EXHIBIT 2

RAINBOW VALLEY
DEVELOPMENT AGREEMENT

WHEN RECORDED, RETURN TO:
City of Goodyear, Arizona
Office of the City Clerk
190 North Litchfield Rd.
Goodyear, Arizona 85338

DEVELOPMENT AGREEMENT FOR RAINBOW VALLEY

This Development Agreement for Rainbow Valley is entered into by and between Rainbow Valley 2011, LLC, an Arizona limited liability company and the City of Goodyear, an Arizona municipal corporation. Rainbow Valley 2011, LLC and the City of Goodyear are sometimes referred to individually as Party and collectively as Parties.

RECITALS

A. WHEREAS, Rainbow Valley 2011, LLC, an Arizona limited liability company owns approximately 1,000 acres of land generally located at the northwest corner of the W. Queen Creek Road alignment and Rainbow Valley Road commonly known as Rainbow Valley and as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the “Property”).

B. WHEREAS, Owner is seeking to rezone the Property from the Agricultural and Agricultural Urban zoning districts to the Final Planned Area Development zoning district for the development of a mixed-use project known as "Rainbow Valley," which at full build out is expected to result in the development of approximately 2900 residential dwelling units, commercial uses and non-residential uses (the “Project”).

C. WHEREAS, Owner desires to continue to operate and use the Property for the existing agriculture and farming purposes and will cease such uses on each portion of the Property that is included within a recorded final plat and a permit has been issued for work within the plat boundaries or that is included within an approved site plan and a permit has been issued for work within the approved site plan area.

D. WHEREAS, the Project is envisioned to be a premier master planned community with a diversity of residential product types, commercial, shopping and retail sites, and a network of trails, parks, and open spaces.

E. WHEREAS, a portion of the Waterman Wash runs through the Property, and the development of the Waterman Wash as a public regional recreation trail amenity as identified in the 2014 Parks, Recreation, Trails and Open Master Plan is an integral part of the Project.

F. WHEREAS, the Property is not contiguous to existing City infrastructure or existing development and Owner and City acknowledge that the policy of the Land Use Plan of the City's General Plan is that new development is required to pay for the additional service demands it generates, i.e. growth pays for growth, and Owner shall be responsible for all costs associated with design, construction of infrastructure identified by the City as being needed to serve the Property, including acquisition of property needed for such infrastructure.

G. WHEREAS, the Property is not currently served by City water or wastewater facilities, and it is not located with the City's Designation of Assured Water Supply.

H. WHEREAS, the City is currently updating its Integrated Water Master Plan, which will provide a detailed analysis of what facilities and resources will be needed to provide water and wastewater services to the North Waterman Wash area, which includes the Property, and which will guide the City Council's determination as to whether the City should provide water and wastewater services to the Property and under what conditions such services will be provided.

I. WHEREAS, the availability of water and wastewater services to the Property is a health and safety issue and is a critical consideration for the City in the entitlement.

J. WHEREAS, the existing transportation infrastructure linking the Property to the currently developed part of the City and/or to other nearby cities and towns is minimal and may be insufficient to accommodate the transportation demands that will be generated by the eventual development of the Property.

K. WHEREAS, Waterman Wash runs through the Property and separates a portion of the Property from the existing developed areas of the City.

L. WHEREAS, connectivity between the Property and the developed areas within the City so that future residents within the Property have access to health care and the basic necessities and ensuring that future residents within of the Property are not cut off from the existing developed areas of the City by the Waterman Wash during storm events are health safety issues and are critical considerations for the City in the entitlement process.

M. WHEREAS, the ability of the City to provide police and fire services to the Property within the City's desired response time goals, including having adequate secondary access routes, is a health and safety issue and a critical consideration for the City in the entitlement process.

N. WHEREAS, the City is currently in the process of designing and constructing a new fire station at Willis Road and Estrella Parkway with contributions from two property owners to the north of the Property who have agreed to make contributions for: the design and construction

of a fire station, the acquisition of a fire truck, and the costs of operating and maintaining the new fire station.

O. WHEREAS, the agreement with the two property owners providing funding for the Estrella Fire Station includes terms regarding contributions from other properties that will be served by the fire station, and the Property will be served by the Estrella Fire Station.

P. WHEREAS, although the Owner and City anticipate that the Property will be fully served by the Estrella Fire Station, actual development of the Property and surrounding area could result in response times being at unacceptable levels triggering the need for an additional fire station.

Q. WHEREAS, parks, open space and recreation facilities are a vital component of enhancing the quality of life for the City's residents, and providing for the timely development of parks, open space and recreational amenities within the Property is an important consideration for the City in the entitlement process.

R. WHEREAS, the development of the Property will require contributions towards the costs associated with the construction and operation of the Estrella Fire Station, the construction of all infrastructure improvements necessary for the City to provide City services to the Property, including, should the City decide to provide water and wastewater services to the Property, wastewater treatment and distribution facilities; water treatment and distribution facilities, water campuses, and well fields; reclaimed water facilities; transportation infrastructure, including an all- weather crossing over the portion of the Waterman Wash running through the Property, that will accommodate a 100-year storm event according to applicable standards; and, if certain triggers are met, the development of a second fire station.

S. WHEREAS, some or all of the infrastructure, facilities and capital equipment that will need to be designed, installed, constructed and/or acquired to serve the Property may also serve future development on neighboring properties, and although the need for such infrastructure, facilities and capital equipment is a result of the development of the Property, Owner should, under equitable principles, be entitled to reimbursement for the proportionate costs of such infrastructure from other developers and/or owners of property benefitted by such infrastructure, facilities, and capital equipment.

T. WHEREAS, without guaranteeing reimbursements, the Agreement provides various mechanisms that could be used to secure reimbursements from owners of other properties benefitted by infrastructure, facilities, and capital equipment designed, installed, constructed and/or acquired by Owner.

U. WHEREAS, as noted in the narrative that accompanied the rezoning application, "there will be a long timeframe that will occur before actual development can occur," which will provide time to implement infrastructure solutions needed to serve the Property, and the City and

Owner acknowledge that this Agreement will be subject to frequent amendments as development efforts occur.

V. WHEREAS, the sole reason for the City's approval of the rezoning of the Property at this time is the enforceability of and Owner's agreement, on behalf of itself and all Successors and Assigns, to comply with the terms, conditions, and stipulations of the Final PAD and this Agreement which, among other things, transfers to Owner the responsibility for (1) the design, construction, installation and acquisition of all infrastructure improvements and capital equipment (including the acquisition of rights-of-way and other real estate interests off the Property) determined by the City as being needed for the City to provide City services to the Property; (2) funding all studies/models necessary to provide reimbursements from development impact fees, cost recovery, or other available reimbursement sources for Owner's construction or acquisition of infrastructure and/or capital improvements that may serve other neighboring developments; and (3) providing a contribution for the costs of operating and maintaining a new fire station should the need for a fire station be triggered as set forth in the Agreement.

W. WHEREAS, to the extent this Agreement or the Rainbow Valley PAD is determined by a court of competent jurisdiction to be unenforceable in whole or in part, and the City becomes liable for financial obligations inconsistent with the terms of this Agreement, Owner expressly acknowledges the City's right, with no liability to the City, to initiate action to revoke the Final PAD zoning on the Property and adopt an ordinance to revert the zoning of the Property to the zoning classification in effect prior to the Final PAD zoning

X. Provided Owner develops the Project pursuant to the Rainbow Valley PAD, and any approved amendments thereto, this Agreement is in conformance with the City's General Plan applicable to the Property as of the Effective Date of the Agreement

Y. WHEREAS, Rainbow Valley 2011, LLC, an Arizona limited liability company and the City intend 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 in the foregoing Recitals are defined as follows:

2.1. "ADWR" means the Arizona Department of Water Resources or any state agency that succeeds to the current responsibilities of the Arizona Department of Water Resources.

2.2. "Agreement" means this Development Agreement for Rainbow Valley by and between Rainbow Valley LLC, an Arizona limited liability company and the City of Goodyear, an Arizona municipal corporation, as it may be amended, restated and/or supplemented in writing from time to time, and all exhibits and schedules attached thereto. References to Sections or Exhibits are to this Agreement unless otherwise specified.

2.3. "CAGRD" means the Central Arizona Groundwater Replenishment District.

2.4. "CAP" means Central Arizona Project.

2.5. "CC&N" means Certificate of Convenience and Necessity issued by the appropriate state agency.

2.6. "City" means the City of Goodyear, an Arizona municipal corporation.

2.7. "Code 3 Service Calls" means calls in which an emergency vehicle uses lights and sirens while responding to a call.

2.8. "Development Application" means an application for the approval of any development related activities within all or part of the Property, including applications for zoning, use permits, preliminary plats, final plats, site plans, construction plans, and construction, including building, permits.

2.9. "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.

2.10. "EMR Quarterly O&M Payment(s)" means the quarterly payments that are owed under the Fire Services Agreement. The initial quarterly EMR Quarterly O&M Payment that is to be paid to the City is $452,000, but this payment is to be automatically adjusted on an annual basis beginning one year from the date the first EMR Quarterly O&M Payment is due under the Fire Services Agreement to reflect the positive change, if any, in the Consumer Price Index for All Urban Consumers-Phoenix published by the United States Bureau of Labor Statistics ("CPI") for the prior twelve (12) month period

2.11. "Enhanced Neighborhood Park" means the park sites identified in the Rainbow Valley Open Space & Trails Plan as an Enhanced Neighborhood Park and the improvements that are to be constructed in an Enhanced Neighborhood Park pursuant to the Rainbow Valley PAD.

2.12. "Estrella Fire Station" means the fire station that is to be constructed located near Willis and Rainbow Valley Road and the capital improvements that are to be provided pursuant to the terms of the Fire Services Agreement.

2.13. "Estrella Fire Station Payment" means the payment Owner is required to make to the City towards the cost of the Estrella Fire Station, which represents the amount of Owner's proportionate share of the cost of the Estrella Fire Station, which amount shall be determined by dividing the acreage of the Property (999 acres), by the total acreage of the area anticipated to be served by the Estrella Fire Station (9,759 acres, which represents the acreage within an anticipated six (6) minute response time based on existing roads and currently identified future roads) and multiplying it by the amount of the contribution being made pursuant to the Fire Services Agreement, which amount includes the cost of 4.051 acres of land at $80,000 ($324,080) and the actual costs of constructing and equipping the Estrella Fire Station, capped at $5,420,000. Assuming the costs of constructing and equipping the Estrella Fire Station exceeds or equals cap of $5,420,000, the maximum amount of the Estrella Fire Station Payment would be $588,004 ((999÷9759) × $5,744,800).

2.14. "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.

2.15. "Fire Services Agreement" means the Development and Fire Services Agreement dated May 22, 2006 by and between the City, NNP III-Estrella Mountain Ranch, LLC and Tousa Homes, Inc., LLC, recorded as Instrument No. 2006-0731018 in the official records of Maricopa County as amended by the First Amendment to the Development and Fire Services Agreement dated January 23, 2017 by and between the City, NNP III – Estrella Mountain Ranch LLC and AV Homes of Arizona LLC (the successor to Tousa Homes, Inc., LLC) and recorded as instrument 2017-0077329 and as amended by the Second Amendment to the Development and Fire Services Agreement dated May 23, 2018 by and between the City, NNP III – Estrella Mountain Ranch, LLC and AV Homes of Arizona LLC and recorded as instrument 2018-0395674 in the official records of Maricopa County.

2.16. "First Phase" means the development of a minimum of 100 acres of residential development within the Property.

2.17. "General Public Benefit" means the definition in section 24-1-3 of Article 24-1 of the Goodyear Code of Ordinances as it may be amended.

2.18. "Goodyear Parks Master Plan" means the City of Goodyear Parks, Recreation, Trails and Open Space Master Plan, including all appendixes and all amendments thereto, as adopted by Council and in effect at the time of development

2.19. "Initial Traffic Impact Analysis" means the Rainbow Valley Traffic Impact Analysis dated August 2018 Project No. 17-0340 prepared by CivTech and approved on September 5, 2018 by Hugh Bigalk.

2.20. "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.

2.21. "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

2.22. "Non-Potable Irrigation System" means Owner-installed improvements to deliver untreated well water from the Property homeowner's association's well(s) for landscape irrigation purposes. The Non-Potable Irrigation System will be owned and maintained by the Property homeowner's association.

2.23. "North Waterman Wash Path" means the regional multi-use path as generally depicted in the Rainbow Valley Open Space and Trails Plan located along the north side of the portions of Waterman Wash located within the Property.

2.24. "On-Site Ground Water" means groundwater pumped from the Property.

2.25. "Owner" means Rainbow Valley 2011, LLC, an Arizona limited liability company and its Successors and Assigns.

2.26. "Platted Property" means the portions of the Property that are included within a recorded final plat.

2.27. "Project" means the Final Planned Area Development District for a mixed-use development as set forth in Ordinance 2018-1409 as it may be amended from time to time known as Rainbow Valley.

2.28. "Rainbow Valley Open Space and Trails Plan" means Figure 2a in the Rainbow Valley PAD.

2.29. "Rainbow Valley PAD" means the Rainbow Valley PAD Development Standards Book dated August 2018 as modified by the conditions and/or stipulations of approval in Ordinance 2018-1409 adopting the Rainbow Valley PAD Development Standards Book dated August 2018.

2.30. "Rainbow Valley PAD Development Plan" means Figure 1 in the Rainbow Valley PAD.

2.31. "Rainbow Valley Road" means the road generally located fully or partially within the 179th Avenue alignment, but that is known within the City as Rainbow Valley Road..

2.32. "Reclaimed Water" means the liquid by-product resulting from the treatment of wastewater.

2.33. "Recoverable Reclaimed Water Credit" means the amount of Reclaimed Water estimated by the City to be generated from uses within the Property and that is recognized by ADWR as actually stored in the City's underground storage facility and recoverable in the homeowner's association's recovery well.

2.34. "Regional Infrastructure" means, except as otherwise provided herein, public infrastructure, including capital equipment, land costs, facilities, infrastructure improvements, required to support the development of the Property and/or to allow the City to provide City services to the Property but that also benefits other properties. Regional Infrastructure does not include any street related infrastructure improvements that the Owner is required to construct or make any in lieu payments for pursuant to any applicable Development Regulation, which includes by way of example, but not limitation, street improvements within and adjacent to the Property nor does it include utility lines that are installed adjacent to or within the Property unless the line has been oversized. Oversized utility lines are lines that are larger than the minimum line size the City would allow to be constructed and that are larger than the line size needed to serve the Property. Thus for example, the minimum allowed sewer line size is 8 inches, even if the Property could be served with a 4-inch line, the 8-inch line would not be considered oversized because the City's utility system's minimum required line size is 8 inches.

2.35. "Regional Street Improvements" means street improvements constructed or installed by Owner that owners of other properties would be required to build under applicable Development Regulations, including street improvements within and adjacent to their respective properties Property.

2.36. "Regional Trail" means the regional trail as generally depicted in the Rainbow Valley Open Space and Trails Plan located adjacent to Parcel 22 that provides the property south of the Property access to the South Waterman Wash Path.

2.37. "Regional Trail Improvements" means the improvements that are to be constructed pursuant to the terms of this Agreement for the Regional Trail.

2.38. "Regional Utility Facilities" means water and wastewater facilities Owner is required to construct for the City to provide utility services to the Property that are larger than what is needed to serve the Property.

2.39. "Regional Utility Lines" means utility lines and appurtenances to such lines that Owner is required to construct for the City to provide utility services to the Property that are larger than the City's utility system's minimum required line size and that are larger than the line size needed to serve the Property.

2.40. "RV O&M Payment" means the quarterly payment of Owner is required to make to the City, which represents the amount of Owner's proportionate share of the EMR Quarterly O&M Payment and which was determined by dividing the acreage of the Property (999 acres) by the total acreage of the area anticipated to be served by the Estrella Fire Station (9,759 acres, which represents the acreage within an anticipated six (6) minute response time based on existing roads and currently identified future roads) and multiplying it by the EMR Quarterly O&M Payment ((999 ÷ 9759) × EMR Quarterly O&M Payment). Prior to any adjustment based on increases in the CPI, the RV O&M Payment would be $46,270 (999 ÷ 9759 × $452,000).

2.41. "South Waterman Wash Path" means the regional multi-use path as generally depicted in in in the Rainbow Valley Open Space and Trails Plan located along the south side of the portions of Waterman Wash located within the Property.

2.42. "Special Benefit" means the definition in section 24-1-3 of Article 24-1-3 of Article 24-1 of the Goodyear Code of Ordinance as it may be amended.

2.43. "Successors and Assigns" means any person or entity that succeeds to or is assigned any interest in all or part of the Properties except as provided in Section 19 below.

2.44. "T-2 Trailhead Facilities" means the improvements that are to be constructed pursuant to the Rainbow Valley PAD as modified by this Agreement within the T-2 Trailhead Site.

2.45. "T-2 Trailhead Site" means the approximate 3-acre T-2 Trailhead referred to in the Rainbow Valley Open Space and Trails Plan.

2.46. "Utility Master Plan" means any plan adopted by the City that identifies public infrastructure determined by the City as being necessary to support and provide City services, and includes by way of example but not limitation, transportation master plans, integrated water master plans, parks and open spaces master plan and the like.

2.47. "Waterman Wash Crossing(s)" means the culvert(s) and/or bridge(s) that cross over the Waterman Wash.

2.48. "Waterman Wash Path Improvements" means the improvements that are to be constructed pursuant to the Rainbow Valley PAD as modified by this Agreement for the Waterman Wash Paths.

2.49. "Waterman Wash Paths" shall mean collectively the North Waterman Wash Path and the South Waterman Wash Path.

3. EFFECTIVE DATE. The execution of this Agreement by the Parties, the approval of this Agreement by Resolution of the Goodyear City Council, and the execution of an Existing Lender Consent(s), as provided in Section 34 below 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, (ii) the execution and delivery of all required Existing Lender Consents as provided in Section 34 below, and (iii) the date the Resolution approving this Agreement becomes effective.

4. EXPIRATION DATE. This Agreement shall expire after the obligations of the Parties have been fully satisfied. Notwithstanding the foregoing, this Agreement may be terminated earlier upon the mutual agreement, in writing, executed by the Parties.

GENERAL DEVELOPMENT OBLIGATIONS

5. GENERAL OBLIGATIONS. The following General Obligations apply to the development of the Property:

5.1. OWNER'S OBLIGATION. As a condition of zoning and development, Owner shall, at its sole cost, except as otherwise expressly provided in this Agreement, purchase all capital equipment, and design, install, and/or construct all public infrastructure, on-site and off-site, determined by the City as being necessary to support the development of the Property and/or to allow the City to provide City services to the Property, including, but not limited to, the infrastructure specifically discussed herein, or, if such infrastructure is or is to be acquired, designed, installed, and/or constructed by the City, its agents, contractors or subcontractors, pay for the costs of such public infrastructure.

5.2. 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.

5.3. PUBLIC INFRASTRUCTURE. As a condition of development, Owner shall, at its sole cost, except as expressly provided in this Agreement, purchase all capital equipment, and design, install, and/or construct, at its sole cost, all public infrastructure, within the boundaries of the Property ("On-site') and outside the boundaries of the Property ("Off-site"), determined by the City as being necessary to support the development of the Property and/or to allow the City to provide City services to the Property, including, but not limited to, the infrastructure specifically discussed herein, or, if such infrastructure is or is to be or acquired, designed, installed, and/or constructed by the City, its agents, contractors or subcontractors, pay for the costs of such public infrastructure.

5.3.1. Dedication and Acceptance of Public Infrastructure. Upon satisfactory completion of the public infrastructure Owner is required to construct in connection with the development of the Property and acceptance thereof by the City, or upon the completion and acceptance by the City of any distinct, completed and functional portion thereof, Owner shall promptly dedicate and convey such infrastructure, free and clear of all liens and encumbrances and at no cost to the City, except as expressly provided for in this Agreement. Promptly after completing the public infrastructure Owner is required to construct in connection with the development of the Property, or upon the completion of any distinct, completed and functional portion thereof, Owner shall notify the City in writing that the infrastructure has been completed and provide the City with "as-built" drawings and plans of the completed infrastructure. After receipt of the notice, the City Engineer or his/her designee shall inspect the infrastructure identified in the written notice to determine whether it has been constructed in accordance with the applicable standards and the plans and specifications for the infrastructure. Upon completion of the inspection and review of the "as-built" drawings, the City shall deliver written notice to Owner either (1) approving the construction of the infrastructure and agreeing to accept the conveyance of the infrastructure; or (2) providing a punch list of specific items that are not in accordance with the applicable standards and/or the plans and specifications that are to be corrected by Owner. Owner shall make all corrections with the time period determined by the City Engineer or his/her designee. So long as such infrastructure is constructed in accordance with the applicable standards and plans and specifications, as verified by the City Engineer or his/her designee, following an inspection; all punch list items have been timely completed; and accurate "as built' drawings and plans of the completed infrastructure have been provided to the City, the City shall accept the infrastructure, which acceptance shall not be unreasonably delayed, through the issuance of an acceptance of dedication. The infrastructure shall be deemed completed when accepted by the City Engineer or his designee as provided in the applicable standards.

5.3.2. Dedications of On-Site Rights-of-Way and Payments in Lieu**.** Owner, at no cost to the City except as otherwise expressly provided for in this Agreement, shall dedicate lien and debt free, all rights-of-way, easements, including public utility easements, rights of entry and the like within the Property for the installation, construction, maintenance, and/or operation of public infrastructure determined by the City as being necessary to support the Project and/or to allow the City to provide City services to the Property. Such dedication shall be made at the earlier of the following (i) when requested by the City or (ii) concurrently with the recordation of any Final Subdivision Plat or approval of any Site Plan that will be served by the public infrastructure to be constructed. The City shall have the right to seek the dedication of the rights-of-way and/or easements provided for herein in this Section 5.3.2 upon a showing that the City or others will be constructing all or some of the public infrastructure determined by the City as being necessary to support the proposed Project and/or to allow the City to provide City services to the Property and that the rights-of-way and/or easements are needed for the design and/or construction of such public infrastructure. The City shall be entitled, without any liability to the City, to withhold building permits, and/or construction permits, and/or Certificates of Occupancy if Owner fails to dedicate, at no cost to the City, all rights-of-way or easements within the Property required for the installation, construction maintenance and/or operation of public infrastructure needed to support the development of the Property and/or to allow the City to provide City services to the Property after being requested by the City to do so. In the event the City or others design, install, or construct public infrastructure that Owner would otherwise be required to construct

pursuant to the terms of this Agreement, Owner shall be required to reimburse the City for its proportionate share of the costs of such infrastructure as a condition of developing the Property. The reimbursement shall be owed when Owner would otherwise have had to construct the infrastructure improvement. The City shall not approve any Final Subdivision Plat and/or Site Plan or issue construction permits, and/or building permits, and/or Certificates of Occupancies, for a particular phased portion of development until Owner has provided the reimbursements owed in connection with such phase. The obligation of Owner to reimburse the City for its proportionate share of the costs incurred by the City or others in construction public infrastructure that Owner would otherwise be responsible for constructing and the right of the City to withhold the approval of Final Subdivision Plats and/or Site Plans and withhold construction permits, and/or building permits, and/or Certificates of Occupancies until such reimbursements are made as set forth in this Section 5.3.2, shall survive the expiration or earlier termination of this Agreement.

5.3.3. Dedications at No Cost. Except as expressly provided otherwise in this Agreement, all dedications required under this Agreement shall be at no cost to the City.

5.3.4. Warranty**.** Owner shall provide a warranty for two (2) years from the date the City accepts public infrastructure constructed by or on behalf of Owner in connection with the development of the Property, warranting against defective workmanship and/or materials the public infrastructure Owner constructs in connection with the development of the Property.

5.4. OFF-SITE RIGHTS-OF-WAY. If the installation and/or construction of any infrastructure improvements Owner is required to construct as a condition of its development of the Project involves the installation and/or construction of infrastructure improvements not located on the Property, Owner shall, at its sole cost, except as expressly provided in this Agreement, acquire and dedicate to the City, at no cost to the City, all rights-of-way, easements and other real property interests necessary for the installation and/or construction of such infrastructure improvements and subsequent dedication of such real property interests and infrastructure improvements to the City as provided in Section 5.3 and the subsections therein.

5.4.1. Condemnation**.** In the event Owner is not able to acquire real property interests Owner is required to provide under this Agreement, the City may, at the request of Owner, acquire such real property interests by the exercise of its condemnation authority. Owner shall be responsible for all costs incurred by the City in connection with the acquisition of such real property interests through its condemnation authority, including payment of the condemnation award, attorneys' fees, courts costs, relocation awards, and the like ("condemnation costs"). Owner shall provide the City with an irrevocable letter of credit in an amount sufficient to cover the estimated condemnation costs and with a term that will cover the length of the condemnation proceeding. The terms of such irrevocable letter of credit shall allow the City to draw upon the letter of credit in the event Owner files a petition seeking protection under United States bankruptcy code; to pay condemnation costs incurred by the City, and shall allow the City to fully draw upon the letter of credit if the condemnation proceeding is likely to continue before the expiration of the letter of credit and a replacement irrevocable letter of credit has not been provided at least sixty (60) days before the expiration of the letter of credit. In the event the condemnation costs exceed the amount of the irrevocable letter, Owner shall increase the amount of the letter of credit to cover the shortage or reimburse the City for any condemnation costs paid

by City funds. In addition to any other actions the City is entitled to take under the terms of the Agreement, the City shall be entitled, without any liability to the City, to withhold construction permits, and/or building permits, and/or Certificates of Occupancies until it has been fully reimbursed for any condemnation costs paid by City funds.

5.5. CONSTRUCTION STANDARDS. Except as otherwise expressly provided in this Agreement, and subject to the terms and conditions of this Agreement and the Rainbow Valley PAD, all public infrastructure improvements required to be designed, constructed, and/or installed in connection with the development of the Property shall be designed and constructed in accordance with applicable Development Regulations in effect when such infrastructure is constructed.

5.6. CITY CONSTRUCTION. Should the City, in its sole discretion, construct all or part of any of the infrastructure improvements Owner is required to construct pursuant to this Agreement, any applicable Development Regulation, and/or any ordinance zoning or rezoning the Property, Owner shall reimburse the City for the costs the City incurred in constructing the improvements. Such reimbursements shall be made at the time Owner would have been required to construct such infrastructure improvements had the City not otherwise constructed the improvements as determined by the City Engineer or his/her designee.

5.7. 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.

5.8. 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.

WATER AND WASTEWATER

6. WATER INFRASTRUCTURE AND WATER SERVICE.

6.1. CITY SERVICE OUTSIDE CITY'S DESIGNATION OF ASSURED WATER SUPPLY. The City has not yet determined whether it will provide water and wastewater services to the Property. If the City determines, in its sole discretion, that it will provide water and wastewater services to the Property, the Property will be served water by the City within a new City water service area that is not within the City's Designation of Assured Water Supply. If the City determines in its sole discretion that the Property shall be served by the City within a new City water service area that is not within City's Designation service area, then, as conditions of development, Owner shall, at its sole cost, except as expressly provided in this Agreement: (i) provide to the City prior to all final plat approvals valid Certificate(s) of Assured Water Supply demonstrating a physically and legally available water supply sufficient to provide water service to the Platted Property at build-out for 100 years, including accounting within all Certificate applications for all water demands including an estimate of water treatment losses as determined by the Public Works Director or his/her designee in the exercise of his/her reasonable discretion and considering the information provided in Section 6.3.1 below; (ii) provide the City with the legal right to withdraw groundwater sufficient to provide water service to the Platted Property at build-out for 100 years, accounting for all water demands and treatment losses; and (iii) design, install, and/or construct, all infrastructure, on-site and/or off-site, and acquire all capital equipment necessary to allow the City to provide water service to the Property at build out, which may include, by way of example but not limitation, production well fields, facilities needed for an acceptable method of brine disposal (including land if required), storage facilities, treatment infrastructure, a recharge facility and/or direct reuse facilities, and delivery infrastructure.

6.1.1. Administrative Approval. The City's obligation to provide such services shall depend up on the City securing all administrative approvals and permits necessary to provide water service in a manner that will be legal and recognized by the Arizona Department of Water Resources as entirely separate from and not chargeable against the City's Designation service area water resources. No final plats shall be approved for development within any phase of the Property until the City has secured all administrative approvals and permits necessary to provide water service to such phase of property in a manner that will be legal and recognized by

the Arizona Department of Water Resources as entirely separate from and not chargeable against the City's Designation service area water resources. Owner shall be responsible for all costs associated with obtaining the administrative approvals and permits referred to herein and shall remit to the City, within thirty (30) days the estimated costs of associated with obtaining the administrative approvals and permits. If the actual costs exceed the estimated costs, Owner shall remit the difference to the City prior to the approval of any Development Application for development within the Property.

6.1.2. Designation. As provided above, the City is not committing water resources accounted for within City's Designation for the development of the Property, and is not committing to include the Property within the corresponding City CAGRD Member Service Area. If the parties mutually agree to include the Property within the City's Designation service area after the effective date of this Agreement, then the parties will meet and confer to reach a separate written agreement setting forth the terms of such service.

6.2. PRIVATE PROVIDER. Unless the City determines, in its sole discretion, that it will not provide water and wastewater services to the Property as described in Section 6.1 or if the City determines it will provide water and wastewater services to the Property as described in Section 6.1 but is unable to obtain the necessary administrative approvals and permits that will allow the City to provide service in a manner that will be legal and recognized by the Arizona Department of Water Resources as entirely separate from and not chargeable against the City's Designation service area water resources, then, except as provided herein, no Development Applications shall be approved for development within the Property until Owner demonstrates to the satisfaction of the City that water services and wastewater services will be provided to the Property by a service provider that meets the following requirements: (i) the service provider shall be classified by the Arizona Corporation Commission as a Class A Utility or equivalent and must be in good standing with the Arizona Corporation Commission; (ii) the service provider's certificated area will include the Property; and (iii) the service provider's water and wastewater system will meet all regulatory requirements. Notwithstanding the foregoing, the City shall process Development Applications before a CC&N that includes the Property has been obtained, and shall conditionally approve those that are in conformance with all applicable Development Regulations; however, no permits shall be issued to undertake the work reflected in any approved plans until a CC&N includes the Property and service provider with such CC&N has approved the plans. If any Development Regulations have been changed between the date of the conditional approval and the approval of the service provider with the CC&N and the change(s) impact the requirements for the improvements or work that was conditionally approved, the conditional approval shall be revoked and Owner shall be required to resubmit Development Applications in conformance with the new Development Regulations. Owner will provide City with an ADWR-approved Certificate of Assured Water Supply for all subdivision plats prior to the approval of each final plat and for all site plans at a time designated by the City's Engineering and Development Services Department.

6.3. WATER SUPPLY. Owner anticipates that the physically available water supply used to serve the Property will be from groundwater pumped from the Property ("on-site groundwater"). If the City determines in its sole discretion to serve the Property under Section 6.1 above, then the following additional conditions shall apply:

6.3.1. Water Demand Estimates. Preliminary hydrology reports appear to demonstrate that there is sufficient on-site groundwater to serve the Property at build-out pursuant to ADWR's requirements. However, the hydrology report does not address the amount of the additional water supply that would be needed to replace water losses resulting from the system design, including the water treatment method, nor does the hydrology report address the water quality. Accordingly, prior to the City's acceptance, consideration and approval of each Certificate of Assured Water Supply application Notice of Intent to Serve form within the Property, Owner shall, at its sole cost, submit to the City the updated estimated water demand calculations and current subtotals for the whole Property, and for the portion of the Property for which the approval is sought, that include projected water losses for the treatment processes, and the available backup data upon which such estimates are based (i.e. water quality test results, well test results, and treatment equipment design specifications). Owner's Certificate of Assured Water Supply applications shall include reasonable groundwater demand projections that include anticipated water treatment process losses. Groundwater demand, including such losses, may be reasonably offset by estimated recharged effluent likely to be credited to the Property over the 100-year period, and shall be subject to the City's review and approval, which will not be unreasonably withheld.

6.3.1.1. Adequacy of Supply. For on-site groundwater to be deemed suitable as an exclusive source of water to serve the Property, the water demand estimates and backup data together with the water infrastructure plan(s) referred to in Section 6.3.1, shall demonstrate to the Public Works Director or his/her designee, in his or her reasonable discretion that: (i) there is a sufficient supply of groundwater within the Property to provide water service to the Property at build-out for 100 years, accounting for treatment losses, and that meets the requirements of ADWR for an assured water supply (including to replace water losses resulting from system design); (ii) the groundwater can be reasonably treated to the then-existing applicable standards; and (iii) unless waived by the Public Works Director or his/her designee, that the then-existing City water rates and fees are sufficient to cover at least ninety percent (90%) of the costs of treating, including the costs of managing by-products from the treatment process, the groundwater to a level equivalent to the then-existing applicable standards and of delivering the water to the Property.

6.3.2. On-Site Groundwater. If the City is to provide water service to the Property under Section 8.1, Owner shall be allowed to use on-site groundwater to provide water to the Property if the groundwater meets the requirements pursuant to Sections 6.1 and 6.3.1.1 above.

6.3.3. Off-Site Water Source. If the Public Works Director or his/her designee determines in his or her reasonable discretion that the water demand estimates provided pursuant to Section 6.3.1 together with the water infrastructure plans referred to in Section 6.5 below do not demonstrate that groundwater pumped from the Property can be developed to meet the demands of the development both in terms of quantity and quality as set forth in Section 6.3.1, Owner shall provide to the City, at Owner's sole cost, the legal rights to an acceptable physically available alternative water source in an amount sufficient to serve the remainder of the Property. An alternative water supply is acceptable if: it is consistent with the City's adopted Integrated Water Master Plan in effect at the time of development, if any; will support the water demands of

the Property at build-out for 100 years, accounting for treatment losses, and that meets the requirements of ADWR for proof of an assured water supply; it can be treated to a level equivalent to the then-existing applicable water quality standards; and, unless waived by the Public Works Director or his/her designee, the then-existing City water rates and fees are sufficient to cover at least ninety percent (90%) of the costs of treating, including the costs of managing by-products from the treatment process, the groundwater to a level equivalent to the then-existing applicable standards and of delivering the water to the Property. If an off-site water source is deemed suitable as a source of water, Owner shall convey to the City, at its sole cost, the rights to the off-site water supply that will be needed to serve the Property at build-out for a one hundred (100) year period, accounting for treatment losses. The City shall not approve any final plat supported by the water supply until the conveyance required herein has been finalized.

6.4. LEGAL AUTHORITY. If groundwater, on-site or off-site, is to be used by the City to provide potable water to the Property pursuant to Section 6.1 above, Owner, at its sole cost, shall be responsible for acquiring a water right and taking all actions needed (with the exception of City signatures on application forms) to establish for the City the legal right to withdraw the groundwater that is to be used to serve the Property at build-out for a one hundred (100) year period, accounting for estimated water losses. The Owner's obligations in this Section 6.4 include the establishment of a new City service area withdrawal right in accordance with ADWR service area establishment requirements and obtaining well permits in the City's name that together authorize withdrawal of the maximum day capacity required for service to the Property if the highest output well is assumed to be out of service. The City may, at the City's sole discretion and without liability to the City, withhold approval of any or all Development Applications within the Property, or conditionally issue such approvals, until Owner, at its sole cost, has completed the obligations in this Section 6.4.

6.5. WATER INFRASTRUCTURE PLAN. If the City determines that it will provide water service to the Property per Section 6.1 above, Owner, at its sole cost, shall be responsible for the preparation of infrastructure plans detailing public infrastructure requirements and capital equipment determined by the City as being necessary to allow the City to provide water service to the Property at build-out consistent with the uses, densities and intensities reflected in the Final PAD. The water infrastructure plans required hereunder shall be funded by Owner, at its sole cost, and shall be prepared and sealed by a registered engineer. Unless advised by the Director of Public Works or his/her designee that a water infrastructure plan and/or an updated water infrastructure plan is not required, Owner shall, prior to the City's approval of any application for any final plat and/or site plan, secure City approval of a water infrastructure plan. Water infrastructure plans required herein shall be consistent with all applicable Development Regulations, including by way of example, but not limitation, Subdivision Regulations, Engineering Design Standards and Guidelines, Engineering Standard Details, and the like, and all applicable Utility Master Plans that are in effect when the application for approval of the water infrastructure plan is submitted to the City. Unless waived by the City Council, in its sole discretion, the water infrastructure plan shall be designed in a cost-effective manner so that the then-existing water rates and fees are sufficient to cover at least ninety percent (90%) of the costs of providing water services to the Property and shall be designed so that the system has enough redundancy in equipment so that it can meet the continuous maximum day capacity required for potable service to the Property. The water infrastructure plan may include a proposed separate

Non-Potable Irrigation System and irrigation well(s) for irrigation of one or more homeowner's association and commercial parcels, to be owned and operated by the Property homeowner's association and to be constructed at Owner's sole expense without reimbursement. The City is in the process of updating its Integrated Water Master Plan, but until that is completed and adopted by City Council, the water infrastructure plans referred to herein shall be consistent with the policies and requirements included in the 2016 Integrated Water Master Plan as amended.

6.6. WATER INFRASTRUCTURE. If the City will serve the Property per Section 5.1 above, and regardless of the source of the water that is to be used to serve the Property (on-site or off-site), as a condition of development, Developer shall, at its sole cost, except as expressly provided in this Agreement, design, install, and/or construct, all infrastructure, on-site and/or off-site, convey all land necessary for such infrastructure, and acquire all capital equipment necessary to allow the City to provide water service to the Property at build-out. This includes, but is not limited to, costs associated with land and infrastructure needed to address byproducts of the treatment process (such as brine) and land and infrastructure needed for production well fields, storage facilities, treatment infrastructure, recharge and direct reuse facilities, and delivery infrastructure.

6.7. WATER RATES AND FEES. If the City Council waives the requirement that the then-existing City water rates and fees be sufficient to cover at least ninety (90%) of the costs of treating, including the costs of managing by-products from the treatment process, the groundwater to a level equivalent to the then-existing applicable standards and of delivering the water to the Property as a condition for accepting a proposed water source, Owner acknowledges and agrees that the City shall be entitled to adopt higher rates and fees for water service to the Property to cover the higher costs of treatment and delivery. If the then-existing City water rates and fees are insufficient to cover at least ninety percent (90%) of the costs of treating and delivering the water as described in this Section 6.7, if design changes cannot reasonably be made to meet this cost requirement, and if the City is unwilling to waive this requirement or charge higher rates to cover the additional costs, then the Owner may seek service from a private provider pursuant to Section 6.2, above.

7. WASTEWATER INFRASTRUCTURE AND WASTEWATER SERVICE. If the City determines, in its sole discretion, that it will provide water and wastewater services to the Property as provided in Section 6.1, then, as a condition of development, Owner shall, at its sole cost, except as expressly provided in this Agreement, design, install, and/or construct, all infrastructure, on-site and off-site, convey all land necessary for such infrastructure, and acquire all capital equipment necessary to allow the City to provide wastewater service to the Property, which may include, by way of example, storage facilities, Reclaimed Water and recharge facilities, treatment facilities capable of treating wastewater to the standard required to allow Reclaimed Water to be used for landscaping or for direct reuse, lift stations, and transmission lines.

7.1. WASTEWATER INFRASTRUCTURE PLAN. If the City determines that it will provide wastewater service to the Property, Owner, at its sole cost, shall be responsible for the preparation of infrastructure plans detailing public infrastructure requirements and capital equipment determined by the City as being necessary to allow the City to provide wastewater service to the Property consistent with the uses, densities and intensities reflected in the Final PAD.

The infrastructure plans required hereunder shall be funded by Owner, at its sole cost, and shall be prepared and sealed by a registered engineer. Unless advised by the Director of Public Works or his/her designee that a wastewater infrastructure plan and/or an update wastewater infrastructure plan is not required, Owner shall, prior to the City's approval of any application for any final plat and/or site plan, secure City approval of a wastewater infrastructure plan. Wastewater infrastructure plans required herein shall be consistent with all applicable ordinances, resolutions, regulations, guidelines, standards (including by way of example, but not limitation, Subdivision Regulations, Engineering Design Standards and Guidelines, Engineering Standard Details, and the like), and all applicable Utility Master Plans that are in effect when the application for approval of the wastewater infrastructure plan is submitted. Unless waived by the City Council, in its sole discretion, the wastewater infrastructure plan shall be designed in a cost-effective manner so that the then-existing wastewater rates and fees are sufficient to cover at least ninety percent (90%) of the costs of providing wastewater services to the Property. Wastewater infrastructure plans for any water reclamation facility that is to serve the Property shall be governed by the following minimum design requirements: (a) the type of treatment process and all equipment shall be specified and approved by the City; (b) the size of the plant shall be sufficient to serve the Property at buildout and be of a minimum size for operating efficiencies, as specified and approved by the City, nonetheless, Owner may, as approved by the Director of Public Works, construct the plant in phases; and (3) the design of the treatment plant shall readily accommodate incremental expansion of minimum sizes necessary for operating efficiencies, as specified and approved by the City. In the event the public infrastructure reflected in an approved infrastructure plan has not been constructed prior to any applicable Utility Master Plan being updated or revised by the City, Owner shall, at its sole cost, update the infrastructure plan in accordance with the updates or revisions to the updated Utility Master Plan. The City is in the process of updating its Integrated Water Master Plan, but until that is completed and adopted by the City, the wastewater infrastructure plans referred to herein shall be consistent with the policies and requirements included in the 2016 Integrated Water Master Plan as amended.

7.2. WASTEWATER RATES AND FEES. If the City Council waives the requirement that the then-existing City wastewater rates and fees to be sufficient to cover the costs of operating the wastewater system (including the costs of recharge facilities) providing wastewater services to the Property, Owner acknowledges and agrees that the City shall be entitled to adopt higher rates and fees for wastewater service to the Property to cover the higher costs of operating said wastewater system. If the then-existing City wastewater rates and fees are insufficient to cover at least ninety percent (90%) of the costs of operating the wastewater system as described in this Section 7.2, if design changes cannot reasonably be made to meet this cost requirement, and if the City is unwilling to waive this requirement or charge higher rates to cover the additional costs, then the Owner may seek service from a private provider pursuant to Section 6.2, above.

8. RECLAIMED WATER. If the City provides wastewater service, then the City shall own all Reclaimed Water produced through the wastewater treatment process. If a Private Provider provides wastewater service to the Property, Owner will require in an agreement with the Private Provider that the Private Provider shall comply with all City ordinances regarding the use of Reclaimed Water, and shall store all Reclaimed Water underground and recover such water solely for the benefit of the Property unless the City agrees otherwise. If the City provides

wastewater service, all Reclaimed Water will be recharged underground in an underground storage facility constructed and permitted in the City's name for water storage by the Arizona Department of Water Resources, unless the City requires direct reuse of Reclaimed Water within the Property, or if the City in the future determines that Reclaimed Water should be used for other reuse purposes that benefit the residents of the Property. Owner shall, as a condition of development, and at its sole cost, except as expressly provided in this agreement, design and install and/or construct all infrastructure, on-site and/or off-site, convey all land necessary for such infrastructure, and acquire capital equipment necessary to allow the Reclaimed Water to be stored underground and recovered by the City on an annual basis or longer term basis as authorized by law for beneficial uses within the Property. If the City provides wastewater service, any Reclaimed Water underground storage facility and recovery infrastructure designed and constructed pursuant to the requirements of this Section 8 shall be owned and operated by the City, and the following Sections 8.1 and 8.2 shall also apply:

8.1. STORED RECLAIMED WATER. The City shall prepare a reasonable estimate of the amount of Reclaimed Water generated within the Property based upon an interior water use estimate, and shall update the estimate from time-to-time. From any recoverable Reclaimed Water estimated by the City to be generated from uses within the Property and if such water is recognized by ADWR as actually stored in the recharge facility and recoverable in a recovery well on the Property (the "Recoverable Reclaimed Water Credits"), the City shall on an annual basis transfer to a homeowner's association(s) formed to serve the Property the Recoverable Reclaimed Water Credits in an amount that is the lesser of the Recoverable Reclaimed Water Credits generated from uses within the Property or any lesser number of credits actually needed by the homeowner's association to completely offset its annual groundwater withdrawals from wells within the Non-Potable Irrigation System. The intent of the City and Owner in this Section 8.1 is to provide the homeowners association(s) with the Recoverable Reclaimed Water Credits to reduce the homeowners' association's CAGRD replenishment obligations each year by the amount of the Recoverable Reclaimed Water Credits. The homeowner's association shall secure its own recovery well permit and any other needed well authorization in order to effect the intent of this Section 8.1.

8.2. DIRECT REUSE RECLAIMED WATER INFRASTRUCTURE PLAN. If the City determines that the Property is to be served by directly delivered Reclaimed Water in lieu of underground storage or in addition to underground storage, Owner shall, as a condition of development, and at its sole cost, except as expressly provided in this agreement, design and install and/or construct all infrastructure, on-site and/or off-site, convey all land necessary for such infrastructure, and acquire capital equipment necessary for a Reclaimed Water transmission and distribution system to directly serve the Property with Reclaimed Water. Owner, at its sole cost, shall be responsible for the preparation of infrastructure plans detailing public infrastructure requirements and capital equipment determined by the City as being necessary to allow the City to provide Reclaimed Water to the Property consistent with the uses, densities and intensities reflected in the Final PAD. The infrastructure plans required hereunder shall be funded by Owner, at its sole cost, and shall be prepared and sealed by a registered engineer. Unless advised by the Director of Public Works or his/her designee that a wastewater infrastructure plan and/or an updated wastewater infrastructure plan is not required, Owner shall, prior to the City's approval of any application for any final plat and/or site plan, secure City approval of a Reclaimed Water

infrastructure plan. Reclaimed Water infrastructure plans required herein shall be consistent with all applicable ordinances, resolutions, regulations, guidelines, standards (including by way of example, but not limitation, Subdivision Regulations, Engineering Design Standards and Guidelines, Engineering Standard Details, and the like), and all applicable Utility Master Plans that are in effect when the application for approval of the Reclaimed Water infrastructure plan is submitted. In the event the public infrastructure reflected in an approved infrastructure plan has not been constructed prior to any applicable Utility Master Plan being updated or revised by the City, Owner shall, at its sole cost, update the infrastructure plan in accordance with the updates or revisions to the updated Utility Master Plan. The City is in the process of updating its Integrated Water Master Plan, but until that is completed and adopted by the City, the wastewater infrastructure plans referred to herein shall be consistent with the policies and requirements included in the 2016 Integrated Water Master Plan as amended.

9. CITY OWNERSHIP. Unless water and wastewater service is provided by a Private Provider, all water and wastewater infrastructure improvements (with the exception of any Non-Potable Irrigation System) constructed pursuant to this Agreement shall be owned and maintained by the City. Owner shall dedicate to the City, lien free, and, except as otherwise provided in this Agreement, at no cost to the City.

STREETS AND TRANSPORTATION

10. TRANSPORTATION INFRASTRUCTURE. As a condition of development and except as otherwise provided in this Agreement, Owner shall design, install, and/or construct, all on-site transportation-related infrastructure and all off-site transportation-related infrastructure, other than off-site bridges and off-site traffic signals, necessary to provide for safe and adequate circulation within the Property, connectivity to neighboring adjacent properties, and connectivity to existing and future regional transportation routes. The transportation-related infrastructure to be installed and/or constructed shall include the infrastructure improvements specifically identified herein, the infrastructure improvements required to be constructed pursuant to applicable Development Regulations, and any additional infrastructure identified in any Traffic Impact Analysis prepared pursuant to Section 10.1 that has been approved by the City Engineer or his/her designee. Notwithstanding the foregoing, Owner shall not be responsible for constructing any off-site transportation infrastructure that is not expressly identified in this Agreement or in the Initial Traffic Impact Analysis except as follows; (i) if final plats are recorded that cumulatively plat a minimum of 100 residential lots within property between Pecos and Patterson that is within the City's Planning Area or that is within any property annexed into the City, Owner shall be responsible for the construction of the additional off-site infrastructure, other than off-site bridges and off-site traffic signals, identified in a Traffic Impact Analysis prepared pursuant to Section 10.1 as being necessary to provide for safe and adequate circulation within the Property, connectivity to neighboring adjacent properties, and connectivity to existing and future regional transportation routes; and (ii) Owner shall be responsible for the construction of the additional off-site infrastructure, other than off-site bridges and off-site traffic signals, identified in any Traffic Impact Analysis prepared pursuant to Section 10.1 and received by the City fifteen (15) years or more from the date of approval of the Initial Traffic Impact Analysis as being necessary to provide for safe and adequate circulation within the Property, connectivity to neighboring properties, and connectivity to existing and future regional transportation routes.

10.1. UPDATED TRAFFIC IMPACT ANALYSES. Owner shall provide updated Traffic Impact Analyses that include a Traffic Signal Needs Assessment that meets industry standards and the requirements of the Engineering Design Standards and Policies, as amended, and has been approved by the City Engineer or his/her designee. Such analyses are required for master site plans, site plans, final plats, and preliminary plats and when otherwise required by applicable Development Regulations.

10.2. TRAFFIC SIGNALS. Owner shall install traffic signals identified as being needed in a Traffic Signal Needs Assessment included within an approved Traffic Impact Analysis or make in-lieu payments for a proportionate share of the costs of a traffic signal as follows: a) Owner shall be responsible for constructing all required traffic signals that are located wholly within the boundaries of the Property and b) Owner shall be responsible for in-lieu payments for a proportionate share of the costs of a traffic signal for all other required traffic signals adjacent to the Property. The in-lieu payment shall be based on the actual cost of the traffic signal if it has been constructed or upon an engineer's estimate of the probable cost of such improvements, which shall be approved by the City Engineer or his designee, if the payment is made before the traffic signal has been constructed. The proportionate share of the cost of the traffic signal that the Owner shall be responsible for, shall be calculated by dividing the number of intersection corners that are within the Property, by the total intersection corners. The timing of the installation of the traffic signals or the payments of the in-lieu payments referred to herein shall be determined by the City Engineer or the City Traffic Engineer or their respective designees during the development process.

10.3. OFF-SITE ROADWAYS. Except as otherwise provided herein, including as otherwise provided in Section 10.5.1, Owner shall, at Owner's sole cost, be responsible for constructing or improving roadways outside the boundaries of the Property ("Off-site Roadways") so that there is: (i) adequate lane capacity to maintain Level of Service D, as defined in the most recent edition of the Highway Capacity Manual published by the Transportation Research Board of the National Academies of Sciences at the time of construction, and (ii) adequate pavement structure to support the additional traffic and to provide connectivity to the City's transportation system. The Level of Service of the Off-site Roadways and the number of lanes required shall be determined by any Traffic Impact Analysis prepared pursuant to Section 10.1 as approved by the City Engineer or his/her designee. The Off-Site Roadways required to be constructed hereunder shall be constructed in accordance with the requirements of applicable Development Regulations except as otherwise approved by the City Engineer or his/her designee, which exception shall be supported by documentation required by the City Engineer or his/her designee that supports a waiver. If it is determined by the Owner that it is not financially feasible, or if right-of-way cannot be obtained, to construct permanent improvements which conform to the City's ultimate street cross-section, the Owner may construct interim street improvements that add the required number of lanes to provide adequate lane capacity. By example, if two lanes of traffic are required in each direction on Rainbow Valley Road, requiring one lane to be added in each direction, the Owner may add one lane each side of the existing two lanes as interim improvements, in lieu of removing the existing two lanes, constructing a median, and then constructing two lanes each side of the median. The Owner will not be entitled to any repayment agreements or impact fee credits for street improvements that are not considered ultimate or permanent in nature.

10.4. WATERMAN WASH CROSSING. Owner shall construct a "high and dry" culvert and/or bridge crossing over the Waterman Wash within the Germann Road alignment, which shall be designed to exceed the base flood elevation with appropriate freeboard for a 100-year storm event. If the base flood elevation has not been established, Owner shall be responsible for preparing the reports, subject to the approval of the City Engineer or his/her designee, necessary to establish the base flood elevation for a 100-year storm event. The crossing referred to herein shall have sufficient traffic lanes to serve the estimated demands generated by the Project, which shall be determined in a City approved Traffic Impact Analysis but which shall have a minimum of two lanes. The crossing referred to herein shall be constructed and completed prior to the issuance of any building permits for vertical construction (including but not limited to building permits for model homes) south of the Waterman Wash.

10.5. Emergency Services Access. To provide two points of access that meet the requirements of the applicable Development Regulations, Owner shall, prior to the issuance of the first building permit for vertical construction (including but not limited to building permits for model homes) within the Property, construct the following improvements:

10.5.1. Rainbow Valley Off-site. Except as otherwise provided in Section 10.5.2, Owner shall improve the section of Rainbow Valley Road from Willis Road to Germann Road to four lanes with a median. The improvements shall be constructed in accordance with the Development Regulations applicable to major arterials, except that Owner's obligations with respect to this section of Rainbow Valley Road that are not adjacent to the Property, shall be limited solely to those improvements required for major arterials that are necessary to provide four lanes with a median. For example, if Owner installed the two inside lanes of the section of Rainbow Valley Road that is not adjacent to the Property, Owner would have to install improvements necessary to accommodate the storm water run-off from the street and would have to install a modified curb, but Owner would not need to install full curbs, gutters, sidewalks, landscaping, or lights for those sections of the roadway that are not adjacent to the Property; and

10.5.2. Rainbow Valley Adjacent to Property. Owner shall construct the full half-street improvements to the portion of Rainbow Valley Road along the eastern boundary of the Property from the northern boundary of the Property to the Germann Road alignment.

10.5.3. Germann Road. Owner shall construct street improvements for the portion of Germann Road located within the Property as determined by the City Engineer or his/her designee as being needed to provide secondary access for the portion of the Property being developed.

10.5.4. Second Point of Access. Owner shall provide a second point of access into the Property other than off of Rainbow Valley Road. The second point of access does not have to be an all-weather roadway but which must be accessible by the public. The location of the second point of access is to be determined by the Owner subject to the approval of the City Engineer or his/her designee.

10.6. Owner shall construct the full half-street improvements to the portion of Rainbow Valley Road along the eastern boundary of the Property required to be constructed pursuant to the applicable Development Regulations. The half-street improvements of the section of Rainbow Valley Road adjacent to the Property between the northern boundary of the Property and Germann Road, shall be constructed as a condition of approval of the first site plan within the Property or the recordation of the first final plat subdividing all or part of the Property, whichever is earlier. The construction of the remainder of the full half-street improvements to the section of Rainbow Valley Road along the eastern boundary of the Property that are to be constructed, i.e. the portion of Rainbow Valley Road between Germann Road and the southern boundary of the Property, may be phased, but each phase shall include, at a minimum, the frontage adjacent to any portion of the Property being developed and any additional sections of Rainbow Valley Road determined in a Traffic Impact Analysis, prepared by the Owner and approved by the City Engineer or his/her designee, as being needed to comply with applicable Development Regulations and to provide for safe and adequate traffic circulation for the Property.

10.7. Owner shall dedicate to the City, in fee, any right-of-way located on the Property that is needed for a future regional bridge over Waterman Wash within the Rainbow Valley Road alignment. The dedication referred to herein shall be made when requested by the City Engineer or his/her designee or prior to the recordation of any final plat that includes any portion of Parcel 13, as depicted in the Rainbow Valley PAD Development Plan, whichever is earlier.

FIRE SERVICES

11. FIRE INFRASTRUCTURE. As a condition of development and as described in more detail in this Agreement, Developer is responsible, at its sole cost, except as expressly provided in this Agreement, for: (i) making financial contributions towards the costs of the Estrella Fire Station, including land costs, design and construction costs, and the cost of a fire truck, which costs are more specifically set forth in the Fire Services Agreement; (ii) making financial contributions towards the operating and maintenance costs ("O&M") of operating the Estrella Fire Station that are to be paid pursuant to the Fire Services Agreement; (iii) acquiring a minimum of three (3) acres for a fire station, in a location to be identified by the City, the need for which is generated by service calls from within the Property and for designing, installing, and constructing a fire station on such site that is consistent with the City's standards for its fire stations and for acquiring a fire engine equipped for four (4) persons; and (iv) paying O&M costs for the operation of the new fire station for a period of five years.

11.1. CONTRIBUTION TOWARDS THE COSTS OF ESTRELLA FIRE STATION. The Property is located within an area that is to be served in part by the Estrella Fire Station. Unless NNP and AV Homes, have been fully reimbursed for contributions towards the cost of the Estrella Fire Station, as provided in the Fire Services Agreement, and unless the City has been fully reimbursed for any funds the City expended on the Estrella Fire Station, Owner shall be responsible for paying the City the Estrella Fire Station Payment at the earlier of the following: (i) prior to the issuance of the first construction permit for work within the Property, (ii) the recordation of the first final plat that includes all or part of the Property, or (iii) the approval of the first site plan for development within the Property. The City shall process the adoption and

approval of development impact fees for fire and police services that includes the Property within eighteen (18) months from the effective date of this during which time, the City shall (1) process, and, subject to satisfaction of all applicable Development Regulations, approve applications for preliminary plats, construction plans and other applications and (2) process final plat and final site plan applications. However, no final plats or final site plans shall be approved by the City until the approval of the development impact fees for fire and police service or the expiration of the above noted eighteen (18) month period, whichever occurs first. The Development Impact Fee Study for the impact fee for fire services that includes the Property shall include and shall be calculated on the estimated costs of improvements in an approved infrastructure improvements plan that includes the full estimated cost of the Estrella Fire Station.

11.1.1. Fire and Police Impact Fees. The City shall be responsible for managing the process necessary to adopt or amend a development impact fee for fire services and police services that includes the Property as described above and shall be responsible for all costs associated with such adoption or amendment.

11.1.2. Waiver of Impact Fee Moratorium. With respect to development impact fees for fire services, Owner expressly waives it rights under A.R.S. § 9-463.05(F), which provides for the deferral of any new development impact fee and the deferral of the amount of any increase in a modified development impact fee. Owner shall pay development impact fees for fire services in effect at the time a building permit is issued regardless of when such fees were adopted. Owner shall notify all subsequent purchasers of all or part of the Property of this waiver. Owner shall defend, indemnify and hold harmless the City, its employees, elected officials, agents and consultants for, from and against any and all claims, demands, liens, causes of action, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and court or arbitration costs) arising from or related in any way to allegations of a violation of A.R.S. § 9-463.05(F).

11.1.3. Fire Impact Fee Reimbursements. Owner shall be reimbursed all development impact fees for fire services that are collected within the Property following the adoption of a development impact fee pursuant to Section 11.1 until Owner has been fully reimbursed for the Estrella Fire Station Payment.

11.2. CONTRIBUTION TOWARDS THE O&M COSTS OF THE ESTRELLA FIRE STATION. The Property is located within an area that is expected to be served by the Estrella Fire Station, which is being developed pursuant to the terms of the Fire Services Agreement. Under the Fire Services Agreement, NNP III – Estrella Mountain Ranch, LLC ("NNP") and AV Homes of Arizona LLC ("AV Homes") are required to pay the City O&M payments of $452,000, as adjusted in the Fire Services Agreement, beginning on July 1, 2018 and continuing on the first (1st) day of each calendar quarter for the next nineteen (19) successive calendar quarters, which funding is to be used to hire and train firefighters and to operate and maintain the Estrella Fire Station. Unless the O&M payments owed under the Fire Services Agreement have been fully satisfied at the time of development of the Property, Owner shall be responsible for paying the City an RV O&M Payment as described herein.

11.2.1. Timing of O&M Payment. Owner's obligation to make the RV O&M Payment shall begin at the earlier of the following: (i) prior to the issuance of the first construction permit for work within the Property, (ii) the recordation of the first final plat that includes all or part of the Property, or (iii) the approval of the first site plan for development within the Property. Within ten (10) days of the date Owner's obligation to make the RV O&M Payment begins, Owner shall remit to the City a pro-rated portion of the RV O&M Payment (the "Initial RV O&M Payment"). The initial RV O&M Payment shall be calculated by dividing the number of days remaining in the quarter for which NNP and AV Homes made an EMR Quarterly O&M Payment, by the total days in the quarter multiplied by the RV O&M Payment. For example, the quarterly payments owed under the Fire Services Agreement are to be made on July 1, October 1, January 1 and April 1. If the first preliminary plat approved that includes all or part of the Property was approved on May 31 during the first year EMR Quarterly O&M Payments were to be paid to the City under the Fire Services Agreement (i.e. before there was any CPI adjustment), the Initial RV O&M Payment would be $15,254 (30 days remaining in quarter/ 91 total days in the quarter × $46,270). Following the payment of the Initial RC O&M Payment, Owner shall remit the RV O&M Payment to the City on the dates NNP and AV Homes are required to pay the City the EMR Quarterly O&M Payments owed under the Fire Services Agreement (July 1, October 1, January 1, and April 1) until such time as the O&M payments owed under the Fire Services Agreement have been fully satisfied. The City will remit the RV O&M Payments collected from Owner to NNP and/or AV Homes as agreed upon with NNP and AV Homes. Notwithstanding anything to the contrary herein, no construction permits for work within the Property will be issued, no final plats that include all or part of the Property shall be recorded and no site plans shall be approved until the Initial RV O&M Payment has been paid and no future construction permits will be issued and no final plats or site plans will be approved if Owner is delinquent in its payment obligation hereunder.

11.3. ADDITIONAL FIRE STATION AND O&M COSTS. Owner shall be responsible, at its sole cost, except as expressly provided in this Agreement, for the development of a new fire station and funding the O&M costs for the new fire station if either of the following two (2) triggers is met: (1) there are more than 500 "Code 3" Service Calls within the Property in a given 365 day period and the response time for those calls for service is greater than eight (8) minutes 30 % or more of the time; or (2) proposed development within the Property is five (5) paved road miles or more for an existing Goodyear fire station.

11.3.1. Dedication of Fire Station Site. If any of the foregoing triggers are met, Owner shall acquire, at its sole cost, except as expressly provided in this Agreement, and dedicate to the City at no cost to the City, a minimum of three (3) acres, in a location to be identified by the City, for a new fire station. In addition to any other actions the City is entitled to take under the terms of the Agreement, the City shall be entitled, without any liability to the City, to withhold approval of all Development Applications until this obligation has been satisfied.

11.3.2. Construction of Fire Station. If any of the foregoing triggers are met, Owner shall, at its sole cost, except as expressly provided in this Agreement, pay the City for the costs of designing, constructing, and equipping a fire station and for acquiring a fire engine equipped for four (4) persons. The City shall provide Owner an engineer's estimate of the costs of designing, constructing and equipping the fire station and an estimate of the cost of a fire engine

equipped for four (4) persons. Owner shall provide the City with an irrevocable letter of credit in an amount sufficient to cover the estimated costs of designing, constructing, and equipping a fire station and for acquiring a fire engine equipped for four (4) persons with a term that will cover the length of the construction project. The terms of such irrevocable letter of credit shall allow the City to draw upon the letter of credit in the event Owner files a petition seeking protection under United States bankruptcy code; to pay construction costs incurred by the City and/or cost of acquiring the fire engine, and shall allow the City to fully draw upon the letter of credit if the construction project is likely to continue before the expiration of the letter of credit and a replacement irrevocable letter of credit has not been provided at least sixty (60) days before the expiration of the letter of credit. In the event the actual costs of costs of designing, constructing, and equipping a fire station and of acquiring a fire engine equipped for four (4) persons exceed the amount of the irrevocable letter, Owner shall increase the amount of the letter of credit to cover the shortage or reimburse the City for any costs paid by City funds. In addition to any other actions the City is entitled to take under the terms of the Agreement, the City shall be entitled, without any liability to the City, to withhold approval of all Development Applications until it has been fully reimbursed for any costs related to the design, construction, equipping of the fire stations and/or for the acquisition of a fire engine equipped for four (4) persons paid by City funds. Upon completion of the fire station, Owner shall dedicate to the City, at no cost to the City, the completed fire station and fire engine.

11.3.3. O&M for New Fire Station. If any of the foregoing triggers are met, Owner shall, at its sole cost, except as expressly provided in this Agreement pay the City for the O&M costs ("O&M Payment") for a period of five (5) years as follows.

a. The initial amount of the annual O&M Payment shall be determined based upon the City's current costs for operating and maintaining a fire station comparable to the new fire station referred to herein. City shall provide Owner reasonable documentation supporting the current costs to operate and maintain a station comparable to the new fire station referred to herein.

b. The O&M Payments shall automatically be adjusted on an annual basis, beginning one-year from the date the first O&M Payment is due, to reflect the positive change, if any, in the Consumer Price Index for All Urban Consumers-Phoenix published by the United States Bureau of Labor Statistics for the prior twelve (12) month period. For example, if the annual O&M Payment is $1,808,000 and the payments began on June 1, 2025, the annual O&M Payment for the period June 1, 2026 through May 31, 2027 would be $1,862,240 if the CPI for the prior 12-month period (June 1, 2025 through May 31, 2026) was 3% ($1,808,000.00 x 103%). The annual CPI adjustment will be based upon the prior year's annual O&M Payment amount and in no case shall be adjusted downward due to a negative annual CPI.

c. The Owner shall pay the City the annual O&M Payment in equal amounts on a quarterly basis. The first quarterly payment shall be due on the first day of the first calendar quarter (i.e. January 1, April 1, July 1, October 1)

following the issuance of a certificate of occupancy for the new fire stations and the subsequent O&M Payments shall be paid thereafter on the first day of each calendar quarter for the next nineteen (19) successive calendar quarters.

d. The City has not identified any other parties or property that will be served by the new stations other than the Property. Following the conveyance of the fire station site, the City shall prepare a detailed map identifying the benefited area of the new station. Should new residential development occur within the benefitted area other than the Property during the time which quarterly O&M Costs payments are being made by Owner to the City, the City agrees to use its best efforts to secure a proportionate contribution by those third parties towards the quarterly O&M Payments then being made by Owner to the extent that quarterly O&M Payments are still owed to the City under this Agreement.

e. In addition to any other actions the City is entitled to take under the terms of the Agreement, the City shall be entitled, without any liability to the City, to withhold approval of all Development Applications until it has been fully reimbursed for any O&M Payments owed the City under this Agreement.

PARKS

12. OPEN SPACE AND PARKS. The development of the Property shall comply with the Rainbow Valley PAD, as modified by this Agreement, or the Goodyear Parks Master Plan in effect when the Property develops, whichever will provide the most open space, parks and recreational amenities, and Owner shall, at its sole cost, design, install, construct and equip all parks, open space, and recreational amenities that are to be developed, including but not limited to the Waterman Wash Paths and the Regional Trail. Notwithstanding the foregoing, and except for changes in requirements for park amenities and design requirements, the development of the Property may comply with the open space and park areas as reflected in the Rainbow Valley PAD as modified by this Agreement, regardless of the open space area or park area requirements of the Goodyear Parks Master Plan in effect on the effective date of this Agreement, provided that within ten (10) years from the effective date of this Agreement, Owner has satisfied all of the following: (i) recorded a final plat for the development of the entire First Phase; (ii) provided the City with a subdivision bond to ensure the completion of the open space, parks, recreational amenities, and External Infrastructure that is to be constructed within the First Phase and for all off-site infrastructure, (iii) completed construction of the off-site infrastructure and External Infrastructure that is to be completed in connection with the development of the First Phase; (iv) completed construction of the road improvements to Rainbow Valley Road described in Section 10.5.1 and 10.5.2; and (v) obtained a building permit for vertical construction of at least one production home within the First Phase.

12.1. WATERMAN WASH PATHS. Owner shall design and construct the Waterman Wash Paths in accordance with the recommended guidelines for Paths in the Goodyear Path/Trail System Design Guidelines attached as an appendix to the Goodyear Parks Master Plan in effect at the time of development.

12.1.1. Path Crossings. The section(s) of the Waterman Wash Path(s) that cross over any Waterman Wash Crossing(s) shall be constructed in compliance with the recommended guidelines for the applicable type of crossing as set forth in the guidelines for crossings in the Goodyear Path/Trail System Design Guidelines attached as an appendix to the Goodyear Parks Master Plan in effect at the time of development.

12.1.2. Waterman Wash Crossings. If any Waterman Wash Crossing crosses over sections of existing Waterman Wash Path(s), the Waterman Wash Path shall be modified as needed to provide a crossing over or under the Waterman Wash Crossing that meets the requirements for the applicable type of crossing as set forth in the guidelines for crossings in in the Goodyear Path/Trail System Design Guidelines attached as an appendix to the Goodyear Parks Master Plan in effect at the time of development.

12.1.3. Dedications for Grade Separated Crossings. Owner shall dedicate to the City, in a form acceptable to the City Attorney or his/her designee, any additional Public Access any Maintenance Easement(s) needed for grade separated crossings

12.1.4. Dedications for Waterman Wash Paths. Owner shall dedicate to the City either a public access and maintenance easement or fee ownership for the entire North Waterman Wash Path and the entire South Waterman Wash Path, which shall be no less than 36 feet in width. The dedication shall be made at the earlier of the following: upon request of the City Engineer or his/her designee or the City's acceptance, following the expiration of the two-year warranty period, of the completed Waterman Wash Paths, or sections thereof. Should the dedication required herein be made prior to the construction of the Waterman Wash Paths, or sections thereof if the construction is phased, the City shall provide, at no cost to Owner, easements as may be needed for Owner to complete the North Waterman Wash Path and South Waterman Wash Path.

12.1.5. Timing of North Waterman Wash Path Improvements. The North Waterman Wash Path Improvements along the portion of the North Waterman Wash Path located north of the Germann Road alignment shall be improved as part of the public infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property located within Parcel 3, and/or Parcel 10 as depicted in the Rainbow Valley PAD Development Plan. The North Waterman Wash Path Improvements along the portion of the North Waterman Wash Path located south of the Germann Road alignment shall be improved as part of the public infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property located within Parcel 13, and/or Parcel 14 as depicted in the Rainbow Valley PAD Development Plan.

12.1.6. Timing of South Waterman Wash Path Improvements North of Germann Road. The South Waterman Wash Path Improvements along the portion of the South Waterman Wash Path located north of the Germann Road alignment shall be improved as part of the public infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property located within Parcel 17

as depicted in the Rainbow Valley PAD Development Plan. Notwithstanding the foregoing, the South Waterman Wash Path Improvements along the portion of the South Waterman Wash Path located north of the Germann Road alignment shall be constructed in connection with the recordation of any final plat or approval of any site plan, which when combined with all prior final plat and site plan approvals, approves the development of 75 acres or more of the Property south of the Waterman Wash unless the City agrees, in its sole discretion that the construction of the South Waterman Wash Path Improvements can be delayed and Owner has provided the City financial assurances in a form acceptable to the City to ensure the completion of the South Waterman Wash Path Improvements, which may include, but is not limited to, bonds ensuring the completion of the path, irrevocable letters of credit, escrow accounts.

12.1.7. Timing of South Waterman Wash Path Improvements South of Germann Road. The South Waterman Wash Path Improvement along the portion of the South Waterman Wash Path located south of the Germann Road alignment shall be improved as part of the public infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property located within Parcel 19, Parcel 21, and/or Parcel 22 as depicted in the Rainbow Valley PAD Development Plan.

12.1.8. Reimbursements for Waterman Wash Path Dedications. If the property for the Waterman Wash Paths is conveyed to the City in fee and, subject to compliance with all applicable statutory requirements, including the cost of the Waterman Wash Paths improvements and the value of the property conveyed for the Waterman Wash Paths in a properly adopted Infrastructure Improvements Plan and a properly adopted Development Impact Fee, Owner shall be entitled to reimbursements from the category of development impact fees that include the Waterman Wash Paths as provided in this Agreement.

12.2. T-2 TRAILHEAD. Owner shall design and construct the T-2Trailhead Facilities. Owner shall dedicate to the City either a public access and maintenance easement or fee ownership for the T-2 Trailhead Site upon request of the City Engineer or his/her designee or the City's acceptance, following the expiration of the two-year warranty period of the completed T-2 Trailhead Facilities. Should the dedication required herein be made prior to the construction of the T-2 Trailhead Facilities, the City shall provide, at no cost to Owner, easements as may be needed for Owner to complete the T-2 Trailhead Facilities. The T-2 Trailhead Site shall be improved as part of the construction of the section of North Waterman Wash Path located south of the Germann Road alignment. If the property for the T-2 Trailhead site is conveyed to the City in fee and, subject to compliance with all applicable statutory requirements, including the inclusion of the cost of the T-2 Trailhead Facilities and the value of the T-2 Trailhead Site, in a properly adopted Infrastructure Improvements Plan and a properly adopted Development Impact Fee, Owner shall be entitled to reimbursements from the category of development impact fees that include the T-2 Trailhead Facilities as provided in this Agreement.

12.2.1. Location of T-2 Trailhead. Owner shall locate and design the T-2 Trailhead Site to provide full and safe vehicular access into T-2 Trailhead Site. The T-2 Trailhead shall be located outside of the flood plain and outside of Waterman Wash somewhere within Parcel 13 and shall be located so as to provide full and safe vehicular access into T-2 Trailhead Site off of Rainbow Valley Road.

12.3. WATERMAN WASH. The Waterman Wash shall be owned by a homeowner's association, which shall be formed prior to the recordation of the first final plat within the Property. The homeowner's association shall be responsible for the maintenance of the Waterman Wash. Unless the property needed for the Waterman Wash Paths is conveyed to the City in fee, the Waterman Wash Paths shall be owned by the homeowner's association, but the City shall, pursuant to the terms of the Public Access and Maintenance Easement that is to be dedicated to the City as provided in this Agreement, be responsible for the maintenance of the Waterman Wash Paths. Unless the T-2 Trailhead Site is conveyed in fee to the City, the T-2 Trailhead Site shall be owned by the homeowner's association, but the City shall, pursuant to the terms of the Public Access and Maintenance Easement that is to be dedicated to the City as provided in this Agreement, be responsible for the maintenance of the T-2 Trailhead Facilities.

12.4. REGIONAL TRAIL. Owner shall design and construct the Regional Trail located within the Property in accordance with the recommended guidelines for Trails in the Goodyear Path/Trail System Design Guidelines attached as an appendix to the Goodyear Parks Master Plan in effect at the time of development.

12.4.1. Dedication for Regional Trail. Owner shall dedicate to the City either a public access and maintenance easement for the Regional Trail or fee ownership of the property needed for the Regional Trail. The dedication shall be made at the earlier of the following: upon request of the City Engineer or his/her designee or upon the recordation of any final plat that includes any portion of the Property located within Parcel 22 as depicted in the Rainbow Valley PAD Development Plan. Should the dedication required herein be made prior to the construction of the Regional Trail, the City shall provide, at no cost to Owner, easements as may be needed for Owner to complete the Regional Trail. The Regional Trail shall be improved as part of the public infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property located within Parcel 22 as depicted in the Rainbow Valley PAD Development Plan. If the property for the Regional Trail is conveyed to the City in fee and, subject to compliance with all applicable statutory requirements, including the inclusion of the cost of the Regional Trail improvements and the value of the property conveyed for the Regional Trail in a properly adopted Infrastructure Improvements Plan and a properly adopted Development Impact Fee, Owner shall be entitled to reimbursements from the category of development impact fees that include the Regional Trail as provided in this Agreement

12.4.2. Maintenance of Regional Trial. Unless the property for the Regional Trail is conveyed to the City in fee, the Regional Trail shall be owned by a homeowner's association, which shall be formed prior the recordation of the first final plat subdividing all or part of the Property. Unless the property for the Regional Trail is conveyed to the City in fee, the City shall, pursuant to the terms of the Public Access and Maintenance Easement that is to be dedicated to the City as provided in this Agreement, be responsible for the Regional Trail.

12.5. Enhanced Neighborhood Parks

12.5.1. Enhanced Neighborhood Park in Parcel 8. The Enhanced Neighborhood Park that is to be developed in Parcel 8, as depicted in the Rainbow Valley Open Space & Trails Plan, shall be constructed at the earlier of the following: (i) as part of the infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property adjacent to Parcel 8, which under the current development plan would be Parcel 7, Parcel 10, and if it is to be developed as residential property, Parcel 9 as depicted in the Rainbow Valley PAD Development Plan; (ii) as part of the infrastructure improvements that are to be constructed in connection with the recordation of any final plat or approval of any site plan for residential development, which when combined with all prior approved final plats and approved site plans for residential development approves the development of 210 acres or more of the Property north of the Waterman Wash and north of the Germann Road alignment. For purposes of this Section 12.5.1 a property is adjacent to Parcel 8 if the parcels are separating only by right of way dedicated for a collector road. If the obligation to construct the neighborhood park is triggered by the platting of any of the parcels adjacent to Parcel 8, as depicted in the Rainbow Valley PAD Development Plan, no building permits for vertical construction of residential structures, other than for model homes, shall be issued within any parcels adjacent to Parcel 8, as depicted in the Rainbow Valley PAD Development Plan until the park has been completed or the City has been provided financial assurances, in a form acceptable to the City, to ensure the completion of the park, which may include, but is not limited to, bonds ensuring the completion of the park, irrevocable letters of credit, escrow accounts. If the obligation to construct the neighborhood park is triggered by the recordation of any final plat or approval of any site plan for residential development, which when combined with all prior approved final plats and approved site plans for residential development approves the development of 210 acres or more of the Property north of the Waterman Wash and north of the Germann Road alignment, no building permits for vertical construction of residential structures, other than for model homes, shall be issued within any of the Property located north of Waterman Wash and north of the Germann Road alignment until the park has been completed or the City has been provided financial assurances, in a form acceptable to the City, to ensure the completion of the park, which may include, but is not limited to, bonds ensuring the completion of the park, irrevocable letters of credit, escrow accounts.

12.5.2. Enhanced Neighborhood Park in Parcel 16. The Enhanced Neighborhood Park that is to be developed in Parcel 16, as depicted in the Rainbow Valley Open Space & Trails Plan, shall be constructed at the earlier of the following: (i) as part of the infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property adjacent to Parcel 16, which under the current development plan would be Parcel 14 and Parcel 15; (ii) as part of the infrastructure improvements that are to be constructed in connection with the recordation of any final plat or approval of any site plan for residential development, which when combined with all prior approved final plats and approved site plans for residential development approves the development of 125 acres or more of the Property north of the Waterman Wash and south of the Germann Road alignment. If the obligation to construct the neighborhood park is triggered by the platting of any of the parcels adjacent to Parcel 16, as depicted in the Rainbow Valley PAD Development Plan, no building permits for vertical construction of residential structures, other than for model homes, shall be issued within any parcels adjacent to Parcel 16, as depicted in the Rainbow Valley PAD Development Plan until the park has been completed or the City has been provided financial

assurances, in a form acceptable to the City, to ensure the completion of the park, which may include, but is not limited to, bonds ensuring the completion of the park, irrevocable letters of credit, escrow accounts. If the obligation to construct the neighborhood park is triggered by the recordation of any final plat or approval of any site plan for residential development, which when combined with all prior approved final plats and approved site plans for residential development approves the development of 125 acres or more of the Property north of the Waterman Wash and south of the Germann Road alignment, no building permits for vertical construction of residential structures, other than for model homes, shall be issued within any of the Property located north of Waterman Wash and south of the Germann Road alignment until the park has been completed or the City has been provided financial assurances, in a form acceptable to the City, to ensure the completion of the park, which may include, but is not limited to, bonds ensuring the completion of the park, irrevocable letters of credit, escrow accounts.

12.5.3. Enhanced Neighborhood Park in Parcel 20. The Enhanced Neighborhood Park that is to be developed in Parcel 20, as depicted in the Rainbow Valley Open Space & Trails Plan, shall be constructed at the earlier of the following: (i) as part of the infrastructure improvements that are to be constructed in connection with the recordation of the first final plat that includes any portion of the Property adjacent to Parcel 20, which under the current development plan would be Parcel 19, and Parcel 21; (ii) as part of the infrastructure improvements that are to be constructed in connection with the recordation of any final plat or approval of any site plan for residential development, which when combined with all prior approved final plats and approved site plans for residential development approves the development of 106 acres or more of the Property south of the Waterman Wash. If the obligation to construct the neighborhood park is triggered by the platting of any of the parcels adjacent to Parcel 20, as depicted in the Rainbow Valley PAD Development Plan, no building permits for vertical construction of residential structures, other than for model homes, shall be issued within any parcels adjacent to Parcel 20, as depicted in the Rainbow Valley PAD Development Plan until the park has been completed or the City has been provided financial assurances, in a form acceptable to the City, to ensure the completion of the park, which may include, but is not limited to, bonds ensuring the completion of the park, irrevocable letters of credit, escrow accounts. If the obligation to construct the neighborhood park is triggered by the recordation of any final plat or approval of any site plan for residential development, which when combined with all prior approved final plats and approved site plans for residential development approves the development of 106 acres or more of the Property south of the Waterman Wash, no building permits for vertical construction of residential structures, other than for model homes, shall be issued within any of the Property located south of Waterman Wash until the park has been completed or the City has been provided financial assurances, in a form acceptable to the City, to ensure the completion of the park, which may include, but is not limited to, bonds ensuring the completion of the park, irrevocable letters of credit, escrow accounts.

REGIONAL INFRASTRUCTURE AND FINANCE

13. REGIONAL INFRASTRUCTURE REIMBURSEMENT. Owner acknowledges that as one of the initial developers of property in the area known as Rainbow Valley, it may be responsible for acquiring rights-of-way, acquiring capital equipment, and designing, installing and/or constructing public infrastructure that may benefit other properties in

the region. For instance, Owner, as an initial developer in Rainbow Valley, may be required to design, install, and/or construct transportation improvements (including the expansion of existing roadway(s) that otherwise would be the responsibility of the owners of property adjacent to such roadways. Similarly, Owner will be responsible for constructing infrastructure improvements identified by the City as being necessary for the City to provide wastewater services to the Property that may also serve other properties in the region. The City cannot guarantee, reimbursements for the costs incurred by Owner in acquiring Off-Site Rights-of-Way, capital equipment, designing, constructing, and installing public infrastructure required to support the development of the Property and/or to allow the City to provide City services to the Property, the need for which is generated by the development of the Property but which may also benefit properties other than the Property. Without providing any guarantees, the City shall make a good faith effort to obtain reimbursements for this Regional Infrastructure as provided below.

13.1. COST RECOVERY. Cost recovery may be used to provide reimbursements for Regional Street Improvements and Regional Utility Lines installed by Owner. To the extent legally permissible and provided Owner, at its sole cost, provides the City with all necessary information and studies to support the enactment of a Cost Recovery Ordinance/Resolution as allowed under the Goodyear Code of Ordinances, Article 24-1, as it may be amended, City Staff shall take the steps necessary for the enactment of a Cost Recovery Ordinance/Resolution that will allow the City to require other developers or property owners whose properties receive a Special Benefit (not General Public Benefit) from the construction or installation of the Regional Street Improvements and/or Regional Utility Lines as provided in Article 24-1 of the Goodyear Code of Ordinances as it may be amended, to reimburse Owner to the extent of the Special Benefit. Owner shall be responsible for funding all of the costs incurred in enacting a Cost Recovery Ordinance/Resolution, including but not limited to, the costs of engineering studies, publication costs, costs of providing all required documentation, and costs related to legal challenges to the enactment or application of such ordinance. The reimbursements provided for pursuant to this Section 13.1 shall, to the extent legally permissible, include reimbursements for the costs Owner incurs in connection with the enactment of a Cost Recovery Ordinance/Resolution and for the costs Owner incurs in securing any real property interests (right-of-way, facility sites, easements, etc.) needed for the construction of the Regional Infrastructure that are not on the Property. The City does not guarantee the enactment of a Cost Recovery Ordinance/Resolution. The City's sole liability with respect to the use of Cost Recovery as a reimbursement mechanism is to remit to Owner all monies collected pursuant to such Cost Recovery Ordinance/Resolution and to endeavor to enforce any Cost Recovery Ordinance/Resolution enacted.

13.2. RESERVATION OF CAPACITY. Reservation of capacity may be used to provide reimbursements for Regional Utility Lines and Regional Utility Facilities (i.e. regional: treatment facilities, storage facilities, plants, transmission lines, delivery lines etc.) that Owner is required to construct that are capable of serving more than just the Property. If Owner is required to construct utility infrastructure improvements that will be capable of serving more than just the Property, the City shall reserve the capacity in excess of what is needed to serve the Property subject to the following. Any reservation of capacity must be provided for by an amendment to this Agreement. The amendment shall provide for the reserved capacity to be owned by the entity that constructed the utility infrastructure improvements subject to the caveat that the City shall be

entitled to convey rights to the excess capacity at an established price per gallon. The sales prices per gallon of the excess capacity shall be included in the amendment and shall be based on the actual cost of constructing the infrastructure improvements. Owner, at its sole cost, shall provide the City all necessary information and studies to support the sale price for the excess capacity.

13.3. DEVELOPMENT IMPACT FEES. Except as provided in this Section 13.3, development impact fees may be used as a source of reimbursement for Regional Infrastructure that Owner is required to construct. Development impact fees cannot be a source of reimbursement for street infrastructure Owner is required to construct pursuant to applicable Development Regulations, and development impact fees cannot be a source of reimbursement for Regional Street Improvements subject to the following:

13.3.1. Owner's Responsibility for Adoption of Impact Fees. Except for the adoption of police and fire development impact fees referred to in in Section 11.1 and the adoption of a street/transportation development impact fee to allocate the costs of the expansion of the Estrella Parkway bridge necessitated by new growth south of the Gila River, Owner understands and acknowledges that the City has not adopted, nor does the City have any plans currently to adopt, development impact fees for the Rainbow Valley area, including the Property. Accordingly, if Owner desires to receive development impact fee reimbursements as a source of reimbursement for Regional Infrastructure Owner shall be responsible for providing the City with information needed for the adoption of development impact fees and for funding all of the costs incurred by the City in preparing all of the studies necessary for the adoption of Development Impact Fees, including the Land Use Study, the Infrastructure Improvements Plan ("IIP"), and the Development Impact Fee Study. Owner shall be responsible for providing the City with estimates for the costs of the Regional Infrastructure that Owner will be constructing and for which reimbursement from development impact fees will be sought. The estimate shall be prepared and sealed by a licensed professional engineer.

13.3.2. Owner's Payment of Costs Incurred in Adoption of Impact Fees. Prior to the City retaining a consultant to prepare the studies and reports required for the adoption of development impact fees, Owner shall remit to the City the estimated costs of the development impact fee adoption process. If the actual costs incurred by the City exceed the estimated costs, Owner shall remit the difference to the City before the City presents the proposed development impact fees to the Goodyear City Council for approval. To the extent legally permitted, these costs shall be included in the calculations of Development Impact Fees, and if such costs are included in the Development Impact Fee, Owner shall be entitled to reimbursement from development impact fees for the costs incurred as provided herein.

13.3.3. City Control over Impact Fee Adoption Process. The City shall select a consultant to prepare the necessary studies and reports statutorily required for the adoption of development impact fees, which requirements are currently set forth in A.R.S. § 9-463.05. Owner shall have the discretion to participate in the IIP and development impact fee study on the same terms as other stakeholders who will be affected by any development impact fees that may be enacted.

13.3.4. Legislative Discretion. The determination of whether Development Impact Fees are to be used as a means of paying for Regional Infrastructure necessary to serve the Rainbow Valley Area, including the Property shall be left to the legislative discretion of the Mayor and Council of the City of Goodyear. If the Mayor and Council of the City of Goodyear fail to adopt development impact fees after Owner has funded the costs of the IIP and Development Impact Fee study, the City shall refund to Owner, without interest, the funds Owner paid the City for the costs of the development impact fee adoption process.

13.3.5. Reimbursements of Impact Fees Collected. If an infrastructure improvement is included in an Infrastructure Improvement Plan ("IIP") and in a Development Impact Fee Study that has been adopted and is being collected by the City and if Owner constructs such improvement, Owner shall be entitled to reimbursements of development impact fees that include the infrastructure improvement as follows. Owner shall receive reimbursements of development impact fees, which include the infrastructure improvement, that are collected within the Property and within other properties subject to the development impact fee. The amount of the reimbursements to be remitted to Owner shall be calculated based on the percentage the cost of the eligible improvement, as reflected in the adopted impact fee study, bears to the overall adopted impact fee. For instance, if the cost of a wastewater treatment plant represents 50% of the costs of all of the infrastructure improvements included in the calculation of the wastewater development impact fee, the maximum amount of the reimbursement Owner will receive for constructing the treatment plant will be 50% of the wastewater development impact fee collected. The total amount of the reimbursements Owner is to receive hereunder shall not exceed the lesser of the following: (i) the actual costs Owner incurred for the design, installation and/or construction of the reimbursement eligible infrastructure improvement or (ii) the amount allocated in the Development Impact Fee for the reimbursement eligible infrastructure improvement less applicable offsets.

13.3.6. Reductions for Statutory Refunds. Currently state law requires that of all or part of development impact fees collected be reimbursed if the infrastructure included in the IIP and in an adopted Development Impact Fee Study has not been completed within the statutorily prescribed time frame and if the actual costs of the infrastructure constructed was less than the estimated cost of the infrastructure included in the IIP that was used to calculate the amount of the development impact fee. If the City is required by state or local law, now or in the future, to provide reimbursements of any development impact fees collected, the City shall be entitled, without any liability to the City, to reduce the amount of reimbursements that would otherwise be owed under this Agreement by the amount of such development impact fee reimbursements.

13.3.7. Limitation of Liability for Development Impact Fees. Owner expressly acknowledges that any Development Impact Fee adopted may not provide for the recovery of the full cost of constructing the public infrastructure improvement for a variety of reasons, including, by way of example, inflation, under estimation of the cost of the improvement, required offsets, and the like. Owner further agrees that the City's sole liability with respect to the use of Development Impact Fees as a reimbursement mechanism is to collect Development Impact Fees enacted by the Mayor and Council of the City of Goodyear, to the extent legally permissible, and to distribute reimbursements as provided for in Section 13 and all subsections therein.

13.3.8. Impact of Legislative Changes. The foregoing provisions of Section 13 shall be of no force or effect if any future legislation or court order either eliminates the ability of the City to collect development impact fees, temporarily or permanently reduces the amount of fees eligible for reimbursement, or otherwise makes it impracticable for the City to use Development Impact Fees as a means of paying for Regional Infrastructure necessary to serve new development in the Rainbow Valley Area, including the Property. Owner further agrees that if the provisions in Section 13 and all subsections therein are inconsistent with future legislation related to development impact fees or with any court decision interpreting the requirements of any legislation related to development impact fees, the Agreement shall be amended as needed to comply with such legislation and/or court decision.

13.4. OTHER REIMBURSEMENT MECHANISMS. In accordance with applicable federal, state, and local laws and with City guidelines and policies in effect when the request is made, the City will consider requests by Owner to pursue available funding mechanisms that do not create contingent liabilities on the part of the City, to aid in the financing the costs of the design and construction of public infrastructure to be constructed by Owner. Nothing contained herein shall be construed, however, to compel the City to enact legislation or to take any action either to allow cost recovery, form a community facilities district, improvement district or other special taxing district, or to enact any other legislation or take any other action to provide financing for the public infrastructure to be constructed by Owner.

13.5. SINGLE REIMBURSEMENT SOURCE. Owner further understands and agrees that only one form of reimbursement mechanism may be used for reimbursement of the costs incurred in constructing any improvement that is Regional Infrastructure. For example, if development impact fees is to be a source of reimbursement for Regional Utility Lines, the Regional Utility Lines cannot also be the subject to reimbursement under cost recovery.

13.6. COMPLIANCE WITH TITLE 34. To be eligible for any reimbursement hereunder, Owner shall comply with all applicable state laws governing the procurement of services related to the design, installation, and/or construction of public infrastructure for which reimbursement is sought, including the requirements of Title 34 of the Arizona Revised Statutes.

13.7. REIMBURSEMENT REQUIREMENTS. Reimbursements that are to be provided hereunder shall be paid to the Owner that conveys to the City the infrastructure improvements for which reimbursements are being provided. No reimbursements shall be made until all of the following have occurred: (i) infrastructure improvements for which reimbursement is sought have been conveyed to the City lien free and at no cost to the City; (ii) the City has accepted, subject to completion of the two-year warranty period, the infrastructure improvements; and (iii) all documentation reasonably requested by the City Engineer of his/her designee to establish the right to reimbursement, such as documentation establishing compliance with Title 34, lien releases, documents establishing the cost of the infrastructure, etc.

13.8. LIMITATION ON AMOUNT OF REIMBURSEMENT. Regardless of the source(s) of reimbursement, Owner is not entitled to reimbursements for the design, installation and/or construction of any reimbursement eligible public infrastructure in excess of the actual

amount expended for the design, installation and/or construction of the reimbursement eligible public infrastructure.

13.9. WAIVER OF REIMBURSEMENT. The City cannot guarantee, reimbursements for the costs incurred by Owner in constructing Regional Infrastructure, including costs of acquiring Off-Site Rights-of-Way, acquiring capital equipment, designing, constructing, and installing public infrastructure required to support the development of the Property and/or to allow the City to provide City services to the Property, the need for which is generated by the development of the Property but which may also benefit properties other than the Property ("Regional Infrastructure"). Although the City has agreed to make a good faith effort to provide reimbursements for the costs of such Regional Infrastructure subject to the terms and conditions set forth in this Agreement, there are no guarantees Owner will receive such reimbursements, and Owner expressly waives any and all claims it may have against the City for reimbursement for the costs incurred in constructing Regional Infrastructure,. The provisions of this Section 13.9 shall survive the expiration or earlier termination of this Agreement.

13.10. NO INTEREST. Owner agrees that no interest will accrue or be owed for any reimbursements or credits to be provided pursuant to the terms of this Agreement.

13.11. ASSIGNMENT. An Owner who has satisfied the requirements of Section 13.7 and is entitled to a reimbursement shall be allowed to assign the rights to such reimbursement subject to the Owner seeking to assign its rights to reimbursements, the entity being assigned the reimbursement rights and the City having executed in writing an Assignment of Reimbursement Rights (the "Assignment'), which shall be in a form provided by the City. The Assignment shall include the assignee's contact information and bank routing information and shall be subject to the terms of the reimbursement provisions in Section 13 and all subsections therein of this Agreement, including by way of example and in the case of reimbursements of development fees, the terms related to the calculation of the development impact fees and reductions for reimbursements that the City is required to make if the infrastructure included in the IIP and in an adopted Development Impact Fee Study has not been completed within the statutorily prescribed time frame and if the actual costs of the infrastructure constructed was less than the estimated cost of the infrastructure included in the IIP that was used to calculate the amount of the development impact fee.

GENERAL TERMS

14. ENTIRE AGREEMENT. This Agreement, constitute the sole and entire agreement between the Parties with respect to the matters covered herein and supersede any prior or contemporaneous agreements, understandings or undertakings, written or oral, by or between Parties and/or by or between any of the Parties and any third parties regarding the matters covered herein.

15. AMENDMENTS. This Agreement shall only be modified, amended or restated by a writing executed by the Owner(s) and City. 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.

15.1. WAIVER OF FEES. The City agrees to waive all fees applicable to the modification, amendment or restatement of this Agreement or the creation of a new development agreement that are needed to modify or implement the terms of this Agreement. Notwithstanding the foregoing, fees will apply for modifications, amendments and restatements of this Agreement and for new that are necessary because of changes in the development standards, land use plans, or the like as reflected in the Rainbow Valley PAD Development Standards Book August 18, 2018 adopted by Ordinance 2018-1409.

16. 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:

The City: City of Goodyear Attn: City Manager 190 North Litchfield Road Goodyear, Arizona 85338	**Rainbow Valley 2011, LLC:** Michael L. Merriman Manager 7595 E. McDonald Dr., Suite 130 Scottsdale, Arizona 85250
copy to: City of Goodyear Attn: Development Services Director 190 North Litchfield Road Goodyear, Arizona 85338	**copy to:** Tiffany & Bosco, P.A. Attn: William E. Lally/Shaine T. Alleman 2525 E Camelback Road, Seventh Floor Phoenix, Arizona 85016
copy to: City of Goodyear Attn: City Attorney 190 North Litchfield Road Goodyear, Arizona 85338	

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.

17. COVENANTS RUNNING WITH THE LAND. Except as otherwise provided in Section 19 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.

18. SUCCESSORS AND ASSIGNS. 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.

19. 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 residential 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.

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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 25 shall survive the expiration or earlier termination of this Agreement.

26. 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 26 waiving the right to a jury trial shall survive the expiration or earlier termination of this Agreement

27. 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 27 limiting the remedies available to the Parties in the event of a breach of the Agreement shall survive the expiration or earlier termination of this Agreement.

28. 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.

29. 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 29 shall survive the expiration or earlier termination of this Agreement.

30. 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 30 shall survive the expiration or earlier termination of this Agreement.

31. 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 31 to other provisions in the Agreement.

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

32.1. OWNERSHIP. Rainbow Valley 2011, LLC, an Arizona limited liability company is the owner of the Property and has the full right and authority to submit its interest in the Property to the obligations hereunder. Owner holds title free and clear of all liens other than liens for taxes not yet due and payable.

32.2. AUTHORIZATION. Owner is an Arizona limited liability company, qualified to do business in Arizona and in good standing; Owner (including the person signing for Owner) has the authority and the right to enter into this Agreement as authorized by the manager of Owner, and Owner is not prohibited from executing this Agreement by any law, rule, regulation, instrument, agreement, order or judgment.

32.3. DUE DILIGENCE. Owner 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 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.

34. LENDERS CONSENT. An Existing Lender Consent, generally in the form attached hereto as Exhibit B as approved by the City Attorney in his sole discretion, shall be completed and executed by each entity that has a security interest in the Property as of the effective date of Resolution 2018-1908 in which the Goodyear City Council approves this Agreement.

35. 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 provided however, Owner shall deliver an original to the City for recordation in the Official Records of Maricopa County.

36. PAGE NUMBERING. The page numbering of this document is exclusive of the Exhibits attached hereto.

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.

OWNER:

Rainbow Valley 2011, LLC, an Arizona limited liability company

By:_____
Michael L. Merriman
Its: Manager

State of Arizona)
)ss
County of Maricopa)

The Development Agreement for Rainbow Valley by and between Rainbow Valley 2011, LLC, an Arizona limited liability company and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2018, by Michael L. Merriman, the Manager of Rainbow Valley 2001, LLC, an Arizona limited liability company, and who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the and acknowledged to me that he being authorized to do so, executed the

foregoing instrument for the purposes therein contained on behalf of Rainbow Valley 2011, LLC, an Arizona limited liability company.

_____
Notary Public

CITY:

CITY OF GOODYEAR, an Arizona municipal corporation

By: _____
Julie Arendall
Its: City Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

The Development Agreement for Rainbow Valley by and between Rainbow Valley 2011, LLC, an Arizona limited liability company and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2018, by Julie Arendall, the 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 on Following Pages

EXHIBIT A

LEGAL DESCRIPTION

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH HALF OF SECTION 3 AND ALL OF SECTION 10, IN TOWNSHIP 2 SOUTH, RANGE 2 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

EXHIBIT B

EXISTING LENDER CONSENT

EXISTING LENDER CONSENT

The undersigned, Great Western Bank, a South Dakota banking corporation, as Beneficiary under that certain DEED OF TRUST by and between Rainbow Valley 2011, LLC, an Arizona limited liability company ("Trustor"), Chicago Title Agency, Inc. ("Trustee") and Great Western Bank ("Beneficiary") dated January 15, 2015 and recorded on January 16, 2016 in the Official Records of Maricopa County, Arizona as Document No. 2015-0031769 as amended by that certain document titled Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated March 22, 2016 and recorded on March 24, 2017 in the Official Records of Maricopa County, Arizona as Document No. 2016-0192397 with respect to the real property that is the subject of that certain Development Agreement for Rainbow Valley by and between the City of Goodyear, an Arizona municipal corporation and Rainbow Valley 2011 an Arizona limited liability company (the "Agreement"), a copy of which is attached hereto as Exhibit 1, which Agreement is to be approved by the Mayor and Council of the City of Goodyear by Resolution 2018-1908, hereby: (i) consents to the Agreement; (ii) acknowledges that the Agreement shall bind that portion of the real property that is subject to the Deed of Trust and subject to the Agreement; (iii) approves the recordation of the Agreement; (iv) agrees to execute, acknowledge and deliver such additional documents and instruments reasonably required to consummate, evidence, or carry out the matters contemplated by the Agreement and this Existing Lender Consent; (vii) agrees that the Agreement shall continue in full force and effect in the event of foreclosure or trustee's sale pursuant to such Deed of Trust or any other acquisition of title by the undersigned, its successors, or assigns, or all or any portion of the real property covered by such Deed of Trust; (viii) represents and warrants that the undersigned has the requisite right, power and authorization to enter into, execute, and deliver this Existing Lender Consent on behalf of Beneficiary, and (ix) the execution and delivery of this Existing Lender Consent by Beneficiary is not prohibited by, and does not conflict with any other agreements or instruments to which Beneficiary is part.

DATED: _____, 2018

BENEFICIARY

GREAT WESTERN BANK,
a South Dakota banking corporation

By: _____

Name: _____

Its: _____

Acknowledgment on following page

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument (the Existing Lender Consent) was acknowledged before me this _____ day of _____, 2018, by _____, as _____ of Great Western Bank, a South Dakota banking corporation, and that he/she, being authorized to do so, executed the Existing Lender Consent for the purposes therein contained on behalf of Great Western Bank, a South Dakota banking corporation.

_____
Notary Public