



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

DATE/TIME: 05/20/08 1613
FEE: \$33.00
PAGES: 49
FEE NUMBER: 2008-048024

When recorded, return to:

Fitzgibbons Law Offices, P.L.C.
P.O. Box 11208
Casa Grande, AZ 85230-1208
(W/C)

49

PRE-ANNEXATION DEVELOPMENT AGREEMENT

RESOLUTION NO. 08-22

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

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

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

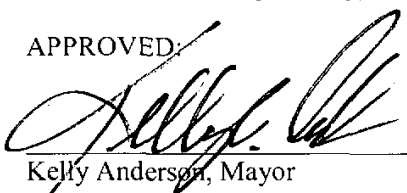
NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Maricopa, Arizona, as follows:

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 Development 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 14th day of May, 2008.

APPROVED:



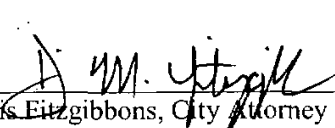
Kelly Anderson, Mayor

ATTEST:



Vanessa Bueras, City Clerk

APPROVED AS TO FORM:



Denis Fitzgibbons, City Attorney

WHEN RECORDED RETURN TO:

City Clerk
City of Maricopa
P.O. Box 610
Maricopa, Arizona 85239

PRE-ANNEXATION DEVELOPMENT AGREEMENT

CITY OF MARICOPA, ARIZONA,
an Arizona municipal corporation

AND

SUNSET MOUNTAIN DEVELOPMENT GROUP, L.L.C.,
an Arizona limited liability company

May 14th, 2008

PRE-ANNEXATION DEVELOPMENT AGREEMENT

THIS PRE-ANNEXATION DEVELOPMENT AGREEMENT ("Agreement") is entered into this ____ day of May, 2008 by and between the CITY OF MARICOPA, an Arizona municipal corporation (the "City") and SUNSENT MOUNTAIN DEVELOPMENT GROUP, L.L.C., an Arizona limited liability company (the "Owner").

RECITALS

A. Owner is seeking annexation into the City and certain land use approvals for a master planned development consisting of approximately 336 (+/-) acres of land currently located in Pinal County, Arizona, which land is more particularly described in the attached Exhibit A (the "Property ") and depicted in the attached Exhibit B. The Property is located within the City's municipal planning area boundary.

B. Owner and the City desire that the Property be annexed into the corporate limits of the City and be developed as an integral part of the City. The annexation and development of the Property pursuant to this Agreement and the Sunset Mountain Planned Area Development approved by Pinal County as Case No. PZ-007-07 and PZ-PD-007-07, which is attached hereto as Exhibit C and made a part hereof by this reference (the "PAD"), will be consistent with the City's General Plan, , and to operate to the benefit of the City, the Owner and the general public. The annexation of the Property would allow the City to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the City.

C. Owner and the City are entering into this Agreement pursuant to the provisions of A.R.S. § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the unincorporated portions of the Property by the City; (ii) conditions, terms, restrictions and requirements for the construction and installation of public services/infrastructure improvements; (iii) the permitted uses for the Property; (iv) the density and intensity of such uses; and (v) other matters related to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property in to the City as part of a larger annexation area as depicted on Exhibit D as "Revised Annexation 07-01" (the "Annexation Area"). The City agrees that the PAD zoning designation is an appropriate designation for the Property and that the PAD is designed to establish proper

and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PAD. Prior to its execution of this Agreement, the City has held public hearings and received public comment regarding the annexation and has otherwise duly considered all such matters.

E. Owner and the City acknowledge that the ultimate development of the Property within the City is a project of such size and scope that Owner requires assurances from the City that Owner has the right to complete the development of the Property pursuant to the PAD before it will expend substantial efforts and costs in the development of the Property, and the City requires assurances from Owner that development of the Property will be in accordance with the PAD and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the City and Owner acknowledge that the development of the Property pursuant to this Agreement and the PAD will result in significant planning and economic benefits to the City by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the City's General Plan and the County approved PAD; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the City based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and (vi) creating quality housing and other uses for citizens of the City. The City and Owner acknowledge that the development of the Property pursuant to this Agreement and the PAD will result in significant benefits to Owner by providing certainty in order to avoid the waste of resources, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PAD.

G. Among other things, development of the Property in accordance with this Agreement and the PAD will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public and private services/infrastructure improvements that will support development of the Property.

H. The public and private services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, also are needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property. Given the regional significance of such public and private services/infrastructure improvements and development of the Property, the City is willing to use good faith efforts to facilitate the utilization of various public and/or quasi-public

financing methods as provided in this Agreement.

I. The City acknowledges that portions of such public and private services/infrastructure improvements may be provided as part of the early phases of development of the Property, prior to the time when such public and private services/infrastructure improvements would otherwise be required to serve completed phases of the development within the Property, and therefore prior to the time Owner might otherwise be required to provide or contribute to the cost of same and prior to the time that the expense of such public services/infrastructure improvements otherwise would be justified by the phasing of development of the Property. Owner is willing to provide such public and private services/infrastructure improvements earlier than otherwise required for its development of the Property only with the assurances that it will be able to complete development of the Property as provided in this Agreement. In this respect, the public and private services/infrastructure improvements and dedications provided for herein, together with the development contemplated by this Agreement, are interdependent and together comprise an indivisible project.

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

AGREEMENT

I. ANNEXATION AND DEVELOPMENT PLANS.

1.1 Annexation Petition. The City, having held public meetings thereon, has, concurrently with its approval of this Agreement, duly considered and approved the annexation of the Property into the City. As soon as reasonably practical after approval of this Agreement by the City and Owner, Owner shall deliver to the City an appropriate Petition for Annexation duly executed by all necessary property owners (the "Annexation Petition"). Upon receipt of the Annexation Petition, the City agrees to comply with the provisions of A.R.S. § 9-471 *et seq.* and, if determined to be in the best interest of the City, adopt the final ordinance annexing the Property into the corporate limits of the City, which ordinance shall contain a provision providing for the immediate rescission of the annexation ordinance by the City if: (a) any party files a verified petition with the City challenging the validity of the annexation; (b) any party files a verified referendum petition with the City challenging the PAD zoning designation; or (c) any party files a verified referendum petition with the City challenging the validity of this Agreement. The date on which the annexation ordinance takes effect in accordance with state law shall be the "Effective Date" of this Agreement as that term is used herein. The City expressly acknowledges and agrees that the Annexation Petition and this Agreement will have been approved and delivered to the City contingent on the City's adoption of the ordinance

described in the preceding sentence, including the rescission provisions. If the City fails to adopt a final ordinance annexing the Property pursuant to law and in accordance with the terms and conditions of this Agreement immediately upon approval hereof, the Agreement shall be null and void and of no further effect.

1.2 Planned Area Development.

(a) General. Concurrently with the approval of this Agreement and upon the City's review and due consideration, the City hereby accepts the densities, intensities, land uses, public services/infrastructure improvements, and other matters set forth in the PAD for the development of the Property. Development of the Property shall be in accordance with the PAD, as may be amended from time to time in accordance with Paragraph (b) below, including all improvements, facilities and structures contemplated in this Agreement. Such improvements, facilities, and structures may include (without limitation) the planning, design, engineering, construction, acquisition, installation, and/or provision of improvements of any sort or nature, including public infrastructure and other public facilities and services related to development of the Property, whether located within or outside the Property. The PAD, if determined to be in the best interest of the City, will be adopted by the City as part of the City's PAD zoning designation. Upon the approval of the Agreement, Owner shall be authorized to implement the types of uses, densities and intensities of uses, as set forth in the PAD, and will be accorded all approvals necessary to permit Owner to implement the PAD, subject to the City's review and approvals of partial site plans, subdivision plats and other similar items not already approved by Pinal County in accordance with the City's zoning, subdivision and other applicable ordinances as established in Paragraph 1.4. As more particularly set forth in the PAD, the City hereby authorizes Owner to include types of uses that are the same as or similar to (as determined by the City's Development Services Director), and densities and intensities of uses equal to or less than, those set forth in the PAD. The City, having exercised its discretion in approving the Agreement, agrees to cooperate reasonably in processing the approval or issuance of such permits, plans, specifications, plats and/or other development approvals of or for the Property and not already approved by Pinal County as may be requested by Owner in order to implement, and which are reasonably consistent with the PAD; provided that Owner complies with all applicable requirements, as established in Paragraph 1.4, pays all applicable fees, including without limitation, grading permit fees, building permit fees, engineering inspection fees, and development impact fees and subject to the City's review and approval thereof, in accordance with its zoning, subdivision, and other applicable ordinances, as established in Paragraph 1.4. To the extent the accepted PAD is not consistent or compatible with the City's current General Plan land use designation for the Property and upon the application of the Owner, the City will, as soon as reasonably practical but not later than the next available time and date for Major General Plan Amendments, agendaize the Property for scheduled hearings and a vote by the City Council to decide upon an amendment to the City's General Plan to a land use designation

consistent and compatible with the Property's PAD zoning. At such hearings, the City will, if it deems it in its best interest, approve a Major General Plan Amendment for the Property to a land use designation consistent with the Property's PAD zoning.

(b) PAD Amendment. The City and the Owner acknowledge that amendments to the PAD may be necessary from time to time. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by applicable law as established in Paragraph 1.4 or by state or federal statute, effectuate minor changes or adjustments through administrative amendments approved by the City's Zoning Administrator, which, after execution, shall be attached to the PAD as an addendum and become a part thereof. If, in the future, the City amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PAD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the City shall not be deemed to constitute or to necessitate an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. Any substantial alteration to the list of permitted uses of the Property set forth in the PAD, as deemed to be substantial by the Zoning Administrator, shall be considered a major amendment thereto. All major changes or amendments shall be reviewed by the Planning Commission and approved by the City Council if deemed in the best interest of the City. An overall increase in either residential units or commercial/mixed-use square footage for the Property, except as otherwise allowed by the PAD shall be considered a major amendment. The parties shall cooperate in good faith to agree upon and use reasonable best efforts to process any minor or major amendments to the PAD.

(c) Change in Use in Conjunction with Development of Maricopa Municipal Airport. The City and the Owner acknowledge that the City is currently in the master planning process to site and develop a municipal airport. One of the proposed locations for such airport is north of SR 238 and near the Property. It is acknowledged that the placement of a municipal airport at such location would situate the Property within the 55 db airport noise contours as established pursuant to A.R.S. §28-8461 et seq, which would require, among other things, the implementation of noise attenuation and mitigation buildings standards for residential uses. The parties further acknowledge and agree that, in the event a municipal airport is located near the Property at such site, development of the Property pursuant to the PAD may be an inconsistent use with a nearby airport. As such, if the Owner applies for a General Plan amendment and rezoning of the Property to a use compatible with the airport use, the City agrees to support such application and, if deemed in the best interest of the City, approve the general plan amendment and rezoning to a use or designation more compatible with a nearby airport use.

1.3 Density. The City and Owner hereby acknowledge and agree that the PAD provides for a maximum number of residential units and commercial/mixed use square footage (the "Maximum Density"). The PAD and this Agreement provide parameters for reallocation of residential dwelling units and commercial/mixed use square footage. Regardless of any reallocation, Owner shall not exceed the Maximum Density for the Property without prior amendment of the PAD, which amendments shall be reviewed by the Planning Commission and approved by the City Council if deemed in the best interest of the City. Except as otherwise provided in the PAD, neither the Planning Commission nor the City Council shall be required or obligated to approve an increase in the Maximum Density, although they may elect, in their discretion, to do so.

1.4 Regulation of Development.

(a) The Applicable Rules. Whenever reference is made in this Agreement to the ordinances, rules, regulations, permit requirements, other requirements, and/or official policies of the City that apply to the development of the Property in accordance with the PAD, this Paragraph 1.4(a) shall define said applicable ordinances, rules, regulations, permit requirements, other requirements, and/or official policies. Except as otherwise expressly provided in this Agreement and the PAD, the ordinances, rules, regulations, permit requirements, other infrastructure fees, however denominated, exactions, other requirements, and/or official policies of the City applicable to and governing the development of the Property shall be those ordinances, rules, regulations, permit requirements, and/or official policies that are existing and in force for the City as of the approval of this Agreement (the "Existing Development Regulations") except in the case of development and other fees which will be those fees in effect at the time payment is due. Except as otherwise expressly provided in this Agreement and/or in the PAD, or as determined and agreed upon through required engineering and platting processes, and in consideration of the premises stated in the recitals to this Agreement and hereinafter detailed, the City shall not impose or enact any additional conditions, zoning or other exactions, requirements, dedications, development or other fees, rules or regulations applicable to or governing the development of the Property, including any requirement for the dedication of land or property, or the payment of fees or money for the planning, design, engineering, construction, acquisition, improvement, or provision of public services or infrastructure improvements to lessen, offset, mitigate, or compensate for the burdens of the development of the Property on the City, the City having acknowledged that all such burdens have been considered and are adequately accounted for by the conditions to development of the Property set forth in the PAD and this Agreement.

(b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions of Paragraph 1.5 below, the City may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property, provided however, that

with respect to subparagraphs (i), (iii), and (iv) through (vi) below, the City shall use its best efforts to alleviate any adverse material impacts to development of the Property associated with such actions and enactments and provide Owner with an opportunity to suggest methods of enacting and implementing such provisions to the Property:

(i) future land use ordinances, rules, regulations, permit requirements, other requirements and official policies of the City that are consistent with the express provisions of this Agreement, such as the adoption of City PAD zoning designation to provide for implementation of this Agreement and the PAD, and not contrary to the existing land use regulations applicable to and governing the development of the Property, as established in subparagraph (a) above, provided that such land use ordinances, rules, regulations, permit requirements, other requirements, and official policies shall, to the extent applicable, not involve the modification of any factual determinations of the City memorialized in this Agreement and shall not materially impair the Owner's ability to develop the Property in the manner provided in the PAD and this Agreement;

(ii) other future land use ordinances, rules, regulations, permit requirements, other requirements, and/or official policies that the Owner may agree in writing apply to the development of the Property;

(iii) future land use ordinances, rules, regulations, permit requirements, other requirements, and official policies of the City enacted as necessary to comply with mandatory requirements imposed on the City by county, state or federal laws and regulations, court decisions, and other similar superior external authorities beyond the control of the City, provided that in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law, such affected provisions of this Agreement shall be *modified* as may be necessary to achieve the minimum permissible variance from the terms of this Agreement in order to achieve compliance with such mandatory requirement. To the extent such compliance requires any discretionary factual determination by the City, such determinations shall be consistent with the City's findings memorialized in this Agreement;

(iv) future land use and other ordinances, rules, regulations, permit requirements, other requirements and official policies of the City of uniform application and reasonably necessary to alleviate legitimate threats to public health and safety, provided that such land use ordinances, rules, regulations, permit requirements, other requirements, and official policies shall, to the extent applicable, not involve the modification of any material factual determinations of the City memorialized in this Agreement;

(v) future updates of, and amendments to, existing building, plumbing, mechanical, electrical, dangerous buildings, drainage, and similar construction and safety related codes, such as the Uniform Building Code, which updates and amendments are generated by a nationally recognized construction/safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments;

(vi) Amendments to such construction and safety codes generated by the City for the purpose of conforming such codes to conditions generally existing in the City, such as the absence of snowfall within the City; and

(vii) Development impact fees adopted pursuant to A.R.S. §9-463.05.

Nothing in this Agreement, however, shall be interpreted as relieving Owner of any obligation that it may have either currently or in the future, to comply with all governmental rules and regulations, enacted by entities other than the City, that apply to the Property, provided that, to the extent such compliance involves factual findings or discretionary determinations by the City, all such findings and/or discretionary determinations shall be consistent with the City's findings and determinations memorialized in this Agreement.

1.5 Anti-Moratorium. The parties hereby acknowledge and agree that the PAD contemplates and provides for the phasing of the development of the Property and that for the term of this Agreement, no moratorium, as that term is defined in A.R.S. §9-463.06, or future ordinance, resolution or other land use rule or regulation imposing a limitation on the conditioning, rate, timing or sequencing of the development of property within the City and affecting the Property or any portion thereof shall apply to or govern the development of the Property during the term hereof, whether affecting parcel or subdivision maps, building permits, occupancy permits or other entitlements to use issued or granted by the City, except as otherwise provided in Paragraph 1.4, other provisions of this Agreement. Nothing in this Paragraph 1.5 shall prohibit the City from withholding the issuance of Certificates of Occupancy for a structure to be occupied if the infrastructure/services set forth in the PAD and any plats or partial site plans as required to serve the applicable portion of the Property on which the structure to be occupied is located will not be in place prior to occupation of such structure.

1.6 Additional Property. The City hereby agrees to consider, and, if in the best interest of the City, amend this Agreement from time to time at the request of Owner to incorporate into this Agreement the whole or any portion of additional properties adjacent to the Property (the "Additional Property") if and when Owner acquires such Additional Property. The City and the Owner agree that if City elects, which election shall not be unreasonably withheld, to incorporate such Additional Property: (1) thereafter, such

Additional Property shall be included in the Property and shall be subject to and shall benefit from all provisions of this Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the Maximum Density of the Property; (2) the City and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PAD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the Property and the applicable Additional Property

1.7 Phasing. The Owner and the City acknowledge and agree that the development planned for the Property, including the infrastructure, is intended by Owner to be carried out in phases over a number of years that may be non-contiguous until all of the Property is developed, so long as such phasing is consistent with and supported by the development of all necessary infrastructure to support such phase, whether on or off that part of the Property constituting such phase.

1.8 Changes to Zoning. For the Term of this Agreement, the City shall not initiate any changes or modifications to the PAD zoning designation as applicable to the Property, except at the request of the Owner of the portion of the Property for which such change is sought. Any such request for change shall be processed in the manner then set forth in the City's Code for amendments. Any changes or modifications to the PAD zoning designation as applicable to any part of the Property in which Owner has an interest in fee or beneficial title initiated by the City shall become effective only upon Owner's consent. Nothing set forth in this Paragraph shall be deemed to require City approval of changes to the PAD zoning designation as applicable to this Property after the effective date of this Agreement.

1.9 Vested Rights. The City agrees that, for the Term of this Agreement, Owner shall have a vested right to develop the Property in accordance with this Agreement, the PAD, and the City's PAD zoning designation. This paragraph shall survive termination of this Agreement pursuant to Paragraph 7.7 of this Agreement. The determinations of the City memorialized in this Agreement, together with the assurances provided to Owner in this Agreement, including this Section I, are provided pursuant to and as contemplated by A.R.S. § 9-500.05 and other applicable law, bargained for and in consideration for the undertakings of Owner set forth herein and contemplated by the PAD, and are intended to be and have been relied upon by Owner to its detriment in undertaking the obligations of Owner under this Agreement and the PAD generally and in expending monies and undertaking to purchase the Property and conduct the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements within and benefiting the Property and a larger land area in which the Property is located.

II. INFRASTRUCTURE.

2.1 Public Benefits. The parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction, acquisition, installation, and/or provision of public and/or private services/infrastructure improvements as contemplated by the PAD (the "Infrastructure Plan"). Except to the extent the Infrastructure Plan is set out in the PAD or provided for in this Agreement, Owner and the City will negotiate in good faith the Infrastructure Plan so that the on and off-site infrastructure obligations imposed on Owner shall be consistent with, but no greater than, the City's typical demands for developments of similar size, scope and location.

2.2 Infrastructure Plan. Except as otherwise specifically provided in this Agreement, the Infrastructure Plan shall entitle Owner, so long as Owner proceeds with the development of the Property, to implement the public and/or private services/infrastructure improvements, including but not limited to acquisition of underlying land, in conformance with the Infrastructure Plan (the "Services/Infrastructure"), and the City shall not require any additional Services/Infrastructure of the nature and type provided for in the Infrastructure Plan.

2.3 Construction. The parties acknowledge and agree that, to the extent the Owner develops the Property, it shall have the right and the obligation, at any time after the approval of this Agreement, to dedicate land, subject to the City's or other applicable jurisdiction's acceptance, and/or construct or cause to be constructed and installed any or all portions of the Services/Infrastructure that relate to the segments of the Property developed by Owner. All such construction performed by Owner shall be performed in compliance with all applicable requirements, standards, codes, rules, or regulations of the City as established in paragraph 1.4 and in compliance with all permit requirements, standards, codes, rules or regulations of (i) the City, (ii) the State of Arizona, and (iii) the United States, as applicable, in effect at the time of such construction. Owner, its agents, and employees, shall have the additional right, upon receipt from the City of an appropriate encroachment permit, to enter and remain upon and cross over any City easements or rights-of-way to the extent reasonably necessary to facilitate such construction, or to perform necessary maintenance or repairs of such Services/Infrastructure, provided that Owner's use of such easements and rights-of-way shall not impede or adversely affect the City's use and enjoyment thereof and provided that the Owner shall restore such easements and rights-of-way to their condition prior to Owner's entry upon completion of such construction, repairs or maintenance. To the extent permitted by law and subject to obtaining an encroachment permit from the City, the prior dedication of any easements or rights-of-way shall not affect or proscribe Owner's right to construct, install, and/or provide Services/Infrastructure thereon or thereover. The parties hereto acknowledge and agree that the City, as necessary to implement the Infrastructure Plan, shall cooperate reasonably with and assist in: a) at the sole cost of Owner, the

abandonment of any unnecessary public rights-of-way or easements currently located on the Property and not otherwise used or required by other members of the public; (b) at the cost of Owner, the acquisition of any necessary public rights-of-way or easements not currently located on the Property necessary to provide access to the Property; and (c) submitting requests or filing applications, or entering into appropriate intergovernmental agreements with Pinal County or other appropriate governmental entities regarding the abandonment or acquisition of public rights-of-way or easements necessary to develop the Property.

2.4 Infrastructure Assurance. The parties hereto acknowledge and agree that, on a phase by phase basis, upon approval of a final plat for each such phase, the City shall have been provided with financial assurances or such other security acceptable to the City to assure that the installation of Services/Infrastructure directly related to such phase will be completed ("Infrastructure Assurance"). The City agrees that within twenty (20) days from the City's acceptance of the particular completed Services/Infrastructure for which the City has required and Owner has provided Infrastructure Assurance, the City shall release (or, in the case of a letter of credit, accept a substitute letter of credit) such Infrastructure Assurance, in whole or in part as may be appropriate under the circumstances.

2.5 Dedication/Acceptance of Services/Infrastructure. The parties hereto acknowledge and agree that the PAD provides that the City will own certain completed segments of the Services/Infrastructure, including but not limited to the underlying land (the "Public Services/Infrastructure").

(a) Dedication. Ownership of all completed segments of the Public Services/Infrastructure shall be dedicated without cost (other than subsequent operational and maintenance costs) by Owner to the City within sixty (60) days after completion of any segment of the Public Services/Infrastructure in accordance with the Infrastructure Plan and/or the final map of dedication, or within such other time period as may be agreed to by Owner and the City, and subject to acceptance by the City as hereinafter set forth. Owner agrees to warrant the construction of all Public Services/Infrastructure against defective workmanship and for materials for a period of one (1) year from the acceptance of such Public Services/Infrastructure.

(b) Acceptance, Operation and Maintenance. So long as such Public Services/Infrastructure are constructed in accordance with the approved plans and the requirements of Paragraph 2.3, as verified by the inspection of the completed improvements by the City Engineer, and all punch list items have been completed, the City shall immediately thereafter accept such dedication(s) of Public Services/Infrastructure, and shall, at its own cost and expense, maintain, repair and operate such Public Services/Infrastructure in accordance with its customary standards, subject to subparagraph (c) of this Paragraph.

(c) Landscape Maintenance. Owner and City shall enter into a landscape maintenance agreement that provides for Owner's maintenance (or contracting for the maintenance) of the landscaping located in the public rights-of-way ("Landscaping"). The Owner will maintain the Landscaping to the City's Landscaping standards as such standards may be established or re-established from time to time. Owner may assign its rights and obligations to either a master property owners' association or a CFD (as defined in Paragraph 3.2).

2.6 Transportation. Owner will construct or arrange for the construction of, streets, roadways, and parking facilities to be used for motorized vehicular travel, ingress, egress, and parking and pedestrian, bicycle or other facilities to be used for non-motor vehicular travel, ingress, egress, and parking to, through, within, and from the Property, including street lighting with underground electric service distribution, and all striping, traffic signals, street sign posts, street name signs, stop signs, speed limit signs, and all other directional warning/advisory signage as required. Owner may dedicate, and the City shall accept, if constructed in accordance with the approved plans and verified by the inspection of the City Engineer, collector and arterial roads that are fully constructed except for the final layer of paving material; provided, however, that the Owner shall complete construction of such collector and arterial roads with the final layer of paving material at the time agreed to by the Owner and the City in the conveyance documents. Owner shall construct private roads to the levels required by City standards. Owner shall make provisions for the maintenance of these private roads through the formation and maintenance of a Homeowners' Association.

2.7 Drainage Improvements. Owner will construct or arrange for the construction of drainage and flood control systems and facilities for collection, diversion, detention, retention, dispersal, use, and discharge.

2.8 Water.

(a) Water Service. Owner, at its expense, from funding sources identified in Section 3 hereof, or through a private water provider(s), will arrange for the design, engineering, construction, acquisition installation, and/or permitting of a water production, storage, treatment, and delivery system ("Water System") that meets all applicable federal, state and local standards. Owner shall have the right, at its option, to seek and enter into one or more agreements for water service in the future from private water companies who are subject to regulation by the Arizona Corporation Commission as water providers, and the City (i) will not veto or object to the expansion of the certificate of convenience and necessity of such other private water company(ies) to include the Property and (ii) will take the steps necessary to permit such private water company(ies) to locate facilities in the public rights-of-way either by license, agreement, or, if necessary, by franchise election,

which election shall be held at no cost to the City and which shall take place as soon as is reasonably practicable after request by Owner to the City.

(b) Fees. The City shall receive no monthly charges for water service until, and if, the City accepts ownership of and operational responsibility for the Water System, after which time the City shall be entitled to the monthly charges for water service as necessary to recoup the costs associated with providing such water services.

(c) Non-Potable Water. Owner also retains the right at its option to develop a non-potable water system that utilizes effluent and other non-potable water sources to serve various needs of the Property, including supplying water for golf course irrigation.

(d) Assured Water Supply. The City agrees to cooperate with Owner, at no cost to the City, to assist the Owner and its respective successors and assigns in obtaining a Certificate of Assured Water Supply from DWR for the Property, or portions thereof, as the Property is developed in accordance with this Agreement.

2.9 Wastewater Treatment.

(a) Wastewater Services. Owner, at its expense, from funding sources identified in Section 3 hereof, or through a private wastewater provider, will arrange for the design, engineering, construction, acquisition, installation, and/or permitting of a wastewater collection, storage, treatment, and disposal system ("Wastewater System") that will treat and dispose of wastewater generated at the Property in a manner that meets all applicable federal, state, and local standards. Owner retains the right, at its option, to seek and enter into one or more agreements for wastewater service from private wastewater service providers. The method of treatment shall be approved by the appropriate governmental health agencies.

(b) Fees. The City shall receive no monthly charges for sewer service until, and if, the City accepts ownership of and operational responsibility for the Wastewater System, after which time the City shall be entitled to the monthly charges for sewer service as necessary to recoup the costs associated with providing such wastewater service.

2.10 Effluent.

(a) Service. Owner, at its expense, from funding sources identified in Section 3 hereof, or through a private provider, may elect itself or arrange for the design, engineering, construction, acquisition, installation, and/or permitting of in phases, effluent reuse/disposal facilities and a delivery system as part of the non-potable water system ("Effluent Facilities") that meets all applicable federal, state and local standards. Owner retains the right, at its option, to seek and enter into an agreement for effluent service in the

future from private companies if the City does not provide wastewater service to the Property.

2.11 Private Streets and Improvements/Addresses and Street Naming. The City and Owner hereby acknowledge and agree that Owner will have the right to retain and/or acquire ownership to some interior local streets and other rights-of-way located within the Property ("Private Rights-of-Way") provided that these streets are engineered and built to City standards. In addition, some or all of the Private Rights-of-Way may be conveyed to one or more homeowners associations created by Owner and/or any successor of Owner for this and other purposes. A homeowner's association, sub-association or the Owner shall maintain the private streets and improvements including, but not limited to trails, drainage facilities, landscaping along rights-of-way, and private open spaces and private common areas within the Property. Owner shall grant to the City an easement for police, fire, ambulance, garbage collection, water or sewer line installation and repair, and other similar public purposes, over the Private Rights-of-Way. Owner shall have the right to name private streets and any new public streets not a continuation of an already named public street, so long as such naming of streets is in compliance with the City's Street Naming and Addressing Program ("SNAP"). Owner shall have the right to determine the designation of addresses for properties in the Property after consultation with the appropriate City and U.S. Postal Service personnel, so long as such designation of addresses is in compliance with SNAP.

2.12 City Services. The City hereby agrees to include the Property in any and all City service areas and to provide the Property with police and fire protection services and all other services provided by the City, in a manner reasonably comparable to those services provided to other similarly situated land owners and occupants of the City, subject to the Owner's construction of the Public Infrastructure necessary to provide such services.

2.13 Municipal Services Generally. The City acknowledges that the need for public services/infrastructure improvements other than transportation, drainage, water, and wastewater public services/infrastructure improvements, such as parks and open space areas for public assembly and recreation, is substantially offset or accounted for by virtue of the accommodations and facilities contemplated by the PAD and this Agreement (such public services/infrastructure being included in the references herein to Services/Infrastructure). The City and Owner acknowledge and agree that various public facilities and services such as, but not limited to, parks as identified in the PAD will be sited, provided, maintained and operated in accordance with this Agreement and the PAD. The City further acknowledges that provisions in the PAD for recreation facilities, parks, view corridors and open-space areas meet or exceed the level of service standards of the City and, if and when constructed, will offset or otherwise account for any burden that otherwise might be imposed upon the City as the result of development of the Property. The City agrees to provide municipal services to the Property in a manner and at a level

comparable to that provided to other residents of the City.

III. ALTERNATIVES FOR FINANCING INFRASTRUCTURE IMPROVEMENTS.

3.1 Community Facility Districts. The City acknowledges and agrees that the Services/Infrastructure comprise the kinds of public services and improvements that will be in the public interest and convenience of, among others, the future residents of the Property. Upon (and only upon) the written petition of Owner, and subject to the provisions of Paragraph 3.2 below, the City shall use good faith efforts to adopt a resolution of intention and conduct such procedures as are necessary to form one or more Community Facilities District ("CFD") pursuant to A.R.S. § 48-701 *et seq.*, and/or one or more other municipal special taxing districts as are now, or hereinafter, authorized under applicable law (any such CFD, and/or special taxing districts are interchangeably referred to herein as a "District") to provide for the planning, design, financing, re-financing, construction, acquisition, installation, conversion, and/or renovation, and/or maintenance of Services/Infrastructure, whether located within or outside the Property, as may be within the permitted purposes of a District under applicable law. If Owner's application is signed by 100% of the owners of the land and 100% of any qualified electors located within the boundaries of the proposed District, and such application is accompanied by all items required as a prerequisite to the adoption of a resolution of intention to form a District, and formation of such District will not result in any out-of-pocket cost to the City except such costs as will be paid by Owner or such other new funding sources resulting from the formation of the District and the issuance of bonds, and the debt service on such bonds or other funding sources is wholly supported by and paid for the assessments imposed on the land located within the District as shown by one or more studies or reports prepared, on an arms-length basis, by third-party consultants reasonably acceptable to the City that the land area proposed to be included within the boundaries of the proposed District are proportionate to, or greater than, the anticipated costs associated with the formation of the District and the issuance of bonds, the City shall use good faith efforts to conduct such procedures, including adopting an appropriate resolution for the formation of the District and otherwise use its best efforts to expedite formation of the District, subject to the requirements that must be observed to validly form the District under applicable law. If Owner's application is signed by fewer than 100% of the owners of the land and 100% of any qualified electors located within the boundaries of the proposed District, but more than the number of landowners required, under applicable law, to permit the City to proceed to adopt an appropriate resolution of intention and conduct such other procedures as are required to validly form a District, and the debt service on such bonds or other funding sources is wholly supported by and paid for the assessments imposed on the land located within the District as shown by one or more studies or reports prepared, on an arms-length basis, by third-party consultants reasonably acceptable to the City that demonstrate benefits to the City and the land area proposed to be included within the boundaries of the proposed District are proportionate to, or greater than, the anticipated costs associated with

the formation of the District and the issuance of bonds, on account of, e.g., the planning, engineering, financing, re-financing, construction, acquisition, improvement, installation, and/or renovation of the Services/Infrastructure that are intended (and permitted under applicable law) to be the purpose of the proposed District, the City shall not unreasonably withhold its consent to the formation of such District and, if the City is able to confirm, to its reasonable satisfaction, that such benefits and costs are substantially as represented in Owner's submittals, shall conduct such procedures as are necessary to validly form such District, including adopting one or more resolutions of intention to form such District as required under applicable law. When a District is formed and all necessary legal requirements have been satisfied, the District may, in its sole and absolute discretion, take other action necessary to issue bonds in one or more series and in amounts supported by the submittals made and approved at the time of formation or in such amounts as are later determined by the District, as appropriate. Such bonds shall finance all costs of design, planning, financing, re-financing, constructing, acquiring, installing, converting, and/or renovating (as applicable) the Services/Infrastructure that are the subject of such District, including costs of issuance. The agreed-upon guidelines for CFDs are attached as Exhibit E. If the City forms a CFD for street maintenance within the Property, the appropriate homeowners association shall be reimbursed, from the proceeds of such CFD tax levy, for some percentage, as shall be agreed to by the City and the homeowners association, of the total cost associated with maintenance of landscaping within or immediately adjacent to the public use easement area and/or right-of-way.

3.2 Implementation of this Agreement. Immediately upon formation and as a condition of formation of a CFD, the City, Owner, and CFD shall enter into an intergovernmental, financing participation, and development agreement as permitted by A.R.S. §48-709 and 11-952, and the City and Board of Directors of the CFD ("CFD Board") shall administer the implementation of such Agreement as it relates to the CFD and the real property included therein. It shall be a condition to Owner's participation in the formation of a CFD that the CFD Board shall meet promptly following such formation and adopt a resolution that includes as a part thereof a ratification of such Agreement. Such ratification shall constitute an acknowledgment by the City and the CFD that: (i) the portion, if any, of the Services/Infrastructure to be constructed by the CFD as provided in its general plan (which shall correlate to the applicable portion of the Infrastructure Plan) is intended to be wholly funded by the CFD; and (ii) that it is the intention of the CFD to reimburse Owner, to the extent permitted by law, for the costs of the Services/Infrastructure, or any portion thereof, constructed by Owner prior to the availability of CFD funds to finance construction or acquisition of such Services/Infrastructure. Nothing in this paragraph shall be construed to relieve the City of the City's obligations under this Agreement. Nothing herein shall be construed as an approval by the City or its representatives of any action of the CFD provided for or required by, or to be taken as a result of, this Agreement upon formation of any CFD. Moreover, the City shall not be responsible for the compliance by the CFD with, or performance of any obligation of the CFD pursuant to, this Agreement.

3.3 Over-sizing. The City may require Owner to plan, design, engineer, construct, acquire, install, or otherwise provide Services/Infrastructure that exceed the capacity required to serve the development within the Property, for example, street widths or portions not called for in a traffic impact study for the PAD, and such Services/Infrastructure are not subject to a development fee reimbursement agreement or other similar mechanism whereby Owner will be repaid Owner's additional cost incurred directly related to the over-sizing to plan, design, engineer, construct, acquire, install or otherwise provide such Services/Infrastructure, Owner shall be entitled to be reimbursed in whole, and shall be entitled to receive satisfactory financial assurances of payment prior to the commencement of construction of such Services/Infrastructure, for all costs attributable to such oversizing, including a reasonable allowance for a proportionate share of the cost of any additional land needed to accommodate such over-sized Services/Infrastructure. Owner, at its expense, shall prepare a regional analysis that will be used to determine over-sizing requirements.

IV. COOPERATION.

4.1 Review of Submitted Materials. Except as provided herein, the City will have the authority to review and approve all civil engineering plans, grading plans, construction plans, building plans and other materials submitted by Owner to the City hereunder or pursuant to any zoning, platting, permit, or other governmental procedure pertaining to the development of the Property ("Submitted Materials") consistent with the City's regular review and approval process. The City acknowledges the necessity for expeditious review by the City of certain Submitted Materials and agrees to review the Submitted Materials in the timeframes set forth in Exhibit F. Owner recognizes that staffing changes and employee workloads may make the timeframes detailed in this Paragraph impractical. Thus, Owner and the City agree that the timeframes set forth in this Exhibit F shall be adhered to as closely as is practical under the circumstances, but failure to adhere strictly to such time frames shall not constitute a default under this Agreement.

4.2 Expedited Review. The implementation of the PAD shall be in accordance with the development review process of the City. The City and the Owner agree that the Owner must be able to proceed rapidly with the development of the Property and that, accordingly, an expedited City review and land development and construction inspection process is necessary. Accordingly, upon request by the Owner, the City shall choose to, at its discretion, either provide regular City employees or hire contract plan reviewers and inspectors, the additional cost and expense of which shall be borne by Owner, to conduct all necessary reviews and inspections for the development of the Property that require expedited decisions, extended work hours or special plan review or inspection skills beyond those normally available through or provided by the City.

V. NOTICES AND FILINGS.

5.1 Manner of Serving. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally or sent by certified United States Mail, postage prepaid, return receipt requested, if to:

City:

City Manager
City of Maricopa
P.O. Box 610
Maricopa, Arizona 85239

with a copy to:

Denis Fitzgibbons
Fitzgibbons Law Offices, PLC
711 East Cottonwood Lane
Suite E
P.O. Box 11208
Casa Grande, Arizona 85230

Owner:

John Alford
Managing Member
Sunset Mountain Development Group
6301 Cliff Drive
Fort Smith, AR 72903

with a copy to:

Jon Paladini
Withey Morris PLC
2525 East Arizona Biltmore Circle
Suite A212
Phoenix, AZ 85016

or to such other addresses as either party hereto may from time to time designate in writing and delivery in a like manner.

5.2 Mailing. Notices, filings, consents, approvals and communication given by mail shall be deemed delivered forty-eight (48) hours following deposit in the U.S. mail, postage prepaid and addressed as set forth above.

VI. GENERAL.

7.1 Hierarchy of Documents. There are numerous documents that affect the subject matter of this Agreement. In the event of a conflict or inconsistency between or among any or all of these documents, the documents shall take priority in the following order, unless the documents expressly provide a contrary order of priority: (a) this Agreement; (b) the PAD; and (c) the applicable ordinances, rules, regulations, permit requirements, development fees, other requirements, and/or official policies of the City as established in Paragraph 1.4 hereof entitled "Regulation of Development".

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

7.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

7.4 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 hereof.

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

7.6 Further Acts. Each of the parties hereto shall promptly execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

7.7 Future Effect.

(a) Time of Essence and Successors. Time is of the essence in implementing the terms of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto pursuant to A.R.S. § 9-500.05(D), except as provided below; provided, however, Owner's rights and obligations hereunder may be assigned only to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the official records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the City agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement may be assigned to a homeowners' association to be established by Owner. Owner agrees to provide the City with written notice of any assignment of Owner's rights or obligations within a reasonable period of time following such assignment. Except as otherwise provided in this Agreement, in the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict Owner's ability to assign less than all of its rights and obligations under this Agreement to those entities that acquire any portion of the Property.

Notwithstanding any other provisions of this Agreement, Owner may assign all or part of its rights and duties under this Agreement to any financial institution from which Owner has borrowed funds for use in constructing the Infrastructure Improvements or otherwise developing the Property.

(b) Term. The term of this Agreement shall commence on Effective Date, and shall terminate on the tenth (10th) anniversary of such date ("Initial Term"). However, if any of the Property still is subject to this Agreement ten (10) years after the Effective Date of this Agreement, Owner may request in writing to the City a five (5) year extension of the Agreement as to that Property still subject to the Agreement ("Extended Term") for a total term of fifteen (15) years (the "Term"). The City may approve such a request for an Extended Term in its reasonable discretion or may deny such request for good cause. Upon approval by the City, a memorandum of extension shall be recorded with the Pinal County Recorder. Notwithstanding any expiration or termination of this Agreement, the Existing Development Regulations and common law vested rights for any portion of the development on the Property for which Owner has obtained final plat approval prior to such expiration or termination shall survive and apply to such permitted portions.

(c) Termination Upon Sale to Public. Except as otherwise provided herein, the City and Owner hereby acknowledge and agree that this Agreement is not intended to and shall not create conditions or exceptions to title or covenants running with the

Property. Therefore, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property other than the streets contained within the Property as provided in Paragraph 2.11 so long as not prohibited by law, this Agreement shall terminate without the execution or recordation of any further document or instrument as to any lot which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to the end purchasers or users thereof (a "Public Lot") and thereupon such Public Lot shall be released from and no longer be subject to or burdened by the provisions of this Agreement. This subparagraph shall not apply to Paragraph 1.9.

7.8 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right to cause of action hereunder.

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

7.10 Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the City and Owner. Within ten (10) days after any approved amendment to this Agreement, such approved amendment shall be recorded in the Official Records of Pinal County, Arizona.

7.11 Names and Plans. Owner shall be the sole owner of all names, titles, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the City, such rights pertaining to the portions of the Property so conveyed shall be assigned to the extent that such rights are assignable, to the City. Notwithstanding the foregoing, the Owner shall be entitled to utilize all such materials described herein to the extent required for Owner to construct, operate or maintain improvements relating to the Property.

7.12 Good Standing; Authority. Each of the parties represents to the other that: (i) it is duly formed and validly existing under the laws of Arizona, with respect to Owner, or is a municipal corporation within the State of Arizona, with respect to the City; (ii) it is a limited liability company with respect to Owner, or a municipal corporation duly qualified to do business in the State of Arizona, with respect to the City, and is in good standing

under applicable state laws, and (iii) that the individual(s) executing this Agreement on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

7.13 Severability. If any provision of this Agreement or the PAD is declared void or unenforceable, such provision shall be severed from this Agreement and/or the PAD, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses one party from undertaking any contract commitment to perform any act hereunder, then the other party may, at such other party's sole discretion, after giving the first party notice to cure, after the first party's failure to cause cure or legal inability to cure, terminate this Agreement or proceed with all of the Agreement not prohibited by law. The parties acknowledge and agree that, although the parties believe that the terms and conditions contained in this Agreement do not constitute an impermissible restriction of the police power of the City, and that it is their express intention that such terms and conditions be construed and applied as provided herein, to the fullest extent possible, it is their further intention that, to the extent any such term or condition is found to constitute an impermissible restriction of the police power of the City, such term or condition shall be construed and applied in such lesser fashion as may be necessary to reserve to the City all such power and authority that cannot be restricted by contract.

7.14 Governing Law and Venue. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona. In particular, this Agreement is subject to the provisions of A.R.S. § 38-511. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement shall be tried in a court of competent jurisdiction in Pinal County, State of Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including: all litigation and appeal expenses, collection expenses, reasonable attorneys' fees, necessary witness fees and court costs to be determined by the court in such action.

7.15 Recordation. This Agreement shall be recorded in its entirety in the Official Records of Pinal County, Arizona not later than ten (10) days after this Agreement is executed by the City and Owner.

7.16 No Owner Representations. Nothing contained herein or in the PAD shall be deemed to obligate the City or Owner to complete any part or all of the development of the Property in accordance with the PAD or any other plan, and the PAD shall not be deemed a representation or warranty by Owner of any kind whatsoever.

7.17 Status Statements. Any party to this agreement (the "requesting party") may, at any time, and from time to time, deliver written notice to any other party requesting such other party (the "providing party") to provide in writing that, to the knowledge of the providing party, (a) this Agreement is in full force and effect and a binding obligation of the parties, (b) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, and (c) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature and amount of any such defaults (a "Status Statement"). A party receiving a request hereunder shall execute and return such Status Statement within 10 days following the receipt thereof. The City Manager or his designee shall have the right to execute any Status Statement requested by Owner hereunder. The City acknowledges that a Status Statement hereunder may be relied upon by transferees and mortgagees. The City shall have no liability for monetary damages to Owner, and transferee or mortgagee, or any other person in connection with, resulting from or based upon the issuance of any Status Statement hereunder.

7.18 Mortgage Provisions

(a) Mortgage Protection. This Agreement shall be superior and senior to any future lien placed upon the Project, or any portion thereof, including the lien of any mortgage or deed of trust (herein "Mortgage"). However, no breach hereof shall invalidate or impair the lien of any Mortgage made in good faith and for value, and any acquisition or acceptance of title or any right or interest in or with respect to the Property or any portion thereof by a mortgagee (herein defined to include a beneficiary under a deed of trust), whether under or pursuant to a mortgage foreclosure, trustee's sale or deed in lieu of foreclosure or trustee's sale, or otherwise, shall be subject to all of the terms and conditions contained in this Agreement. No mortgagee shall have an obligation or duty under this Agreement to perform Owner's obligations or other affirmative covenants of Owner hereunder, or to guarantee such performance; except that to the extent that any covenant to be performed by Owner is a condition to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder.

(b) Bankruptcy. If any mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Owner, the times specified above for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition, provided that such mortgagee is proceeding expeditiously to terminate such prohibition and in no event for a period longer than two years.

7.19 **Indemnification.** Up until such time as the PAD is determined to be in the best interest of the City and adopted by the City as part of the City's PAD zoning designation, Owner shall defend, indemnify, and hold City, its officers and employees harmless from any costs and expenses that arise out of any third-party lawsuit, claim or other legal or equitable challenge contesting the validity or legitimacy of this Agreement or any terms or provisions contained herein, or seeking injunctive relief from enforcement of this Agreement, including attorneys' fees and costs up to Fifty Thousand and 00/100 Dollars (\$50,000) (the " Limit of Indemnity"). Any counter claims for damages, attorneys' fees and/or costs against any party bringing any such action covered by this indemnity provision shall be assigned to Owner up to the amount of the Limit of Indemnity. Owner shall have the right to choose the attorney(s) to defend any such action covered by this indemnity provision. Except as provided above, this section shall survive the expiration or early termination of the Agreement, except to the extent this Agreement is immediately made null and void by the City's failure to adopt a final ordinance annexing the Property in accordance with Section 1.1 above.

7.20 **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 Owner 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 Owner 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 Owner. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the moratorium.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date and at the time an ordinance approving and adopting this Agreement is approved by the City Council of the City of Maricopa.

///

///

///

///

///

CITY:

CITY OF MARICOPA, ARIZONA, a municipal corporation

By: _____

Mayor

Date: _____

Attest:

_____ City Clerk

APPROVED AS TO FORM AND AUTHORITY

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

Dennis Fitzgibbons
Attorney for City of Maricopa

OWNER:

SUNSET MOUNTAIN DEVELOPMENT GROUP, an Arizona limited liability company

By: _____

Its: _____

STATE OF ARIZONA)
)ss.
County of Pinal)

The foregoing instrument was acknowledged before me this 16TH day of MAY 2008, by KELLY ANDERSON as Mayor of the City of Maricopa, an Arizona municipal corporation on behalf of the municipal corporation.

VANESSA BUERAS
Notary Public

My commission expires:



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

STATE OF _____)
)ss.
County of _____)

The foregoing instrument was acknowledged before me this ___ day of 2008, by _____ as _____ of SUNSET MOUNTAIN DEVELOPMENT GROUP, an Arizona limited liability company on behalf of the company.

Notary Public

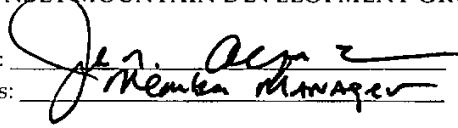
My commission expires:

determined that it is in proper form and within the power and authority granted under the laws of the State of Arizona to the City of Maricopa.

Dennis Fitzgibbons
Attorney for City of Maricopa

OWNER:

SUNSET MOUNTAIN DEVELOPMENT GROUP, an Arizona limited liability company

By: 
Its: Member Manager

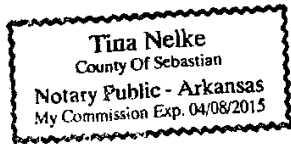
Arkansas
STATE OF ARIZONA)

County of Sebastian)ss.

The foregoing instrument was acknowledged before me this 14th day of May, 2008, by John Cufford as Mem/ Mgr of SUNSET MOUNTAIN DEVELOPMENT GROUP, an Arizona limited liability company on behalf of the company.

Tina Nelke
Notary Public

My commission expires:



ACKNOWLEDGEMENT

STATE OF ARKANSAS)

COUNTY OF Sebastian^{SS}

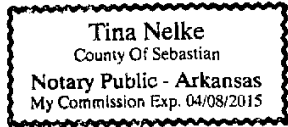
On this 14th day of May, 2008, before me, a Notary Public, duly qualified, commissioned and acting within and for the County of Sebastian, appeared in person John D. Alford, Member Manger of Sunset Mountain Development Group, LLC, to me personally well known as the person whose name appears upon the above and foregoing and states that he has executed the same for the consideration and purpose therein mentioned and set forth, and do hereby so certify.

In Testimony Whereof, I have hereunto set my hand and seal as such Notary Public this 14th day of May, 2008.

Tina Nelke
Notary Public

My Commission Expires:

SEAL



List of Exhibits

Exhibit A

Legal Description

Exhibit B

Map of Property

Exhibit C

Planned Area Development

Exhibit D

Annexation Area

Exhibit E

CFD Guidelines

Exhibit F

Review Schedule

EXHIBIT "A"

PARCEL NO. 1:

THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE
NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF
THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPTING THEREFROM THE SOUTH 40 FEET AS CONVEYED TO PINAL COUNTY,
IN DOCKET 695, PAGE 253.

PARCEL NO. 2:

THE NORTH HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF
THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA; EXCEPT THE
NORTH 50 FEET THEREOF, AND

THE NORTH 50 FEET OF THE SOUTH HALF OF THE EAST HALF OF THE NORTHEAST
QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH,
RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY,
ARIZONA; AND

THE EAST 20 FEET OF THE NORTH HALF OF THE WEST HALF OF THE NORTHEAST
QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH,
RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY,
ARIZONA; AND

THE EAST 20 FEET OF THE NORTH 50 FEET OF THE SOUTH HALF OF THE WEST
HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION
21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN,
PINAL COUNTY, ARIZONA.

PARCEL NO. 3:

THE SOUTH HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF
THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA; EXCEPT THE
NORTH 50 FEET THEREOF; AND

THE NORTH 50 FEET OF THE SOUTH HALF OF THE EAST HALF OF THE NORTHEAST
QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH,
RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY,
ARIZONA; AND

THE EAST 20 FEET OF THE SOUTH HALF OF THE WEST HALF OF THE NORTHEAST
QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH,

RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY,
ARIZONA; EXCEPT THE NORTH 50 FEET THEREOF.

PARCEL NO. 3A:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER THE EAST 20 FEET OF
THE NORTH HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF
THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE NORTH 50 FEET THEREOF.

PARCEL NO. 4:

A PARCEL OF LAND IN THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4
SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,
PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SECTION 21, BEING A GLO BC;

THENCE SOUTH 89 DEGREES 59 MINUTES 09 SECONDS WEST ALONG THE NORTH
LINE OF SECTION 21 (BASIS OF BEARINGS) A DISTANCE OF 689.98 FEET;

THENCE SOUTH 00 DEGREES 10 MINUTES 38 SECONDS EAST A DISTANCE OF 50.00
FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00 DEGREES 10 MINUTES 38 SECONDS EAST, A
DISTANCE OF 1270.79 FEET;

THENCE NORTH 89 DEGREES 56 MINUTES 13 SECONDS WEST ALONG THE SOUTH
LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 21 A
DISTANCE OF 617.03 FEET;

THENCE NORTH 00 DEGREES 18 MINUTES 20 SECONDS WEST A DISTANCE OF
1269.97 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 09 SECONDS EAST ALONG A LINE
PARALLEL TO AND 50 FEET SOUTHERLY OF THE NORTH LINE OF SECTION 21 A
DISTANCE OF 619.87 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 5:

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST
QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND
SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE SOUTH 209 FEET OF THE WEST 209 FEET THEREOF.

PARCEL NO. 5A:

AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER THE EAST 30 FEET AND THE WEST 20 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL NO. 5B:

THE WEST 30 FEET OF THE WEST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE NORTH 50 FEET THEREOF.

PARCEL NO. 6:

A PARCEL OF LAND BEING THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE SOUTH 40 FEET THEREOF FOR ROADWAY PURPOSES.

PARCEL NO. 7:

THE FOLLOWING DESCRIPTIONS OF PARCELS A, B, C, D AND E ARE DEPICTED ON RECORD OF SURVEY RECORDED AS BOOK 10 OF SURVEYS, PAGE 15, IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA.

PARCEL A:

A PARCEL OF LAND BEING THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE SOUTH 984.72 FEET;

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND GENERAL LAND OFFICE BRASS CAP MARKING THE WEST QUARTER CORNER OF SECTION 21 FROM WHICH A FOUND 1/2 INCH REBAR MARKING THE CENTER QUARTER CORNER OF SECTION 21 BEARS NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST, A DISTANCE OF 2656.36 FEET AND FROM WHICH A GENERAL LAND OFFICE BRASS CAP MARKING THE NORTHWEST CORNER OF SECTION 21 BEARS NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST, A DISTANCE OF 2636.35 FEET;

THENCE FROM SAID WEST QUARTER CORNER NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST THE OF THE NORTHWEST QUARTER OF

SECTION 21, A DISTANCE OF 984.80 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #27512 MARKING THE SOUTHWEST CORNER OF PARCEL "A" AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 333.38 FEET TO A FOUND 1/2 INCH REBAR MARKING THE NORTH 1/16TH CORNER OF SECTION 21 AND THE NORTHWEST CORNER OF PARCEL "A";

THENCE NORTH 89 DEGREES 27 MINUTES 12 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 667.03 FEET TO A FOUND 5/8 INCH REBAR WITH ALUMINUM CAP RLS #17258 MARKING A 1/64TH CORNER AND THE NORTHEAST CORNER OF PARCEL "A";

THENCE SOUTH 01 DEGREES 02 MINUTES 38 SECONDS EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 334.28 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHEAST CORNER OF PARCEL "A";

THENCE SOUTH 89 DEGREES 31 MINUTES 50 SECONDS WEST PARALLEL TO AND 984.72 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 666.29 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHWEST CORNER OF PARCEL "A" AND THE POINT OF BEGINNING.

PARCEL aa:

AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITIES AS CREATED IN FEE NO. 2001-032216, RECORDS OF PINAL COUNTY, ARIZONA, OVER THE WEST 11.50 FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL B:

A PARCEL OF LAND BEING THE SOUTH 984.72 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE SOUTH 706.61 FEET;

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND GENERAL LAND OFFICE BRASS CAP MARKING THE WEST QUARTER CORNER OF SECTION 21 FROM WHICH A FOUND 1/2 INCH REBAR MARKING THE CENTER QUARTER CORNER OF SECTION 21 BEARS NORTH 89

DEGREES 31 MINUTES 50 SECONDS EAST, A DISTANCE OF 2656.36 FEET AND FROM WHICH A GENERAL LAND OFFICE BRASS CAP MARKING THE NORTHWEST CORNER OF SECTION 21 BEARS NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST, A DISTANCE OF 2636.35 FEET;

THENCE FROM SAID WEST QUARTER CORNER, NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 706.67 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHWEST CORNER OF PARCEL "B" AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 278.13 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHWEST CORNER OF PARCEL "B";

THENCE NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST PARALLEL AND 984.72 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 666.29 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHEAST CORNER OF PARCEL "B";

THENCE SOUTH 01 DEGREES 02 MINUTES 38 SECONDS EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 278.12 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHEAST CORNER OF PARCEL "B";

THENCE SOUTH 89 DEGREES 31 MINUTES 50 SECONDS WEST PARALLEL TO AND 706.61 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 665.67 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHWEST CORNER OF PARCEL "B" AND THE POINT OF BEGINNING.

PARCEL bb:

AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITIES AS CREATED IN FEE NO. 2001-032216, RECORDS OF PINAL COUNTY, ARIZONA, OVER THE WEST 11.50 FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL C:

A PARCEL OF LAND BEING THE SOUTH 706.61 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE SOUTH 372.51 FEET;

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND GENERAL LAND OFFICE BRASS CAP MARKING THE WEST QUARTER CORNER OF SECTION 21 FROM WHICH A FOUND 1/2 INCH REBAR MARKING THE CENTER QUARTER CORNER OF SECTION 21 BEARS NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST A DISTANCE OF 2656.36 FEET AND FROM WHICH A GENERAL LAND OFFICE BRASS CAP MARKING THE NORTHWEST CORNER OF SECTION 21 BEARS NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST, A DISTANCE OF 2636.35 FEET;

THENCE FROM SAID WEST QUARTER CORNER NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 372.54 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHWEST CORNER OF PARCEL "C" AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 334.13 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHWEST CORNER OF PARCEL "C";

THENCE NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST PARALLEL AND 706.61 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 665.67 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHEAST CORNER OF PARCEL "C";

THENCE SOUTH 01 DEGREES 02 MINUTES 38 SECONDS EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 334.12 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHEAST CORNER OF PARCEL "C";

THENCE SOUTH 89 DEGREES 31 MINUTES 50 SECONDS WEST PARALLEL TO AND 372.51 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 664.92 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHWEST CORNER OF PARCEL "C" AND THE POINT OF BEGINNING.

PARCEL cc:

AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITIES AS CREATED IN FEE NO. 2001-032216, RECORDS OF PINAL COUNTY, ARIZONA, OVER THE WEST 11.50 FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL D:

A PARCEL OF LAND BEING THE SOUTH 372.51 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE EAST 166.37 FEET; AND

EXCEPT THE SOUTH 40.00 FEET;

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND GENERAL LAND OFFICE BRASS CAP MARKING THE WEST QUARTER CORNER OF SECTION 21 FROM WHICH A FOUND 1/2 INCH REBAR MARKING THE CENTER QUARTER CORNER OF SECTION 21 BEARS NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST A DISTANCE OF 2656.36 FEET AND FROM WHICH A GENERAL LAND OFFICE BRASS CAP MARKING THE NORTHWEST CORNER OF SECTION 21 BEARS NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST, A DISTANCE OF 2636.35 FEET;

THENCE FROM SAID WEST QUARTER CORNER NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 40.00 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #17258 MARKING THE SOUTHWEST CORNER OF PARCEL "D" AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 332.54 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHWEST CORNER OF PARCEL "D";

THENCE NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST PARALLEL AND 372.51 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 496.55 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHEAST CORNER OF PARCEL "D";

THENCE SOUTH 01 DEGREES 02 MINUTES 38 SECONDS EAST PARALLEL TO AND 166.37 FEET WEST OF THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 332.53 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHEAST CORNER OF PARCEL "D";

THENCE SOUTH 89 DEGREES 31 MINUTES 50 SECONDS WEST PARALLEL TO AND 40.00 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 497.80 FEET TO A FOUND 5/8 INCH REBAR WITH ALUMINUM CAP RLS #17258 MARKING THE SOUTHWEST CORNER OF PARCEL "D" AND THE POINT OF BEGINNING.

PARCEL E:

A PARCEL OF LAND BEING THE EAST 166.37 FEET OF THE SOUTH 372.51 FEET OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT THE SOUTH 40.00 FEET;

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND GENERAL LAND OFFICE BRASS CAP MARKING THE WEST QUARTER CORNER OF SECTION 21 FROM WHICH A FOUND 1/2 INCH REBAR MARKING THE CENTER QUARTER CORNER OF SECTION 21 BEARS NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST, A DISTANCE OF 2656.36 FEET AND FROM WHICH A GENERAL LAND OFFICE BRASS CAP MARKING THE NORTHWEST CORNER OF SECTION 21 BEARS NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST, A DISTANCE OF 2636.35 FEET;

THENCE FROM SAID WEST QUARTER CORNER NORTH 01 DEGREES 10 MINUTES 20 SECONDS WEST ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 372.54 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512;

THENCE NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST PARALLEL AND 372.51 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 498.55 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHWEST CORNER OF PARCEL "E" AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89 DEGREES 31 MINUTES 50 SECONDS EAST PARALLEL AND 372.51 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21, A DISTANCE OF 166.38 FEET TO A SET 5/8 INCH REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE NORTHEAST CORNER OF PARCEL "E";

THENCE SOUTH 01 DEGREES 02 MINUTES 38 SECONDS EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 332.53 FEET TO A FOUND 5/8 INCH REBAR WITH ALUMINUM CAP RLS #17258 MARKING THE SOUTHEAST CORNER OF PARCEL "E";

THENCE SOUTH 89 DEGREES 31 MINUTES 50 SECONDS WEST PARALLEL TO AND 40.00 FEET NORTH OF THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 21 A DISTANCE OF 166.38 FEET TO A SET 5/8 REBAR WITH ALUMINUM CAP RLS #37512 MARKING THE SOUTHWEST CORNER OF PARCEL "E";

PARCEL cc:

AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITIES AS CREATED IN FEE NO. 2001-032216, RECORDS OF PINAL COUNTY, ARIZONA, OVER THE WEST 11.50

FEET OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

PARCEL NO. 8:

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPTING THEREFROM 50% OF ALL OIL AND MINERALS AS RESERVED IN DEED RECORDED IN DOCKET 14, PAGE 287; AND

EXCEPTING THEREFROM 49.75% OF ALL OIL AND MINERALS; AND 50% OF ALL GAS AND COAL, AS RESERVED IN DOCKET 967, PAGES 808, AND 809; AND

EXCEPTING 49.75% OF ALL OIL AND MINERALS; AND 50% OF ALL GAS AND COAL, AS RESERVED IN DOCKET 967, PAGE 810.

PARCEL NO. 9:

THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER; AND THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

THE NORTH 511.23 FEET OF THE WEST 511.23 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 22; AND

EXCEPTING THEREFROM 50% OF ALL OIL AND MINERALS AS RESERVED IN DEED RECORDED IN DOCKET 14, PAGE 287; AND

EXCEPTING THEREFROM 49.75% OF ALL OIL AND MINERALS, AND 50% OF ALL GAS AND COAL, AS RESERVED IN DOCKET 967, PAGES 808, AND 809; AND

EXCEPTING 49.75% OF ALL OIL AND MINERALS AND 50% OF ALL GAS AND COAL, AS RESERVED IN DOCKET 967, PAGE 810.

PARCEL NO. 9A:

THE NORTH 511.23 FEET OF THE WEST 511.23 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPTING THEREFROM 50% OF ALL OIL AND MINERALS AS RESERVED IN DEED RECORDED IN DOCKET 14, PAGE 287; AND

EXCEPTING THEREFROM 49.75% OF ALL OIL AND MINERALS AND 50% OF ALL GAS AND COAL, AS RESERVED IN DOCKET 967, PAGES 808, AND 809; AND

EXCEPTING 49.75% OF ALL OIL AND MINERALS AND 50% OF ALL GAS AND COAL, AS RESERVED IN DOCKET 967, PAGE 810.

PARCEL NO. 10:

THE WEST 330.00 FEET; THE SOUTH 890.00 FEET; THE NORTH 750.00 FEET AND THE EAST 535.00 FEET OF THE NORTH HALF OF THE EAST HALF OF THE EAST HALF OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 2 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT ALL THE COAL AND OTHER MINERALS AS RESERVED BY THE UNITED STATES OF AMERICA IN THE PATENT TO SAID LAND.

PARCEL NO. 10A:

THE NORTH HALF OF THE EAST HALF OF THE EAST HALF OF SECTION 20, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

EXCEPT THE WEST 330.00 FEET; AND

EXCEPT THE SOUTH 890.00 FEET; AND

EXCEPT THE NORTH 750.00 FEET; AND

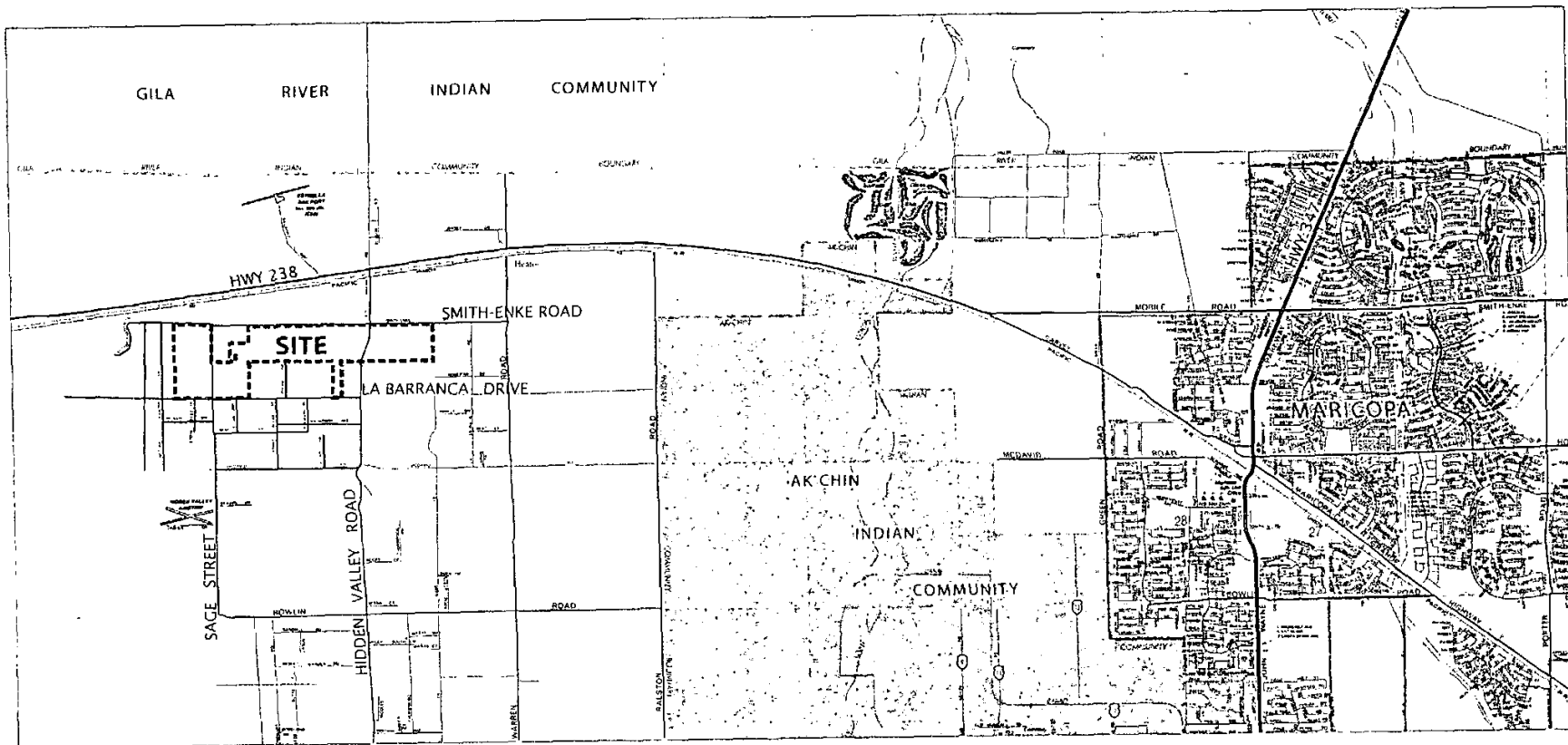
EXCEPT THE EAST 535.00 FEET; AND

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED BY THE UNITED STATES OF AMERICA IN THE PATENT TO SAID LAND.

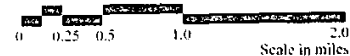
PARCEL NO. 11:

THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 21, TOWNSHIP 4 SOUTH, RANGE 2 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPTING THEREFROM THE NORTH 50 FEET AS CONVEYED TO PINAL COUNTY IN DOCKET 695, PAGE 251.



Date: 02-24-06



Scale in miles



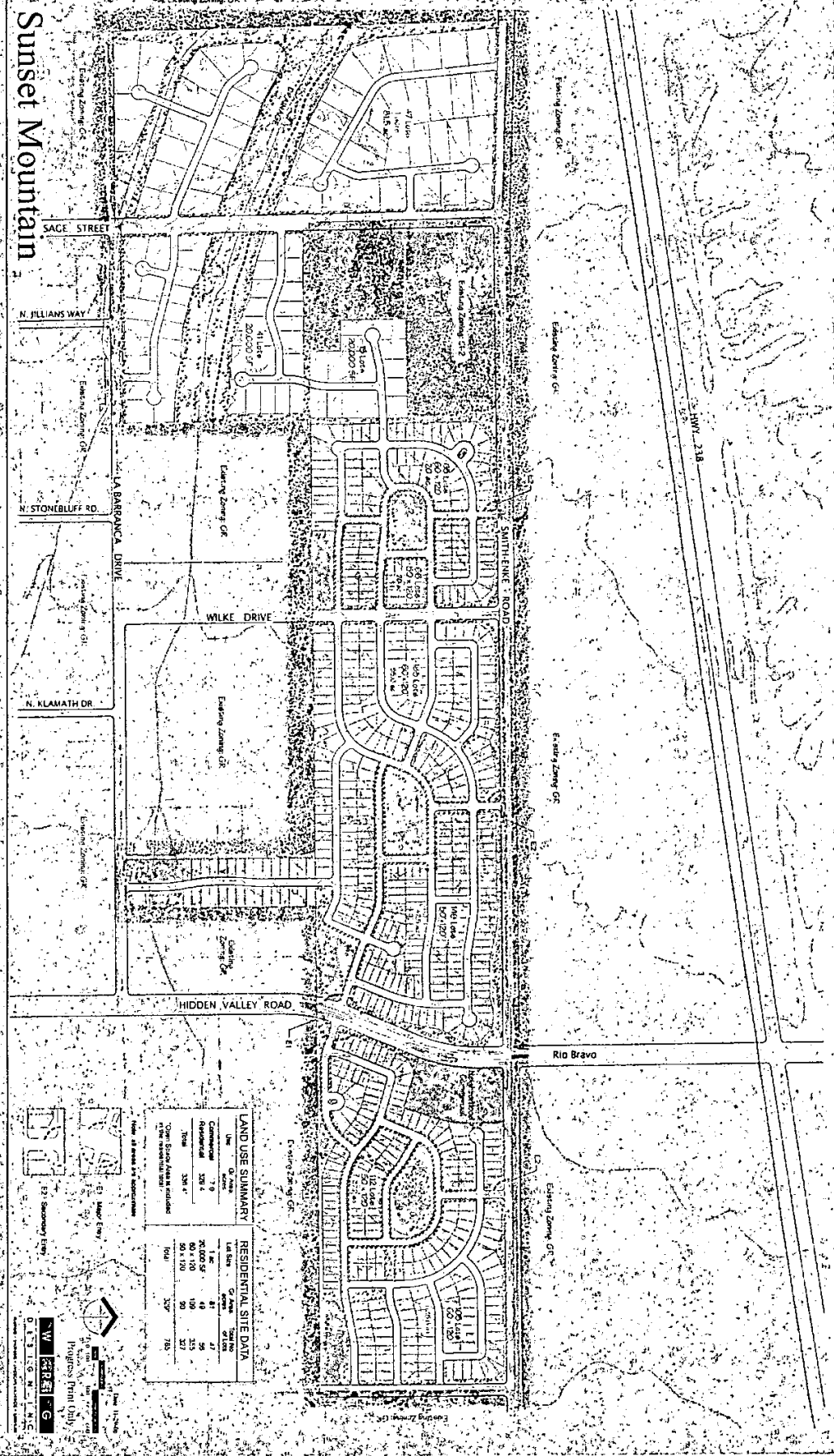
PLANNERS • ENGINEERS • LANDSCAPE ARCHITECTS • SURVEYORS

PALMCO

Pinal County, Arizona

Vicinity Map

Sunset Mountain



Notes: All areas to be re-zoned.

*Open Space Areas included in the overall total.

LAND USE SUMMARY		RESIDENTIAL SITE DATA	
Use	Area (Acres)	Lot Size	Number of Lots
Commercial	17.0	1 ac	21
Residential	328.4	50,000 sq ft	19
Total	345.4	50,000 sq ft	20
Total		50,000 sq ft	21

Scale: 1" = 100'

 Progress from City

WV DESIGN GROUP

 WASHINGTON, DC

 Preliminary Development Plan



City of Maricopa Annexation 07-01

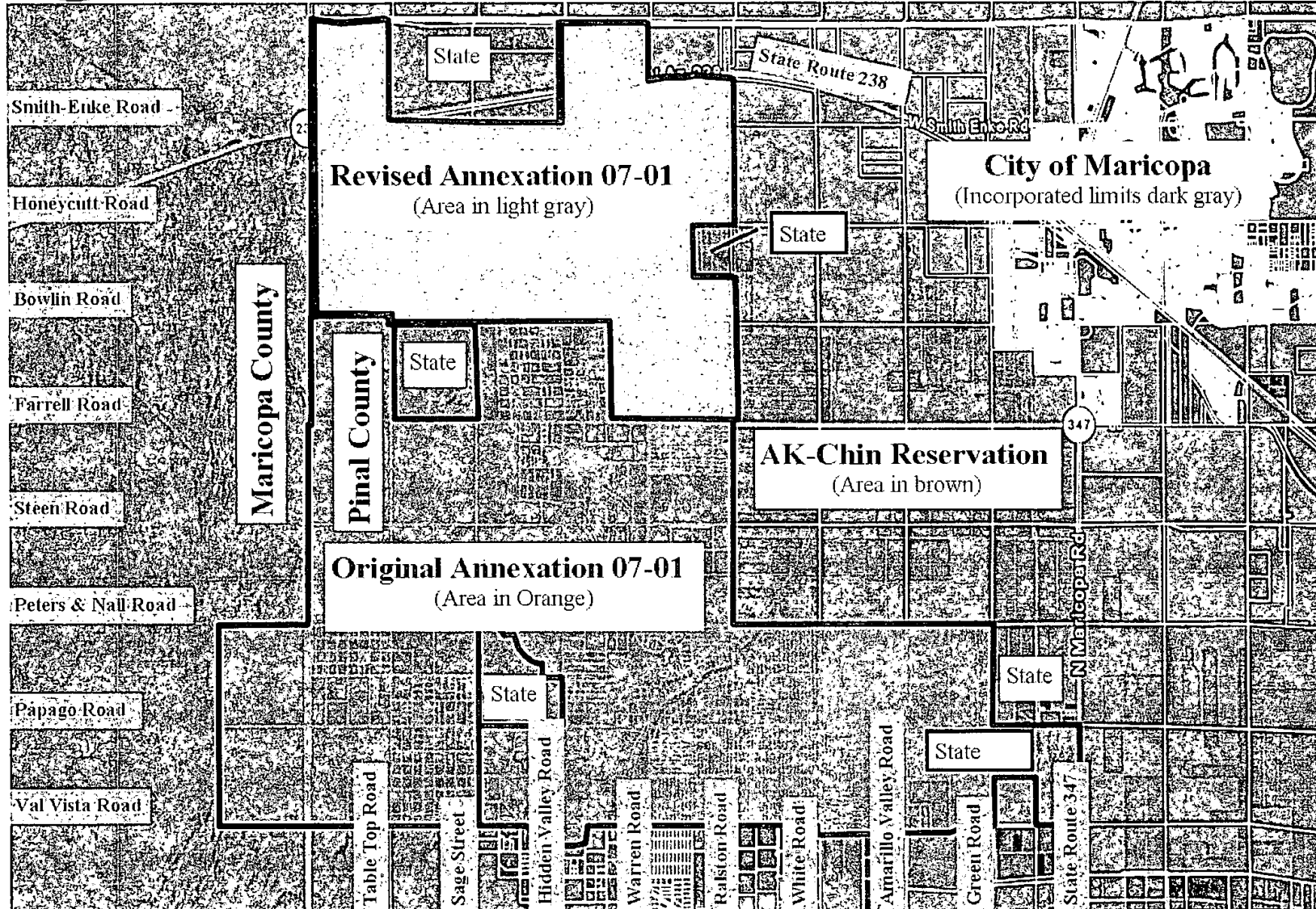


EXHIBIT E
Community Facilities District Financing General Guidelines

A. The primary purpose of forming a community facilities district ("CFD") is to establish a financing mechanism to finance, acquire, construct, operate and maintain public infrastructure that benefits the real property comprising the Sunset Mountain project ("Project") and its ultimate users.

B. The public infrastructure and public infrastructure purposes anticipated to be financed by the CFD may include all public infrastructure and public infrastructure purposes allowable pursuant to A.R.S. § 48-701, et. seq. The City of Maricopa ("City") agrees to assume responsibility for the ownership, operation and maintenance of all completed public infrastructure acquired or constructed by the CFD subject to any agreements requesting Owner to maintain and operate any facility or improvement comprising all or a portion of such completed public infrastructure for such period of time as determined by the parties. Furthermore, the City agrees to cooperate and pursue intergovernmental agreements with other public bodies, as applicable, to secure the ownership, operation, and maintenance of completed public infrastructure acquired or constructed with CFD funds that are typically not owned, operated, and maintained by the City. Concurrently with the formation of any CFD, an election shall be held to, among other things, establish the initial authorization for the issuance of bonds by the CFD and the levy of an ad valorem tax, not exceeding \$.30 per \$100 of secondary assessed valuation, to pay for the administrative costs of the CFD and the operation and maintenance of CFD public infrastructure financed by or located within any CFD. In addition to any other agreements that may require Owner to pay for administration, operation and/or maintenance costs, in return for the City's agreement to operate or maintain such public infrastructure and in return for the City's agreement to administer the CFD, Owner agrees to approve, in any such election, the levy of an ad valorem tax to pay for the administrative, operation and maintenance costs of such public infrastructure, not to exceed \$.30 per \$100 of secondary assessed valuation. When authorized by election, the CFD will levy an ad valorem tax of \$.30 per \$100 of secondary assessed valuation to cover such costs.

C. The City and Owner acknowledge that Owner may fund the construction of public infrastructure with its own monies and, if agreed to by the CFD, the CFD may use CFD funds (including the proceeds of the sale of CFD bonds) to acquire public infrastructure. Owner acknowledges that the construction of public infrastructure must comply with applicable City standards, except as otherwise provided in this Agreement, so that the public infrastructure may be dedicated to the City once acquired by the CFD. The acquisition price may include all allowable costs and expenses included under A.R.S. § 48-701, et. seq. provided, however the CFD will determine the acquisition price to be paid when it determines the amount of any CFD funding including the amount of any CFD bond issue. All construction of public infrastructure with CFD funds shall be competitively bid in accordance with the requirements of Title 34; in such event the City agrees it may be in the public's interest and convenience to assign the construction bidding process to Owner (with the City's supervision), subject to the following conditions: (i) the plans, specifications and the bidding and contract documents prepared by Owner shall be approved by the City's Public Works Department and/or (if applicable) the CFD engineer, (ii) Owner shall advertise (with the City's supervision) for bids for the construction of the public infrastructure in conformance with the standard procedures and requirements of the City with respect to its public works projects and the competitive bidding requirements under Title 34, and (iii) the contracts for

construction of the public infrastructure shall be awarded to the lowest responsible bidder as determined by the CFD engineer in consultation with Owner.

D. The CFD may, in its sole discretion, issue bonds from time to time in one or more series to fund directly the acquisition or construction of public infrastructure. The City agrees that any public infrastructure directly funded with CFD bonds that have been issued and sold will release Owner from having to post security or financial assurances (performance bonds) for public infrastructure to be acquired or constructed with CFD bond proceeds.

E. Generally, the boundary of the CFD is anticipated to encompass solely the boundaries of the Project. However, the City and Owner understand that some of the public infrastructure funded through the CFD may also serve to benefit other surrounding developments, businesses and property owners. In that event, Owner, the CFD and the City shall consider including the other benefited properties within the boundaries of the CFD in a manner that would allow these properties to pay their fair share of the cost to acquire or construct the applicable public infrastructure. Alternatively, Owner, at its option, may request the CFD and the City, with the City to approve at its discretion, the establishment of one or more separate cost reimbursement agreements or districts (or similar mechanisms) including such benefited property or other users benefited by the public infrastructure funded by the CFD. Proceeds from these separate cost reimbursement agreements, districts or mechanisms would be paid to reimburse the CFD for debt service and/or to pay CFD indebtedness, if the CFD funds the applicable public infrastructure, or to Owner if Owner funds the applicable public infrastructure. The City shall undertake to amend its Code to provide for the creation of such reimbursement agreements or districts if such reimbursement agreements or districts are currently not provided for in the City Code.

F. The CFD may issue revenue bonds, general obligation bonds, and/or special assessment bonds from time to time to construct and/or acquire authorized public infrastructure. It is expected that CFD bonds issued from time-to-time will have a minimum term of 25 years. In the case of special assessment bonds, the CFD shall use its best efforts to implement the bond issue on the basis of a lien to market value ratio of 1 to 3 (33%), provided the issue is sold through a private non-rated offering to investors meeting the investor suitability standards established by the CFD. Market value as defined in this paragraph means the bulk or wholesale value of the property assuming that the public infrastructure to be constructed with CFD proceeds has been installed and is operational as of the date of the valuation. Additionally, in the case of special assessment bonds, Owner and/or other future property owners within the CFD, will have the ability to prepay their special assessment in whole or in part, on any interest payment date.

G. It is contemplated that Owner will advance funds related to the formation of the CFD and for public infrastructure purposes. After bond proceeds are used to pay the actual direct costs of financing, acquiring or constructing public infrastructure, bond proceeds may be used to reimburse Owner for costs incurred and directly related to the planning and engineering of the public infrastructure, or for other public infrastructure purposes permitted by the CFD and allowed pursuant to A.R.S. § 48-701, et. seq.

H. At any time, after the formation of the CFD and until such time as Owner owns less than twenty five percent (25%) of the Property by acreage, Owner shall have the sole right to initiate any application, including submitting to the CFD Board any feasibility study, concerning the construction, acquisition, and/or financing public infrastructure or public infrastructure purposes. After such time, the CFD Board on its own initiative may consider applications or feasibility studies not submitted by Owner.

EXHIBIT F

Upon a Completed Pre-Application submittal received by the City of Maricopa the City will review and schedule a meeting 2 weeks from the submittal date; such submittal date shall be the date which is stamped on the application by the City staff.

Upon a Completed PAD and Zoning Application submittal received by the City of Maricopa the City will schedule a meeting 3 weeks from the submittal date; such submittal date shall be the date which is stamped on the application by the City staff.