

**ARIZONA STATE LAND DEPARTMENT
PUBLIC AUCTION SALE NO. 53-120190 AND
PERPETUAL RIGHTS OF WAY NOS. 16-121118, 16-121120,
16-121121, 16-121123 AND 16-121125**

Bid Package and Bidder Instructions

The following items must be included with your bid package:

1. Bid Amount - submit your highest and best initial bid for the Subject Property together with a Cashier's Check for the amount specified on the Bid Amount sheet.
2. Bidder Qualification Questionnaire – Respond to all questions and provide all materials requested by the Bidder Qualification Questionnaire.
3. Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190 ("Participation Contract") – Execute two (2) duplicate originals of the Participation Contract and include with your bid package.
4. Memorandum of Participation Contract – Execute one original Memorandum of Participation Contract and include with your bid package.
5. Assignment and Assumption of ASLD Commercial Lease No. 03 121496 - Execute two (2) duplicate originals of the Assignment and Assumption and include with your bid package.

The Bidder's representative who is authorized to execute documents that are legally binding on the Bidder with respect to the Auction shall deliver the above items in a sealed envelope to the representative of the ASLD on the date and at the time advertised in the Auction Notice for the submission of bids for the Subject Property, and shall execute the affidavit referenced in the Auction Notice. On the front of the envelope the Bidder shall place its name and ASLD Sale No. 53-120190.

BID AMOUNT

Your bid package shall be accompanied by a cashier's check in the amount set forth below, which shall be held by the ASLD pending the completion of the auction

Name of Bidding Entity (the legal entity that will be bidding at the Auction and be the Developer under the Participation Contract): _____

Insert the amount of your highest and best initial bid for the Sale Parcel:

\$ _____

A bid for less than the Appraised Value of the Sale Parcel will not be considered. The initial minimum bid for the Sale Parcel is the Appraised Value of \$68,000,000.00.

Include a **Cashier's Check(s)** made payable to "Arizona State Land Department" in an amount equal to the sum of the following:

- a. 10% of your bid for the Sale Parcel;
- b. A Selling and Administrative Fee in the amount of 3% of your bid for the Sale Parcel;
- c. The full appraised value of the Off-Site Rights of Way, which is \$535,551.00;
- d. A Selling and Administrative Fee in the amount of 3% of the full appraised value of the Rights of Way, which is \$16,067.00;
- e. Estimated Legal Advertising Costs, which are \$10,000.00;
- f. Reimbursable Appraisal Fee to ASLD, which is \$15,000.00;
- g. Reimbursable Costs and Expenses of \$183,400.00, if the Qualified Bidder is not the applicant;
- h. Appraised value of the Reimbursable Improvements in the amount of \$869,718.00;
- i. Right of Way Assignment Application Fees of \$1,000.00 each, totaling \$5,000; and
- j. A Certificate of Purchase Fee of \$1,000.00.

Total amount of Cashier's Check submitted: \$ _____.

Any checks delivered by bidders who are not the successful bidder shall be returned by ASLD to the applicable bidder immediately following announcement of the successful bidder.

ASLD Sale No. 53-120190--Bidder Qualification Questionnaire

On a separate attachment to the Questionnaire indicate the Name of the Bidding Entity (i.e., the legal entity that will be bidding at the Auction and be the Developer under the Participation Contract) and answer each of the following questions.

1. Attach a copy of the Articles of Incorporation, Articles of Organization, or other documentation of organization of the Bidding Entity, and attach an organizational chart of the Bidding Entity that details:
 - (i) direct and indirect ownership structure down to the member/shareholder (or equivalent level) inclusive of all members and shareholders; and
 - (ii) management, control and decision-making responsibilities (including a depiction of items that can be approved by the manager/officers as well as items that are the subject of majority/supermajority-type provisions)
 - (iii) the names and individual duties of “Key Individuals” (as defined below) currently with authority for management, control and decision-making.
2. Describe in detail the capital structure (debt, equity, etc.) of the Bidding Entity including all presently committed amounts and identify the specific sources of capital, as well as all terms thereof, including any conditions precedent to the funding of any/all such capital as well as conditions to the ongoing funding of capital.
3. For the Bidding Entity, provide financial statements, including balance sheets, income statements and cash flow statements for 2018, 2019 and the most recent quarter of 2020 (available as of the Bid Submission Date) prepared in accordance with generally accepted accounting principles either audited or certified by a Certified Public Accountant or certified by the Bidding Entity’s chief financial officer.

4. Describe the Bidding Entity's capabilities in the budgeting and financial management of large-scaled development costs and development activities. To the extent not otherwise provided for herein, provide a description of the amount and sources of capital financing for projects the Bidding Entity has completed comparable in scale to the capital financing required to invest in the acquisition of the Subject Property and the development of the "Project" (as defined in the Participation Contract).
5. Please provide a list together with a biography or resume (including relevant qualifications) of all Key Individuals who will be involved in the management, development and sale of all or any portion of the Project. "Key Individuals" as used herein means those people who are of a management or decision-making level that will participate in the development and sale (including but not limited to planning, entitlement, financing, infrastructure development, land development, association formation and governance, marketing and sale of any portion of the Project including lots, etc.) of all or any portion of the Project, whether as an employee, equity or capital participant, consultant, manager, member, director, officer, shareholder, independent contractor, etc. Provide examples of master planned communities that involved planning, entitling and improving unentitled land of at least 1000 acres, required infrastructure installation of at least \$50 million in cost (with a description of such including amount spent) and included at least 2000 completed and sold residential lots where a Key Individual played an active role in the development of the master planned community, and describe the role of such Key Individual.
6. Please provide specific disclosures with respect to the Bidding Entity and any Key Individuals:
 - (i) who have been indicted or convicted of a felony (whether by plea, settlement, trial or otherwise) or criminal fraud (whether by plea, settlement, trial or otherwise); or
 - (ii) who was convicted of criminal fraud or found liable for civil fraud, conversion, or professional negligence; or

- (iii) who have been associated with (affiliated with the breaching party) (a) assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy filed by or pending against the bidder pursuant to the federal bankruptcy code or any state law for the relief of debtors or any other laws for relief of debtors (“Debtor Actions”), (b) Debtor Actions which were filed by or pending against the bidder in the preceding five (5) years, and (c) attachments, executions, or levies that shall have attached to or been issued with respect to any property of the bidder in the preceding five (5) years; or
- (iv) who has had any licenses revoked, suspended, or canceled by an Arizona state agency, commission or other Arizona licensing entity.

Please describe in detail any claims that have been brought against the Bidding Entity or Key Personnel asserting any of the matters described in this Section and if applicable, how they were resolved. Failure to disclose any information requested herein may be grounds for disqualification of the Bidding Entity.

7. Please provide at least three examples and descriptions (inclusive of name, location and date of development) of existing master planned communities developed by (or under current development by) the Bidding Entity (or an affiliated entity) that involved planning, entitling and improving unentitled land of at least 1000 acres, required infrastructure installation of at least \$50 million in cost (with a description of such including amount spent) and included at least 2000 completed and sold residential lots. Include information and descriptions regarding:
 - a. original permitted land uses;
 - b. the planning and entitlement process, including obtaining general plan amendments or zoning changes, annexations, and development agreements, and the outcome of entitlement process;

- c. formation and administration of financing mechanisms such as tax-exempt bond financing, community facilities districts or other special purpose taxing districts;
- d. city, county, state and federal government involvement;
- e. dollar amount and description of backbone infrastructure and amenities developed;
- f. land uses developed;
- g. number and type of lots or housing units developed;
- h. development phasing and timing;
- i. amount of debt and equity invested and sources of such;
- j. deviations in actual development from original conceptual development plan;
- k. branding and marketing strategy for the project;
- l. absorption rates (projected and actual) for the residential and commercial components of the project;
- m. homeowners' association and community governance;
- n. impact of development on image and value of the remaining undeveloped land, adjacent land and surrounding community as a whole; and
- o. current role (if any) in the project.

Include at least three references for each listed project.

When recorded, return to:

Arizona State Land Department
1616 West Adams Street
Phoenix AZ 85007
Attn: Public Records

**MEMORANDUM OF PARTICIPATION AND INFRASTRUCTURE CONTRACT
REGARDING ASLD AUCTION APPLICATION NO. 53-120190**

This Memorandum of Participation and Infrastructure Contract Regarding ASLD Application No. 53-120190 (this “**Memorandum**”) is made and entered into as of the ____ day of _____, 2020, by and between by and between the STATE OF ARIZONA, by and through the Arizona State Land Department (“**ASLD**”) and _____, a(n) _____ (“**Developer**”). ASLD and Developer may herein be referred to collectively as the “**Parties**” or individually as a “**Party**.”

RECITALS

This Memorandum is made with respect to the following facts:

A. Simultaneously with the execution of this Memorandum, ASLD and Developer are entering into a Participation and Infrastructure Contract Regarding ASLD Application No. 53-120190 (the “**Contract**”), relating to land within the planning boundary of the City of Apache Junction, Pinal County, Arizona, and legally described on **Exhibit A** attached hereto and by this reference made part hereof (the “**Auction Property**”).

B. ASLD and Developer desire to enter into this Memorandum to give record notice of the Contract.

C. The Parties acknowledge that the Contract constitutes a participation contract within the meaning of Arizona Revised Statutes (“**A.R.S.**”) §§ 37-101(15) and 37-239.

AGREEMENT

In consideration of the Contract and the terms and provisions hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both ASLD and Developer, the Parties hereby agree as follows:

1. Incorporation of Contract. All terms and conditions set forth in the Contract are incorporated by reference herein as if fully set forth herein. Capitalized terms not defined herein shall have the meaning set forth in the Contract.

2. Termination of Memorandum. In accordance with and subject to the terms and conditions of the Contract, Developer intends to develop the Auction Property, and following

certain conditions as outlined in the Contract, ASLD will issue Partial Patents for portions of the Auction Property. This Memorandum shall automatically terminate as to any portion of the Auction Property for which a Partial Patent has been issued, and no further action of ASLD shall be required. Notwithstanding the foregoing, ASLD shall, within ten (10) Business Days following request by Developer, execute a document in recordable form evidencing such termination, which shall then be recorded in the official records of Maricopa County. Notwithstanding the termination of this Memorandum, the Contract shall continue in effect as to payment of the Participation Payments by Developer and any other obligations of Developer remaining thereunder.

3. Conflicts. In the event of any conflict between the terms of the Contract and the terms of this Memorandum, the terms of the Contract shall control.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum on the date first written above.

ASLD:

STATE OF ARIZONA, acting by and through
the Arizona State Land Department

By: _____,
its Commissioner

Date executed: _____, 2020

Address(es) for Notices:

Arizona State Land Department
1616 W. Adams
Phoenix, AZ 85007
Attention: State Land Commissioner
e-mail: [\[insert contact information for State
Land Commissioner\]@azland.gov](#)

With copy to:

Arizona Attorney General
2005 N. Central Avenue
Phoenix, Arizona 85004
Attention: Natural Resources Division
e-mail: _____

Date executed: _____,
2020

STATE OF ARIZONA }
 } ss.
County of _____ }

This instrument was acknowledged before me this ____ day of _____, 2020, by
_____, the _____ of the STATE OF ARIZONA, acting by and
through the Arizona State Land Department, for and on behalf of the State.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

[NOTARY SEAL]

Notary Public

DEVELOPER:

_____,
a(n)

By: _____,
Its: _____

Address(es) for Notices:

Developer:

Attention:

e-mail:

With copy to:

Attention:

e-mail:

STATE OF ARIZONA }
 } ss.
County of _____ }

This instrument was acknowledged before me this ____ day of _____, 2020, by
_____, the _____ of _____, for and
on behalf of the _____.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

[NOTARY SEAL]

Notary Public

EXHIBIT A

Legal Description for Auction Property

ASSIGNMENT AND ASSUMPTION OF COMMERCIAL LEASE NO. 03-121496

This Lease Assignment is hereby effective this ____ day of _____ 2020 (the "Effective Date") by and between the State of Arizona by and through the Arizona State Land Department as Assignor and _____ as Assignee and relates to that certain Commercial Lease No. 03-121496 wherein the Assignor is "Lessor" and Keith M. Flake is designated as "Lessee" dated _____ (the "Lease").

Assignor/Lessor offered the Parcel (as defined in the Lease) for sale along with certain other property as set forth in ASLD Public Auction Sale No. 53-120190 (the "Sale"). Assignee was the successful bidder at the Sale as evidenced by the issuance of a Certificate of Purchase.

Assignor/Lessor hereby assigns all of its rights, title and interest under the Lease to Assignee as of the Effective Date, and Assignee here by assumes and agrees to be bound by the same.

Assignee shall indemnify and defend Assignor for, from and against all claims arising under the Lease from and after the Effective Date.

Assignor

Assignee

STATE OF ARIZONA, LESSOR
Arizona State Land Commissioner

By: _____
Its: _____

By: _____
Its: _____

**PARTICIPATION AND INFRASTRUCTURE CONTRACT
REGARDING ASLD SALE NO. 53-120190**

by and between

the STATE OF ARIZONA, by and through the Arizona State Land Department,

and

the party listed on the Developer Signature Page

Dated _____, 2020

TABLE OF CONTENTS

AGREEMENTS	1
1. Definitions	2
1.1 Definitions.....	2
1.2 Selected Definitions	2
2. Land Planning, Zoning, and Entitlement of the Property	3
2.1 Master Plans.....	3
2.2 AP Master Plan	3
2.3 RP Master Plan	4
2.4 Project Entitlements	5
2.5 Entitlement Processing.....	6
2.6 Entitlement Milestones	8
2.7 Community Facilities District.....	8
2.8 Other Development Approvals	9
3. Backbone Infrastructure.....	10
3.1 Backbone Infrastructure Requirements.....	10
3.2 Condition Precedent to Backbone Infrastructure Construction	10
3.3 Phase 1 Infrastructure	10
3.4 Financial Assurances	12
3.5 Access to Infrastructure	12
4. Development of the Auction Property	13
4.1 Development of the Auction Property	13
4.2 Possession of Unpatented Property.....	13
4.3 Use of Materials from Unpatented Property	13
4.4 Recordable Agreements	15
4.5 Improvements to Unpatented Property	15
4.6 Common Areas and Dedication Property	16
4.7 Development Fees and Development Fee Reimbursements.....	17
4.8 Intellectual Property.....	17
5. Conveyances of Portions of the Auction Property.....	17
5.1 Authority of Developer	17
5.2 Leases.....	18
5.3 Use of Escrow Agent	18

TABLE OF CONTENTS

(continued)

6.	<i>Patent of Parcels</i>	18
6.1	Patent Payments	18
6.2	Conditions to Issuance of Patent of Portions of Auction Property	19
6.3	Partial Patents.....	20
6.4	Escrow Agent as Trustee	20
6.5	Assignment of Certificate of Purchase	20
7.	<i>Participation Payments</i>	21
7.1	Participation Payments.....	21
7.2	Project Revenue Fund	21
7.3	Payment of Project Costs	21
7.4	Project Business Plan	22
7.5	Distribution Dates	23
7.6	No Sharing of Losses	23
7.7	Books and Records	23
7.8	Audit	23
8.	<i>Default and Remedies</i>	24
8.1	Default.....	24
8.2	Remedies.....	24
8.3	Termination of Contract.....	24
8.4	Delays; Extension of Time of Performance.....	25
8.5	Right to Complete Construction	25
8.6	Arbitration Dispute	26
9.	<i>Miscellaneous</i>	26
9.1	Term	26
9.2	Subject to Law	26
9.3	Notice	26
9.4	Binding Effect	27
9.5	Assignment and Transfer	27
9.6	Relationship of Parties	27
9.7	Severability	27
9.8	Entire Agreement	27
9.9	Amendment.....	27

TABLE OF CONTENTS

(continued)

9.10	Governing Law	28
9.11	Indemnification	28
9.12	No Third-Party Beneficiary	28
9.13	Counterparts	28
9.14	Records and Audits	28
9.15	Captions	28
9.16	No Waiver	28
9.17	Further Acts	28
9.18	Correction of Technical Errors	29
9.19	Cancellation	29
9.20	Arbitration	29
9.21	Non-Discrimination	29
9.22	Time of Essence	29
9.23	Signature Authority	29
9.24	Memorandum	29

TABLE OF CONTENTS
(continued)

List of Exhibits

Exhibit	Description
A-1	Legal Description for Auction Property
A-2	Legal Description of Retained Property
A-3	Map showing Master Property
B-1	Intentionally Deleted
B-2	Intentionally Deleted
C-1	Land Use Plan for Auction Property
C-2	Master Backbone Infrastructure Plan for Auction Property
D-1	Land Use Plan for Retained Property
D-2	Master Backbone Infrastructure Plan for Retained Property
E	Project Entitlements and Entitlement Milestones
F	Phase 1 Infrastructure and Infrastructure Milestones
G	Form of Memorandum of Participation Contract
H	Dispute Resolution Procedures
I	Arbitration Disputes
J	Definition of Project Costs

**PARTICIPATION AND INFRASTRUCTURE CONTRACT
REGARDING ASLD SALE NO. 53-120190**

This Participation and Infrastructure Contract Regarding ASLD Sale No. 53-120190 (the “**Contract**”) is made the date listed on the cover page to this Contract (the “**Effective Date**”) by and between the STATE OF ARIZONA, by and through the Arizona State Land Department (“**ASLD**”) and the party listed on the Developer Signature Page (“**Developer**”). ASLD and Developer may herein be referred to collectively as the “**Parties**” or individually as a “**Party**.”

RECITALS

A. ASLD is the owner of approximately 8,500 acres of land within the planning boundary of the City of Apache Junction (the “**City**”), Pinal County, Arizona, which is comprised of (1) approximately 2800 acres of land as more particularly described on Exhibit A-1 hereto (the “**Auction Property**”) and (2) approximately 5700 acres of land as more particularly described on Exhibit A-2 hereto (the “**Retained Property**”). The Auction Property and the Retained Property (together the “**Master Property**”) are depicted in the map attached as Exhibit A-3 and are located in an area east of Meridian Road, west of the CAP Canal, and north of the proposed SR 24 corridor commonly referred to as “LD8500.”

B. In accordance with that certain Notice of Public Auction Sale No. 53-120190 (the “**Auction Notice**”), ASLD caused the Auction Property (along with associated Rights of Way) to be publicly sold at auction (the “**Auction**”), on [REDACTED], 2020 (the “**Auction Date**”) and as the successful bidder (as defined in the Auction Notice) and pursuant to Certificate of Purchase No. 53-120190 (the “**Certificate of Purchase**”), Developer was the purchaser at the auction of the Auction Property. Developer intends to develop the Auction Property as a mixed use master planned community (the “**Project**”), by subdividing and developing the Auction Property into a number of legally described lots or parcels (each, a “**Parcel**” and collectively the “**Parcels**”).

C. Pursuant to the conditions described in the Auction Notice and this Contract, Developer agrees: (1) to zone and otherwise entitle the Master Property in accordance with the terms of this Contract, (2) following entitlement, to construct certain improvements for the benefit of the Master Property, and (3) upon sales by Developer of all or portions of the Auction Property, to pay ASLD a Participation Payment in accordance with the terms of this Contract.

D. The Parties acknowledge that this Contract constitutes a participation contract within the meaning of Arizona Revised Statutes (“**A.R.S.**”) §§ 37-101(15) and 37-239.

AGREEMENTS

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties incorporate and agree to the foregoing Recitals, and further covenant and agree as follows:

1. **Definitions**

1.1 **Definitions.** Capitalized words and phrases used in this Contract shall have the meanings set forth where defined in this Contract. A reference guide to terms defined in the text of this Contract is set forth on Schedule 1 to this Contract.

1.2 **Selected Definitions.** For convenience, certain definitions used throughout the Contract are defined as follows (and where not defined here, are cross-referenced in Schedule 1):

(a) **“Arbitration Dispute”** means a dispute designated as such herein which will be resolved in accordance with the procedures for resolving an Arbitration Dispute set forth on Exhibit H (the **“Dispute Resolution Procedures”**). A list of the matters which are Arbitration Disputes is attached hereto as Exhibit I.

(b) **“Affiliate”** means, with respect to any Person (i) any Person directly or indirectly controlling, controlled by or under common control with such Person (for this purpose, a Person shall be deemed to control another Person if it owns ten percent or more of the outstanding securities or equity interests in such other Person), (ii) any Person owning or controlling ten percent or more of the outstanding securities or equity interests in such Person, (iii) any officer, director, partner, manager, trustee or beneficiary of such Person, and (iv) any Person who is an officer, director, partner, manager, trustee, beneficiary, or holder of ten percent or more the outstanding securities or equity interests in any Person described in clauses (i) through (iii) above.

(c) **“Business Days”** means any day which is not a Saturday, Sunday, or legal holiday under Federal law or Arizona State law.

(d) **“Commissioner”** means the commissioner of the Arizona State Land Department or his/her designated deputy commissioner.

(e) **“County”** means Pinal County, Arizona, except where specific reference is made to Maricopa County.

(f) **“Development Fees”** means (i) development, impact, or other similar fees, however denominated, that are imposed by a municipality or governmental authority or school district for sewer, water, dry utilities, parks, transportation, police and fire protection, public safety, libraries, school facilities, and other similar services or facilities, and (ii) meter connection, service installation, hookup, or other comparable fees imposed by a private utility company (as opposed to a municipality) actually providing sewer or water services to Parcels within the Project.

(g) **“Development Fee Reimbursements”** means all amounts actually received by Developer or its Affiliates from municipalities, governmental authorities (including amounts received by ASLD and paid over to Developer or its Affiliates), school districts, or Third Parties and denominated as a reimbursement, payment, refund, or credit for costs incurred by Developer or its Affiliates for Backbone Infrastructure and other infrastructure, including without limitation, sewer, water, parks, transportation, police and fire protection, public safety, libraries, school facilities, drainage, amenities, and other similar services or facilities relating to the Project. Amounts reimbursed, refunded, paid, or credited to Persons other than Developer or its Affiliates for such costs shall not be taken into account in determining Developer’s Overhead. In no event shall any

combination of credits and payments received by Developer or its Affiliates with respect to the same item or obligation be counted twice in Development Fee Reimbursements.

(h) “**Project Costs**” mean (and are limited to) those fees, costs, expenses, and reimbursements listed on Exhibit J attached hereto.

(i) “**Person**” means any individual, partnership, corporation, trust, limited liability company, or other entity.

(j) “**Project Milestones**” means the Entitlement Milestones and Infrastructure Milestone and each individually may sometimes be referred to as a “**Project Milestone**.”

(k) “**Project Revenues**” means all revenues received by Developer from whatever source and generated from the Project, including without limitation, (i) proceeds from the Conveyance of any Parcel, including, but not limited to, lot premiums, deferred consideration, and marketing fees, (ii) any infrastructure payments paid by the Vertical Developer to Developer, (iii) any earnest money or similar deposits paid by a Vertical Developer that are forfeited to Developer as a land seller, (iv) proceeds from any Material Operations, (v) all revenues received by Developer or Developer’s Affiliates from a CFD or improvement districts (to the extent used to fund and/or reimburse Project Costs), but excluding any revenues paid directly by the CFD to fund the cost of design and construction of improvements, (vi) Development Fee Reimbursements, and (vii) any interest earned on the Project Revenue Fund.

(l) “**Third Party**” or “**Third Parties**” means a Person or Persons other than ASLD, Developer, and any Affiliates of Developer.

(m) “**Unpatented Property**” means any portions of the Auction Property for which a Partial Patent has not been issued by ASLD.

(n) “**Vertical Developer**” means a Person who acquires a Parcel from Developer for development thereon and may include a Merchant Homebuilder, non-residential developers, utility companies, and municipalities or school districts.

2. Land Planning, Zoning, and Entitlement of the Property

2.1 Master Plans. Prior to the Auction, ASLD approved the master plan for the Auction Property (the “**AP Master Plan**”) and a separate master plan for the Retained Property (the “**RP Master Plan**”) and together with the AP Master Plan, each a “**Master Plan**” and collectively the “**Master Plans**”). The Master Plans are a compilation of plans that are conceptual in nature, and that are designed to provide a general framework for the planning, development, and entitlement activities described in this Contract.

2.2 AP Master Plan. The AP Master Plan is comprised of the following elements:

(a) AP Land Use Plan. The current version of the “**AP Land Use Plan**,” reflecting the planned land uses and estimated densities/intensities of such uses within the Auction Property, is attached as Exhibit C-1. The AP Land Use Plan was used for purposes of creating the AP Master Backbone Infrastructure Plan. Because the AP Land Use Plan is conceptual in nature,

it does not create performance or other milestones for either Party. Without limiting the foregoing, the uses and densities/intensities identified in the AP Land Use Plan are estimates only and are not required to be achieved. Once approved, the MPC Plan shall be the governing document for development of the Auction Property.

(b) AP Master Backbone Infrastructure Plan. The current version of the “**AP Master Backbone Infrastructure Plan**,” reflecting the Backbone Infrastructure anticipated as necessary to support the land uses and densities/intensities reflected in the AP Land Use Plan (whether such infrastructure is physically located within Auction Property or external to Auction Property), is attached as Exhibit C-2. The AP Master Backbone Infrastructure Plan also addresses infrastructure that will be shared by the various uses developed on Auction Property and in some instances uses that are anticipated to be developed on the Retained Property, subject, however, to Section 3.5. “**Backbone Infrastructure**” refers to the backbone infrastructure required to support the land uses and densities/intensities reflected in the AP Land Use Plan (whether such infrastructure is physically located within Auction Property or external to Auction Property) as more particularly described in the AP Master Backbone Infrastructure Plan. Backbone Infrastructure shall include, without limitation, roads, curbs, gutters and sidewalks, water, sewer, gas, drainage, electrical, fiber, street lighting, and other improvements to be located either within or outside the boundaries of the Auction Property. Notwithstanding anything contained herein to the contrary, following approval of the Project Entitlements by the City, the AP Master Backbone Infrastructure Plan shall consist of the water, sewer, drainage, and traffic master plans for the Project. Developer may amend the AP Master Backbone Infrastructure Plan from time to time as necessary to conform with the MPC Plan (including the infrastructure master plans developed as a part thereof). Material amendments or modifications to the AP Master Backbone Infrastructure Plan shall require ASLD approval pursuant to the approval process set forth in Section 2.5(d). If the Parties agree on any material amendments or modification to the AP Master Backbone Infrastructure Plan pursuant to this Section, Developer shall revise the AP Master Backbone Infrastructure Plan and, if applicable, the Infrastructure Milestone, and the Parties shall execute an instrument adopting the revised AP Master Backbone Infrastructure Plan and, if applicable, Infrastructure Milestone.

2.3 RP Master Plan. The RP Master Plan is comprised of the following elements:

(a) RP Land Use Plan. The current version of the “**RP Land Use Plan**,” reflecting the planned land uses and estimated densities/intensities of such uses within the Retained Property, is attached as Exhibit D-1. The RP Land Use Plan was used for purposes of creating the RP Master Backbone Infrastructure Plan.

(b) RP Master Backbone Infrastructure Plan. The current version of the “**RP Master Backbone Infrastructure Plan**,” reflecting the RP Backbone Infrastructure anticipated as necessary to support the land uses and densities/intensities reflected in the RP Land Use Plan (whether such infrastructure is physically located within Retained Property or external to Retained Property), is attached as Exhibit D-2. “**RP Backbone Infrastructure**” refers to the backbone infrastructure required to support the land uses and densities/intensities reflected in the RP Land Use Plan (whether such infrastructure is physically located within Retained Property or external to Retained Property) as more particularly described in the RP Master Backbone Infrastructure

Plan. Developer shall have no obligation to construct the RP Backbone Infrastructure shown on the RP Master Backbone Infrastructure Plan.

2.4 Project Entitlements. Pursuant to the conditions of its purchase of the Auction Property, Developer shall advance the expenses of and be solely responsible for applying for, pursuing with due diligence, and using commercially reasonable efforts to obtain all entitlements it deems necessary or appropriate for development of the Auction Property (the “**Project Entitlements**”), which shall be consistent with the Master Plans, including without limitation, the following:

(a) Annexation. Developer shall apply for and process annexation of the Auction Property into the City. In accordance with Section 2.5(c), Developer will include all or any portion of the Retained Property in the annexation. In any event, ASLD will include any portion of the Retained Property that must be annexed for the Auction Property to be annexed.

(b) Zoning. Developer shall apply for and seek approval from the City to zone the Auction Property as a Master Plan Community District (“**MPC**”) pursuant to an MPC zoning and development plan (a “**MPC Plan**”) and for any general or specific plan amendments necessary to effectuate the MPC zoning. In accordance with Section 2.5(c), Developer shall contemporaneously apply for and seek approval from the City to zone all or any portion of the Retained Property as an MPC and to obtain any general or specific plan amendments necessary to effectuate the MPC zoning, but the MPC Plan for the Retained Property shall be separate and distinct from the MPC Plan for the Auction Property such that each may be developed as a stand-alone project.

(c) Development Agreements.

(i) Developer shall negotiate with the City a pre-annexation and development agreement (a “**PADA**”) for the Auction Property, which shall address items such as (but not limited to) annexation of the property, construction of infrastructure, processing of entitlements, vesting of development rights, administration of the Project, and Development Fees. Without limitation, the PADA may provide for the City to collect Development Fees for payments to Developer as reimbursements for any Backbone Infrastructure or other regional infrastructure constructed by Developer which serves the Auction Property or other surrounding property including, without limitation, the Retained Property. Any Development Fees payable by the owner of the Retained Property shall not be payable by ASLD, but rather shall be collected from the owner of the Retained Property at the time permits are requested from the City for construction on the Retained Property and/or plats are recorded for portions of the Retained Property.

(ii) In addition to the PADA, Developer may negotiate development agreements with the Superstition Mountains Community Facility District No. 1 and/or the Apache Junction Water District (together with the PADA, the “**Development Agreements**”) with respect to the construction of sewer and water infrastructure, as applicable, for the Auction Property. Developer will also negotiate a development agreement with the Arizona Water Company with respect to the Retained Property at ASLD’s request.

(iii) In accordance with Section 2.5(c), Developer shall simultaneously negotiate one or more Development Agreement(s) for all or any portion of the Retained Property, but the Development Agreement(s) for the Retained Property shall be separate and distinct from the Development Agreement(s) for the Auction Property such that each may be developed as a stand-alone project.

2.5 Entitlement Processing.

(a) Initial Entitlements. The Commissioner shall have absolute authority over the MPC Plan and the Development Agreements; provided, however, that to the extent the MPC Plan and Development Agreements are consistent with and contain no material deviations from the AP Master Plan already approved by ASLD, such approval shall be deemed given. Developer shall provide to ASLD copies of all submissions to the City or County with respect to the Project Entitlements and notice of all scheduled meetings between Developer and the City and/or County with respect to Project Entitlements and any public hearings related to the same. The Commissioner shall designate one or more representatives (each an “**ASLD Representative**”) who shall be authorized to make decisions on behalf of the Commissioner at any regularly scheduled meeting or hearing related to the Project Entitlements. At least one ASLD Representative shall attend each hearing to provide ASLD input on matters addressed during the hearing. If an ASLD Representative fails to attend any hearing, then matters decided at such hearing shall be deemed approved by the Commissioner. If an ASLD Representative fails to attend any regularly scheduled meeting, then he/she shall provide input on matters considered at such meeting promptly following request from Developer. Once MPC zoning approval has been granted for the Auction Property, the Commissioner’s prior written approval shall be required for any “Major Amendment” to the MPC or the MPC Plan (as that term is defined in the MPC Plan approved by ASLD). No approval shall be required from the Commissioner for any “Minor Amendments” (as that term is defined in the MPC Plan approved by ASLD) to the Project Entitlement or for amendments or actions pursuant to the MPC Plan which are subject only to administrative municipal approval (*e.g.*, approval of plats).

(b) Cooperation. Subject to Section 2.5(a) above, ASLD shall cooperate with Developer in obtaining the Project Entitlements, including, without limitation, (i) executing one or more annexation petitions for the Auction Property and, if applicable, the Retained Property, (ii) executing the Development Agreements for the Auction Property and, if applicable, the Retained Property, and (iii) executing such applications or other documents that may be necessary to zone the Auction Property and, if applicable, the Retained Property.

(c) Retained Property Entitlements.

(i) Developer shall use commercially reasonable efforts consistent with the efforts made to entitle the Auction Property to annex, zone, and/or negotiate Development Agreement(s) for the residential and non-residential portions of the Retained Property (the “**Retained Property Entitlements**”) in accordance with the RP Land Use Plan.

(ii) Obtaining annexation and zoning of the portions of the Retained Property designated for residential use (the “**Residential Retained Property**”) shall be

considered a Project Entitlement, but only to the extent such zoning is Comparable to the zoning obtained for the residential portions of the Auction Property. For purposes of this Contract, zoning shall be considered “**Comparable**” if (A) it allows the same flexibility to initially allocate overall residential dwelling units within defined planning units (or other similar designation) with the subsequent ability to administratively transfer density among such planning units; and (B) it includes residential uses, densities, and overall density (du/acre) that are substantially the same uses and within five percent ($\pm 5\%$) of the densities obtained on the Auction Property. Accordingly, if ASLD requests that Developer seek zoning for the Residential Retained Property that is not Comparable to the residential portions of the Auction Property (“**Noncomparable Residential Zoning**”), then (1) Developer shall seek such Noncomparable Residential Zoning, but obtaining the Noncomparable Residential Zoning shall not be considered a Project Entitlement and (2) Developer shall not be required to make any changes to the AP Master Backbone Infrastructure Plan to accommodate such Noncomparable Residential Zoning. Whether zoning for the Residential Retained Property is Comparable shall be an Arbitration Dispute.

(iii) Although the Developer will use commercially reasonable efforts consistent with the efforts made to entitle the Auction Property in connection with the following, completion of such activities shall not be considered Project Entitlements, and Developer shall not be deemed to have failed to meet any Entitlement Milestones on account of failure to obtain the same: (i) zoning of the portions of the Retained Property that are not Residential Retained Property and (ii) Development Agreement(s) for any of the Retained Property.

(iv) ASLD may, by written notice given prior to submission of a blank annexation petition, withdraw all or any portion of any residential portion of the Retained Property for which Noncomparable Residential Zoning has been sought or any non-residential portion of the Retained Property. Developer shall notify ASLD thirty (30) days prior to filing the blank annexation petition.

(d) Amendments.

(i) In the event of any (A) Major Amendment to the MPC or MPC Plan requiring the approval of the Commissioner, (B) material amendment to any Development Agreement requiring the approval of the Commissioner, or (C) material amendment to the AP Master Backbone Infrastructure Plan other than those needed to conform the AP Master Backbone Infrastructure Plan to the MPC Plan, Developer shall notify the Commissioner in writing, specifying the reasons for any such amendment requiring approval of the Commissioner, and ASLD shall have fifteen (15) Business Days to notify Developer in writing if the Commissioner disapproves such amendment and the reasons therefor. If ASLD fails to respond in writing to any proposed amendment, Developer must give a second notice to ASLD requesting approval of such matter, on which the following language must appear in bold print: “**FAILURE TO RESPOND TO THIS NOTICE WITHIN FIVE (5) BUSINESS DAYS FROM ITS RECEIPT SHALL RESULT IN THE AMENDMENT OR MODIFICATION DESCRIBED HEREIN BEING DEEMED APPROVED.**” If ASLD fails to respond in writing to any amendment in such second notice within five (5) Business Days following delivery of such notice, that

amendment shall be deemed to have been approved by the Commissioner. If the Commissioner disapproves any proposed amendment, the Parties shall promptly meet and confer as to such amendment and how ASLD's objections may be addressed. If the Parties are unable to agree on any proposed amendment within ten (10) Business Days following Developer's receipt of the Commissioner's disapproval, the issue of whether the Commissioner's disapproval is reasonable may be treated by Developer as an Arbitration Dispute. In addition, the issue of whether a proposed amendment requires the Commissioner's approval shall be an Arbitration Dispute.

(ii) No amendment to the MPC Plan for the Retained Property shall require Developer's approval unless such amendment would necessitate a change to the Backbone Infrastructure to be constructed on the Auction Property to serve the Retained Property, including, without limitation, the type, location, or size of such Backbone Infrastructure. If Developer's approval is required, such approval shall not be unreasonably withheld, conditioned or delayed.

2.6 Entitlement Milestones. Developer shall use commercially reasonable efforts to obtain the Project Entitlements listed on Exhibit E for the Auction Property and Retained Property on or before the dates set forth on Exhibit E (the "**Entitlement Milestones**"). The Commissioner shall have the right to extend the Entitlement Milestones from time to time for good cause shown. If Developer fails to obtain any Project Entitlement by the applicable Entitlement Milestone and such failure is not due to a Force Majeure Event or Governmental Event, ASLD may, as its sole remedy, notify Developer in writing (a "**Entitlement Nonperformance Notice**") of its intent to cancel the Certificate of Purchase and terminate this Contract. If Developer fails to obtain such Project Entitlement within ninety (90) days following such Entitlement Nonperformance Notice (the "**Entitlement Cure Period**"), and if such failure is not due to a Force Majeure Event or Governmental Event, ASLD may then commence cancellation of the Certificate of Purchase pursuant to A.R.S. § 37-247, and the Entitlement Cure Period shall be separate from, and in addition to, the period set forth in A.R.S. § 37-247.

2.7 Community Facilities District. Developer may take such action as Developer determines is appropriate or necessary to cause all or portions of the Auction Property (the "**CFD Land**") to be included within the boundaries of a community facilities district (the "**CFD**") formed in accordance with A.R.S. Sections 48-701 et seq. (the "**CFD Statute**"), and, upon the City's adoption of a resolution ordering formation of the CFD, to authorize the CFD to issue general obligation bonds to provide monies for public infrastructure purposes (the "**GO Bonds**"), levy ad valorem property taxes for the payment of debt service on the GO Bonds and operation and maintenance expenses of the CFD (the "**GO Tax**" and "**O/M Tax**", respectively), levy assessments of the costs of public infrastructure purposes ("**CFD Assessments**"), and to take other action with respect to the CFD as may be authorized by the CFD Statute. ASLD shall take such commercially reasonable action as may be requested by Developer from time to time in connection with the foregoing including, in its capacity as a landowner and issuer of the Certificate of Purchase, executing and delivering such consents and documents as may be requested by Developer to cause the CFD to be formed and, upon the City's adoption of a resolution ordering formation, to authorize the CFD to issue the GO Bonds and levy the GO Tax and O/M Tax and to take such other action with respect to the CFD as may be authorized by the CFD Statute including, without limitation, executing the petition for formation and the general plan; executing a ballot to authorize the GO

Bonds and the GO Tax and O/M Tax; and executing a consent to a CFD development agreement between the Developer, the City and the CFD (relating to administration of the CFD, including the construction and acquisition of public infrastructure, levy of the GO Tax, O/M Tax and CFD Assessments, payment of the costs of operation and maintenance and other public infrastructure purposes, and the issuance of GO Bonds and bonds secured by CFD Assessments); subject, however, to the following conditions: (a) Developer shall not then be in default under the Certificate of Purchase or this Contract; (b) ASLD shall have no obligation to take any action that would result in a monetary encumbrance on the CFD Land prior to such land being patented or incur any third-party out-of-pocket cost not reimbursed by Developer (or otherwise paid); (c) without the prior consent of the Commissioner (which ASLD may withhold in its sole discretion), Developer may not request the issuance of debt by the CFD unless: (i) the request is for reimbursement of costs advanced for public infrastructure purposes only and disbursement of such reimbursement following completion and acceptance of the public infrastructure (as applicable), and (ii) in the aggregate, at least \$0.25 in infrastructure or other amenities and improvements that benefit the CFD Land and, if applicable, the Retained Property, is being concurrently or has been previously advanced for each \$1.00 of debt issued at Developer's request; and (d) no less frequently than annually, Developer shall submit a summary statement to ASLD, describing all CFD activity undertaken at Developer's request during the period since the prior statement and certifying that Developer has complied with clause (c). Without limitation of the foregoing, in the event of Developer's default and forfeiture of its interest under the Certificate of Purchase, Developer shall concurrently relinquish and assign to ASLD, coupled with an appointment of ASLD as Developer's attorney-in-fact for such purpose, all right and interest of Developer under the CFD development agreement and with respect to the CFD, and shall execute and deliver such further consents and documents as ASLD may request to evidence such relinquishment and assignment; provided, if Developer has previously advanced unreimbursed costs for public infrastructure that has been completed and accepted and all or a portion of such costs are eligible for reimbursement through the CFD, then, as and when CFD proceeds are available to pay eligible public infrastructure costs, ASLD shall cause such CFD proceeds to be equitably allocated between Developer and any other party or parties then eligible to be reimbursed for costs advanced to provide public infrastructure benefitting the CFD. Formation of a CFD that includes the Auction Property shall not be considered a Project Entitlement, and Developer shall not be deemed to have failed to meet any Entitlement Milestones if such CFD is not formed. The parties further acknowledge that future circumstances may warrant consideration of an additional CFD or other special taxing district provided, in such event, Developer may proceed only with the prior written consent of the Commissioner, which may be given or withheld in the sole discretion of ASLD, based on ASLD's determination of the potential benefits and other relevant factors.

2.8 Other Development Approvals. Developer may seek other documents, instruments, permits, and items ("**Development Approvals**") that it deems necessary, prudent, or advisable for development of the Auction Property, which may include, without limitation, site plans, maps of dedication, plats, applications or requests for variances, special use or similar permits, agreements for the annexation of all or any part of the Auction Property into a school district or service area of any Person (including Persons providing utility services of any nature to all or any part of the Auction Property), applications for certificates of assured water supply, and amendments or modifications to any or all of the foregoing (the "**Development Documents**") with respect to the Auction Property. So long as such Development Approvals are consistent with the MPC Plan and all applicable federal, state, and local laws, statutes, ordinances, requirements, orders, directions,

permits, licenses, rules, regulations, determinations, and court decisions, including, but not limited to zoning ordinances, and building codes, access, health, safety, environmental, and natural resource protection laws and regulations, and all other applicable laws, and design criteria (collectively “**Applicable Laws**”), no approval of the Development Approvals or Development Documents shall be required by ASLD unless such Development Approval or Development Document (a) includes a portion of the Retained Property or (b) is inconsistent with or contains material deviations from the Master Plans already approved by ASLD. If requested by Developer, ASLD shall execute the Development Documents and any petitions, applications, instruments and agreements related to the Development Approvals as the owner of the Auction Property. Development Approvals may be processed contemporaneously with the Project Entitlements.

3. Backbone Infrastructure

3.1 Backbone Infrastructure Requirements. Developer, at its sole cost and expense, shall be responsible for designing, planning, and permitting the Backbone Infrastructure (or causing the same to be completed) substantially in accordance with the AP Master Backbone Infrastructure Plan. Developer will construct (or cause to be constructed) the Backbone Infrastructure generally in the locations shown on the AP Master Backbone Infrastructure Plan at no cost to ASLD, subject to Developer’s right to receive Development Fee Reimbursements pursuant to Section 4.7 and to Developer’s right under Section 2.7 to finance portions of such Backbone Infrastructure costs.

3.2 Condition Precedent to Backbone Infrastructure Construction. Developer may initiate design, prepare plans, and seek any approvals and permits necessary or appropriate from ASLD pursuant to this Contract or from the federal or state governments, the County, the City, or any department thereof, or any utility company with respect to the Backbone Infrastructure concurrently with Developer’s activities with respect to the Project Entitlements; provided, however, that Developer shall not commence construction or installation of any Backbone Infrastructure until Developer has executed the PADA with the City, annexed the Auction Property into the City, and obtained MPC zoning.

3.3 Phase 1 Infrastructure.

(a) Milestone. Developer shall use commercially reasonable efforts to complete construction and installation of the Backbone Infrastructure for the first phase of the Project generally described on Exhibit F and further refined on the MPC Plan (the “**Phase 1 Infrastructure**” and each item comprising a portion of the Phase 1 Infrastructure shall be referred to as a “**Phase 1 Infrastructure Item**”) on or before the fifth (5th) anniversary of the Effective Date (the “**Infrastructure Milestone**”). For purposes of this Section, construction of each Phase 1 Infrastructure Item shall be deemed to have been completed when the Phase 1 Infrastructure Item is substantially complete in accordance with the plans therefor and, if applicable, has been accepted by the City or the utility who will own and maintain the same. Except as set forth in this Section, the timing of the construction of Backbone Infrastructure shall be determined solely by Developer, as it deems necessary or appropriate to meet the development needs of the Project.

(b) Extension of Infrastructure Milestone. If Developer has diligently proceeded with construction of the Phase 1 Infrastructure Items but has not completed the same,

Developer may extend the Infrastructure Milestone for up to ninety (90) days by written notice to ASLD specifying the new Infrastructure Milestone. The Commissioner shall have the right, but not the obligation, to further extend the Infrastructure Milestone from time to time for good cause shown.

(c) Failure to Complete Phase 1 Infrastructure. If Developer fails to complete all Phase 1 Infrastructure Items by the Infrastructure Milestone, as the same may have been previously extended (the “**Infrastructure Deadline**”) and such failure is not due to a Force Majeure Event or Governmental Event, Developer shall be required to satisfy the additional requirements of this Section 3.3(c) as follows:

(i) If Developer fails to complete all Phase 1 Infrastructure Items by the Infrastructure Milestone, Developer shall establish with the Escrow Agent an escrow (the “**Infrastructure Escrow**”). Commencing on the Infrastructure Deadline, and on the same day of each calendar quarter thereafter until the occurrence of the first Sales Hurdle pursuant to Section 3.3(c)(ii) below, Developer shall deposit in the Infrastructure Escrow an amount equal to \$500,000 (each an “**Infrastructure Payment**” and collectively the “**Infrastructure Payments**”). If all Phase 1 Infrastructure Items are not complete on the anniversary of the Infrastructure Deadline, the Infrastructure Payment shall increase by \$50,000 (e.g., the quarterly Infrastructure Payment in year one shall be \$500,000, the quarterly Infrastructure Payment in year two shall be \$550,000, the quarterly Infrastructure Payment in year three shall be \$600,000). Escrow Agent is instructed to deposit all Infrastructure Payments in a federally-insured money market or other similar account, subject to immediate withdrawal, at a bank or savings and loan institution located in Phoenix, Arizona. Interest earned on the Infrastructure Payments shall be treated as part of the Infrastructure Payments and disbursed in accordance with this Section. At any time when there are amounts in the Infrastructure Escrow, Developer may withdraw such amounts solely to pay Project Costs related to the design and construction of the Phase 1 Infrastructure Items by submitting a request (a “**Draw Request**”) to Escrow Agent and ASLD specifying the work covered by such Draw Request. The Draw Request shall be accompanied by invoices or other amounts evidencing the amount to be paid and conditional lien waivers from the parties entitled to such payments. If ASLD does not object to a Draw Request within five (5) Business Days specifying the reason for such objection, the amount set forth therein shall be disbursed to Developer. With any subsequent Draw Request, Developer shall submit final lien waivers for the work covered by the preceding draw request. If ASLD timely objects to any Draw Request, the amounts subject to the dispute shall be held in the Infrastructure Escrow, and the matter shall be treated as an Arbitration Dispute. If there are amounts remaining in the Infrastructure Escrow upon completion of all Phase 1 Infrastructure Items, such amounts shall be paid to Developer. If this Contract is terminated for any reason other than a default by ASLD and there are amounts remaining in the Infrastructure Escrow, such amounts shall be paid to ASLD. If this Contract is terminated on account of a default by ASLD and there are amounts remaining in the Infrastructure Escrow, such amounts shall be paid to Developer. If Developer fails to deposit any Infrastructure Payment in the Infrastructure Escrow when due, ASLD may notify Developer in writing (an “**Infrastructure Nonperformance Notice**”) of its intent to cancel the Certificate of Purchase and to terminate this Contract. If Developer fails to make such Infrastructure Payment within fifteen (15) days follow such

Infrastructure Nonperformance Notice (the “**Infrastructure Cure Period**”), ASLD may, as its sole remedy, commence cancellation of the Certificate of Purchase pursuant to A.R.S. § 37-247, and the Infrastructure Cure Period shall be separate from, and in addition to, the period set forth in A.R.S. § 37-247.

(ii) On or before the eighth (8th) anniversary of the Effective Date, Developer shall Convey to one or more Merchant Homebuilders a minimum of five (500) lots for sale to residential home buyers. On or before the eleventh (11th) anniversary of the Effective Date, Developer shall Convey to one or more Merchant Homebuilders a total of at least one thousand (1,000) lots for sale to residential home buyers. Such requirements shall each be referred to as a “**Sales Hurdle**.” For the avoidance of doubt, the 1,000 lots required to satisfy the second Sales Hurdle shall include any lots used to satisfy the first Sales Hurdle. The dates for satisfaction of the Sales Hurdle may be extended by the Commissioner for good cause shown. If Developer fails to satisfy a Sales Hurdle by the required date, ASLD may notify Developer in writing (a “**Sales Nonperformance Notice**”) of its intent to cancel the Certificate of Purchase and to terminate this Contract. If Developer fails to satisfy such Sales Hurdle within ninety (90) days following such Sales Nonperformance Notice (the “**Sales Cure Period**”), ASLD may, as its sole remedy, commence cancellation of the Certificate of Purchase pursuant to A.R.S. § 37-247, and the Sales Cure Period shall be separate from, and in addition to, the period set forth in A.R.S. § 37-247.

For the avoidance of doubt, if all Phase 1 Infrastructure Items are complete by the Infrastructure Deadline, Developer shall not be required to establish an Infrastructure Escrow or deposit Infrastructure Payments therein, nor shall Developer be required to meet any Sales Hurdle.

3.4 Financial Assurances. Unless otherwise agreed by the Commissioner in his/her sole discretion, Developer shall post financial assurances for completion of the Backbone Infrastructure in the form of a bond or other assurances approved by ASLD in its reasonable discretion. If the City requires financial assurances in the form of a bond, Developer may cause ASLD to be named as a dual obligee on such bond to satisfy the requirement of the preceding sentence, and ASLD hereby approves such bond as the financial assurance as long as each obligee can independently exercise its rights under the bond without joinder by the other obligee. Whether ASLD’s disapproval of any financial assurance is reasonable may be treated by Developer as an Arbitration Dispute.

3.5 Access to Infrastructure. Notwithstanding anything contained in this Contract to the contrary, if ASLD consummates an auction of any portion of the Retained Property prior to the eighth (8th) anniversary of the Effective Date (the “**Access Date**”), any purchaser of such Retained Property or any portion thereof and its successors will not have the right to connect to or utilize the Backbone Infrastructure or any other infrastructure constructed by Developer until the Access Date, and the Development Agreements may include provisions acknowledging the restriction on access to such infrastructure.

4. Development of the Auction Property

4.1 Development of the Auction Property. Subject to the provisions of this Contract and the Certificate of Purchase, at any time and from time to time and without the further consent of ASLD, Developer may cause the Auction Property to be developed in accordance with the MPC Plan and the Infrastructure Milestone for the Phase 1 Infrastructure. Developer shall be solely responsible for the design, planning, permitting, and construction, and all expense thereof, with respect to the development of the Auction Property for uses consistent with the Project Entitlements, including without limitation, for the sale of Parcels to one or more purchasers who are Vertical Developers. Without the prior written consent of ASLD, which ASLD may grant, withhold, or condition in its absolute discretion, Developer shall not act as a Merchant Homebuilder nor construct or sell any Residence on the Auction Property nor shall Developer Convey any Parcel to an Affiliate of Developer for the purpose of acting as a Merchant Homebuilder. Among other things, ASLD's approval to Developer acting as a Merchant Homebuilder or Conveying any Parcel to an Affiliate of Developer for the purpose of acting as a Merchant Homebuilder may be conditioned on (a) the Conveyance being on Market Terms and (b) if applicable, Developer executing an amendment to this Contract with respect to the method of determining Participation Payments pursuant to Article 7. For purposes of this Contract: (i) "**Market Terms**" shall mean the terms on which a Person would Convey property to a Third Party in an arm's length transaction not under duress, and any dispute over whether a transaction is on Market Terms shall be an Arbitration Dispute; (ii) "**Merchant Homebuilder**" means a Person that builds houses for sale to a residential home buyer and whose products consist of variations on a limited number of home models with established levels of base pricing and a series of potential options and upgrades; and (iii) "**Residence**" means a residential dwelling unit for which a certificate of occupancy or equivalent is issued.

4.2 Possession of Unpatented Property. At all times prior to the cancellation of the Certificate of Purchase pursuant to a forfeiture, Developer shall have the right to possession of the Unpatented Property and shall have all burdens and benefits associated with the ownership thereof, subject to the provisions of this Contract, the Certificate of Purchase, and Applicable Laws. At the request of Developer, ASLD shall grant easements, licenses, and/or rights of way (a "**Possessory Interest**") to Third Parties over portions of the Unpatented Property to allow for (a) construction of improvements that are permitted under the terms of this Contract, (b) temporary drainage, and (c) other activities reasonably required in connection with development of the Auction Property and not otherwise permitted under this Contract, so long as such Possessory Interest (i) does not impose any affirmative obligations on ASLD to construct improvements or pay money with respect to the cost of constructing improvements within such easements or rights of way, (ii) includes insurance and indemnity provisions customarily required by ASLD, and (iii) is terminable upon cancellation of the Certificate of Purchase and upon such termination any improvements will, at the option of ASLD, be removed by the party (at such party's sole cost) to whom the Possessory Interest is granted. Pursuant to Section 4.6, no Unpatented Property may be dedicated and no permanent easement may be granted over Unpatented Property. Whether ASLD is required to grant a Possessory Interest under this Section shall be an Arbitration Dispute.

4.3 Use of Materials from Unpatented Property. Developer shall not commit waste on the Unpatented Property. The following provisions shall apply with respect to the use of vegetation, rocks and other natural materials that are present on the Unpatented Property:

(a) Developer may (i) use and relocate any vegetation, large rocks, and other natural materials that are present on the Unpatented Property for purposes of improving and landscaping the Unpatented Property only and (ii) permit Third Parties to remove vegetation from the Unpatented Property in exchange for payments to ASLD in amounts determined by ASLD, which amounts shall not be Project Revenues hereunder but shall be applied to payments due under the Certificate of Purchase pursuant to and subject to the requirements of A.R.S. § 37-246. Developer shall not be permitted to exchange vegetation present on the Unpatented Property for vegetation imported to the Unpatented Property from other locations or for services or consideration other than payments described above.

(b) Removal of vegetation for purposes permitted under this Section 4.3 shall be from any locations on the Unpatented Property at which grading or underground utility infrastructure is currently occurring or is reasonably projected by Developer to occur before or during the next revegetation harvesting season (April through October). One or more nurseries may be established and operated by Developer on the Unpatented Property for harvested vegetation until such time as the harvested vegetation can be used, relocated, or sold in accordance with Section 4.3(a). Developer shall not be permitted to exchange vegetation present on the Unpatented Property for vegetation imported to the Unpatented Property from other locations or for other services or consideration.

(c) Developer may (i) establish sand and gravel operations on the Unpatented Property, (ii) mine, crush, screen and stockpile aggregate course base on the Unpatented Property, and/or (iii) establish a concrete and/or asphalt batch plant on the Unpatented Property (collectively, “**Materials Operations**”), and use any sand, rock, gravel, course base, and other materials located on, mined, or extracted from the Unpatented Property or produced by the Material Operations (collectively, “**Materials**”) for purpose of improving the Auction Property, without payment to ASLD. Developer may permit Third Parties to remove Materials from the Unpatented Property in accordance with any Applicable Laws in exchange for payments to ASLD in amounts determined by ASLD, which amounts shall not be Project Revenues hereunder but shall be applied to payments due under the Certificate of Purchase pursuant to and subject to the requirements of A.R.S. § 37-246.

(d) Developer may disturb or remove existing roadways and levees on the Unpatented Property as necessary to accomplish drainage patterns and stormwater retention on the Auction Property. Materials removed may be used for any purpose described in Section 4.3(c) or for grading, retention and fill on the Auction Property.

(e) Except as permitted in the foregoing provisions of this Section 4.3, Developer shall not use Materials from the Unpatented Property on property other than the Auction Property, sell such Materials to Third Parties or enter into any lease or license of the Unpatented Property permitting the harvesting or disposition of such Materials by Third Parties.

(f) If this Contract is terminated prior to issuance of a Patent for all the Auction Property, Developer shall promptly restore any damage caused to the Unpatented Property as a result of the removal of vegetation and Materials therefrom by appropriate grading and landscaping by Developer or its representatives or agents, but in no event will Developer be required to regrade the Property or otherwise remove any improvements unless requested in writing by the

Commissioner within ninety (90) days following such termination. Developer's obligation under the immediately preceding sentence shall survive the termination of this Contract and the cancellation of the Certificate of Purchase. Following any such termination and cancellation, ASLD shall, if requested by Developer, enter into a right of entry, for the sole purpose of granting Developer reasonable access to the Unpatented Property to complete the restoration required under this Section 4.3. If requested by ASLD and available on commercially reasonable terms, Developer shall obtain a bond naming ASLD as an obligee and assuring the restoration of the Unpatented Property in accordance with this Section.

4.4 Recordable Agreements. For purposes of this Contract, "**Recordable Agreements**" means any agreement, instrument, or other document that will be recorded (or for which a memorandum, notice or other evidence is recorded) against all or any portion of the Unpatented Property covering any portion of the Unpatented Property, and any amendments, modifications, or supplements thereto. Except as otherwise provided in this Contract, ASLD's approval shall not be required for (a) covenants, conditions, restrictions and easements ("**CCRs**") and any supplemental or tract declarations, or declarations of annexation recorded pursuant thereto for any portions of the Auction Property for which a Partial Patent has been issued by ASLD, (b) Recordable Agreements that will be recorded at the closing of any Conveyance of a Parcel pursuant to this Contract, if such Recordable Agreements are binding only on the Patented Parcel and on other Parcels which have previously ceased to be Unpatented Property under this Contract, (c) the Development Agreements, (d) the CFD Agreements, or (e) any Development Documents. The material terms of any Recordable Agreement other than those described in (a) through (e) above (an "**Other Recordable Agreement**") to be recorded against all or any portion of the Unpatented Property (or which by its terms provide that all or any portion of the Unpatented Property can be subjected thereto by annexation) shall require the prior written approval of ASLD, and shall not create any impermissible lien on the Unpatented Property. ASLD shall, at the request of Developer, execute any Other Recordable Agreement that includes Unpatented Property, provided that if such Other Recordable Agreement requires ASLD's approval under this Section 4.4, such approval shall be a condition to execution. ASLD may withhold its approval of any such Other Recordable Agreement if ASLD determines, in its sole discretion, that the application of the terms of such Other Recordable Agreement to all or any portion of the Unpatented Property after cancellation of the Certificate of Purchase would adversely impact the future use, marketability, or value of such Unpatented Property.

4.5 Improvements to Unpatented Property.

(a) Permitted Improvements. In addition to the Backbone Infrastructure, the improvement and development of the Auction Property may include, without limitation, the following improvements, which may be constructed in whole or in part on Unpatented Property in accordance with the MPC Plan and without the consent of ASLD unless required below:

(i) Construction of vertical improvements that are necessary or desirable for the resale of the Auction Property (such as guard gates, walls, fences, gates, monuments, signs, and shade structures), and other improvements generally consistent with improvements in similar master planned communities intended to enhance the value or marketability of the Auction Property;

(ii) Subdivision infrastructure and the completion of grading, landscaping, local streets, and other activities associated with the physical appearance of the Auction Property;

(iii) Installation of utilities to serve the Auction Property and, if applicable, the Retained Property, provided that a permanent easement shall not be granted to the utility provider until the subject property is Patented;

(iv) Temporary storage buildings, construction yards, areas for the storage and transport of vegetation and Materials being moved and relocated on the Auction Property, temporary construction buildings, offices and trailers, and similar removable improvements to facilitate the improvement and development of the Project; and

(v) With the prior written approval of the Commissioner, community amenities that are intended to be Conveyed to a homeowners' association, such as recreational buildings, golf courses, lakes, continuous trail systems and hiking and biking paths, ramadas, parks, restrooms, guard houses, and other recreational areas; provided that a Partial Patent shall be issued for any such amenities before they are open for use by the public and/or residents of the Project and their invitees.

All improvements shall be constructed by Developer as a Project Cost, and ASLD shall not be obligated to reimburse Developer for the cost of any such improvements in the event of a cancellation of the Certificate of Purchase, and such improvements shall be deemed rental for the Unpatented Property pursuant to A.R.S. § 37-247(b).

(b) Actions Upon Cancellation.

(i) If the Certificate of Purchase is cancelled pursuant to a forfeiture thereof Developer shall take such actions in a commercially reasonable time and manner as may be reasonably required to avoid the reckless abandonment of partially completed construction (*e.g.*, filling open trenches and taking steps reasonably required to assure public safety in areas where partially-completed improvements exist and covering or capping utility lines to avoid damage thereto from weather or other conditions at the Auction Property). Any dispute over whether actions are reasonably required in accordance with the preceding sentence shall be an Arbitration Dispute.

(ii) If this Contract is terminated prior to issuance of a Patent for all the Auction Property, Developer shall remove any improvements installed pursuant to Section 4.5(a)(i) or Section 4.5(a)(iv) if requested in writing by the Commissioner within ninety (90) days following such termination. Developer's obligation under the immediately preceding sentence shall survive the termination of this Contract and the cancellation of the Certificate of Purchase. Following any such termination and cancellation, ASLD shall, if requested by Developer, enter into a right of entry, for the sole purpose of granting Developer reasonable access to the Unpatented Property to complete the restoration required under this Section 4.5.

4.6 Common Areas and Dedication Property. Subject to the provisions of this Contract and consistent with the Project Entitlements, Developer may designate portions of the Auction

Property as Common Areas and Dedication Property and may Convey the same to the intended owner thereof which may include, without limitation, homeowners' associations, governmental authorities, and school districts. Any portion of the Auction Property designated as Common Areas or Dedication Property may not be used as such until it is Conveyed to the intended user thereof and upon Conveyance Developer shall be required to pay the Patent Price therefor pursuant to Article 6 below. For purposes of this Contract, "**Common Areas**" means areas within a Parcel that are set aside for the common use and benefit of property owners within such Parcel (and other Parcels), ownership of which is customarily vested in a homeowners' association or governmental authority. Examples of Common Areas include neighborhood parks and recreational facilities and natural and landscaped open space that are not titled to individual property owners within a Parcel. For purposes of this Contract, "**Dedication Property**" means (i) one or more school sites (based on the number of schools needed under the student generation approach established by the school district(s) in which the Auction Property is located), which shall be of the same size as school sites that are typical for the applicable school district or for other real estate developments comparable to the Auction Project, (ii) a site for a police station, (iii) sites for fire stations, (iv) a site for a library, (v) park sites (including recreation areas and community centers), (vi) any washes or channels including those delineated by the United States Corps of Engineers pursuant to Section 404 of the Clean Water Act, the City, or other governing agencies, (vii) any portions of the Auction Property underlying the Backbone Infrastructure, and (viii) any additional portion of the Auction Property that is approved in writing by ASLD as Dedication Property.

4.7 Development Fees and Development Fee Reimbursements. Developer shall have the authority, without the consent of ASLD, to enter into agreements and arrangements establishing or consenting to the establishment of Development Fees relating to the Project and providing for the payment of Development Fee Reimbursements to Developer or its Affiliates on terms and conditions determined by Developer in its sole discretion. If ASLD comes into possession of any Development Fee Reimbursements, it shall promptly remit the same to Developer. All Development Fees Reimbursements shall be considered Project Revenues.

4.8 Intellectual Property. Developer anticipates that it will develop tradename(s) and trademark(s) (the "**Intellectual Property**") for use in branding and marketing the Auction Property. If requested by ASLD, Developer will grant ASLD or its successors a license to use the Intellectual Property, without any payment of any fee, in connection with branding and marketing all or a portion of the Retained Property, provided that if the license is for less than all of the Retained Property the portion for which the license was issued must be contiguous to the Auction Property or other portions of the Retained Property for which a license was previously granted. The license will be on terms and conditions agreed to by the Parties, but ASLD acknowledges that the license will include certain quality control protections. Any dispute regarding the terms of the license shall be an Arbitration Dispute.

5. Conveyances of Portions of the Auction Property

5.1 Authority of Developer. Subject only to the limitations and requirements expressly set forth in this Contract and the Certificate of Purchase, Developer shall have the sole discretion to determine (a) the time or times at which all or any part of the Auction Property is to be sold, conveyed, dedicated, subjected to an easement, lease or license, or otherwise disposed of (collectively, "**Conveyed**"); (b) the Person or Persons to whom all or any part of Auction Property

is to be Conveyed; and (c) the consideration to be paid and the other terms and conditions for the sale, conveyance, dedication, subjection to an easement, lease or license, or other disposition (each, a “**Conveyance**”) of all or any part of the Auction Property. The consideration, if any, payable with respect to each Conveyance of any part of the Auction Property shall be paid directly to Developer.

5.2 Leases. ASLD represents and warrants that upon the execution of this Contract, no portion of the Auction Property is leased to a Third Party, except that portion of the Auction Property covered by Arizona State Land Department Commercial Lease No. 03-121496. Developer may lease all or portions of the Unpatented Property solely for grazing or agricultural purposes on terms reasonably approved by the Commissioner, which shall include, without limitation, provisions (a) requiring the lessee to indemnify, defend and hold harmless ASLD and the Developer for, from and against losses, costs, damages and expenses occurring on account of lessee’s use of the leased property, (b) requiring the lessee to obtain customary insurance and, where applicable, name ASLD and the Developer as additional insureds, (c) allowing Developer to terminate the lease, in whole or in part, when it intends to develop the Unpatented Property or any portion thereof, and (d) allowing ASLD to terminate the lease in the event of Developer’s default and forfeiture of its interest under the Certificate of Purchase. Except as provided in the preceding sentence, Developer shall not lease any portion of the Unpatented Property without the prior written approval of the Commissioner in his/her sole discretion. Any rents received from the lease of the Unpatented Property shall be Project Revenues.

5.3 Use of Escrow Agent. Any Conveyance of a Parcel shall be handled through an escrow established with an independent escrow agent (the “**Escrow Agent**”).

6. Patent of Parcels

6.1 Patent Payments.

(a) Pursuant to the terms of the Auction and the Certificate of Purchase, Developer agreed to pay a base price for the Auction Property equal to the amount set forth in the Certificate of Purchase (the “**Base Price**”), which is \$ [REDACTED] per acre (the “**Per Acre Price**”). At the Auction, Developer paid to ASLD an amount equal to ten percent (10%) of the Base Price (the “**10% Down Payment**”). The 10% Down Payment constitutes the collateral satisfying the requirements of A.R.S. § 37-239(E)(3), (8), (10), and (11). The balance of the Base Price will accrue interest from the Auction Date at the rate of 7% per annum (the “**Stated Rate**”) and will be payable as and when Parcels are released from the Certificate of Purchase and a patent (“**Patent**”) is issued therefor (“**Patented**”).

(b) From time to time Developer may cause Parcels (each a “**Patented Parcel**”), to be Patented, including, but not limited to Common Areas and Dedication Property. A per acre price equal to 101% of the Per Acre Price (\$ [REDACTED]) multiplied by the gross acreage of the Patented Parcel (the “**Patent Price**”) shall be paid to ASLD upon the issuance of a Patent for any Patented Parcel. The 10% Down Payment shall not be applied to any Patent Price until all Developer Equity Contributions and ASLD Project Costs have been repaid from Project Revenues such that there are no amounts accruing interest at the Stated Rate. In such event, the 10% Down Payment shall be applied to the Patent Price payable for the next Partial Patent(s)

issued by ASLD until such 10% Down Payment has been exhausted. If prior to the application of the entire 10% Down Payment Developer makes additional Developer Equity Contributions or ASLD incurs additional ASLD Project Costs, then no remaining portion of the 10% Down Payment shall be applied until the additional Developer Equity Contributions and/or additional ASLD Project Costs have been repaid from Project Revenues.

(c) Notwithstanding anything contained herein to the contrary, the Base Price shall be paid in full on or before the twenty-fifth (25th) anniversary of the Auction and upon payment in full of the Base Price a Patent shall be issued for any remaining Unpatented Property.

(d) Notwithstanding the provisions of this Article 6, if at any time prior to payment in full of the Base Price ASLD determines in the exercise of its reasonable discretion that the value of the remaining Unpatented Property is not greater than the remaining unpaid balance of the Base Price (meaning that the remaining security for payment of the Base Price is inadequate), ASLD may require an increase in the Patent Price formula set forth in Section 6.1(b). If ASLD determines that it does not have adequate security, it will notify Developer in writing (an “**Adjustment Notice**”) and allow Developer to present information related to the proposed increase in the Patent Price formula. Following such meeting, ASLD will notify Developer in writing specifying its proposed increase to the Patent Price formula, and if Developer disagrees with such proposal ASLD shall obtain an appraisal which will be used to determine the amount of any increase. Prior to the appraiser issuing his/her opinion of the revised Patent Price formula, he/she shall, at Developer’s request, meet with Developer so that Developer can present information related to the proposed increase. The increased Patent Price determined in accordance with this Section shall be the “**Revised Patent Price**.” Notwithstanding anything contained herein to the contrary, if Developer has made a Partial Patent application prior to the Adjustment Notice, the existing Patent Price shall remain in effect (i) for all Patents that are issued prior to the final determination of the Revised Patent Price and (ii) following the determination of the Revised Patent Price, for any Patent that is being issued to complete a Conveyance pursuant to a purchase agreement that was executed prior to an Adjustment Notice.

6.2 Conditions to Issuance of Patent of Portions of Auction Property.

(a) The following conditions shall be satisfied prior to issuance of a Patent: (i) Developer has satisfied its obligations to execute the PADA with the City, annex the Auction Property into the City, and obtain MPC zoning; (ii) the Backbone Infrastructure serving such Patented Parcel is complete or Developer or another party is contractually obligated to complete such Backbone Infrastructure within any applicable timeframe under this Contract following the issuance of a Patent for the Patented Parcel; (iii) Developer shall have previously paid the Patent Price to receive a Partial Patent for the Patented Parcel pursuant to the Certificate of Purchase or (if consented to in writing by ASLD) such Patent Price payment shall be paid from the escrow for the sale of the Patented Parcel; and (iv) following issuance of such Patent, the Unpatented Property will have legal access and will have development potential independent of the acreage that is being Patented pursuant to A.R.S. § 37-251.B(3). The Unpatented Property will be deemed to have legal access if it has ingress and egress to and from any public street or road (A) by crossing other portions of the Unpatented Property, (B) by a perpetual easement (which may be subject to relocation by Developer so long as legal access is provided) across property other than Unpatented Property, or (C) by a perpetual easement or other perpetual right (which may be subject to

relocation by Developer so long as legal access is provided) to use a private street or road that provides legal ingress and egress to and from a public street, whether or not any improvements are present to provide physical ingress or egress. This Section 6.2 shall not be deemed to impose any obligation on Developer to construct any improvements to provide physical access to the Unpatented Property. Whether the conditions to issuance of a Patent of any portion of the Auction Property have been satisfied shall be an Arbitration Dispute.

(b) Issuance of Patents shall be subject to the limitations set forth in this paragraph. There shall be no limitation on Patents if the Patented Parcel is the subject of an immediate Conveyance or is the subject of a rolling lot option, meaning an arrangement under which a Merchant Homebuilder is given the right to acquire one or more lots within a Parcel after the date of the initial close of escrow for such arrangement and at regular intervals thereafter. For issuance of other Patents, if 50% or more of the Patented Parcel is not Conveyed within one hundred twenty (120) days following the issuance of such Patent, the Patent Price for the portion thereof that is not Conveyed shall be treated as not accruing interest for purposes of calculating Project Costs. If the remaining 50% of such Patented Parcel is not Conveyed within one (1) year following the issuance of such Patent, the Patent Price for the portion thereof that is not Conveyed shall be treated as not accruing interest for purposes of calculating Project Costs. By way of example, if Developer obtains a Patent for 500 acres and immediately Conveys 100 acres to a Merchant Homebuilder, then (i) 200 acres must be Conveyed within 120 days following issuance of the Patent or interest on the Patent Price for such acreage or the portion thereof not Conveyed in such 120 day period shall be treated as not accruing interest and (ii) the remaining 200 acres must be Conveyed within 1 year following issuance of the Patent or interest on the Patent Price for such acreage or the portion thereof not Conveyed in such 1 year period shall be treated as not accruing interest. Developer may request that the Commissioner, in his/her sole discretion, waive the provisions of this paragraph for good cause shown.

6.3 Partial Patents. Upon payment of the Patent Price as set forth in this Article 6, and in compliance with all requirements of A.R.S. § 37-251, Developer may obtain partial patents for Patented Parcels (each a “**Partial Patent**”); provided, however, a Partial Patent shall not be issued for less than one-fourth (1/4) of the Auction Property or ten (10) acres, whichever is smaller. Upon payment in full of the Base Price, a patent shall be issued for any remaining Unpatented Property and the Memorandum shall be released and shall no longer be binding on the Patented Parcels, but this Contract shall continue in effect as to payment of the Participation Payments by Developer and any other obligations of Developer remaining hereunder.

6.4 Escrow Agent as Trustee. With respect to any Parcel for which a Partial Patent has not previously been issued and for which the payment of the Patent Price is to be made from the proceeds of a Conveyance, proceeds will be deposited with Escrow Agent and shall be held in escrow pending receipt of written confirmation from the Commissioner or his/her designee (which may be delivered by email) that the Patent Price has been received by the Arizona State Treasurer and that the Patent may be recorded.

6.5 Assignment of Certificate of Purchase. Developer shall not make a partial assignment of its interest in the Certificate of Purchase. Developer may make a full assignment of its interest in the Certificate of Purchase but shall be required to assign to the assignee of the Certificate of Purchase all rights under this Contract, and assignee shall be required to assume all

of Developer's rights and obligations pursuant to this Contract and shall satisfy all requirements for bidders pursuant to the Auction Documents. Developer shall notify ASLD in writing of any proposed assignment of the Certificate of Purchase and its interest under this Contract, and ASLD shall have thirty (30) days to object to such assignment if it concludes that the assignee does not satisfy all requirements for bidders pursuant to the Auction Documents. If within such thirty-day period ASLD fails to notify Developer of any objection to an assignment, such assignment shall be deemed approved. Notwithstanding anything contained herein to the contrary, ASLD shall not have any right to object to an assignment of the Certificate of Purchase or Developer's interest under this Contract to an Affiliate of Developer. In no event shall an assignment by Developer release the assignor from any of its obligations or liabilities under the Certificate of Purchase or this Contract unless the assignee is approved in writing by ASLD, which approval shall not be unreasonably withheld, conditioned or delayed. The issue of whether ASLD unreasonably objected to an assignment shall be an Arbitration Dispute. Developer and assignee shall apply for assignment of the Certificate of Purchase on forms provided by ASLD, shall pay the current application fee for processing such assignment, and shall complete all requirements for the assignment to be reflected in ASLD's public record.

7. Participation Payments

7.1 Participation Payments. In addition to the Base Price, Developer shall pay to ASLD fifty percent (50%) (the "**Specified Percentage**") of the Project Revenues less Project Costs (the "**Net Project Revenues**") from the Project (each a "**Participation Payment**" and collectively the "**Participation Payments**") payable in accordance with this Article 7, and the balance of Net Project Revenues (less any Project Reserve) shall be paid to Developer.

7.2 Project Revenue Fund. Developer shall maintain an account for all Project Revenues (the "**Project Revenue Fund**") and shall deposit all Project Revenues received by Developer from time to time in the Project Revenue Fund. The Parties anticipate that the balance of the Project Revenue Fund will fluctuate over time and, at certain times, will be zero, but will increase as Project Revenues are deposited. Developer may withdraw funds from the Project Revenue Fund at any time to pay any Project Costs. Developer may not withdraw funds from the Project Revenue Fund to make distributions to the Parties except (a) to reimburse for Project Costs previously paid by Developer or ASLD Project Costs, (b) to repay Developer for Developer Equity Contributions, or (c) in accordance with Section 7.5.

7.3 Payment of Project Costs

(a) Source of Payment. In no event shall Project Costs be paid from any source other than Project Revenues and Developer Equity Contributions, and ASLD shall have no obligation to pay any Project Costs or to repay any Participation Payment previously paid to ASLD pursuant to this Article 7 to pay Project Costs, provided that the foregoing shall in no way restrict ASLD's obligation to pay damages in the Event of a Default by ASLD pursuant to Article 8. If the Project Revenues in the Project Revenue Fund are not adequate to pay any Project Costs, Developer or its Affiliates shall pay such Project Costs and such amounts shall be treated as "**Developer Equity Contributions**"; provided, however, ASLD Project Costs shall only be payable to ASLD out of Project Revenues in the Project Revenue Fund when available and not from Developer Equity Contributions. Developer may not encumber its interest in the Certificate

of Purchase to secure repayment of any Developer Equity Contributions or any other Developer obligations or for any other reason. Developer Equity Contributions and ASLD Project Costs shall bear interest at the Stated Rate until repaid from Project Revenues, and Developer Equity Contributions (and interest thereon) shall be repaid when Project Revenues are available in the Project Revenue Fund. Project Costs shall be paid when due, first from the Project Revenue Fund until depletion of the Project Revenue Fund and second from Developer Equity Contributions. If Project Revenues in the Project Revenue Fund are not sufficient to pay outstanding ASLD Project Costs and other outstanding Project Costs payable to Developer, the Project Costs shall be repaid in the order incurred by the Parties.

(b) Developer's Overhead. The Parties intend that Developer and its Affiliates, as applicable, will be paid the Developer's Overhead from the Project Revenue Fund as and when sufficient funds then exist in the Project Revenue Fund, and if sufficient funds do not exist in the Project Revenue Fund, shall remain earned, and shall bear interest at a rate equal to the interest paid to ASLD on the Base Price pursuant to the last sentence of Section 6.1 until repaid from Project Revenues.

7.4 Project Business Plan. On an annual basis no later than October 31 of each year, Developer shall prepare a narrative of Developer's proposed business plan (the "**Project Business Plan**") for marketing, developing, and Patenting specific Parcel(s) within the remaining Unpatented Property in the upcoming five (5) calendar-year period (provided that the first calendar year shall be a partial year, commencing on the Effective Date and ending December 31, 2020), which will include the following information:

(a) A brief narrative report regarding the current calendar year of activities as compared to the then current Project Business Plan (provided that the first calendar year shall be a partial year, commencing on the Effective Date and ending December 31, 2020).

(b) A graphical representation of the status and development activity in the Auction Property.

(c) A financial report reflecting the following information:

(i) Project Revenues, Project Costs (inclusive of ASLD Project Costs), Participation Payments, Developer Equity Contributions, Developer's Overhead, and remaining cash flow, on a calendar year-by-year basis and on an aggregate basis from the Effective Date;

(ii) Projections for Project Revenues, Project Costs (inclusive of ASLD Project Costs), Participation Payments, Developer Equity Contributions, Developer's Overhead, and remaining cash flow, on a calendar year-by-year basis for the five (5) year period covered by the Project Business Plan; and

(iii) An updated Proforma, together with a comparison to the current Proforma for the most recent calendar year, which will include the recommended amount (if any) to be retained in the Project Revenue Fund following a Distribution Date in lieu of a distribution from Project Revenues to pay the Project Costs estimated to be incurred (the "**Project Reserve**"), if Developer estimates that the estimated Project Revenues will not

be sufficient to pay the estimated Project Costs. If ASLD objects to any Project Reserve amount, it shall notify Developer in writing within fifteen (15) days following receipt of the Project Business Plan specifying the reasons for its objection. If the Parties are unable to resolve such objections within thirty (30) days following ASLD's notice, the matter shall be an Arbitration Dispute, and the Project Reserve proposed by Developer in the updated Proforma shall remain in effect and govern for purposes of any disbursement of Net Project Revenues and any Participation Payment until the matter is resolved in accordance with the Dispute Resolution Procedures, in which event Developer shall make any adjusting payment required on account of the resolution of such Arbitration Dispute.

The Project Business Plan is merely a forecast, and Developer makes no representation regarding the accuracy of its projections.

7.5 Distribution Dates. On March 31, 2022 and on each March 31 thereafter (each a "**Distribution Date**"), Developer will pay to ASLD out of the Project Revenue Fund, the Participation Payment, if any, payable based on the Project Revenue and Project Costs set forth on the most recent Updated Proforma (after excluding the Project Reserve) and shall pay an equal amount to Developer. Notwithstanding anything contained herein to the contrary, in addition to any March 31 Distribution Date, Developer, at its sole option, may declare a Distribution Date at any time when there are funds in the Project Revenue Fund upon written notice to ASLD and may distribute funds to ASLD and Developer in accordance with this Section. Within one hundred eighty (180) days following the receipt of all Project Revenues from the Project and the payment of all Project Costs, Developer shall distribute all remaining Project Revenues to ASLD and itself.

7.6 No Sharing of Losses. All Project Costs (exclusive of ASLD Project Costs) shall be solely borne by Developer and ASLD shall have no obligations or liability with respect to same, nor shall ASLD share in the losses, if any, incurred with respect to development of the Auction Property, but the Project Revenues available for distribution to the Parties shall be reduced by Project Costs.

7.7 Books and Records. Developer shall keep and maintain accurate financial books and records with respect to the acquisition, development, and disposition of the Auction Property (the "**Books and Records**") in accordance with generally accepted accounting principles. Developer shall maintain the Books and Records related to all Parcels for at least five (5) years after the issuance of the Patent for the last Parcel. Upon at least fifteen (15) days written notice to Developer, ASLD may examine the Books and Records at the office of Developer. Developer will provide a copy of the any items from the Books and Records to ASLD only if ASLD requests the same following ASLD's examination.

7.8 Audit. At least annually commencing on the year ending December 31 of the year when the first Conveyance of any portion of the Auction Property occurs and each year thereafter until and including the year when all Project Revenues have been received and distributed and all Project Costs have been paid, Developer shall conduct an audit of the Books and Records relating to the historical Project Revenues and Project Costs (the "**Audit**") by a nationally or regionally recognized accounting firm reasonably acceptable to ASLD prepared in accordance with generally accepted account principles. Developer shall review the Audit for errors prior to notifying ASLD that the Audit is available for examination at the office of Developer. ASLD will have thirty (30)

days to review the Audit following notice from Developer and to notify Developer of any questions or comments. Developer will provide a copy of the Audit to ASLD only if requested by ASLD prior to the fifth (5th) anniversary of the issuance of the Patent for the last Parcel.

8. Default and Remedies

8.1 Default. Each of the following shall constitute a material default of this Contract (an “**Event of Default**”):

(a) Monetary Obligation. The failure of a Party (the “**Breaching Party**”) to pay when due to the other Party (the “**Non-Breaching Party**”) any monetary obligation due pursuant to this Contract, including without limitation any Participation Payment or Infrastructure Payment (a “**Monetary Obligation**”) if such failure continues for fifteen (15) days following written notice from the Non-Breaching Party.

(b) Non-Monetary Obligation. The failure of a Breaching Party to meet, perform, or satisfy any obligation pursuant to this Contract other than a Monetary Obligation (which is governed by Section 8.1(a) hereof) or obtain a Project Entitlement or complete a Phase 1 Infrastructure Item by the applicable Project Milestone (which are governed by Sections 2.6 and 3.3 hereof) if such failure continues for sixty (60) days following written notice from the Non-Breaching Party, provided that if such failure is not susceptible of cure within sixty (60) days, the Breaching Party fails to (i) promptly notify the Non-Breaching Party of the need for greater than sixty (60) days to cure and (ii) commence to cure such failure and thereafter to prosecute diligently such cure to completion within a reasonable time.

8.2 Remedies. Except as provided in this Article 8, upon the occurrence of an Event of Default under this Contract that is not cured within the applicable cure period allowed, the Non-Breaching Party may, without prejudice to any other rights and remedies available at law, bring an action for actual damages, specific performance, or injunctive relief. In no event shall any Breaching Party be liable for consequential, punitive, special, or indirect damages, or for damages solely attributable to diminution of value or lost profits. In no event shall Developer be entitled to set off any damages owed by ASLD against any Patent Price or Participation Payment.

8.3 Termination of Contract. Notwithstanding anything contained in this Contract to the contrary, ASLD may only elect to terminate this Contract in the event of an Event of Default by Developer for (i) a failure to pay a Monetary Obligation, including an Infrastructure Payment, (ii) the failure to complete a Project Entitlement pursuant to Section 2.6 by the applicable Project Milestone, or (iii) the failure to satisfy a Sales Hurdle pursuant to Section 3.3(c)(ii). In the event of any such termination, Developer shall forfeit all amounts paid for the Base Price and any Participation Payments paid prior to such termination in accordance with the procedures and timeframes set forth in A.R.S. §37-247, and such amounts shall be deemed rent for the Auction Property as provided in A.R.S. § 37-241(C)(1). If Developer fails to make any payment required pursuant to the Certificate of Purchase and fails to obtain, or the Commissioner has elected not to grant an extension for such payment in accordance with the provisions of A.R.S. § 37-247(C), then the remedies of ASLD shall be as specified by A.R.S. § 37-247.

8.4 Delays; Extension of Time of Performance. For the purposes of any of the provisions of this Contract, neither ASLD nor Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations under this Contract as a result of the enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, (a) acts of God (such as unusually severe weather), acts of the public enemy (including, without limitation, terrorist acts), fires, floods, epidemics, quarantine restrictions, strikes, riots, lockouts, freight embargoes, failure or disruption of utilities or critical electronic systems, unforeseen environmental or archaeological conditions requiring investigation/mitigation by Applicable Laws, or failure by ASLD to perform its obligations within the time periods provided herein (each, a “**Force Majeure Event**”) or (b) failure or delays by a governmental agency or authority in granting entitlements, approving plans, issuing permits, or making inspections beyond customary time frames for such actions so long as Developer has made timely application or request therefor, if applicable, and has diligently pursued the same (each, a “**Governmental Event**”); provided that a Governmental Event shall not include denial by a governmental agency or authority of any requested entitlements or approvals. In the event of the occurrence of a delay due to any Force Majeure Event or Governmental Event, the time or times for performance of the obligation of ASLD or Developer (including, without limitation, Project Milestones), as the case may be, shall be extended for the period of the delay caused by such Force Majeure Event or Governmental Event, but only if performance is delayed as the result of such Force Majeure Event or Governmental Event. The Party requesting an extension for a Force Majeure Event or Governmental Event shall provide written notice thereof within thirty (30) days following the date such Party knows (or in the exercise of reasonable diligence should have known) of the Force Majeure Event or Governmental Event (the “**Delay Notice Deadline**”). If a Party fails to give notice of a Force Majeure Event or Governmental Event by the Delay Notice Deadline, the period by which the applicable time or times for performance is extended shall be reduced on a day for day basis by the number of days following the Delay Notice Deadline that such notice is provided. By way of example, if Developer becomes aware of a Force Majeure Event on June 1 but does not provide notice of the same to ASLD until July 15, the extension for the such Force Majeure Event shall be reduced by 15 days. A Party shall only receive an extension for the actual period of a Force Majeure Delay or Governmental Event (less any reduction provided for in the preceding sentence). Notwithstanding the foregoing, a Force Majeure Event or Governmental Event shall not excuse a delay or failure to timely pay any Monetary Obligation. A dispute over whether a Force Majeure Event or Governmental Event has occurred or caused a delay and the timeliness of the notice thereof shall be an Arbitration Dispute.

8.5 Right to Complete Construction.

(a) Actions Following Termination or Cancellation. Upon termination or cancellation by either of the Parties hereto pursuant to this Contract (other than on account of an Event of Default by ASLD) prior to the issuance of Patents for all of the Auction Property, Developer shall (i) deliver to ASLD within thirty (30) days after termination or cancellation, and without cost to ASLD, any and all documents, reports, inspections, plans, and specifications, contractor’s bids, studies, and any other written information or drawings in Developer’s possession related to the Unpatented Property (the “**Development Documents**”); (ii) assign to ASLD and/or its successors and assigns all of its right, title, and interest in and to Development Documents, which ASLD and/or its successors and assigns may use for any lawful purpose which ASLD deems

appropriate, in its sole discretion without further notice to or approval by Developer, provided that if such items related jointly to the Unpatented Property and portions of the Auction Property that have been previously Patented, such assignment shall be a partial assignment, and ASLD's rights shall be in common with any other parties (including Developer) entitled to use the same; (iii) license to ASLD and/or its successors and assigns (on a non-exclusive basis) any Intellectual Property, and (iv) assign to ASLD and/or its successors and assigns all rights in the Project Entitlements relating to the Unpatented Property. Developer hereby agrees that it shall include a right of assignment to ASLD as a party entitled to obtain and utilize any contracts with Third Parties for construction of improvements to the Unpatented Property ("**Construction Contracts**") and shall, if requested by ASLD or its successors and assigns, assign such Construction Contracts to ASLD or such successors and assigns so long as (A) ASLD or its successors and assigns assumes such Construction Contracts and (B) the Third Party agrees to release Developer from any obligations arising from and after the date of such assignment.

(b) No Payment. Developer shall have no right or authority to obligate ASLD to pay any fee or cost as a condition to the assignment and transfer or delivery of the Development Documents to ASLD.

(c) Survival. This Section 8.5 shall survive any termination of this Contract. If Developer or its successors defaults under this paragraph, ASLD shall have all of its rights and remedies at law or in equity, including claims for injunctive relief and for reasonable attorney's fees and costs, to enforce the provisions hereof. This provision shall be in addition to any and all other rights and remedies of ASLD.

8.6 Arbitration Dispute. Any dispute designated as an Arbitration Dispute hereunder shall be resolved in accordance with the Dispute Resolution Procedures set forth on Exhibit H. The Parties may jointly elect to resolve other disputes in accordance with such Dispute Resolution Procedures.

9. Miscellaneous

9.1 Term. This Contract shall continue in effect until the occurrence of each of the following: (a) the earlier of (i) the Conveyance of all of the Auction Property or (ii) the cancellation of the Certificate of Purchase, and (b) the payment of all Participation Payments due to ASLD.

9.2 Subject to Law. This Contract is subject to such conditions as may be found in the Enabling Act and the Constitution of the State of Arizona, the Arizona Revised Statutes, other Acts of the Legislature of the State of Arizona, and the rules, regulations, and policies of the State of Arizona, and further shall be subject to such amendments to the foregoing as may be enacted or promulgated hereafter. Any reference in this Contract to a specific Arizona Revised Statute shall mean and refer to the statute as it may be amended from time to time and any successor statute.

9.3 Notice. Any communication, notice, or demand of any kind whatsoever which either Party may be required or may desire to give to or serve upon the other shall be in writing and delivered by a nationally recognized overnight courier service with proof of delivery, by hand delivery, or by registered or certified mail, postage prepaid, return receipt requested, addressed to

the Parties at the addresses listed on the signature pages to this Contract. Any Party may change its address for notice by written notice given to the other in the manner provided in this Section 9.3. Any communication, notice, or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, or three (3) days after being placed in the U.S. Mail, if mailed. Counsel for a Party may give notice or demand on behalf of such Party, and such notice or demand shall be treated as being sent by such Party. Courtesy copies of any notice may also be given by email, but such email notice shall not be effective for purposes of this Section.

9.4 Binding Effect. Except as otherwise provided in Article 6 with respect to Patented Parcels, the burdens and benefits of this Contract will be binding upon and inure to the benefit of the Parties to the Contract and their respective heirs, administrators, executors, successors, and assigns, and shall run with the land as to the Auction Property. When reference is made in this Contract to either “ASLD” or “Developer” the reference shall be deemed to include, wherever applicable, the heirs, administrators, executors, successors, and assigns of those Parties.

9.5 Assignment and Transfer. Except in connection with an assignment of the Certificate of Purchase pursuant to Section 6.5, Developer may not assign or transfer responsibility for any obligations pursuant to this Contract. In no event shall the sale or transfer of any interest in the entity comprising Developer be deemed an assignment or transfer hereunder as long as Developer, and any assignor which remains liable hereunder (if the Participation Contract has been previously assigned), jointly continue to satisfy the requirements in effect for bidders pursuant to the Auction Documents.

9.6 Relationship of Parties. ASLD, as the seller of real property, and Developer, as the purchaser of real property, are in the relationship of independent contractors with respect to this Contract. No relationship of partnership, joint venture, agency, master-servant, or employer-employee shall be created or exist between Developer and ASLD as a result of the execution of this Contract.

9.7 Severability. Each covenant, condition, and provision of this Contract shall be interpreted in such manner as to be effective and valid under the laws of the State of Arizona, but if any covenant, condition, or provision of this Contract shall be held to be void or invalid, the same shall not affect the remainder hereof which shall be effective as though the void or invalid covenant, condition, or provision had not been contained herein.

9.8 Entire Agreement. Along with the Auction Notice, Certificate of Purchase, and such other sale documents as describe the conditions of which the sale of the Auction Property to Developer was subject, this Contract and its attachments represent the entire and integrated agreement between the Parties and supersede all prior negotiations, representations, and agreements, whether written or oral.

9.9 Amendment. This Contract (including its Exhibits) may be amended only as permitted by the laws of the State of Arizona, in writing, and upon agreement by both ASLD and Developer. Provided Developer is, in the discretion of ASLD, diligently pursuing and making reasonable progress with respect to completing the requirements and meeting the deadlines established by any of the Exhibits to this Contract, Developer may request and ASLD in its

discretion may approve, amendments or adjustments to the timetables, deadlines, or schedules set forth in any of the Exhibits.

9.10 Governing Law. This Contract shall be governed by, construed, and enforced in accordance with the laws of the State of Arizona. Any legal proceeding arising with respect to this Contract shall be brought in the Superior Court of Arizona, Maricopa County.

9.11 Indemnification. Developer will indemnify, hold, and save harmless ASLD, the State of Arizona, any of its departments, divisions, agencies, officers, or employees (“**Indemnitees**”), from all sums which Indemnitees may be obligated to pay by reason of any loss, damage, liability, expense, cost, or charges incident to or resulting in any way from injuries or damages to any person or any property caused by or resulting from any willful act or omission, error, or negligence in the performance of, or activities conducted under, this Contract by Developer, any person employed or directed by Developer, or others for whose acts Developer is legally liable. In the event of any claim or legal action, the above sum will include court costs, expenses of litigation, reasonable attorneys’ fees, and payment of or indemnification for any judgment rendered or settlement made. ASLD and the State of Arizona are not responsible for any payment owed by Developer or its Affiliates to any employee, contractor, or agent or any other Third Party.

9.12 No Third-Party Beneficiary. Except for their permitted successors-in-interest or assigns, only ASLD and Developer are intended to be Parties to this Contract and there are no third-party beneficiaries to this Contract.

9.13 Counterparts. This Contract may be executed in counterparts (either in original signature, PDF, or facsimile), each of which shall be an original, but all of which shall constitute one and the same instrument.

9.14 Records and Audits. Pursuant to A.R.S. §§ 35-214, 35-215, and 41-2548, all books, accounts, reports, files, and other records relating to this Contract shall be subject, at all reasonable times, to inspection and audit by the State during the term of this Contract and for five (5) years after any expiration, termination, or cancellation of this Contract.

9.15 Captions. Captions at the beginning of each Section of this Contract are for reference only and will in no way define or interpret any provision hereof.

9.16 No Waiver. No delay or omission by either Party in exercising any right or power accruing upon non-compliance or failure to perform by the other Party under any of the provisions of this Contract shall impair any such right or power or be construed to be a waiver thereof. A waiver by either Party of any of the covenants or conditions to be performed by the other Party shall be in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought, and any such waiver shall not be construed as a waiver of any succeeding breach or non-performance of the same or other covenants and conditions hereof.

9.17 Further Acts. In addition to the acts and deeds recited in this Contract and contemplated to be performed, executed, and/or delivered by the Parties, ASLD and Developer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at each Patent or Conveyance or at such other time or times as may be reasonably necessary or

appropriate under this Contract any and all further lawful acts, deeds, and assurances as are reasonably necessary or appropriate to consummate and implement the transactions and agreements reasonably contemplated hereby.

9.18 Correction of Technical Errors. If, by reason of inadvertence, and contrary to the intention of the Parties, errors are made in this Contract in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any Parcel in any map or drawing which is an exhibit, or in the typing of this Contract or any of its exhibits or any other similar matters, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Contract.

9.19 Cancellation. Developer acknowledges that this Contract is subject to cancellation by ASLD or the State of Arizona pursuant to the provisions of A.R.S. § 38-511.

9.20 Arbitration. In the event of a dispute between the Parties to this Contract, (a) if such dispute is an Arbitration Dispute it shall be resolved in accordance with and shall be subject to the Dispute Resolution Procedures and (b) if such dispute is not an Arbitration Dispute the Parties shall use arbitration to resolve the dispute, but only to the extent required by A.R.S. §§ 12-133 and 12-1518 (“**Compulsory Arbitration**”), and in no event shall Compulsory Arbitration be employed to resolve a dispute which is otherwise subject to administrative review by ASLD. With respect to any dispute which the Parties have submitted for resolution by arbitration, the time for which the matter is pending in arbitration shall be excluded in determining compliance or performance of an act subject to the arbitration

9.21 Non-Discrimination. The Parties agree to be bound by applicable State and federal law governing Equal Employment Opportunity, Non-Discrimination, and Disabilities, including Executive Order No. 2009-09.

9.22 Time of Essence. Time is of the essence for the performance of all conditions and obligations under this Contract.

9.23 Signature Authority. By signing below, the signer certifies that he or she has the authority to enter into this Contract on behalf of the Party for which it is signing, and that such Party has read the foregoing and agrees to accept the provisions herein.

9.24 Memorandum. Promptly following the execution of this Contract, Developer will record a memorandum in the form attached hereto as Exhibit G (the “**Memorandum**”) in the records of the County providing evidence of this Contract.

[Signatures appear on the following pages]

ASLD Signature Page
to
Participation Contract

ASLD:

STATE OF ARIZONA, acting by and through
the Arizona State Land Department

By: _____
_____,
Its Commissioner

Date executed: _____, 2020

Address(es) for Notices:

Arizona State Land Department
1616 W. Adams
Phoenix, AZ 85007
Attention: State Land Commissioner
e-mail: [\[insert contact information for State
Land Commissioner\]@azland.gov](mailto:[insert contact information for State Land Commissioner]@azland.gov)

With copy to:

Arizona Attorney General
2005 N. Central Avenue
Phoenix, Arizona 85004
Attention: Natural Resources Division
e-mail: _____

Date executed: _____,
2020

Developer Signature Page
to
Participation Contract

DEVELOPER:

_____,
a(n) _____

By: _____,
Its _____

Address(es) for Notices:

Developer:

Attention:

e-mail:

With copy to:

Attention:

e-mail:

Schedule 1
to
Participation and Infrastructure Contract

Table of Defined Terms

Defined Term	Location
10% Down Payment	Section 6.1(a)
A.R.S.	Recital D
Access Date	Section 3.5
Adjustment Notice	Section 6.1(d)
Affiliate	Section 1.2(b)
AP Land Use Plan	Section 2.2(a)
AP Master Backbone Infrastructure Plan	Section 2.2(b)
AP Master Plan	Section 2.1
Applicable Laws	Section 2.8
Arbitration Dispute	Section 1.2(a)
Arbitrator	Exhibit H, Section (b)
ASLD	Introductory Paragraph
ASLD Project Costs	Exhibit K, Section 5(r)
ASLD Representative	Section 2.5(a)
Auction	Recital B
Auction Notice	Recital B
Auction Property	Recital A
Audit	Section 7.8
Backbone Infrastructure	Section 2.2(b)
Base Price	Section 6.1(a)
Books and Records	Section 7.7
Breaching Party	Section 8.1(a)
Business Days	Section 1.2(c)
CCRs	Section 4.4
Certificate of Purchase	Recital B
CFD	Section 2.7
CFD Assessment	Section 2.7
CFD Land	Section 2.7
CFD Obligations	Section 2.7
CFD Statute	Section 2.7
City	Recital A
Commissioner	Section 1.2(d)
Common Areas	Section 4.6
Compulsory Arbitration	Section 9.20
Construction Contracts	Section 8.5(a)
Contract	Introductory Paragraph
Conveyance	Section 5.1

Defined Term	Location
Conveyed	Section 5.1
County	Section 1.2(e)
Dedication Property	Section 4.6
Delay Notice Deadline	Section 8.4
Designee	Exhibit I, Section (b)
Developer	Introductory Paragraph
Developer Equity Contributions	Section 7.3(a)
Developer's Overhead	Section 7.3(b)
Development Agreements	Section 2.4(c)(ii)
Development Approvals	Section 2.8
Development Documents	Section 2.8
Development Documents	Section 8.5(a)
Development Fee Reimbursements	Section 1.2(g)
Development Fees	Section 1.2(f)
Dispute Notice	Exhibit I, Section (a)
Dispute Resolution Procedures	Section 1.2(a)
Distribution Date	Section 7.5
Draw Request	Section 3.3(c)(i)
Effective Date	Introductory Paragraph
Entitlement Nonperformance Notice	Section 2.6
Entitlement Cure Period	Section 2.6
Entitlement Milestones	Section 2.6
Escrow Agent	Section 5.5
Event of Default	Section 8.1
Exemption Period	Exhibit K, Section 5(a)
Force Majeure Event	Section 8.4
GO Tax	Section 2.7
Governmental Event	Section 8.4
Indemnitees	Section 9.11
Infrastructure Nonperformance Notice	Section 3.3(c)(i)
Infrastructure Cure Period	Section 3.3(c)(i)
Infrastructure Deadline	Section 3.3(c)
Infrastructure Escrow	Section 3.3(c)(i)
Infrastructure Milestone	Section 3.3(a)
Infrastructure Payments	Section 3.3(c)(i)
Intellectual Property	Section 4.8
Market Terms	Section 4.1
Master Property	Recital A
Materials	Section 4.3(c)
Materials Operations	Section 4.3(c)
Memorandum	Section 9.24
Merchant Homebuilder	Section 4.1
Monetary Obligation	Section 8.1(a)
MPC	Section 2.4(b)

Defined Term	Location
MPC Plan	Section 2.4(b)
Net Project Revenues	Section 7.1
Non-Breaching Party	Section 8.1(a)
Non-Comparable Zoning	Section 2.5(c)(ii)
O/M Tax	Section 2.7
Other Recordable Agreement	Section 4.4
PADA	Section 2.4(c)(i)
Parcel	Recital B
Parcels	Recital B
Partial Patent	Section 6.3
Participation Payment	Section 7.1
Participation Payments	Section 7.1
Parties	Introductory Paragraph
Party	Introductory Paragraph
Patent	Section 6.1(a)
Patent Price	Section 6.1(b)
Patented	Section 6.1(a)
Patented Parcel	Section 6.1(b)
Per Acre Price	Section 6.1(a)
Person	Section 1.2(i)
Phase 1 Infrastructure	Section 3.3(a)
Phase 1 Infrastructure Item	Section 3.3(a)
Possessory Interest	Section 4.2
Pre-Set Meeting	Exhibit I, Section (b)
Project	Recital B
Project Business Plan	Section 7.4
Project Costs	Section 1.2(h)
Project Costs	Exhibit K, Introductory Paragraph
Project Entitlements	Section 2.4
Project Milestone	Section 1.2(j)
Project Milestones	Section 1.2(j)
Project Reserve	Section 7.4(c)(iii)
Project Revenue Fund	Section 7.2
Project Revenues	Section 1.2(k)
Recordable Agreements	Section 4.4
Residence	Section 4.1
Residential Retained Property	Section 2.5(c)(ii)
Retained Property	Recital A
Retained Property Entitlements	Section 2.5(c)(i)
Revised Patent Price	Section 6.1(d)
RP Land Use Plan	Section 2.3(a)
RP Backbone Infrastructure	Section 2.3(b)
RP Master Backbone Infrastructure Plan	Section 2.3(b)
RP Master Plan	Section 2.1

Defined Term	Location
RUAA	Exhibit I, Section (d)
Sales Nonperformance Notice	Section 3.3(c)(i)
Sales Cure Period	Section 3.3(c)(i)
Sales Hurdle	Section 3.3(c)(i)
Specified Percentage	Section 7.1
Stated Rate	Section 6.1(a)
Third Parties	Section 1.2(l)
Third Party	Section 1.2(l)
Unpatented Property	Section 1.2(m)
Vertical Developer	Section 1.2(n)

Exhibit A-1

Legal Description for Auction Property

EXHIBIT "A-1"
AUCTION PROPERTY BOUNDARY DESCRIPTION

THOSE PORTIONS OF SECTIONS 17, 18, 19, 20 & 30 TOWNSHIP 1 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SECTION 24, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEING MARKED BY A 1/2 INCH REBAR WITH NO MARKINGS, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 30, BEING MARKED BY U.S. GENERAL LAND OFFICE (GLO) BRASS CAP, BEARS NORTH 00 DEGREES 38 MINUTES 44 SECONDS WEST, 371.05 FEET;

THENCE ALONG THE RANGE LINE BETWEEN RANGE 7 AND RANGE 8, NORTH 00 DEGREES 38 MINUTES 20 SECONDS WEST, 2635.63 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 24 TOWNSHIP 1 SOUTH RANGE 7 EAST, BEING MARKED BY A U.S. GLO BRASS CAP 1911, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 19, BEING MARKED BY A 1/2 INCH REBAR WITH NO MARKINGS, BEARS NORTH 00 DEGREES 36 MINUTES 56 SECONDS WEST, 377.08 FEET;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 39 MINUTES 07 SECONDS WEST, 2633.06 FEET TO THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 1 SOUTH, RANGE 7 EAST, FROM WHICH THE NORTHWEST CORNER OF SECTION 19, TOWNSHIP 1 SOUTH, RANGE 8 EAST, BEING MARKED BY A U.S. GLO BRASS CAP 1911, BEARS NORTH 00 DEGREES 32 MINUTES 24 SECONDS WEST, 384.90 FEET;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 38 MINUTES 27 SECONDS WEST, 2637.95 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 13, BEING MARKED BY A CITY OF MESA BRASS CAP IN HANDHOLE;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 37 MINUTES 35 SECONDS WEST, 2637.63 FEET TO THE SOUTHEAST CORNER OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEING MARKED BY A CITY OF MESA BRASS CAP IN A HAND HOLE, FROM WHICH THE SOUTHWEST CORNER OF SECTION 7, TOWNSHIP 1 SOUTH, RANGE 8 EAST, BEARS NORTH 00 DEGREES 39 MINUTES 10 SECONDS WEST, 389.32 FEET, BEING MARKED BY A PK NAIL WITH TAG LS #28237;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 39 MINUTES 10 SECONDS WEST, 75.01 FEET;

THENCE DEPARTING SAID RANGE LINE, SOUTH 89 DEGREES 37 MINUTES 16 SECONDS EAST, 1403.26 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE EASTERLY, FROM WHICH THE CENTER BEARS SOUTH 87 DEGREES 35 MINUTES 22 SECONDS EAST, 1057.78 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 04 DEGREES 03 MINUTES 48 SECONDS, AN ARC LENGTH OF 75.02 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, FROM WHICH THE CENTER BEARS NORTH 00 DEGREES 22 MINUTES 44 SECONDS EAST, 10,000 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 12 DEGREES 10 MINUTES 01 SECONDS, AN ARC LENGTH OF 2123.54 FEET TO REVERSE CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 10,000 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 11 DEGREES 33 MINUTES 00 SECONDS, AN ARC LENGTH OF 2015.84 FEET TO THE NORTH LINE OF SAID SECTION 18;

THENCE NORTH 89 DEGREES 45 MINUTES 42 SECONDS EAST, ALONG SAID NORTH LINE, 703.03 FEET TO THE NORTHWEST CORNER OF SAID SECTION 17, BEING MARKED BY A BRASS CAP IN HAND HOLE;

THENCE NORTH 89 DEGREES 45 MINUTES 01 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 17, 2642.26 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 17, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE NORTH 89 DEGREES 47 MINUTES 05 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 17, 2643.87 FEET TO THE NORTHEAST CORNER OF SAID SECTION 17, BEING MARKED BY A BRASS CAP STAMPED "S8/S9/S17/S16 LS #35306";

THENCE SOUTH 00 DEGREES 17 MINUTES 14 SECONDS EAST, ALONG THE EAST LINE OF SAID NORTHEAST QUARTER, 2641.27 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 17;

THENCE SOUTH 00 DEGREES 17 MINUTES 40 SECONDS EAST, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 17, 2641.37 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 17, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 00 DEGREES 16 MINUTES 27 SECONDS EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 20, 2640.94 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 20, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 00 DEGREES 15 MINUTES 27 SECONDS EAST, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 20, 2641.55 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 20, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 89 DEGREES 46 MINUTES 57 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 2643.35 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 20, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 89 DEGREES 48 MINUTES 18 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 20, 2643.70 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 19, BEING MARKED BY A BRASS CAP IN HAND HOLE;

THENCE SOUTH 89 DEGREES 45 MINUTES 57 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 19, 702.14 FEET TO THE BEGINNING OF TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 10,000 FEET;

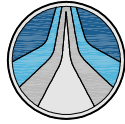
THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 11 DEGREES 17 MINUTES 44 SECONDS, AN ARC LENGTH OF 1971.47 FEET TO A REVERSE CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 10,000 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 11 DEGREES 55 MINUTES 54 SECONDS, AN ARC LENGTH OF 2082.47 FEET;

THENCE NORTH 89 DEGREES 35 MINUTES 53 SECONDS WEST, 1419.06 FEET TO THE **POINT OF BEGINNING.**

SAID PARCELS CONTAIN 121,232,960 SQUARE FEET OR 2,783.13 ACRES MORE OR LESS.





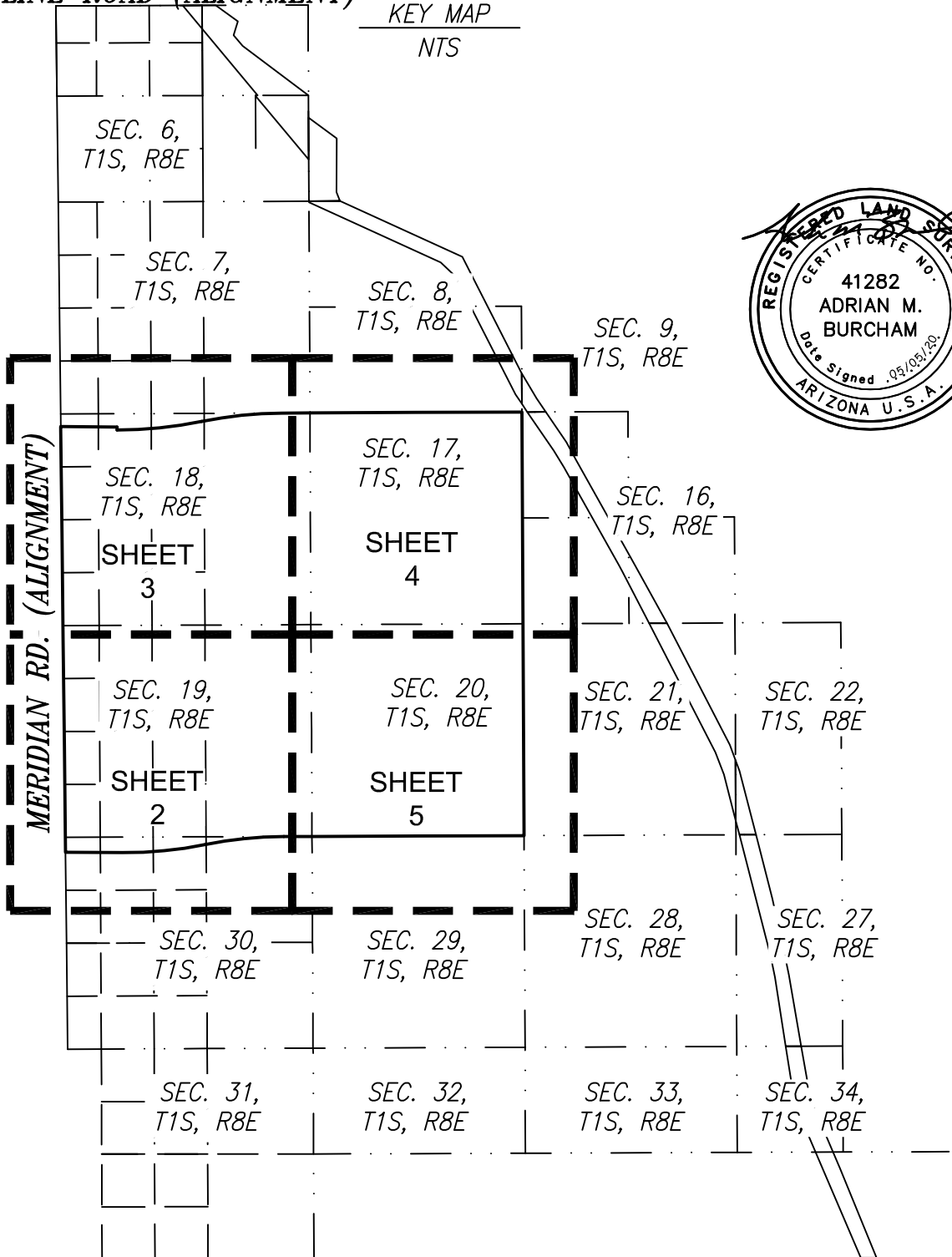
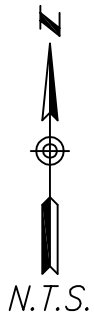
HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

BASELINE ROAD (ALIGNMENT)

KEY MAP
NTS



ASLD 8500
AUCTION PROPERTY BOUNDARY
EXHIBIT "A-1"
Pinal County, Arizona

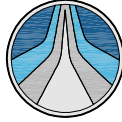
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 1 of 6

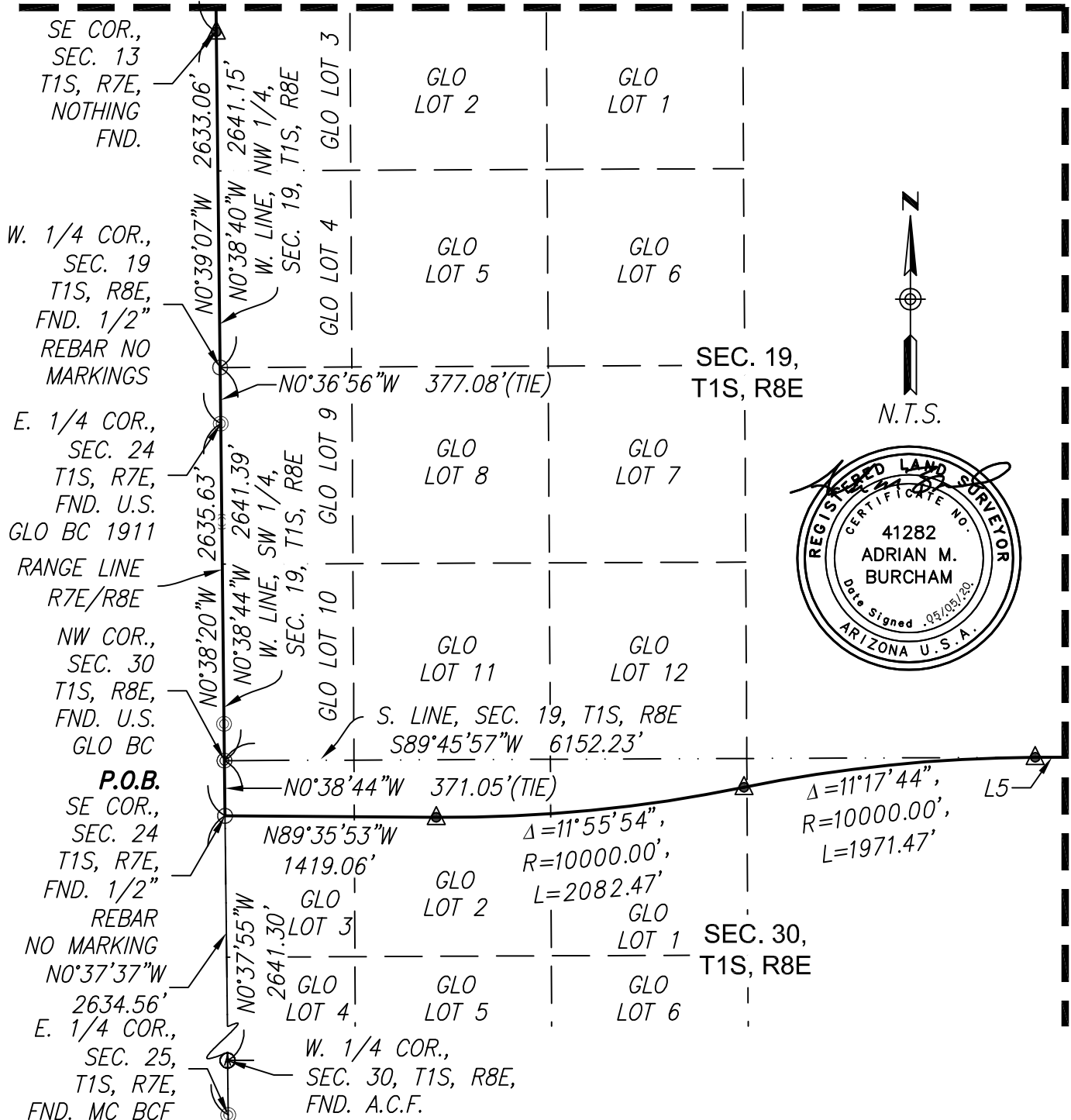


HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

SEE SHEET 3



SEE SHEET 5

ASLD 8500
AUCTION PROPERTY BOUNDARY
EXHIBIT "A-1"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

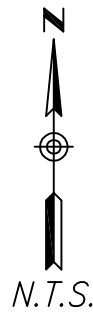
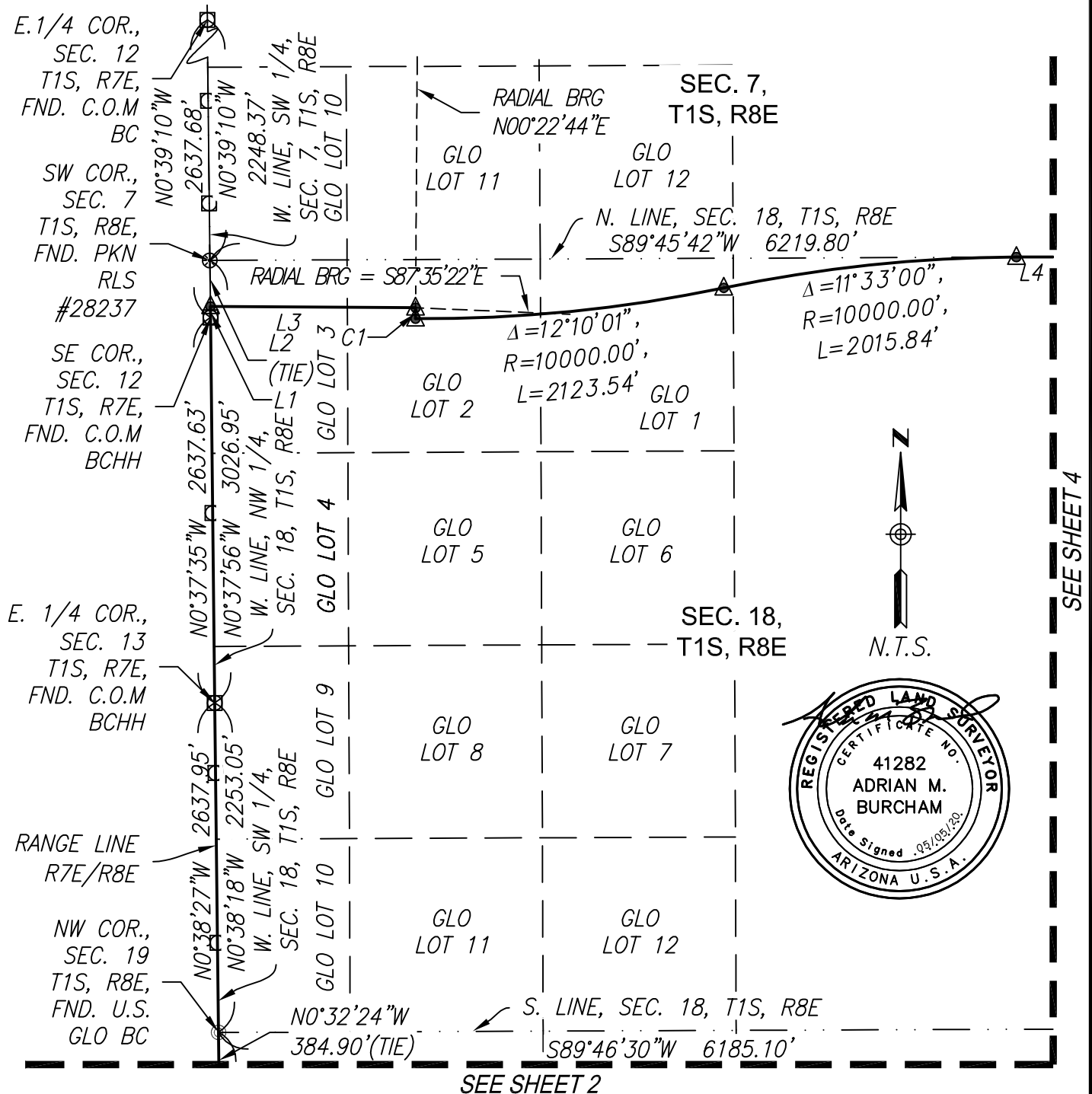
Sht: 2 of 6



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



SEE SHEET 4

SEE SHEET 2

ASLD 8500
AUCTION PROPERTY BOUNDARY
EXHIBIT "A-1"
Pinal County, Arizona

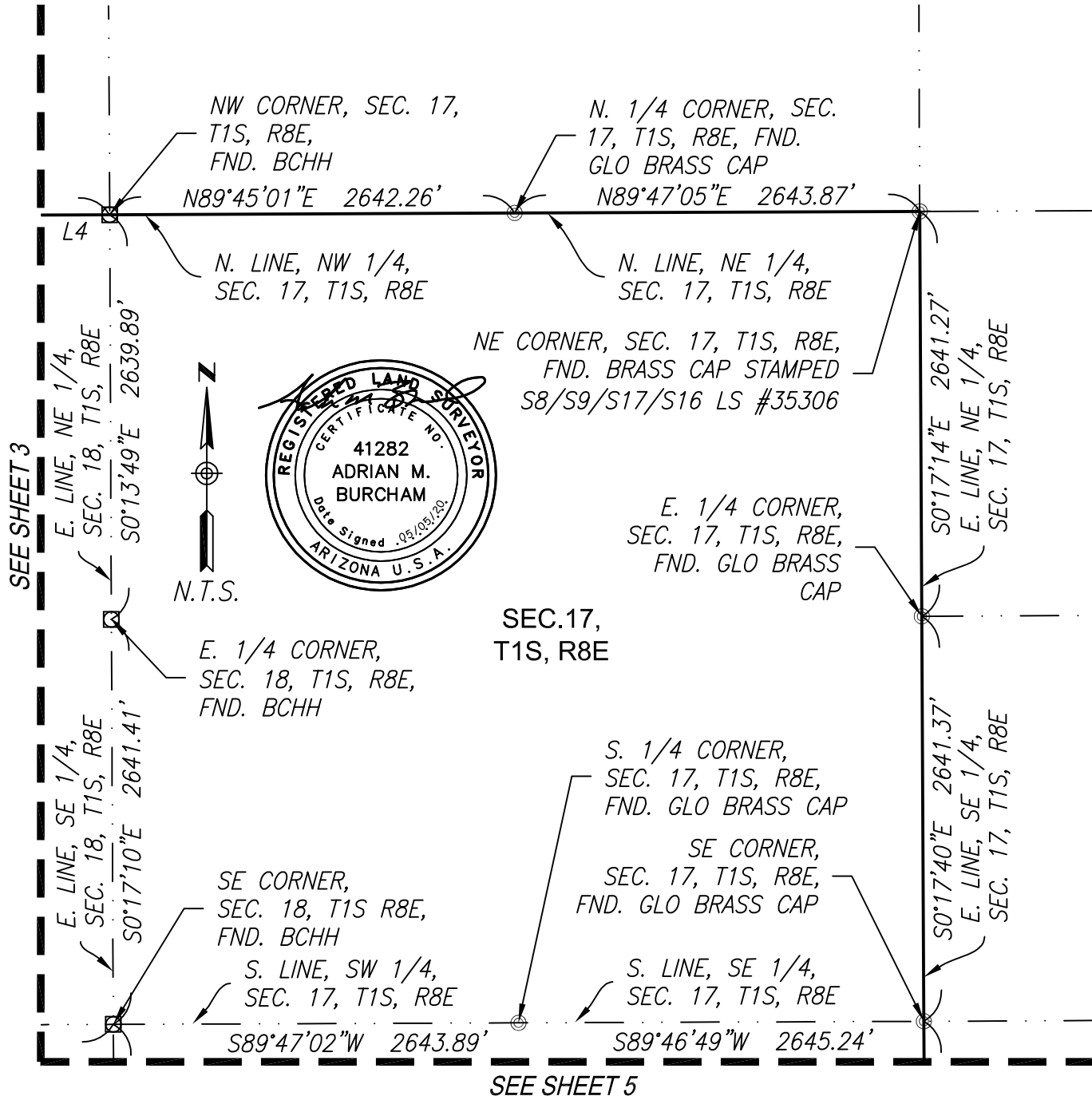
Project No. 19123	Date 05/05/20	Sht: 3 of 6
Project Manager ADRIAN BURCHAM	Project Eng.	



HUBBARD ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
AUCTION PROPERTY BOUNDARY
EXHIBIT "A-1"
Pinal County, Arizona

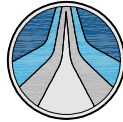
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 4 of 6

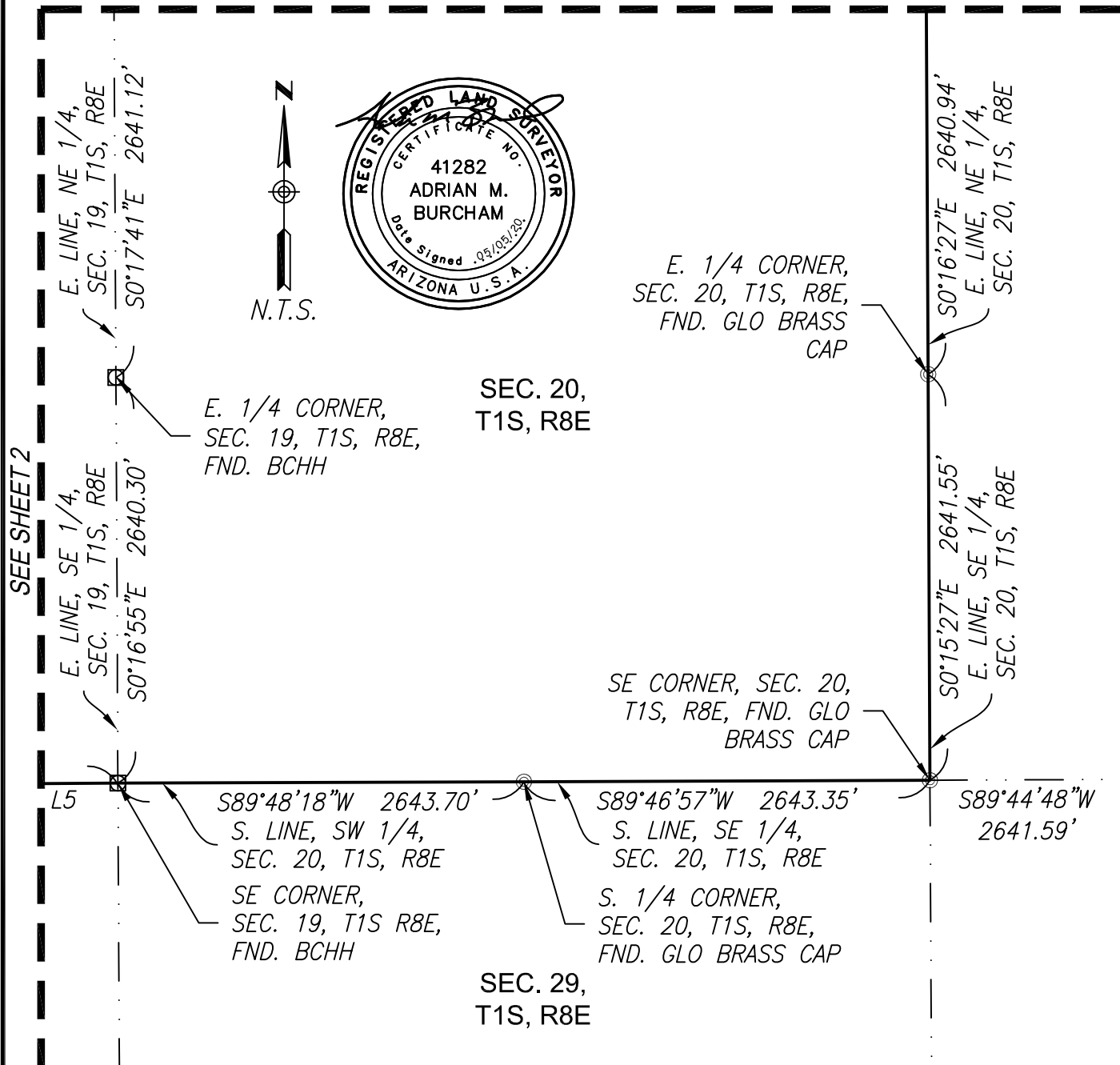


HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

SEE SHEET 4



ASLD 8500
AUCTION PROPERTY BOUNDARY
EXHIBIT "A-1"
Pinal County, Arizona

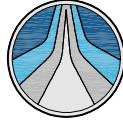
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 5 of 6



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

LINE TABLE		
LINE #	BEARING	LENGTH
L1	N0°39'10"W	75.01'
L2	N0°39'10"W	389.32'
L3	S89°37'16"E	1403.26'
L4	N89°45'42"E	703.03'
L5	S89°45'57"W	702.14'

CURVE TABLE				
CURVE #	DELTA	RADIUS	LENGTH	CHORD
C1	4°03'48"	1057.78'	75.02'	N00°22'44"E 75.00



ASLD 8500
AUCTION PROPERTY BOUNDARY
EXHIBIT "A-1"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 6 of 6

Exhibit A-2

Legal Description of Retained Property

EXHIBIT "A-2"
RETAINED PROPERTY BOUNDARY DESCRIPTION

THOSE PORTIONS OF SECTIONS 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33 & 34 TOWNSHIP 1 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 6, BEING MARKED BY A 3 INCH CITY OF MESA BRASS CAP IN A HANDHOLE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 6, BEING MARKED BY A 4 INCH ALUMINUM CAP STAMPED WITH LS #39325 2016, BEARS SOUTH 00 DEGREES 38 MINUTES 28 SECONDS EAST, 2254.87 FEET;

THENCE SOUTH 89 DEGREES 46 MINUTES 09 SECONDS EAST, ALONG THE TOWNSHIP LINE BETWEEN TOWNSHIP 1 NORTH AND 1 SOUTH, RANGE 8 EAST, 1045.52 FEET TO THE SOUTHWEST CORNER OF SECTION 31, TOWNSHIP 1 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, BEING MARKED BY A 3 INCH CITY OF MESA BRASS CAP IN A HAND HOLE;

THENCE CONTINUING ALONG SAID TOWNSHIP LINE, NORTH 89 DEGREES 44 MINUTES 21 SECONDS EAST, 2115.12 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL, AS SHOWN ON RECORD OF SURVEY BY GEOMATICS CONSULTING GROUP, SAID CORNER BEING MARKED BY A PK NAIL WITH TAG, LS #39325;

THENCE DEPARTING SAID TOWNSHIP LINE, ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL THE FOLLOWING COURSES:

THENCE SOUTH 39 DEGREES 50 MINUTES 42 SECONDS EAST, 2921.45 FEET TO A POINT ON THE EAST-WEST MID-SECTION LINE OF SAID SECTION 6, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 6, BEING MARKED A 3.25 INCH PINAL COUNTY HIGHWAY DEPARTMENT BRASS CAP, BEARS NORTH 89 DEGREES 48 MINUTES 15 SECONDS EAST, 1263.42 FEET;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE, SOUTH 89 DEGREES 48 MINUTES 15 SECONDS WEST, ALONG SAID EAST-WEST MID-SECTION LINE, 57.32 FEET TO THE SOUTHWEST CORNER OF THE EAST HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 6;

THENCE SOUTH 00 DEGREES 16 MINUTES 00 SECONDS EAST, ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6, 9.41 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL, SAID POINT BEING MARKED BY A PK NAIL WITH TAG, LS #39325;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL THE FOLLOWING COURSES:

THENCE SOUTH 39 DEGREES 49 MINUTES 39 SECONDS EAST, 1011.54 FEET TO BRASS CAP FLUSH STAMPED CAP ROW LS #39325;

THENCE SOUTH 39 DEGREES 49 MINUTES 37 SECONDS EAST, 1061.71 FEET TO A POINT ON THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 6, BEING MARKED BY A BRASS CAP FLUSH STAMPED CAP ROW LS #39325;

THENCE SOUTH 01 DEGREE 15 MINUTES 22 SECONDS EAST, ALONG SAID EAST LINE, 1036.55 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 6, BEING MARKED BY A 4 INCH PINAL COUNTY PUBLIC WORKS BRASS CAP STAMPED LS #31021 2008, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 6, BEING MARKED BY A 4 INCH PINAL COUNTY PUBLIC WORKS BRASS CAP STAMPED LS #31021 2008, BEARS SOUTH 89 DEGREES 47 MINUTES 34 SECONDS WEST, 2641.07 FEET;

THENCE SOUTH 00 DEGREES 16 MINUTES 26 SECONDS EAST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 7, 27.86 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL;

THENCE SOUTH 65 DEGREES 30 MINUTES 54 SECONDS EAST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL, 580.79 FEET TO THE NORTHWEST CORNER OF THAT CERTAIN PROPERTY DEFINED IN DOCUMENT NUMBER 2018-083654, PINAL COUNTY RECORDS, SAID CORNER BEING MARKED BY A 1/2 INCH REBAR WITH CAP LS #32222;

THENCE SOUTH 00 DEGREES 16 MINUTES 12 SECONDS EAST, ALONG THE WEST LINE OF SAID PROPERTY, 2319.93 FEET TO THE SOUTHWEST CORNER OF SAID PROPERTY, BEING MARKED BY A PK NAIL WITH TAG HEWITT LS #21773;

THENCE DEPARTING SAID WEST LINE, NORTH 89 DEGREES 46 MINUTES 50 SECONDS EAST, ALONG THE SOUTH LINE OF SAID PROPERTY, 2135.69 FEET TO THE SOUTHEAST CORNER OF SAID PROPERTY;

THENCE DEPARTING SAID SOUTH LINE, NORTH 00 DEGREES 16 MINUTES 03 SECONDS WEST, ALONG THE EAST LINE OF SAID PROPERTY, 741.36 FEET TO A 1/2 INCH REBAR WITH NO CAP;

THENCE NORTH 89 DEGREES 59 MINUTES 55 SECONDS EAST, 942.39 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL, BEING MARKED BY A 1/2 INCH REBAR WITH NO CAP;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL THE FOLLOWING COURSES:

THENCE SOUTH 46 DEGREES 11 MINUTES 56 SECONDS EAST, 45.55 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 27 DEGREES 00 MINUTES 54 SECONDS EAST, 2934.29 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 27 DEGREES 00 MINUTES 57 SECONDS EAST, 377.14 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 34 DEGREES 17 MINUTES 35 SECONDS EAST, 286.43 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, BEING MARKED BY AN ALUMINUM CAP FLUSH STAMPED LS #39325, FROM WHICH A BRASS CAP STAMPED S8/S9/S17/S16 LS #35306 MARKING THE CORNER TO SECTIONS 08, 09, 16 AND 17, BEARS SOUTH 00 DEGREES 14 MINUTES 26 SECONDS EAST 202.42 FEET;

THENCE SOUTH 34 DEGREES 13 MINUTES 21 SECONDS EAST, 244.01 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 9, FROM WHICH A BRASS CAP STAMPED S8/S9/S17/S16 LS #35306 MARKING THE CORNER TO SECTIONS 08, 09, 16 AND 17, BEARS SOUTH 89 DEGREES 43 MINUTES 24 SECONDS WEST, 136.38 FEET;

THENCE CONTINUING INTO SECTION 16, SOUTH 34 DEGREES 18 MINUTES 10 SECONDS EAST, 1162.61 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 31 DEGREES 47 MINUTES 01 SECONDS EAST, 483.62 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 29 DEGREES 16 MINUTES 41 SECONDS EAST, 2796.96 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 27 DEGREES 26 MINUTES 50 SECONDS EAST, 546.31 FEET TO THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 16;

THENCE CONTINUING SOUTH 27 DEGREES 26 MINUTES 50 SECONDS EAST, 539.81 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 27 MINUTES 18 MINUTES 00 SECONDS EAST, 556.20 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 16, FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 16, BEING MARKED BY A GLO BRASS CAP, BEARS SOUTH 89 DEGREES 42 MINUTES 18 SECONDS WEST, 499.08 FEET;

THENCE CONTINUING INTO SECTION 21, SOUTH 27 DEGREES 15 MINUTES 55 SECONDS EAST, 3619.06 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 20 DEGREES 48 MINUTES 28 SECONDS EAST, 597.78 FEET;

THENCE SOUTH 14 DEGREES 24 MINUTES 38 SECONDS EAST, 919.93 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 14 DEGREES 23 MINUTES 11 SECONDS EAST, 264.84 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 21, FROM WHICH A U.S. GLO BRASS CAP STAMPED S21/S22/S27/S28 1914, MARKING THE CORNER TO SECTIONS 21, 22, 27 AND 28, BEARS SOUTH 00 DEGREES 14 MINUTES 56 SECONDS EAST, 351.19 FEET;

THENCE CONTINUING INTO SECTION 22, SOUTH 14 DEGREES 24 MINUTES 22 SECONDS EAST, 362.17 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 22, FROM WHICH A U.S. GLO BRASS CAP STAMPED S21/S22/S27/S28 1914, MARKING THE CORNER TO SECTIONS 21, 22, 27 AND 28, BEARS SOUTH 89 DEGREES 44 MINUTES 14 SECONDS WEST, 88.58 FEET;

THENCE CONTINUING INTO SECTION 27, SOUTH 14 DEGREES 24 MINUTES 08 SECONDS EAST, 3133.90 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 11 DEGREES 47 MINUTES 35 SECONDS EAST, 531.16 FEET;

THENCE SOUTH 08 DEGREES 49 MINUTES 30 SECONDS EAST, 861.60 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 08 DEGREES 53 MINUTES 59 SECONDS EAST, 881.26 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27, FROM WHICH THE NORTHEAST CORNER OF SECTION 33, BEING MARKED BY A U.S. GLO BRASS CAP STAMPED 1914, BEARS SOUTH 89 DEGREES 48 MINUTES 21 SECONDS WEST, 1223.65 FEET;

THENCE CONTINUING INTO SECTION 34, SOUTH 08 DEGREES 55 MINUTES 40 SECONDS EAST, 1058.68 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 08 DEGREES 51 MINUTES 12 SECONDS EAST, 383.27 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 23 DEGREES 14 MINUTES 06 SECONDS EAST, 384.55 FEET TO A U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP;

THENCE SOUTH 23 DEGREES 09 MINUTES 55 SECONDS EAST, 936.25 FEET TO THE EAST-WEST MID-SECTION LINE OF SAID SECTION 34, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 34, BEING MARKED BY A U.S. GLO BRASS CAP, BEARS NORTH 89 DEGREES 48 MINUTES 18 SECONDS EAST, 3327.10 FEET;

THENCE ALONG SAID EAST-WEST MID SECTION LINE, SOUTH 89 DEGREES 48 MINUTES 18 SECONDS WEST, 1955.24 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 33, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 89 DEGREES 44 MINUTES 45 SECONDS WEST, ALONG THE EAST-WEST MID SECTION LINE OF SECTION 33, 5282.89 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 32, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 89 DEGREES 48 MINUTES 52 SECONDS WEST, ALONG THE EAST-WEST MID SECTION LINE OF SECTION 32, 5284.57 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 31, BEING MARKED BY A BRASS CAP IN A HAND HOLE;

THENCE SOUTH 89 DEGREES 57 MINUTES 44 SECONDS WEST, ALONG THE EAST-WEST MID-SECTION LINE OF SECTION 31, 5283.27 FEET TO THE SOUTHWEST CORNER OF GLO LOT 5;

THENCE NORTH 00 DEGREES 12 MINUTES 58 SECONDS WEST, ALONG THE WEST LINE OF GLO LOTS 5 AND 2, 2621.68 FEET TO THE NORTHWEST CORNER OF GLO LOT 2, BEING MARKED BY A 1/2 INCH REBAR WITH NO MARKINGS;

THENCE SOUTH 89 DEGREES 45 MINUTES 58 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 30 AND THE SOUTH LINE OF GLO LOT 10, 838.80 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 30 AND THE RANGE LINE BETWEEN RANGES 7 EAST AND 8 EAST, TOWNSHIP 1 SOUTH BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE NORTH 00 DEGREES 36 MINUTES 36 SECONDS WEST, ALONG SAID RANGE LINE, 959.66 FEET TO THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEING MARKED BY A 1 INCH IRON PIPE WITH NO MARKINGS;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 39 MINUTES 04 SECONDS WEST, 1317.10 FEET TO THE EAST QUARTER CORNER OF SECTION 25, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEING MARKED BY A MARICOPA COUNTY BRASS CAP LS #36563 2002;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 37 MINUTES 37 SECONDS WEST, 2634.56 FEET TO THE SOUTHEAST CORNER OF SECTION 24, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEING MARKED BY A 1/2 INCH REBAR WITH NO MARKINGS, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 30, BEING MARKED BY U.S. GLO BRASS CAP, BEARS NORTH 00 DEGREES 38 MINUTES 44 SECONDS WEST, 371.05 FEET;

THENCE DEPARTING SAID RANGE LINE, SOUTH 89 DEGREES 35 MINUTES 53 SECONDS EAST, 1419.06 FEET TO A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 10,000 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 11 DEGREES 55 MINUTES 54 SECONDS, AN ARC LENGTH OF 2082.47 FEET TO THE BEGINNING OF REVERSE CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 10,000 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 11 DEGREES 17 MINUTES 44 SECONDS, AN ARC LENGTH OF 1971.47 FEET TO THE SOUTH LINE OF SAID SECTION 19;

THENCE NORTH 89 DEGREES 45 MINUTES 57 SECONDS EAST, ALONG THE SOUTH LINE OF SAID SECTION 19, 702.14 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 19, BEING MARKED BY A BRASS CAP IN HAND HOLE;

THENCE NORTH 89 DEGREES 48 MINUTES 18 SECONDS EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 20, 2643.70 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 20, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE NORTH 89 DEGREES 46 MINUTES 57 SECONDS EAST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 19, 2643.35 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 20, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE NORTH 00 DEGREES 15 MINUTES 27 SECONDS WEST, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 20, 2641.55 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 20, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE NORTH 00 DEGREES 16 MINUTES 27 SECONDS WEST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 20, 2640.94 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 17, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE NORTH 00 DEGREES 17 MINUTES 40 SECONDS WEST, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 17, 2641.37 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 17 BEING MARKED BY A GLO BRASS CAP;

THENCE NORTH 00 DEGREES 17 MINUTES 14 SECONDS WEST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 17, 2641.27 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 8, BEING MARKED BY A BRASS CAP STAMPED "S8/S9/S17/S16 LS #35306";

THENCE SOUTH 89 DEGREES 47 MINUTES 05 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, 2643.87 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 8, BEING MARKED BY A U.S. GLO BRASS CAP;

THENCE SOUTH 89 DEGREES 45 MINUTES 01 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8, 2642.26 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 7, BEING MARKED BY A BRASS CAP IN HAND HOLE;

THENCE SOUTH 89 DEGREES 45 MINUTES 42 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 7, 703.03 FEET TO A TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 10,000 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 11 DEGREES 33 MINUTES 00 SECONDS, AN ARC LENGTH OF 2015.84 FEET TO A REVERSE CURVE, HAVING A RADIUS OF 10,000 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 12 DEGREES 10 MINUTES 01 SECONDS, AN ARC LENGTH OF 2123.54 FEET TO THE BEGINNING OF NON-TANGENT CURVE, CONCAVE EASTERLY, FROM WHICH THE CENTER BEARS NORTH 88 DEGREES 20 MINUTES 50 SECONDS EAST, 1057.78 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 04 DEGREES 03 MINUTES 48 SECONDS, AN ARC LENGTH OF 75.02 FEET;

THENCE NORTH 89 DEGREES 37 MINUTES 16 SECONDS WEST, 1403.26 FEET TO SAID RANGE LINE, FROM WHICH TO THE SOUTHEAST CORNER OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEARS SOUTH 00 DEGREES 39 MINUTES 10 SECONDS EAST, 75.01 FEET, BEING MARKED BY A CITY OF MESA BRASS CAP IN A HAND HOLE;

THENCE NORTH 00 DEGREES 39 MINUTES 10 SECONDS WEST, ALONG SAID RANGE LINE, 314.31 FEET, TO THE SOUTHWEST CORNER OF SAID SECTION 7, BEING MARKED BY A PK NAIL WITH TAG LS #28237;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 39 MINUTES 10 SECONDS WEST, 2637.68 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 12, BEING MARKED BY A CITY OF MESA BRASS CAP IN HANDHOLE;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 40 MINUTES 01 SECOND WEST, 2638.07 FEET TO THE SOUTHEAST CORNER OF SECTION 1, TOWNSHIP 1 SOUTH, RANGE 7 EAST, BEING MARKED BY A U.S. GLO BRASS CAP 1911;

THENCE CONTINUING ALONG SAID RANGE LINE, NORTH 00 DEGREES 37 MINUTES 47 SECONDS WEST, 398.28 FEET TO THE SOUTHWEST CORNER OF SECTION 6, TOWNSHIP 1 SOUTH, RANGE 8 EAST, BEING MARKED BY A U.S. GLO BRASS CAP 1911;

THENCE DEPARTING SAID RANGE LINE, NORTH 89 DEGREES 47 MINUTES 38 SECONDS EAST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 6 AND THE NORTH LINE OF GLO LOTS 3, 2 & 1, 3612.04 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 6, BEING MARKED BY A 4 INCH PINAL COUNTY PUBLIC WORKS BRASS CAP LS #31021 2008;

THENCE DEPARTING SAID SOUTH LINE, NORTH 00 DEGREES 15 MINUTES 48 SECONDS WEST, ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 6 AND THE EAST LINE OF GLO LOT 14, 1321.54 FEET TO THE NORTHEAST CORNER OF SAID LOT 14, BEING MARKED BY A 1/2 INCH REBAR WITH TAG LS #39325;

THENCE DEPARTING SAID NORTH-SOUTH MID-SECTION LINE, NORTH 89 DEGREES 47 MINUTES 30 SECONDS EAST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6, 1320.75 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6, BEING MARKED BY A 1/2 INCH REBAR WITH CAP LS #21773 HEWITT;

THENCE NORTH 00 DEGREES 16 MINUTES 00 SECONDS WEST, ALONG SAID WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, 1311.99 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE OF THE CENTRAL ARIZONA PROJECT CANAL, SAID POINT BEING MARKED BY A PK NAIL WITH TAG LS #39325;

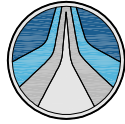
THENCE CONTINUING ALONG SAID WEST LINE, NORTH 00 DEGREES 16 MINUTES 00 SECONDS WEST, 9.41 FEET TO SAID SOUTHWEST CORNER OF THE EAST HALF OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 6;

THENCE SOUTH 89 DEGREES 48 MINUTES 15 SECONDS WEST, ALONG THE EAST-WEST MID-SECTION LINE OF SAID SECTION 6, 4949.90 FEET A POINT ON SAID RANGE LINE AND THE WEST QUARTER CORNER OF SAID SECTION 6, BEING MARKED BY AN ALUMINUM CAP LS #39325 2016;

THENCE NORTH 00 DEGREES 38 MINUTES 28 SECONDS WEST, ALONG THE WEST LINE OF SAID SECTION 6, 2254.87 FEET TO SAID NORTHWEST CORNER OF SAID SECTION 6, BEING MARKED BY A 3 INCH CITY OF MESA BRASS CAP IN A HANDHOLE AND THE **POINT OF BEGINNING**.

SAID PARCELS CONTAIN 231,138,261 SQUARE FEET OR 5,306.2043 ACRES MORE OR LESS.





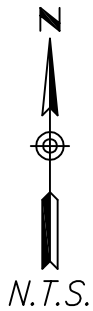
HUBBARD
ENGINEERING

www.hubbardengineering.com

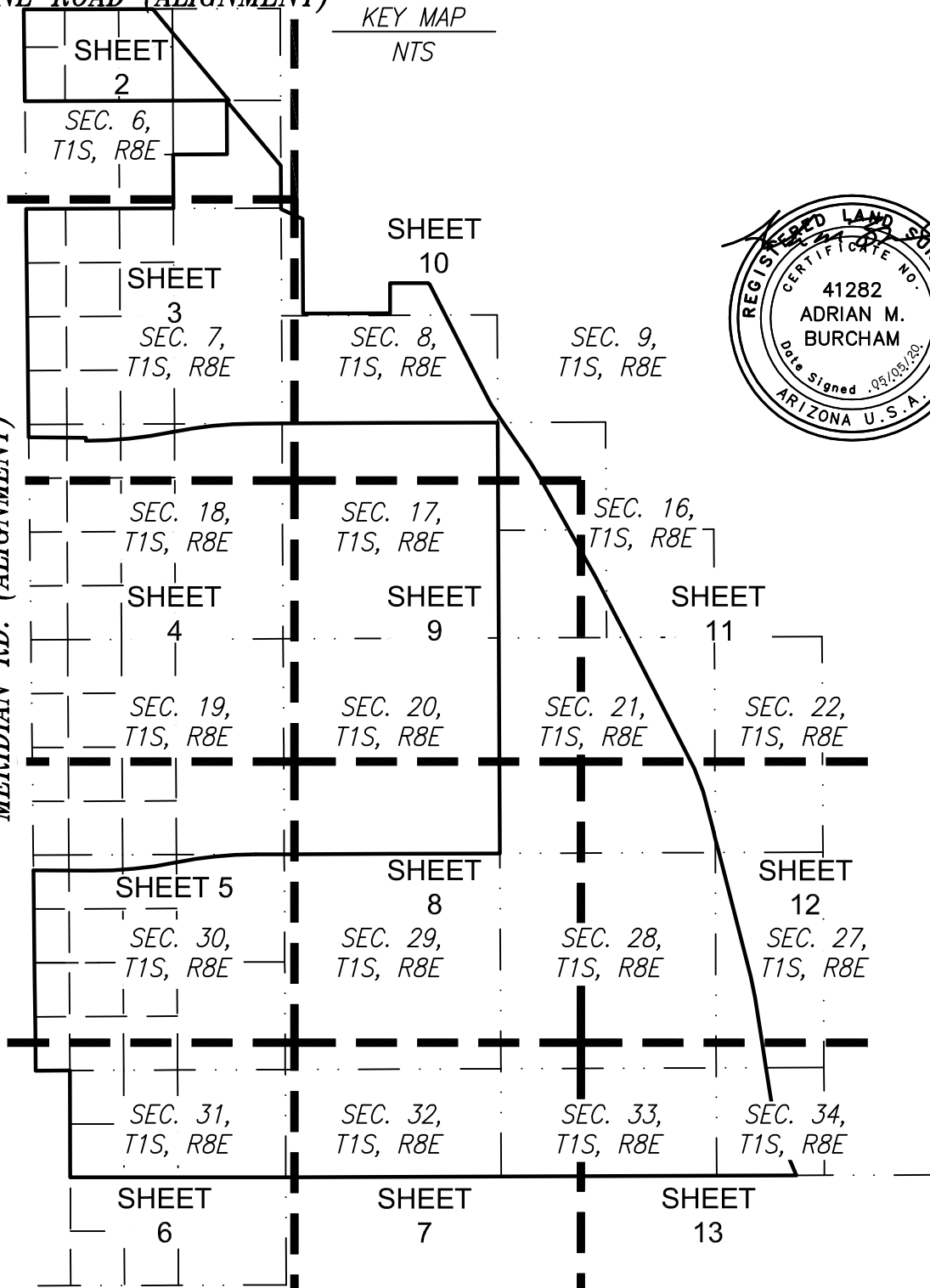
1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

BASELINE ROAD (ALIGNMENT)

KEY MAP
NTS



MERIDIAN RD. (ALIGNMENT)



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

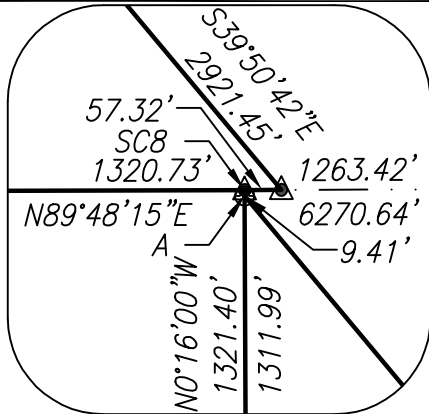
Sht: 1 of 17



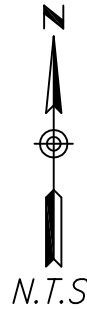
HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

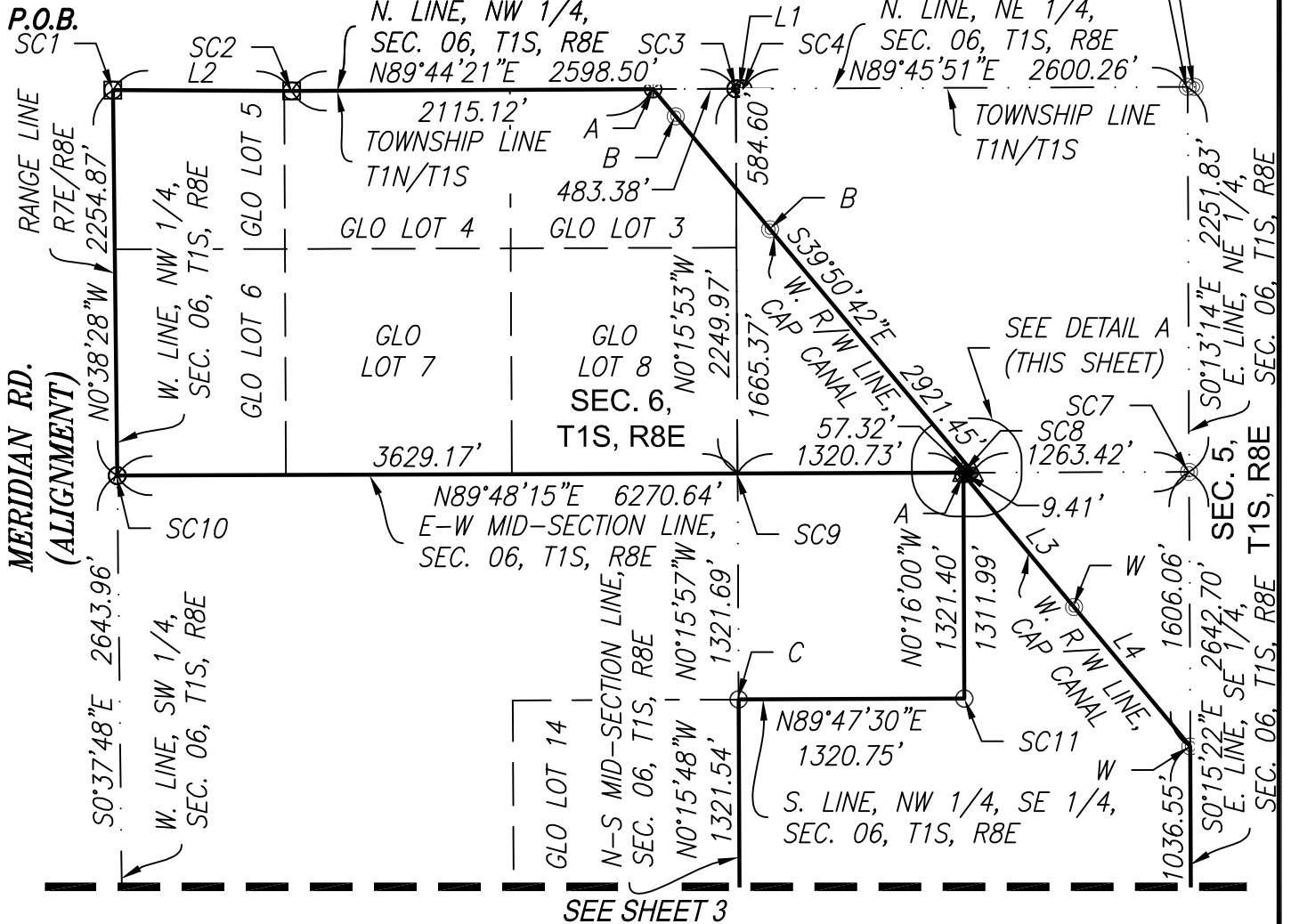


DETAIL A
NTS



SEC. 31,
T1N, R8E

BASELINE RD. (ALIGNMENT)



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

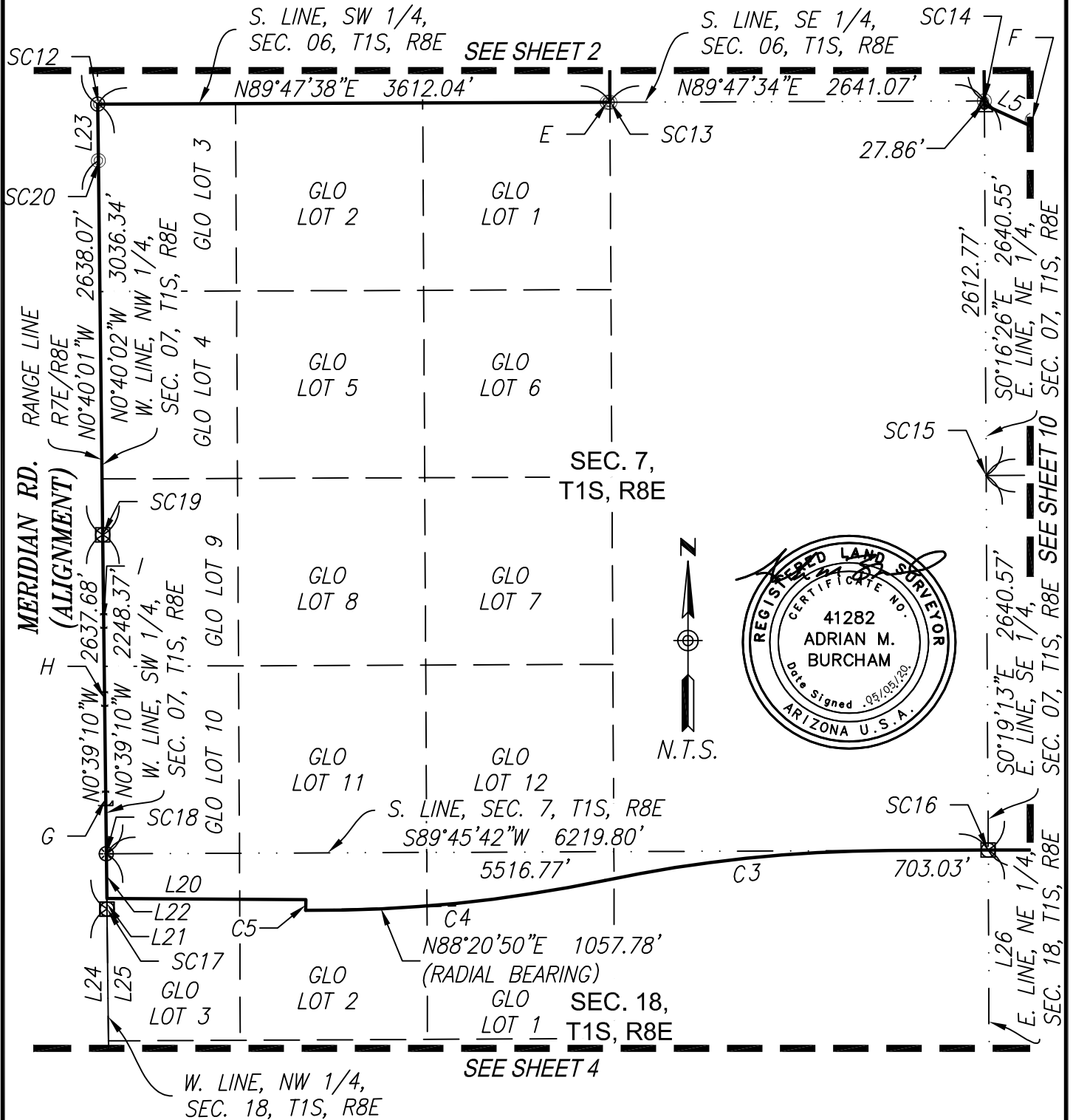
Sht: 2 of 17



HUBBARD ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

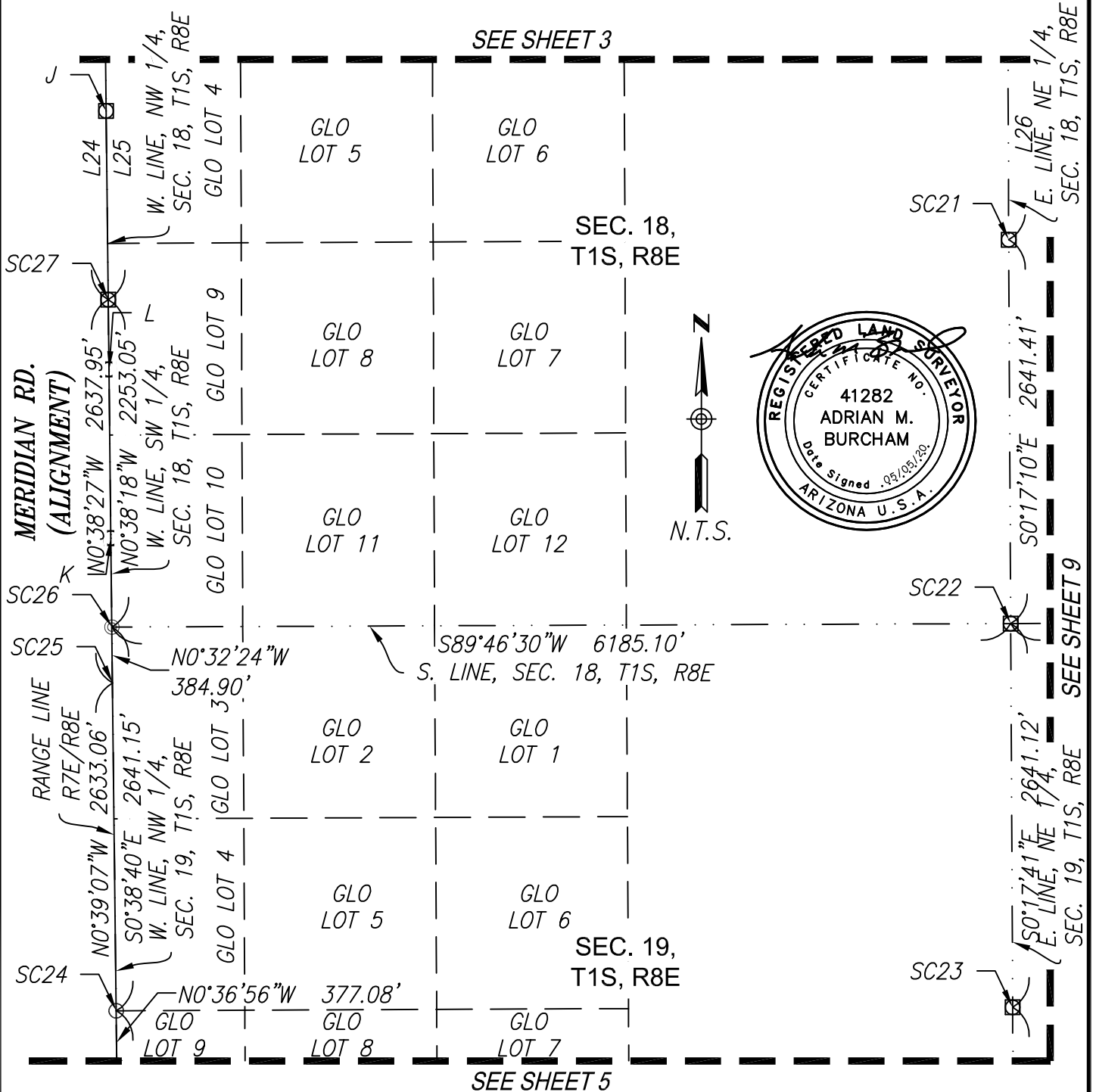
Sht: 3 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

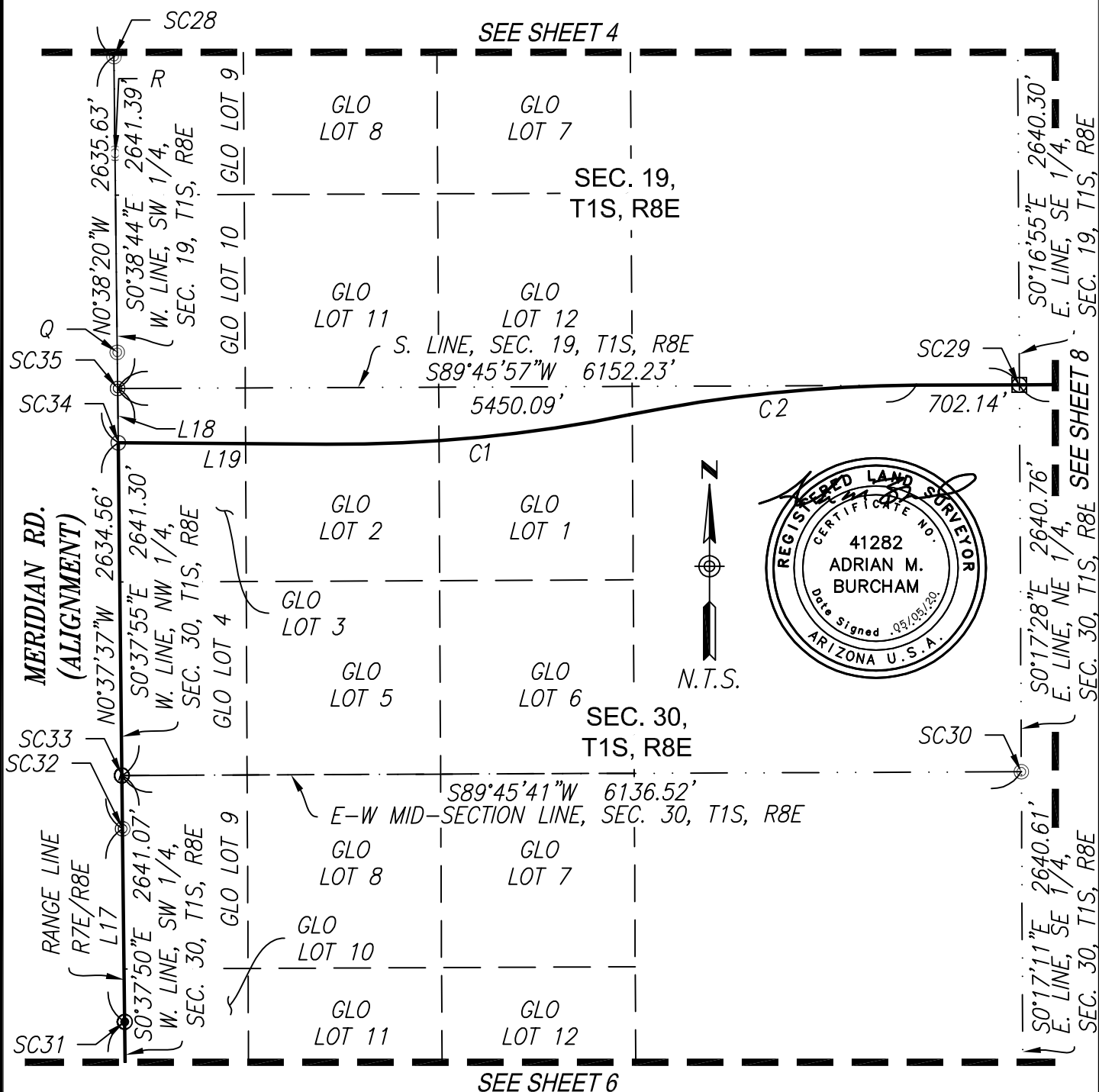
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 4 of 17



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

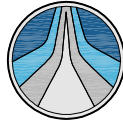
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

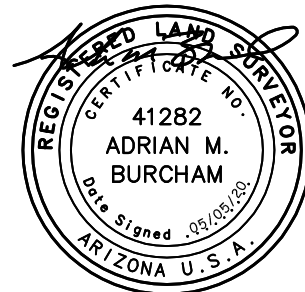
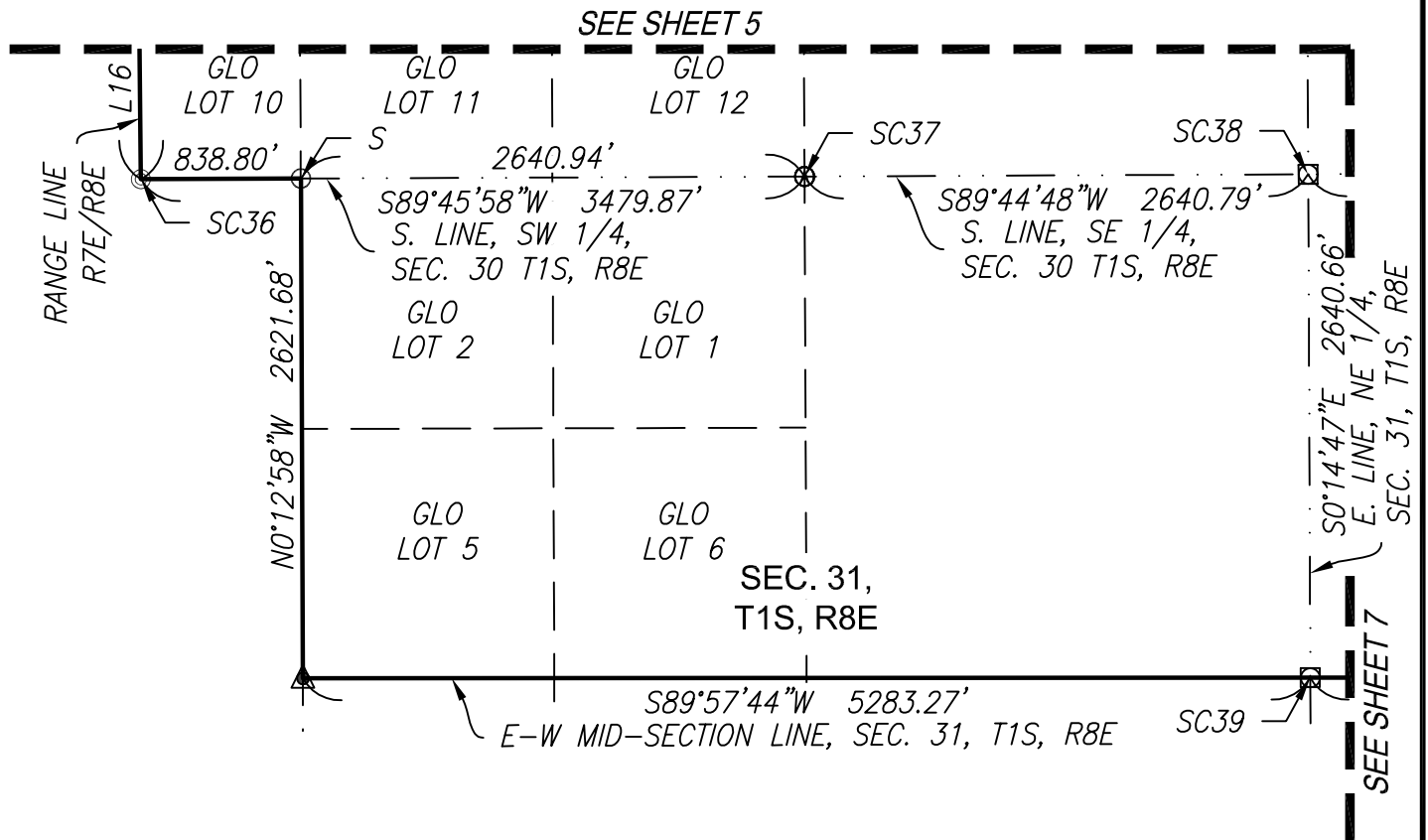
Sht: 5 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

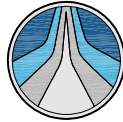
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 6 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

SEE SHEET 8

SEC. 29,
T1S, R8E

SEC. 28,
T1S, R8E

S89°47'14"W 7925.14'
S. LINE, SEC. 29, T1S, R8E

SC40

S89°47'14"W 7925.14'
S. LINE, SW 1/4,
SEC. 28, T1S, R8E

SEC. 32,
T1S, R8E

SEC. 33,
T1S, R8E

E. LINE, NE 1/4,
SEC. 32, T1S, R8E

S89°48'52"W 5284.57'
E-W MID-SECTION LINE, SEC. 32, T1S, R8E

SC41

S89°44'45"W 5282.89'
E-W MID-SECTION LINE,
SEC. 33, T1S, R8E



SEE SHEET 6

SEE SHEET 13

ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 7 of 17



HUBBARD
ENGINEERING
www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

SEE SHEET 9

SEC. 20,
T1S, R8E

SEC. 21,
T1S, R8E

SC42

SC43

S89°48'18"W 2643.70'
S. LINE, SW 1/4,
SEC. 20, T1S, R8E

S89°46'57"W 2643.35'
S. LINE, SE 1/4,
SEC. 20, T1S, R8E

S89°44'48"W 2641.59'
S. LINE, SW 1/4,
SEC. 21, T1S, R8E

S0°15'27"E 2641.55'
E. LINE, SE 1/4,
SEC. 20, T1S, R8E

S0°16'57"E 5280.78'
E. LINE, SEC. 29, T1S, R8E

SEC. 29,
T1S, R8E

SEC. 28,
T1S, R8E



SEE SHEET 7

SEE SHEET 5

SEE SHEET 12

ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 8 of 17

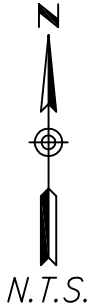


HUBBARD
ENGINEERING

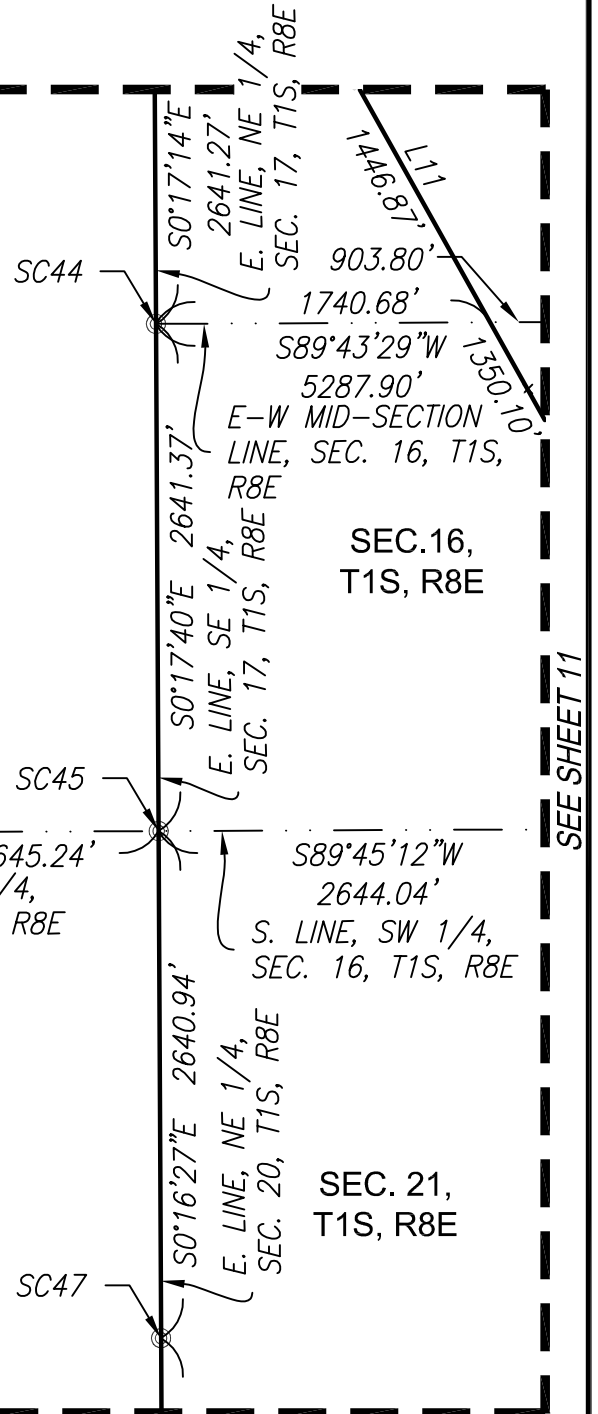
www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

SEE SHEET 10



SEC. 17,
T1S, R8E



SEE SHEET 11

SEE SHEET 8

ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

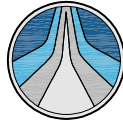
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

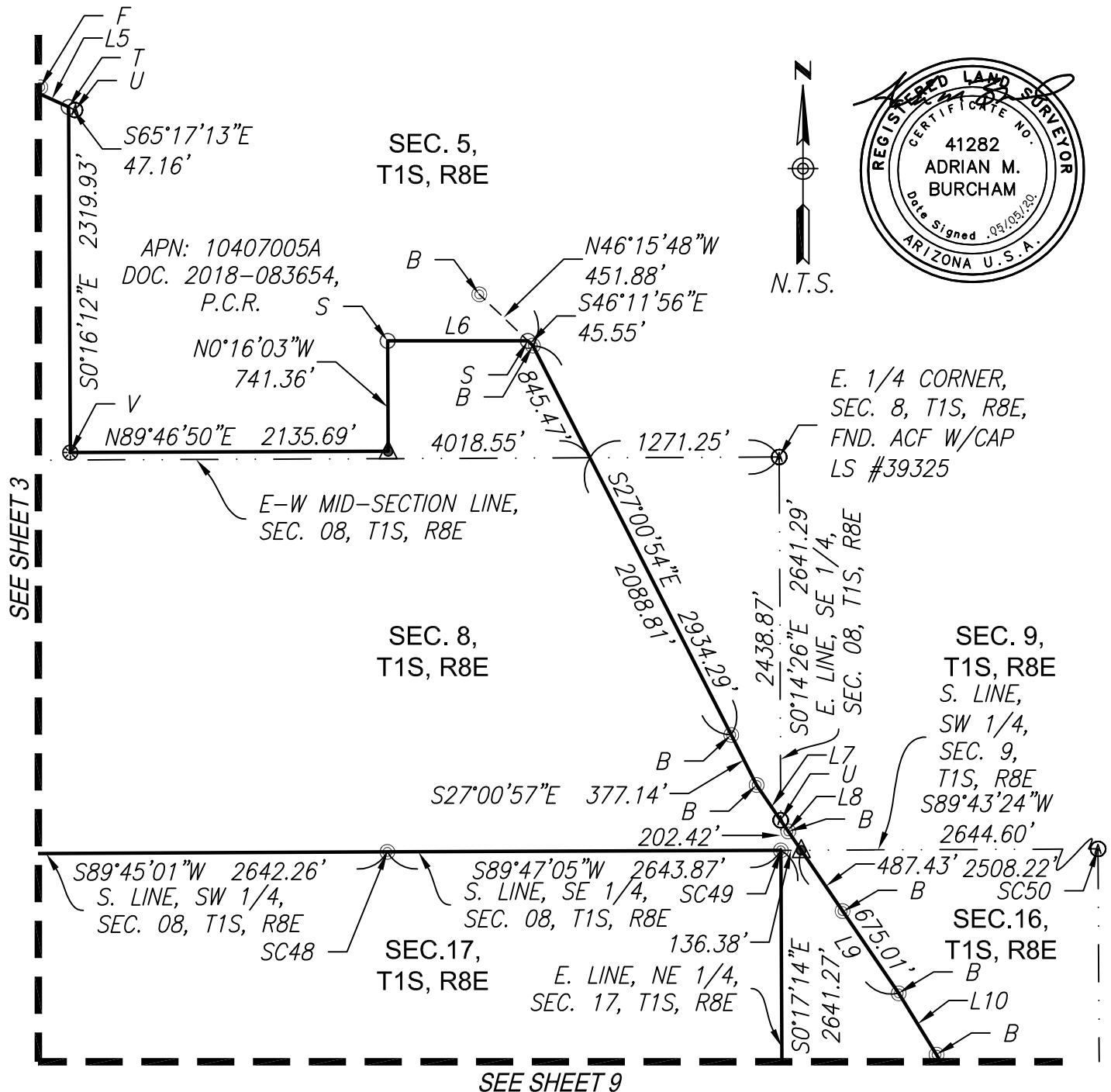
Sht: 9 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

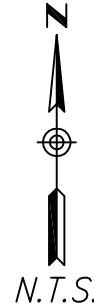
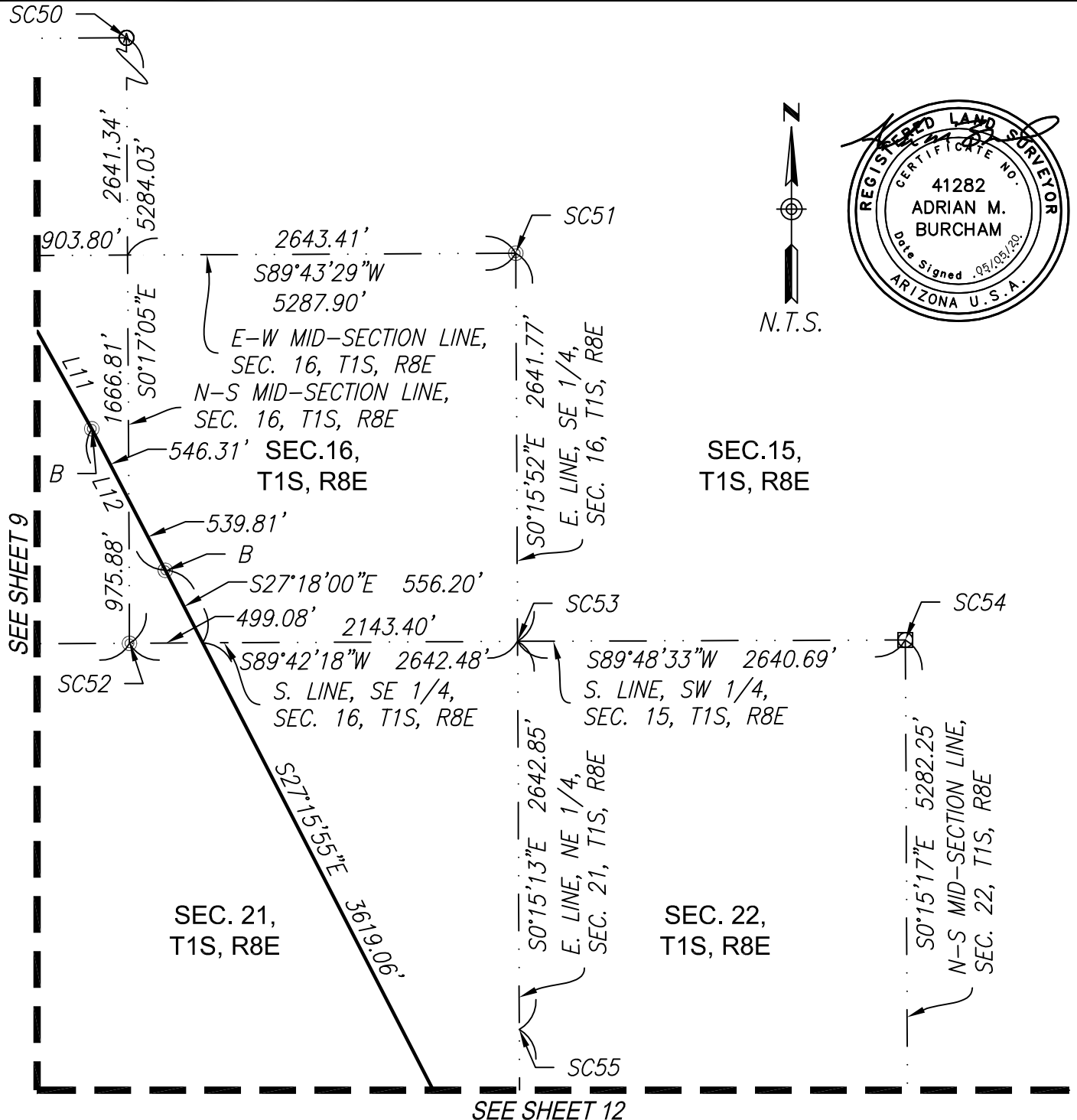
Sht: 10 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

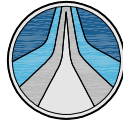
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

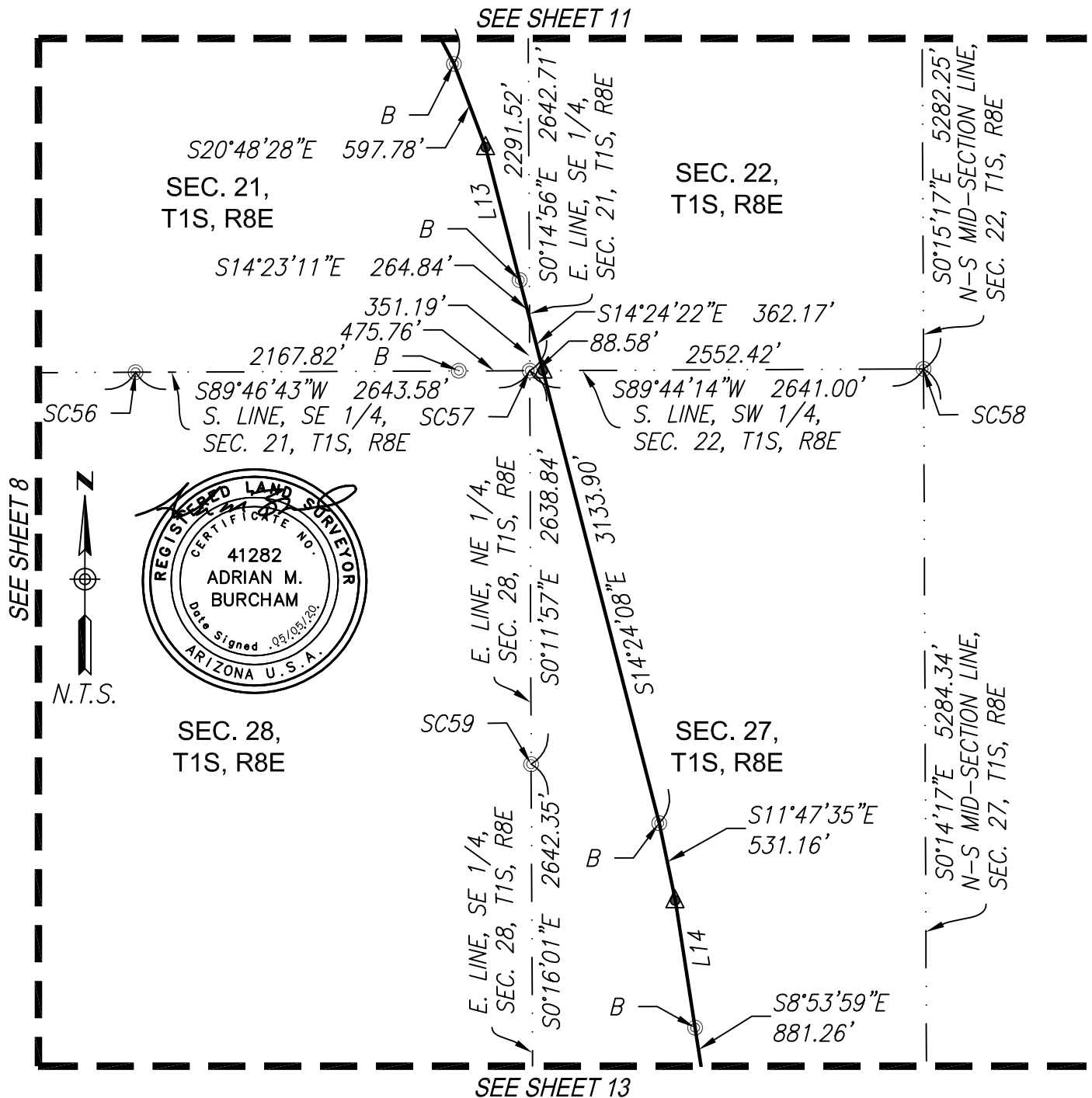
Sht: 11 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

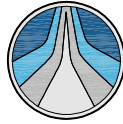
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

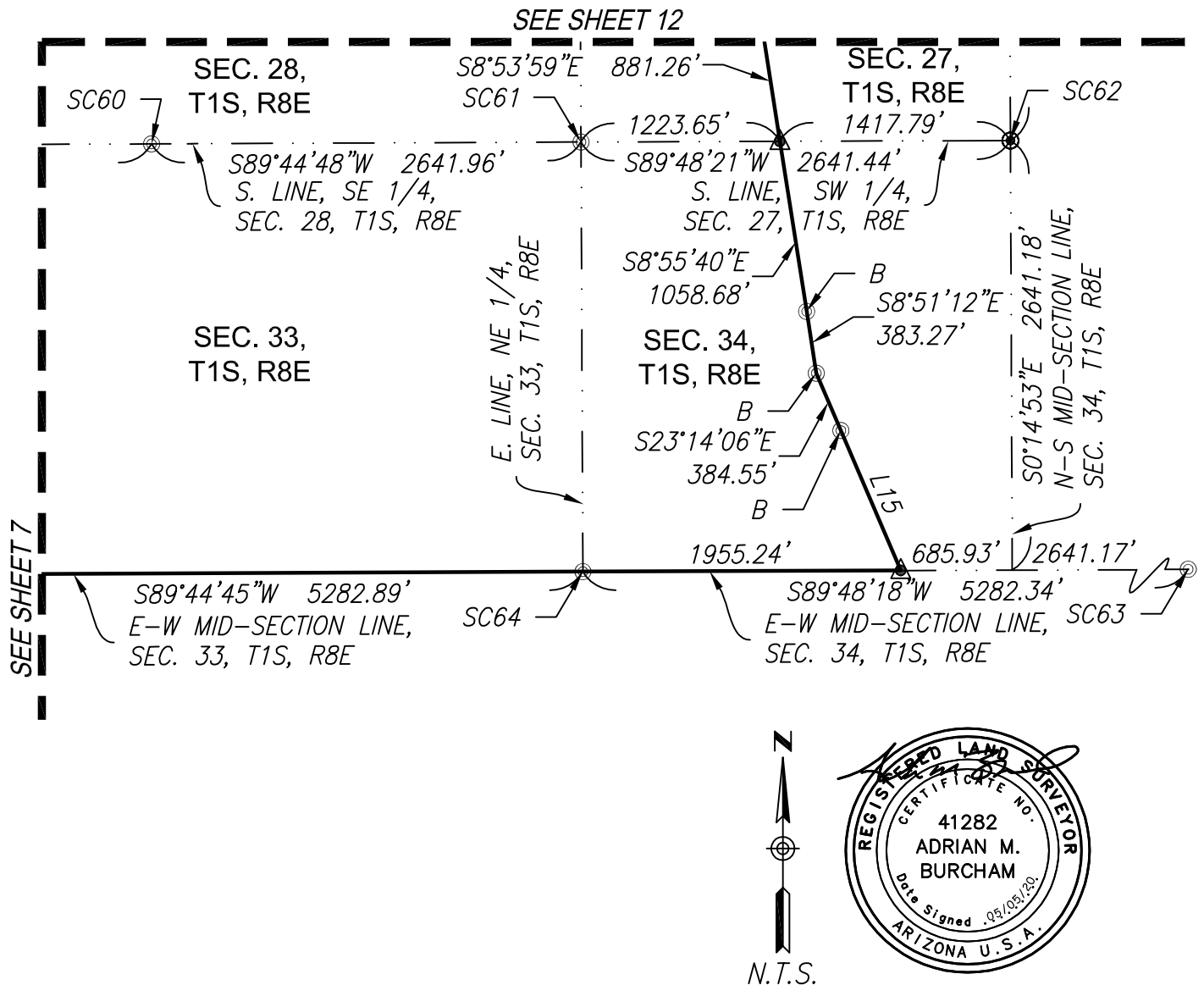
Sht: 12 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 13 of 17



HUBBARD ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

- SC1 = NW CORNER, SEC. 06, T1S, R8E, FND. 3" CITY OF MESA BCHH
SC2 = SW CORNER, SEC. 31, T1N, R8E, FND. 3" CITY OF MESA BCHH
SC3 = N. 1/4 CORNER, SEC. 06, T1S, R8E, FND. IRON PIPE
SC4 = S. 1/4 CORNER, SEC. 31, T1N, R8E, FND. CPS W/TAG LS #16588
SC5 = NE CORNER, SEC. 06, T1S, R8E, FND. BCF
SC6 = SE CORNER, SEC. 31, T1N, R8E, FND. PINAL COUNTY PUBLIC WORKS BCF LS #31021
SC7 = E. 1/4 CORNER, SEC. 06, T1S, R8E, FND. 3.25" PINAL COUNTY HIGHWAY DEPARTMENT BRASS CAP
SC8 = SW CORNER, E. 1/2, S. 1/2, NE 1/4, SEC. 6, T1S, R8E, FND. NOTHING
SC9 = CENTER SECTION, SEC. 06, T1S, R8E, FND. NOTHING
SC10 = W. 1/4 CORNER, SEC. 06, T1S, R8E, FND. 4" ALUMINUM CAP STAMPED LS #39325 2016
SC11 = SE CORNER, NW 1/4, SE 1/4, SEC. 6, T1S, R8E, FND. 1/2 INCH REBAR WITH CAP LS #21773 HEWITT
SC12 = SW CORNER SEC. 06, T1S, R8E, FND. GLO BRASS CAP 1911
SC13 = S. 1/4 CORNER, SEC. 06 T1S, R8E, FND. 4" PINAL COUNTY PUBLIC WORKS BRASS CAP STAMPED LS #31021 2008
SC14 = SE CORNER SEC. 06, T1S, R8E, FND. 4" PINAL COUNTY PUBLIC WORKS BRASS CAP STAMPED LS #31021 2008
SC15 = E. 1/4 CORNER, SEC. 07, T1S, R8E, FND. NOTHING
SC16 = SE CORNER, SEC. 07, T1S R8E, FND. BCHH
SC17 = SE CORNER, SEC. 12, T1S R7E, FND. 3" COM BCHH NO STAMPING
SC18 = SW CORNER, SEC. 07, T1S R8E, FND. PK NAIL W/TAG LS #28237
SC19 = E. 1/4 CORNER, SEC. 12, T1S, R7E, FND. CITY OF MESA BCHH
SC20 = SE CORNER, SEC. 01, T1S, R7E, FND. GLO BRASS CAP 1911
SC21 = E. 1/4 CORNER, SEC. 18, T1S, R8E, FND. BCHH
SC22 = SE CORNER, SEC. 18, T1S R8E, FND. BCHH
SC23 = E. 1/4 CORNER, SEC. 19, T1S, R8E, FND. BCHH
SC24 = W. 1/4 CORNER, SEC. 19, T1S, R8E, FND. 1/2 REBAR NO MARKINGS
SC25 = SE CORNER, SEC. 13, T1S, R7E, FND. NOTHING
SC26 = NW CORNER, SEC. 19, T1S R8E, FND. U.S. GLO BCF 1911
SC27 = E. 1/4 CORNER SEC. 13, T1S, R7E, FND. CITY OF MESA BCHH
SC28 = E. 1/4 CORNER SEC. 24, T1S, R7E, FND. U.S. GLO BRASS CAP 1911
SC29 = SE CORNER, SEC. 19, T1S R8E, FND. BCHH
SC30 = E. 1/4 CORNER, SEC. 30, T1S, R8E, FND. PINAL COUNTY PUBLIC WORKS BRASS CAP LS #31021
SC31 = SE CORNER, SEC. 25, T1S, R7E, FND. 1" IRON PIPE WITH NO MARKINGS
SC32 = E. 1/4 CORNER SEC. 25, T1S, R7E, FND. MARICOPA COUNTY BRASS CAP LS #36563 2002
SC33 = W. 1/4 CORNER, SEC. 30, T1S, R8E, FND. ACF
SC34 = SE CORNER, SEC. 24, T1S, R7E, FND 1/2" REBAR NO MARKING
SC35 = NW CORNER, SEC. 30, T1S, R8E, FND. U.S. GLO BRAS CAP



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

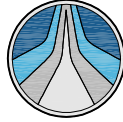
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 14 of 17



HUBBARD ENGINEERING

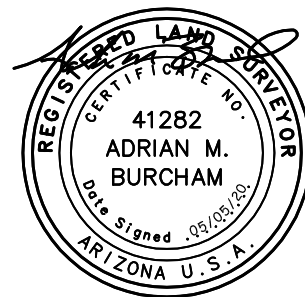
www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

- SC36 = SW CORNER, SEC. 30, T1S, R8E, FND. U.S. GLO BRASS CAP
 SC37 = S. 1/4 CORNER, SEC. 30, T1S, R8E, FND. ACF
 SC38 = SE CORNER, SEC. 30, T1S, R8E, FND. BCHH, CAP BROKEN
 SC39 = E. 1/4 CORNER, SEC. 31, T1S, R8E, FND. BCHH
 SC40 = SE CORNER, SEC. 29, T1S, R8E. FND. NOTHING
 SC41 = E. 1/4 CORNER, SEC. 32, T1S, R8E, FND. GLO BRASS CAP
 SC42 = S. 1/4 CORNER, SEC. 20, T1S, R8E, FND. GLO BRASS CAP
 SC43 = SE CORNER, SEC. 20, T1S, R8E, FND. GLO BRASS CAP
 SC44 = E. 1/4 CORNER, SEC. 17, T1S, R8E, FND. GLO BRASS CAP
 SC45 = SE CORNER, SEC. 17, T1S, R8E, FND. GLO BRASS CAP
 SC46 = S. 1/4 CORNER, SEC. 17, T1S, R8E, FND. GLO BRASS CAP
 SC47 = E. 1/4 CORNER, SEC. 20, T1S, R8E, FND. GLO BRASS CAP
 SC48 = S. 1/4 CORNER, SEC. 8, T1S, R8E, FND. GLO BRASS CAP
 SC49 = SE CORNER, SEC. 8, T1S, R8E, FND. BRASS CAP STAMPED S8/S9/S17/S16 LS #35306
 SC50 = S. 1/4 CORNER, SEC. 9, T1S, R8E, FND. ACF
 SC51 = E. 1/4 CORNER, SEC. 16, T1S, R8E, FND. GLO BRASS CAP
 SC52 = S. 1/4 CORNER, SEC. 16, T1S, R8E, FND. GLO BRASS CAP
 SC53 = SE CORNER, SEC. 16, T1S, R8E. FND. NOTHING
 SC54 = N. 1/4 CORNER, SEC. 22, T1S, R8E, FND. GLO BCHH
 SC55 = E. 1/4 CORNER, SEC. 21, T1S, R8E. FND. NOTHING
 SC56 = S. 1/4 CORNER, SEC. 21, T1S, R8E, FND. GLO BRASS CAP
 SC57 = SE CORNER, SEC. 21, T1S, R8E, FND. U.S. GLO BRASS CAP STAMPED S21/S22/S27/S28
 1914
 SC58 = S. 1/4 CORNER, SEC. 22, T1S, R8E, FND. GLO BRASS CAP
 SC59 = E. 1/4 CORNER, SEC. 28, T1S, R8E, FND. GLO BRASS CAP
 SC60 = N. 1/4 CORNER, SEC. 33, T1S, R8E, FND. GLO BRASS CAP
 SC61 = NE CORNER, SEC. 33, T1S, R8E, FND. U.S. GLO BRASS CAP STAMPED 1914
 SC62 = N. 1/4 CORNER, SEC. 34, T1S, R8E, FND. IRON PIPE NO TAG
 SC63 = E. 1/4 CORNER, SEC. 34, T1S, R8E. FND. U.S. GLO BRASS CAP
 SC64 = E. 1/4 CORNER, SEC. 33, T1S, R8E, FND. U.S. GLO BRASS CAP



N.T.S.



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

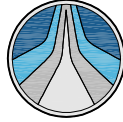
Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 15 of 17



HUBBARD
ENGINEERING

www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

A = FND. PK NAIL W/TAG LS #39325
B = FND. U.S. DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION BRASS CAP
C = FND. 1/2" REBAR W/CAP LS #39325
D = FND. 1/2" REBAR W/TAG LS #21773
E = FND. 4" PINAL COUNTY PUBLIC WORKS BRASS CAP
F = FND. PINAL COUNTY PUBLIC WORKS BRASS CAP LS #31021
G = FND. CITY OF MESA BCHH @ INTERSECTION OF MERIDIAN & PRONGHORN
H = FND. CITY OF MESA BCHH @ INTERSECTION OF MERIDIAN & PETERSON
I = FND. CITY OF MESA BCHH @ INTERSECTION OF MERIDIAN & PRAIRIE
J = FND. CITY OF MESA BCHH @ INTERSECTION OF MERIDIAN & QUINTANA
K = FND. CITY OF MESA BCHH @ INTERSECTION OF MERIDIAN & RENFIELD
L = FND. CITY OF MESA BCHH @ INTERSECTION OF MERIDIAN & REMBRANDT
M = FND. REBAR W/CAP LS #32788
N = FND. PK NAIL NO TAG
O = FND. IRON PIPE NO TAG
P = FND. REBAR W/CAP LS #50620
Q = FND. MCDOT BRASS CAP LS #22782 @ INT. OF MERIDIAN & SABLE
R = FND. MCDOT BRASS CAP LS #22782 @ INT. OF MERIDIAN & SOLINA
S = FND. 1/2" REBAR NO CAP
T = FND. 1/2" REBAR W/CAP LS #32222
U = FND. ACF W/CAP LS #39325
V = FND. PK NAIL W/TAG HEWITT LS #21773
W = FND. BRASS CAP FLUSH STAMPED CAP ROW LS #39325



ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 16 of 17



HUBBARD
ENGINEERING
www.hubbardengineering.com

1201 S. Alma School Rd.
Suite 12000
Mesa, AZ 85210
Ph: 480.892.3313

LINE TABLE

LINE #	BEARING	LENGTH
L1	N89°44'21"E	42.94'
L2	S89°46'09"E	1045.52'
L3	S39°49'39"E	1011.54'
L4	S39°49'37"E	1061.71'
L5	S65°30'54"E	580.79'
L6	N89°59'55"E	942.39'
L7	S34°17'35"E	286.43'
L8	S34°13'21"E	244.01'
L9	S34°18'10"E	1162.61'
L10	S31°47'01"E	483.62'
L11	S29°16'41"E	2796.96'
L12	S27°26'50"E	1086.12'
L13	S14°24'38"E	919.93'



LINE TABLE

LINE #	BEARING	LENGTH
L14	S8°49'30"E	861.60'
L15	S23°09'55"E	936.25'
L16	N0°36'36"W	959.66'
L17	N0°39'04"W	1317.10'
L18	N0°38'44"W	371.05'
L19	S89°35'53"E	1419.06'
L20	N89°37'16"W	1403.26'
L21	S0°39'10"E	75.01'
L22	N0°39'10"W	314.31'
L23	N0°37'47"W	398.28'
L24	N0°37'35"W	2637.63'
L25	N0°37'56"W	3026.95'
L26	S0°13'49"E	2639.89'

CURVE TABLE

CURVE #	DELTA	RADIUS	LENGTH	CHORD
C1	11°55'54"	10000.00'	2082.47'	S84°26'10"W 2078.71
C2	11°17'44"	10000.00'	1971.47'	S84°07'05"W 1968.28
C3	11°33'00"	10000.00'	2015.84'	S83°59'13"W 2012.43
C4	12°10'01"	10000.00'	2123.54'	S84°17'43"W 2119.55
C5	4°03'48"	1057.78'	75.02'	N00°22'44"E 75.00

ASLD 8500
RETAINED PARCEL BOUNDARY
EXHIBIT "A-2"
Pinal County, Arizona

Project No.
19123

Date
05/05/20

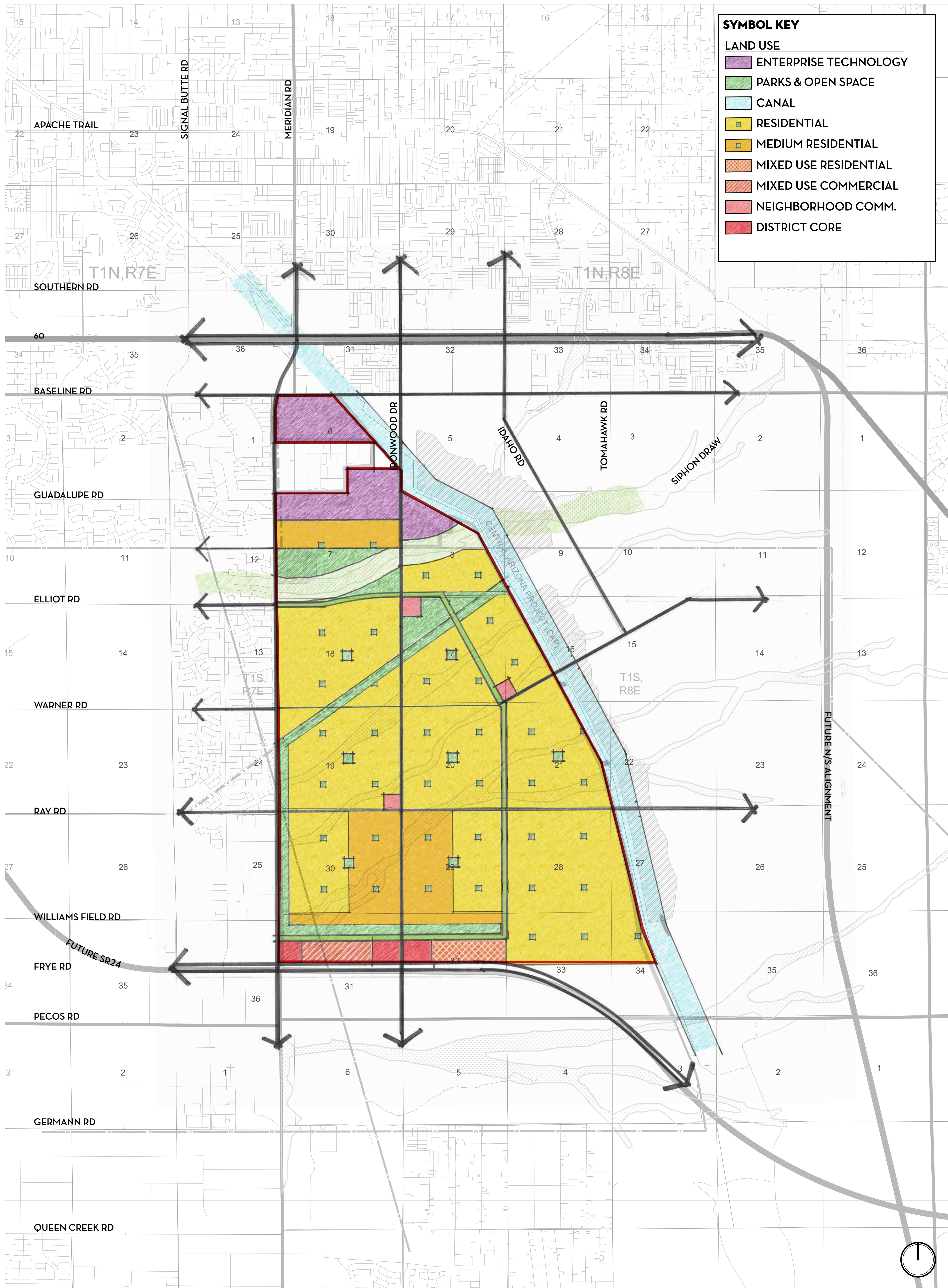
Project Manager
ADRIAN BURCHAM

Project Eng.

Sht: 17 of 17

Exhibit A-3

Map showing Master Property



SYMBOL KEY

LAND USE

- ENTERPRISE TECHNOLOGY
- PARKS & OPEN SPACE
- CANAL
- RESIDENTIAL
- MEDIUM RESIDENTIAL
- MIXED USE RESIDENTIAL
- MIXED USE COMMERCIAL
- NEIGHBORHOOD COMM.
- DISTRICT CORE



ASLD 8500
MAP SHOWING MASTER PROPERTY
EXHIBIT A-3

0' 1000' 2000' 4000' 6000'
scale: 1" = 2,000'

Exhibit B-1

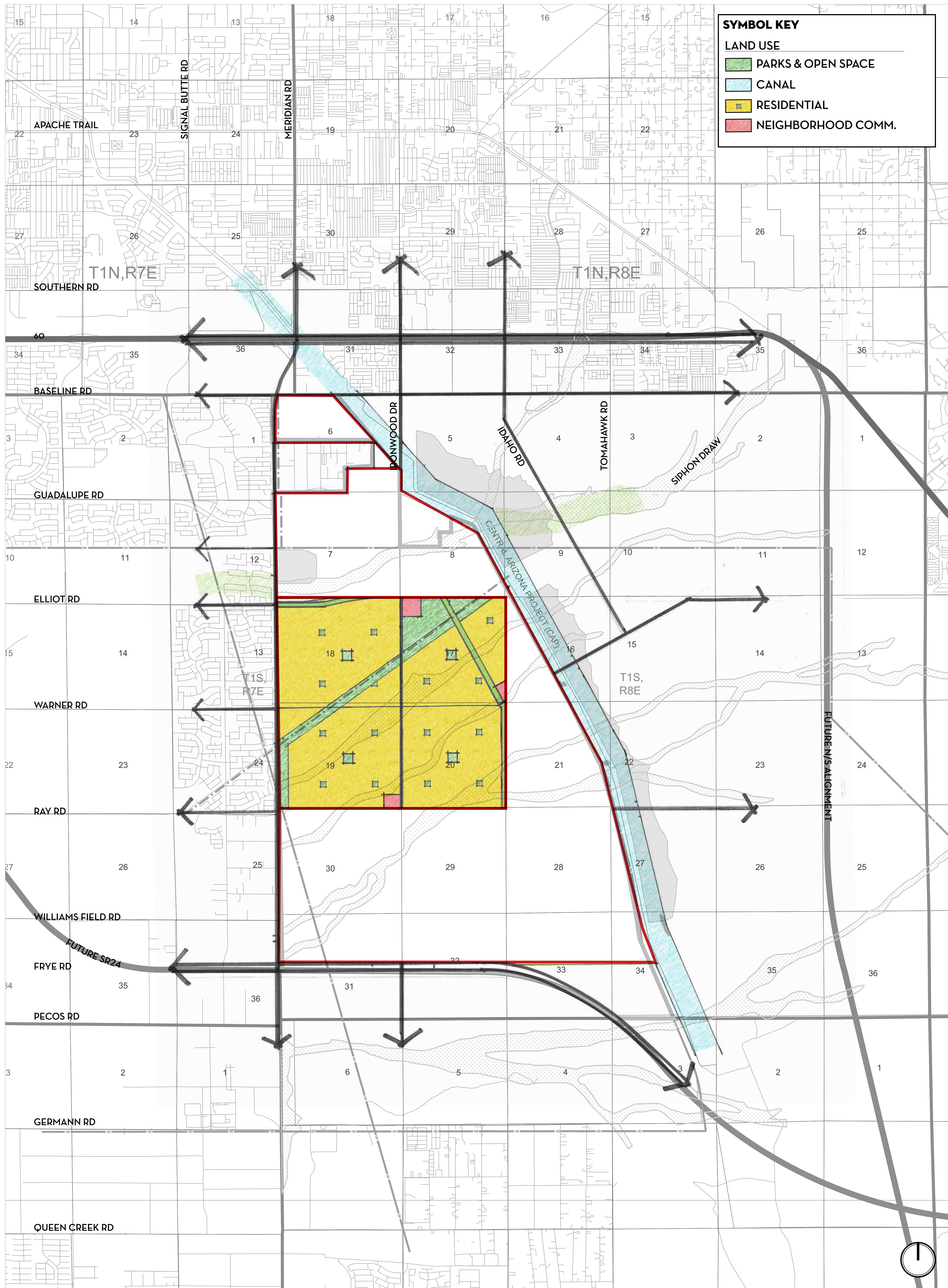
Intentionally Deleted

Exhibit B-2

Intentionally Deleted

Exhibit C-1

Land Use Plan for Auction Property

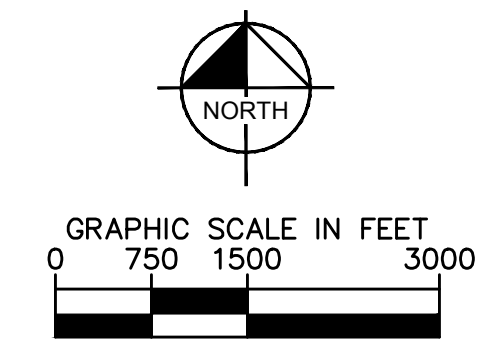


ASLD 8500
LAND USE PLAN FOR AUCTION PROPERTY
EXHIBIT C-1



Exhibit C-2

Master Backbone Infrastructure Plan for Auction Property



LEGEND

- OVERALL PLANNING AREA (8,500± ACRES)
- INITIAL ACTION AREA (2,785± ACRES)
- SECTION 1
- APACHE JUNCTION WATER DISTRICT CAP SURFACE WATER TREATMENT FACILITY (2MGD CAPACITY, UPGRADEABLE TO 10MGD)
- APACHE JUNCTION WATER DISTRICT PUBLIC WORKS STORAGE TANK SITE (2MGD STORAGE, UPGRADEABLE)
- APACHE JUNCTION WATER DISTRICT WELL SITE
- APACHE JUNCTION – MESA INTERCONNECT (5MGD ALLOCATION)
- GROUNDWATER RECOVERY WELL. REQUIRES TRANSMISSION TO WATER TREATMENT FACILITY. (~1.4 MGD)
- INITIAL AUCTION AREA: 1 WELL SITES
- PROPOSED WATER STORAGE TANKS.
- INITIAL AUCTION AREA: 5M GALLONS STORAGE.

PROP. WATER PIPE

- 16-INCH
- 24-INCH
- 30-INCH
- 36-INCH
- 42-INCH
- CAP SURFACE WATER TO STORAGE
- 24" TRANSMISSION LINE

NOTE:
EXHIBIT IS FOR CONCEPTUAL PURPOSES ONLY AND IS DEPENDENT ON DETAILED SITE PLANNING, ENGINEERING, ALTA SURVEY AND CITY REVIEWS/APPROVALS.

PRELIMINARY:

NOT FOR CONSTRUCTION AND
SUBJECT TO ENGINEERING AND
CITY REVIEW AND APPROVAL

EXHIBIT C-2(A): MASTER BACKBONE INFRASTRUCTURE PLAN FOR AUCTION PROPERTY (WATER)

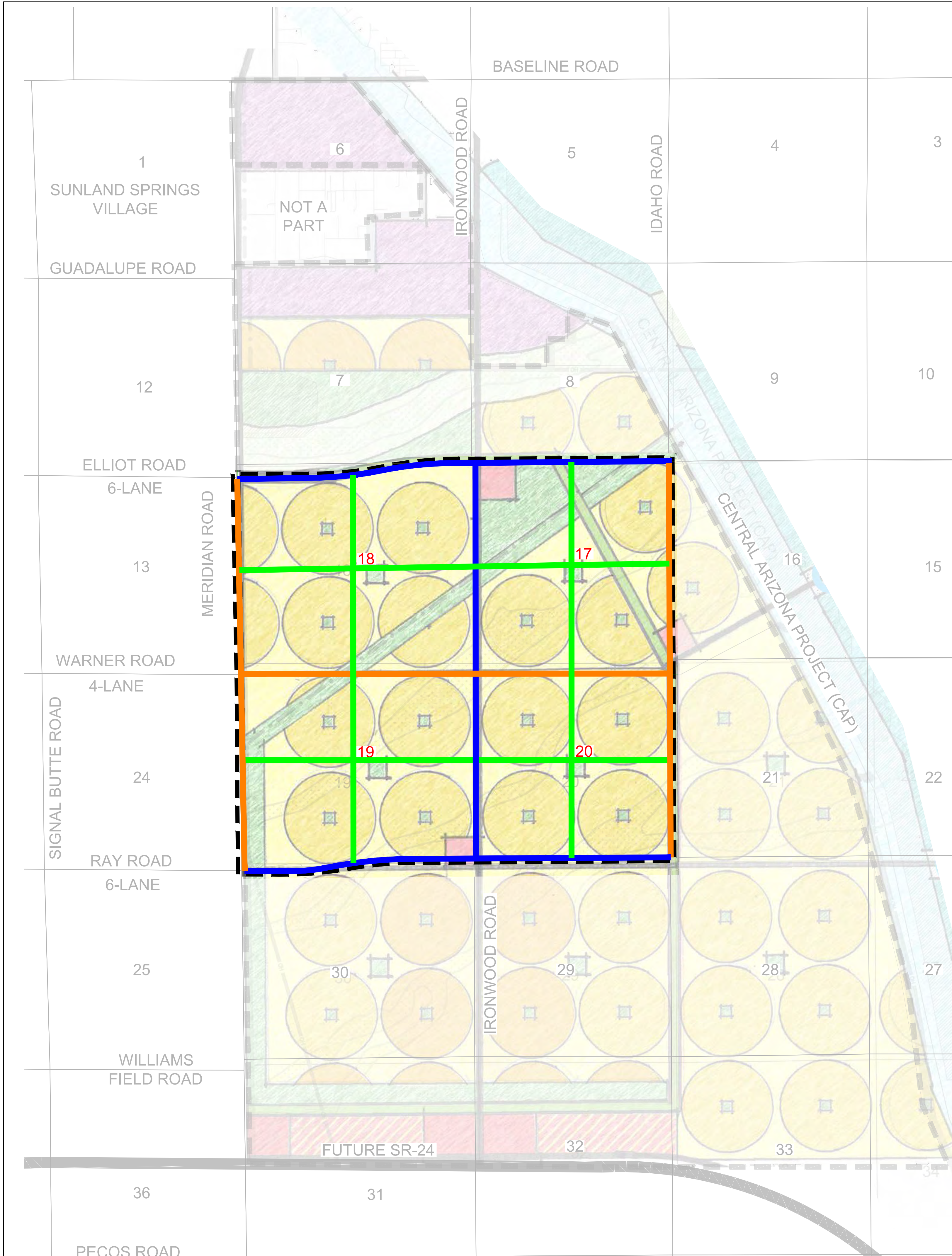
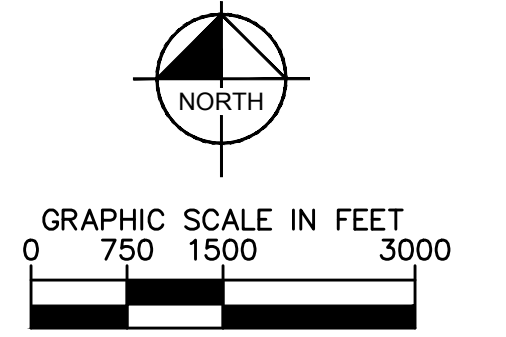


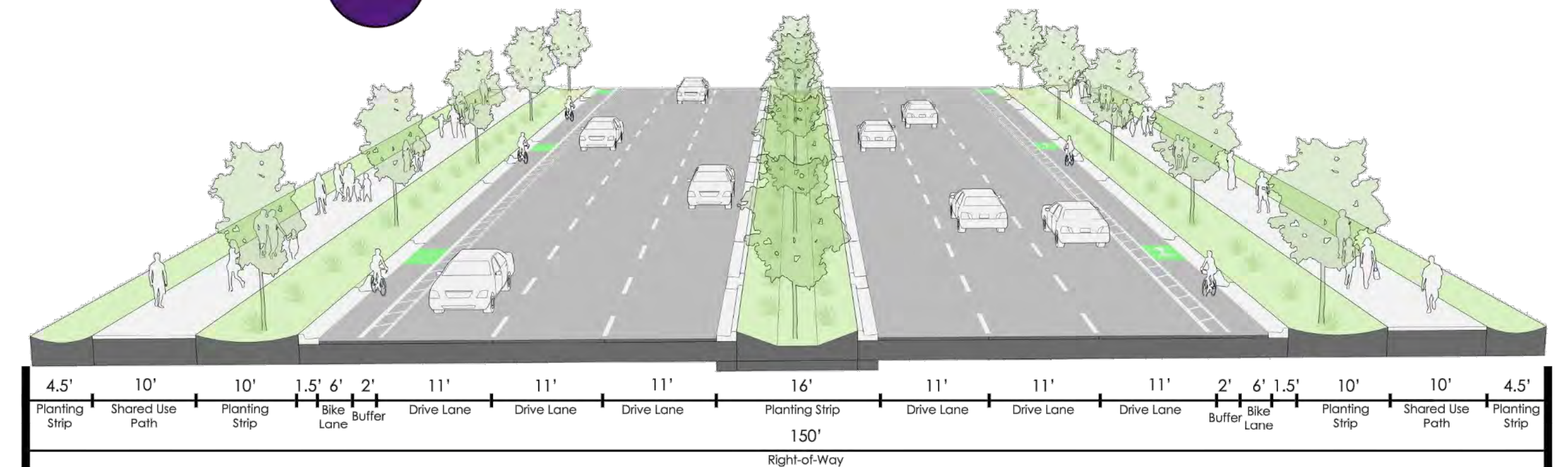
EXHIBIT C-2(C): MASTER BACKBONE INFRASTRUCTURE PLAN FOR AUCTION PROPERTY (ROADWAY)

LEGEND

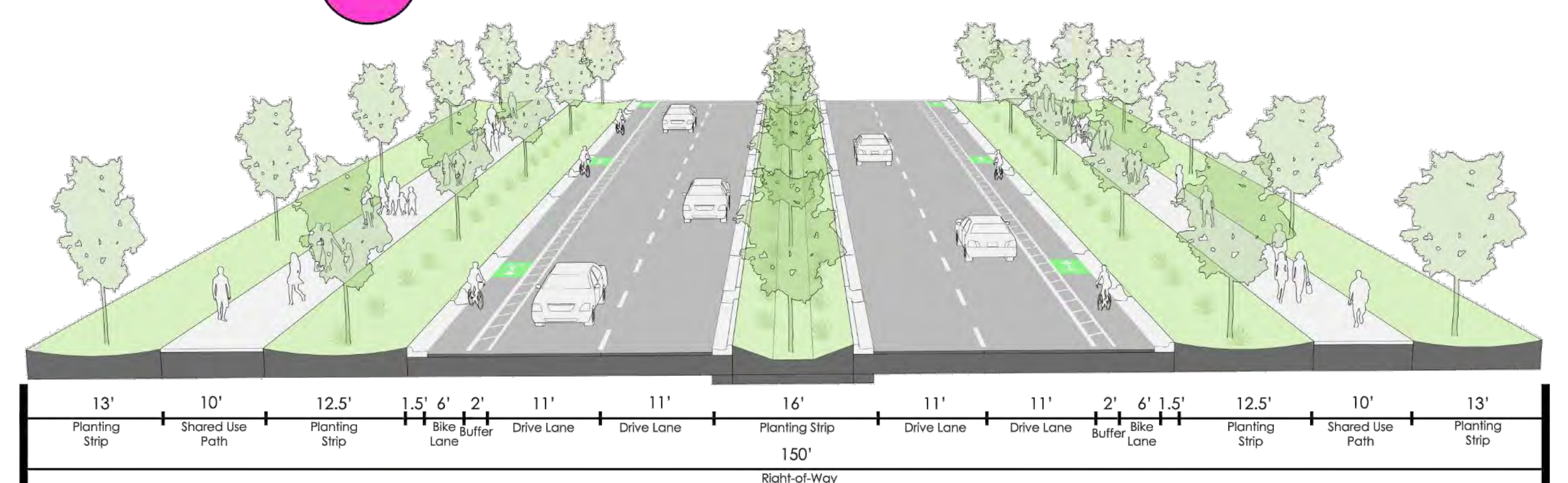
- OVERALL PLANNING AREA (8,500± ACRES)
- INITIAL ACTION AREA
- SECTION
- 6-LANE SECTION LINE ARTERIAL
- 4-LANE SECTION LINE ARTERIAL
- COLLECTOR STREET



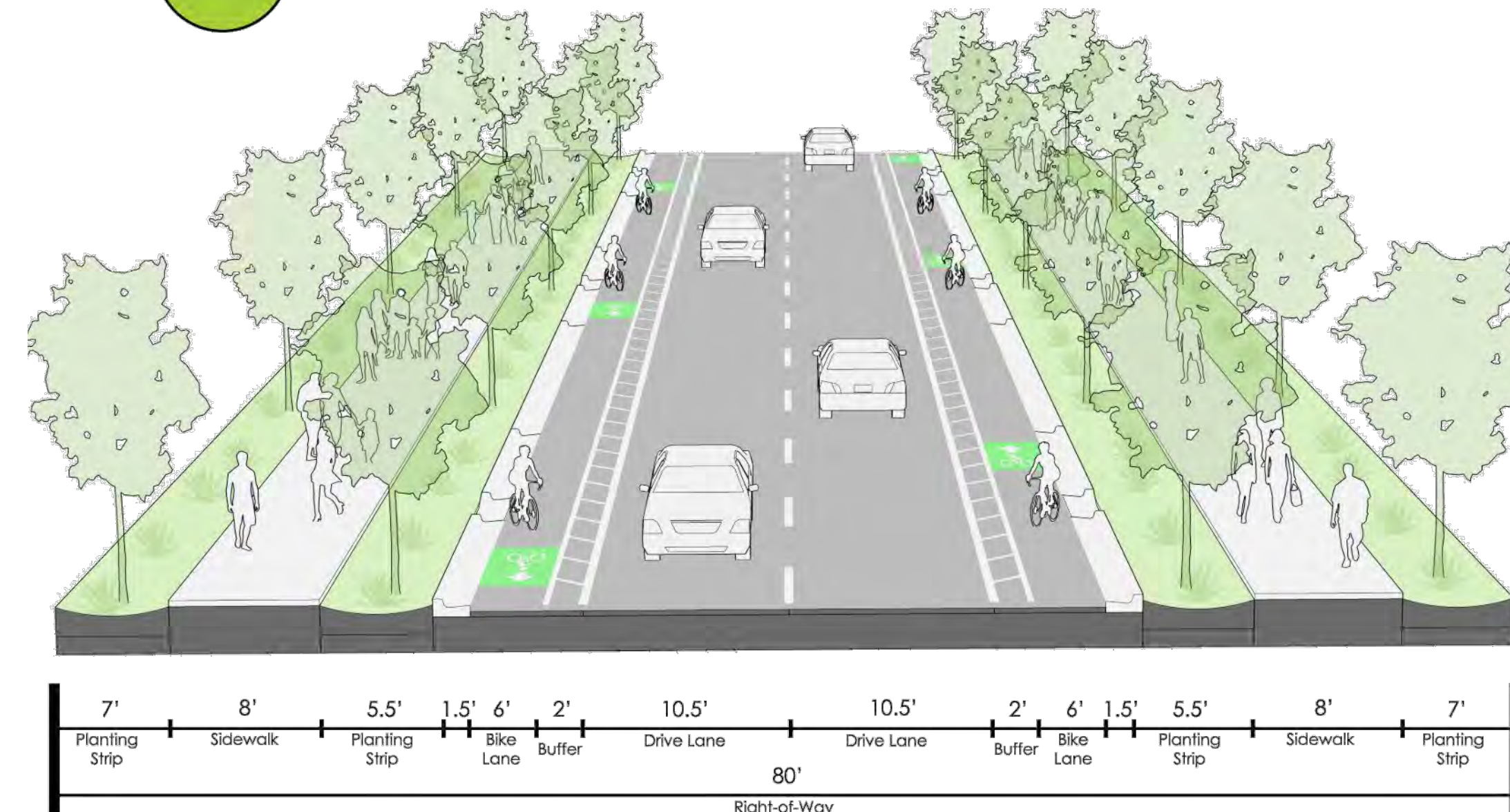
LDH - Principal Arterial 6 Lane (150' ROW)



LDH - Principal Arterial 4 Lane (150' ROW)



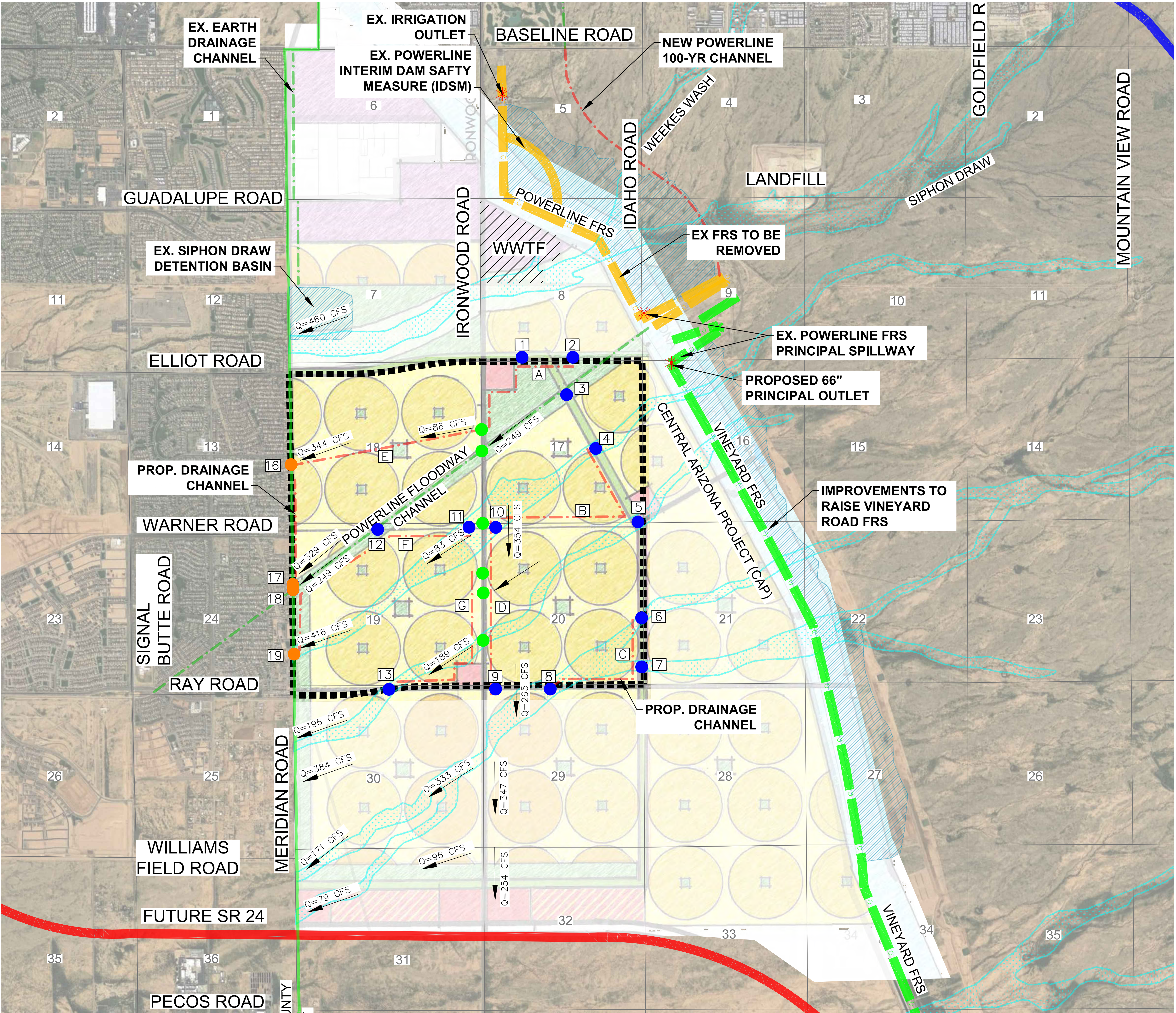
LDH - Collector without Parking (80' ROW)



- NOTES:
- ROADWAY SECTIONS ARE CONCEPTUAL BASED ON THE CITY OF APACHE JUNCTION'S ACTIVE TRANSPORTATION PLAN AND ARE SUBJECT TO REVIEW AND APPROVAL BY THE CITY OF APACHE JUNCTION AND SUBJECT TO CHANGE. ANTICIPATED SECTION ROADWAY IMPROVEMENTS INCLUDE 2 MILES OF LDH-PRINCIPAL 6-LANE ARTERIAL (150' ROW), 2 MILES OF LDH-PRINCIPAL 4-LANE ARTERIAL (150' ROW), AND 2 MILES OF LDH COLLECTOR WITHOUT PARKING (80' ROW).
 - ROADWAY IMPROVEMENTS INCLUDE ALL PAVEMENT/SUBGRADE, CURB & GUTTER, STORM-DRAIN AND STORMWATER SYSTEMS, MEDIANS, SIDEWALKS, LANDSCAPING, DRY AND WET UTILITIES, AND STREET LIGHTING PER CITY OF APACHE JUNCTION STANDARDS. SUBJECT TO REVIEW & APPROVAL BY CITY OF APACHE JUNCTION.

PRELIMINARY:

NOT FOR CONSTRUCTION AND SUBJECT TO ENGINEERING AND CITY REVIEW AND APPROVAL



LEGEND

- COUNTY LINE
- EXISTING HIGHWAY
- FUTURE HIGHWAY
- AUCTION PARCEL
- EXISTING DRAINAGE CHANNEL
- PROPOSED DRAINAGE CHANNEL
- EXISTING DRAINAGE FRS (FLOOD RETARDING STRUCTURE)
- EXISTING DRAINAGE FRS TO BE REMOVED
- FIMA FLOOD HAZARD AREA ZONE A
- AREAS WITH POTENTIAL PONDING PER PINAL COUNTY ADMP
- SECTION
- EXISTING CROSSING, CULVERT AT ULTIMATE ROADWAY WIDTH.
- EXISTING CROSSING, CULVERT REQUIRED IMPROVEMENTS
- EXISTING CROSSING, NO CULVERT. IMPROVEMENTS REQUIRED.
- PROPOSED CROSSING, CULVERT IMPROVEMENTS REQUIRED.
- PROPOSED CHANNEL ID
- PROPOSED CULVERT ID

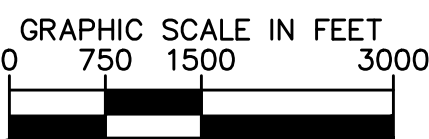
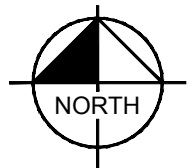
NOTE:
1. EXHIBIT IS FOR CONCEPTUAL PURPOSES ONLY AND IS DEPENDENT ON DETAILED SITE PLANNING, ENGINEERING, ALTA SURVEY AND CITY REVIEWS/APPROVALS
2. FLOWS PER EAST MESA AREA DRAINAGE MASTER PLAN, 100-YR 6-HOUR HEC-1 ANALYSIS.
3. ADDITIONAL CULVERT OR DRAINAGE IMPROVEMENTS MAY BE REQUIRED IN ADDITION TO WHAT IS CONCEPTUALLY SHOWN. DRAINAGE IMPROVEMENTS ARE SUBJECT TO ENGINEERING, CITY REVIEW, AND APPROVAL.

Estimated Culvert Sizing					
ID ¹	RCBC/RCPC ⁴	Adjacent Road	Size ² [ft]	100-yr, 6-hr Flow [cfs]	Length [ft]
1	RCPC	Elliot Road	2-36"	90	80
2	RCPC	Elliot Road	2-36"	90	80
3	RCBC	Idaho Road	8'x4'	249	160
4	RCBC	Idaho Road	8'x4'	219	160
5	RCPC	Idaho Road	2-36"	132	80
6	RCBC	Idaho Road	8'x4'	167	80
7	RCPC	Idaho Road	2-36"	133	80
8	RCBC	Ray Road	2-8'x4'	434	80
9	RCBC	Ray Road	8'x4'	265	80
10	RCBC	Warner Road	2-6'x4'	354	160
11	RCPC	Warner Road	2-36"	83	160
12	RCBC	Warner Road	8'x4'	249	160
13	RCBC	Ray Road	6'x4'	189	80
16	RCBC	Meridian Road	2-6'x4'	344	80
17	RCBC	Meridian Road	2-6'x4'	329	80
18	RCBC	Meridian Road	8'x4'	249	80
19	RCBC	Meridian Road	2-8'x4'	416	80

1. "Orange" Culverts are proposed culvert expansions. The existing culvert sizes are unknown. Sizing for these culverts were determined based on the 100-yr, 6-hr flow.
2. Assumes that any flows less than 135 cfs, will use 2-36" RCPCs.

Estimated Channel Sizing					
ID	Channel Type	Adjacent Roadway ²	Bottom Width ¹ [ft]	100-yr, 6-hr Flow [cfs]	Length [ft]
A	Earthen Trapezoidal - 1	Elliot Road	10	180	4,701
B	Earthen Trapezoidal - 2	Idaho Road	15	351	6,134
C	Earthen Trapezoidal - 3	Idaho Road	20	434	4,624
D	Earthen Trapezoidal - 2	Warner Road	15	354	5,612
E	Earthen Trapezoidal - 2	Elliot Road or Meridian Road	15	344	6,262
F	Earthen Trapezoidal - 3	Warner Road	20	416	7,915
G	Earthen Trapezoidal - 1	Ray Road	10	189	5,919

1. Note all channels are earthen channels with 4:1 side slopes and have 0.1% longitude slopes
2. Assumes the channel improvements will be constructed along with the proposed upstream or downstream roadway improvements to allow for connectivity.
3. Channel cost is based on the assumptions that 60% of the channel will be landscape rock, 30% will be turf, and 10% will be RipRap for erosion protection and drop structures.



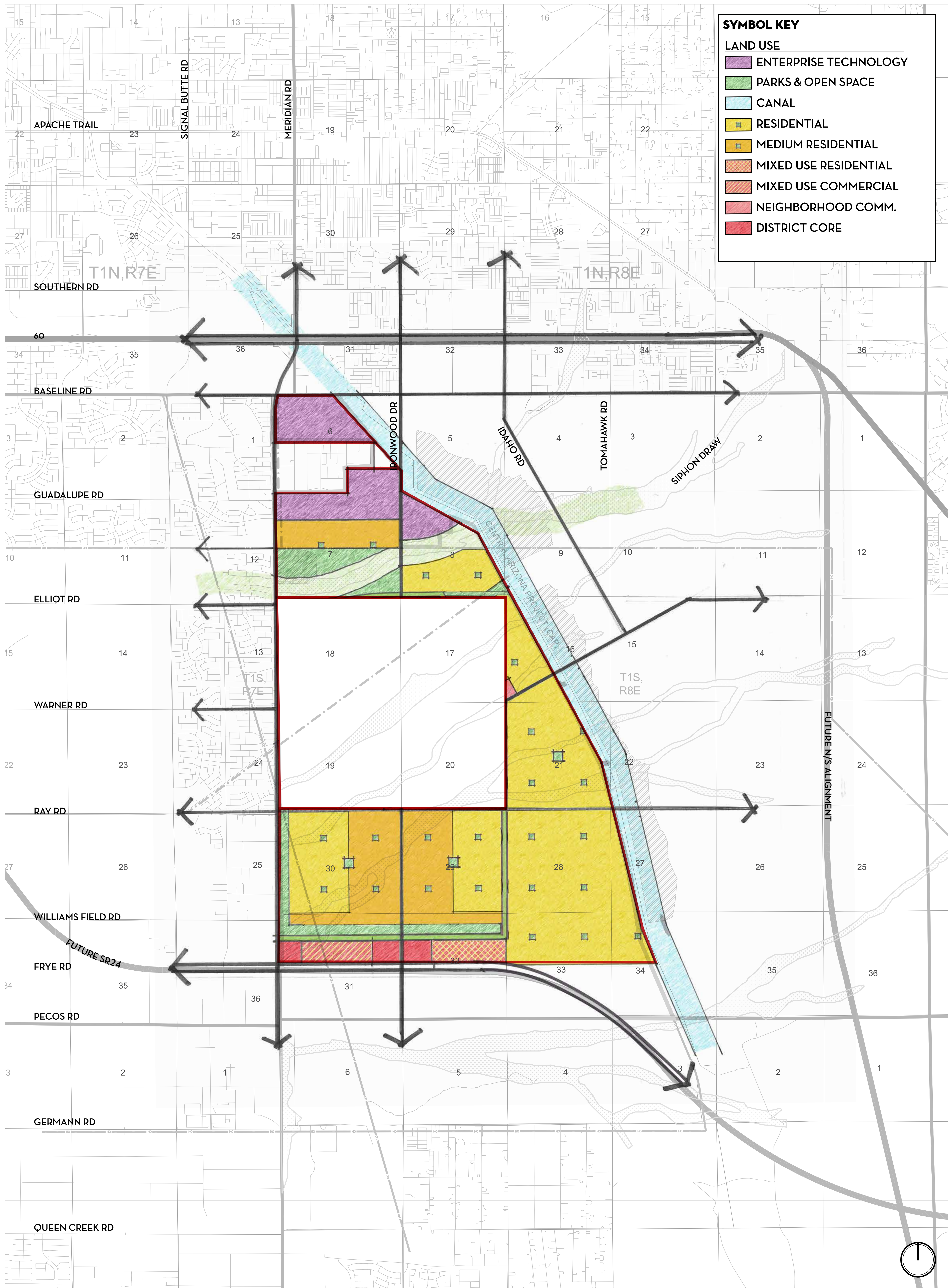
PRELIMINARY:

NOT FOR CONSTRUCTION AND
SUBJECT TO ENGINEERING AND
CITY REVIEW AND APPROVAL

EXHIBIT C-2(D): MASTER BACKBONE INFRASTRUCTURE PLAN FOR AUCTION PROPERTY (DRAINAGE)

Exhibit D-1

Land Use Plan for Retained Property



SYMBOL KEY

LAND USE

- ENTERPRISE TECHNOLOGY
- PARKS & OPEN SPACE
- CANAL
- RESIDENTIAL
- MEDIUM RESIDENTIAL
- MIXED USE RESIDENTIAL
- MIXED USE COMMERCIAL
- NEIGHBORHOOD COMM.
- DISTRICT CORE

ASLD 8500
LAND USE PLAN FOR RETAINED PROPERTY
EXHIBIT D-1



0' 1000' 2000' 4000' 6000'
scale: 1" = 2,000'

Exhibit D-2

Master Backbone Infrastructure Plan for Retained Property

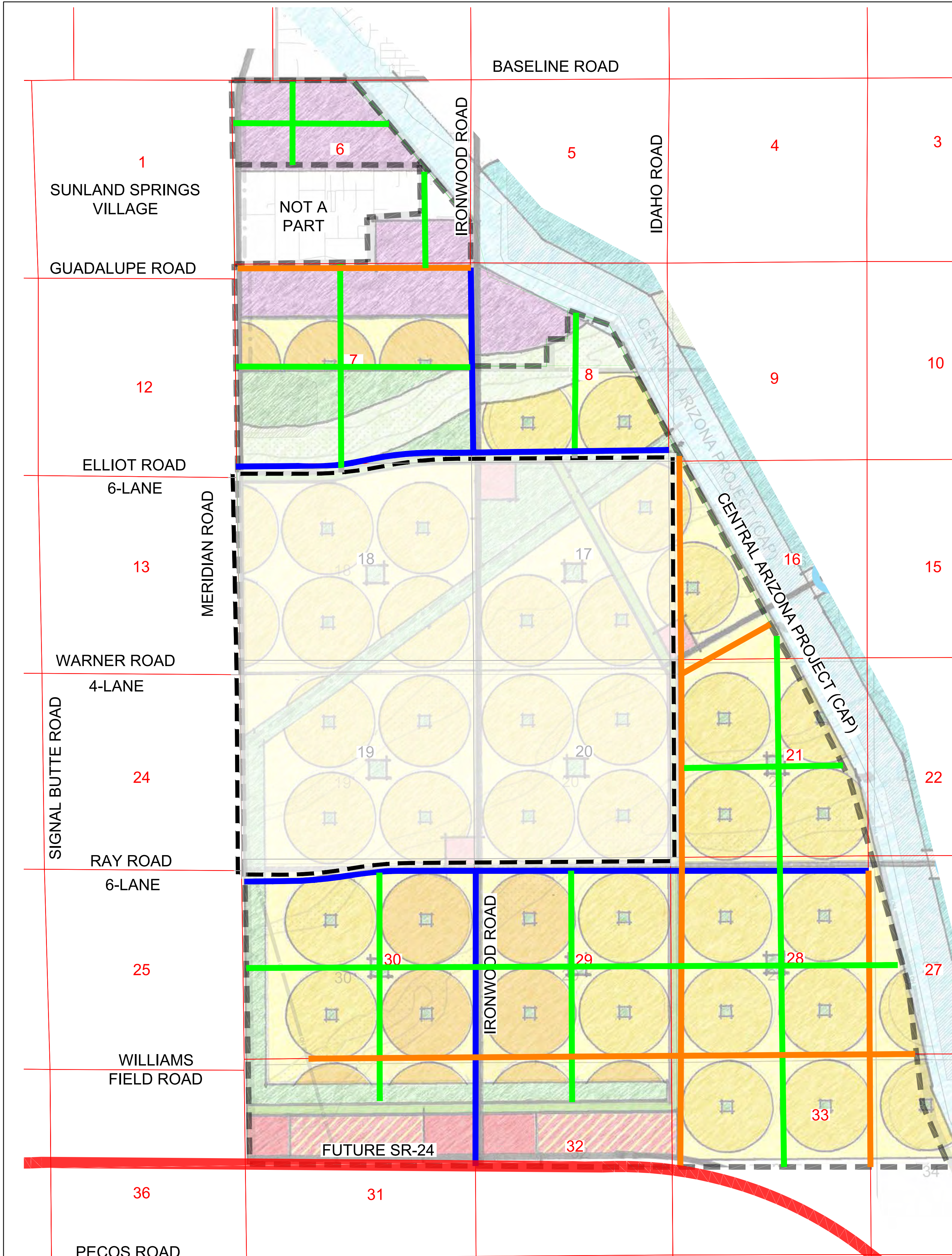
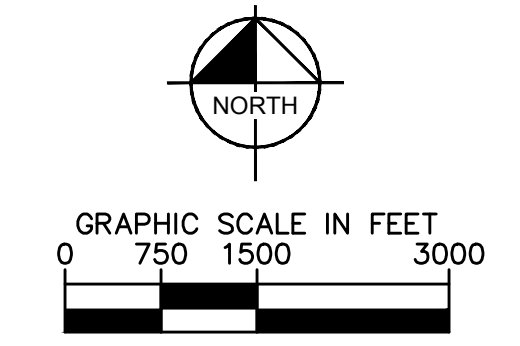


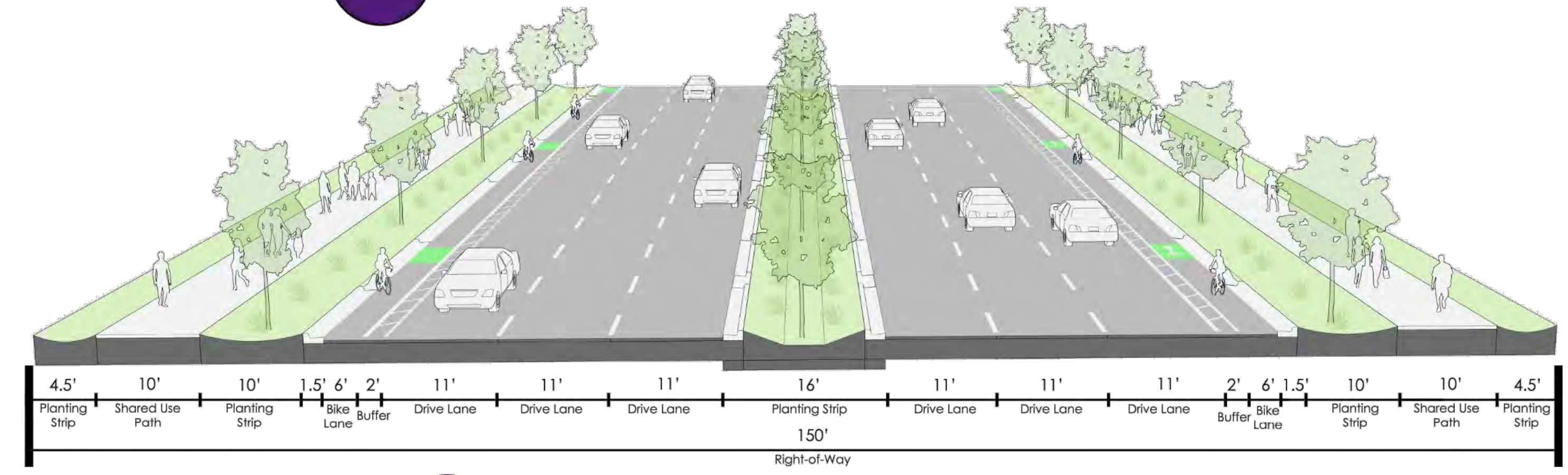
EXHIBIT D-2(C): MASTER BACKBONE INFRASTRUCTURE PLAN FOR RETAINED PROPERTY (ROADWAY)

LEGEND

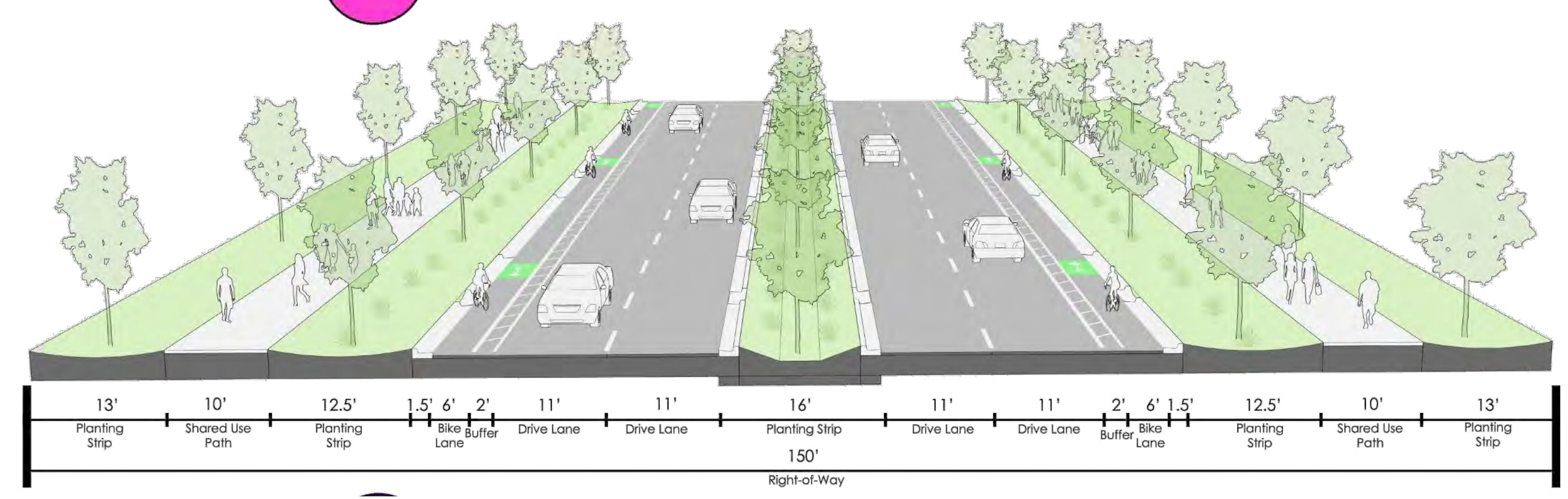
- OVERALL PLANNING AREA (8,500± ACRES)
- INITIAL ACTION AREA
- SECTION
- 6-LANE SECTION LINE ARTERIAL
- 4-LANE SECTION LINE ARTERIAL
- COLLECTOR STREET



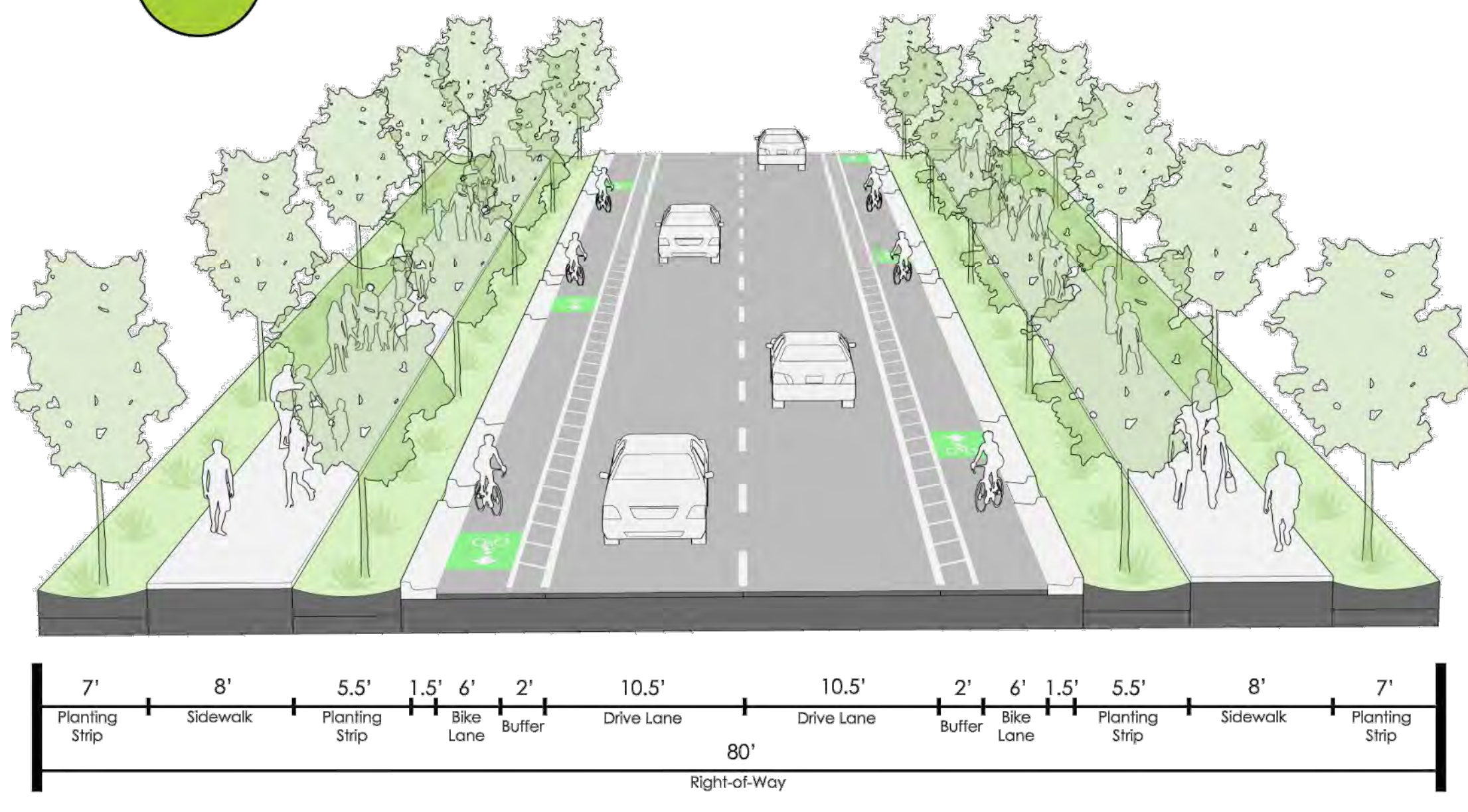
LDH - Principal Arterial 6 Lane (150' ROW)



LDH - Principal Arterial 4 Lane (150' ROW)



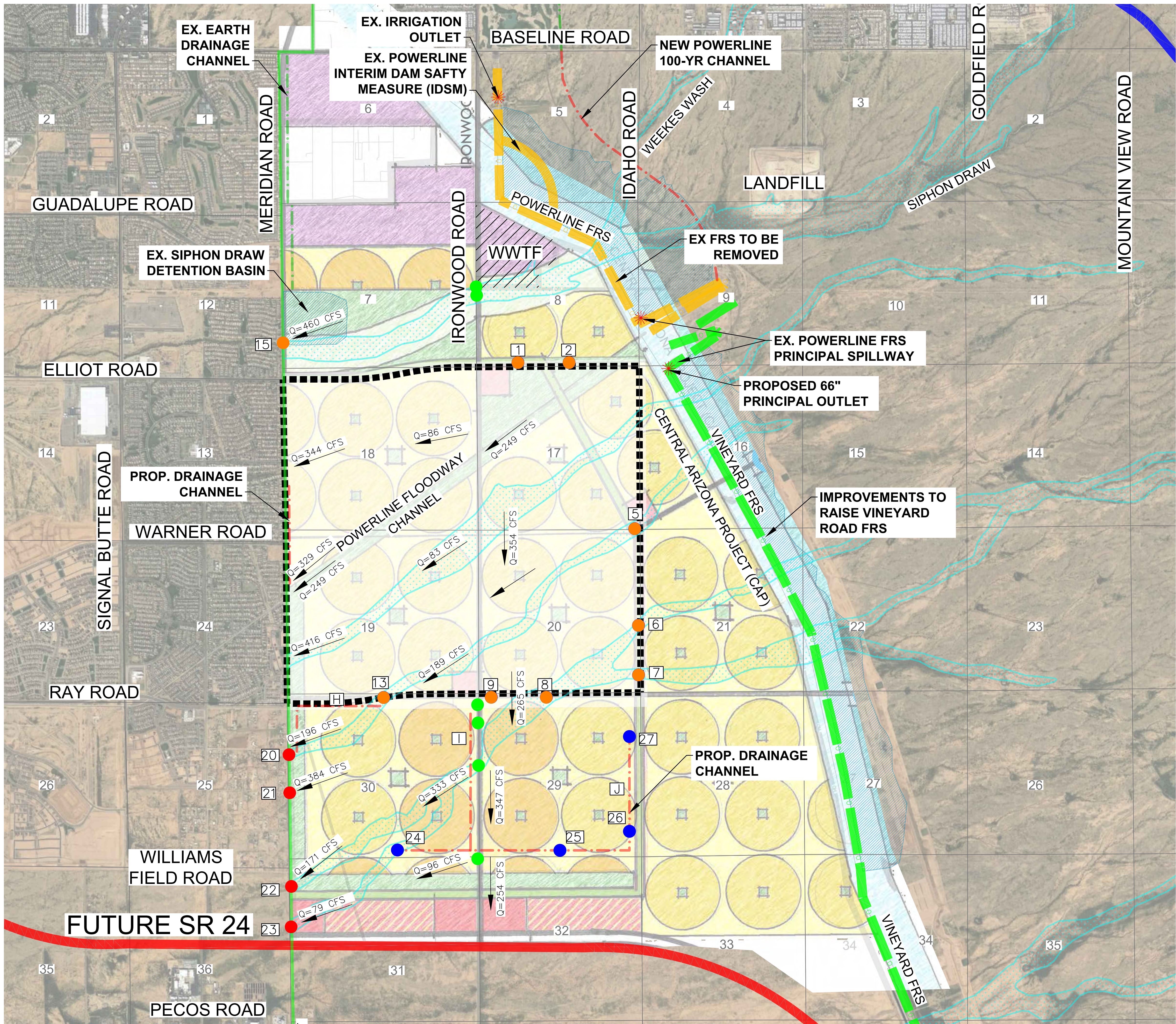
LDH - Collector without Parking (80' ROW)



- NOTES:
- ROADWAY SECTIONS ARE CONCEPTUAL BASED ON THE CITY OF APACHE JUNCTION'S ACTIVE TRANSPORTATION PLAN AND ARE SUBJECT TO REVIEW AND APPROVAL BY THE CITY OF APACHE JUNCTION AND SUBJECT TO CHANGE. ANTICIPATED SECTION ROADWAY IMPROVEMENTS INCLUDE 2 MILES OF LDH-PRINCIPAL 6-LANE ARTERIAL (150' ROW), 2 MILES OF LDH-PRINCIPAL 4-LANE ARTERIAL (150' ROW), AND 2 MILES OF LDH COLLECTOR WITHOUT PARKING (80' ROW).
 - ROADWAY IMPROVEMENTS INCLUDE ALL PAVEMENT/SUBGRADE, CURB & GUTTER, STORM-DRAIN AND STORMWATER SYSTEMS, MEDIANS, SIDEWALKS, LANDSCAPING, DRY AND WET UTILITIES, AND STREET LIGHTING PER CITY OF APACHE JUNCTION STANDARDS. SUBJECT TO REVIEW & APPROVAL BY CITY OF APACHE JUNCTION.

PRELIMINARY:

NOT FOR CONSTRUCTION AND SUBJECT TO ENGINEERING AND CITY REVIEW AND APPROVAL



LEGEND

COUNTY LINE

EXISTING HIGHWAY

FUTURE HIGHWAY

AUCTION PARCEL

EXISTING DRAINAGE CHANNEL

PROPOSED DRAINAGE CHANNEL

EXISTING DRAINAGE FRS (FLOOD RETARDING STRUCTURE)

EXISTING DRAINAGE FRS TO BE REMOVED

FIMA FLOOD HAZARD AREA ZONE A

AREAS WITH POTENTIAL PONDING PER PINAL COUNTY ADMP

SECTION

EXISTING CROSSING, CULVERT AT ULTIMATE ROADWAY WIDTH.

EXISTING CROSSING, CULVERT REQUIRED IMPROVEMENTS

EXISTING CROSSING, NO CULVERT. IMPROVEMENTS REQUIRED.

PROPOSED CROSSING, CULVERT IMPROVEMENTS REQUIRED.

A

PROPOSED CHANNEL ID

5

PROPOSED CULVERT ID

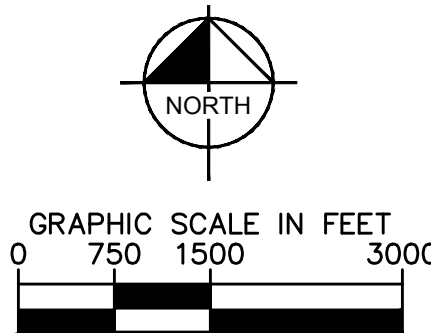
NOTE:
1. EXHIBIT IS FOR CONCEPTUAL PURPOSES ONLY AND IS DEPENDENT ON DETAILED SITE PLANNING, ENGINEERING, ALTA SURVEY AND CITY REVIEWS/APPROVALS
2. FLOWS PER EAST MESA AREA DRAINAGE MASTER PLAN, 100-YR 6-HOUR HEC-1 ANALYSIS.
3. ADDITIONAL CULVERT OR DRAINAGE IMPROVEMENTS MAY BE REQUIRED IN ADDITION TO WHAT IS CONCEPTUALLY SHOWN. DRAINAGE IMPROVEMENTS ARE SUBJECT TO ENGINEERING, CITY REVIEW, AND APPROVAL.

Estimated Culvert Sizing					
ID ¹	RCBC/RCPC ⁴	Adjacent Road	Size ² [ft]	100-yr, 6-hr Flow [cfs]	Length [ft]
1	RCPC	Elliot Road	2-36"	90	80
2	RCPC	Elliot Road	2-36"	90	80
5	RCPC	Idaho Road	2-36"	132	80
6	RCBC	Idaho Road	8'x4'	167	80
7	RCPC	Idaho Road	2-36"	133	80
8	RCBC	Ray Road	2-8'x4'	434	80
9	RCBC	Ray Road	8'x4'	265	80
13	RCBC	Ray Road	6'x4'	189	80
15	RCBC	Meridian Road	2-8'x4'	460	80
21	RCBC	Meridian Road	2-8'x4'	384	80
22	RCBC	Meridian Road	8'x4'	171	80
23	RCPC	Meridian Road	2-36"	79	80
24	RCBC	Williams Field Road	3-8'x4'	601	160
25	RCBC	Williams Field Road	2-8'x4'	420	160
26	RCBC	Idaho Road	8'x4'	193	160
27	RCBC	Idaho Road	6'x4'	111	160

1. "Orange" Culverts are proposed culvert expansions. The existing culvert sizes are unknown. Sizing for these culverts were determined based on the 100-yr, 6-hr flow.
2. Assumes that any flows less than 135 cfs, will use 2-36" RCPCs.

Estimated Channel Sizing					
ID	Channel Type	Adjacent Roadway ²	Bottom Width ³ [ft]	100-yr, 6-hr Flow [cfs]	Length [ft]
H	Earthen Trapezoidal - 1	Ray Road or Meridian Road	10	196	4,161
I	Earthen Trapezoidal - 1	Ironwood Road or Williams Field Road	25	601	4,419
J	Earthen Trapezoidal - 1	Idaho Road or Williams Field Road	18	420	11,313

1. Note all channels are earthen channels with 4:1 side slopes and have 0.1% longitude slopes
2. Assumes the channel improvements will be constructed along with the proposed upstream or downstream roadway improvements to allow for connectivity.
3. Channel cost is based on the assumptions that 60% of the channel will be landscape rock, 30% will be turf, and 10% will be RipRap for erosion protection and drop structures.



PRELIMINARY:

NOT FOR CONSTRUCTION AND
SUBJECT TO ENGINEERING AND
CITY REVIEW AND APPROVAL

EXHIBIT D-2(D): MASTER BACKBONE INFRASTRUCTURE PLAN FOR RETAINED PROPERTY (DRAINAGE)

Exhibit E

Project Entitlements and Entitlement Milestones

Project Entitlement	Entitlement Milestone
Auction Property	
Pre-Application Meeting with the City	No later than 90 days following the Effective Date
File blank annexation petition and zoning application	No later than 365 days following the Effective Date
Annexation of Auction Property, City approval of the zoning and PADA for the Auction Property and expiration of the referendum period	No later than 540 days following the Effective Date
Retained Property	
If applicable, annexation of Retained Property and City approval of the Comparable zoning for the Residential Retained Property and expiration of the referendum period	No later than 730 days following the Effective Date

Exhibit F

Phase 1 Infrastructure Items

Infrastructure Items to Serve Phase 1
Arterial and collector roadways as shown on the AP Master Backbone Infrastructure Plan
Potable water booster facility no. 1 with storage as shown on the AP Master Backbone Infrastructure Plan
Wastewater regional facilities as shown on the AP Master Backbone Infrastructure Plan

Exhibit G

Form of Memorandum of Participation Contract

When recorded, return to:

Arizona State Land Department
1616 West Adams Street
Phoenix AZ 85007
Attn: Public Records

**MEMORANDUM OF PARTICIPATION AND INFRASTRUCTURE CONTRACT
REGARDING ASLD AUCTION APPLICATION NO. 53-120190**

This Memorandum of Participation and Infrastructure Contract Regarding ASLD Application No. 53-120190 (this “**Memorandum**”) is made and entered into as of the ____ day of _____, 2020, by and between by and between the STATE OF ARIZONA, by and through the Arizona State Land Department (“**ASLD**”) and _____, a(n) _____ (“**Developer**”). ASLD and Developer may herein be referred to collectively as the “**Parties**” or individually as a “**Party**.”

RECITALS

This Memorandum is made with respect to the following facts:

A. Simultaneously with the execution of this Memorandum, ASLD and Developer are entering into a Participation and Infrastructure Contract Regarding ASLD Application No. 53-120190 (the “**Contract**”), relating to land within the planning boundary of the City of Apache Junction, Pinal County, Arizona, and legally described on **Exhibit A** attached hereto and by this reference made part hereof (the “**Auction Property**”).

B. ASLD and Developer desire to enter into this Memorandum to give record notice of the Contract.

C. The Parties acknowledge that the Contract constitutes a participation contract within the meaning of Arizona Revised Statutes (“**A.R.S.**”) §§ 37-101(15) and 37-239.

AGREEMENT

In consideration of the Contract and the terms and provisions hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both ASLD and Developer, the Parties hereby agree as follows:

1. **Incorporation of Contract.** All terms and conditions set forth in the Contract are incorporated by reference herein as if fully set forth herein. Capitalized terms not defined herein shall have the meaning set forth in the Contract.

2. **Termination of Memorandum.** In accordance with and subject to the terms and conditions of the Contract, Developer intends to develop the Auction Property, and following

certain conditions as outlined in the Contract, ASLD will issue Partial Patents for portions of the Auction Property. This Memorandum shall automatically terminate as to any portion of the Auction Property for which a Partial Patent has been issued, and no further action of ASLD shall be required. Notwithstanding the foregoing, ASLD shall, within ten (10) Business Days following request by Developer, execute a document in recordable form evidencing such termination, which shall then be recorded in the official records of Maricopa County. Notwithstanding the termination of this Memorandum, the Contract shall continue in effect as to payment of the Participation Payments by Developer and any other obligations of Developer remaining thereunder.

3. Conflicts. In the event of any conflict between the terms of the Contract and the terms of this Memorandum, the terms of the Contract shall control.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum on the date first written above.

ASLD:

STATE OF ARIZONA, acting by and through
the Arizona State Land Department

By: _____
_____,
its Commissioner

Date executed: _____, 2020

Address(es) for Notices:

Arizona State Land Department
1616 W. Adams
Phoenix, AZ 85007
Attention: State Land Commissioner
e-mail: [\[insert contact information for State
Land Commissioner\]@azland.gov](#)

With copy to:

Arizona Attorney General
2005 N. Central Avenue
Phoenix, Arizona 85004
Attention: Natural Resources Division
e-mail: _____

Date executed: _____,
2020

STATE OF ARIZONA }
 } ss.
County of _____ }

This instrument was acknowledged before me this ____ day of _____, 2020, by
_____, the _____ of the STATE OF ARIZONA, acting by and
through the Arizona State Land Department, for and on behalf of the State.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

[NOTARY SEAL]

Notary Public

DEVELOPER:

_____,
a(n)

By: _____,
Its: _____

Address(es) for Notices:

Developer:

Attention:

e-mail:

With copy to:

Attention:

e-mail:

STATE OF ARIZONA }
 }
County of _____ } ss.

This instrument was acknowledged before me this ____ day of _____, 2020, by
_____, the _____ of _____, for and
on behalf of the _____.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

[NOTARY SEAL]

Notary Public

EXHIBIT A

Legal Description for Auction Property

Exhibit H

Dispute Resolution Procedures

For any matters expressly designated in the Contract as an Arbitration Dispute and following any applicable cure period or negotiation period, and for any matter that the Parties may jointly elect to resolve as an Arbitration Dispute, the following provisions shall apply:

(a) Dispute Notice. If either Party believes that an Arbitration Dispute exists with respect to any matter which this Contract designates as an Arbitration Dispute, it shall notify the other Party thereof in writing, which notice (a “**Dispute Notice**”) shall identify the Arbitration Dispute, set forth briefly the notifying Party’s position with respect to the Arbitration Dispute, and state the time and place of the Pre-Set Meeting (as defined below).

(b) Selection of the Arbitrator. As promptly as practicable, and in any event within five (5) Business Days of the giving of the Dispute Notice, the Parties shall meet (either telephonically or in person) (the “**Pre-Set Meeting**”) in an attempt to identify an arbitrator to resolve the Arbitration Dispute (the “**Arbitrator**”). If the Parties are unable to agree on the Arbitrator, each Party shall have five (5) Business Days to designate an arbitrator (the “**Designee**”), and the Designees shall then have five (5) Business Days to confer and identify the Arbitrator to resolve the Arbitration Dispute. Whether selected by the Parties or the Designees, the Arbitrator shall (i) be an attorney licensed to practice law in the State of Arizona (or a retired attorney) with not less than twenty (20) years of experience involving real estate development transactions and/or resolution of commercial disputes and (ii) be independent of the Parties (and their respective Affiliates), and (iii) hold no financial interest in or any material financial or personal relationships with either Party or their respective Affiliates.

(c) Disclosure of Relationships; Replacement of Arbitrator. Within five (5) Business Days after the identification of the Arbitrator pursuant to Paragraph (b), the Parties shall disclose to each other in writing (if any) all material business and personal relationships that they or their respective Affiliates have had in the past five (5) years with the selected Arbitrator. Unless otherwise agreed by the Parties, any Arbitrator for whom a disclosure is made under this Paragraph (c) shall be replaced within five (5) Business Days, either by mutual agreement of the Parties or by the Designees identified in Paragraph (b) above.

(d) Rules of Arbitration. The arbitration process shall be conducted by the designated Arbitrator at a location in Maricopa County, Arizona selected by the Arbitrator (who shall select the most efficient location for completing the arbitration process, based on the issues to be resolved and the other facts and circumstances associated with the arbitration proceedings), and shall be conducted under the Arizona Revised Uniform Arbitration Act, A.R.S. §§ 12-3001 through 12-3029 (“**RUAA**”) subject to this Contract, any other documents executed by the Parties, and Applicable Laws. The Arbitrator shall render a decision on any Arbitration Dispute only in the manner specifically provided below. The Parties shall use reasonable efforts to agree on discovery rules and the extent and scope of discovery with respect to any Arbitration Dispute; provided that at the written request of either Party (delivered to the other Party and the Arbitrator), such matters shall be determined by the Arbitrator in his/her sole discretion in accordance with any applicable provision of the RUAA.

(e) Timing of Arbitration. The Parties shall cooperate in good faith to permit a conclusion of the arbitration hearing within sixty (60) days following selection of the Arbitrator (including, but not limited to, making representatives available for the arbitration, and selecting an Arbitrator who can serve within the time period required), and shall endeavor to submit a joint statement setting forth each Arbitration Dispute to be resolved, including a summary of each Party's position on each Arbitration Dispute.

(f) Arbitration Hearing. In all events, unless waived by the Parties, the Arbitrator shall conduct an arbitration hearing at which the Parties and their counsel shall be present and have the opportunity to present evidence and examine and cross-examine the evidence presented by the other Party. The proceedings at the arbitration hearing shall, unless waived by the Parties, be conducted under oath and before a court reporter.

(g) Reliance on Experts. If the matters or issues involved in any Arbitration Dispute are outside the scope of expertise of the Arbitrator acting as the arbitrator with respect to such Arbitration Dispute, the Parties shall have the right to obtain and the Arbitrator shall have the right to rely on such experts with respect to the applicable matters or issues (such as appraisers, contractors, lawyers, land planners, accountants, etc.).

(h) Decision of Arbitrator. Within fifteen (15) days following the conclusion of the arbitration hearing, the Arbitrator shall render his or her decision in accordance with the following (whichever is applicable):

(1) In the case of Arbitration Disputes with respect to whether a Party's approval or consent was unreasonably withheld or conditioned, the Arbitrator's decision shall be limited to a determination of whether such Party unreasonably withheld or conditioned a requested approval or consent.

(2) In the case of Arbitration Disputes with respect to an amount, the Arbitrator shall and must select the position offered by one of the Parties with respect to each individual matter for which a Dispute Notice was given (i.e., each issue presented for resolution), without variation.

(3) In the case of all other Arbitration Disputes, the Arbitrator shall decide the question presented.

The decision of the Arbitrator with respect to any Arbitration Dispute shall be final and binding on the Parties as of the date on which the decision is delivered to the Parties, unless the Arbitrator exceeds the authority granted in this Contract, in which case (and only in such case) the decision of the Arbitrator will be subject to appeal to a court of appropriate jurisdiction. If the decision includes a determination that a Party unreasonably withheld or conditioned its approval or consent, then such matter shall be deemed to have been approved or consented to by the Party for all purposes under this Contract. Except as otherwise expressly provided herein, as part of its decision, the Arbitrator may render a decision compelling performance by a Party of its obligations under this Contract. Except where expressly provided herein, the Arbitrator of any Arbitration Dispute hereunder shall not have the authority to award monetary damages. Subject to the

foregoing, a judgment may be entered and enforced by any court of competent jurisdiction based on any decision rendered by an Arbitrator.

(i) Standards of Conduct. If an Arbitration Dispute is submitted to arbitration, the Parties agree that they will not contact or communicate with the Arbitrator who was appointed as Arbitrator with respect to any Arbitration Dispute either ex parte or outside of the contacts and communications contemplated by this Exhibit.

(j) Costs. The Arbitrator shall have the discretion to award attorneys' fees and costs, including any fees and costs for expert witnesses, to the prevailing Party. Absent an order from the Arbitrator to the contrary, the Parties shall bear equally the Arbitrator's fees.

Exhibit I

Arbitration Disputes

Section	Issue
2.4(d)	Whether an amendment to the MPC or MPC Plan, an amendment to any Development Agreement, or an amendment to the AP Master Backbone Infrastructure Plan require the approval of the Commissioner. Whether the Commissioner's disapproval of any of the following is reasonable: (A) Major Amendment to the MPC or MPC Plan requiring the approval of the Commissioner, (B) material amendment to any Development Agreement requiring the approval of the Commissioner, or (C) material amendment to the AP Master Backbone Infrastructure Plan other than those needed to conform the AP Master Backbone Infrastructure Plan to the MPC Plan.
2.5(c)(ii)	Whether zoning for the Residential Retained Property is Comparable.
3.3(c)(i)	Whether ASLD timely objected to any Draw Request and if so, whether such objection is reasonable.
3.4	Whether ASLD's disapproval of any financial assurance is reasonable.
4.1	Whether a transaction is on Market Terms.
4.2	Whether ASLD is required to grant a Possessory Interest in the Auction Property to a Third Party.
4.4	Whether the Commissioner's disapproval of a Recordable Agreement is/was required or if required was reasonable.
4.5(b)	Whether actions are reasonably required in accordance with Section 4.5(b).
4.9	Any disputed terms of the Intellectual Property license.
6.2(a)	Whether the conditions to issuance of a Patent for any portion of the Auction Property have been satisfied.
6.5	Whether ASLD's objection to an assignee was reasonable.
7.4(c)(iii)	The amount of the Project Reserve.
8.5	Whether a Force Majeure Event or Governmental Event has occurred or caused a delay and the timeliness of the notice thereof.
Exhibit J	Whether a cost is a Project Cost and/or is reasonable.
--	Any other dispute that the Parties mutually agree will be subject to the Dispute Resolution Procedures.

Exhibit J

Definition of Project Costs

“**Project Costs**” shall include, without duplication, any and all fees, costs and expenses incurred which are related to the acquisition, entitlement, development and disposition of the Auction Property in accordance with this Contract and the entitlement of the Retained Property in accordance with this Contract. For purposes of determining Project Costs, any activities otherwise identified below as Project Costs, but which are undertaken by Developer outside of Auction Property in accordance with this Contract (i) for the benefit of Auction Property, and/or (ii) if required to be undertaken by Third Parties (such as the City) as a condition to developing the Auction Property, are nevertheless eligible Project Costs. Thus, any reference below to expenses incurred on Auction Property shall also include costs incurred outside of Auction Property for the benefit of Auction Property and/or required to be incurred as a condition to developing the Auction Property, but only to the extent Developer is permitted to incur such costs pursuant to this Contract or such costs are approved by ASLD in writing. For purposes of this Exhibit and the determination of Project Costs, “Developer” shall include Developer and any Affiliate of Developer who is providing any of services with respect to the Auction Property. Project Costs shall include, without limitation:

1. **Acquisition Costs.** Costs incurred by Developer in connection with the acquisition of the Auction Property, including, without limitation:
 - (a) **Base Price.** The Base Price as and when paid to ASLD and any interest thereon.
 - (b) **Administrative Fees.** The administrative fee and another other costs or expenses related to the auction as and when paid to ASLD and any interest thereon.
 - (c) **Title Costs.** Premiums for owner’s title insurance policy and owner’s title policy endorsements obtained by Developer, escrow fees and recording fees.
 - (d) **Survey.** Cost an ALTA/ACSM Land Title Survey of the Auction Property.
 - (e) **Planning Contract.** Costs and expenses incurred prior to the Auction either (i) under a planning contract between Developer and ASLD to prepare the Property for Auction if Developer was the party to the planning contract *or* (ii) paid by Developer to reimburse a Third Party who incurred such costs under a planning contract with ASLD to prepare the Property for Auction if Developer was not the party to the planning contract.
2. **Entitlement and CFD Costs.**
 - (a) **Entitlements.** All costs incurred by Developer in connection with obtaining the Project Entitlements and the Retained Property Entitlements (regardless of whether such Retained Property Entitlements are considered Project Entitlements), the Development Approvals, and any other entitlements related to the Auction Property, including, without limitation, filing fees, consultant’s fees, preparation of plans and specifications and other required submissions, and legal fees.

- (b) CFD. Costs incurred by Developer in connection with formation, operation, and maintenance of the CFD and issuance of debt.

3. Development Costs.

(a) Demolition/Environmental/Archaeological.

- (i) Costs and expenses of Developer associated with any assessment, sampling, investigation, monitoring, reporting, response action (including removal and remediation), reliance letters and other activities relating to environmental matters, including environmental conditions (whether known or unknown).
- (ii) Costs and expenses of Developer associated with any assessment, sampling, investigation, monitoring, reporting, response action (including removal), reliance letters and other activities relating to archaeological matters (whether known or unknown).
- (iii) Demolition, transportation or relocation of existing improvements on the Auction Property.
- (iv) Storing, transporting and otherwise managing and handling any fill or excavated or deconstructed materials.

- (b) Construction. All costs, including hard and soft costs reasonably incurred in connection with the construction of the Backbone Infrastructure, other infrastructure and improvements by Developer or a third party supervised by Developer, including without limitation the following:

- (i) Construction regarding water and sewer treatment plants, potable, reclaimed water, wastewater, electric, and chilled water lines, pump stations, groundwater wells, reclaimed water recharge facilities solar facilities, natural gas, telecom/data/cable TV lines, stormwater detention/retention facilities, drywells, drainage culverts channels and lines, water quality, irrigation, landscaping, hardscape, directional and marketing signage, monumentation, walls Common Areas and regional parks (including vertical improvements) and roadway infrastructure including curb, gutter, pavement, striping, regulatory signage, street lights, traffic signals and bridges, erosion and sedimentation controls, grading, existing utility relocations, pedestrian bridges, buildings and all other improvements located in or constituting a park, public art pieces and green and/or sustainable features and facilities.
- (ii) Design/engineering/architectural and surveying fees associated with the development of the infrastructure and subdivision/platting, consultant fees including fees of any environmental consultant, archaeological consultant, biological consultant, technology consultant, sustainability consultant, construction materials testing consultant, traffic engineer, geotechnical

engineer, structural engineer, MEP engineer, civil engineer, surveyor, landscape architect, architect, planner, SWPPP consultant and other miscellaneous consultants

- (iii) Permit, license and any other governmental fees or charges associated with the Backbone Infrastructure, other infrastructure and improvements (including, without limitation, those related to the subdivision, site development permits and building permits) and all costs and expenses incurred in applying for, pursuing and obtaining same, other than those excluded below.
- (iv) Fees associated with design/engineering/construction/installation of landscaping, hardscaping, irrigation, and monumentation.
- (v) Temporary improvements during construction, including fencing and any security measures, temporary utilities, onsite construction buildings and trailers, temporary sidewalks or trails, temporary drainage and construction water facilities, dust control, temporary landscaping, and temporarily relocating utility or other facilities.
- (vi) Costs relating to the construction of traffic improvements (including pedestrian, bicycle, automobile, street car and rail) either within or outside the boundaries of the Auction Property.
- (vii) Costs relating to the construction of offsite drainage improvements required by City and or the County, or as otherwise required by Applicable Laws.
- (viii) Premiums for payment and performance bonds with respect to payment of hard construction costs and performance of related construction work, restoration bonds and any other bonds required pursuant to this Contract.

Any dispute over whether costs were reasonably incurred in connection with the construction of the Backbone Infrastructure shall be an Arbitration Dispute.

- (c) Enforcement. Costs to enforce any design, engineering or construction contract, and costs associated with any dispute, lien or other proceeding relating to such contract unless resulting from the negligence or willful misconduct or breach of the contract by Developer.
4. Closing Costs. Except to the extent excluded from Project Revenues, the customary and reasonable amounts of the following expenses to the extent actually incurred in connection with any Conveyance of Unpatented Property, including without limitation:
- (a) Title Costs. Premiums for owner's title insurance policy and owner's title policy endorsements to the extent Developer agrees to pay such premiums as part of a Conveyance, escrow fees and recording fees.

- (b) Survey. Costs of providing a Vertical Developer with an ALTA/ACSM Land Title Survey of the applicable portion of the Auction Property.
 - (c) Brokers' Commissions. Procuring and/or listing broker's commissions.
 - (d) Prorations. Prorated taxes, assessments, association, or other assessments for the then current year (if any).
 - (e) Escrow and Closing Costs. Developer's portion of escrow fees, recording fees, and courier fees.
5. Other Project Costs. All other Project Costs not listed above, including without limitation the following:
- (a) Taxes and Assessments. Taxes and assessments paid by Developer with respect to the Auction Property, and all other assessments paid in connection with any CFD or any other public financing districts charged against the Auction Property; provided, however, that any Unpatented Property will be exempt from property taxes for a period provided by Applicable Laws following the issuance of the Certificate of Purchase (the "**Exemption Period**") pursuant to A.R.S. § 37-251. Consequently, property taxes for Unpatented Property will not be included in Project Costs during the Exemption Period.
 - (b) Title and Survey Expenses. Fees and expenses associated with obtaining title reports and surveys and identifying and correcting any matters disclosed on title reports and surveys.
 - (c) Interest on Developer Equity Contributions. Interest paid out of Project Costs to Developer on Developer Equity Contributions pursuant to Section 7.3(a).
 - (d) Developer's Overhead. The amount paid to Developer as "**Developer's Overhead**," which means an annual fee calculated as follows: (i) for the period commencing on the Effective Date and until December 31 of the year following the third anniversary of the Effective Date, \$2,400,000 per annum (prorated for the first partial year), and (ii) thereafter, an amount equal to 5% of the Project Revenues for each year or portion thereof until all Project Revenues from the Project have been received and disbursed to ASLD and Developer.
 - (e) Legal Fees. Except as provided herein, legal fees and expenses, including without limitation, costs associated with all Third Party agreements related to the Project, pursuing entitlements, land use and subdivision approvals and agreements, negotiation of purchase agreements and other agreements, preparation of the CC&Rs, corrective title documents, but excluding therefrom any costs and expenses such as attorneys' fees which are the result of (i) a dispute between ASLD and Developer; or (iii) the negligence or willful misconduct or breach of any contract by Developer.

- (f) Books and Records. Costs associated with generating the reports/audits and keeping the books and records required by this Contract including, without limitation, the costs of the Project Revenues and Project Costs Audit pursuant to Section 7.8 of this Contract.
- (g) Insurance. Premiums, applied deductibles and applied self-insured retentions, if any, for all insurance (including, without limitation, liability, property and casualty, environmental and pollution liability insurance and workers' compensation) carried by Developer.
- (h) Information Requests. Costs associated with responding to Public Information Act requests.
- (i) Marketing. Marketing and branding fees and expenses incurred in connection with the development of the Auction Property, costs associated with public and media relations, advertising, domain registration and costs related to social media and websites.
- (j) Condemnation. Costs, fees and expenditures incurred in connection with any proposed, threatened or filed condemnation action with respect to the Auction Property.
- (k) Legal Claims and Legislative Change. Actual out-of-pocket costs with respect to responding to and/or defending a legal claim and/or a proposed or actual legislative change or other governmental action that will affect the development of the Auction Property, and the rights and obligations of the Parties.
- (l) CC&Rs. Costs to fund the obligations of the declarant under the CC&Rs, including, without limitation, any assessments, subsidies or shortfalls and to costs form and administer any associations or similar entities governing the Project.
- (m) Maintenance. Costs to maintain the Unpatented Property and any improvements thereon and to maintain, repair, and replace improvements, including, but not limited to, Backbone Infrastructure.
- (n) Repair. Costs to repair any damage to the Unpatented Property and any improvements thereon.
- (o) CFD Financing. Costs incurred by Developer in connection with formation, operation and maintenance of the CFD and issuance of bonds shall nevertheless be Project Costs.
- (p) Infrastructure Escrow Fees. Any fees related to the Infrastructure Escrow, if applicable.
- (q) Applicable Laws Costs. Any cost, fee, or expenditure incurred to comply with Applicable Laws to accomplish the acquisition, entitlement, development and disposition of the Auction Property as reasonably contemplated by this Contract.

- (r) ASLD Project Costs. Costs reasonably incurred by ASLD and payable to Third Parties (“**ASLD Project Costs**”) for purposes of (1) satisfying its obligations under this Contract, (2) participating in any public hearings with respect to the Project, (3) participating and assisting Developer in fulfilling any Developer obligations under the Contract, or (4) third party legal and accounting costs related to monitoring Developer’s performance under the Contract. Any dispute related to whether a cost is an ASLD Project Cost or is reasonable shall be an Arbitration Dispute.
6. Exclusions. The following are expressly not Project Costs unless expressly agreed to by ASLD and Developer in writing in their reasonable discretion:
- (a) General Costs.
 - (i) Penalties, fines, late fees or default fees caused by Developer under any contract, agreement, or Applicable Laws relating to the Auction Property.
 - (ii) Charitable contributions.
 - (iii) Any tax on Developer’s income, franchise, gross receipts, corporation, capital levy, excess profits, revenue, or payroll.
 - (iv) Depreciation.
 - (v) Management, development, construction or other fees payable to Developer, except as expressly provided herein.
 - (vi) The following costs, which are already taken into account through the Developer’s Overhead: salaries or fringe benefits of personnel.
 - (vii) Costs and expenses incurred or paid, including legal fees, as a result of Developer’s negligence or willful misconduct or breach of the contract.
 - (viii) The following costs, which are already taken into account through the Developer’s Overhead: administrative and overhead costs, except as expressly provided herein, payroll taxes, meeting expenses, computer maintenance, computer supplies, data/network equipment, entertainment, courier service, office moving expenses, employee functions, office equipment, office furniture, services for equipment, office supplies, temporary services, printing, publications, office rent, training, postage and stationary (excluding those related to marketing as set forth above), telephone services, cell phone services, travel services, salaries and wages, bonus, employee benefits (medical, dental, life, savings, plan, etc.), parking, and miscellaneous other general and administrative costs (except as provided above).

- (ix) Developer's costs incurred in selling, syndicating, assigning, or hypothecating any Developer's interest in the Auction Property or under this Contract.
 - (x) Legal fees incurred by either Party prior to or in connection with the Auction.
- (b) Construction.
 - (i) All fees, costs, charges and expenses related to the vertical development of improvements on the Auction Property, except as otherwise specifically permitted in Section 4.5 with respect to vertical improvements that are necessary or desirable for the resale of the Auction Property.
 - (ii) To the extent payments under contracts or agreements with Developer Affiliates to perform services or supply products to the Auction Property are not commercially reasonable or do not represent an arm's length transaction.
 - (iii) Infrastructure Payments deposited in the Infrastructure Escrow shall not be considered Project Costs unless and until such amounts are disbursed pursuant to a Draw Request.
- (c) Financing Costs. Interest, loan fees, points, commitment fees, or other costs paid by Developer or its Affiliate for any amounts borrowed to finance the acquisition of the Auction Property or Developer Equity Contributions except to the extent provided in Section 7.3(a).

Any dispute over whether any costs incurred with respect to the Project are Project Costs shall be an Arbitration Dispute.