

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions (“Agreement”) is entered into effective as of May ____, 2021, by and between the City of Maricopa, an Arizona municipal corporation (“Seller” or “City”) and Copa Surf, LLC, an Arizona limited liability company (“Buyer”), on the following terms and conditions contained herein.

RECITALS

WHEREAS, the City is in the owner of approximately 21 acres of real property generally located on the southwest corner of W. Smith Enke Road and N. Loma Road; and

WHEREAS, in compliance with A.R.S. § 9-402, an invitation for bids for the purchase of the Property was published and Buyer was the successful bidder; and

WHEREAS, the Seller and Buyer enter into this Agreement to set forth the rights and obligations of Buyer and Seller with respect to the purchase and sale of the Property.

AGREEMENTS

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 acknowledge, the City and Buyer agree as follows:

1. Sale and Purchase. On the terms and conditions contained in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller approximately 21 acres of the real property generally located on the southwest corner of W. Smith Enke Road and N. Loma Road, Maricopa, Pinal County, Arizona and legally described and depicted on Exhibit A, together with all of Seller’s rights, title and interest in and to any improvements located thereon; (a) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights and air rights; (b) all oil, gas, and mineral rights not previously reserved; and (c) any other rights or privileges appurtenant to such real property (collectively, the “Property”).
2. Escrow and Title Company. The Seller and Buyer shall open an escrow (“Escrow”) with Title Security Agency of Pinal County, LLC, 421 E. Cottonwood Lane, Casa Grande, Arizona 85122, Attn: LaTisha Sopha (“Title Company”) to facilitate the consummation of the sale of the Property. This Agreement shall also serve as escrow instructions to Title Company. The Seller and Buyer shall provide additional instructions reasonably requested by Title Company in connection with opening the Escrow or otherwise facilitating the consummation of the sale of the Property, not inconsistent with the terms of this Agreement. In the event of any conflict or inconsistency between any additional Escrow Instructions requested by Title Company and this Agreement, the provisions of this Agreement shall prevail.

3. Purchase Price; Earnest Money; Right to Rental Payments.

3.01 Purchase Price. The purchase price ("Purchase Price") to be paid by Buyer for the Property shall be ONE MILLION THREE HUNDRED SEVENTY FIVE THOUSAND EIGHT HUNDRED SEVENTY FIVE AND 00/100 DOLLARS (\$1,375,875.00), which represents \$1.50 per square foot. In the event the Property is calculated at more or less than 21 acres in the Survey (as defined in Section 5.03), the Purchase Price shall be adjusted accordingly based on actual square footage to be purchased. The Purchase Price shall be paid in cash or certified funds as follows:

(a) Payment of TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00) Earnest Money as set forth in Section 3.02.

(b) Payment of remainder of the Purchase Price plus three percent (3%) interest compounded annually shall be paid on or before the date that is three (3) years after Closing. Any payment not paid when due shall bear interest at the rate of five percent (5%) above the prime rate of interest published by Chase Bank or its successor from time to time from the due date until paid in full. The balance of the Purchase Price shall be evidenced by a Promissory Note from Buyer to Seller, as set forth in Exhibit B, and secured by a Deed of Trust, as set forth in Exhibit C, both of which shall be executed by Buyer at Closing.

3.02 Earnest Money. On the Opening of Escrow (as defined in Section 4.01), Buyer shall deposit with the Title Company the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) ("Earnest Money"). The Earnest Money shall become non-refundable to Buyer at the expiration of the Feasibility Period (as defined in Section 6.02(b)), and the satisfaction of the Conditions Precedent (as defined in Section 7), except as otherwise provided in this Agreement.

3.03 If the transaction contemplated hereby is consummated in accordance with the terms and provisions hereof, the Earnest Money shall be credited toward the Purchase Price at Closing. If the transaction is not so consummated, the Earnest Money shall be held and delivered by the Title Company as hereinafter provided.

4 Escrow Opening and Closing.

4.01 Opening of Escrow. The Title Company shall sign and date this Agreement on the space provided at the end of this Agreement, indicating that Escrow has been opened as of such date ("Opening of Escrow"), which date shall be the date at which Title Company is in possession of a fully executed Agreement and the Earnest Money. The Title Company shall provide a copy of the fully executed Agreement to the Seller and Buyer within five (5) days of the Opening of Escrow.

4.02 Closing. Subject to the Conditions Precedent set forth in Section 7, the closing of this transaction and escrow (the "Closing" or "Close of Escrow") shall occur thirty (30) days after the expiration of the Feasibility Period (as defined in Section 6.02(b)), unless otherwise agreed to in writing by both parties.

5 Title.

5.01 Status of Title. Within five (5) days after Opening of Escrow, or as soon thereafter as possible, Title Company shall provide Buyer and Seller with a current commitment for title insurance (the "Title Commitment") for the Property, disclosing all matters of record and other matters of which Title Company has knowledge which relate to the title to the Property, and a legible copy of each of the instruments and documents referred to in the Title Commitment. The Title Commitment shall include Title Company's requirements for Closing and issuing its title policy. Seller shall satisfy those requirements of Seller requiring a release of consensual monetary encumbrances on or before the Closing. Buyer shall have ten (10) days after receipt of the Title Commitment and copies of all instruments and documents referred to in the Title Commitment, or five (5) days after the receipt of any amendment thereto and copies of all instruments and documents referred to therein, to object in writing to Seller to any matter shown thereon. If Buyer fails to object within said period, the condition of title to the Property shall be deemed approved. If Buyer timely objects to any matter disclosed by the Title Commitment or any amendment thereto, the Seller may, but is not obligated, to use reasonable efforts to cure such objection(s) (although in no event shall the Seller be required to expend funds) within fifteen (15) days thereafter. If, within such 15-day period, the Seller is unsuccessful or responds that it is unwilling to cure Buyer's objection(s), Buyer shall have five (5) days following notice from the Seller of its inability or unwillingness to cure in which Buyer shall elect by delivering written notice to the Seller and Title Company either to (a) waive its objection(s); or (b) terminate this Agreement. If Buyer elects to terminate this Agreement, Title Company shall deliver the Earnest Money to Buyer without further notice to or from the Seller and neither party shall thereafter have any further rights or obligations hereunder except for those obligations that survive the termination of this Agreement or the Close of Escrow as provided in this Agreement. Failure by Buyer to make a timely election shall constitute an election to terminate this Agreement. Failure by the Seller to give any notice shall constitute the Seller's election not to cure. Notwithstanding anything else stated herein, in all events, regardless of whether Buyer has given notice of objection as stated above, the Seller shall be obligated to satisfy and otherwise remove all monetary and financial liens and encumbrances in existence at the time of execution of this Agreement or incurred by the Seller on or before Closing hereunder (other than current taxes not yet due). Any title exceptions which have been not been objected to or waived by Buyer shall be called "Permitted Title Exceptions."

5.02 Title Policy. At Closing, Title Company shall furnish to Buyer an ALTA extended coverage owner's policy of title insurance in the amount of the Purchase Price for the Property insuring Buyer's title to the Property, subject only to the usual printed exceptions contained in such title insurance policies and those matters approved by Buyer pursuant to Section 5.01. The Seller shall pay the premium for a standard coverage owner's policy and Buyer shall pay the difference in premium cost between an ALTA extended coverage and a standard owner's policy and the cost of any endorsements requested by Buyer.

5.03 Survey. As soon as reasonably possible after the Opening of Escrow, the Buyer will work with the City on any required lot splits or subdivision. The Seller shall obtain at its expense an ALTA survey to establish the legal description of the Property. Buyer shall have until the end of the Feasibility Period, but not less than ten (10) days to review and approve the

Survey of the Property. The Seller shall furnish the Buyer a final ALTA survey of the Property prior to the Close of Escrow.

6 Preliminary Due Diligence; Examination of Property.

6.01 Preliminary Due Diligence. Within five (5) days after the Opening of Escrow, or as soon thereafter as possible, Seller shall provide to Buyer the following information (the "Property Information"), to the extent the Property Information is in the Seller's possession or control: an ALTA survey including existing cross-access easements, drainage easements, ditch easements and/or utility easements/agreements, title report, flood zone status/Elevation Certificate, proof of legal access, septic system reports and permits, well documentation and water rights, Phase 1 report or any other environmental studies or approvals related to current or past operations on the Property of which the Seller has knowledge, soil and archeological studies, tax information, Seller's Property Disclosure Statement, list of mechanical equipment or other ancillary assets that will stay with the Property, Seller's corporate information and other information Seller may have in its possession concerning the Property ("Preliminary Items of Due Diligence").

The Seller makes no representation or warranty whatsoever regarding the Property Information, except that the Seller has no actual knowledge of any incorrect information contained therein (and such representation is made without investigation or review by the Seller of the Property Information). The Seller nor any of its respective officers, directors, employees, attorneys, engineers, agents or representatives shall be deemed to make or have made any representation or warranty as to the adequacy, validity, accuracy, fitness for a particular purpose or completeness of the Property Information, and neither Seller nor any of its officers, directors, employees, attorneys, engineers, agents or representatives shall have any liability resulting from the use of or reliance on the Property Information. If this transaction does not close for any reason, Buyer shall not use any Property Information provided to Buyer and shall return the same and any copies thereof to the Seller.

Buyer acknowledges and agrees that upon Closing, Seller shall sell and convey the Property to Buyer and Buyer shall accept the Property "**AS IS, WHERE IS, WITH ALL FAULTS,**" except to the extent expressly provided otherwise in this Agreement or any document executed by Seller and delivered to Buyer at Closing. Except as expressly set forth in this Agreement or any document executed by Seller and delivered to Buyer at Closing, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, the Property information packages distributed with respect to the Property) made or furnished by Seller, or any property manager, real estate broker, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing. Buyer represents that it is a knowledgeable, experienced and sophisticated Buyer of real estate and that, except as expressly set forth in this Agreement, it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Buyer will conduct such inspections and investigations of the Property as Buyer deems necessary, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same. By

failing to terminate this Agreement prior to the expiration of the Feasibility Period, Buyer acknowledges that Seller has afforded Buyer a full opportunity to conduct such investigations of the Property as Buyer deemed necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto, other than such representations, warranties and covenants of Seller as are expressly set forth in this Agreement. Upon Closing, Buyer shall assume the risk that adverse matters, including, but not limited to, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by Buyer's inspections and investigations. Buyer hereby represents and warrants to Seller that Buyer is represented by legal counsel in connection with the transaction contemplated by this Agreement. Buyer waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller.

6.02 Examination of Property.

(a) Upon making prior arrangements with the Seller, Buyer, its agents or employees may enter upon the Property for the purposes of inspecting the Property, conducting environmental, soil, engineering, structural and other tests as Buyer may deem necessary. Buyer shall restore the affected portion of the Property to its condition prior to the performance of such studies or inspections. Buyer agrees to indemnify, defend and hold the Seller harmless for, from and against any liability and/or damages caused by Buyer in exercising the foregoing license (unless arising from Seller's gross negligence or willful misconduct), including, but not limited to any and all costs, expenses and attorneys' fees, through all mediation, arbitration, trial and appellate proceedings, and agrees that this obligation to indemnify shall survive any termination of this Agreement and the Close of Escrow. All expenses incurred in connection with the exercise of such license by Buyer shall be the responsibility of Buyer.

(b) Notwithstanding any provisions herein to the contrary, Buyer may terminate this Agreement, for any reason, by delivering written notice of such termination to the Seller and Title Company on or before the sixtieth (60th) day following the Opening of Escrow, or later to allow for the review of the ALTA survey as noted above in Section 5.03. The period between the Opening of Escrow and the last date on which Buyer may terminate this Agreement in accordance with the provisions of this Section 6.02(b) is herein called feasibility period ("Feasibility Period"). Buyer may request two thirty (30) day extensions of the Feasibility Period to complete the Construction Schedule as required in Section 14.01 below. City shall not unreasonably withhold consent to such extensions so long as Buyer can show progress is being made on the Construction Schedule. If Buyer elects to terminate this Agreement pursuant to this Section 6.02(b), the Title Company shall deliver the Earnest Money to Buyer without further notice to or from the Seller and neither party shall thereafter have any further rights or obligations hereunder except for those rights and obligations that survive termination of this Agreement or the Close of Escrow as provided in this Agreement.

7 Conditions Precedent to Closing. Prior to Closing, the following conditions must be satisfied (the "Conditions Precedent") (a) Seller must own the Property free and clear, (b) a lot split or subdivision must be approved or waived by the City, and (c) Title Company shall have

irrevocably committed to issue the Title Policy acceptable to Buyer. If the Conditions Precedent are not satisfied (or waived by Buyer), in writing, within sixty (60) days of the Opening of Escrow, this Agreement shall immediately terminate and the Earnest Money shall be returned to Buyer unless otherwise agreed to in writing by both parties. Seller agrees to provide reasonable cooperation to Buyer in order to satisfy the Conditions Precedent.

8 Representations and Warranties.

8.01 Seller's Representations and Warranties. The Seller makes the following representations and warranties, all of which shall be true and correct at the Closing and which shall survive Closing:

(a) To the Seller's actual knowledge, and except as reflected in the Title Documents, there are no claims, actions, suits, or other proceedings pending or threatened or any governmental department or agency or any other corporation, partnership, entity or person whomsoever, nor any voluntary actions or proceedings contemplated by the Seller, which in any manner or to any extent may detrimentally affect Buyer's right, title or interest in and to the Property, or the Seller's ability to perform the Seller's obligations under this Agreement.

As used in this Agreement, "To the Seller's actual knowledge" shall mean the actual, present knowledge of the current City Manager of the City at the time of signing this Agreement without making any independent investigations or inquiries.

(b) The Seller has the full power and authority to enter into and perform this Agreement according to the terms hereof and the individuals executing this Agreement and all documents delivered pursuant to this Agreement on behalf of the Seller are authorized to do so.

(c) To the Seller's actual knowledge, and except as reflected in the Title Documents, there are no agreements, commitments or understandings by or between the Seller and any third party pursuant to which the Seller or its successors in interest are required to convey, dedicate, sell or transfer any part of the Property or to grant any easement, water right, right-of-way, road or license in respect to any part of the Property.

(d) To the Seller's actual knowledge, the Seller has not received any notices and the Seller is not otherwise aware that the Property was not or is not in compliance with all federal, state of Arizona and local laws, ordinances and regulations relating to environmental protection, occupational health and safety, public health and safety or public nuisance or menace (collectively "Environmental Laws"). To the Seller's actual knowledge there has been no production, storage, transport, release, spillage or disposal upon the Property of any hazardous substances, hazardous waste, hazardous materials, toxic substances, contaminants, or any other substances declared to be hazardous or toxic under any Environmental Laws.

(e) To the Seller's actual knowledge, there is no pending or threatened condemnation or similar proceedings affecting the Property or any part thereof and the Seller has no knowledge that any such proceeding is presently contemplated.

(f) This Agreement and all documents required hereby to be executed by the Seller are and shall be valid, legally binding obligations of, and enforceable against the Seller, in accordance with their terms.

(g) There are no persons in possession or occupancy of the Property or any part thereof, nor are there any persons who have possessory rights in respect to the Property or any part thereof.

(h) Except as otherwise expressly set forth in this Agreement and the Deed, neither the Seller nor its officers, employees, agents, representatives, attorneys or contractors (collectively "Seller's Parties") have made any representations, guaranties, promises, assurances or warranties, express or implied, to Buyer including, without limitation, any pertaining to the suitability of the Property for any purpose, the profitability of owning or operating the Property, the physical or environmental condition thereof, the suitability, habitability or merchantability or fitness of the Property for Buyer's intended use or for any use whatsoever, the rentals, income or expenses thereof, the net or gross acreage contained therein, the zoning thereof, the condition of title thereto, the existence or satisfaction of any local, state or federal approvals or permits for the development or use thereof, the availability or existence of water, sewer or other utilities, the existence or nonexistence of any hazardous substances or materials in, on or under the Property, or as to any past, present or future matter whatsoever. The Seller and Buyer acknowledge and agree that this disclaimer has been specifically negotiated and that the Property will be sold in the condition described in Section 6.01. Buyer acknowledges that it will have the opportunity to inspect the Property during the Inspection Period, and during such period, observe its physical characteristics and existing conditions and the opportunity to conduct such investigation and study on and the Property and adjacent areas as Buyer deems necessary. Buyer hereby forever releases and discharges Seller from all responsibility and liability, including without limitation, liabilities and responsibilities for matters relating to the physical, environmental or legal compliance status of the Property, whether arising before or after the Effective Date, under the Comprehensive Environmental Response, Compensation and Liability Act Of 1980 (42 U.S.C. Sections 9601 et seq.), as amended ("**CERCLA**"), regarding the condition, valuation, salability, rentability or utility of the Property, or its suitability for any purpose whatsoever (including, but not limited to, with respect to the presence in the soil, air, structures and surface and subsurface waters, of Hazardous Materials or other materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines, and any structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Materials on, under, adjacent to or otherwise affecting the Property). Buyer further hereby waives (and by Closing this transaction will be deemed to have waived) any and all objections and complaints (including, but not limited to, federal, state and local statutory and common law based actions, and any private right of action under any federal, state or local laws, regulations or guidelines to which the Property is or may be subject, including, but not limited to, CERCLA) concerning the physical characteristics and any existing conditions of the Property, including, without limitation, the landlord's obligations under the Leases relating to the physical, environmental or legal compliance status of the Property, whether arising before or after the Effective Date. Buyer further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property and the

risk that adverse physical characteristics and conditions, including, without limitation, the presence of Hazardous Materials or other contaminants, may not have been revealed by its investigation. For purposes hereof, "**Hazardous Materials**" means "Hazardous Material," "Hazardous Substance," "Pollutant or Contaminant," and "Petroleum" and "Natural Gas Liquids," as those terms are defined or used in Section 101 of CERCLA, and any other substances regulated because of their effect or potential effect on public health and the environment, including, without limitation, PCBs, lead paint, asbestos, urea formaldehyde, radioactive materials, putrescible materials, and infectious materials.

8.02 Buyer's Representations and Warranties. Buyer represents and warrants to the Seller:

(a) Buyer has the full power and authority to enter into and perform this Agreement according to the terms hereof and the individual executing this Agreement on behalf of Buyer is authorized to do so.

(b) This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of, and enforceable against Buyer, in accordance with their terms.

(c) Buyer acknowledges and agrees that with the aid of independent expert advice it will have had an opportunity to satisfy, prior to the expiration of the Feasibility Period, itself regarding the condition of the Property, and that the Property will be purchased "**AS IS AND WITH ALL FAULTS**". The Buyer acknowledges and agrees that this disclaimer has been specifically negotiated and that the Property will be sold in its then-present condition.

9 Remedies.

9.01 Seller's Remedies. In the event Buyer fails to perform its obligations pursuant to this Agreement for any reason except due to the Seller's default or failure to perform its obligations hereunder, the Seller shall be entitled as its sole remedy to terminate this Agreement and Title Company shall deliver to the Seller the Earnest Money as liquidated damages and not as penalty, in full satisfaction of claims against Buyer hereunder. The Seller and Buyer agree that the Seller's damages resulting from Buyer's default are difficult, if not impossible, to determine and the amount of the Earnest Money is a fair estimate of those damages which has been agreed to in an effort to cause the amount of said damages to be certain. Nothing in this Section shall limit the Seller's right to recover attorneys' fees under Section 9.03 below.

9.02 Buyer's Remedies. If the Seller (1) fails to perform any of its obligations under this Agreement prior to the Closing for any reason other than the default of Buyer or the termination of this Agreement (and such failure continues for a period of ten (10) days following written notice to the Seller), or (2) breaches a representation and warranty, then the Seller shall be in default under this Agreement and, as Buyer's sole and exclusive remedy, Buyer may elect to: (i) waive the default and proceed to close this transaction and the Escrow; or (ii) pursue specific performance of this Agreement; or (iii) terminate this Agreement and receive the Earnest Money from the Title Company; provided, however, if specific performance is unavailable because of the affirmative or intentional acts or omissions of the Seller, Buyer may bring suit for

damages as a result of the Seller's default hereunder. As a condition precedent to Buyer's right to pursue specific performance under section (ii) above, Buyer shall: (a) not be in default under this Agreement; and (b) file suit therefore in the Superior Court of Arizona in Pinal County, Arizona on or before 5:00 pm MST on or before the date that is sixty (60) days immediately following the scheduled Closing Date. Nothing in this Section shall limit Buyer's right to recover attorneys' fees under Section 9.03 below.

9.03 Attorneys' Fees. In the event either party hereto is required to employ an attorney because of the other party's default, then the defaulting party shall pay the non-defaulting party's reasonable attorneys' fees incurred in the enforcement of this Agreement.

9.04 Waiver. Seller and Buyer waive the right to pursue consequential or punitive damages against the other.

10 Conditions Precedent to the Seller's Obligations. The obligations of the Seller under this Agreement are subject to the satisfaction, on or prior to the Closing, of the following conditions, all or any of which may be waived in writing by the Seller:

10.01 All representations and warranties made by Buyer in this Agreement and in any written statements delivered to the Seller by Buyer under this Agreement shall be true and correct as of the Closing.

10.02 Buyer shall have performed and complied with all obligations of Buyer required by this Agreement to be performed or complied with by Buyer on or prior to the Closing.

10.03 All documents required to be delivered by Buyer on or prior to the Closing shall have been properly executed by Buyer and delivered to Escrow Agent or the Seller in form and substance reasonably satisfactory to Seller.

11 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction, on or prior to the Closing, of the following conditions, all or any of which may be waived in writing by Buyer:

11.01 All representations and warranties made by the Seller in this Agreement and in any written statement delivered to Buyer by the Seller under this Agreement shall be true and correct as of the Closing.

11.02 The Seller shall have performed and complied with all its respective obligations required by this Agreement to be performed or complied with by it on or prior to the Closing.

11.03 All documents required to be delivered by the Seller on or prior to the Closing shall have been properly executed by the Seller and delivered to Escrow Agent or Buyer in form and substance reasonably satisfactory to Buyer.

11.04 Title Company shall have irrevocably committed to issue the Title Policy.

12 Closing.

12.01 Closing Matters.

(a) At Closing, the Seller shall execute, deliver and acknowledge the following documents:

(i) A special warranty deed (“Deed”) conveying the Property, subject only to ad valorem taxes for the year of closing and applicable Permitted Title Exceptions;

(ii) An affidavit, signed and acknowledged by the Seller under penalties of perjury, certifying that the Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign person within the meaning of Section 1445 and Section 7701 of the Internal Revenue Code of 1986 and the associated Treasury Regulations;

(iii) An affidavit of property value as required by law; and

(iv) Such other documents as are reasonably necessary to close and consummate the purchase and sale transaction contemplated by this Agreement and as may be required by the lender for the Buyer.

(b) At Closing, Buyer shall:

(i) Deliver the Closing Payment to Title Company;

(ii) Execute and deliver an affidavit of property value as required by law;

(iii) Execute and deliver such other documents as are reasonably necessary to close and consummate the purchase and sale transaction contemplated by this Agreement and as may be required by the lender for Buyer or the Title Company.

(c) Title Company shall transfer the Cash Payment to the Seller by wire transfer upon the Close of Escrow.

(d) Possession of the Property shall be delivered to Buyer at Closing.

12.02 Taxes. At Closing, all taxes (real and personal), fees and assessments, if applicable, shall be prorated as of the date of the Closing in accordance with the proration customarily used for commercial properties in the area of the Property.

12.03 Closing Costs. Escrow fees charged by Title Company shall be paid one-half (1/2) by the Seller and one-half (1/2) by Buyer. The Seller shall pay the premium chargeable for a Standard’s Owners Policy of Title Insurance and if Buyer desires to have ALTA Extended Coverage, then Buyer shall pay the incremental portion of the premium applicable to the extended coverage. The Seller shall pay the fee for recording the Deed. Except as otherwise

provided in Section 9.03, each party shall be responsible for the payment of its own attorneys' fees incurred in connection with the transaction, which is the subject of this Agreement.

12.04 Commissions. Neither Seller nor Buyer have retained or engaged a real estate broker, commission agent or any other person who is or may be entitled to payment of a commission or finder's fee or other compensation in connection with the transaction contemplated by this Agreement. Seller and Buyer shall indemnify, hold harmless and defend the other, its successors and assigns for, from and against any and all claims, demands, actions, costs and expenses, including reasonable attorney and accounting fees and court costs arising out of any claim by any real estate broker or other person claiming through the indemnifying party that such person is entitled to any commission or fee in connection with this transaction. The provisions of this Section 12.04 shall survive the Closing.

13 Condemnation and Risk of Loss.

13.01 Condemnation. If, prior to Closing, any governmental authority, other than Buyer, or other entity having condemnation authority shall institute an eminent domain proceeding or take any steps preliminary thereto (including the giving of any direct or indirect notice of intent to institute such proceedings) with regard to the Property, and the same is not dismissed on or before ten (10) days prior to Closing, Buyer shall be entitled either to terminate this Agreement upon written notice to Seller or to waive such right of termination and receive all such condemnation proceeds. In the event Buyer elects to terminate this Agreement under this Section 13.01, the Title Company shall forthwith return to Buyer the Earnest Money and neither party to this Agreement shall thereafter have any further rights or obligations hereunder except for those rights and obligations that survive termination of this Agreement or the Close of Escrow as provided in this Agreement.

13.02 Risk of Loss. The risk of loss or damage to the Property and all liability to third persons until the Close of Escrow shall be borne by the Seller. Buyer shall assume all risks of loss or damage to the Property and all liability to third persons upon the Close of Escrow.

14 Schedule of Performance and Reversion Option.

14.01 Construction Schedule. Prior to the expiration of the Feasibility Period, Buyer will present to the Seller a proposed construction schedule, subject to force majeure events, which shall be approved by the City Manager in the Managers reasonable discretion. The Construction Schedule shall include, but not be limited to, a detailed description of improvements and a timeline for such improvements to be open and operating. The Construction Schedule will be attached to the Reversionary Option. In the event Buyer and the City Manager do not agree on the Construction Schedule during the Feasibility Period, either party shall be entitled to terminate this Agreement. In the event of such termination, the Title Company shall deliver the Earnest Money to Buyer without further notice to or from the Seller and neither party shall thereafter have any further rights or obligations hereunder except for those rights and obligations that survive termination of this Agreement or the Close of Escrow as provided in this Agreement.

14.02 Buyer shall be responsible for any costs and fees including, but not limited to, impact fees, plan review fees and permit fees and shall be subject to the City's or other appropriate governmental entity's normal plan submittal, review and approval processes, fees and day-to-day inspection services.

14.03 The failure of Buyer to satisfy the construction schedule established in Section 14, unless the parties mutually agree in writing to an extension of time, shall result in the City having the option, but not the duty, of taking back the title to the Property, and the Seller shall refund to the Buyer the sum of the amount paid to the Seller by Buyer for the Property, plus all documented costs expended by Buyer in pursuit of the project. A Notice of Reversion Option and Entitlement to Profits (the "Reversionary Option"), as set forth in Exhibit D, shall be recorded against the Property upon Close of Escrow. In the event the Seller exercises this option, the Buyer agrees to immediately sign any and all documents necessary to provide Seller with clear and unencumbered title to the Property upon the receipt of the funds from Seller. Prior to exercising this Reversionary Option, Seller will give the Buyer thirty (30) days written notice and an opportunity to cure within such thirty (30) days. The Reversionary Option shall terminate upon the date that the improvements described in the agreed upon Construction Schedule are constructed and open for operation.

14.04 The Buyer shall not sell, assign, transfer or convey the Property until Buyer has fully met the conditions of this Section, unless otherwise agreed to in writing by the Seller in the Seller's sole and absolute discretion; provided however, and for the avoidance of doubt, Buyer may: (a) transfer ownership of the Property post-Closing to an affiliated entity, or (b) lease the Property post-Closing to an affiliated entity for the limited purpose of developing and operating the project. For purposes of the foregoing sentence, an affiliated entity means an entity where there is common ownership between the principals of the entities. For the avoidance of doubt, the transfer of the Property to a District as defined in A.R.S. § 48-6201(2), shall not be a prohibited transfer.

15 Profit from Sale of Property. In the event Buyer sells the Property within five (5) years from Close of Escrow, Buyer shall notify the City of such sale and provide an accounting related thereto which specifically provides the new purchase price of the Property, excluding any improvements made thereon by Buyer after the Close of Escrow, along with an explanation of who purchased the Property and any contractual agreements regarding the development, operation and maintenance related to the Property. Seller, in its sole and absolute discretion, shall have the right to demand and Buyer shall pay to Seller the difference between \$1.50 per square foot and the purchase price received by Buyer for the Property. In the event Buyer and Seller cannot agree on the new purchase price of the Property or the profit owing to the City, Buyer shall pay back to City the new purchase price less \$1.50 per square foot less the cost of any documented improvements made to the Property by Buyer. A Notice of Reversion Option and Entitlement to Profits, as set forth in Exhibit D, shall be recorded against the Property upon Close of Escrow. Notwithstanding the foregoing, if Buyer exercises its right in Section 14.03, above, such event shall not trigger the Revisionary right described in this Section 14.04.

16 Miscellaneous.

16.01 Notices. Any and all notices, demands or requests required or permitted hereunder shall be in writing and shall be deemed given if sent by email or personal delivery or facsimile transmission (facsimile transmission must include verification of transmission) or one (1) business day after being deposited with any commercial air courier or express service providing next day delivery, addressed as follows:

To the Seller:	City of Maricopa Attn: Rick Horst, City Manager 39700 West Civic Center Plaza Maricopa, Arizona 85138 Email: rick.horst@maricopa-az.gov
With copy to:	Denis M. Fitzgibbons, City Attorney Fitzgibbons Law Offices, P.L.C. 1115 E. Cottonwood Lane, Suite 150 P.O. Box 11208 Casa Grande, Arizona 85130-0148 Email: denis@fitzgibbonslaw.com
To Buyer:	Copa Surf, LLC Attn: Steve Howard 2976 E. Campbell Road Gilbert, AZ 85234 Email: furthergolf@gmail.com
With a copy to:	Reese L. Anderson Pew & Lake, PLC 1744 S. Val Vista, Suite 217 Mesa, Arizona 85204 Office: 480-461-4670 Email: reese.anderson@pewandlake.com
Escrow Agent:	LaTisha Sopha Title Security Agency of Arizona 421 E. Cottonwood Lane Casa Grande, Arizona 85122 Fax No.: 520.426.4699 Email: latisha.sopha@titlesecurity.com

Buyer, the Seller or Escrow Agent may change its address for notice by giving notice in the manner provided above. The inability to deliver because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any telephone numbers or e-mail addresses provided in this Agreement are for aiding informal communications only, and notices shall not be effective if provided orally or if sent only by e-

mail. Thus, any notice sent by email, shall also include a notice sent by at least one (1) other of the approved methods set forth above.

16.02 Time of the Essence; Date of Performance. Time is of the essence of this Agreement, and Buyer and the Seller hereby agree to perform each and every obligation hereunder in a prompt and timely manner; provided, however, that if the date for the performance of any action or the giving of any notice which is required hereunder, occurs on a Saturday, Sunday or legal holiday, the date for performance or giving of notice shall be the next succeeding business day.

16.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited hereunder, such provision shall be ineffective to the extent of such prohibition or invalidation which shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

16.04 Waiver. The waiver by either party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted herein, nor shall same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

16.05 Entire Agreement. This Agreement, contains the entire agreement of the parties hereto with respect to the matters covered hereby, supersedes all prior agreements, arrangements and understandings between the parties and no other agreement, statement or promise made by either party hereto that is not contained herein shall be binding or valid. All exhibits to this Agreement are by this reference incorporated herein.

16.06 Amendments. This Agreement may be amended only by written document signed by each of the parties hereto.

16.07 Further Performance. Each party shall, whenever and as often as it shall be requested by the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents, including supplemental escrow instructions, as may be reasonably necessary in order to complete the sale, conveyance and transfer herein provided and to do any and all things as may be requested in order to carry out the intent and purpose of this Agreement.

16.08 Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A party's signature on this Agreement or any amendment hereto may be provided by facsimile or electronically scanned and shall be effective upon transmission to the other party hereto.

16.09 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, devisees, personal and legal representatives, successors and assigns.

16.10 Governing Law; Venue. This Agreement shall be construed and interpreted under and governed and enforced according to the laws of the State of Arizona, without giving effect to the principles of conflicts of law. The parties agree that should any court action be commenced relating to this Agreement, that the Pinal County Superior Court shall be the appropriate and exclusive venue therefore. The parties expressly waive any and all provisions of law providing for a change of venue to any other state or federal court.

16.11 Dispute Resolution. In the event a dispute arises under this Agreement, Buyer and Seller agree that there shall be a thirty (30) day moratorium on litigation during which time the Buyer and the Seller agree to attempt to settle the dispute by non-binding 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 Buyer and the Seller in writing, in which case all administrative fees shall be divided evenly between the Buyer and the Seller. The matter in dispute shall be submitted to a mediator mutually selected by Buyer and the Seller. If the Parties cannot agree upon the selection of a mediator within ten (10) days, then within five (5) days thereafter, the Buyer and the Seller 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 mediation shall be divided equally between the Buyer and the Seller. The results of the mediation shall be nonbinding with either Buyer or the Seller free to initiate litigation upon the conclusion of the latter of the mediation or of the thirty (30) 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.

16.12 Headings and Construction. The headings set forth in this Agreement are inserted only for convenience and are not in any way to be construed as part of this Agreement or a limitation on the scope of the particular paragraph to which it refers. Where the context requires herein, the singular shall be construed as the plural, and neutral pronouns shall be construed as masculine and feminine pronouns, and vice versa. This Agreement shall be constructed according to its fair meaning and neither for nor against either party hereto.

16.13 Tax Reporting. Title Company, as the party responsible for Closing the transaction contemplated hereby within the meaning of Section 6045(e) of the Internal Revenue Code (the “Code”), shall file all necessary information, reports, returns and statements (collectively, the “Tax Reports”) regarding this transaction as required by the Code, including, without limitation, the Tax Reports required pursuant to Section 6045 of the Code. Title Company further agrees to indemnify and hold Buyer and Seller, and their respective attorneys and brokers, harmless from and against all claims, costs, liabilities, penalties, or expenses resulting from Title Company’s failure to file the Tax Reports which Title Company is required to file pursuant to this paragraph.

16.14 Conflict of Interest. This Agreement is subject to the conflict of interest provisions set forth in A.R.S. § 38-511.

16.15 Assignment. Buyer shall not have the right to assign its rights under this Agreement without the consent of Seller in its sole and absolute discretion.

16.16 Theme Park Status and Bonding. The Parties agree to work together in good faith so that the Property may be characterized as a “Theme Park” as defined in A.R.S. § 48-6201(4) and the associated statutes, so that, if eligible, the project may qualify for theme park funding under these statutes. If the project qualifies under the statute, or any amendment thereto, the Parties will discuss the possibility of forming a “District” which will include the City being the “Site Host” as defined in A.R.S. § 48-6201(2) and (3), respectively, for the Property. Notwithstanding anything to the contrary set forth herein, the formation of a District shall require the consent of both Parties, which consent may be withheld in either Party’s sole and absolute discretion.

[Signatures of the Parties Appear on the Following Page]

IN WITNESS WHEREOF, Buyer and the Seller have executed this Agreement effective as of the date first written above.

SELLER:

CITY OF MARICOPA, a municipal corporation

By: _____
Ricky Horst, City Manager

Attest:

Approved as to form:

By: _____
Vanessa Bueras, CMC
City Clerk

By: _____
Denis M. Fitzgibbons
City Attorney

BUYER:

COPA SURF, LLC
an Arizona limited liability company

By: _____
Steve Howard, Managing Member

ACKNOWLEDGEMENT AND AGREEMENT BY TITLE COMPANY

The Title Company hereby acknowledges receipt of a fully executed copy of this Agreement on this ____ day of _____, and agrees to accept, hold, deliver and disburse the Earnest Money, together with all interest accrued thereon and received by the Title Company, strictly in accordance with the terms and provisions of this Agreement and without the necessity of further consent or instruction by Seller or Buyer. The Title Company is hereby designated as, and agrees to undertake the obligations of, the Reporting Person pursuant to Section 6045 of the Internal Revenue Code and the regulations promulgated thereunder.

By: _____
LaTisha Sopha
Title Security Agency of Arizona
421 E. Cottonwood Lane
Casa Grande, Arizona 85122

EXHIBIT A
(Legal Description of the Property)

To be provided by Title Company and Updated by the Survey

EXHIBIT B
(Form Promissory Note)

\$1,375,875.00

Maricopa, Arizona
May ____, 2021

1. *FOR VALUE RECEIVED*, Copa Surf, LLC, an Arizona limited liability company (hereinafter referred to as "Maker" or "Payor"), hereby promises to pay to the order of the City of Maricopa, an Arizona municipal corporation (hereinafter referred to "Payee"), at 39700 West Civic Center Plaza, Maricopa, Arizona or at such other place as may hereafter at any time or from time to time be designated by the Payee or the holder of this Note, the principal sum of ONE MILLION THREE HUNDRED SEVENTY FIVE THOUSAND EIGHT HUNDRED SIXTY FIVE AND 00/100 DOLLARS (\$1,375,865.00) plus interest at the rate of 3.0% per annum, payable hereunder in lawful money of the United States as follows:

- (a) Payment of One Million Three Hundred Seventy Five Thousand Eight Hundred Sixty Five and 00/100 Dollars (\$1,375,865.00) plus _____ and XX/100 Dollars (\$_____) in interest on or before May ____, 2024;
- (b) Each payment shall be applied first to interest accrued and the remaining part thereof to principal;
- (c) Maker has the right to pay off the remaining balance due early without any penalties.
- (d) If not sooner paid, the entire unpaid balance of principal and accrued interest shall be all due and payable on or before May ____, 2024.

2. It is agreed that if default be made in the payment of any amount due under this Note or the performance or observance of any covenant contained in this Note, or any instrument securing this Note, between Maker and Payee, the term of this Note may be accelerated and if default is not cured within ninety (90) days after the giving of written notice of the same, then the whole principal sum thereof shall at once, at the option of the holder of this Note become due and payable without further notice or demand. The failure to exercise this option shall not constitute a waiver of the right to exercise the same upon the occurrence of any subsequent event of default or continuance of such default after demand for strict performance.

3. It is agreed that any sums which shall not be paid when due, whether maturing by lapse of time or by reason of acceleration under the provisions herein stated, all principal, accrued interest, money owing or advancements by the holder pursuant to the terms or any instrument securing this Note, shall be added to the principal and shall bear interest at the rate of five percent (5%) above the prime rate of interest published by Chase Bank or its successor from

time to time from the due date until paid in full. Should compliance with any agreement contained herein or in any instrument securing this Note or other instrument or any transaction related thereto result in usury, then only so much interest shall be payable as will not amount to any exaction of interest in excess of that allowed by law.

4. In the event the Payee hereunder utilizes the services of any attorney in attempting to collect the amounts due hereunder or enforce the terms hereof or of any agreements related to this indebtedness; the Maker, its successors and assigns shall repay to the Payee or any holder hereof on demand all reasonable costs and expenses so incurred, including reasonable attorneys' fees incurred to collect the amounts due hereunder or enforce the terms hereof or of any agreements related to this indebtedness; or in connection with the filing by or against the Maker hereof of any proceeding under any Chapter of the Bankruptcy Act, or similar federal or state statute, and whether incurred in connection with the Payee's involvement as a creditor in such proceedings or otherwise.

5. If there shall be filed by or against Maker a petition (whether voluntary or involuntary) under any chapter of the United States Bankruptcy Code (the "Code") on or after the date of this Note, it is the intention of Maker and Payee that all of the terms and conditions of this Note with respect to Maker shall be incorporated into a plan of reorganization under Section 1129 of the Code (a "Plan"). Maker agrees that under any potential Plan which may be filed in the future (i) this Note shall represent a necessary element of such Plan, (ii) Maker will not seek to alter or amend any of the terms and conditions of this Note, (iii) such terms and conditions are necessary for Payee's adequate protection, and (iv) such terms and conditions will remain binding upon Maker in any such Plan.

Alternatively, in the event Maker fails to obtain confirmation of a plan of reorganization incorporating the terms of this Note within 120 days after a petition is filed, Payee shall be entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of the Note and other security documents securing this Note, including specifically, but not limited to, the stay imposed by Section 362 of the Code. After the expiration of that 120-day time period, Maker hereby consents to the lifting of any such automatic stay and will not contest any motion by Payee to lift such stay. Maker acknowledges that Payee's interest in the Property secured by this Note can be adequately protected only if a plan of reorganization incorporating the terms of this Note is confirmed within 120 days after the petition is filed. Payee reserves its right to seek all remedies available to creditors under the Code, including, but not limited to, the right to move for relief from the automatic stay at any time.

6. Except as specifically provided herein, Maker and any endorsers and guarantors hereof and all others who may become liable for all or any part of this Note severally waive presentment for payment, demand, protest and notice of protest and nonpayment of this Note as well as the benefit of any exemption laws as to the debt evidenced by this Note, and consent to any number of renewals or extensions of time of payment hereof or other indulgences granted to the undersigned by the holder hereof. Any such renewals, extensions or indulgences may be made without notice to any of said parties and without affecting their liability.

7. The Maker understands and agrees that by signing this instrument, they are

binding themselves to payment of all sums due herein and all conditions set forth herein and, in connection herewith, understands and agrees further as follows:

- (a) Maker agrees to waive all claims of exemption or right to require Payee to seek any remedy available under A.R.S. Section 12-1641 *et seq.*, prior to claiming any enforcement or remedy herein;
- (b) Maker agrees that Pinal County, Arizona is the proper and exclusive venue for any collection or litigation of this Note.

8. Time is of the essence of this Promissory Note, and that by accepting payment of any sum secured hereby after its due date, Payee does not waive his right either to require prompt payment when due of all other sums hereunder or to declare default for failure so to pay. No delays or omissions by Payee in exercising any rights or remedy will impair that right or remedy, nor be an acquiescence in any default, nor affect any subsequent default of the same or of a different nature.

9. Should this Promissory Note be signed by more than one person, all of the obligations contained herein shall be the joint and several obligations of each signer hereof.

10. This Promissory Note is secured by a Deed of Trust recorded against the real property in Maricopa, Pinal County, Arizona, and legally described and depicted on Exhibit A.

11. Notwithstanding anything else contained in this Promissory Note or the Deed of Trust, Maker shall have the right, but not the obligation, in its sole discretion, to prepay this Promissory Note, in whole or in part, at any time prior to the date on which the final installment of all sums due hereunder shall become due and payable; and no yield maintenance or prepayment penalty shall apply to such prepayment.

DATED this ____ day of _____, 2021.

MAKER:

Copa Surf, LLC
an Arizona limited liability company

By: _____
Steve Howard, Managing Member

EXHIBIT C
(Form Deed of Trust)

When recorded return to:

DEED OF TRUST AND ASSIGNMENT OF RENTS

DATE: _____, 2021

TRUSTOR: Copa Surf, LLC
Attn: Steve Howard, Managing Member
2976 E. Campbell Road
Gilbert, AZ 85234

BENEFICIARY: City of Maricopa, an Arizona municipal corporation
Attn: Rick Horst
39700 West Civic Center Plaza
Maricopa, AZ 85138

TRUSTEE: Title Security Agency of Pinal County
Attn: LaTisha Sopha
421 E. Cottonwood Lane
Casa Grande, AZ 85122

PROPERTY in Pinal County, State of Arizona, described as:

See attached Exhibit "A" made a part hereof

Together with all buildings, improvements, and fixtures thereon.

This Deed of Trust, made on the above date between the Trustor, Trustee, and Beneficiary above named.

WITNESSETH: That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with leases, rents, issues, profits, or income thereof, (all of which are hereinafter called "property income"); **SUBJECT, HOWEVER**, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; **AND SUBJECT TO** existing taxes, assessments, liens, encumbrances, covenants, conditions, restrictions, right of way, and easements of record.

FOR THE PURPOSE OF SECURING:

(1) Any and all indebtedness and liabilities of Trustor to Beneficiary, and any and all advances of Beneficiary to Trustor, the payment and performance of which is hereby guaranteed to Beneficiary by Trustor, of whatever nature, now existing or hereafter arising, due or to become due, absolute or contingent, secured or unsecured, and whether several, joint or joint and several, and any and all extensions, revisions or renewals thereof in whole or in part, including but not limited to payment of the specific indebtedness(es) described in the Promissory Note executed by Trustor concurrently herewith and incorporated herein by reference, in the principal amount of **ONE MILLION TWO HUNDRED FIFTY ONE THOUSAND SIXTY TWO AND 00/100 DOLLARS (\$1,251,062.00)** plus interest at the rate of 3.0% per annum together with accruing attorneys' fees and costs;

(2) Performance of each covenant, promise and agreement of Trustor contained herein or incorporated herein by reference, and

(3) Payment of all sums required to be made by Trustor pursuant to the terms hereof.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain, and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

4. To pay before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges, and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of

Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the rate of 12% per annum or at the highest legal rate, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on said premises or immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

6. That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

7. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. No delays or omissions by Beneficiary in exercising any rights or remedy will impair that right or remedy, nor be an acquiescence in any default, nor affect any subsequent default of the same or of a difference nature. No waiver by Beneficiary of any default is or will be a waiver of any subsequent default.

8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the

making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, which is not cured within ninety (90) days after the giving of written notice of the same, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust and all documents evidencing expenditures secured hereby.

In the event Beneficiary elects to cause the Property to be sold under this Deed of Trust, Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust,

including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of: All sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. §33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder of the indebtedness secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural. If the Trustor consists of more than one person or entity, each will be jointly and severally liable to perform the obligations of the Trustor.

14. That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

15. If there shall be filed by or against Trustor a petition (whether voluntary or involuntary) under any chapter of the United States Bankruptcy Code (the "Code") on or after the date of this Agreement, it is the intention of Trustor and Beneficiary that all of the terms and conditions of this Deed of Trust with respect to Trustor shall be incorporated into a plan of reorganization under Section 1129 of the Code (a "Plan"). Trustor agrees that under any potential Plan which may be filed in the future (i) this Deed of Trust shall represent a necessary element of such Plan, (ii) Trustor will not seek to alter or amend any of the terms and conditions of this Deed of Trust, (iii) such terms and conditions are necessary for Beneficiary's adequate protection, and (iv) such terms and conditions will remain binding upon Trustor in any such Plan.

Alternatively, in the event Trustor fails to obtain confirmation of a plan of reorganization incorporating the terms of this Deed of Trust within 120 days after a petition is filed, Beneficiary shall be entitled to the automatic and absolute lifting of any automatic stay as to the enforcement of this Deed of Trust and other security documents created herein, including specifically, but not limited to, the stay imposed by Section 362 of the Code. After the expiration of that 120-day time period, Trustor hereby consents to the lifting of any such automatic stay and will not contest any motion by Beneficiary to lift such stay. Trustor acknowledges that Beneficiary's interest in the Property can be adequately protected only if a plan of reorganization incorporating the terms of this Deed of Trust is confirmed within 120 days after the petition is filed. Beneficiary reserves its right to seek all remedies available to creditors

under the Code, including, but not limited to, the right to move for relief from the automatic stay at any time.

16. Trustor shall provide Trustee with written notice within twenty (20) days after the service on Trustor of any summons or other process or notice issued in any action, suit, proceeding, or matter affecting, or in which any judgment, decree, order, lien or determination may affect or result in any lien or charge on the Property.

17. Trustor agrees it will not sell, convey, assign, lease, encumber, hypothecate, or otherwise dispose of the Property herein unless Beneficiary is paid in full as provided above, or written consent to any such transaction is obtained from the Beneficiary. Notwithstanding anything else contained herein or in the Promissory Note, Maker is permitted to obtain construction financing for the purpose of developing the Property in accordance with the terms of that certain Purchase and Sale Agreement and Escrow Agreement, entered into by and between Beneficiary, as seller, and Maker, as purchaser and dated as of May _____, 2021, and to encumber the Property as security for such financing. Beneficiary and Maker hereby acknowledge and agree that any such financing obtained by Maker shall not impact the Beneficiary's position of holding a first priority perfected security interest in the Property.

18. This Agreement shall be construed in accordance with the laws of the State of Arizona, and the Pinal County Superior Court shall be the proper venue for any litigation arising out of the obligations hereunder.

19. The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at Trustor's address hereinbefore set forth.

Copa Surf, LLC
an Arizona limited liability company

By: _____
Steve Howard, Managing Member

STATE OF ARIZONA)
) ss.
County of Pinal)

This instrument was acknowledged before me this _____ day of _____, 2021, by Steve Howard, Manager of Copa Surf, LLC, an Arizona limited liability company.

Notary Public

Notary Seal and Expiration Date:

EXHIBIT “A”

LEGAL DESCRIPTION

EXHIBIT D

(Form of Notice of Reversion Option and Entitlement to Profits)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

NOTICE OF REVERSION OPTION AND ENTITLEMENT TO PROFITS

THIS NOTICE OF REVERSION OPTION AND ENTITLEMENT TO PROFITS (“Notice”) gives notice that as of this ____ day of _____, 2021, the City of Maricopa, an Arizona municipal corporation (“City”), has a reversion option on certain real property generally located on the southwest corner of W. Smith Enke Road and N. Loma Road, Maricopa, Pinal County, State of Arizona, as more specifically described in Exhibit “A” attached hereto (“Property”).

1. On _____, 2021, the City and Copa Surf, LLC, an Arizona limited liability company (“Buyer”) entered into a Purchase and Sale Agreement and Escrow Instructions containing a Reversion Option for the Property and entitling the City to any Profits made from the sale of the Property (“Agreement”).
2. The Property was transferred to Buyer pursuant to a Special Warranty Deed recorded on _____, 2021 at Fee No. 2021- _____ in the Official Records of the Pinal County Recorder.
3. Pursuant to the Agreement, City and Buyer agreed that if Buyer fails to timely complete the requisite improvements as set forth in the Construction Schedule attached hereto as Schedule 1, the City shall have the option of taking back title to the Property, and the City shall refund to the Buyer the sum of the amount paid to the City by Buyer for the Property. In the event the City exercises this option as set forth in the Agreement, Buyer agrees to immediately sign any and all documents necessary to provide City with clear and unencumbered title to the Property upon the receipt of any funds required from the City pursuant to the reversion option.
4. Pursuant to the Agreement, City and Buyer also agreed that if the Property is sold within five (5) years from Close of Escrow, Buyer shall notify the City of such sale and provide an accounting related thereto which specifically provides the new purchase price of the Property, excluding any improvements made thereon by Buyer after the Close of Escrow, along with an explanation of who purchased the Property and any contractual agreements regarding the

development, operation and maintenance related to the Property. City, in its sole and absolute discretion, shall have the right to demand and Buyer shall pay to City the difference between \$1.50 per square foot and the purchase price received by Buyer for the Property, less the cost of any documented improvements made to the Property by Buyer. In the event Buyer and City cannot agree on the new purchase price of the Property or the profit owing to the City, Buyer shall pay back to City the new purchase price less \$1.50 per square foot less the cost of any documented improvements made to the Property by Buyer. The transfer of the Property to a District as defined in A.R.S. § 48-6201(2), shall not be a prohibited transfer within the foregoing stated five (5) year period.

5. The terms, covenants and provisions of the Agreement, the terms of which are hereby incorporated by reference into this Notice, will run with the Property while in effect and shall extend to and be binding upon the respective heirs, devisees, personal and legal representatives, successor and assigns of City and Buyer. This Notice shall terminate upon the date that the Buyer completes the improvements set forth in the Construction Schedule and future searchers of the public record may thereafter conclusively ignore this Notice without further action by either Party.

6. IN WITNESS WHEREOF, City has executed this Notice of Reversion Option as of the day and year first above written.

CITY OF MARICOPA,
an Arizona municipal corporation

By: _____
Ricky A. Horst, City Manager

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing was acknowledged before me this _____ day of _____, 2021, by Ricky A. Horst, the City Manager of the City of Maricopa, an Arizona municipal corporation, who acknowledged that he signed the foregoing instrument on behalf of the City.

Notary Public

My Commission Expires:

Exhibit “A” to Notice of Reversion Option and Entitlement to Profits
(Legal Description of Property)

[To be provided by Title Company at the time of Closing]

Schedule 1 to Notice of Reversion Option and Entitlement to Profits
(Construction Schedule)

[To be Provided by the Parties at the Time of Recording]