

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement (this “Agreement”) is entered into as of _____, 2025 (the “Effective Date”), by and between ESTRELLA GIN BUSINESS PARK, LLC, an Arizona limited liability company, (“Estrella Gin”) and the CITY OF MARICOPA, an Arizona municipal corporation (“City”). The City and Estrella Gin may be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

- A. The City and Estrella Gin are parties, successors or assigns to that certain Purchase and Sale Agreement and Escrow Instructions originally between the City and Urban Storage Maricopa, LLC, dated November 23, 2010, as amended (“PSA”), under which the City agreed to sell a 10.19 acre of property generally located at the southeast corner of Edison Road and Estrella Gin Parkway, Pinal County Assessor’s Parcel No. 510-17-022A, legally described on **Exhibit A** (“Estrella Gin Property”).
- B. The Estrella Gin Property is located adjacent to property now owned by Hampton Edison, LLC, Pinal County Assessor’s Parcel No. 510-20-0490, which the City had conveyed to Paragon Hampton Edison, LLC, by abandonment through Resolution No. 23-16 (“Paragon Property”).
- C. On or about October 21, 2021, the City conveyed the Estrella Gin Property to West Edison, LLC, which between May 17, 2022 and November 12, 2022, conveyed the Estrella Gin Property to Estrella Gin (66.33%), Bank of Idaho Trustee fbo Jeff Newgard IRA (4.20%), Jeff Anderson (3.50%), Ryan L. Anderson (3.50%), Travis Argyle (3.50%) Fluid Real Estate Investments LLC (13.97%) and EJS, LLC (5.00%) as tenants in common.
- D. On January 30, 2025, Estrella Gin filed a Complaint against the City seeking damages in the approximate amount of \$11,025,372, captioned *Estrella Gin Business Park, LLC v. City of Maricopa*, Pinal County Superior Court Case No. S1100CV202501489 (“Lawsuit”). The Lawsuit alleges that the City transferred an approximately 12-foot strip of the Estrella Gin Property to Paragon (“Disputed Area”) in the abandonment. The Lawsuit further alleges that a drainage ditch has been constructed within the Disputed Area (“Drainage Ditch”) that interferes with Estrella Gin’s development of the Estrella Gin Property. The City has not responded to the Lawsuit, and the Parties had agreed to stay the Lawsuit pending settlement discussions.
- E. It is the desire of the Parties, and each of them, to resolve all existing disputes among them concerning the Lawsuit without further litigation or delay.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have made this Agreement in order to resolve the disputes among them according to the terms and conditions herein.

1. **Incorporation of Definitions and Recitals.** All of the foregoing Recitals and definitions are incorporated by reference as though set forth fully herein.
2. **No Admissions of Liability.** The Parties understand and agree that this Agreement is a compromise and settlement of any and all disputed claims asserted by Estrella Gin in the Lawsuit and unasserted counterclaims by the City, and that it shall not be construed to be an admission of liability or wrongdoing by any Party.
3. **Cash Payment by the City to Estrella Gin.** The Parties agree that the City shall pay or cause to be paid \$350,000 to Estrella Gin, payable within twenty (20) days from full execution of this Agreement.
4. **Other Consideration.**
 - a. The City shall relocate the Drainage Ditch at the City's sole expense to remove any portion of the Drainage Ditch from the Disputed Area, provided that relocation of the Drainage Ditch is conditioned upon first obtaining approval or consent of the current owner of the Paragon Property or acquisition of an easement, license or fee title interest to the Paragon Property for purposes of performing the relocation. Relocation of the drainage ditch shall include construction of a retaining wall at the western boundary of the Disputed Area. The Parties agree that the relocation of the Drainage Ditch shall be performed by a mutually agreed upon contractor pursuant to applicable municipal procurement code requirements. In the event the Parties cannot agree on selection of a contractor, the Parties agree that Timothy J. Thomason will make a final determination.
 - b. Prior to or contemporaneously with development of the Estrella Gin Property, the City shall improve at the City's sole expense the west half of that portion of Roosevelt Avenue adjacent to the southern portion of the Estrella Gin Property and as necessary to accommodate regional drainage flows of the Estrella Gin Property. Roosevelt Avenue shall be constructed pursuant to all applicable City standards and pursuant to all applicable City processes, including but not limited to applicable municipal procurement code requirements, but the design, selection of contractors, and means and methods of construction of the roadway and associated improvements shall be at the sole discretion of the City.
 - c. The City shall review all development plans submitted by Estrella Gin for development of the Estrella Gin Property promptly and, at the request of Estrella Gin, on an expedited basis.
 - d. The City shall waive all review fees, expedited review fees, permit fees, and application fees in connection with development of the Estrella Gin Property up to and not to exceed the amount of \$180,000. The waiver of fees does not apply to development impact fees, taxes, or fees charged by third party reviewers.

- e. The consideration recited in this Paragraph 4 is assignable by Estrella Gin to a purchaser of the Estrella Gin Property or a joint venture, partnership or limited liability company owner of the Estrella Gin Property in which Estrella Gin is a joint venturer, partner, member or manager.
5. **Lawsuit Dismissal.** Upon full execution of this Agreement and payment of the amount in Paragraph 3 above, Estrella Gin shall cause the Lawsuit to be dismissed with prejudice.
6. **Release.** Upon execution of this Agreement, and in consideration of the mutual covenants and promises contained in this Agreement, dismissal of the Lawsuit, and the other consideration provided by the mutual covenants and releases in this Agreement, the sufficiency of which are hereby acknowledged, the Parties release and forever discharge each other, together with their predecessors and successors, and, to the maximum extent applicable, their employees, elected officials, appointed officials, affiliates, officers, directors, members, managers, attorneys, insurers and all persons who acted on their behalf, of and from any and all liability, claims, demands, and causes of action arising out of the Lawsuit and unasserted counterclaims arising in connection therewith, or any of their actions that were or may have been the subject matter of same (“Release”). This Release includes all unknown claims, matured or unmatured, in addition to the claims of which the Parties are presently unaware related to the Lawsuit or unasserted counterclaim. Except as specifically set forth herein, this Release does not release the Parties or their predecessors or successors from their respective obligations to each other under this Agreement, under generally applicable City, state or federal laws, ordinances or regulations, or pursuant to any representations or warranties that survive termination of the PSA.

This Release includes any claims arising out reversion agreements, development agreements, purchase agreements or any other agreement related to the Estrella Gin Property or property known as Estrella Gin Business Park, Pinal County Assessor’s Parcel No. 510-17-021G, except for representations or warranties that survive termination of the purchase agreement.

7. **General Terms.**
 - a. **Attorneys’ Fees Related to Lawsuit and Preparing Agreement.** Each Party shall bear its own costs and attorneys’ fees incurred with reference to the Lawsuit and the negotiation and preparation of this Agreement.
 - b. **Attorneys’ Fees for Dispute Regarding Agreement.** In the event either Party hereto employs legal counsel and brings an action at law, arbitration or other proceedings against any other Party to enforce any of the terms, covenants, or conditions hereof, the Party prevailing in such action or proceeding shall be paid all reasonable attorneys’ fees by the other Party, and in the event any judgment is secured by such prevailing Party, all such reasonable attorneys’ fees shall be included in any such judgment.

- c. Construction. The terms and provisions of this Agreement represent the results of the negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and neither 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 that 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 would be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement of any earlier draft of same.
- d. Section Headings. 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.
- e. Jurisdiction and Venue. 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) and any suit brought to enforce this Agreement may only be brought in the Superior Court of Arizona, in and for Pinal County.
- f. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the settlement of claims and supersedes all other agreements, memoranda or understandings respecting the same, whether written or oral, and may only be amended in writing
- g. Time is of the Essence. Time is of the essence of this Agreement and each provision hereof.
- h. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that signatures transmitted by facsimile or other commercially acceptable electronic means (including but not limited to “PDF”) shall be deemed to be original signatures and fully enforceable.
- i. No Influence. The Parties agree and acknowledge that no representation of any kind concerning any subject has been made to them by any other Party hereby released or by any agent, representative, or attorney of any such Party, that has in any way influenced the undersigned’s decision to enter into this Agreement, other than as expressly set forth in this Agreement.
- i. No Third-Party Beneficiaries. This Agreement is entered into for the mutual benefit of the Parties hereto only. Nothing herein shall be construed to be for the benefit of

any third party, nor is it intended that any provision shall be for the benefit of, or enforceable by, any third party.

- j. Waiver. No waiver by either Party of any condition, or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver by such Party.
- k. Counterparts. This Agreement may be executed and delivered in multiple counterparts and each counterpart so delivered which bears an original or facsimile signature of a Party hereto shall be binding as to such Party, and all counterparts together shall constitute one original and the same instrument.
- l. Termination for Conflicts of Interest. The Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511.
- m. Effect of Agreement. Except as specifically agreed to herein as settlement and compromise of the Lawsuit, the terms and conditions of the PSA remain in full force and effect and are hereby reaffirmed by the Parties.
- n. Severability. If any clause, sentence or other portion of the terms of this Agreement is found illegal, null or void for any reason by a court of competent jurisdiction, the remaining portions will remain in full force and effect.
- o. Dispute Resolution. In the event of any dispute arising out of or relating to this Agreement, the Parties agree to non-binding mediation with Timothy J. Thomason, costs of which shall be split equally between the Parties. Either Party may provide notice of a dispute to the other Party, at which time the dispute will be scheduled for mediation. If mediation is unsuccessful, either Party may file a lawsuit in Pinal County Superior Court, which is the exclusive venue for litigation.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

RULE 408 COMMUNICATION – Draft for settlement purposes only – Subject to further review by Legal Counsel and City Staff; subject to approval by the City Council.

CITY OF MARICOPA, a Municipal
Corporation

By _____

Its _____

ESTRELLA GIN BUSINES PARK, LLC

By _____

Its _____