

WHEN RECORDED, RETURN TO:

City of Goodyear, Arizona
Office of the City Clerk
190 North Litchfield Rd.
Goodyear, Arizona 85338

DEVELOPMENT AGREEMENT FOR LUCERO

This Development Agreement for Lucero is entered into by and between NNP III – EMR 3, LLC, a Delaware limited liability company (“NNP III – EMR 3”), NNP III – EMR 4, LLC, a Delaware limited liability company (“NNP III – EMR 4”), The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation (the “HOA”), and the City of Goodyear, an Arizona municipal corporation (the “City”).

RECITALS

A. WHEREAS, NNP III – EMR 3 and NNP III – EMR 4 are the master developers of approximately a 617 acre portion of that certain master planned community consisting of approximately 20,000 acres located south of the Gila River currently known as Estrella and formerly known as Estrella Mountain Ranch; and

B. WHEREAS, NNP III-EMR 3 owns approximately 565 acres of land within Estrella as more particularly described and depicted in Exhibit A attached hereto and incorporated herein by this reference and NNP III – EMR 4 owns approximately 52 acres of land within Estrella as more particularly described and depicted in Exhibit B attached hereto and incorporated herein by this reference. Collectively, the approximate 617 acres described in Exhibits A and B are referred to hereafter as the “Property”. The Property, which is commonly known as Lucero, is generally located on the west side of Estrella Parkway, south of the Estrella Star Tower to the intersection of Estrella Parkway and Cotton Lane within the Lucero Planned Area Development; and

C. WHEREAS, the HOA is a homeowner’s association that is or will be responsible for the maintenance of common areas and other areas of the Property that will be conveyed to the HOA; and

D. WHEREAS, pursuant to applicable Development Regulations, property owners developing property within the City are responsible for the construction of certain public infrastructure improvements within the boundaries of their respective properties; along, on or adjacent to the external boundaries of their respective properties; and, in some instances, outside their respective properties; and

E. WHEREAS, pursuant to the applicable Development Regulations, Owner is responsible for constructing and maintaining infrastructure improvements necessary to dispose of storm water from the Property and adjacent roadways (“Storm Water Improvements”); and

F. WHEREAS, because of the topography and geographic limitations of the Property, certain Storm Water Improvements needed to dispose of storm water from parcels and roadways within the Property will be located outside the boundaries of any final plat subdividing all or part of the Property; and

G. WHEREAS, the Storm Water Improvements and the real property upon which the Storm Water Improvements will be located is to be owned and maintained by the HOA; and

H. WHEREAS, the Traffic Impact Analysis Revised August 14, 2013 and approved by the City on August 16, 2013 indicates that the level of service at the roundabout at Cotton Lane and Estrella Parkway will drop below acceptable levels of service in the future; and

I. WHEREAS, although there may be additional traffic signal infrastructure improvements required, the Parties are aware of two intersections for which traffic signal infrastructure improvements will be required; one at the intersection at the north end of a roadway currently identified as Hillside Drive and Estrella Parkway and one at the intersection at the south end of a roadway currently identified as Hillside Drive and Estrella Parkway, which are depicted in Exhibit C attached hereto; and

J. WHEREAS, the traffic signal infrastructure improvements for these two intersections are included within the infrastructure projects included in the adopted infrastructure improvement plan used to calculate development impact fees adopted on May 12, 2014 by Ordinance 14-1293 and that became effective on June 11, 2014; and

K. WHEREAS, traffic signal infrastructure improvements for which impact fees are assessed must be completed within ten years of the date the fees are assessed, which includes the traffic signal infrastructure improvements at the two intersections referred to herein, or reimbursements of development impact fees collected may have to be made as provided under state law and the Goodyear City Code; and

L. WHEREAS, the Parties desire to identify the time frame within which the traffic signal infrastructure improvements at the two intersections referred to herein are to be completed; and

M. WHEREAS, pursuant to applicable Development Regulations, grading activities are not to occur until a final plat for the impacted area has been recorded, which cannot occur until construction plans for all required infrastructure have been completed and approved, including the plans for the secondary sewer force main, and before the required financial assurances have been posted; and

N. WHEREAS, Owner desires to commence mass grading to balance the Property and to commence final grading, including final grading for the Lucero Welcome Center, before the construction plans for all required infrastructure have been completed and approved, including the

plans for the secondary sewer force main, and before the required financial assurances required for mass grading have been posted; and

O. WHEREAS, in order to facilitate the development of the Property, the City is willing to allow such grading to occur at Owner's sole risk and subject to Owner's indemnification of the City for any claims arising from such mass grading and final grading; and

P. WHEREAS, pursuant to applicable Development Regulations, Owner is required to provide a bond equal to 100% of the estimated cost to construct the public infrastructure improvements for which Owner is required to construct; and

Q. WHEREAS, pursuant to applicable Development Regulations, the amount of the bond is not to be determined by separate phasing limits on construction plans; and

R. WHEREAS, Owner or a Successor or Assign of Owner will be building and selling the homes that are to be constructed within the Property; and

S. WHEREAS, Owner is seeking a waiver of the bonding requirements for the construction of the Internal Public Infrastructure improvements; and

T. WHEREAS, to ensure the completion of the Internal Infrastructure, Owner has proposed to enter an agreement under which the City can withhold building permits until such time as the necessary Internal Infrastructure has been completed, as more fully described below; and

U. WHEREAS, Owner's proposal provides adequate assurance that the Internal Public Infrastructure will be completed as the failure to do so will impair the ability of Owner to sell homes within the Property; and

V. WHEREAS, in an effort to avoid deterrents to the development of the Property, the City is willing to enter into an agreement upon the terms set forth below to modify Owner's obligation to provide the City a subdivision bond; and

W. Owner and City desire to enter into this Agreement for the purpose of outlining and setting forth certain obligations and commitments of the Parties relative to the contemplated development of the Property, intending this document to be a Development Agreement within the meaning of A.R.S. § 9-500.05.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. INCORPORATION OF RECITALS. The Parties hereby adopt and incorporate, as if fully set forth herein, the Recitals stated above.

2. DEFINITIONS. Capitalized Terms not defined elsewhere in this Agreement are defined as follows:

2.1. “Agreement” means this Development Agreement for Lucero as it may be amended and restated and/or supplemented in writing from time to time, and all exhibits and schedules attached thereto.

2.2. “City” means the City of Goodyear, an Arizona municipal corporation.

2.3. “Development Regulations” means all applicable laws, codes, ordinances, rules, regulations, standards, guidelines, conditions of approval, and the like governing the development of property within the City as they may be amended from time to time. This includes, by way of example but not limitation: the Building Codes and Regulations (currently Chapter 9 of the Goodyear City Code), the Subdivision Regulations adopted by the City of Goodyear (currently Chapter 15 of the Goodyear City Code), the City’s Zoning Ordinance, the City of Goodyear’s Design Guidelines Standards, the City of Goodyear Engineering Design Standards and Policies as they all may be adopted and amended from time to time; ordinances rezoning the Property, including stipulations and conditions of approval thereto; and stipulations; and conditions of approvals of approved preliminary and final plats for the Property.

2.4. “External Infrastructure” means (i) public infrastructure improvements, including Storm Water Improvements, that are required by the City to be constructed in connection with the City's approval of a Final Plat, along, on, adjacent to, or outside the external boundaries of the property subject to such Final Plat; (ii) public streets, other than Local Streets, that are required by the City to be constructed in connection with the City's approval of a Final Plat..

2.5. “Final Plat” means any final plat subdividing all or any portion of the Property.

2.6. “HOA” means The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation.

2.7. “Internal Infrastructure” means Local Streets and other public infrastructure improvements, including Storm Water Improvements that are to be constructed within the boundaries of any final plat subdividing all or part of the Property. Any public street improvements other than Local Streets that are to be constructed within the boundaries of any final plat subdividing all or part of the Property are External Infrastructure for purposes of this Agreement.

2.8. “Local Street” means any public street shown on a Final Plat abutting and providing direct vehicular access to any residential lot within such Final Plat.

2.9. “Owner” means collectively NNP III-EMR 3, NNP III – EMR 4, and their Successors and Assigns.

2.10. “Party” means City, and Owner individually depending upon the context.

2.11. “Parties” means City and Owner collectively.

2.12. “Phased Property” means the portion of one Platted Property or of several Platted Properties that are the subject of a written Phasing Plan approved by the City Engineer that identifies the Internal Infrastructure and External Infrastructure that must be constructed to serve such property.

2.13. “Phasing Plan” means a written plan, approved by the City Engineer or his/her designee that identifies the Internal Infrastructure and External Infrastructure that must be constructed to serve specifically identified portions of Platted Property.

2.14. “Platted Property” means the portions of the Property that are included within a recorded final plat.

2.15. “Successors and Assigns” means any person and/or entity that succeeds to or is assigned any interest in all or part of the Property except as provided in Section 17 below.

3. EFFECTIVE DATE. The execution of this Agreement by the Parties and the approval of this Agreement by Resolution of the Goodyear City Council (“Resolution”) are conditions precedent to this Agreement becoming effective. This Agreement shall take effect upon the later of (i) the full execution of this Agreement by the Parties, and (ii) the date the Resolution approving this Agreement becomes effective.

4. COMMENCEMENT OF CONSTRUCTION. Except as otherwise provided in a written Phasing Plan approved by the City Engineer, construction of all infrastructure improvements for which Owner is responsible for constructing pursuant to the Development Regulations that are not otherwise expressly addressed in this Agreement, shall commence within 180 days of the recordation of the applicable final plat and shall then proceed in the customary and orderly sequence until completed.

5. FINANCIAL ASSURANCES. The City agrees that compliance with the following terms and conditions shall satisfy the obligations under the applicable Development Regulations to provide financial assurances to ensure the construction of the External Infrastructure and Internal Infrastructure.

5.1. Internal Infrastructure. For Internal Infrastructure, Owner’s financial assurance obligation shall, subject to the terms and conditions set forth in this Agreement, be satisfied by a building permit hold as described in this Section 5.1. Except as otherwise provided herein, the City shall not issue any building permits for any structure within the portion of the Property that is subject to a recorded final plat until all of the Internal Infrastructure that is to be constructed within the applicable Platted Property has been completed and accepted by the City or the City has been provided a bond for such Internal Infrastructure that meets the requirements set forth in the City of Goodyear Engineering Design Standards and Policies as they may be amended from time to time (the “City’s Engineering Standards”). Except as otherwise provided in this Agreement, if the construction of the Internal Infrastructure is being phased pursuant to an approved Phasing Plan, the City shall issue building permits for structures within the Phased Property only after all of the Internal Infrastructure identified in the Phasing Plan as being needed to serve the Phased Property has been completed and accepted by the City or, the City has been

provided a bond that meets the requirements set forth in the City's Engineering Standards. Except as provided in Section 5.3 below, the City, without liability to the City, shall be entitled to withhold building permits for structures within the Property as provided in this Section 5.1.

5.2. External Infrastructure. For External Infrastructure Owner is required to construct in conjunction with the recordation of a final plat and/or approval of a site plan within the Property, Owner shall provide financial assurances in the form of: (i) a bond for such External Infrastructure that meets the requirements set forth in the City's Engineering Standards; (ii) the establishment of an escrow account with funds in an amount sufficient to cover the estimated costs of the External Infrastructure; or (iii) an irrevocable letter of credit, in a form acceptable to the City Attorney or his/her designee, in an amount sufficient to cover the estimated costs of the External Infrastructure as specified above. If the construction of the External Infrastructure for Platted Property is to be phased or deferred, pursuant to an approved written Phasing Plan, the financial assurances shall be limited to the External Infrastructure that Owner is required to construct in connection with each phase pursuant to the Phasing Plan. Except as otherwise expressly provided in this Agreement, the City shall be entitled, without liability to the City, to withhold permits for any and all construction within the Platted Property, including permits for horizontal construction activities such as grading, construction of infrastructure improvements and building permits until financial assurances for the External Infrastructure as required herein have been provided.

5.3. Model Homes. Notwithstanding anything to the contrary in this Agreement, the City shall issue building permits for model homes within Platted Property and Phased Property prior to the completion of the Internal Infrastructure and External Infrastructure needed to serve such Platted Property or Phased Property upon the determination of the City Engineer or his/her designee that all of the External Infrastructure and Internal Infrastructure needed to serve the model homes has been constructed and the City shall issue certificates of occupancy for such model homes upon the determination of the City's building official or his/her designee that the all the infrastructure needed to serve the model homes has been constructed and approved and the model homes comply with all other applicable Development Regulations. Notwithstanding anything to the contrary herein or anywhere else in this Agreement, no certificate of occupancy shall be issued for any structure within the Property unless the City Engineer or his/her designee determine that all of the External Infrastructure and Internal Infrastructure needed to serve the structure has been constructed and the structure otherwise complies with all other applicable Development Regulations.

6. TRAFFIC SIGNALS. Owner is responsible for constructing traffic signals at various intersections within and/or adjacent to the Property. Although there may be additional traffic signal infrastructure improvements required within the Property, the Parties are aware of two intersections for which full traffic signal infrastructure improvements will be required, and for which NNP III – EMR 3 and/or NNP III – EMR 4 are responsible for constructing: one at the intersection at the north end of the roadway currently identified as Hillside Drive and Estrella Parkway and one at the intersection at the south end of the roadway currently identified as Hillside Drive and Estrella Parkway. The Parties agree as follows with respect to the construction of the traffic signal infrastructure improvements at these two intersections:

6.1. NNP III – EMR 3 and/or NNP III EMR 4 shall construct or cause to be constructed all traffic signal infrastructure improvements for all corners of the intersection required to be signalized at the north end of the roadway currently identified as Hillside Drive and Estrella Parkway and all corners of the intersection required to be signalized at the south end of the roadway currently identified as Hillside Drive and Estrella Parkway, as reflected in Exhibit C attached hereto.

6.1.1. The traffic signal infrastructure improvements at the intersection at the north end of the roadway currently identified as Hillside Drive and Estrella Parkway shall be completed by the earlier of the following: (i) June 11, 2024 and (ii) within twelve (12) months of the date the traffic signal is warranted as determined by the City Engineer or his/her designee. Construction plans for the traffic signal infrastructure improvements shall be submitted to the City no later September 1, 2023. If the traffic signal infrastructure improvements referred to herein are not constructed and completed within the time frames provided herein, the City, in addition to pursuing any other remedies available to it for the breach of this term, shall be entitled to withhold building permits until the traffic signal infrastructure improvements are completed unless Owner has commenced process to complete the design and installation of the signal and has provided to the City a performance bond for the traffic signal infrastructure improvements that meets the City's Engineering Standards, equal to 100% of the cost of the design and construction of such traffic signal infrastructure.

6.1.2. The traffic signal infrastructure improvements at the intersection at the south end of the roadway currently identified as Hillside Drive and Estrella Parkway shall be completed by the earlier of the following: (i) June 11, 2024 and (ii) within twelve (12) months of the date the traffic signal is warranted as determined by the City Engineer or his/her designee. Construction plans for the traffic signal infrastructure improvements shall be submitted to the City no later September 1, 2023. If the traffic signal infrastructure improvements referred to herein are not constructed and completed within the time frames provided herein, the City, in addition to pursuing any other remedies available to it for the breach of this term, shall be entitled to withhold building permits until the traffic signal infrastructure improvements are completed unless Owner has commenced process to complete the design and installation of the signal and has provided to the City a performance bond for the traffic signal infrastructure improvements that meets the City's Engineering Standards, equal to 100% of the cost of the design and construction of such traffic signal infrastructure.

6.1.3. An updated traffic impact study shall be submitted with the construction plans for the two foregoing traffic signals if the construction plans for the signals are submitted together; or, if the construction plans for the two foregoing traffic signals are submitted at different time, with the construction plans for the second traffic signal. Owner shall be responsible for constructing, at Owner's sole cost, any additional infrastructure improvements identified in the approved updated Traffic Impact Study as being needed to address traffic impacts, which may include the removal of roundabout and the installation of a traffic signal at the intersection of Cotton Lane and Estrella Parkway.

6.2. To the extent permitted by law, development impact fee reimbursements for the costs of constructing the traffic signal infrastructure improvements referred to in Section 6 and all subsections therein shall be made subject to the following:

6.2.1. No reimbursements shall be provided unless the traffic signal infrastructure improvements for which reimbursements are sought are included in an adopted Infrastructure Improvements Plan and Fee Report in effect when the improvements are constructed as a Necessary Public Service or Facility Expansion for which a development fee is assessed. The amount of the reimbursements shall be the actual costs incurred in constructing the infrastructure improvements or the estimated costs of the infrastructure improvements included in the development impact fee study, whichever is less.

6.2.2. No reimbursements shall be provided unless the services for the design and construction of the traffic signal infrastructure improvements were procured pursuant to the requirements of Title 34 of the Arizona Revised Statutes.

6.2.3. NNP III – EMR 3 and/or NNP III – EMR 4 shall submit documentation determined by the City as being necessary to support a reimbursement request and no reimbursements shall be approved unless such documentation is provided. Upon approval of the reimbursement request, the approved reimbursement amount shall be added to the amounts owed NNP III Estrella Mountain Ranch LLC, a Delaware limited liability company, an affiliate of NNP III – EMR 3 and NNP III – EMR 4.

6.2.4. If the traffic signal infrastructure improvements referred to in Section 6 and all subsections therein have not been completed by June 11, 2024 and the City has to refund any development impacts fees collected as a result of the failure to complete such infrastructure, the City shall be entitled to reduce the amount of development impact fee reimbursements owed by the amount of such refunds.

6.2.5. If someone other than NNP III – EMR 3 and/or NNP III – EMR 4 constructs or causes to be constructed either or both of the traffic signal infrastructure improvements referred to in Section 6 and all subsections therein, development impact fee credits shall be available provided that all of the requirements in Article 9-8, including Section 9-8-10, of the Goodyear City Code for such credits have been satisfied, which requirements includes the execution of a Credit Agreement. The credits referred to herein shall only be available only to services for the design and construction of the traffic signal infrastructure improvements that were procured pursuant to the requirements of Title 34 of the Arizona Revised Statutes. No reimbursements shall be provided unless the traffic signal infrastructure improvements for which reimbursements are sought is included in an adopted Infrastructure Improvements Plan and Fee Report in effect when the improvements are constructed as a Necessary Public Service or Facility Expansion for which a development fee is assessed. The amount of the credit shall be the actual costs incurred in designing and constructing the infrastructure improvements or the estimated costs of the infrastructure improvements included in the development impact fee study, whichever is less. NNP III – EMR 3 and NNP III – EMR 4 expressly waive any rights to development impact fees for which credits are provided pursuant to a Credit Agreement.

7. STORM WATER INFRASTRUCTURE. Owner shall construct all Storm Water Improvements needed to dispose of storm water from Platted Property and adjacent roadways in connection with recordation of the final plat for such Platted Property and such improvements shall be complete prior to the first building permit for vertical construction (i.e. for an above structure

for which a certificate of occupancy is issued) within such Platted Property except as provided in Section 5.3 above.

7.1. The real property upon which the Storm Water Improvements are to be located shall be conveyed to the HOA immediately following the completion of the improvements. No building permit for vertical construction (i.e., for an above-grade structure which will require a certificate of occupancy to be issued) within such Platted Property except as provided in Section 5.3 above shall be issued until the real property upon which the Storm Water Improvements were constructed has been conveyed to the HOA. Such conveyance shall include a restrictive covenant, in a form approved by the City Attorney or his/her designee, that requires the HOA to maintain, repair and replace the Storm Water Improvements pursuant to the approved plans. Such restrictive covenant may allow for the Owner to enforce the restrictive covenant, but shall include a provision that allows, but does not require, the City of Goodyear to maintain, repair and/or replace the Storm Water Improvements and recover the costs of such repairs from the HOA and it shall include a provision that allows the City of Goodyear and any person or persons damaged by any violation(s) or attempted violations of the covenant to bring suit at law or in equity to enforce such covenant with the right to recover damages for such suits, including reasonable attorneys' fees and court costs. The restrictive covenant shall be a covenant running with the land and shall be binding upon any subsequent owner of all or part of the real property conveyed to the HOA.

7.2. HOA expressly agrees to accept the conveyance of the real property upon which the Storm Water Improvements will be located subject to the restrictive covenant described above and agrees to maintain, repair and replace such Storm Water Improvements as described above.

8. MASS GRADING AND FINAL GRADING. Owner shall be entitled to mass grade the Property to balance the Property and begin final grading, including the Lucero Welcome Center, before construction plans for all required External Infrastructure and Internal Infrastructure have been completed and approved, including the plans for the secondary sewer force main, subject to the following:

8.1. Mass Grading permits will be issued prior to posting required financial assurances, including any required financial assurances for the secondary sewer force main.

8.2. Final Grading permits will not be issued until required financial assurances have been posted, including any required financial assurances for the secondary sewer force main.

8.3. No mass grading or final grading may occur until the City Engineer or his/her designee has approved all of the following: (i) a mass grading plan for the Property; (ii) a final grading plan for the Property; (iii) a drainage plan for the Property; and (iv) a storm water pollution prevention plan for the Property.

8.4. All mass grading and all final grading that occurs before the construction plans for all required infrastructure (internal and external) have been completed and approved, including the plans for the secondary sewer force main, shall be at risk. Owner shall indemnify, defend, save and hold harmless the City from and against any and all claims, actions, liabilities, damages, losses, expenses and costs (including court costs, attorneys' fees and costs of claim

processing, primary loss investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), loss or damage to tangible property and economic or financial loss of any character or any nature caused, or alleged to be caused, in whole or in part, by any mass grading and/or final grading of the Property that occurs before the construction plans for all required Internal Infrastructure and External Infrastructure have been completed and approved by the City Engineer or his/her designee.

8.5. Notwithstanding the foregoing, no permits, other than grading permits as provided above, for any on-site work within an area included within an approved Site Plan shall be allowed until all applicable Development Regulations requirements for the issuance of such permits have been satisfied.

9. AMENDMENTS. In order for an amendment of this Agreement to become effective, the Party seeking the amendment shall submit its proposed amendment in writing to the other Parties for review. To be effective, amendments shall be approved by the City Council, signed by the Parties and attached to this Agreement as an addendum. Amendments shall also be recorded in the Official Records of Maricopa County within ten (10) days after execution.

10. EXISTING AGREEMENTS. This Agreement and the exhibits referred to herein and attached hereto, constitute the sole and entire agreement between the Parties solely with respect to the matters covered herein and supersede any prior or contemporaneous agreements, understandings or undertakings, written or oral, by or between the Parties and/or by or between any of the Parties and any third parties regarding the matter covered herein. Except as expressly provided in this Agreement, this Agreement is not intended to, nor does it affect the Parties rights or obligations under any other existing agreements between the Parties or any existing agreements.

11. DEVELOPMENT REGULATIONS. Except as otherwise expressly provided in this Agreement and subject to the terms and conditions of this Agreement, the Parties agree that the development of the Property shall be governed by the Development Regulations in effect as of the date of this Agreement or in effect when the specific development application is approved, whichever is later. For example, future applications for rezoning, future site plans, future plats, construction permits, and/or building permits shall be subject to the Development Regulations in effect when the application is approved.

12. REQUIREMENTS NOT ADDRESSED. The Parties acknowledge and agree that this Agreement addresses only certain issues with respect to the development of the Property and provides only those rights expressly set forth in this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement does not relieve Owner from constructing additional public or private infrastructure that may be required by Federal, State, County or City laws, ordinances, codes, rules, regulations, standards, guidelines, conditions of approval and the like, including by way of example but not limitation, infrastructure needed for drainage, internal roads, and emergency access roads. Except as expressly provided otherwise in this Agreement, this Agreement does not relieve Owner from complying with the City’s requirements concerning the development process, including by way of example but not limitation, complying with procedures and processes governing submission requirements for zoning, preliminary subdivision plats, final subdivision plats and/or site plans, and paying all applicable costs, permit fees, development fees, application fees, and taxes.

13. FUTURE CONDITIONS and APPROVALS. The Parties acknowledge and agree that this Agreement addresses only limited issues relative to the development of the Property and that the Agreement does not limit or preclude the City from imposing additional restrictions, requirements, contributions, conditions or the like for the development of the Property that may be allowed by law, unless expressly addressed herein. The Parties agree that nothing in this Agreement shall be deemed to require the City to grant any future administrative or legislative approvals related to the development of the Property that would be in addition to those approvals the City has already provided to the Property as of the Effective Date of this Agreement provided, however, such approvals have not already expired or been terminated, do not expire or terminate pursuant to the terms of this Agreement, or are not revoked or terminated because of a breach of this Agreement. Regardless of whether the action or payment is provided for in this Agreement, the Parties acknowledge and agree that the City is not required to undertake any action or make any payments if any federal, state, or local law requires formal action and approval by the City Council before undertaking such action or payment until the City Council has taken the required formal action and has approved the action or payment. The Parties agree that nothing in this Agreement shall affect the City's legislative authority to approve or deny zoning or other development related applications, including applications for preliminary and/or final plats and/or site plans, or the City's legislative authority to impose conditions on the development of the Property. Finally, the Parties agree that except as otherwise expressly provided herein, nothing in this Agreement shall restrict the Owner's rights to object to and pursue all legal remedies to obtain relief from any future conditions, stipulations, policies, procedures, resolutions or ordinances imposed by the City that Owner deems are illegal and/or beyond the scope of the City's statutory authority as applied to the Property.

14. Notices and Filings. Any and all notices, filings, approvals, consents or other communications required or permitted by this Agreement shall be given in writing and personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

<p>City:</p> <p>City of Goodyear Attn: City Manager 190 North Litchfield Road Goodyear, Arizona 85338</p> <p>With a copy to:</p> <p>City of Goodyear Attn: Director of Engineering 190 North Litchfield Road Goodyear, Arizona 85338</p> <p>and to:</p> <p>City of Goodyear Attn: City Attorney 190 North Litchfield Road Goodyear, Arizona 85338</p>	
<p>Owner:</p> <p>NNP III – EMR 3, LLC NNP III – EMR 4, LLC Attn: Pete Teiche 5090 N. 40th Street, Suite 210 Phoenix, Arizona 85016</p> <p>With a copy to</p> <p>NNP III – EMR 3, LLC NNP III – EMR 4, LLC Attn: Legal Department 4790 Eastgate Mall, Suite 150 San Diego, CA 92121</p>	
<p>HOA:</p> <p>The Villages at Estrella Mountain Ranch Community Association 17665 W. Elliot Rd. Goodyear, Arizona 85338</p>	

or to any other addresses as any of the Parties hereto may from time to time designate in writing and deliver in a like manner. Notices, filings, consents, approvals and communications shall be deemed to have been given as of the date of delivery if hand delivered, or as of twenty-four (24) hours following deposit in the U.S. Mail, postage prepaid and addressed as set forth above.

15. COVENANTS RUNNING WITH THE LAND. Except as otherwise provided in Section 17, the rights and duties under this Agreement shall be for the benefit of, and a burden upon, the Property, and they shall be covenants running with the land.

16. SUCCESSORS AND ASSIGNS. Except as otherwise provided in Section 17, the provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their Successors and Assigns; provided, however, that Owner's rights and obligations hereunder may be assigned only upon prior written consent by the City, which shall not be unreasonably withheld, in whole or in part, by written instrument, however any assignment to any subsequent owner of all or any portion of the Property may be made without further consent from the City.

17. TERMINATION OF AGREEMENT AS TO RESIDENTIAL LOTS. The Parties hereby acknowledge and agree that this Agreement is not intended to and shall not create conditions or exceptions to title or covenants running with the Property for any lot within the Property that has been fully subdivided pursuant to a recorded final plat and for which a Certificate of Occupancy for a single family residence has been issued. The Parties agree that this Agreement shall terminate without the execution or recordation of any further document or instrument as to any lot within the Property that has been fully subdivided pursuant to a recorded final plat and for which a Certificate of Occupancy for a single family residence has been issued, and such lot shall automatically be released from and no longer be subject to or burdened by the provision of this Agreement without the requirement of any further action by any Party.

18. NO AGENCY OR PARTNERSHIP. Neither City nor Owner is acting as the agent of the other with respect to this Agreement, and this Agreement shall not be deemed to create a partnership, joint venture, or other business relationship between the City and Owner.

19. CONFLICTS OF INTEREST. This Agreement is subject to the provisions of A.R.S. § 38-511, and may be terminated by the City in accordance with such provisions.

20. BUSINESS DAYS. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

21. DEFAULTS AND REMEDIES: Any Party shall be in default under this Agreement ("Default") if it fails to satisfy any term or condition as required under this Agreement within thirty (30) business days following written notice from the other Party ("Notice"); provided, however, that the Notice shall set forth the specific reasons for the determination that the Party has failed to satisfy any term of condition hereof. A Party shall not be in Default if the Party commences to cure any deficiencies within thirty (30) business days of receipt of Notice and cures such deficiencies within a reasonable time thereafter.

22. NO WAIVER. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the City or Owner of the breach of any covenant or condition of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

23. MEDIATION. If a dispute arises out of or related to this Agreement, or breach thereof, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation, or some other dispute resolution. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request a presiding judge of the Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute resolution procedure. The terms of this Section 23 shall survive the termination of this Agreement.

24. WAIVER OF JURY TRIAL. **UNLESS EXPRESSLY PROHIBITED BY LAW, EACH OF THE CITY AND OWNER KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY AND ALL ACTIONS OR OTHER LEGAL PROCEEDINGS AGAINST THE OTHER PARTY, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND/OR THE TRANSACTIONS IT CONTEMPLATES, AND AGREES THAT ANY AND ALL ACTIONS OR OTHER LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS IT CONTEMPLATES, AND/OR THE WORK PERFORMED PURSUANT TO THIS AGREEMENT SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS WAIVER APPLIES TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH PARTY ACKNOWLEDGES THAT IT HAS RECEIVED THE ADVICE OF COMPETENT COUNSEL.** The terms of this Section 24 waiving the right to a jury trial shall survive the termination of this Agreement

25. LIMITATION ON CLAIMS. **IN NO EVENT SHALL CONSEQUENTIAL DAMAGES, EXPECTATION DAMAGES, AND/OR INCIDENTAL DAMAGES, WHICH INCLUDES, BUT IS NOT LIMITED, CLAIMS FOR LOST PROFITS, BE AWARDED AS DAMAGES FOR A BREACH OF THIS AGREEMENT, AND THE PARTIES EXPRESSLY WAIVE ANY RIGHT TO CONSEQUENTIAL DAMAGES, EXPECTATION DAMAGES, AND/OR INCIDENTAL DAMAGES IN THE EVENT OF A BREACH OF THIS AGREEMENT.** The terms of this Section 25 limiting the remedies available to the Parties in the event of a breach of the Agreement shall survive the termination of this Agreement.

26. 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.

27. FAIR INTERPRETATION. The terms and provisions of this Agreement represent the result of negotiations between the Parties, each of which has had the opportunity to

consult with counsel of their own choosing and/or has been represented by counsel of their own choosing, and none of whom has acted under any duress or compulsion, whether economic or otherwise. Consequently, the Parties agree the terms and provisions of this Agreement shall be construed according to their usual and customary meanings, and the Parties each hereby waive the application of any rule of law (common law or otherwise) that ambiguous or conflicting terms be resolved against the Party who prepared, or whose attorney prepared, the executed Agreement or any earlier draft of same. The terms of this Section 27 shall survive the termination of this Agreement.

28. CHOICE OF LAW, VENUE, AND ATTORNEY'S FEES. In any dispute under this Agreement, the successful Party shall be entitled to collect from the other Party its reasonable attorneys' fees, and other costs as determined by a Court of competent jurisdiction. The Parties agree that any dispute, controversy, claim or cause of action arising out of or related to this Agreement shall be governed by the laws of the State of Arizona. The Parties further agree that the venue for any dispute, controversy, claim or cause of action arising out of or related to this Agreement shall be Maricopa County and that any action filed shall be heard in a court of competent jurisdiction located in Maricopa County. The Parties expressly waive the right to object, for any reason, to the venue of Maricopa County. The terms of this Section 28 shall survive the termination of this Agreement.

29. SURVIVAL CLAUSE: All provisions in this Agreement that logically ought to survive the expiration or earlier termination of this Agreement shall survive the expiration or earlier termination of this Agreement. This includes by way of example: all provisions imposing obligations that will not be triggered until the Agreement is terminated, all indemnification provisions; all limitation of remedies and damages provisions; all provisions waiving claims; and all provisions relieving any Party of liability for actions taken. The fact that certain provisions in this Agreement expressly state that such provisions shall survive the expiration or earlier termination of this Agreement shall not be construed as limiting the application of the Survival Clause set forth in this Section 29 to other provisions in the Agreement.

30. REPRESENTATIONS AND WARRANTIES OF NNP III – EMR 3. As of the date of the execution of this Agreement, NNP III – EMR 3 represents and warrants the following:

30.1. Ownership. NNP III – EMR 3 is the owner of the portion of the Property more particularly described and depicted in Exhibit A attached hereto; has the full right and authority to submit its interest in the Property to the obligations hereunder; and holds to such property title free and clear of all liens other than liens for taxes not yet due and payable.

30.2. Authorization. NNP III – EMR 3 is a Delaware limited liability company, qualified to do business in Arizona and in good standing; NNP III-EMR 3 (including the person signing for NNP III – EMR 3) has the authority and the right to enter into this Agreement as authorized by the manager of NNP III – EMR 3, and NNP III – EMR 3 is not prohibited from executing this Agreement by any law, rule, regulation, instrument, agreement, order or judgment.

30.3. Due Diligence. NNP III – EMR 3 reviewed this Agreement and reached its own conclusions as to the binding and enforceable nature thereof and all of the provisions

contained therein, and has not relied on any representations or warranties of NNP III – EMR 4, City, and/or HOA other than those expressly provided in this Agreement.

31. REPRESENTATIONS AND WARRANTIES OF NNP III – EMR 4. As of the date of the execution of this Agreement, NNP III – EMR 4 represents and warrants the following:

31.1. Ownership. NNP III – EMR 4 is the owner of the portion of the Property more particularly described and depicted in Exhibit B attached hereto; has the full right and authority to submit its interest in the Property to the obligations hereunder; and holds title to such property free and clear of all liens other than liens for taxes not yet due and payable.

31.2. Authorization. NNP III – EMR 4 is a Delaware limited liability company, qualified to do business in Arizona and in good standing; NNP III – EMR 4 (including the person signing for NNP III – EMR 4) has the authority and the right to enter into this Agreement as authorized by the manager of NNP III – EMR 4, and NNP III – EMR 4 is not prohibited from executing this Agreement by any law, rule, regulation, instrument, agreement, order or judgment.

31.3. Due Diligence. NNP III – EMR 4 reviewed this Agreement and reached its own conclusions as to the binding and enforceable nature thereof and all of the provisions contained therein, and has not relied on any representations or warranties of NNP III – EMR 3, City and/or HOA other than those expressly provided in this Agreement.

32. REPRESENTATIONS AND WARRANTIES OF HOA. As of the date of the execution of this Agreement, HOA represents and warrants the following:

32.1. Authorization. HOA is an Arizona non-profit corporation qualified to do business in Arizona and in good standing; HOA (including the person signing for HOA) has the authority and the right to enter into this Agreement, and HOA is not prohibited from executing this Agreement by any law, rule, regulation, instrument, agreement, order or judgment.

32.2. Due Diligence. HOA reviewed this Agreement and reached its own conclusions as to the binding and enforceable nature thereof and all of the provisions contained therein, and has not relied on any representations or warranties of City, NNP III – EMR 3, and/or NNP III – EMR 4 other than those expressly provided in this Agreement.

33. REPRESENTATIONS AND WARRANTIES OF CITY. As of the Effective Date of this Agreement, the City represents and warrants the following:

33.1. Approval. City has approved this Agreement at a duly held and noticed public meeting by its Mayor and City Council, at which a quorum was duly present, and has authorized the execution hereof.

33.2. Authorization. City agrees that the persons executing this Agreement on behalf of City have been duly authorized to do so.

33.3. Due Diligence. City reviewed this Agreement and reached its own conclusions as to the binding and enforceable nature thereof and all of the provisions contained

therein, and has not relied on any representations or warranties of the HOA, NNP III – EMR 3, and/or NNP III – EMR 4 other than those expressly provided in this Agreement

34. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one agreement, binding on the Parties. Further this Agreement may be executed and delivered by electronic transmission. A manually signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, and agreeing to be bound by the terms of this Agreement the Parties have caused this Agreement to be executed by their duly appointed representatives.

Signatures, Acknowledgements, and Exhibits on Following Pages

OWNER:

NNP III – EMR 3, LLC,
a Delaware limited liability company

By: _____

Its: _____

State of Arizona)
)ss
County of Maricopa)

The Development Agreement for Lucero by and between NNP III – EMR 3, LLC, a Delaware limited liability company; NNP III – EMR 4, LLC, a Delaware limited liability company, The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation, and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2018 by _____, the _____ of NNP III-EMR – EMR 3, LLC, a Delaware limited liability company and that he/she being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of NNP III-EMR 3, LLC, a Delaware limited liability company.

NOTARY PUBLIC

Signatures, Acknowledgements, and Exhibits on Following Pages

NNP III – EMR 4, LLC,
a Delaware limited liability company

By: _____

Its: _____

State of Arizona)
)ss
County of Maricopa)

The Development Agreement for Lucero by and between NNP III – EMR 3, LLC, a Delaware limited liability company; NNP III – EMR 4, LLC, a Delaware limited liability company, The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation, and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2018 by _____, the _____ of NNP III-EMR – 4, LLC, a Delaware limited liability company and that he/she being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of NNP III – EMR 4, LLC, a Delaware limited liability company.

NOTARY PUBLIC

Signatures, Acknowledgements, and Exhibits on Following Pages

HOA:

THE VILLAGES AT ESTRELLA MOUNTAIN RANCH COMMUNITY ASSOCIATION,
an Arizona non-profit corporation

By: _____

Its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

The Development Agreement for Lucero by and between NNP III – EMR 3, LLC, a Delaware limited liability company; NNP III – EMR 4, LLC, a Delaware limited liability company, The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation, and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2018 by _____, the _____ of The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation and that he/she being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation.

NOTARY PUBLIC

Signatures, Acknowledgements, and Exhibits on Following Pages

CITY:

CITY OF GOODYEAR, an Arizona municipal corporation

By: _____
Dan Cotterman

Its: Interim City Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

The Development Agreement for Lucero by and between NNP III – EMR 3, LLC, a Delaware limited liability company; NNP III – EMR 4, LLC, a Delaware limited liability company, The Villages at Estrella Mountain Ranch Community Association, an Arizona non-profit corporation, and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2018, by Dan Cotterman, the Interim City Manager of the CITY OF GOODYEAR, an Arizona municipal corporation, for and on behalf thereof.

Notary Public

Attest:

Darcie McCracken, City Clerk

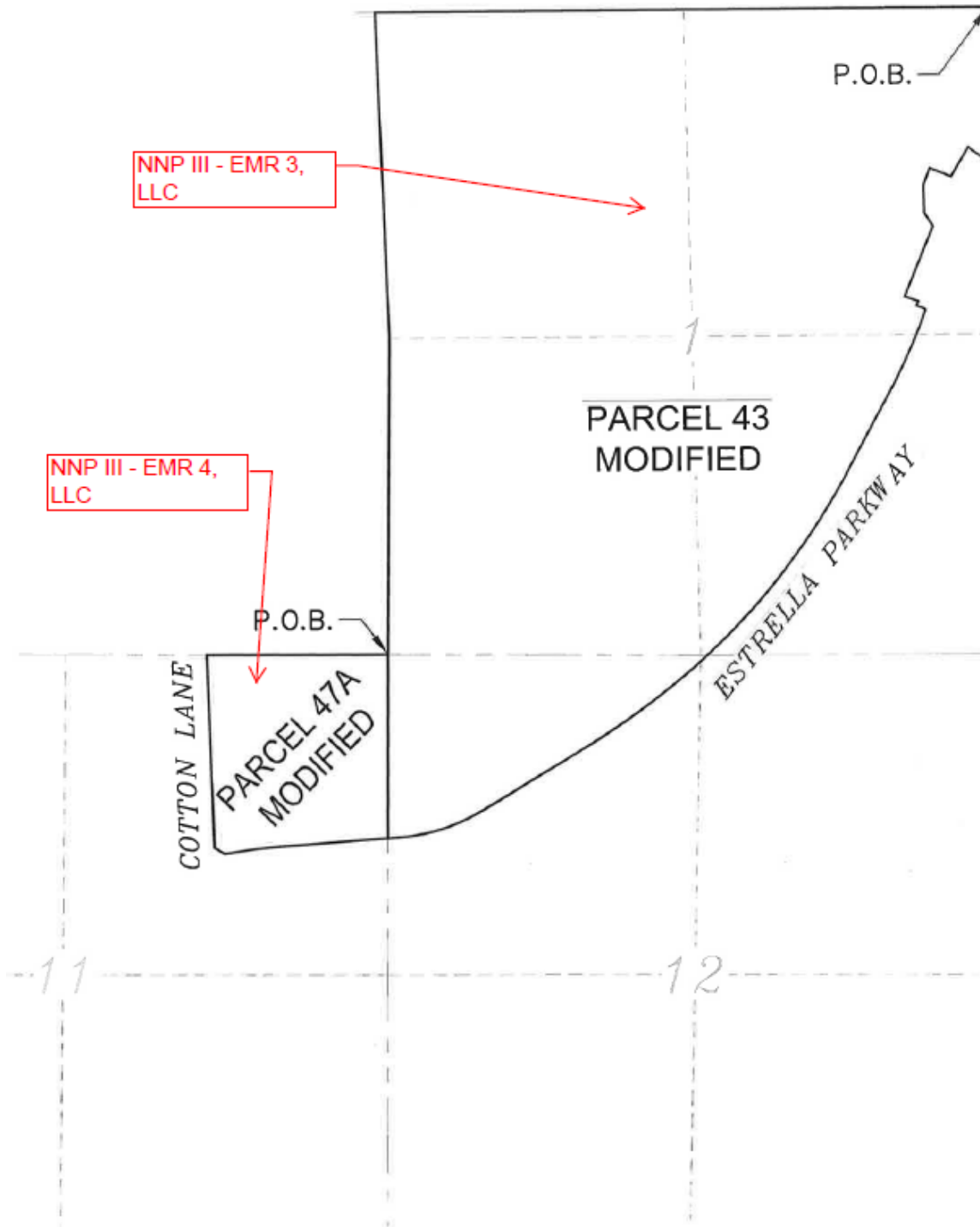
Approved as to Form:

Roric Massey, City Attorney

Exhibits Continued on Following Pages

EXHIBIT A

LEGAL DESCRIPTION AND DEPICTION OF NNP III – EMR 3 PROPERTY



**ESTRELLA PARCEL 43 (MODIFIED)
ESTRELLA MOUNTAIN RANCH
GOODYEAR, ARIZONA**



November 30, 2012
Job No. 2012-057
Page 1 of 2

THAT PORTION OF SECTIONS 1 AND 12 OF TOWNSHIP 1 SOUTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 1, FROM WHICH THE EAST QUARTER CORNER THEREOF BEARS SOUTH 00 DEGREES 20 MINUTES 27 SECONDS WEST, A DISTANCE OF 2,708.44 FEET;

THENCE SOUTH 00 DEGREES 20 MINUTES 27 SECONDS WEST, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 1,222.69 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF ESTRELLA PARKWAY, ACCORDING TO THE MAP OF DEDICATION RECORDED IN BOOK 318 OF MAPS, PAGE 38, RECORDS OF MARICOPA COUNTY, ARIZONA, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST OF WHICH THE RADIUS POINT LIES SOUTH 53 DEGREES 38 MINUTES 46 SECONDS EAST, A RADIAL DISTANCE OF 1,665.00 FEET;

THENCE ALONG SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTHWESTERLY ALONG SAID ARC, THROUGH A CENTRAL ANGLE OF 01 DEGREES 43 MINUTES 14 SECONDS, A DISTANCE OF 50.00 FEET

THENCE NORTH 55 DEGREES 20 MINUTES 01 SECONDS WEST, DEPARTING SAID NORTHWESTERLY RIGHT OF WAY LINE, A DISTANCE OF 172.11 FEET;

THENCE SOUTH 30 DEGREES 23 MINUTES 37 SECONDS WEST, A DISTANCE OF 280.10 FEET;

THENCE NORTH 68 DEGREES 25 MINUTES 52 SECONDS WEST, A DISTANCE OF 190.27 FEET;

THENCE SOUTH 19 DEGREES 48 MINUTES 54 SECONDS WEST, A DISTANCE OF 150.91 FEET;

THENCE SOUTH 01 DEGREES 52 MINUTES 35 SECONDS EAST, A DISTANCE OF 231.91 FEET;

THENCE SOUTH 32 DEGREES 37 MINUTES 39 SECONDS EAST, A DISTANCE OF 129.02 FEET;

THENCE SOUTH 22 DEGREES 14 MINUTES 09 SECONDS WEST, A DISTANCE OF 625.30 FEET;

THENCE SOUTH 70 DEGREES 41 MINUTES 03 SECONDS EAST, A DISTANCE OF 118.19 FEET;

THENCE SOUTH 19 DEGREES 18 MINUTES 57 SECONDS WEST, A DISTANCE OF 39.46 FEET;

THENCE SOUTH 70 DEGREES 40 MINUTES 46 SECONDS EAST, A DISTANCE OF 81.31 FEET TO A POINT ON SAID NORTHWESTERLY RIGHT OF WAY LINE OF ESTRELLA PARKWAY, AS DEPICTED ON THE MAP OF DEDICATION FOR "ESTRELLA, PHASE ONE", RECORDED IN BOOK 318 ON PAGE 38, RECORDS OF MARICOPA COUNTY, ARIZONA, SAID POINT BEING A THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY, OF WHICH THE RADIUS POINT LIES NORTH 70 DEGREES 13 MINUTES 55 SECONDS WEST, A RADIAL DISTANCE OF 4,935.00 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE OF THE NORTHWESTERLY RIGHT OF WAY LINE OF ESTRELLA PARKWAY, THROUGH A CENTRAL ANGLE OF 08 DEGREES 55 MINUTES 53 SECONDS, A DISTANCE OF 769.28 FEET;



THENCE SOUTH 28 DEGREES 41 MINUTES 58 SECONDS WEST, A DISTANCE OF 748.50 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 5,935.00 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 30 DEGREES 35 MINUTES 57 SECONDS, A DISTANCE OF 3,169.62 FEET;

THENCE SOUTH 59 DEGREES 17 MINUTES 55 SECONDS WEST, A DISTANCE OF 990.25 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 1,535.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 26 DEGREES 42 MINUTES 10 SECONDS, A DISTANCE OF 715.39 FEET;

THENCE SOUTH 86 DEGREES 00 MINUTES 05 SECONDS WEST, A DISTANCE OF 90.53 FEET TO THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 12;

THENCE NORTH 00 DEGREES 26 MINUTES 05 SECONDS EAST, DEPARTING SAID NORTHWESTERLY RIGHT OF WAY LINE OF ESTRELLA PARKWAY, ALONG SAID WEST LINE OF THE NORTHWEST QUARTER OF SECTION 12, A DISTANCE OF 1,510.40 FEET TO THE NORTHWEST CORNER OF SAID SECTION 12, COMMON WITH THE SOUTHWEST CORNER OF SAID SECTION 1;

THENCE NORTH 00 DEGREES 39 MINUTES 31 SECONDS EAST, ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 1, A DISTANCE OF 2,606.11 FEET TO THE WEST QUARTER CORNER THEREOF;

THENCE NORTH 02 DEGREES 11 MINUTES 09 SECONDS WEST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 1, A DISTANCE OF 2,694.67 FEET TO THE NORTHWEST CORNER OF SAID SECTION 1;

THENCE NORTH 89 DEGREES 37 MINUTES 46 SECONDS EAST, ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 2,470.11 FEET TO THE SOUTH QUARTER CORNER OF SECTION 36, TOWNSHIP 1 NORTH, RANGE 2 WEST OF SAID GILA AND SALT RIVER BASE AND MERIDIAN;

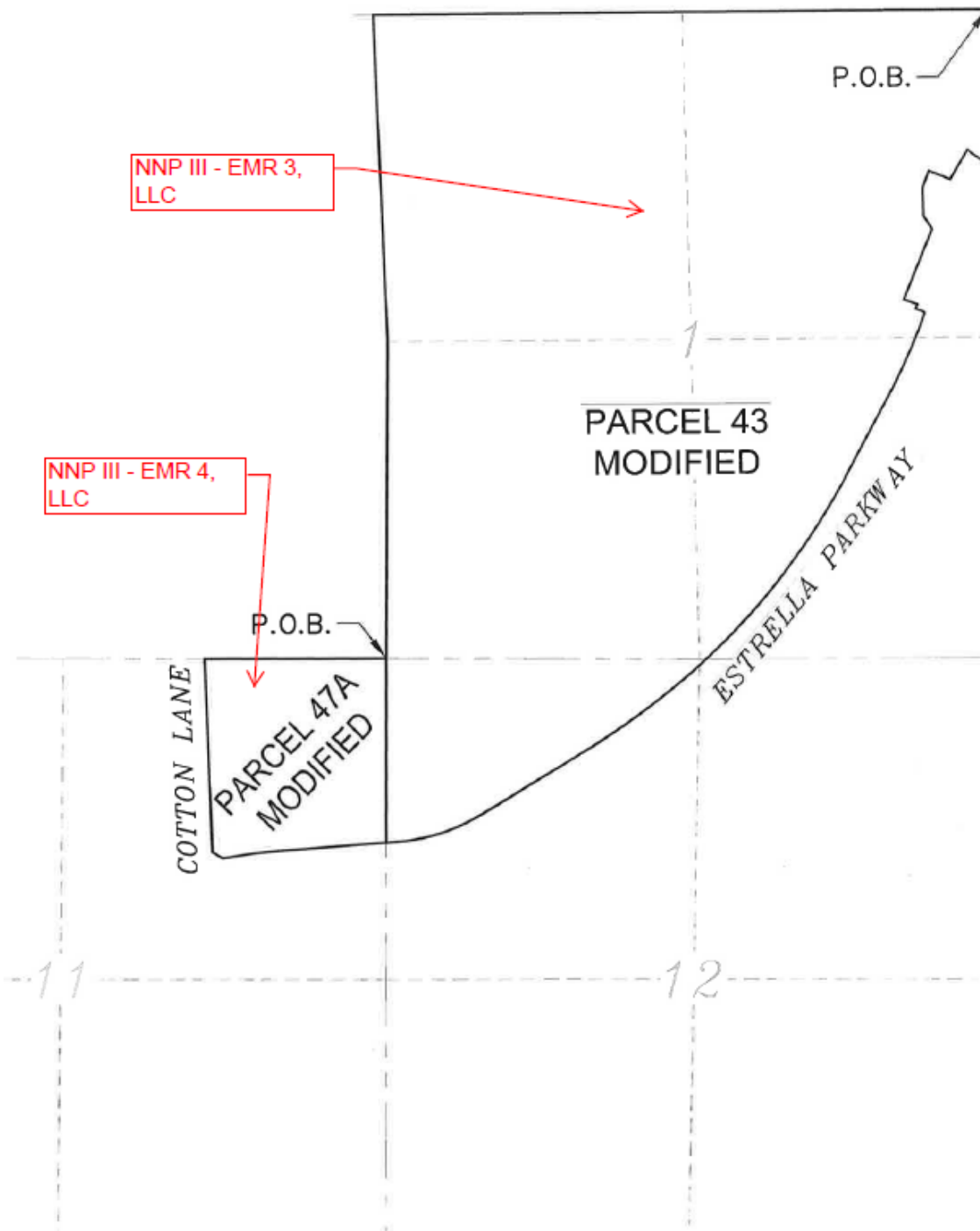
THENCE NORTH 89 DEGREES 46 MINUTES 21 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 70.32 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 1;

THENCE NORTH 89 DEGREES 46 MINUTES 21 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 1, A DISTANCE OF 2,521.97 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 24,606,870 SQUARE FEET OR 564.896 ACRES, MORE OR LESS.

EXHIBIT B

DEPICTION AND LEGAL DESCRIPTION OF NP 111 – EMR 4 PROPERTY



**ESTRELLA PARCEL 47a (MODIFIED)
ESTRELLA MOUNTAIN RANCH
GOODYEAR, ARIZONA**



November 30, 2012
Job No. 2012-057
Page 1 of 1

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 1 SOUTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A THE NORTHEAST CORNER OF SAID SECTION 11, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 11 BEARS NORTH 89 DEGREES 39 MINUTES 30 SECONDS WEST, A DISTANCE OF 2649.32 FEET;

THENCE SOUTH 00 DEGREES 26 MINUTES 05 SECONDS WEST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 11, A DISTANCE OF 1,510.40 FEET TO THE NORTHWESTERLY RIGHT OF WAY LINE OF ESTRELLA PARKWAY, ACCORDING TO THE MAP OF DEDICATION RECORDED IN BOOK 318 OF MAPS, PAGE 38, RECORDS OF MARICOPA COUNTY, ARIZONA,;

THENCE CONTINUING ON SAID NORTHWESTERLY RIGHT OF WAY LINE, SOUTH 86 DEGREES 00 MINUTES 05 SECONDS WEST, A DISTANCE OF 867.86 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 4,165.00 FEET;

THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 04 DEGREES 12 MINUTES 00 SECONDS, A DISTANCE OF 305.31 FEET;

THENCE SOUTH 81 DEGREES 48 MINUTES 05 SECONDS WEST, A DISTANCE OF 171.02 FEET TO THE EASTERLY RIGHT OF WAY LINE OF COTTON LANE AS DESCRIBED IN DOCUMENT 2006-1679431, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 58 DEGREES 53 MINUTES 56 SECONDS WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, A DISTANCE OF 95.16 FEET;

THENCE NORTH 02 DEGREES 01 MINUTES 23 SECONDS WEST, ALONG SAID EASTERLY RIGHT OF WAY LINE, A DISTANCE OF 1,588.40 FEET TO THE NORTH SECTION LINE OF SAID NORTHEAST QUARTER OF SECTION 11;

THENCE SOUTH 89 DEGREES 39 MINUTES 30 SECONDS EAST, ALONG SAID NORTH SECTION LINE A DISTANCE OF 1,487.58 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL HEREIN DESCRIBED.

SAID PARCEL CONTAINS 2,278,265 SQUARE FEET OR 52.302 ACRES, MORE OR LESS.

