

## EXHIBIT D

Pursuant to Paragraph 5 of the Development and Settlement Agreement (the “Agreement”) entered into between Meritage and the City, the Parties hereby agrees as follows with respect to the future public infrastructure development obligations of Meritage on and related to the Property. Defined terms not otherwise defined in this Exhibit shall have the meanings set forth in the Development and Settlement Agreement. All improvement plans discussed herein shall be reviewed and approved by the City and all construction assurances shall be provided for said improvements in a manner acceptable to the City Engineer.

1) Smith-Enke Road Improvements: The City and Meritage agree that Meritage shall be responsible only for the half-street improvements for Smith-Enke Road, up to the commencement of the Exception Parcel at the Corner of Honeycutt and Porter Roads, and only on land located immediately adjacent to the Property, as will be depicted in City approved improvement plans. The City agrees that it will not require development or construction of any other improvements other than those depicted on City approved plans, and that the improvements shall be substantially similar and consistent in construction, appearance, and specification with the existing half-street improvements on Smith-Enke Road. Moreover, the City agrees that during the balance of the plan review process that remains for the road improvements referenced in this paragraph, the City will not make changes or address comments with respect to subjects or topics that have already been satisfactorily addressed by Meritage in response to City comments. To the extent that the City desires the construction of half-street improvements adjacent to and along the Exception Parcel, Meritage agrees to construct and the City agrees to pay for such improvements, at the same rates and charges incurred by Meritage for the half-street improvements Meritage has constructed along Smith Enke Road, provided that all such plans are approved and construction by Meritage may begin, within 30 days from the date the Agreement is fully executed by the Parties. Moreover, because Meritage is agreeing to perform the work adjacent to the Exception Parcel as a courtesy to the City, the City agrees that Meritage shall not be liable to the City for future warranty claims related to this work, and that the City will look to the subcontractors performing the work for any and all warranty claims, demands, or repairs. Any improvements plans that were approved by the City prior to January 1, 2013, will need to be resubmitted and approved.

2) Porter Road Improvements: The City and Meritage agree that Meritage shall be responsible only for the half-street improvements for Porter Road between the corner of Honeycutt and Porter up to the Exception Parcel, and only on land located immediately adjacent to the Property or to the ED3 property located on the northwest corner of Honeycutt and Porter, as will be depicted in City approved improvements plans. Meritage shall also be responsible for undergrounding the ED3 overhead lines located on the West side of Porter Road. The City agrees that it will not require development or construction of any other improvements other than those depicted on City approved improvement plans and the relocation of the ED3 overhead

lines, and that the improvements shall be substantially similar and consistent in construction, appearance, and specification with the existing half-street improvements on Porter Road. In addition, the City agrees that Meritage need not commence construction of the improvements on Porter Road set forth in this paragraph until the commencement of the development of Parcel 9, as evidenced by the issuance of the first residential building permit for a residence within Parcel 9, provided that Meritage may begin the improvements referenced in this paragraph at an earlier time if so desired. In addition, the City agrees that Meritage may perform said Porter Road improvements pursuant to the plans to be reviewed and approved by the City, in accordance with the timelines set forth herein.

3) Honeycutt Road Improvements: Meritage and the City agree that the only obligations of Meritage that remain with respect to improvements on Honeycutt Road consist of extending the existing sidewalk and existing landscaping to the corner of Honeycutt Road and Porter Road, (which sidewalk and landscaping shall be substantially similar in appearance, specification, and construction as the existing sidewalk and landscaping on Honeycutt Road), construct an ADA intersection ramp to match the existing intersection ramps, install a striped crosswalk across Honeycutt aligned with the ADA ramp, continuing the sidewalk for a distance of 8 ft. along Porter Road. The City shall be responsible for all other improvements on Honeycutt Road. To the extent that Meritage and the City agree that City will construct a portion of these improvements, including, but not limited to the ADA ramp, striped crosswalk and continuing sidewalk, Meritage agrees to pay for such improvements, at the same rates and charges incurred by City.

4) Use of Wash for Trail Connectivity: Meritage shall grant the City a public trail and open space easement with a maximum width of twenty feet (20') abutting the west parcel boundaries of the Property along the east side of the Santa Rosa Wash extending from Honeycutt Road to Smith Enke Road. The easement shall be provided in a manner acceptable to the City Engineer and Community Services Director prior to or concurrent with the Province Parcel 3 Final Plat approval. Upon completion of this easement grant, neither Meritage nor any HOA within the Property shall have any obligation to maintain the trail. To the extent permitted by law, City shall defend, indemnify, and hold Meritage, its officers and employees harmless from any and all loss, damage, claim for damage, liability, expense, or cost, including reasonable attorneys' fees, which arise out of, or is connected with the location, construction or use of the public trail and open space easement unless such loss, damage, claim for damage, liability, expense or cost is caused by the acts or omissions of Meritage.

5) Parcel 3 Model Complex: The City agrees to cooperate with Meritage in good faith with respect to the approval and authorizations required for the construction, design and location of a Model Home Complex within Parcel 3, located at the North West corner of the Province community, near the entrance to the community off of Smith-Enke Road (the "Model Complex").

6) Emergency Access Easement: Meritage shall provide an emergency access easement on Parcel 9, extending from Porter Road to Coyote Court in a width and manner acceptable to the City.

7) Common Area Locations and Uses: The city will cooperate in good faith and remain flexible with respect to the location and allocation of greenbelt space, open space, and lakes within the areas of the Property that have not yet been developed in Parcels 3, 8, 9, 10 and 12, including but not limited to, permitting Meritage to change the location, type and use of common area space within the Property, provided that doing so does not alter pre-existing density restrictions and requirements. The City agrees that it will not unreasonably deny any request by Meritage to change the location, use, and type of common area space within the Property. Meritage agrees that any request for a change in the common area space within the Property will be subject to any and all applicable City processes, rules and regulations.

8) Parcel 8 Drainage Improvements: Meritage agrees to excavate and enlarge the existing retention basin located at the Southern portion of Smith-Enke Road (NE Corner of Parcel 4) by enlarging the size of the basin by an amount recommended by a third-party engineer hired by Meritage and approved by the City, to help mitigate further erosion and run off into Smith-Enke Rd. Any and all warranties and guarantees will continue to apply to such drainage improvements until the City accepts the improvements.