When recorded return to: City Clerk City of Maricopa 39700 W Civic Center Plaza Maricopa, AZ 85138

DEVELOPMENT AGREEMENT FOR INFRASTRUCTURE IMPROVEMENTS AND DEVELOPMENT (TORTOSA SOUTH – PHASE II)

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made as of the day of _______ 2017, by and between CITY OF MARICOPA, ARIZONA, an Arizona municipal corporation ("City") and Maricopa Development, LLC, a Delaware limited liability company ("Maricopa Development"); WM Sub TT, LLC, an Arizona limited liability company ("WM Sub TT"); TOUSA Recovery Acquisition, LLC, a Delaware limited liability company ("Tousa"); RMG Tortosa 220, L.L.C., an Arizona limited liability company ("RMG Tortosa"); and Pacific Magic, LLC, an Arizona limited liability company ("Pacific Magic") (Maricopa Development, WM Sub TT, TOUSA, RMG Tortosa, and Pacific Magic, each, individually an "Owner" and, collectively, the "Owners"). City and Owners are sometimes referred to herein collectively as the "Parties," or individually as a "Party."

RECITALS

- A. The Owners, as partial successors in interest to Miller Holdings, Inc., an Arizona corporation, the original developer of the real property commonly known as "**Tortosa**", located in the City of Maricopa, County of Pinal, State of Arizona (the "**Tortosa Property**"), own approximately 265 acres of the 961 acres located within the Tortosa Property, legally described in <u>Exhibit "A"</u>, attached to this Agreement and incorporated herein by reference (the "**Tortosa South Property**" or the "**Property**"). All references to the Property in this Agreement shall pertain only to the Tortosa South Property, and the terms contained in this Agreement shall only apply to the Tortosa South Property. As used herein, the term "**Parcel**" shall mean the individual portions of the Tortosa South Property identified and depicted on <u>Exhibit "B"</u> attached.
- B. The Board of Supervisors of Pinal County, Arizona (the "Board"), approved rezoning of the Tortosa Property from General Rural Zone to CR-3 Single Residence Zone and CB-1 Local Business Zone by Zone Change Resolution, under Case No. PZ-022-03 on November 12, 2003, and approved Planned Area Development Overlay Districts by Planned Area Development Overlay District Resolution (the "PAD Resolution"), under Case No. PZ-PD-022-03 on November 12, 2003 (the "PAD"). The PAD approved by the Board on November 12, 2003, to the extent it applies to the Tortosa South Property and does not conflict with the terms of this Agreement, shall constitute the Development Plan for the Tortosa South Property (the "Development Plan") for purposes of this Agreement.

- C. The Tortosa Property is subject to the covenants and restrictions set forth in the Notice of Automobile Proving Grounds and Restrictive Covenant dated November 12, 2003 and recorded on November 14, 2003 in Fee Number 2003-080060, official records of Pinal County Recorder, Pinal County, Arizona and nothing contained in this Agreement is intended to alter or amend the applicability of said covenants and restrictions to the Tortosa Property and/or the Tortosa South Property.
- D. The Owners desire and intend to develop the Tortosa South Property in general accordance with the Development Plan and this Agreement.
- E. The Owners and the City desire to enter this Agreement in order to set forth the rights and obligations of Owners with respect to the development of the Tortosa South Property, and the obligations of both Owners and City with respect to construction of identified roadway infrastructure and development of the Tortosa South Property.
- F. The City has determined that because the public purpose of this Agreement is to improve streets, neighborhood traffic, and the development of the Tortosa South Property, and the benefit received by the City is not less than the consideration the City is providing to Owners, the Agreement as set forth herein does not amount to an illegal gift or subsidy.
- G. The Parties have mutual interests in the development of the Tortosa South Property and wish to enter into this Agreement with certain terms and conditions as set forth herein.
- H. The Parties hereto acknowledge that this Agreement constitutes a "**Development Agreement**" within the meaning of Arizona Revised Statutes Section 9-500.05.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual promises and covenants set forth herein, and for other consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

- 1. <u>ACCURACY OF THE RECITALS</u>: The Parties hereby confirm the accuracy of the Recitals set forth above, which are incorporated herein by this reference.
- 2. <u>TORTOSA SOUTH:</u> This Agreement shall pertain only to the Tortosa South Property.
- 3. <u>EFFECTIVE DATE, TERM, AND RECORDING</u>: Upon adoption of a Resolution by the City Council and execution by all Parties and recording in the Pinal County Recorder's Office, this Agreement shall become effective and shall continue through July 1, 2037 (the "**Initial Term**"). No later than ten (10) days after this

Agreement has been fully executed by the City and Owners, the City shall record the Agreement in its entirety with the Pinal County Recorder.

4. REGULATION OF DEVELOPMENT:

- Applicable Rules and Regulations. Whenever reference is made in (a) this Agreement, either directly or indirectly, to "Rules and Regulations," the same shall mean the Zoning, the PAD, the Development Plan, along with all other ordinances, rules, regulations, permit requirements, and other official policies of the City in existence on the date of this Agreement, except for those items that may be modified by this Agreement, and those Rules and Regulations that may be amended from time to time consistent with this Agreement. The City reserves, exercising its sole and absolute discretion, the right to amend existing or to adopt new non-discriminatory Rules and Regulations and such Rules and Regulations as amended or adopted shall be applicable to and binding on the Tortosa South Property. Notwithstanding anything to the contrary in this Section 4(a): (i) with respect to all unexpired plans and specifications for the Tortosa South Property approved by the City prior to the date of this Agreement, the applicable Rules and Regulations are those that were in effect when such plans and specifications were approved by the City (subject to the provisions of Section 4(b)); and (ii) any change in the Rules and Regulations enacted after the date of this Agreement shall not be enforced against any development of the Tortosa South Property if such enforcement would materially, substantially and adversely limit or change the development of the Tortosa South Property consistent with the Vested Rights described in this Agreement.
- (b) <u>The Permissible Additions to the Rules Impacting Vested Rights.</u> Notwithstanding the provisions of <u>Section 4(a)</u> above, the City may change, enact and enforce non-discriminatory Rules and Regulations against the Tortosa South Property and the development thereof which have a, material, substantial and adverse impact on the Vested Rights upon the occurrence of any one of the following provisions:
 - (i) Rules and Regulations enacted as reasonably necessary to comply with requirements imposed on the City by the State, County or Federal government, provided, that in the event such requirement prevents or precludes compliance with this Agreement, such effective provisions of this Agreement shall be modified, if legally possible, as may be necessary to achieve the minimum permissible compliance with such requirements;
 - (ii) Rules and Regulations enacted by the City that are reasonably necessary to alleviate threats to public health and safety, in which event any such remedial or corrective enactments shall be rationally related to the alleviation of such threats and may be imposed only after allowing for public comment at an open meeting and shall not, in any event, be imposed unreasonably or arbitrarily;
 - (iii) Future non-discriminatory taxes, application and filing fees, review fees, inspection fees, development fees and other fees, or modifications thereto;

- (iv) Future establishment or updates of, or amendments to, building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety-related codes, such as the Uniform Building Code, which establishment, updates or amendments are generated by a nationally recognized building or safety organization or by the County, State, Federal or other governmental body (other than the City) with jurisdiction over the Parties or the Tortosa South Property, including the Maricopa Association of Governments, provided that such code provisions are applied uniformly and not arbitrarily; and
- (v) Rules and Regulations specifically agreed to in writing by Owners.

Except as expressly stated in this Agreement, nothing in this Agreement shall be interpreted as obligating the City to act or refrain from acting in violation of or at variance with, or relieving Owners of any obligations which it may have with respect to any Rules and Regulations that apply to the Parties, the Tortosa South Property or any matter which is the subject of this Agreement. Nothing in this Agreement shall alter or diminish the authority of the City to exercise its eminent domain powers.

- 5. <u>VESTED RIGHTS</u>: The City and Owners hereby acknowledge and agree that upon the execution of this Agreement and in consideration of the obligations undertaken by Owners under this Agreement, the zoning and entitlements to develop the Tortosa South Property with the land uses as set forth in this Agreement, including the Zoning, the PAD, the recorded final plats and the Development Plan, are hereby vested as a protectable contractual property interest for all purposes. Consequently, so long as Owners are not in default beyond the notice and cure period described in <u>Section 14</u>, for the duration of this Agreement, the City shall be restricted from changing, restricting or limiting the rights of Owners or their successors and assigns to develop the Tortosa South Property as provided in this Agreement, the Zoning, the PAD, the recorded final plats and/or the Development Plan without the consent of Owners unless allowed consistent with this Agreement; provided, however, that compliance with the applicable Rules and Regulations referred to herein shall in all events be required.
- 6. <u>DEVELOPMENT PLANS</u>: Owners acknowledge the following plans have expired and shall need to be resubmitted for review and approval by the City:
 - (a) Landscape Plans;
 - (b) Grading and Drainage Plans; and
 - (c) Onsite Paving Plans.

Once approved by the City, the above referenced plans shall remain valid for three (3) years from the City's approval date. Thereafter, the development plan sets shall be resubmitted to the City for review and approval and each resubmission shall remain valid for one (1) year. In addition, any development plans not specifically referenced herein shall remain valid for one (1) year.

7. <u>PLAN REVIEW FEES</u>: When Owners submit a development plan set as set forth in <u>Section 6</u> above, they shall also submit a plan review fee in an amount equal to ten percent (10%) of the plan review fee customarily charged by the City at that time with each development plan set for a cursory review. If City determines it is necessary to conduct more than a cursory review on the plan sets or if it is necessary to resubmit the development plan sets in accordance with Section 6 above, Owners shall also submit a plan review fee in the amount customarily charged by the City at that time.

8. ROADWAY CONSTRUCTION OBLIGATIONS:

- 8.1 <u>Murphy Road Improvements</u>. Except for the Murphy Road Punch List Items (as defined below), the Owners have completed those improvements to Murphy Road required by the Tortosa South Infrastructure Paving plans prepared by Otak Engineering and signed and approved by the City on July 11, 2006 ("Murphy Road Improvements"). The only Murphy Road Improvements that have not been completed prior to the date of this Agreement are those described on <u>Exhibit "F"</u> attached to this Agreement and incorporated herein by reference (the "Murphy Road Punch List Items"). Upon the Owners' completion of the Murphy Road Punch List Items, Owners shall dedicate the Murphy Road Improvements, at no cost to the City, and City shall present a resolution to Council to accept the Murphy Road Improvements in accordance with the City's normal process for acceptance of streets and, once Murphy Road has been accepted by Council, not withhold any building permits or certificates of occupancy for the Tortosa South Property for any reason related to the Murphy Road Improvements.
- 8.2 <u>Bowlin Road and Hartman Road Improvements</u>. City shall, at such time as may be determined by the City in its sole and absolute discretion, construct the east half of the Hartman Road right of way adjacent to the Tortosa South Property and the north half of the Bowlin Road right of way adjacent to the Tortosa South Property. The Parties hereby specifically acknowledge and agree that the City's construction of these portions of Bowlin Road and Hartman Road may occur after the expiration of this Agreement.

Owner shall grant City a permanent use easement for any Right of Way or Utility purpose on any and all property that Owner may own between the currently existing USA canal and the Bowlin Road alignment.

8.3 <u>Warranty Period</u>. Owners or its assignee shall give the City a one (1) year warranty for the Murphy Road Improvements, which warranty shall begin on the date that the City accepts by Resolution the Murphy Road Improvements. During the warranty period, Owners shall be responsible for repair work to any of the Murphy Road Improvements. Any material deficiencies in material or workmanship identified by the City staff during the one (1) year warranty period shall be brought to the attention of the Owners or their assignee who provided the warranty, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of the City's staff. Continuing material deficiencies in a particular portion of the Murphy Road Improvements shall be sufficient grounds for the City to require (i) an extension of the

warranty for an additional one (1) year period or (ii) the proper repair of, or (iii) the removal and reinstallation of that portion of the Murphy Road Improvements that is subject to such continuing deficiencies. Regardless of whether the one (1) year warranty period has expired, Owners agree to repair any damage to the Murphy Road Improvements caused by Owners or homebuilder's construction activities on the Tortosa South Property. Nothing contained herein shall prevent the City or Owners from seeking recourse against any other third party for damage to the Murphy Road Improvements caused by such third party.

- 8.4 <u>Financial Assurances and Permit Extensions</u>. Prior to issuance of any building permit (a "**Parcel Improvement Permit**") for construction of any Parcel Improvements (defined below in <u>Section 9.3</u>), the requesting Owner shall provide appropriate assurances in such form and amount as required by the Rules and Regulations to assure that the construction of the Parcel Improvements which are to be dedicated to and accepted by the City (the "**Public Improvements**") will be completed. The requesting Owner may elect, with the approval of the City, which approval shall not be unreasonably withheld, any one or combination of the following methods of financial assurances. The requesting Owner shall provide a one (1) year warranty to the City for any Public Improvements in accordance with <u>Section 8.3</u>. All assurances provided by Owners shall comply with the applicable provisions of the City's Subdivision Ordinance relating to such assurances. The options, in forms reasonably acceptable to the City are as follows:
 - (a) Performance bond from a corporate surety licensed to do business as a surety in Arizona;
 - (b) Irrevocable letter of credit;
 - (c) Funds placed in escrow; or
 - (d) Any other form of financial assurance as may be agreed upon in writing by both City and Owners.

The amount of the financial assurance shall be 120% of the City Engineer's estimate of the cost of the construction of the Public Improvements. Upon completion of the Public Improvements, the City shall retain ten percent (10%) of financial assurance during the one (1) year warranty period. Additionally, customary (i.e., nondiscriminatory and charged in accordance with the Rules and Regulations) fees for any Parcel Improvement Permit extensions will be paid by the requesting Owner prior to any Parcel Improvement Permit extension being issued.

9. INFRASTRUCTURE IMPROVEMENTS AND PHASING:

9.1 <u>Parcel Improvements</u>. Prior to the City issuing any Certificates of Occupancy for the Tortosa South Property within a Parcel or portion of a Parcel which has been approved for development independently of the remainder of the Parcel (a

- "Phase"), the Owner of such Parcel or Phase shall cause the design and construction of all improvements associated with the applicable Parcel or Phase in which the Certificate of Occupancy is requested as approved by the City. Notwithstanding anything to the contrary set forth herein, City may consider issuing a Certificate of Occupancy conditioned upon the timely completion of certain Parcel or Phase improvements.
- 9.2 <u>Perimeter Landscaping</u>. Prior to the City issuing any Certificates of Occupancy for a house within a Phase of the Tortosa South Property, Owners agree to construct such perimeter landscaping for such Phase in accordance with the Landscaping Plans approved by the City.
- Phasing of Parcel Plans. All Parcel Improvement Plans will be 9.3 reviewed by the City for separation into Phases. The City will reasonably cooperate with the Owners with respect to the phasing of the improvement plans for the Parcels. An Owner may, at any time, construct the improvements located within its Parcel and those improvements upon which the development of such Parcel is dependent ("Parcel Improvements"), based on the plans for such Parcel Improvements approved by the City. A list describing the off-Parcel improvements upon which the development of each Parcel is dependent (if any) is attached hereto as Exhibit "H-1" (Landscape) and "H-2" (Lot Improvements). The Owners shall reasonably cooperate in granting construction easements when required subject to receipt of customary and commercially reasonable indemnification and insurance, and providing prior notice before entering to construct Parcel dependent Improvements and this may be done through the Tortosa joint development agreements entered into by the Owners and Sandbox Development Consultants, Inc. (the "Tortosa JDA's").
- 10. <u>TRAFFIC IMPACT ANALYSIS</u>: The City and the Owners acknowledge that a Traffic Impact Analysis was previously prepared and approved, and a new Traffic Impact Analysis is not required.

11. <u>EMERGENCY ACCESS AND WATERLINE; OWNERS' JOINT</u> DEVELOPMENT AGREEMENT:

11.1 Tousa has fee title to Lot 57 of Parcel G located at the southwest corner of its Parcel, as depicted on <u>Exhibit "I"</u> attached hereto and legally described on <u>Exhibit "I"</u> (the "Fire Access Lot"). Prior to the City issuing any housing permits for the Tortosa South Property, the Owners shall cause to be constructed a secondary emergency access road on the Fire Access Lot, as depicted on <u>Exhibit "I"</u> (the "Fire Access Road"). The Fire Access Road shall be a minimum of twenty feet (20") wide, 95% compacted ABC fire road with appropriate signage per Maricopa Fire and Medical Department requirements. The cost to construct the Fire Access Road and to landscape the remainder of the Fire Access Lot will be shared by the Owners in accordance with the Tortosa JDA's. Tousa hereby grants an easement to the City to use the Fire Access Road across the Fire Access Lot. Tousa shall convey the Fire Access Lot to the Tortosa Homeowners' Association which shall maintain the Fire Access Lot.

- 11.2 A potable water looped waterline has been constructed and installed within the Tortosa South Property (the "Waterline") based on plans and specifications approved by the City prior to the date of this Agreement and the Rules and Regulations in effect as of such approval. Promptly upon request by the Owners, and in any event prior to any combustible materials being placed on the Tortosa South Property by the Owners, City shall test, inspect and accept the Waterline in accordance with the City's uniformly applied standards for same.
- LAND PLAN/LOT COVERAGE: The City and Owners acknowledge 12. that there are discrepancies between the lot coverage permitted in the approved PAD and the lot coverage set forth in the Rules and Regulations. The Parties agree that these discrepancies do not impact the Owners' vested development rights and that the vested development rights include the right to make deviations to the lot coverage as set forth in this Section 12. In order to resolve these discrepancies, the Parties agree that for all lots fifty (50) feet or narrower in width the Owners may ask the City to permit lot coverage of up to fifty (50) percent. The City agrees that such requests shall not constitute a request to rezone the Tortosa South Property and the City further agrees to process all such requests administratively and to not unreasonably withhold or delay approval, and Owners agree that Owners will provide City, prior to the issuance of a building permit for a particular lot or lots, with written engineering justification showing the increased lot coverage will not exceed the design capacity of the drainage facilities. acknowledges and agrees that the Owners have the right to develop the Tortosa South Property to accommodate the number of lots consistent with that set forth in the approved PAD and in any approved plat and that in addition to the lot coverage deviations described in this Section 12, the Owners may make adjustments to the Development Plan to modify lot sizes, lot locations and alter the land plan and street circulation plan without processing a rezoning as long as the Owners abide by the remaining provisions of the Development Plan.
- 13. <u>INDEMNITY; RISK OF LOSS</u>: Excluding claims arising from a default by City, or a request for an interpretation, Owners or their successor shall severally and jointly pay, defend, indemnify and hold harmless City and its Mayor and City Council members, officers and employees from and against all claims, demands, fines, penalties, costs, expenses, damages, losses, obligations, judgment, liabilities, and suits (including attorney's fees, expert fees and court costs) which arise from or relate in any way to any challenge to this Agreement by such Owner or successor. With regard to plans that are approved and work that is done pursuant to this Agreement, Owners, or their successors, or their engineers and contractors, shall provide standard warranties and indemnifications to City as generally required of the City by others pursuant to separate assurance or other agreements. The foregoing obligations shall survive the expiration or termination of this Agreement.
- 14. <u>DEFAULT</u>: Subject to <u>Section 17.1</u> below, failure or unreasonable delay by any Party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days after written notice thereof from the City, on the one hand, or an Owner, on the other hand ("**Cure Period**"), shall constitute a default under

this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then such Party shall have such additional time as may be necessary to perform or comply so long as such Party commences performance or compliance within said 30-day period and diligently proceeds to complete such performance or fulfill such obligation; provided further, however, that no Cure Period shall exceed one hundred eighty (180) days. Notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, the non-defaulting Party shall have the right to pursue the dispute resolution process set forth in Section 18.22 below. Any default of this Agreement in connection with one Parcel, Phase or Transferred Property (defined in Section 18.23 below) shall affect only the Parcel, Phase or Transferred Property and shall not be a default under this Agreement as to the part of the Tortosa South Property that is not the subject of a Transfer. A default by one Owner shall not constitute a default by any other Owner or all Owners.

- 15. <u>CITY REPRESENTATIONS</u>. City represents and warrants to Owners that:
- 15.1 The City's execution and approval of this Agreement has been made in compliance with the procedural requirements of the Maricopa City Code.
- 15.2 The City Manager will execute and acknowledge when appropriate all documents and instruments and take all actions reasonably necessary to implement and evidence this Agreement.
- 15.3 As of the date of this Agreement, the City knows of no litigation, proceeding, initiative, referendum, or investigation contesting the powers of the City or its officials, with respect to this Agreement, that has not been disclosed in writing to Owners.
- 15.4 The execution, delivery and performance of this Agreement by the City is not prohibited by, and does not conflict with, any other agreements, instruments or judgments or decrees to which the City is a party or is otherwise subject.
- 15.5 The City has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.
- 16. <u>OWNERS REPRESENTATIONS</u>. Each Owner represents and warrants to City that:
- 16.1 Such Owner has the full right, power and authorization to enter into and perform this Agreement and of the obligations and undertakings of such Owner under this Agreement, and the execution, delivery and performance of this Agreement by such Owner has been duly authorized and agreed to in compliance with the organizational documents of such Owner.

- 16.2 All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained by such Owner, and no further action needs to be taken by such Owner in connection with such execution, delivery and performance.
- 16.3 Such Owner has no knowledge of any violations of City, County, State, Federal, building, land use, fire, health, safety, environmental, hazardous materials or other governmental or public agency codes, ordinances, regulations, or orders with respect to the Tortosa South Property.
- 16.4 Such Owner will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.
- 16.5 As of the date of this Agreement, such Owner knows of no litigation, proceeding or investigation pending or threatened against or affecting such Owner, which could have a material adverse effect on such Owner's performance under this Agreement that has not been disclosed in writing to City.
- 16.6 This Agreement (and each undertaking of such Owner contained herein) constitutes a valid, binding and enforceable obligation of such Owner, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. Such Owner will defend the validity and enforceability of this Agreement in the event of any proceeding or litigation arising from its terms that names such Owner as a party or which challenges the authority of such Owner to enter into or perform any of its obligations hereunder. Delivery and performance of this Agreement by such Owner is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which such Owner is a party or to which such Owner is otherwise subject.
- 16.7 Such Owner has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects, engineers and attorneys.
- 16.8 Such Owner has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

17. <u>EVENTS OF NON-PERFORMANCE; REMEDIES:</u>

17.1 <u>Enforced Delays</u>. Neither City nor Owners, as the case may be, shall be considered not to have performed its obligations under this Agreement in the event of enforced delay (an "**Enforced Delay**") due to causes beyond its control and without its fault or negligence or failure to comply with the Rules and Regulations, including, but not restricted to, acts of God, fires, floods, epidemics, pandemics,

quarantine, restrictions, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, acts of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain any governmental body on behalf of any public entity, or a declaration of moratorium or similar hiatus directly affecting the Tortosa South Property (whether permanent or temporary) by any public entity. In no event will Enforced Delay include any delay resulting from general economic or market conditions, unavailability for any reason of particular tenants or purchasers of portions of the Tortosa South Property, labor shortages, unavailability of financing, or the unavailability for any reason of particular contractors, subcontractors, vendors, investors or lenders desired by Owners in connection with the Tortosa South Property. Owners agree that Owners alone will bear all risks of delay which are not Enforced Delay. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Enforced Delay; provided, however, that the Party seeking the benefit of the provisions of this Section shall, within thirty (30) calendar days after such Party knows or should know of any such Enforced Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; and provided further that in no event shall a period of Enforced Delay exceed ninety (90) days.

17.2 <u>Rights and Remedies Cumulative</u>. The rights and remedies of the Parties are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise by it, at the same or different times, of any other right or remedy for any other non-performance by the other Party.

18. MISCELLANEOUS PROVISIONS:

- 18.1 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Pinal (or, as may be appropriate, in the Justice Courts of Pinal County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any court action.
- 18.2 <u>Limited Severability</u>. City and Owners each believe that the execution, delivery and performance of this Agreement are in compliance with all Rules and Regulations. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any Rules and Regulations) such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided

that, if the City Attorney determines that such action is legally permissible, this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required; provided, however, in no event shall such reformation require any general fund expenditure or incurrence of indebtedness by City. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

18.3 <u>Interpretation of Conditions and Terms</u>. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and the Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

18.4 Notices:

(a) <u>Addresses</u>. Except as otherwise required by law, any notice required or permitted under this Agreement shall be in writing and shall be given by personal delivery, or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this Section, or by telecopy or facsimile machine, or by any nationally recognized express or overnight delivery service (e.g. Federal Express or UPS), delivery charges prepaid:

If to City: City of Maricopa

Attn: City Manager

39700 W Civic Center Plaza Maricopa, Arizona 85138 Telephone: (520) 316-6811 Facsimile: (520) 316-6803

With a copy to: Fitzgibbons Law Offices, P.L.C.

Attn: Maricopa City Attorney

1115 E. Cottonwood Lane, Suite 150

Casa Grande, AZ 85130 Telephone: (520) 426-3824 Facsimile: (520) 426-9355 If to Owners:

Sandbox Development Consultants, Inc.

Attention: Anthony Sumner

2375 East Camelback Road, Suite 600

Phoenix, AZ 85016

Telephone: (602) 275-5445 Facsimile: (602) 388-4172

Thomas J. McDonald, Esq.

Gammage & Burnham

Two North Central Avenue, 15th Floor

Phoenix, AZ 85004

Telephone: (602) 256-0566 Facsimile: (602) 256-4475

Maricopa Development, LLC

Attention: Todd Floyd

5055 West Patrick Lane, Suite 101

Las Vegas, NV 89118

Telephone:

Facsimile:

WM Sub TT, LLC

c/o Walton Development & Management AZ, LLC

Attn: General Manager

4800 North Scottsdale Road, Suite 4000

Scottsdale, Arizona 85251 Telephone: (480) 586-9347

Facsimile:

Walton International Group (USA), Inc. 4800 North Scottsdale Road, Suite 4000

Scottsdale, Arizona 85251

Attn: Legal Counsel

Telephone: (480) 586-9246

TOUSA Recovery Acquisition, LLC

Attn: Chris Janson

4350 E. Camelback Road, Suite A-250

Phoenix, Arizona 85018 Telephone: (602) 955-1375 Facsimile: (602) 381-1203

Cameron Carter, Esq. Rose Law Group pc 7144 E. Stetson Drive, Suite 300 Scottsdale, Arizona 85251 Telephone: (480) 240-5639 Facsimile: (480) 505-3925

RMG Tortosa 220, LLC

Attn: Robert L. Shaw, Augustine H. Gomez and

Adrian M. Gough

8800 North Gainey Center Drive, Suite 255

Scottsdale, Arizona 85258 Telephone: (480) 609-1200 Facsimile: (480) 609-1130

Pacific Magic LLC Attn: Blake McKee 4017 North 59th Street Phoenix, Arizona 85018 Telephone: (602) 430-4496

Facsimile:

Matthew R. Berens, Esq. Berens, Kozub & Kloberdanz, PLC 7047 East Greenway Parkway Suite 140 Scottsdale, AZ 85254 Telephone: (480) 624-2775

Facsimile: (480) 607-2215

- (b) Effective Date of Notices. Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or three (3) business days after deposit in a post office operated by the United States Postal Service. Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective upon its receipt (or refusal to accept receipt) by the addressee. Any notice sent by telecopy or facsimile machine shall be deemed effective only upon confirmation of the successful transmission by the sender's telecopy or facsimile machine, followed by deposit of a "hard copy" for next business-day delivery by a recognized national overnight delivery service.
- 18.5 <u>Time of Essence</u>. Time is of the essence of this Agreement and each provision hereof.
- 18.6 <u>Section Headings</u>. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.

- 18.7 <u>Attorneys' Fees and Costs.</u> In the event of commencement of a legal action in an appropriate forum by a Party to enforce any covenant or any of such Party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing Party in any such action shall be entitled to recovery of its reasonable attorneys' fees and court costs and expenses, including, but not limited to, its costs of expert witnesses, and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental expenses associated with such dispute.
- 18.8 <u>Waiver</u>. Without limiting the provisions of this Agreement, the Parties agree that neither the failure nor the delay of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.
- 18.9 Third Party Beneficiaries. No person or entity shall be a third party beneficiary of this Agreement, except for permitted transferees, assignees, or lenders to the extent that they assume or succeed to the rights and/or obligations of Owner under this Agreement, and except that the indemnified parties referred to in the indemnification provisions set forth in this Agreement (or elsewhere in this Agreement) shall be third party beneficiaries of such indemnification provisions.
- 18.10 <u>Exhibits</u>. The Parties agree that all references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes.
- 18.11 <u>Integration</u>. Except as expressly provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement.
- 18.12 <u>Further Assurances</u>. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of: (a) this Agreement as in full force and effect; and (b) the performance of the obligations hereunder at any time during its Term.
- 18.13 <u>Business Days</u>. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Friday, Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Friday, Saturday, Sunday or legal holiday.

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- 18.14 <u>Consents and Approvals</u>. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, use or other matter, such consent or approval shall be given or denied by such Party in its reasonable discretion, unless this Agreement expressly provides otherwise.
- 18.15 <u>Covenants Running With Land; Inurement.</u> The covenants, conditions, terms and provisions of this Agreement shall run with the Tortosa South Property and shall be binding upon, and shall inure to the benefit of the Parties and their respective permitted successors and assigns with respect to such Property. Wherever the term "Party" or the name of any particular Party is used in this Agreement such term shall include any such Party's permitted successors and assigns.
- 18.16 <u>Amendment</u>. No change or addition is to be made to this Agreement except by written amendment executed by City and Owners. Within ten (10) calendar days after any amendment to this Agreement is fully executed, such amendment shall be recorded in the Official Records of Pinal County, Arizona. Upon amendment of this Agreement as established herein, references to "Agreement" shall mean the Agreement as amended.
- 18.17 Good Faith of Parties. Except where any matter is expressly stated to be in the sole discretion of a Party, in performance of this Agreement, granting approval, acknowledgment or consent, or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily or capriciously and will not unreasonably withhold, delay or condition any requested approval, acknowledgment or consent.
- 18.18 <u>Survival</u>. All indemnifications contained herein shall survive the execution and delivery of this Agreement, the closing of any transaction contemplated herein, and the rescission, cancellation, expiration or termination of this Agreement upon the terms and for the period of any applicable statute of limitations.
- No Mayor, City Council member, official, representative, agent, attorney or employee of City shall be personally liable to any of the other Parties hereto, or to any successor in interest to any of the other Parties, in the event of any Non-Performance by City or for any amount which may become due to any other Party or its successor, or with respect to any obligation of City under the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of Owners under this Agreement shall be limited solely to the assets of Owners and shall not extend to or be enforceable against the individual assets of any of the individuals or entities who are members, managers or employees of Owners. Notwithstanding anything contained in this Agreement to the contrary, the liability of the City under this Agreement shall be limited solely to the assets of the City and shall not extend to or be enforceable against the individual assets of any of the individuals or entities who hold the positions of Mayor, council members, officials, or employees of the City.

18.20 Proposition 207 Waiver. By executing this Agreement, each Owner, on behalf of itself and any successors-in-interest to all or any portion of its Parcel hereby waives any right to claim diminution in value or claim for just compensation for diminution in value under A.R.S. § 12-1134, et seq. arising out of any action which may be properly taken by the City pursuant to this Agreement. This waiver constitutes a complete release of any and all claims and causes of action with regard to the Tortosa South Property that may arise or may be asserted under A.R.S. § 12-1134, et seq. as it exists as of the date of this Agreement with regard to City actions permitted by this Agreement. In connection therewith, upon the request of the City, Owners shall promptly execute and deliver to the City, any and all such reasonable waivers of rights under Proposition 207 which may be reasonably requested by the City in order to more fully evidence the waiver set forth herein. Each Owner, severally and not jointly, agrees to indemnify, hold harmless and defend City, its Mayor, City Council, officers, employees and agents, from any and all claims, causes of actions, demands, losses and expenses, including attorney's fees and litigation costs, that may be asserted by or may result from such Owner's seeking potential compensation, damages, attorney's fees or costs under A.R.S. § 12-1134, et seq. that it may have, as a result of this Agreement, now or in the future.

18.21 <u>Conflict of Interest Statute</u>. This Agreement is subject to, and may be terminated by City in accordance with, the provisions of A.R.S. § 38-511.

18.22 Dispute Resolution. In the event a dispute arises under this Agreement, the Parties agree that there shall be a ninety (90) day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the Commercial Mediation Rules of the American Arbitration Association ("AAA") but shall not be under the administration of the AAA unless agreed to by the Parties in writing, in which case all administrative fees shall be divided evenly between the City and Owners. The matter in dispute shall be submitted to a mediator mutually selected by Owners and the City. If the Parties cannot agree upon the selection of a mediator within ten (10) days, then within five (5) days thereafter, the City and Owners shall request that the Presiding Judge of the Superior Court in and for the County of Pinal, State of Arizona, appoint the mediator. The mediator selected shall have at least ten (10) years of experience in mediating or arbitrating disputes relating to commercial property. The cost of any such mediator shall be divided equally between the City and Owners. The results of the mediation shall be nonbinding with any Party free to initiate litigation upon the conclusion of the latter of the mediation or of the ninety (90) day moratorium on litigation. The mediation shall be completed in one day (or less) and shall be confidential, private, and otherwise governed by the provisions of A.R.S. § 12-2238, to the extent allowed by the Arizona Open Meetings Law, § 38-431 et seq.

18.23 <u>Assignment</u>. The Parties shall not assign all or any part of this Agreement without the prior written approval of the other Party, which approval shall not be unreasonably withheld, conditioned, or delayed. The City acknowledges and agrees that some or all of the improvements on the Tortosa South Property will be constructed

by one or more other entities ("Buyers") acquiring portions of the Tortosa South Property from Owners, and that Owners shall be permitted to assign all or any part of this Agreement to such an Assignee with the consent of City, such consent not to be unreasonably withheld, provided that the Assignee agrees in writing to abide by the terms of this Agreement. Upon an Owner's conveyance or other disposition (a "Transfer") of any portion of the Tortosa South Property ("Transferred Property"), the transferee shall be deemed to be a Party to this Agreement with respect to such Transferred Property, and the prior Owner shall have no further obligations under this Agreement regarding the Transferred Property arising from and after the date of such Transfer. The consent of the City shall not be required for an assignment and assumption of all obligations arising from and after the date of an assignment with regard to a portion of the Property that is transferred to an assignee if such is clearly stated in a recorded assignment and assumption executed by both assignor and assignee referencing this Agreement and the portion of Property transferred for which an assignment and assumption is being made, and if a copy is promptly delivered to the City. The granting of a security interest in any portion of the Tortosa South Property shall not be a Transfer unless and until the Owner's interest thereunder is foreclosed pursuant to a trustee's sale, foreclosure action, deed-in-lieu, or other similar conveyance.

18.24 <u>No Agency Created.</u> Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between City and Owners. No term or provision of this Agreement is intended to be for the benefit of any person, firm, organization or corporation not a party hereto, and no other person, firm organization or corporation may have any right or cause of action hereunder.

18.25 Termination; Successors and Assigns.

- (a) <u>End of Term</u>. The Agreement terminates at the end of the Initial Term.
- (b) <u>Upon Sale of Subdivided Lots</u>. It is the intention of the Parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with the lots within the Tortosa South Property when sold to the end purchaser ("**Subdivided Lot**"). Therefore, in order to alleviate any concern as to the effect of this Agreement on the status of title to any Subdivided Lot, so long as not prohibited by law, this Agreement shall automatically terminate without the execution or recordation of any further document or instrument as to any Subdivided Lot which has been finally subdivided and sold and upon which a completed home has been constructed and for which a certificate of occupancy or equivalent has been issued and thereupon such Subdivided Lot shall be released from and no longer subject to or burdened by the provisions of this Agreement.
- 18.26 <u>Compliance Confirmation.</u> When requested by either the City or an Owner, which request can be made from time to time, the other shall use its best efforts to confirm the following in writing to the requesting Party within thirty (30) days from the date of the request: (i) this Agreement is unmodified and in full force and effect (or

reasons why it is not); and (ii) based upon actual knowledge, there are not any uncured defaults under this Agreement (or reasons why there are).

18.27 No Development Representations. Nothing contained in this Agreement or in the Development Plan shall be deemed to obligate the City or the Owners to commence or complete any part or all of the development of the Tortosa South Property in accordance with the Development Plan or any other plan, and neither this Agreement nor the Development Plan shall be deemed a representation or warranty by the Owners of any kind whatsoever with respect to the development of the Tortosa South Property; provided, however, that if and when all or any part of the Tortosa South Property is developed, it shall be in accordance with this Agreement and the Development Plan.

[SIGNATURE PAGE FOLLOWS]

	MARICOPA DEVELOPMENT, LLC, a Delaware limited liability company
	By: Name: Its:
STATE OF ARIZONA)) ss. County of)	
	vledged before me this day of, the of re limited liability company.
Not My Commission Expires:	tary Public
(seal)	

	TOUSA RECOVERY ACQUISITION, LLC, a Delaware limited liability company
	By: Name: Its:
STATE OF ARIZONA)	
) ss. County of)	
The foregoing was acknowled, 2017, by TOUSA Recovery Acquisition, LLC, a De	edged before me this day of, the of elaware limited liability company.
Nota My Commission Expires:	ry Public
(seal)	

By:		WM SUB TT, LLC, an Arizona limited liability company
The foregoing was acknowledged before me this day of, 2017, by, the of WM Sub TT, LLC, an Arizona limited liability company.		Name:
The foregoing was acknowledged before me this day of, 2017, by, the of WM Sub TT, LLC, an Arizona limited liability company.	STATE OF ARIZONA)	
, 2017, by, the of WM Sub TT, LLC, an Arizona limited liability company.	County of) ss.	
·	, 2017, by	, the of WM
		otary Public
(seal)		

date first set forth above.	
	RMG Tortosa 220, LLC, an Arizona limited liability company
	By: RMG RES-1C, LLC, an Arizona limited liability company, its Manager
	By: Name: Its:
STATE OF ARIZONA)) ss. County of)	
County of)	
, 2017, by	nowledged before me this day of, the of RMG bility company, the Manager of RMG Tortosa 220, npany.
My Commission Expires:	Notary Public
Wy Commission Expires.	
(seal)	

	PACIFIC MAGIC, LLC, an Arizona limited liability company
	By:
STATE OF ARIZONA)	
STATE OF ARIZONA) ss. County of)	
	vledged before me this day of, the of Pacific or company.
No My Commission Expires:	tary Public
(seal)	

	CITY OF MARICOPA, ARIZONA, an Arizona municipal corporation
	By: Christian Price Its: Mayor ATTEST:
	By: Vanessa Bueras, City Clerk
STATE OF ARIZONA)) ss. COUNTY OF PINAL)	
The foregoing was acknowle, 2017, by Christian	edged before me this day of Price, the Mayor of City of Maricopa, Arizona, acknowledged that he signed the foregoing
Nota	ry Public
My Commission Expires:	
(seal)	

Consent of Tortosa Homeowners Association

Upon completion of the Improvements contemplated by <u>Section 11.1</u> of the foregoing Agreement, the undersigned agrees to maintain and accept title to Lot 57 of Parcel G in accordance with <u>Section 11.1</u> of the foregoing Agreement.

TORTOSA HOMEOWNERS ASSOCIATION, an Arizona non-proficorporation	t
By: Name: Its:	

EXHIBIT A

LEGAL DESCRIPTION OF TORTOSA SOUTH PROPERTY

RMG Tortosa 220, LLC:

Lots 1 through 104, Inclusive, Tortosa South Parcel H, according to Cabinet G, Slide 95, Records of Pinal County, Arizona.

Lots 1 through 116, Inclusive, Tortosa South Parcel I, according to Cabinet G, Slide 96, Records of Pinal County, Arizona.

Pacific Magic LLC:

Lots 1 through 133, Tortosa South Parcel K, according to Cabinet G, Slide 98, Records of Pinal County, Arizona.

Maricopa Development, LLC:

Lots 1 through 143, inclusive, Tortosa South Parcel A, recorded in the Office of the County Recorder of Pinal County, Arizona, in Cabinet G, Slide 91.

Lots 1 through 140, inclusive, Tortosa South Parcel C, recorded in the Office of the County Recorder of Pinal County, Arizona, in Cabinet G, Slide 92.

Lots 4 through 41, inclusive, 80 through 100, inclusive, Tortosa South Parcel I, recorded in the Office of the County Recorder of Pinal County, Arizona, in Cabinet G, Page 99.

WM Sub TT, LLC:

Lots 1 through 131, inclusive, Tortosa South Parcel F, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Cabinet G, Slide 93.

Lots 1 through 151, inclusive, Tortosa South Parcel J, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Cabinet G, Slide 97.

TOUSA Recovery Acquisition, LLC

Lots 1 through 154, inclusive, of Tortosa South Parcel G, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Cabinet G, Slide 94.

Lots 1 through 3, 42 through 79, inclusive, of Tortosa South Parcel L, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Cabinet G, Slide 99.

EXHIBIT B

PARCEL DEPICTIONS OF THE TORTOSA SOUTH PROPERTY

[see attached]

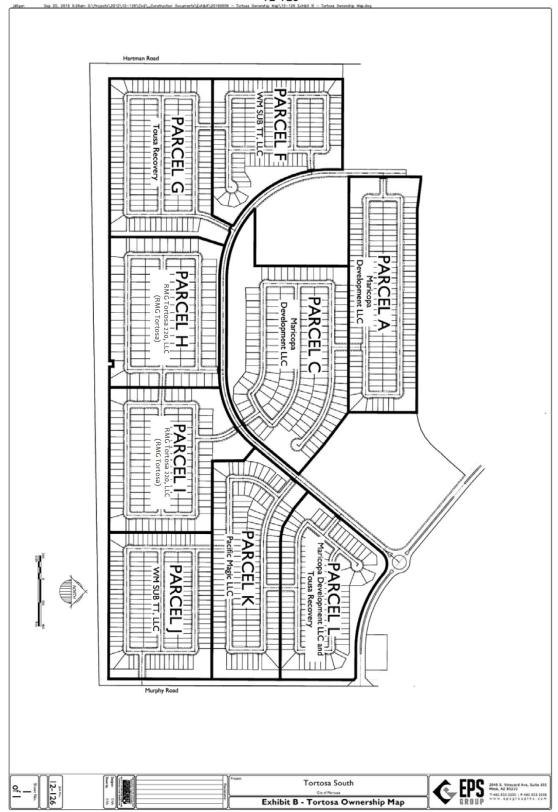


EXHIBIT C

EXHIBIT D

EXHIBIT E

EXHIBIT F

MURPHY ROAD PUNCH LIST ITEMS

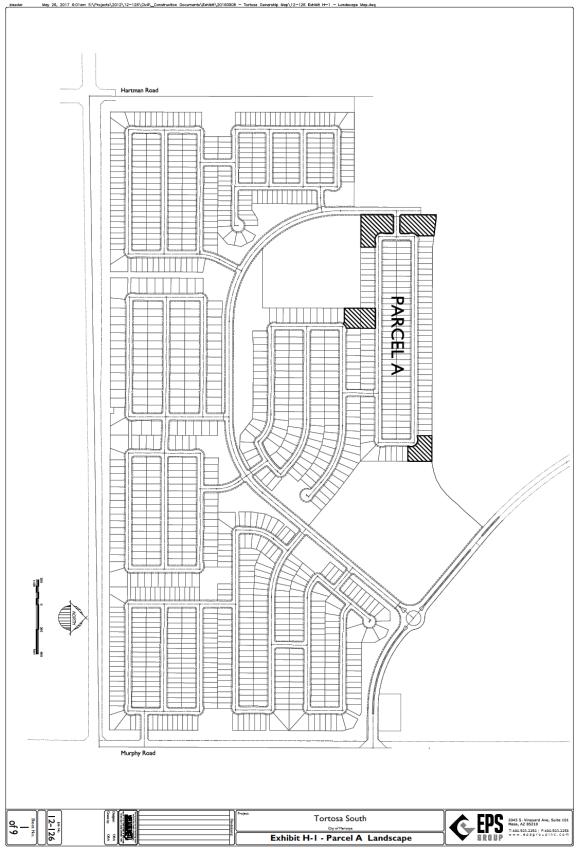
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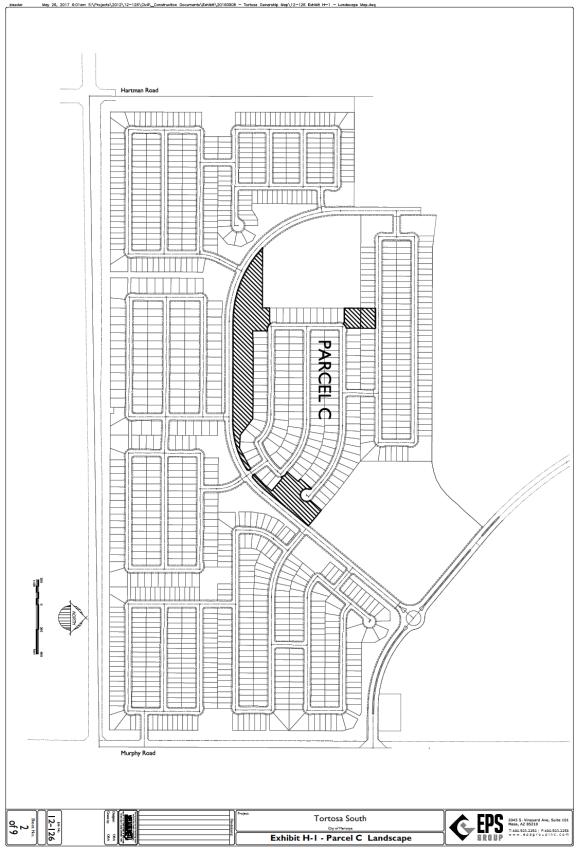
EXHIBIT G

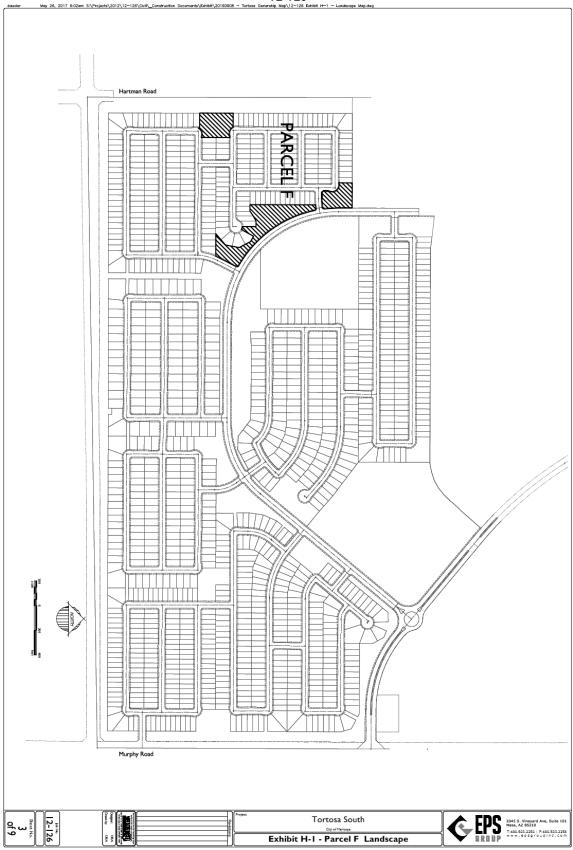
EXHIBIT H-1

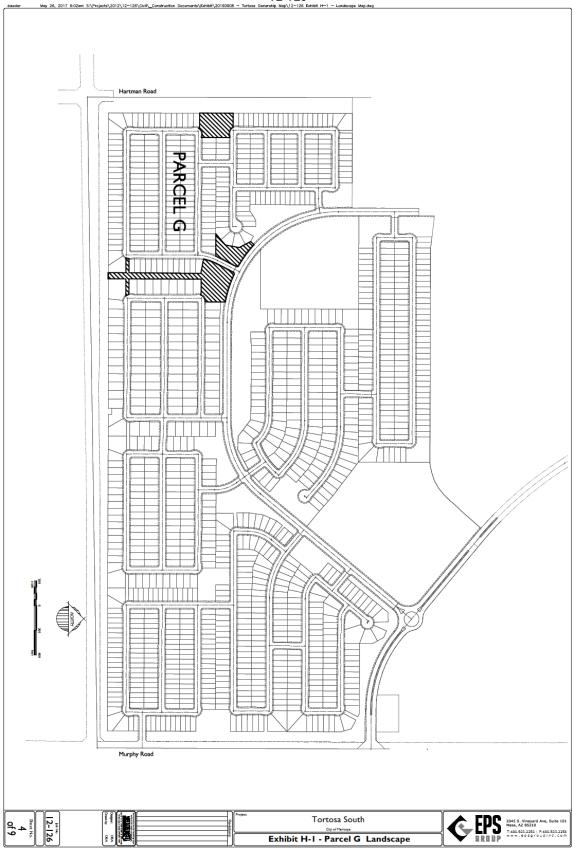
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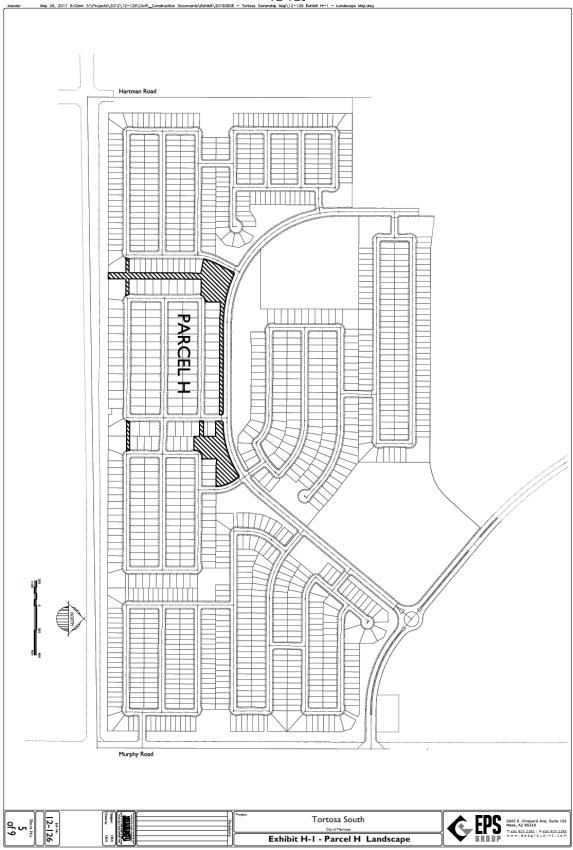
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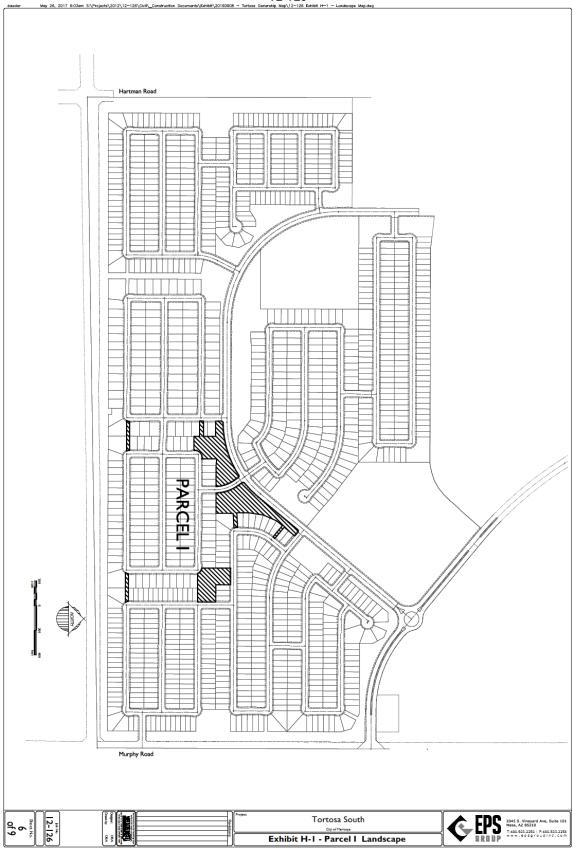


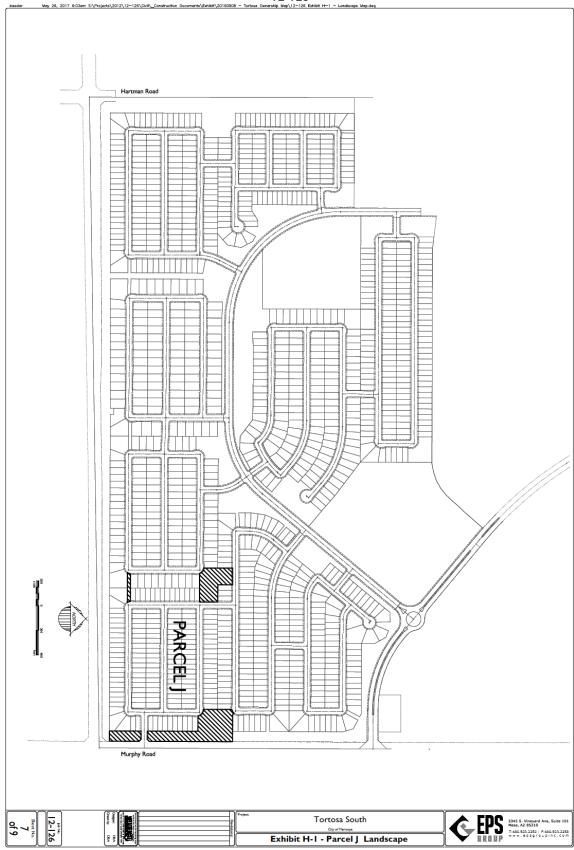


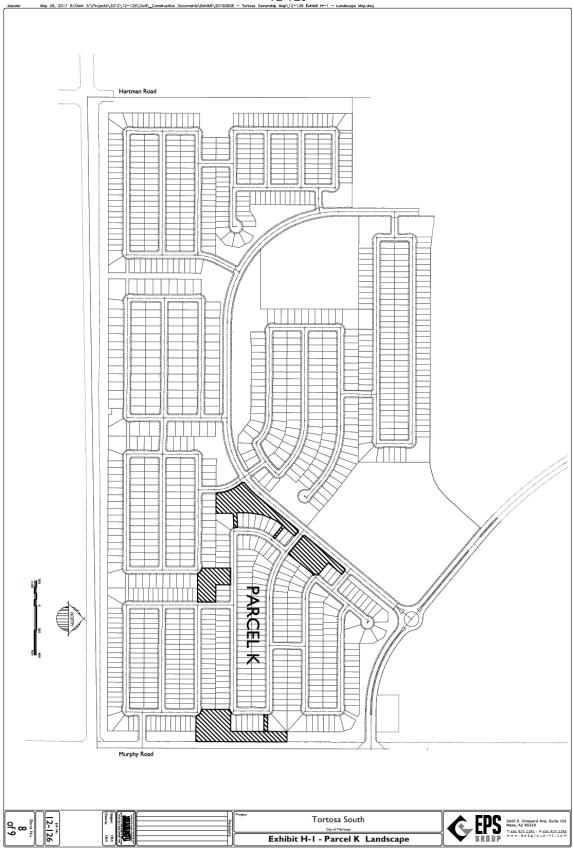












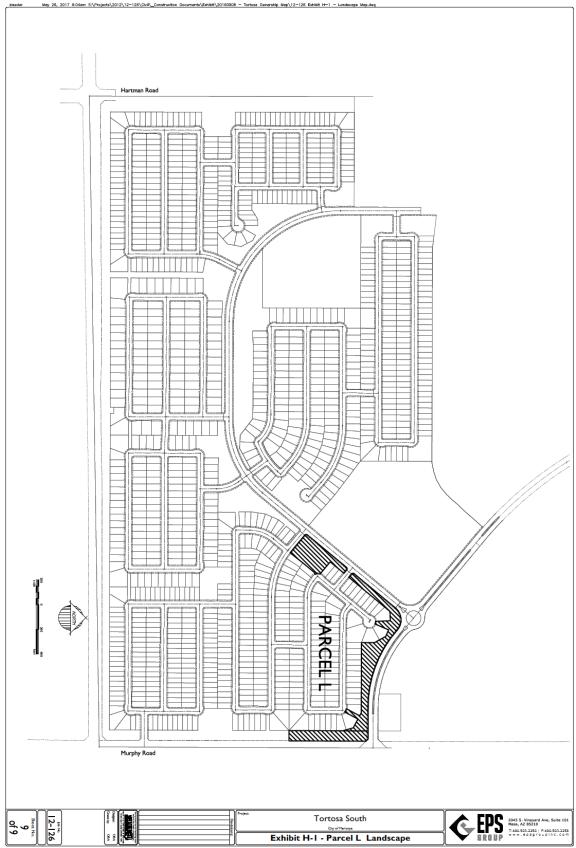
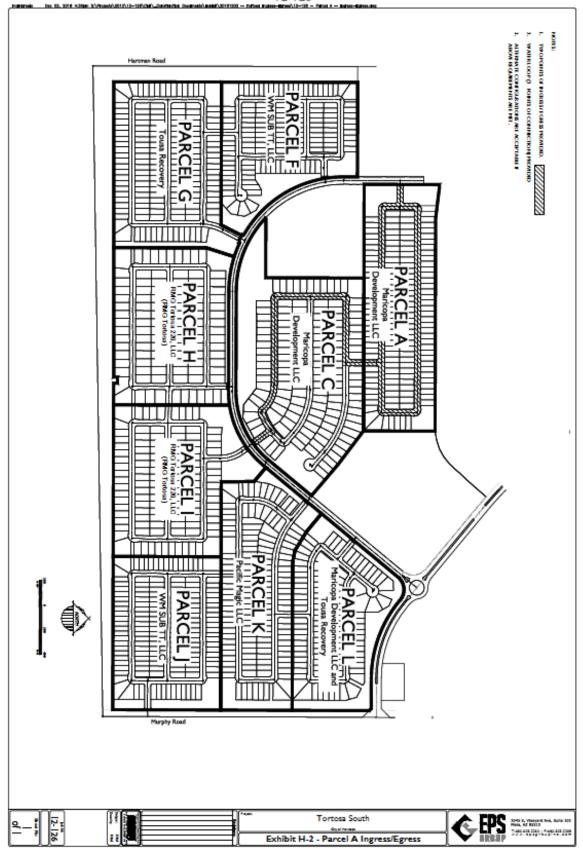
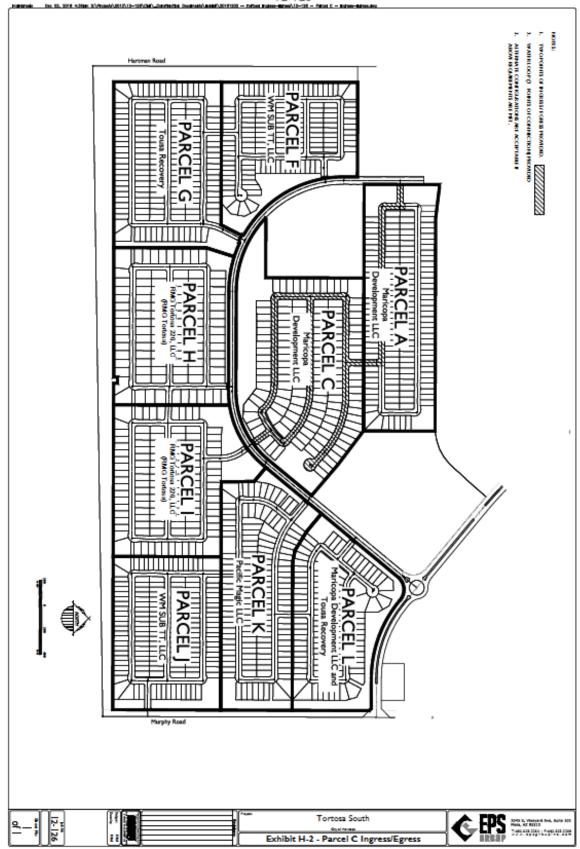


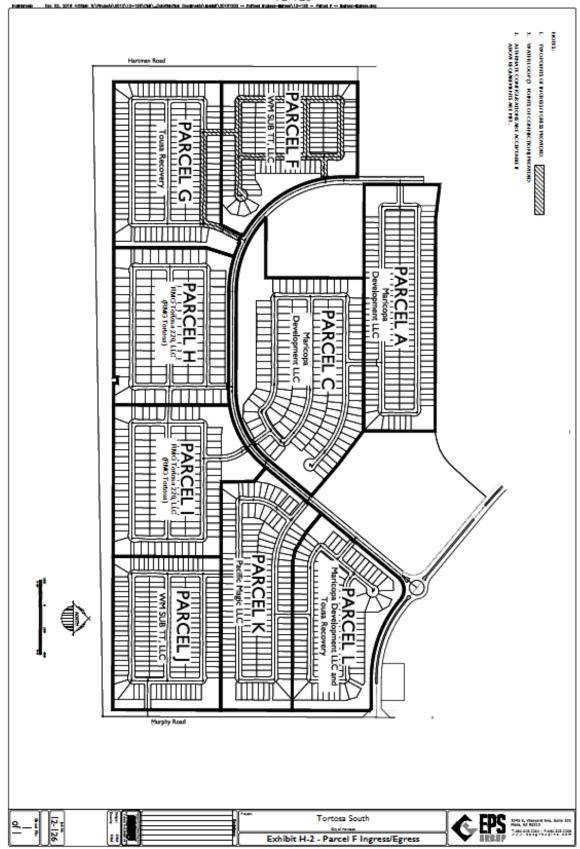
EXHIBIT H-2

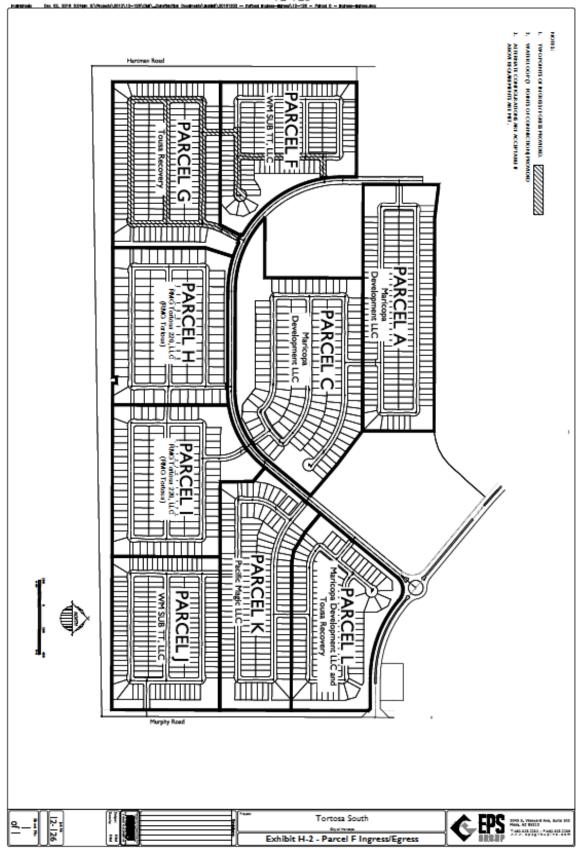
$\frac{PARCEL\ DEPENDENT\ IMPROVEMENTS}{LOT\ IMPROVEMENTS}$

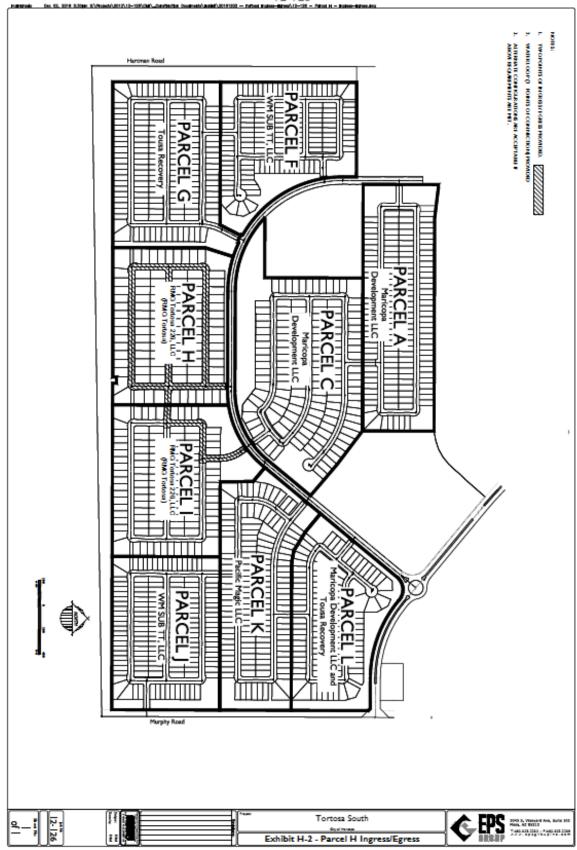
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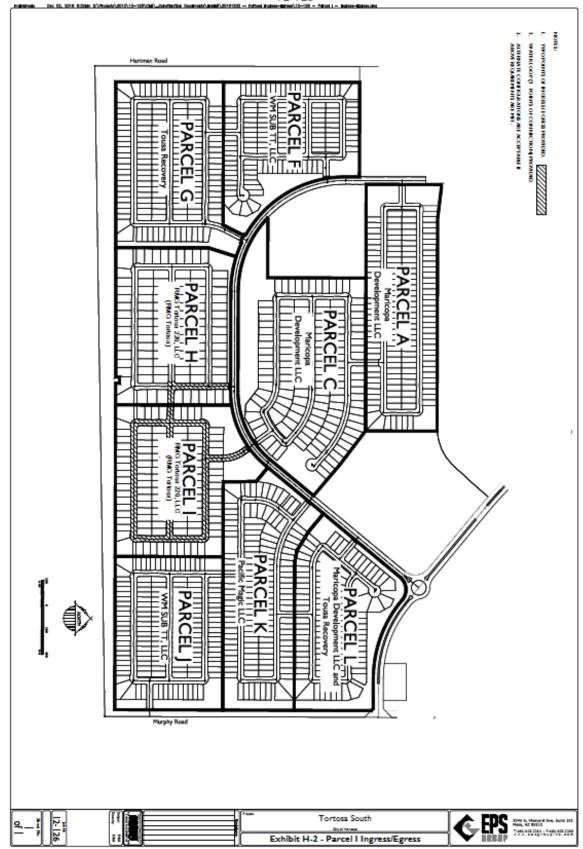


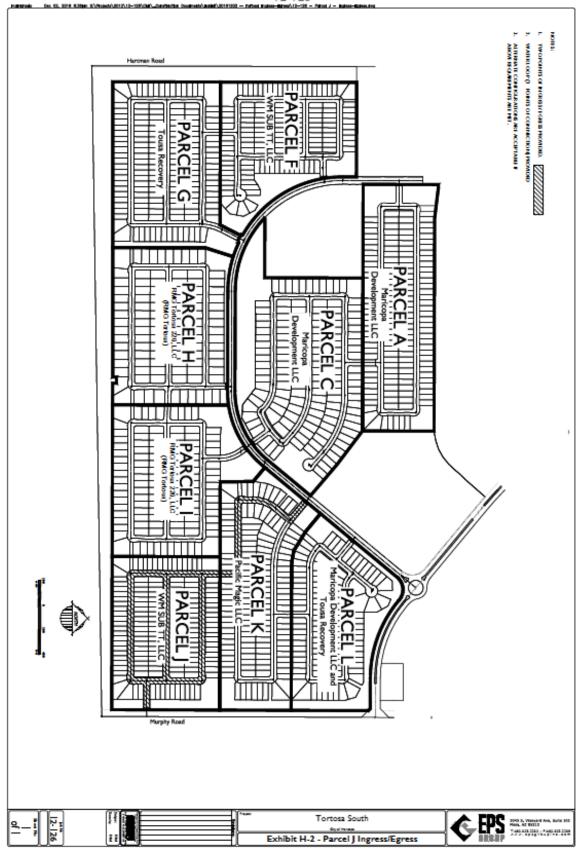


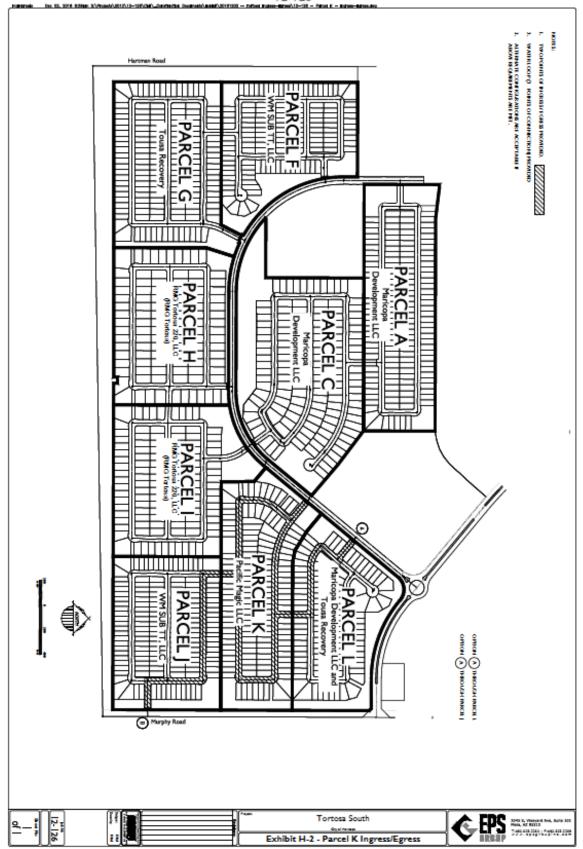












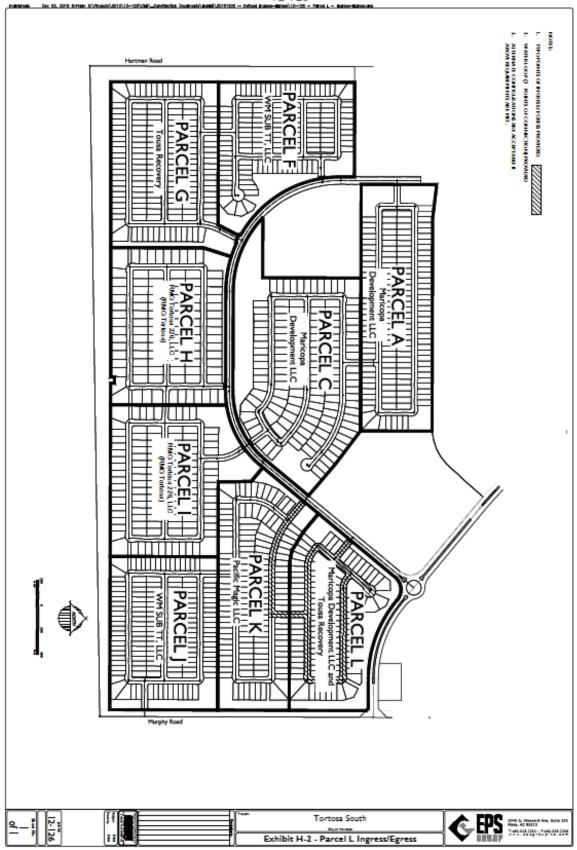


EXHIBIT I

DEPICTION OF FIRE ACCESS LOT

[see attached]

12-126 Sq. 27, 2019 455pp \$50pping\$281050-1050pg_contrade Overset/gets02016000 Hartman Road AT GMDE CHOSING Hartman Road

Tortosa South

CES RELATIONS FOR THE PARTY OF THE PARTY OF

EXHIBIT I-1

LEGAL DESCRIPTION OF FIRE ACCESS LOT

Lot 57 of Tortosa South Parcel G, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Cabinet G, Slide 94.

10378.1.1009676.18 5/26/2017