(D) of this Article, no Development Fees for a particular Public Facility shall be due at a later stage of the development permit or approval process if Development Fees have been fully paid for such category of Public Facilities at an earlier stage in the development permit or approval process.

c. No Net Increase in Dwelling Units. No Development Fee shall be imposed on any new residential development which does not add a new Dwelling Unit.

d. No Net Increase in Non-Residential Square Footage. No Development Fee shall be imposed on any new non-residential development which does not add square footage to a currently existing facility, unless the new non-residential development will increase the demand for Public Facilities for which Development Fees are being imposed.

e. Other Uses. No Development Fee shall be imposed on a use, development, project, structure, building, fence, sign or other activity, whether or not a building permit is required, which does not result in an increase in the demand for Public Facilities.

f. Development Subject to Development Agreements. No Development Fee shall be imposed upon development projects which are the subject of a Development Agreement approved and executed by the City containing provisions in express conflict with this Article, but only to the extent of the conflict or inconsistency.

g. Other Development Exempted by State Law. No Development Fee shall be imposed on New Development which is exempted by Arizona State laws, however, the City may seek to negotiate the construction of Public Facilities or the provision of services, or to negotiate the payment of Development Fees with such entities. See A.R.S. §9-500(18).

3. Effect of Payment of Development Fees on Other Applicable City Land Use, Zoning, Platting, Subdivision or Development Regulations.

a. The payment of Development Fees shall not entitle the Applicant to a building permit, which shall only be issued if all other applicable land use, zoning, planning, platting, subdivision or other related requirements, standards and conditions have been met. Such other requirements, standards and conditions are independent of the requirement for payment of a Development Fee.

b. Neither this Ordinance nor the specific Development Fee Ordinances or Code sections for particular Public Facilities shall affect, in any manner, the permissible use of property, density/intensity of development, design and improvement standards or other applicable standards or requirements of the City land development regulations, which shall be operative and remain in full force and effect without limitation.

4. Amendments. This Development Fees Code, and any Ordinance or City Code Section adopting Development Fees for any particular Public Facility pursuant to this Development Fees Code, may be amended from time to time by the Mayor and Council; provided, however, that no such amendment shall be adopted without a written report detailing the reasons and need for the Development Fee revision nor without proper notice and public hearing as set forth herein and in A.R.S. §9-463.05(C).

5. Effect of Imposition of Development Fees in a Community Facilities District. In calculating and imposing a Development Fee applicable to land in a community facilities district established under Arizona Revised Statutes, Title 48, Chapter 4, Article 6, the City shall take into account all public infrastructure provided by the district and capital costs paid by the district for necessary public services and facilities and shall not assess a portion of the Development Fee otherwise calculated to be due that would duplicate the infrastructure provided by the district or the costs imposed by the district on New Development.

Article 17-4 Procedures for Imposition, Calculation and Collection of Development Fees

A. In General. The City shall calculate the Development Fees due and owing for any Applicant at the time of the issuance of a building permit. The Applicant shall pay the Development Fees prior to and as a condition of the issuance of a building permit. The City's actions established in this Section are to be performed by the Director of the City's Development Services Department or equivalent, or his or her designee, unless specifically stated otherwise.

B. Calculation.

1. Upon receipt of an application for a building permit, the City shall determine (a) whether the permit is for a residential or non-residential use, (b) the specific category (type) of residential or non-residential development, if applicable, (c) if residential, the number of new Dwelling Units, and (d) if non-residential, the number of new or additional square feet of gross floor area (rounded up to the nearest square foot) and the proposed use of the facility.

2. Upon receipt of an application for a building permit relating to an existing facility, the City shall determine whether the permit will result in a change in use. In such cases, the Development Fee due shall be based only on the incremental increase in the Development Fee(s) for the additional Public Facilities needed to accommodate the change in use.

3. After making the determinations in this Paragraph, the City shall calculate the total demand for the Public Facility added by the New Development for each Public Facility category for which a Development Fee is being imposed and calculate the applicable total Development Fee by multiplying the demand added by the New Development by the amount of the applicable Development Fee per unit of development, incorporating any applicable offset if set forth in the particular Development Fee calculation methodology.

4. If the type of land use proposed for New Development is not expressly listed in the particular Development Fee schedule, the City shall, at its option and in its discretion, determine the basis used to calculate the Development Fee(s) by:

a. Identifying the most similar land use type listed and calculate the Development Fee based on the Development Fee for that land use; or

b. Identifying the broader land use category within which the specified land use would apply and calculate the Development Fee based on the Development Fee for that land use category; or

c. Reference to an independent impact analysis for Development Fee calculation. If this option is chosen, the following shall apply:

(i) The Applicant shall be responsible, at its sole expense, for preparing the independent impact analysis, which shall be reviewed for approval by the Director of the Development Services Department, the Finance Director, the City Engineer, and the City Manager prior to the City's notification pursuant to Paragraph iii of this subparagraph.

(ii) The independent impact analysis shall measure the impact that the proposed New Development will have on the particular Public Facility at issue, and shall be based on the same

methodologies used in the Development Fee calculation methodology report, and shall be supported by professionally acceptable data and assumptions.

(iii) After review of the independent impact analysis submitted by the Applicant, the Director of the Development Services Department shall accept or reject the analysis and provide written notice to the Applicant of its decision on a form provided for such purpose within thirty (30) days of the submission of the completed independent impact analysis. If the independent impact analysis is rejected, the written notice shall provide an explanation of the insufficiencies of the analysis.

(iv) The final decision of the Director of the Development Services Department may be appealed pursuant this Article.

5. An Applicant may request a *non-binding* estimate of Development Fees due for a particular New Development at any time by filing a request on a form provided for such purpose by the Development Services Department, or in writing if that department has not developed or does not wish to utilize such a form. The Applicant must acknowledge that the estimate may be subject to change when a formal application for a building permit for New Development is made. Such non-binding estimate is solely for the benefit and convenience of the prospective Applicant and shall in no way bind the City nor preclude it from making amendments or revisions to any provisions of this Article, the specific Development Fees or the Development Fee schedules.

6. The calculation of Development Fees due from a Multiple-Use New Development shall be based upon the aggregated demand for each Public Facility generated by each land use type in the New Development.

7. The calculation of Development Fees due from a phased New Development shall be based upon the demand generated by each specific land use within the phase of development for which a separate building permit is requested.

8. Development Fees shall be calculated based on the Development Fee amount in effect at the time of application for a building permit.

C. Offsets. The City Manager, or his or her designee, shall perform the actions of the City in accordance with this Paragraph unless specifically stated otherwise.

1. Offsets against the amount of a Development Fee due from a New Development shall be provided for, among other things, contributions made in cash, or by dedication of land (if accepted or required by the City) or by actual construction of all or part of a

Public Facility by the affected property owner for Public Facilities meeting or exceeding the demand generated by the New Development and the contribution is determined by the City to be a reasonable substitute for the cost of Public Facilities which are included in the particular Development Fee calculation methodology.

2. The amount of the excess contribution shall be determined by the City upon its receipt of a written application requesting an offset; provided, however, that (a) the City will make no reimbursement for excess contributions unless and until the particular Public Facility fund has sufficient revenue to make the reimbursement without jeopardizing the continuity of the City's capital improvements program and (b) the excess contribution may not be transferred or credited to any other type of Development Fees calculated to be due from that development for other type of Public Facilities. The determination of the eligibility for and the amount of the credit shall be made by the City on a form provided for such purposes. If the Applicant contends that any aspect of the City's decision constitutes an abuse of discretion, the Applicant shall be entitled to appeal pursuant to this Article.

3. No offset shall be allowed unless the City has approved the contribution or expenditure before it is or was made.

4. Offsets for dedication of land or provision of Public Facilities shall be applicable only as to Development Fees imposed for the same types of Public Facilities which are proposed to be dedicated or provided. Even if the value of the dedication of land or provision of a Public Facility exceeds the Development Fee due for the type of Public Facility, the excess value may not be transferred to Development Fees calculated to be due from the Applicant for other types of Public Facilities for which Development Fees may be imposed. Offsets may, however, be transferred to the same Applicant or to other Applicants for New Development which are proposed within the final approved platted area of the same development and for the same type of Public Facility.

D. Collection. The City shall collect all applicable Development Fees at the time of issuance of a building permit and shall issue a receipt to the Applicant for such payment unless:

1. The Applicant is determined to be entitled to a full offset; or

2. The Applicant has been determined to be not subject to the payment of a Development Fee; or

3. The Applicant has filed an appeal protesting the imposition or calculation of the Development Fee and a bond or other surety in the amount of the Development Fee, as calculated by the City and approved by the Finance Director and City Attorney, has been posted with the City.

The City shall collect a Development Fee at the time of issuance of a building permit

even if Development Fees were paid by the Applicant at an earlier time in the development permit or approval process if the amount of the Development Fees have increased since such prior approval. In such case, the Applicant shall only be liable for the difference between the Development Fees paid earlier and those in effect at the time of issuance of the subsequent building permit.

E. Establishment of Development Fee Accounts; Appropriation of Development Fee Funds; And Refunds.

1. Development Fee Accounts. A Development Fee account shall be established by the City for each category of Public Facilities for which Development Fees are imposed. Such account shall clearly identify the category, account, or fund for which the Development Fee has been imposed. All Development Fees collected by the City shall be deposited into the appropriate Development Fee account or sub-account, which shall be interest bearing. All interest earned on monies deposited to such account shall be credited to and shall be considered funds of the account. The funds of each such account shall be capable of being accounted for separately from all other City funds, over time. The City shall establish and implement necessary accounting controls to ensure that the Development Fee funds are properly deposited, accounted for and appropriated in accordance with this Development Fees Code, A.R.S. §9-463.05 and any other applicable legal requirements.

2. Appropriation of Development Fee Funds.

a. In General. Development Fee funds may be appropriated for Public Facilities, for Public Facility expenditures as defined herein and for the payment of principal, interest and other financing costs on contracts, bonds, notes or other obligations issued by or on behalf of the City or other applicable local governmental entities to finance such Public Facilities and Public Facility expenditures. All appropriations from Development Fee accounts shall be detailed as required by and filed within the Finance Department.

b. Restrictions on Appropriations. Development Fees shall be appropriated only (a) for the particular Public Facility for which they were imposed, calculated and collected; and (b) within ten (10) years of the beginning of the Fiscal Year immediately succeeding the date of collection, unless such time period is extended as provided herein. Development Fees shall not be appropriated for funding maintenance or repair of Public Facilities nor for operational or personnel expenses associated with the provision of the Public Facility.

c. Appropriation of Development Fee Funds Beyond Ten (10) Years of Collection. Notwithstanding the preceding subparagraph, Development

Fee funds may be appropriated beyond ten (10) years from the beginning of the Fiscal Year immediately succeeding the date of collection if the appropriation is for a Public Facility which requires more than ten (10) years to plan, design and construct, and the demand for the Public Facility is generated in whole or in part by the New Development, or if the Public Facility will actually serve the New Development. Such appropriations shall be documented by the City.

3. Procedure for Appropriation of Development Fee Funds.

a. The City shall each year identify Public Facility projects anticipated to be funded in whole or in part with Development Fees. The Public Facility recommendations shall be based upon the Development Fee annual review as set forth herein and such other information as may be relevant, and may be part of the City's annual budget and capital improvements programming process.

b. The recommendations shall be consistent with the provisions of this Article, the particular Public Facility Development Fee Ordinances, A.R.S. §9-463.05, or other applicable legal requirements and any guidelines adopted by the Mayor and Council.

c. The Mayor and Council may include Development Fee-funded Public Facilities in the City's annual budget and capital improvements program. If included, the description of the Public Facility shall specify the nature of the facility, the location of the Public Facility, the capacity to be added by the Public Facility, the service area of the Public Facility, the need/demand for the Public Facility and the anticipated timing of completion of the Public Facility.

d. The Mayor and Council may authorize Development Fee-funded Public Facilities at such other times as may be deemed necessary and appropriate by a majority vote of the Council.

e. The Mayor and Council shall verify that adequate Development Fee funds are or will be available from the appropriate Development Fee account for the particular Public Facility.

4. Refunds.

a. Eligibility for Refund.

(i) Expiration or Revocation of Building Permit. An

Applicant who has paid a Development Fee for a New Development for which the necessary building permit has expired or for which the building permit has been revoked prior to construction shall be eligible to apply for a refund of Development Fees paid on a form provided by the City for such purposes.

(ii) Failure of City to Appropriate Development Fee Funds Within Time Limit. The current property owner may apply for a refund of Development Fees paid by an Applicant if the City has failed to appropriate the Development Fees collected from the Applicant within the ten-year time limit or any extension thereof established above. The refund application shall be made in or on such form provided by the City for such purposes.

(iii) Abandonment of Development After Initiation of Construction. An Applicant who has paid a Development Fee for a New Development for which a building permit has been issued and pursuant to which construction has been initiated, but which construction is abandoned prior to completion and issuance of a certificate of occupancy, shall be eligible for a refund if, and only if, the uncompleted building is completely demolished pursuant to a proper demolition permit.

(iv) A five percent (5%) administrative fee, but not to exceed two hundred dollars ($200.00), shall be deducted from the amount of any refund granted and shall be retained by the City in the appropriate Development Fee account to help defray the administrative expenses associated with the processing of a refund application.

(v) Refunds shall be made only to the current owner of property on which the New Development was proposed or occurred. If more than one owner owns property which paid the Development Fees the request for refunds shall contain a copy of the conveyance documents wherein the proportionate ownership shares are set forth and the refunds shall be issues in accordance with the ownership shares of the conveyance documents. Any party obtaining a refund from the City shall confirm current ownership and entitlement to this refund under oath and shall defend and indemnify the City from any claims by any other party claiming a right to the refund for the same New Development.

b. Processing of Applications for a Refund. Applications for a refund

shall be made in or on a form provided by the City for such purposes and shall include all information required herein, as appropriate. Upon receipt of a complete application for a refund, the City shall review the application and documentary evidence submitted by the Applicant as well as such other information and evidence as may be deemed relevant, and make a determination as to whether a refund is due. Refunds by direct payment shall be made following an affirmative determination by the City.

c. Applications for refunds due to abandonment of a New Development prior to completion shall be made in or on forms provided by the City and shall be made no later than sixty (60) days following expiration or revocation of the building permit. The Applicant shall submit (1) evidence that the Applicant is the property owner or the duly designated agent of the property owner, (2) the amount of the Development Fees paid by Public Facilities category and receipts evidencing such payments, and (3) documentation evidencing the expiration or revocation of the building permit or approval of demolition of the structure pursuant to a valid City-issued demolition permit. Failure to apply for a refund within sixty (60) days following expiration or revocation of the building permit or demolition of the structure shall constitute a waiver of entitlement to a refund. No interest shall be paid by the City in calculating the amount of any refunds.

d. Applications for refunds due to the failure of the City to appropriate Development Fees collected from the Applicant within the time limits established herein shall be made in or on forms provided by the City and shall be made no later than one (1) year following the expiration of such time limit. The Applicant shall submit (1) evidence that the Applicant is the property owner or the duly designated agent of the property owner, (2) the amount of the Development Fees paid by Public Facility category and receipts evidencing such payments, and (3) a description and documentation of the City's failure to appropriate Development Fee funds for relevant Public Facilities.

e. The City may, at its option, make refunds of Development Fees by direct payment, by offsetting such refunds against other Development Fees due for the same category of Public Facilities for New Development on the same property, or by other means subject to agreement with the property owner.

F. Appeals.

1. An appeal from any decision of a City official pursuant to this

Development Fees Code shall be made to the Mayor and Council by filing a written appeal pursuant to the appropriate City form, if any, with the City Clerk within thirty (30) days following the decision which is being appealed; provided, however, that if the notice of appeal is accompanied by a cash bond or letter of credit in a form satisfactory to the Finance Director and the City Attorney in an amount equal to the Development Fee calculated to be due, a building permit may be issued to the New Development. The filing of an appeal shall not stay the imposition or the collection of the Development Fee as calculated by the City unless a cash bond or other sufficient surety has been provided.

2. The burden of proof shall be on the appellant to demonstrate that the decision of the City is erroneous pursuant to the applicable legal standard.

3. All appeals shall detail the specific grounds therefor and all other relevant information and shall be filed in such form as requested by the City for such purposes.

G. Exemptions/Waivers.

1. Standard for Exemption. The Mayor and Council may, in any case where it deems such action to serve as an economic development incentive and is in the best interest of the City, waive the application of any Development Fee pursuant to this Paragraph G.

2. Filing of Application. Petitions for exemptions to the application of the provisions of this Development Fees Code or waivers from specific Development Fees shall be filed with the Mayor and Council in such form as requested by the City.

3. Effect of Grant of Exemption/Waiver. Except as otherwise set forth in this Development Fees Code, if the Mayor and Council grants an exemption or waiver, in whole or in part, of Development Fees otherwise due, the amount of the Development Fees so waived or exempted shall be provided by the City from non-Development Fee funds, and such funds shall be deposited to the appropriate Development Fee account within a reasonable period of time consistent with the applicable City capital improvements program. Notwithstanding this requirement, however, the City Council may, by Resolution, waive the City's reimbursement obligation for New Development in a designated Infill Overlay Zone or Redevelopment Area as established by the City Code or a City Ordinance.

4. Development Agreements. Nothing herein shall be deemed to limit in any manner the City's authority or ability to enter into Development Agreements pursuant to A.R.S. §9-500.05 with Applicants for New Development who may provide for dedication of land, payments in lieu of Development Fees, or actual infrastructure improvements. Such development agreements may allow offsets against Development Fees for contributions made or to be made in the future in cash, or by taxes or assessments or dedication of land or by actual construction of all or part of a Public Facility by the affected property owner.

Article 17-5 <u>General Government Development Fee</u>

A. All new residential and non-residential development within the City of Maricopa shall be subject to the payment of a General Government Development Fee payable at the time of building permit issuance by the City, pursuant to the terms and condition of this Article and in the amount as set forth in this Article. The General Government Development Fee shall be:

Residential Development	Per Dwelling Unit
Single Family Detached	$674

Non-Residential Development	Per Square Foot
Commercial/Shopping Center 25,000 square feet or less	$0.79
Commercial/Shopping Center 25,001 - 50,000 square feet	$0.69
Commercial/Shopping Center 50,001 - 100,000 square feet	$0.60
Commercial/Shopping Center 100,001 - 200,000 square feet	$0.53
Commercial/Shopping Center over 200,000 square feet	$0.48
Office/Institutional 10,000 square feet or less	$1.05
Office/Institutional 10,001 - 25,000 square feet	$0.96
Office/Institutional 25,001 - 50,000 square feet	$0.91
Office/Institutional 50,001 - 100,000 square feet	$0.86
Office/Institutional over 100,000 square feet	$0.81
Business Park	$0.76
Light Industrial	$0.55
Warehousing	$0.31
Manufacturing	$0.43

B. Inflation Adjustments to Development Fee.

1. Beginning March 1, 2006, on or before March 1st of each year in which the General Government Development Fee is in effect, the City Manager, or his or her designee, shall calculate and present to the City Council an Inflation Adjustment Factor which shall be applied to determine the inflation-adjusted General Government Development Fee on the next Adjustment Date, as defined in subsection 2 of this Paragraph B. The Inflationary Index Factor shall be the fraction whose numerator is the index figure stated as the Construction Costs Index as published by Engineering News Record (ENR) for the month of January immediately preceding the Adjustment Date and whose denominator is the Construction Costs Index in effect on January 1, 2006, in the case of the first Adjustment Date, or the Construction Costs Index used for the last Adjustment Date, in the case of all adjustments after the first Adjustment Date.

2. On July 1, 2006, and on July 1st of each year thereafter in which the General Government Development Fee is in effect (hereinafter the "Adjustment Date"), the amount of the inflation-adjusted Development Fee per Dwelling Unit and per square foot of gross floor area of non-residential development, shall be automatically adjusted to account for

inflationary increases by multiplying the then existing inflation-adjusted General Government Development Fee by the Inflationary Index Factor as defined in Paragraph B(1) above.

Article 17-6 **Library Development Fee**

A. All new residential development within the City of Maricopa shall be subject to the payment of a Library Development Fee payable at the time of building permit issuance by the City, pursuant to the terms and condition of this Article and in the amount as set forth in this Article. The Library Development Fee shall be:

Residential Development	Per Dwelling Unit
Single Family Detached	$436

B. Inflation Adjustments to Development Fee.

1. Beginning March 1, 2006, on or before March 1st of each year in which the Library Development Fee is in effect, the City Manager, or his or her designee, shall calculate and present to the City Council an Inflation Adjustment Factor which shall be applied to determine the inflation-adjusted Library Development Fee on the next Adjustment Date, as defined in subsection 2 of this Paragraph B. The Inflationary Index Factor shall be the fraction whose numerator is the index figure stated as the Construction Costs Index as published by Engineering News Record (ENR) for the month of January immediately preceding the Adjustment Date and whose denominator is the Construction Costs Index in effect on January 1, 2006, in the case of the first Adjustment Date, or the Construction Costs Index used for the last Adjustment Date, in the case of all adjustments after the first Adjustment Date.

2. On July 1, 2006, and on July 1st of each year thereafter in which the Library Development Fee is in effect (hereinafter the "Adjustment Date"), the amount of the inflation-adjusted Development Fee per Dwelling Unit shall be automatically adjusted to account for inflationary increases by multiplying the then existing inflation-adjusted Library Development Fee by the Inflationary Index Factor as defined in Paragraph B(1) above.

Article 17-7 **Parks and Recreation Development Fee**

A. All new residential development within the City of Maricopa shall be subject to the payment of a Parks and Recreation Development Fee payable at the time of building permit issuance by the City, pursuant to the terms and condition of this Article and in the amount as set forth in this Article. The Parks and Recreation Development Fee shall be:

Residential Development	Per Dwelling Unit
Single Family Detached	$303

B. Inflation Adjustments to Development Fee.

1. Beginning March 1, 2006, on or before March 1st of each year in which the Parks and Recreation Development Fee is in effect, the City Manager, or his or her designee, shall calculate and present to the City Council an Inflation Adjustment Factor which shall be applied to determine the inflation-adjusted Parks and Recreation Development Fee on the next Adjustment Date, as defined in subsection 2 of this Paragraph B. The Inflationary Index Factor shall be the fraction whose numerator is the index figure stated as the Construction Costs Index as published by Engineering News Record (ENR) for the month of January immediately preceding the Adjustment Date and whose denominator is the Construction Costs Index in effect on January 1, 2006, in the case of the first Adjustment Date, or the Construction Costs Index used for the last Adjustment Date, in the case of all adjustments after the first Adjustment Date.

2. On July 1, 2006, and on July 1st of each year thereafter in which the Parks and Recreation Development Fee is in effect (hereinafter the "Adjustment Date"), the amount of the inflation-adjusted Development Fee per Dwelling Unit shall be automatically adjusted to account for inflationary increases by multiplying the then existing inflation-adjusted Parks and Recreation Development Fee by the Inflationary Index Factor as defined in Paragraph B(1) above.

Article 17-8 **<u>Public Safety Fee</u>**

A. All new residential and non-residential development within the City of Maricopa shall be subject to the payment of a Public Safety Development Fee payable at the time of building permit issuance by the City, pursuant to the terms and condition of this Article and in the amount as set forth in this Article. The Public Safety Development Fee shall be:

<u>Residential Development</u>	**<u>Per Dwelling Unit</u>**
Single Family Detached	$140
<u>Non-Residential Development</u>	**<u>Per Square Foot</u>**
Commercial/Shopping Center 25,000 square feet or less	$0.35
Commercial/Shopping Center 25,001 - 50,000 square feet	$0.32
Commercial/Shopping Center 50,001 - 100,000 square feet	$0.28
Commercial/Shopping Center 100,001 - 200,000 square feet	$0.24
Commercial/Shopping Center over 200,000 square feet	$0.21
Office/Institutional 10,000 square feet or less	$0.16
Office/Institutional 10,001 - 25,000 square feet	$0.13
Office/Institutional 25,001 - 50,000 square feet	$0.11
Office/Institutional 50,001 - 100,000 square feet	$0.10
Office/Institutional over 100,000 square feet	$0.08
Business Park	$0.09

Light Industrial	$0.05
Warehousing	$0.04
Manufacturing	$0.03

B. Inflation Adjustments to Development Fee.

1. Beginning March 1, 2006, on or before March 1st of each year in which the Public Safety Development Fee is in effect, the City Manager, or his or her designee, shall calculate and present to the City Council an Inflation Index Factor which shall be applied to determine the inflation-adjusted Public Safety Development Fee on the next Adjustment Date, as defined in subsection 2 of this Paragraph B. The Inflationary Index Factor shall be the fraction whose numerator is the index figure stated as the Construction Costs Index as published by Engineering News Record (ENR) for the month of January immediately preceding the Adjustment Date and whose denominator is the Construction Costs Index in effect on January 1, 2006, in the case of the first Adjustment Date, or the Construction Costs Index used for the last Adjustment Date, in the case of all adjustments after the first Adjustment Date.

2. On July 1, 2006, and on July 1st of each year thereafter in which the Public Safety Development Fee is in effect (hereinafter the "Adjustment Date"), the amount of the inflation-adjusted Development Fee per Dwelling Unit and per square foot of gross floor area of non-residential development, shall be automatically adjusted to account for inflationary increases by multiplying the then existing inflation-adjusted Public Safety Development Fee by the Inflationary Index Factor as defined in Paragraph B(1) above.

Section 17-9 **Transportation Development Fee**

A. All new residential and non-residential development within the City of Maricopa shall be subject to the payment of a Transportation Development Fee payable at the time of building permit issuance by the City, pursuant to the terms and condition of this Article and in the amount as set forth in this Article. The Transportation Development Fee shall be:

Residential Development	Per Dwelling Unit
Single Family Detached	$3,623

Non-Residential Development	Per Square Foot
Commercial/Shopping Center 25,000 square feet or less	$9.20
Commercial/Shopping Center 25,001 - 50,000 square feet	$8.53
Commercial/Shopping Center 50,001 - 100,000 square feet	$7.47
Commercial/Shopping Center 100,001 - 200,000 square feet	$6.46
Commercial/Shopping Center over 200,000 square feet	$5.54
Office/Institutional 10,000 square feet or less	$5.22
Office/Institutional 10,001 - 25,000 square feet	$4.22

Office/Institutional 25,001 - 50,000 square feet	$3.60
Office/Institutional 50,001 - 100,000 square feet	$3.07
Office/Institutional over 100,000 square feet	$2.61
Business Park	$2.93
Light Industrial	$1.60
Warehousing	$1.14
Manufacturing	$0.88

B. Inflation Adjustments to Development Fee.

1. Beginning March 1, 2006, on or before March 1st of each year in which the Transportation Development Fee is in effect, the City Manager, or his or her designee, shall calculate and present to the City Council an Inflation Adjustment Factor which shall be applied to determine the Transportation Development Fee on the next Adjustment Date, as defined in subsection 2 of this Paragraph B. The Inflationary Index Factor shall be the fraction whose numerator is the index figure stated as the Construction Costs Index as published by Engineering News Record (ENR) for the month of January immediately preceding the Adjustment Date and whose denominator is the Construction Costs Index in effect on January 1, 2006, in the case of the first Adjustment Date, or the Construction Costs Index used for the last Adjustment Date, in the case of all adjustments after the first Adjustment Date.

2. On July 1, 2006, and on July 1st of each year thereafter in which the Transportation Development Fee is in effect (hereinafter the "Adjustment Date"), the amount of the inflation-adjusted Development Fee per Dwelling Unit and per square foot of gross floor area of non-residential development, shall be automatically adjusted to account for inflationary increases by multiplying the then existing inflation-adjusted Transportation Development Fee by the Inflationary Index Factor as defined in Paragraph B(1) above.

Article 17-10 **Conflict**

To the extent of any conflict between other City Ordinances and this Development Fees Code, this Development Fees Code shall be deemed to be controlling; provided, however, that this Development Fees Code is not intended to amend or repeal any existing City Ordinance, Resolution or regulation except as expressly set forth herein.

Article 17-11 **Severability**

If any section, subsection, sentence, clause, phrase or portion of this Development Fees Code is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

ORDINANCE NO. 05-10

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF MARICOPA, ARIZONA, ADOPTING BY REFERENCE "THE CITY OF MARICOPA DEVELOPMENT FEES CODE," A PUBLIC RECORD, RELATING TO THE ESTABLISHMENT OF DEVELOPMENT FEES FOR NEW DEVELOPMENT WITHIN THE CITY OF MARICOPA, AND SETTING AN EFFECTIVE DATE THEREOF.

WHEREAS, pursuant to A.R.S. §9-463.05, the City of Maricopa may assess Development Fees to offset costs to the municipality associated with providing necessary public services to New Development; and

WHEREAS, provision of adequate transportation, general government, parks and recreation facilities, libraries, and public safety protection are essential public services which the City of Maricopa must provide to further the public health, safety, welfare and morals; and

WHEREAS, development of previously undeveloped land in the City places a cost burden on the City to provide these additional necessary public services to the development, which costs have been ascertained in an extensive study and are documented in a written report which has been released to the public; and

WHEREAS, the Development Fees assessed in this Ordinance bear a reasonable relationship to the burden imposed on the City of Maricopa to provide these additional necessary public services to New Development and will result in a beneficial use to the developments; and

WHEREAS, the Maricopa City Council, on May 17, 2005, and after full and careful consideration of the issue, gave notice of its intent to assess these new or increased Development Fees within the City of Maricopa and made available to the public the Development Fee Study, a written report detailing and supporting the assessment of the Development Fees; and

WHEREAS, on July 19, 2005, more than sixty (60) days after providing its notice of intent to proceed with the imposition of Development Fees, a public hearing was held by the City of Maricopa to gather public input on the imposition of such fees; and

WHEREAS, fourteen (14) days have passed since that public hearing; and

WHEREAS, as a result of the Development Fee Study, the recommendation of City staff, and full compliance with the notice and hearing requirements set forth in A.R.S. §9-463.05, and after full consideration of the comments provided by the public on this issue, the Mayor and City Council believe that the imposition of Development Fees to offset the costs inherent with providing public services to New Development is in the best interest of the City of Maricopa; and

WHEREAS, the Development Fees Code was adopted as a public record by Resolution No. 05-24 on August 3, 2005; and

WHEREAS, A.R.S. §9-802 allows a City to adopt a public record by Ordinance as a means to reduce publication costs while ensuring that the public gets fair notice and opportunity to review its operative provisions;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE CITY OF MARICOPA, ARIZONA, AS FOLLOWS:

I. The Development Fees Code, declared a public record by Resolution 05-24, and three copies of which are on file with the City Clerk, is hereby referred to, adopted and made a part hereof as if fully set out in this Ordinance. The Development Fee Code shall become Chapter 17 of the City of Maricopa City Code.

II. To the extent of any conflict between other City Ordinances and this Ordinance, this Ordinance shall be deemed to be controlling; provided, however, that this Ordinance is not intended to amend or repeal any existing City Ordinance, Resolution or regulation except as expressly set forth herein or as set forth in the Development Fees Code.

III. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

IV. This Ordinance shall become effective as of November 2, 2005, which is no earlier than ninety (90) days after its adoption.

PASSED AND ADOPTED by the Mayor and Council of the City of Maricopa, Arizona, this 3rd day of August, 2005.

Mayor

ATTEST:

City Clerk

AGREEMENT REGARDING REPAYMENT OF OFFSITE IMPROVEMENTS FUNDING

THIS AGREEMENT (the "**Agreement**") is entered into this 29th day of April, 2008, by M.A. MARICOPA, LLC, an Arizona limited liability company (the "**Developer**"), and the CITY OF MARICOPA, a political subdivision of the State of Arizona (the "**City**").

WHEREAS, the parties have entered into a separate Revised and Restated Development and Settlement Agreement dated April 22, 2008 ("**Development Settlement Agreement**") to provide for the development of certain property located within the City (the "**Property**") and the dismissal with prejudice of Developer's complaint CV #2008-050888 against the City;

WHEREAS, the Developer is willing to build certain offsite improvements to benefit certain property within the City; and

WHEREAS, the City will undertake financing of such certain offsite improvements to facilitate commercial development within the City and provide access to Developer's Legacy Traditional School property.

NOW, THEREFORE, in consideration of the mutual covenants and conditions expressed herein, the Developer and the City agree as follows:

1. The parties have established an escrow account ("**Escrow Account**") with Traci Greenhow in care of LandAmerica Transnation Title ("**Escrow Agent**") for purposes of implementing the Development Settlement Agreement. The Escrow Account shall be subject to the instructions set forth at Exhibit 1. The Escrow Agent shall open an account at Great Western Bank in the City of Maricopa for the purpose of serving this transaction.

2. Developer agrees to construct certain improvements in right-of-ways and to improve intersections of a public way within the City, which improvements include, but are not necessarily limited to, grading, curbs, gutters, street paving, sidewalks, and landscaping required by the City, and other related improvements. A list of such improvements (the "**Developer Improvements**") is set forth on Exhibit 2 attached hereto and hereby incorporated. The Developer shall construct the Developer Improvements in accordance with a Performance Schedule to be agreed upon by the parties and incorporated into the Development Settlement Agreement.

3. The City shall deposit funds into the Escrow Account based on the funding schedule for the Developer Improvements as set forth on Exhibit 3. The City's obligation to pay for the costs of the Developer Improvements is limited to the amounts set forth on Exhibit 3. The amounts set forth on Exhibit 3 reflect the City's estimate of the cost of completing the improvements described on Exhibit 2. If the actual cost of such Developer Improvements is less than the amount provided in Exhibit 3, additional funds may be withdrawn from the Escrow Account pursuant to the terms hereof up to the amounts set forth on Exhibit 3 and expended on engineering, permits, grading, curbs, gutters, street paving, sidewalks, and landscaping as required by the City for such improvements, which shall be included within the definition of Developer Improvements.

4. Developer shall comply with City Code and Arizona Revised Statutes Title 34 Procurement Rules (subject to any permitted exception) when procuring the Developer Improvements, and all Developer Improvements shall be constructed in accordance with City specifications. Upon completion, the Developer Improvements shall be inspected, deficiencies corrected, and approved by the City. Upon such approval the Developer Improvements shall be dedicated to the City free and clear of all liens.

5. The City shall authorize the Escrow Agent to pay the Developer for the Developer Improvements as the costs are incurred within ten (10) days of Developer's submittal to the City and the Escrow Agent of a request for a progress payment together with evidence of the extent of completion of the subject Developer Improvements, the actual cost thereof, and lien releases for such Developer Improvements. In the event any funds in the Escrow Account are not expended for Developer Improvements, such funds shall be returned to the City within ten (10) days following the completion of the Developer Improvement for which the funds were deposited into the Escrow Account. The City shall remain the owner of all deposited funds, and Developer shall have no rights therein, until the City authorizes in writing their release as provided herein.

6. The City shall at its expense (subject to the City's development fee ordinance) construct certain improvements in right-of-ways and improve intersections of a public way within the City, which improvements include, but are not necessarily limited to, grading, curbs, gutters, street paving, sidewalks, and landscaping required by the City, and other related improvements. A list of such improvements, (the "**City Improvements**") is set forth on Exhibit 4 attached hereto and hereby incorporated. The City shall construct the City Improvements in accordance with a "**Performance Schedule**" as agreed upon by the parties and incorporated into the Development Settlement Agreement. If the City fails to construct the City Improvements as required by the Performance Schedule (subject to the force majeure provisions of the Development Settlement Agreement) the Developer may thereafter construct the City Improvements (at City expense, subject to the City's development fee ordinance) as Developer Improvements pursuant to this Agreement.

7. This Agreement and the Development Settlement Agreement contains the entire understanding between the parties with respect to the subjects hereof and supersedes all prior negotiations and agreements. This Agreement may be amended only by an instrument in writing signed by all parties. The waiver of any breach of this Agreement shall not be deemed to amend this Agreement.

8. This Agreement shall be governed by the laws of the State of Arizona. In the event of any litigation or arbitration arising out of this Agreement, the substantially prevailing party shall be entitled to recover attorneys' fees and costs.

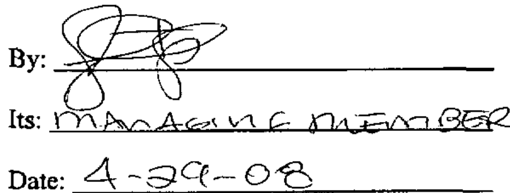
9. This Agreement may be executed in any number of counterparts, all of which together shall be deemed to constitute one instrument, and each of which shall be deemed an original.

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

11. Under Section 38-511, Arizona Revised Statutes, as amended, the City may cancel any contract to which it is a party within three years after execution of such contract and without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the City is, at any time while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The City acknowledges that as of the Effective Date it is not aware of any person whose actions would give the City termination rights under A.R.S. § 38-511. In the event that the City elects to exercise its rights under §38-511, Arizona Revised Statutes, as amended, the City agrees to immediately give notice thereof to the Developer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

M.A. MARICOPA, LLC,
an Arizona Limited Liability Company

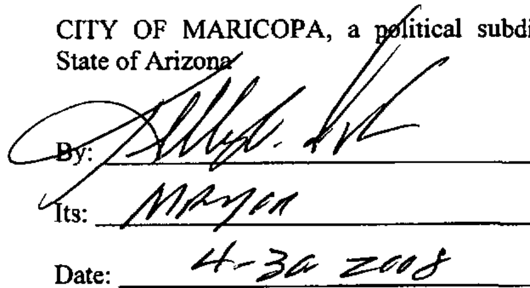


By: ____________________

Its: MANAGING MEMBER

Date: 4-29-08

CITY OF MARICOPA, a political subdivision of the State of Arizona



By: ____________________

Its: MAYOR

Date: 4-30 2008

EXHIBIT 1

ESCROW INSTRUCTIONS

INVESTMENT AUTHORIZATION

RE: Escrow No. **01644047 - 268 - TG3**

Date April 22, 2008

As escrow agent, you are hereby authorized and instructed to invest the sum of $ 481,445, handed you herewith, or presently held in the above referenced escrow, in the following manner:

Name of Financial Institution:	JPMorgan Chase
Type of Investment:	Short Term US Securities (13-Months) as required by Law
Name of Account:	**TRANSNATION TITLE INSURANCE COMPANY**
Agent For:	City of Maricopa
Interest Shall Accrue for the Account of:	City of Maricopa

If funds are received after the investment deadline set by the institution, the funds will be invested on the following day.

All such funds are to be invested for the full term of this escrow and withdrawn only when you are in a position to use said funds to close the escrow or upon cancellation. **TRANSNATION TITLE INSURANCE COMPANY** is not responsible for any loss of principal or interest as a result of complying with these instructions.

The undersigned hereby release **TRANSNATION TITLE INSURANCE COMPANY** from any liability and assume all responsibility for any loss to the undersigned which may result from a lack of FDIC insurance of this investment in excess of $100,000. The undersigned acknowledge that, in calculating the amount of available insurance, the FDIC will consolidate this investment with all other funds of the undersigned which are on deposit with the above designated financial institution.

In consideration of your acceptance of this instruction, the undersigned hereby acknowledge that all earnings will be established by the designated Financial Institution, and also acknowledge that **TRANSNATION TITLE INSURANCE COMPANY**, as Escrow Agent, is in no way liable for the amount of earnings generated, and provided you have complied with the within instructions, you are held harmless from any loss which might arise in connection with such investment, including, but not limited to principal, interest, attorney fees and/or other cost incurred. Further, you will be held harmless if the investment item is not available, in the amount requested, at the named institution on the date the account is to be initiated.

PLEASE FILL OUT

THE INTEREST AND DIVIDEND TAX COMPLIANCE ACT OF 1983 REQUIRES YOUR CERTIFICATION TO BE SUBMITTED WITH THE INVESTMENT.

TAX IDENTIFICATION NO./SS #: 43-2035823

- ☒ The number on this form is my correct Taxpayer Identification Number.
- ☒ I am not subject to back-up withholding under Section 3406(A)(1)(C) of the Internal Revenue code, or;
- ☐ I am not a resident or citizen of the United States nor am I engaged in trade of business in the United States.

Note: If you refuse to certify the above information, you may be subject to back-up withholding

______ (initial of recipient of interest).

CERTIFICATION: Under penalties or perjury, I certify that the information provided on this form is true, correct and complete.

SIGNATURE OF RECIPIENT OF INTEREST, OR ______ Date: 4/30/08

SIGNATURE OF ITS REPRESENTATIVE ______ Date: ______

NAME AND ADDRESS OF RECIPIENT OF INTEREST:
City of Maricopa
45145 W. Madison Ave
Maricopa AZ 85239

Dated: 04/22/2008

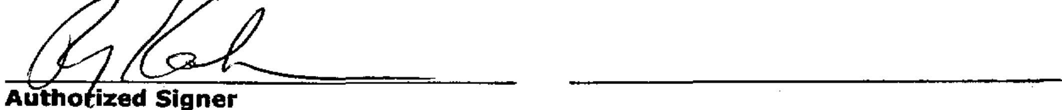
SUPPLEMENT
TO
INTEREST –BEARING ACCOUNT INSTRUCTIONS

The undersigned hereby acknowledge and agree that the Interest-Bearing Account opened under the name(s) of the undersigned will be opened using only the Social Security Number or Taxpayer Identification Number of 43-2035823. As such, regardless of the manner in which the funds in said account, both principal and interest, are ultimately disbursed, the reporting of interest accrued, and the issuance of IRS Form 1099-S, thereon by the depository bank shall be done in the name of the person named herein. If interest is or may be disbursed to a party other than the person named herein, then it is the parties' individual responsibility to report the accurate amount of interest and/or proceeds received to the IRS.

The parties understand and agree that the Company shall have no responsibility and/or liability in connection with said reporting of interest earned as stated above. Escrow agent recommends and advises the parties to seek the advice and counsel of a qualified attorney and/or tax consultant should they have any questions regarding the foregoing.

By MA Maricopa:

By City of Maricopa:



Authorized Signer

EXHIBIT 2

DEVELOPER IMPROVEMENTS

Continental Blvd (Super local ½ street improvements)
Approximately ¼ mile of improvements from Honeycutt Road alignment south to Seven Ranch Road alignment including: 24 feet of pavement, curb and gutter (west side only), all within 30 feet of right of way (as depicted in plans submitted by Developer on January 24, 2008)

Honeycutt Road (Accel/Decel turn lane)
Approximately 660 linear feet of improvements from property line east to Continental Blvd. alignment including: 12 feet of pavement with a MAG standard thickened edge.

Water Tank Improvements
Improvements based preliminary design prepared by Seven Ranch Water District Engineer William Collings to include: high volume pump, 200,000 gallon water storage tank capable of providing 2 hour storage for a 1500gpm fire flow together with a concrete foundation, spillway and incidental inlet/outlet piping and electrical services.

Whisker Road Improvements (Super local full street improvements)
Approximately ¼ mile of improvements from Honeycutt Road alignment south to Seven Ranch Road alignment including: 36 feet of pavement, curb, gutter and sidewalk all within 60 feet of right of way (per City super local standard) with drainage retained outside of right of way.

Seven Ranch Road Improvements (Super local full street improvements)
Approximately ¼ mile of improvements from Porter Road alignment east to Whisker Road alignment including: 36 feet of pavement, curb, gutter and sidewalk (sidewalk to be on north side of road only) all within 60 feet of right of way (per City super local standard modified for project) with drainage retained outside of right of way.

EXHIBIT 3

ESCROW ACCOUNT DEPOSIT SCHEDULE

Description of Improvement	Cost	Estimated Deposit Dates
Continental Boulevard	$185,929	Three business days following execution of the Development Settlement Agreement
Honeycutt Acceleration and Deceleration lanes.	$27,700	Three business days following execution of the Development Settlement Agreement
Water tank improvements for fire suppression	$267,816	Three business days following execution of the Development Settlement Agreement
Whisker Road	$290,500	Following issuance of the building permit for the permanent Porter Campus located on a parcel served by Whisker Road and Seven Ranch Road.
Seven Ranch Road	$277,300	Following issuance of the building permit for the permanent Porter Campus located on a parcel served by Whisker Road and Seven Ranch Road.

EXHIBIT 4

CITY IMPROVEMENTS

Description of Improvement	Performance Date
Intersection Improvements Honeycutt and Porter intersection improvements, including traffic control signalization.	Commence as soon as practicable but no later than twelve months after execution of Development Settlement Agreement
Honeycutt Road Improvements (Principal arterial road improvements) Approximately ¾ mile of improvements from Porter Road alignment east to Continental Blvd alignment including: 37 feet of pavement, curb, gutter and sidewalk.	The City shall commence the improvement process during FY 2008/2009
Porter Road Improvements (Principal arterial road improvements) Approximately ¼ mile of improvements from Seven Ranch Road alignment north to Honeycutt Road alignment including: 37 feet of pavement, curb, gutter and sidewalk.	The City shall commence the improvement process during FY 2008/2009