MARANA AZ
ESTABLISHED 1977

MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
NOTICE AND AGENDA
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, January 16, 2024, at or after 6:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
Patti Comerford, Council Member
Jackie Craig, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the Marana Town Council and to the general public that the Town Council will hold a meeting open to the public on January 16, 2024, at or after 6:00 PM located in the Council Chambers of the Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona.

ACTION MAY BE TAKEN BY THE COUNCIL ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*.

As a courtesy to others, please turn off or put in silent mode all electronic devices.

Meeting Times

Welcome to this Marana Town Council meeting. Regular Council meetings are usually held the first and third Tuesday of each month at 6:00 PM at the Marana Municipal Complex, although the date or time may change and additional meetings may be called at other times and/or places. Contact the Town Clerk or watch for posted agendas for other meetings. This agenda may be revised up to 24 hours prior to the meeting. In such a case a new agenda will be posted in place of this agenda.

Speaking at Meetings

If you are interested in speaking to the Council during the Call to the Public or Public Hearings, you must fill out a speaker card (located in the lobby outside the Council Chambers) and deliver it to the Town Clerk prior to the convening of the meeting.

All persons attending the Council meeting, whether speaking to the Council or not, are expected to observe the Council rules, as well as the rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly will be removed from the meeting and will not be allowed to return.

Accessibility
To better serve the citizens of Marana and others attending our meetings, the Council Chambers are wheelchair and handicapped accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk at (520) 382-1999. Requests should be made as early as possible to arrange the accommodation.

Agendas
Copies of the agenda are available the day of the meeting in the lobby outside the Council Chambers or online at www.maranaaz.gov under Agendas and Minutes. For questions about the Council meetings, special services or procedures, please contact the Town Clerk, at (520) 382-1999, Monday through Friday from 8:00 AM to 5:00 PM.

This Notice and Agenda Posted no later than 24 hours prior to the meeting, at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaaz.gov under Agendas and Minutes.

REGULAR COUNCIL MEETING

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE

APPROVAL OF AGENDA

CALL TO THE PUBLIC
At this time any member of the public is allowed to address the Town Council on any issue within the jurisdiction of the Town Council, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Council must complete a speaker card located outside the Council Chambers and deliver it to the Town Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Council may respond to criticism made by those who have addressed the Council, and may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

PROCLAMATIONS

PR1 Proclamation Recognizing the Month of February as Love of Reading Month (David L. Udall)

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

P1 Relating to Budget; presentation of independent auditor's report and final results for the 2022-2023 fiscal year (Yiannis Kalaitzidis)

CONSENT AGENDA

The Consent Agenda contains items requiring action by the Council which are generally routine items not requiring Council discussion. A single motion and affirmative vote will approve all items on the Consent Agenda, including any resolutions or ordinances. Prior to a motion to approve the Consent Agenda, any Council member may remove any item from the Consent Agenda and that item will be discussed and voted upon separately.

C1 Resolution No. 2024-001: Relating to Administration; approving and authorizing the Finance Director to execute an Inmate Work Contract between the Town of Marana and the Arizona Department of Corrections, Rehabilitation and Reentry for inmate labor services (Libby Shelton)

C2 Resolution No. 2024-002: Relating to Development; approving a final plat for Southern Arizona Logistics Center Lots 1 – 3 located generally west of Interstate 10 and east of Clark Farms Boulevard, approximately one quarter mile north of Tangerine Road (Steve Cheslak)

C3 Resolution No. 2024-003: Relating to Development; approving the final plat for Tangerine Crossing Commercial Center Lots 17-18, located approximately one tenth mile northeast of the intersection of Tangerine and Thornydale Roads (Scott Radden)

C4 Resolution No. 2024-004: Relating to Intergovernmental Relations; approving and authorizing the Mayor to execute an Intergovernmental Agreement by and between Marana Unified School District No. 6 and the Town of Marana for Public Leadership and Lifesaving Course (Wayne Barnett)

C5 Resolution No. 2024-005: Relating to the Police Department; approving and authorizing the Mayor to execute an intergovernmental agreement by and between the parties that form the Pima County/Tucson Metropolitan Counter Narcotics Alliance (CNA) regarding the administration and operation of the CNA, a law enforcement task force (Libby Shelton)

C6 Resolution No. 2024-006: Relating to Police Department; approving and authorizing the Chief of Police to execute the Arizona Internet Crimes Against Children Task Force Intergovernmental Agreement between the Marana Police Department and the Phoenix Police Department (Libby Shelton)

C7 Resolution No. 2024-007: Relating to Tourism; approving and authorizing the Mayor to execute an agreement between the Town of Marana and Project Echelon, Ltd. regarding participation in and financial support of the 2024 Project Echelon Gran Fondo Ride for Veterans (Stefanie Boe)

C8 Approval of Regular Council Meeting Summary Minutes of December 19, 2023 (David L. Udall)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 PUBLIC HEARING: Ordinance No. 2024.001: Relating to Development; approving a rezoning of approximately 3.9 acres of land located at 9996 N. Silverbell Road, on the east side of N. Silverbell Road, one tenth of a mile south of N. Coachline Boulevard, from Zone C (Large Lot) to R-36 (Residential) (Scott S. Radden)

A2 PUBLIC HEARING: Ordinance No. 2024.002: Relating to Development; approving a modification of a rezoning condition of Marana Ordinance No. 2021.016, which rezoned approximately 49 acres of land located approximately one-quarter mile south of Ina Road, west of Silverbell Road, to revise a provision of the ordinance that required the property owner to

design and construct a continuous left-turn lane along the entire frontage of the rezoning area (Scott S. Radden)

A3 PUBLIC HEARING: Ordinance No 2024.003: Relating to Development; approving a rezoning of approximately 1.5 acres of land located northwest of the intersection of West Ina Road and North Oldfather Drive from NC (Neighborhood Commercial) to VC (Village Commercial) (Scott S. Radden)

A4 PUBLIC HEARING: Resolution No. 2024-008: Relating to Development; adopting a minor amendment to the Marana 2040 General Plan to amend the Future Circulation Map (Figure 2-4) in the General Plan to reduce the right-of-way width for Adonis Road from 250 feet to 150 feet from South of the San Lucas subdivision to Tangerine Road (Jane Fairall)

A5 PUBLIC HEARING: Ordinance No. 2024.004: Relating to Development; approving a modification of a rezoning condition of Marana Ordinance No. 2012.05, which rezoned approximately 278 acres of land located generally northeast of I-10, approximately 1.2 miles northwest of the I-10/Tangerine Road interchange, creating the Tortolita Shadows Specific Plan, to revise a provision of the ordinance that required the developer to dedicate to the Town a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad (Steve Cheslak)

A6 PUBLIC HEARING: Ordinance No. 2024.005: Relating to Development; approving a modification of a rezoning condition of Marana Ordinance No. 2009.02, which rezoned approximately 342 acres located north and northwest of the Interstate 10 and Tangerine Road traffic interchange, creating the Mandarina Specific Plan, to delete a provision of the ordinance that required the developer to install a non-potable water system to serve the common open space areas and other landscaped amenities and approving and authorizing the Mayor to sign the First Amendment to Mandarina Development Agreement (Jane Fairall)

A7 Resolution No. 2024-009: Consideration and possible adoption of a resolution approving the sale and execution and delivery of pledged excise tax revenue obligations and pledged excise tax revenue refunding obligations, in one or more series; approving the form and authorizing the execution and delivery of necessary agreements, instruments and documents; delegating authority to determine certain matters with respect to the foregoing and declaring an emergency (Yiannis Kalaitzidis)

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Relating to Legislation and Government Actions; discussion and possible action or direction regarding all pending state, federal, and local legislation/government actions and on recent and upcoming meetings of other governmental bodies (Terry Rozema)

D2 Resolution No. 2024-010: Relating to Administration; approving and authorizing the Mayor to execute the Town Manager's Employment Agreement between the Town of Marana and Terry S. Rozema (Jane Fairall)

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

E2 Executive Session pursuant to A.R.S. §38-431.03 (A)(1) to discuss the employment of Town Manager Terry Rozema, including discussion of the terms of the Town Manager's Employment Agreement.

FUTURE AGENDA ITEMS

Notwithstanding the Mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT

Council-Regular Meeting **PR1**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: David L. Udall, Town Clerk/Assistant Town Attorney

From: Richelle Valenzuela, Executive Assistant

Date: January 16, 2024

Subject: Proclamation Recognizing the Month of February as Love of Reading Month (David L. Udall)

Attachments

Proclamation

MARANA AZ
ESTABLISHED 1977

PROCLAMATION

Recognizing Love of Reading Month

WHEREAS, the citizens of Marana, Arizona stand firmly committed to promoting reading as the catalyst for our students' academic success, their preparation for America's jobs of the future, and their ability to compete in a global economy; and

WHEREAS, schools and libraries have provided significant leadership in the area of community involvement regarding the education of our youth, grounded in the principle that educational investment is key to the community's well-being and long term quality of life; and

WHEREAS, important events like "Love of Reading Month" promote children's literacy and the love of reading by communicating to all age groups that reading is fun, exciting, and essential; and

WHEREAS, communitywide engagement in programs and activities is needed in order to help our children become the best readers they can be.

NOW, THEREFORE, I, Ed Honea, Mayor of the Town of Marana, do hereby proclaim the month of February 2024 as Love of Reading Month throughout Marana and encourage all citizens, young and old, to celebrate and encourage the practice and joy of reading.

Dated this 16th day of January, 2024.

ATTEST:

David L. Udall, Town Clerk

Ed Honea

Ed Honea, Mayor



Council-Regular Meeting **P1**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: January 16, 2024

Strategic Plan Focus Area:
Proactive Public Services

Strategic Plan Focus Area Additional Info:
Goal: Elevate the Town's Public Service Quality Through Efficient Procedures.
Strategy: Maintain a transparent financial environment by providing accurate and accessible financial information.

Subject: Relating to Budget; presentation of independent auditor's report and final results for the 2022-2023 fiscal year (Yiannis Kalaitzidis)

Discussion:

On September 19, 2023, staff provided Council with preliminary financial results for the Town's General Fund and certain other funds for fiscal year 2022-2023. The results presented were preliminary, unaudited, and subject to change.

Baker Tilly, LLP, the Town's independent financial statement audit firm, conducted its audit field work in October 2023 and released its opinion to the Town in December 2023. The Town received a clean opinion and the financial results are now final.

The purpose of this presentation is to formally present the financial results of the audit and to provide Council with a brief summary of the audit.

Copies of the Annual Comprehensive Financial Report (ACFR) and Annual Expenditure Limitation Report (AELR) are attached to this item. The Town expended more than $750,000 in federal award funding during fiscal year 2022-2023, as such a Single Audit Report is also attached to this item. The Town expended $763,403 million in federal funding.

The 2023 ACFR has been submitted to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award program. The Town believes the current ACFR continues to meet the program requirements for another year.

Staff Recommendation:

Presentation only.

Suggested Motion:

Presentation only.

Attachments

Auditor's presentation
FY2022-2023 ACFR
FY 2022-2023 Single Audit

Reporting and insights from 2023 audit:

Town of Marana, Arizona

June 30, 2023

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Executive summary

We have completed our audit of the financial statements of the Town of Marana for the year ended June 30, 2023 and have issued our report thereon dated December 13, 2023.

- Financial Statement Audit Report
  - Unmodified opinion
- *Government Auditing Standards* Compliance Report
  - No instances of noncompliance or other matters
  - No identified material weaknesses
- Federal Grants Single Audit Report
  - Major Program – Homeland Security Grant Program
    - No Findings

This presentation supplements our letter to governance dated December 13, 2023 as required by our professional standards.

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but not an absolute level of assurance.
- Assessing the risks of material misstatement of the basic financial statements whether due to fraud or error. Included in that assessment is a consideration of the Town's internal control over financial reporting
- Performing appropriate procedures based upon our risk assessment
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management
- Forming and expressing an opinion based on our audit about whether the basic financial statements prepared by management, with the oversight of those charged with governance:
    - Are free from material misstatement
    - Present fairly in all material respects and in accordance with accounting principles generally accepted in the United States of America
    - Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards

- Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities.

Our responsibilities

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance including:

- Internal control matters – Various controls have been tested with no reportable findings.
- Qualitative aspects of the Town's accounting practice including policies, accounting estimates and financial statement disclosures – This can be found on Note 1 of the financial statements
- Significant unusual transactions – All significant and unusual transactions have been audited with no reportable issues.
- Significant difficulties encountered – No difficulties to report
- Disagreements with management – No disagreements to report
- Circumstances that affect the form and content of the auditors' report and key audit matters – None noted
- Audit consultations outside the engagement team – None noted
- Corrected and uncorrected misstatements – No misstatements identified
- Other audit findings or issues – No audit findings or issues identified

Required communications

Management's consultations with other accountants

- In some cases, management may decide to consult with other accountants about auditing and accounting matters.
    - Management informed us that and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any instances of known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Town's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the basic financial statements including the effects on the basic financial statements and the adequacy of the related disclosures and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Town's related parties.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Proposing adjusting journal entries affecting the financial statements
- Preparation of the Data Collection Form on the Federal Clearinghouse website

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Communications with Town Council and Management

- Expenditure Limitation Report
  - Town was $116.45 million dollars under the Home Rule Expenditure Limitation
  - Issued to the Arizona State Auditor General timely

Voter-Approved Expenditure Limitation	$233,493,137
Town Expenditures Subject to Limitation	117,040,826
Amount under the expenditure Limitation	$116,452,311

- Single Audit
  - Town expended $763,403 of federal funds in Fiscal Year 2023
  - Major program was:
    - Homeland Security Grant Program
  - Town received an unmodified opinion on the federal single audit.

Communications with Town Council and Management

- General Fund
  - Fund balance increased by $665K mainly as a result of an increase in sales tax revenue, investment income and required transfers out
  - Actual revenues were $5.3 million more than budget
  - Actual expenditures were $12.3 million less than budget

- Highway User Revenue Fund
  - Fund balance increased by $1.7 million mainly due to an increase in intergovernmental revenues and investment income
  - Actual revenues were $189K more than budget
  - Actual expenditures were $2 million less than budget

Communications with Town Council and Management

- Enterprise Funds
  - Water fund – Development fees of $6.9 million and Transfers In of $5.1 million led to an increase in net position of $9.3M
  - Wastewater fund - Development fees of $3.1 million and Transfers in of $12.5 million led to an increase in net position of $12.8M
  - Airport fund – Capital contributions of $1.1 million and Transfers In of $156K led to an increase in net position of $86K

Questions?



Brian Hemmerle, CPA, CFE
Partner

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

MARANA AZ



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TOWN OF MARANA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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Town of Marana, Arizona

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INTRODUCTORY SECTION



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December 13, 2023

The Honorable Mayor and Town Council, and Citizens of the Town of Marana, Arizona:

State statutes require that cities and towns publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual financial report of the Town of Marana, Arizona (Town) for the fiscal year ended June 30, 2023.

This report consists of senior management's representations concerning the finances of the Town. Consequently, senior management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to protect both the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Baker Tilly US, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Marana, incorporated in 1977, is located in northwestern part of the Tucson metropolitan area of Pima County and has historically been one of the fastest growing communities in Arizona. Straddling Interstate 10, Marana is only 10 miles north of downtown Tucson and 88 miles southeast of downtown Phoenix. Marana's original incorporation covered approximately ten square miles. Today, the Town's boundaries encompass 122.4 square miles and serves a population of 59,433 according to the Arizona Office of Economic Opportunity.

In its infancy, the Town was primarily a rural, agricultural community. However, through annexations and planned growth, the Town is now home to multiple residential, commercial and industrial developments, including Continental Ranch, Continental Reserve, Gladden Farms, Crossroads at Gladden Farms, Rancho Marana, Tangerine Commerce Park, Dove Mountain, Lazy K, Saguaro Ranch, Sky Ranch, Saguaro Bloom, Continental Ranch Business Park, Arizona Pavilions, and the Marana Center.

Legislative authority for the Town of Marana is vested in a seven-member Mayor and Council. Voters of the Town directly elect the Mayor. Council-members serve four-year staggered terms.

The Council fixes the duties and compensation of Town officials and employees, and enacts ordinances and resolutions relating to Town services, taxes, appropriating and borrowing monies, licensing and regulating businesses and trades and other municipal purposes. The Town Council appoints the Town Manager who has full responsibility for executing Council polices and administering Town operations. Town employees are hired under personnel rules approved by the Council. A staff of approximately 444 full-time equivalent positions is responsible for the functions and operations of the Town government.

Economic Condition and Outlook

Current Condition

In fiscal year 2023, the Town has not only seen higher than anticipated projections and collections for key revenue streams that fund essential services, but also, significant gains in one-time revenues tied to commercial development throughout the community. Revenues in the General Fund grew by approximately 6.3 percent overall with growth in transaction privilege taxes of $5.6 million or 14.9 percent overall, which demonstrates continued growth and improvement in the economy. The Town was able to provide team based merit increases to employees while maintaining costs in commodities and services received in order to stay within budget. The General Fund expenditures were approximately $12.3 million under budget.

The Town established and maintains an investment plan as a way to guide decisions made during future year's budgetary processes. Even, as revenues grow in future years, the investment plan will serve as a guide in the allocation of resources as they become available. Both the current and future programs are measured for alignment with the Strategic Plan as well as the investment plan. Those programs that are more precisely aligned with those plans and those that are sustainable are more likely to receive funding. The financial performance of the Town as a whole is reflected in its governmental funds.

As of June 30, 2023, the Town's governmental funds reported a combined fund balance of $187.5 million, of which $95.4 million is unassigned and available for spending at the Town's discretion.

The Town, like most municipalities, is significantly dependent upon transaction privilege tax revenues, which are subject to economic fluctuations. Transaction privilege tax revenues comprised 51.8 percent of general fund revenues. Of those revenues, retail comprised 53.2%. Restaurants and bars, construction, and utilities comprised 33.7% of total transaction privilege tax revenues. Sales taxes and other revenues continued to show improvement compared to the prior fiscal year.

Future Economic Outlook

The Town's goal in managing budgets is to structurally balance on-going revenues with on-going expenses and one-time revenues with one-time expenses. In addition to our sound budgeting practices developed over the years, the Town has used the following assumptions to develop the fiscal year 2023-2024 budget.

- Moderate economic slowdown impacting most revenue categories
- Moderate sales tax revenue reductions
- Lower intergovernmental revenues due to state legislation
- Reductions in new residential home permit issuances and other development activity
- Continued high inflation and elevated interest rates
- Strong employment

Accomplishments and Initiatives

During fiscal year 2023, the Town had several significant accomplishments and initiatives.

Strategic Plan V

Town staff, with the direction of the Town Council, worked diligently on the creation of Strategic Plan Five. After several months of planning, the Town Council adopted Strategic Plan Five in September 2022 to inspire and guide the work in all Town service areas in the years ahead.

The overall plan is built on five focus areas with corresponding goals and strategies in each: Cherished Heritage, Vibrant Community, Thriving Commerce, Healthy Lifestyles, and Proactive Public Services. Goals established in each focus area create a strong approach to achieving long-term goals established in long-term planning documents.

In an effort to provide transparency on the goals and strategies identified in Strategic Plan Five, the Town launched a public dashboard. Marana residents and stakeholders can view and track the Town's strategic plan progress by visiting: https://www.maranaaz.gov/strategic-plan. Below are fiscal year 2023 highlights in each of the five focus areas.

Cherished Heritage Focus Area

In fiscal year 2023, the Town completed a project to preserve and reconstruct the Pole Barn structure at Marana Heritage River Park. The newly reconstructed Pole Barn was completed just in time for use at the Town of Marana's Fall Festival in October 2022.

We also continue to embrace Marana's film heritage by leveraging the Town's destination marketing organization, Discover Marana. The Marana Film Office continues to engage with filmmakers to bring projects to Marana.

Improving recognition and awareness of Marana's unique and rich heritage is a top priority. To increase awareness and provide educational opportunities about Marana's heritage, the Town launched a heritage specific webpage: http://www.maranaaz.gov/heritage. The webpage, currently in its initial phase, will host heritage-related photos, resources, videos, and events.

Vibrant Community Focus Area

A significant accomplishment for our community was the completion of the Twin Peaks Road and Sandario Road roundabout, which has improved traffic flow near Marana High School. The Town also completed the Silverbell Road Sidewalk Infill Project. This project was years in the making and residents now have access to new sidewalks, upgraded existing curb ramps, newly installed handrail and rock ground cover along the southbound side of North Silverbell Road from West Carefree Way to North Cortaro Road.

The Town of Marana is committed to providing a safe and connected multi-modal transportation system to support the mobility needs of present and future residents. In fiscal year 2023, the Town embarked on the preparation of the Transportation Master Plan. Ultimately, this plan will develop an action-oriented

roadmap that will guide transportation investments for the next 25 years. The planning process for the Transportation Master Plan began in October 2022 and is scheduled to be completed by the end of fiscal year 2024.

With the Town's population in excess of 50,000 people, the Town of Marana is now designated as an "Entitlement Community." In fiscal year 2023, the Town of Marana accepted the U.S. Department of Housing and Urban Development's invitation to operate our own Community Development Block Grant (CDBG) program. The Community and Neighborhood Services Department worked diligently on the development of the Five-Year Consolidated Plan and Annual Action Plan, which will allow the Town to receive CDBG grant funding.

Thriving Commerce Focus Area

In fiscal year 2023, the Town's economic development initiatives continued to yield positive results. The Town has not only seen higher-than-anticipated projections and collections for key revenue streams that fund essential services, but also significant wins in commercial and retail development around the community.

The Marana Center at Twin Peaks Road continues to be an attractive destination for new businesses. Recent commercial projects include the addition of American Furniture Warehouse, Bill Luke Automotive, and QuikTrip. Along Cortaro Farms Road east of Interstate 10, Marana welcomed Dutch Bros, Filiberto's Mexican Food, and future projects include Life-Self Storage and a Super Star Car Wash.

The Town also continues to focus on the development of Downtown Marana. Marana Main Street will capture the traditional look and feel of a vibrant downtown district. In fiscal year 2023, Downtown Marana welcomed Starbucks and Dutch Bros. Staff have also been working closely with a master developer for the Downtown Main Street project.

Healthy Lifestyles Focus Area

In fiscal year 2023, the Parks and Recreation Department completed the design process for the new Marana Community Center and Aquatics Complex in North Marana. Construction commenced in fiscal year 2024 and is expected to be completed in fiscal year 2025. This facility will offer an array of programs, events, and activities to satisfy the needs and interests of all ages

We are continuing to add improvements to our regional trails system and connectivity. During fiscal year 2023, staff worked with CalPortland to finalize the land acquisition to complete the CalPortland portion of the Santa Cruz River Shared Use Path. This 1.8 mile section will connect North Marana to the entire Shared Use Path, and will increase visitation to Marana's seven properties located along the Santa Cruz River.

Proactive Public Services Focus Area

Several capital improvement projects have been identified to expand our water and waste water infrastructure and accommodate existing growth in Marana. Notable project highlights in fiscal year 2023 include the completions of the Lambert Well Rehabilitation Project and Tangerine Booster Station. We are also beginning construction of the Marana Park and North Marana Interceptor projects. In fiscal year 2023, staff also completed the Water Conservation and Drought Preparedness Plans to encourage water conservation and promote the efficient use of resources.

Through all Town initiatives, we recognize that it is our dedicated team of Marana employees who see the projects and programs from start to finish, and we will continue to invest directly in our employees. In recent years, we have seen labor shortages across various industries. Although Marana has not experienced significant challenges in recruiting and hiring talent, we recognize the importance of remaining competitive in the market. In fiscal year 2023, after the completion of the Classification and Compensation Study, the Town adjusted employee pay grades to ensure we remain competitive and we have also implemented a compensation tool to attract and retain the best fit employees. New employee benefits coming at the onset of fiscal year 2024 include Sick and Managed Time Off payout for employees retiring or separating after 15+ years of service and positive changes to the vacation accrual rate.

Expenditure Limitation

On June 30, 1980 Arizona voters approved general propositions amending the Arizona Constitution to establish expenditure and revenue limitations for local governments. The purpose of the expenditure limitation is to control expenditures and to limit future increases in spending to adjust for inflation, deflation and population growth of the Town.

On August 4, 2020, the voters of the Town approved an alternative expenditure limitation, the effect of which is that the total budgeted expenditures of each yearly budget becomes the expenditure limitation for that year on a total budget basis. This alternative expenditure limitation was effective for four years beginning with the fiscal year ended June 30, 2021 and encompasses fiscal year ending June 30, 2023. On November 8, 2022, voters approved a permanent base adjustment which took effect July 1, 2022.

Single Audit

As a recipient of Federal, State and County financial assistance, the Town is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. Internal control is subject to periodic evaluation by management.

As part of the Town's single audit described earlier, tests are made to determine the adequacy of the internal controls, including that portion related to Federal financial assistance programs, as well as to determine that the Town has complied with applicable laws and regulations.

Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. This was the 15th consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

Acknowledgements

The preparation of this report would not have been possible without the efficient, effective and dedicated services of the entire staff of the Finance Department and the assistance of personnel in the various departments. We would like to express our appreciation to all members who assisted and contributed to the preparation of this report.

We would also wish to express our sincere appreciation to the Mayor and Council for unfailing support in maintaining the highest standards of professionalism in the management of the Town of Marana's finances.

Respectfully submitted,

Terry Rozema
Town Manager

Yiannis Kalaitzidis
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Marana
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

TOWN OF MARANA, ARIZONA

PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2023

MAYOR AND COUNCIL

Ed Honea, Mayor

Jon Post, Vice Mayor

John Officer, Councilmember

Jackie Craig, Councilmember

Herb Kai, Councilmember

Roxanne Ziegler, Councilmember

Patti Comerford, Councilmember

MANAGEMENT STAFF

Terry Rozema, Town Manager

Erik Montague, Deputy Town Manager

DEPARTMENT HEADS

Jason Angell, Development Services Director

Jim Conroy, Parks and Recreation Director

Jeffrey Pridgett, Police Chief

Fausto Burruel, Public Works Director

Yiannis Kalaitzidis, Finance Director

David Udall, Town Clerk

Curt Woody, Director of Economic Development

Curry C. Hale, Human Resources Director

Jane Fairall, Town Attorney

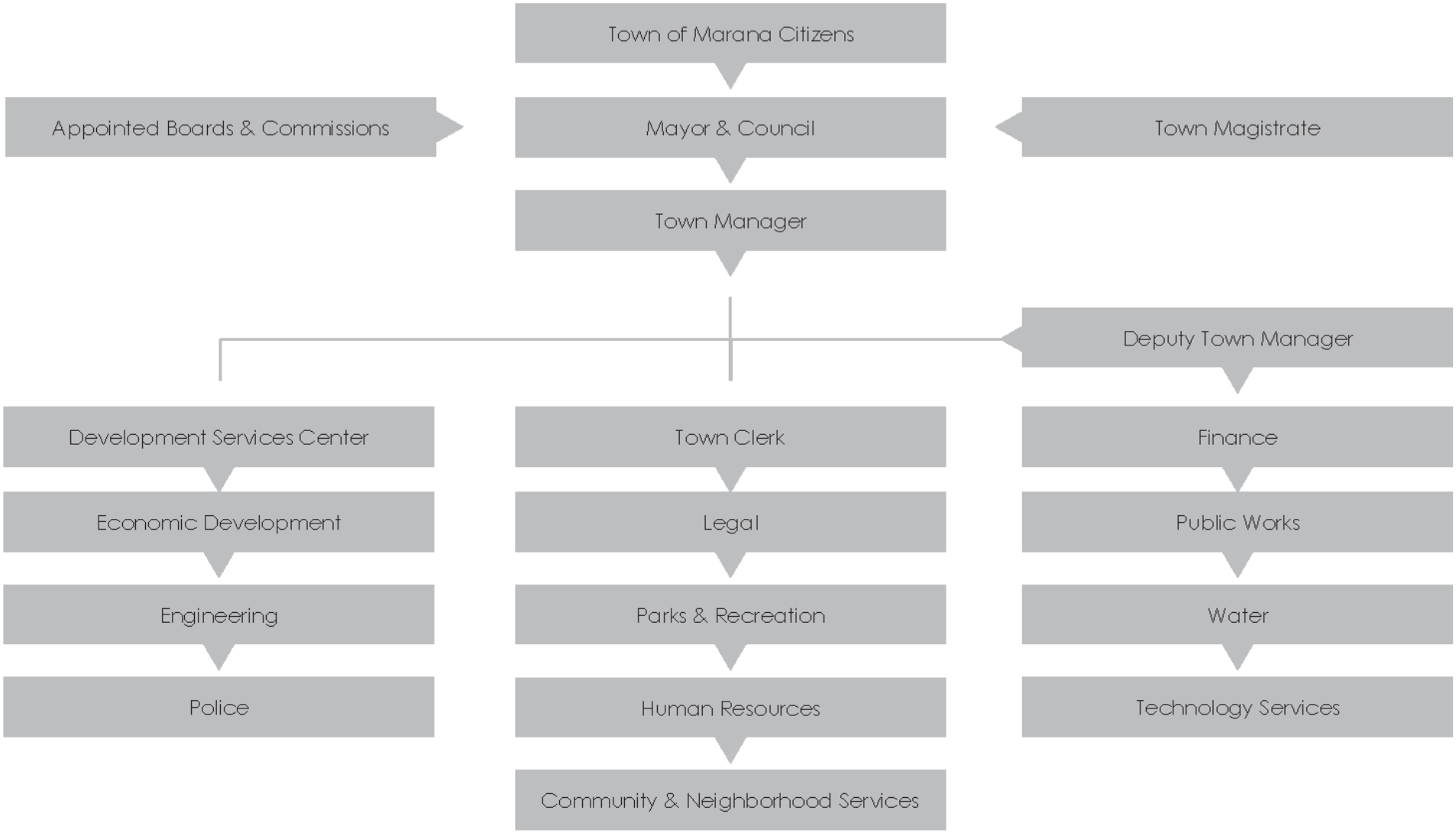
Laine McDonald, Town Magistrate

Lisa Shafer, Community and Neighborhood Services Director

Ricardo Carlos, Technology Services Director

Jing Luo, Utilities Director

ORGANIZATIONAL CHART



FINANCIAL SECTION



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Independent Auditors' Report

To the Town Council of
Town of Marana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Marana (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the Town adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective July 1, 2022. Our opinions are not modified with respect to this matter.

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Emphasis of Matter

Other Matters

Compliance Over Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statues Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, (the Arizona Auditor General,) the Town's Council and management, and other responsible parties within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents and Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information such as combining and individual fund financial statements,as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Tempe, Arizona
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



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As management of the Town of Marana, Arizona, (Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by $40.0 million or 8.3 percent from the previous fiscal year. At the close of fiscal year 2022-23, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $519.0 million. Overall, cash and cash equivalents held the largest increase at $50.9 million or 29.9 percent due to higher than anticipated sales tax and state shared revenues as the economy remained resilient, increased investment income due to higher than anticipated interest rates, and conservative spending as a result of cautious budgeting. The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was a surplus of $135.7 million.

- General revenues from governmental activities, excluding transfers, accounted for $100.8 million in revenue, or 75.4 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $33.0 million or 24.6 percent of total revenues from governmental activities. The Town had $23.8 million of program revenues related to business-type activities. Overall revenues have increased by 3.3 percent. Revenue categories that saw the largest increases for fiscal year 2022-23 were sales taxes, state shared revenues, and investment income. These categories increased by 17.2 million, 4.8 million, and 6.1 million, respectively.

- The General Fund had $80.6 million in revenue for fiscal year 2022-23, which primarily consisted of sales taxes, intergovernmental revenue, investment income, and licenses, fees and permits. This was an increase of $4.8 million compared to the prior fiscal year. The largest increases were in sales taxes at 14.9 percent and investment income at 2,374.0 percent The General fund had $60.6 million of expenditures and $19.9 million in required transfers out during the year. Expenditures increased $16.0 million compared to the prior fiscal year. The increase in expenditures is largely due to increased capital costs, increased operating costs due to inflation, and increased wage expense due to new positions and the completion of a Classification and Compensation study. The completion of this study resulted in wage increases comparable with neighboring employers. Transfers out increased 385.0 percent and included $16.4 million of prior year American Rescue Plan Act (ARPA) funding transferred to Water and Wastewater for the design and construction of the Northwest Recharge, Recovery, and Delivery System and the North Marana Sewer Interceptor. As a result of these changes, along with cautious use of Town Funds for departmental expenditures, fund balance for the General Fund increased $665,271 or 0.7 percent.

- Highway User Revenue Fund revenues increased by 14.7 percent. This increase was due to an increase of 10.5 percent in intergovernmental revenues and an increase of 1,818.6 percent in investment income. Highway user revenues increased due to a rebound in gasoline sales following the pandemic. As mentioned previously, investment income increased due to high interest rates. Total expenditures increased by 4.2 percent due to an increase in capital outlay as delayed and new projects got underway in 2022-23. Operating costs decreased by 11.1 percent and was largely due to a delay in work associated with the Pavement Preservation program.

- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a $586,465 fund balance attributable to the accumulation of prepaid assessments and resources required for debt service payment. This is a 59.7 percent increase over the prior fiscal year. In fiscal year 2022-23, special assessments increased by 26.6 percent. This increase is due to developer prepayments in Gladden Farms Phase II.

- The Transportation Fund revenues increased by $6.5 million or 68.5 percent in fiscal year 2022-23 due to increased construction sales tax revenues. Expenditures increased by $2.7 million or 139.3 percent primarily due to construction on large capital projects that were delayed in the previous fiscal year as well as new projects started in fiscal year 2022-23. Construction projects in process and/or completed in fiscal year 2022-23 include Tangerine Road widening Phase Two, Twin Peaks Road and Sandario Road widening, Pines Subdivision asphalt repair, South Marana Pavement Phase Two rehabilitation, Twin Peaks Road rehabilitation, and the Lon Adams Road reconstruction.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. All of the activities of the Town, except those of a fiduciary nature, are included in these statements.

The Town's activities are presented in two columns on these statements; governmental activities and business-type activities. A total column for these activities is also provided.

- The governmental activities include basic services of the Town including general government (administration), public safety (police and building safety), highways and streets, health and welfare, economic and community development, and culture and recreation. These activities are primarily supported by general taxes and revenues.

- The business-type activities include the private sector-type activities such as water utility, wastewater utility, and airport operations. These activities are supported primarily through user charges and fees.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The focus on net position is important because increases and decreases in net position may serve as a useful indicator of how the financial position of the Town may be changing. Increases may indicate an improved financial position. However, decreases in net position may not necessarily indicate the Town's financial position is deteriorating. Instead, it may reflect a situation where the Town may have used previously accumulated funds (i.e., cash collected over time to fund capital projects). As a result, other financial and non-financial indicators must also be considered to effectively assess the Town's overall financial health.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. Since economic resources measurement focus and accrual basis of accounting are used for the government-wide financial statements, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and long-term debt that has not matured). This statement also focuses on both the gross and net costs of various Town functions, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions are dependent on general taxes and revenues for support.

In addition to the Town itself (primary government), the government-wide financial statements include the Gladden Farms Community Facilities District, Gladden Farms Community Facilities District II, and Saguaro Springs Community Facilities District as blended component units.

The government-wide financial statements can be found on pages 27-28 of this report.

Fund financial statements. Also presented are the financial statements for governmental funds and proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements and determining what financial resources are available in the near future to fund Town programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decision. To facilitate this comparison, reconciliations of the differences between the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances and government-wide statement of net position and statement of activities are provided immediately following the respective governmental fund statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, and Transportation Capital Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules. These statements are included as supplementary information after the basic financial statements starting on page 108.

The Town adopts an annual budget and legally allocates (or appropriates) available monies for the General, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, Transportation Capital Fund, and other non-major governmental funds. Budgetary comparison statements are provided for the General Fund and Highway User Revenue Fund on pages 92-93. Budgetary comparison schedules have been presented for the Town's major debt and capital funds on pages 105-106, and budgetary comparison schedules have been presented for the Town's non-major funds to demonstrate compliance with the annual budget.

The basic governmental fund financial statements can be found on pages 30-37 of this report.

Proprietary funds. The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater and airport services, which are primarily supported by user charges and fees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for the employee health and dental benefits. Because the services of internal service funds predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 38-41.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required supplementary information other than MD&A. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Governments are required to disclose certain information about employee pension funds. These disclosures are included within Note 10 Employee Retirement Systems beginning on page 70, in addition to the information on pages 96-102 reported as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $519.0 million as of June 30, 2023. Noncurrent assets decreased by $3.3 million or 0.7 percent due to the reduction of capital assets and non-current accounts receivable. The reduction in capital assets is primarily due to related accumulated depreciation added in the current year. Current assets increased by $43.3 million or 21.6 percent primarily due to an increase in cash. The increase in cash is due to relatively conservative spending, higher than expected revenue collections from a strong economy, and higher than expected investment income due to high interest rates. Current liabilities increased $2.2 million or 10.0 percent. This is largely due to an increase in accounts payable, unearned revenue, and deposits held for others. Long-term liabilities increased by $6.2 million or 4.4 percent primarily due to an increase in net pension liability as a result of changes in actuarial estimates and an increase in general obligation bonds. For fiscal year 2022-23, Gladden Farms Community Phase II Community Facilities District (a component unit) issued $6.2 million of Series 2022 general obligation bonds for infrastructure improvements.

Net position. The majority of the Town's net position reflects its investment in capital assets (land, building and improvements, infrastructure, vehicles and equipment and construction in progress) net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

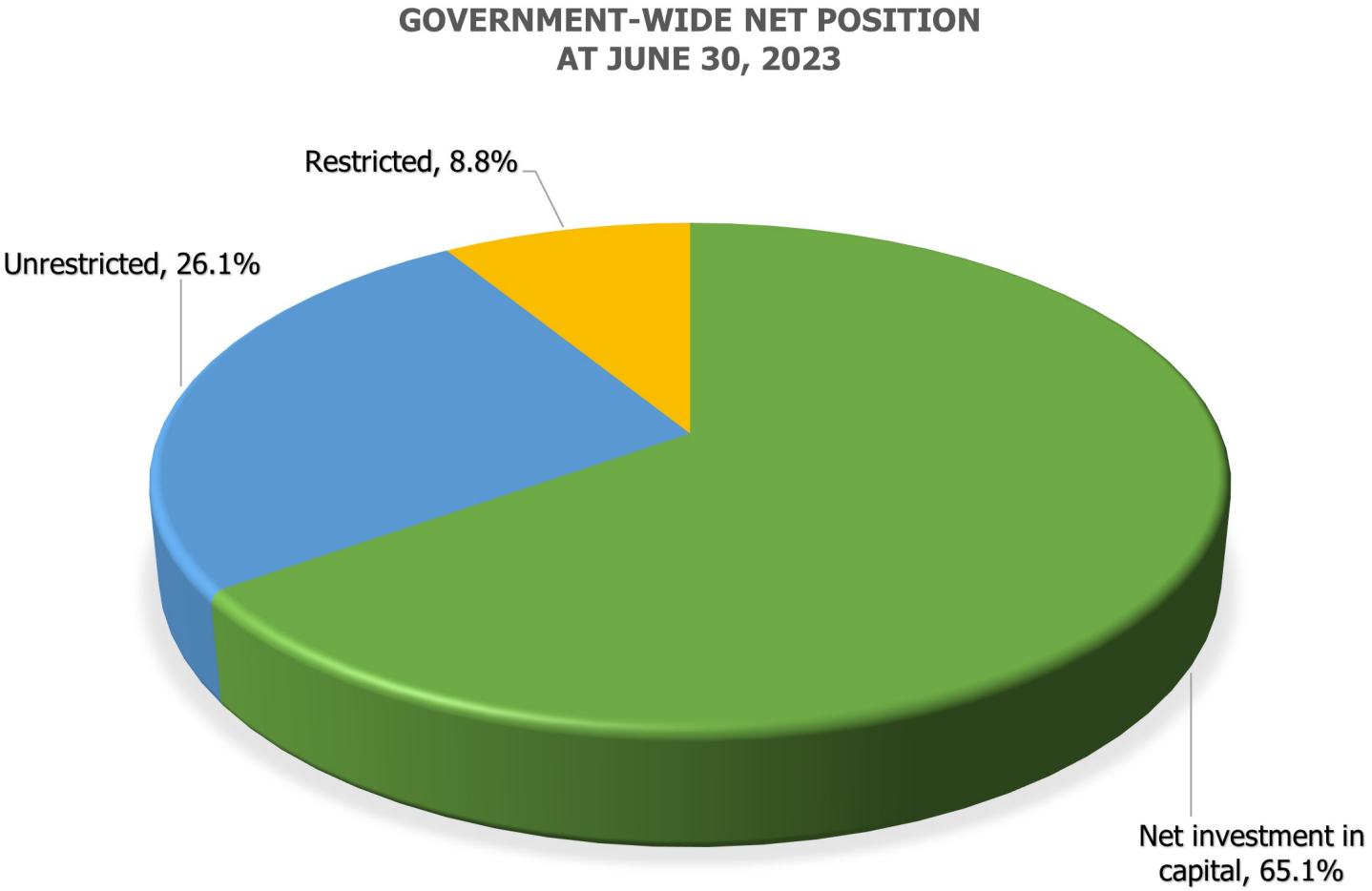
The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 205,116,695	$ 185,080,318	$ 49,525,982	$ 26,657,212	$ 254,642,677	$ 211,737,530
Capital assets, net	286,689,818	289,081,688	146,860,841	147,459,195	433,550,659	436,540,883
Total assets, net	491,806,513	474,162,006	196,386,823	174,116,407	688,193,336	648,278,413
Deferred outflows related to refunding	1,011,822	1,159,718	-	-	1,011,822	1,159,718
Deferred outflows related to pension	8,697,872	9,119,870	430,760	584,139	9,128,632	9,704,009
Total deferred outflows of resources	9,709,694	10,279,588	430,760	584,139	10,140,454	10,863,727
Current and other liabilities	18,114,982	17,279,281	5,656,265	4,327,709	23,771,247	21,606,990
Long-term liabilities	109,093,096	102,439,115	37,781,240	38,188,286	146,874,336	140,627,401
Total liabilities	127,208,078	119,718,396	43,437,505	42,515,995	170,645,583	162,234,391
Deferred inflows related to pension	1,202,615	9,296,687	59,913	815,581	1,262,528	10,112,268
Deferred inflows related to leases	2,894,510	3,045,820	4,511,278	4,705,078	7,405,788	7,750,898
Total deferred inflows of resources	4,097,125	12,342,507	4,571,191	5,520,659	8,668,316	17,863,166
Net position:						
Net investment in capital assets	227,108,692	229,747,427	110,636,403	110,451,894	337,745,095	340,199,321
Restricted	44,737,572	34,401,328	812,300	818,271	45,549,872	35,219,599
Unrestricted	98,364,740	88,231,936	37,360,184	15,393,727	135,724,924	103,625,663
Total net position	$ 370,211,004	$ 352,380,691	$ 148,808,887	$ 126,663,892	$ 519,019,891	$ 479,044,583

Net investment in capital assets, which reflects the Town's investment in capital assets net of accumulated depreciation and any related outstanding debt issued to acquire or construct those assets, was $337.7 million or 65.1 percent, which represents the largest portion of net position. This portion of net position decreased by $2.5 million as of June 30, 2023.

The second portion of net position of $45.5 million or 8.8 percent represents resources that are subject to external restrictions on how they may be utilized. This category increased $10.3 million as of June 30, 2023 primarily due to increases in sales taxes restricted for capital projects.

The third portion consists of unrestricted net position of $135.7 million or 26.1 percent. The unrestricted balance has increased by $32.1 million. The increase in governmental activities accounts for $10.1 million of the overall increase, which is primarily attributable to an increase in the Transportation Fund unrestricted balance. As mentioned earlier, this is related to stronger than anticipated sales tax revenues. The business-type activities increase in unrestricted net position was $22.0 million. The increase in business-type activities was due to an overall increase in cash as a result of increased charges for services and development fees and $16.4 million of prior year ARPA funding transferred from the General Fund to the Water and Wastewater funds for the design and construction of the Northwest Recharge, Recovery, and Delivery System and the North Marana Sewer Interceptor.



Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2023, were $158.0 million, which was an overall increase of $5.1 million or 3.3 percent. The increases were primarily related to sales taxes, state shared revenues, and investment income. Sales tax revenues increased by 32.9 percent, state shared revenues increased by 29.0 percent, and investment income increased by 3,476.0 percent. Program revenues decreased overall by 29.7 percent, with the largest decreases in grants and contributions. Operating grants and contributions decreased by 53.0 percent and capital grants and contributions decreased by 38.1 percent.

The total cost of all programs and services was $118.0 million. This is an increase of $15.7 million or 15.3 percent and is primarily attributable to increased spending in General Government, Public Safety, Economic and Community Development, Culture and Recreation, and Water. Increases in these areas are mostly due to increased wages and other higher operating costs due to inflation.

Town of Marana's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 14,784,777	$ 16,874,628	$ 11,642,266	$ 11,297,598	$ 26,427,043	$ 28,172,226
Operating grants and contributions	6,649,353	14,710,958	258,408	-	6,907,761	14,710,958
Capital grants and contributions	11,543,047	20,876,971	11,917,723	17,045,660	23,460,770	37,922,631
General revenues:						
Sales taxes	69,267,334	52,111,536	-	-	69,267,334	52,111,536
Property taxes	2,081,218	1,697,968	-	-	2,081,218	1,697,968
Franchise taxes	607,138	608,355	-	-	607,138	608,355
State shared revenues	21,304,677	16,513,277	-	-	21,304,677	16,513,277
Investment income	6,777,982	(217,907)	277,729	8,912	7,055,711	(208,995)
Gain on sale of capital assets	31,350	77,345	-	-	31,350	77,345
Miscellaneous revenues	735,265	956,000	116,493	369,854	851,758	1,325,854
Contributions	-	-	-	-	-	-
Total revenues	133,782,141	124,209,131	24,212,619	28,722,024	157,994,760	152,931,155
Expenses:						
General government	30,094,018	28,538,663	-	-	30,094,018	28,538,663
Public safety	27,499,364	17,852,105	-	-	27,499,364	17,852,105
Highways and streets	25,897,485	25,480,792	-	-	25,897,485	25,480,792
Health and welfare	419,995	489,357	-	-	419,995	489,357
Economic and community development	5,360,580	4,113,481	-	-	5,360,580	4,113,481
Culture and recreation	8,396,785	6,950,406	-	-	8,396,785	6,950,406
Interest on long-term debt	2,703,753	2,257,780	-	-	2,703,753	2,257,780
Water	-	-	10,751,400	9,751,629	10,751,400	9,751,629
Wastewater	-	-	5,156,015	5,103,996	5,156,015	5,103,996
Airport	-	-	1,740,057	1,802,493	1,740,057	1,802,493
Total expenses	100,371,980	85,682,584	17,647,472	16,658,118	118,019,452	102,340,702
Increase/(decrease) in net position before transfers	33,410,161	38,526,547	6,565,147	12,063,906	39,975,308	50,590,453
Transfers	(15,579,848)	367,346	15,579,848	(367,346)	-	-
Increase/(decrease) in net position	17,830,313	38,893,893	22,144,995	11,696,560	39,975,308	50,590,453
Net position, beginning of year	352,380,691	313,486,798	126,663,892	114,967,332	479,044,583	428,454,130
Net position, end of year	$ 370,211,004	$ 352,380,691	$ 148,808,887	$ 126,663,892	$ 519,019,891	$ 479,044,583

Governmental Activities. Governmental activities increased net position by $17.8 million for fiscal year ended June 30, 2023. This increase is primarily attributable to a conservative budget with higher than anticipated revenues.

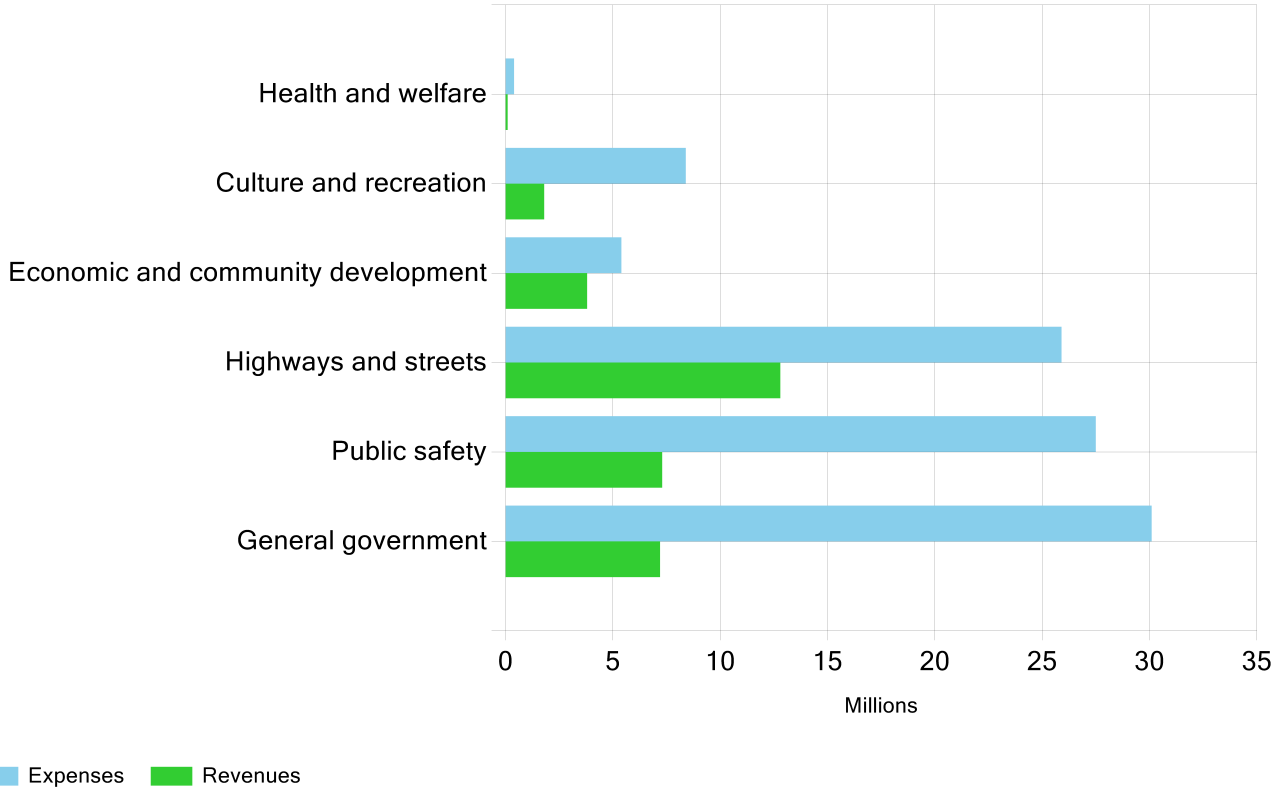
The following table presents the cost of the nine major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Town's taxpayers by each of these functions.

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	$ 30,094,018	$ (22,936,728)	$ 28,538,663	$ (14,360,178)
Public safety	27,499,364	(20,204,256)	17,852,105	(16,074,351)
Highways and streets	25,897,485	(13,104,169)	25,480,792	(5,090,084)
Health and welfare	419,995	(329,379)	489,357	(375,222)
Economic and community development	5,360,580	(1,526,263)	4,113,481	8,790,812
Culture and recreation	8,396,785	(6,590,255)	6,950,406	(3,853,224)
Interest on long-term debt	2,703,753	(2,703,753)	2,257,780	(2,257,780)
Total	$ 100,371,980	$ (67,394,803)	$ 85,682,584	$ (33,220,027)
Business-Type Activities				
Water	$ 10,751,400	$ 5,230,309	$ 9,751,629	$ 9,141,616
Wastewater	5,156,015	1,153,479	5,103,996	3,309,148
Airport	1,740,057	(212,863)	1,802,493	(765,624)
Total	$ 17,647,472	$ 6,170,925	$ 16,658,118	$ 11,685,140

- The cost of all governmental activities this year was $100.4 million. This represents a 17.1 percent increase in governmental activities expenses. While operating costs increased across most functional activities, Public Safety experienced the largest increase at 54.0 percent. This was due to adding new, authorized positions, along with wage increases upon the completion of a comprehensive wage study.
- The net cost of governmental activities of $67.4 million was largely financed by general revenues, which are made up of primarily sales tax revenue of $69.3 million, state shared revenues of $21.3 million, and investment income of $6.8 million.
- Economic and Community Development experienced a net cost of $1.5 million in fiscal year 2022-23 compared to $8.8 million of net revenue in fiscal year 2021-22. This is due to the reclassification of charges for services from Economic and Community Development to Public Safety to match the functional activity.
- The Water fund net revenue decreased by $3.9 million. This is primarily due to increased wage and commodity expense and a $3.4 million decrease in developer contributions.
- The Wastewater fund net revenue decreased by $2.2 million. This is primarily due to increased wage and commodity expense and a $2.6 million decrease in developer contributions.
- The Airport fund net cost decreased by $552,761. This decrease is primarily due to a reduction in contractual services and an increase in capital contributions.

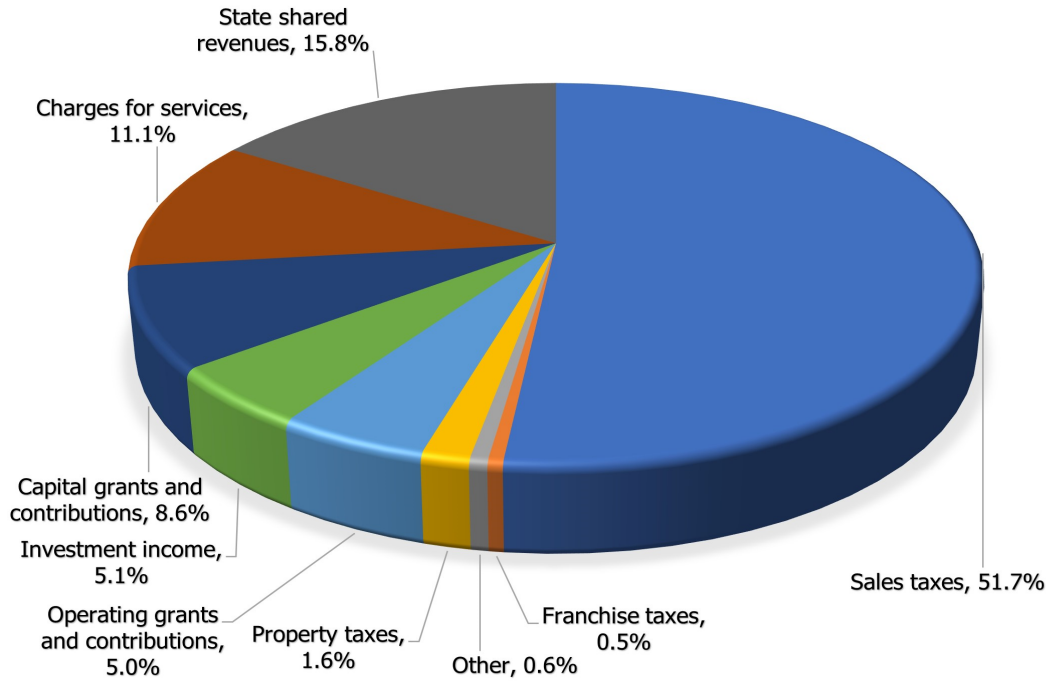
The following graph shows the functional revenues and expenses of the governmental activities in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program costs. It should be noted that this graph is not intended to represent a full allocation to these functions. As described above, expenses not covered by direct program revenues are covered by the Town's general revenues which consist primarily of taxes and unrestricted State shared revenues. In governmental activities, the functional revenues of $33.0 million are 32.9 percent of expenses for fiscal year 2023, down from 61.2 percent a year earlier. This decrease is largely due to a slow down in revenues related to development activity and a reduction of operating and capital grants and contributions.

Governmental Activities Expenses and Program Revenues

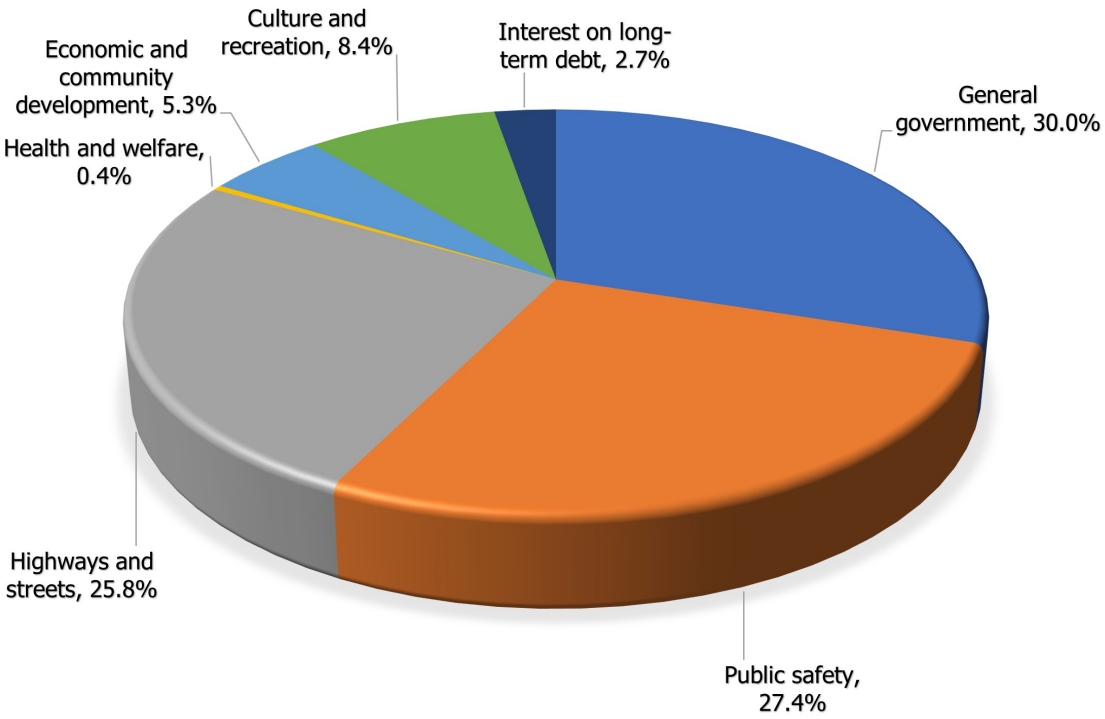


As seen on the following graphs, the largest revenue source for the Town's governmental activities is sales tax revenues at 51.8 percent, followed by state shared revenues at 15.9 percent, and charges for services at 11.1 percent. The Town's largest expense category is general government at 30.0 percent, followed by public safety at 27.4 percent, and highways and streets at 25.8 percent.

GOVERNMENTAL ACTIVITIES REVENUES BY TYPE



GOVERNMENTAL ACTIVITIES EXPENSES BY FUNCTION



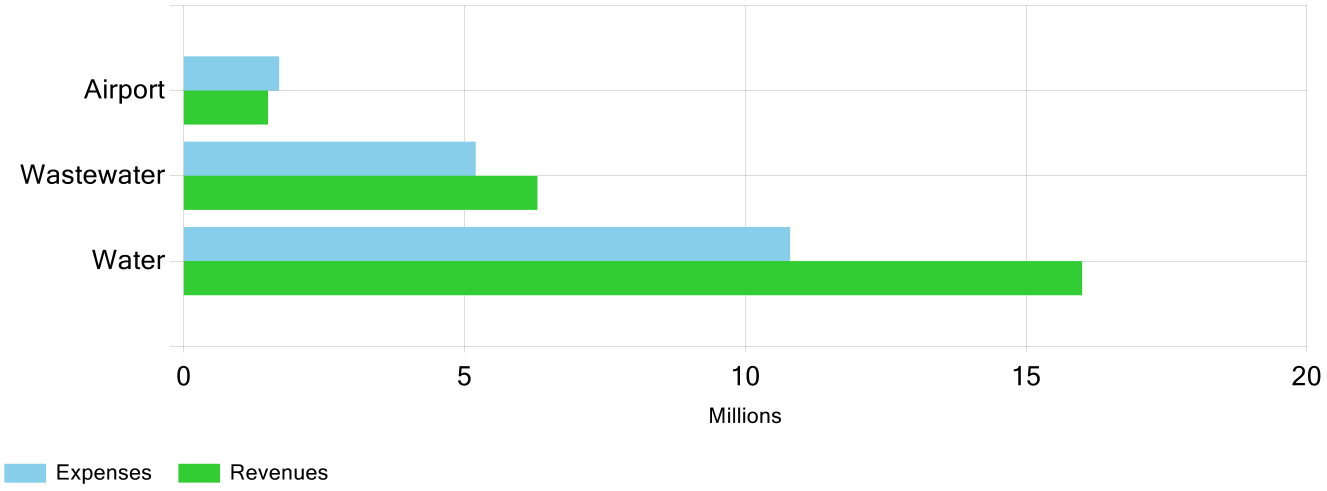
Business-type Activities

Business-type activities' net position increased by $22.1 million for fiscal year ended June 30, 2023. This increase is primarily related to increased user revenues and $16.4 million transferred into Water and Wastewater from the General Fund for prior year ARPA funding to be used on various capital projects.

Total revenues for business-type activities decreased by $4.5 million or 15.7 percent. While user revenues experienced a small increase from growth and rates increases, there was an overall decrease in developer contributions from the prior fiscal year.

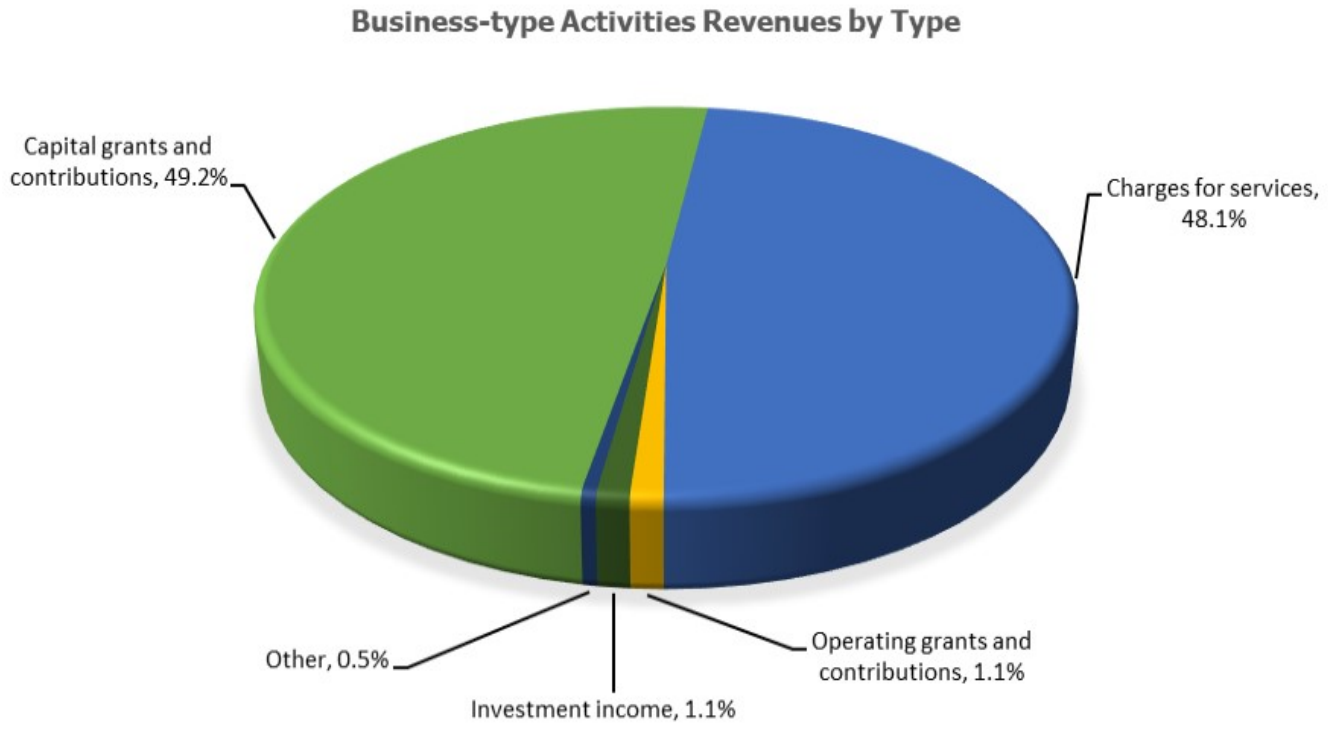
Overall, business-type activity expenses increased by $1.0 million or 5.9 percent from the prior fiscal year. As discussed previously, commodities and wage expense have increased Town-wide due to inflation and adjustments to wages to remain competitive. Water expenses increased by $1.0 million, while Wastewater saw a modest increase of $52,019 . Airport expenses decreased $62,436.

Business-type Activities Expenses and Program Revenues



The Town's largest overall business-type activity is the Water Utility with $10.8 million in expenses and $16.0 million in program revenues during the year. The second largest activity is the Wastewater Utility with $5.2 million in expenses and $6.3 million in program revenues, followed by the Airport with $1.7 million in expenses and $1.5 million in program revenues.

As seen on the following graph, the largest revenue source for the Town's business-type activities is capital grants and contributions at 49.2 percent followed by charges for services revenues at 48.1 percent. Operating grants and contributions, investment income, and other miscellaneous revenues make up the remaining portion at 2.7 percent.



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

The financial performance of the Town as a whole is reflected in its governmental funds. As of June 30, 2023, the Town's governmental funds reported a combined fund balance of $187.5 million, of which $95.4 million is unassigned and therefore available for spending at the Town's discretion.

The General Fund, which is the principal operating fund of the Town, had a fund balance of $99.2 million. Revenues increased by 6.3 percent and expenditures increased by 35.9 percent compared to the prior fiscal year. The primary increases in revenues were related to sales taxes and investment income. The increase in expenditures is related to increased costs due to inflationary pressures, increases in wage expenses to remain competitive, and increases capital outlay as projects previously delayed got underway.

The Transportation Fund had a fund balance of $29.4 million which reflected an increase of 50.9 percent from the prior year. This is mostly attributable to a 88.9 percent increase in construction sales tax revenue over the prior year. Construction projects ensued with an increase in capital outlay from the prior year by 283.4 percent.

Proprietary funds. The proprietary funds in the financial statements are prepared on the same measurement focus and accounting basis as the government-wide financial statements, but they provide more detail since each major enterprise fund is presented discretely. Of the total business-type activities proprietary funds net position of $148.8 million. Of this amount, $110.6 million comprised the funds' net investment in capital assets, $0.8 million is restricted for debt service, and unrestricted net position is $37.4 million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

The governmental activities net position increased by $328,129 with a total net position of $2.7 million. This balance remains unrestricted for dental and medical benefits.

BUDGETARY HIGHLIGHTS

The Town's annual adopted budget established the legal level of expenditure control. Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original budget, the budget as amended throughout the year, and the actual revenues and expenditures. Budgetary schedules for other governmental funds are also presented in this report as other supplementary information.

Every year the Town closely reviews adopted initiatives and goals tied to the Strategic Plan, which serves as the comprehensive, guiding blueprint for the organization. These goals are utilized to ensure that allocations are aligned with need, and that strategies are resulting in the appropriate outcomes.

General Fund revenues significantly exceeded budget projections in sales taxes and investment income. At the same time, departments maintained their prudent use of available resources. The judicious use of funds as well as higher than expected revenues resulted in $665,271 in additional fund balance. The General Fund budget and actual variances are shown on page 90.

Amendments to the adopted budget may occur throughout the year between departments within the General Fund and between funds in all other funds in a legally permissible manner (see Note 1 – Budgetary Control). Budget adjustments between departments in the General Fund did occur. Two budget amendments of note were a transfer of $615,000 and $750,000 of budget authority from general government within the General Fund to the police and technology services departments, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2023 the Town had invested $433.6 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was $28.1 million, with $22.6 million attributed to governmental activities and $5.6 million to business-type activities, respectively.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

	Governmental Activities		Business-type Activities		Total	
	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022	As of June 30, 2023	As of June 30, 2022
Land	$ 15,350,692	$ 9,541,148	$ 4,315,366	$ 4,170,118	$ 19,666,058	$ 13,711,266
Water rights	-	-	4,357,277	4,311,282	4,357,277	4,311,282
Construction in progress	12,718,470	6,790,444	5,883,571	3,175,650	18,602,041	9,966,094
Right of use subscription assets	414,265	-	-	-	414,265	-
Right of use assets - land	368,153	368,153	-	-	368,153	368,153
Buildings and improvements	66,365,167	65,945,662	178,795,640	177,667,312	245,160,807	243,612,974
Machinery and equipment	29,381,720	26,627,534	4,467,475	4,022,753	33,849,195	30,650,287
Infrastructure	467,002,596	462,629,861	-	-	467,002,596	462,629,861
Less: Accumulated depreciation/ amortization	(304,911,245)	(282,821,114)	(50,958,488)	(45,887,920)	(355,869,733)	(328,709,034)
Total	$ 286,689,818	$ 289,081,688	$ 146,860,841	$ 147,459,195	$ 433,550,659	$ 436,540,883

Additional information on the Town's capital assets can be found in Note 5.

Major capital asset events during the current fiscal year included the following:

- Tangerine Road Widening, Phase Two in process. $2.0 million spent in fiscal year 2022-23. $2.5 million spent inception through fiscal year ended June 30, 2023. Estimated completion is fiscal year 2023-24.
- Pines Subdivision asphalt repair. This project began in fiscal year 2022-23 with costs of $694,317 through June 30, 2023. Estimated completion is fiscal year 2023-24.
- Twin Peaks Road and Rattlesnake Pass widening. $996,680 spent in fiscal year 2022-23. $1.4 million spent through June 30, 2023. Estimated completion is fiscal year 2024-25.
- Marana Community and Aquatics Center. This project began in fiscal year 2022-23, with costs of $3.4 million through June 30, 2023. Estimated completion is fiscal year 2024-25.
- East Tangerine , Segment 1 Pipeline upsizing. This project began in fiscal year 2022-23, with costs of $1.5 million through June 30, 2023. Estimated completion is fiscal year 2023-24.
- Airport Runway MIRL (Medium Intensity Runway Lights). $959,434 spent in fiscal year 2022-23. $1.2 million spent inception through June 30, 2023.
- North Marana Sewer Interceptor. $377,806 spent in fiscal year 2022-23. $544,371 spent inception through June 30, 2023. Estimated completion is fiscal year 2023-24.

Debt Administration. At year-end, the Town had $110.7 million in long-term debt obligations outstanding with $7.6 million due within one year.

The Town had new debt adding $6.5 million. The Town also had reductions of $9.0 million during the current fiscal year due to regularly scheduled principal payments and premium amortizations. This resulted in an overall decrease to debt of $2.5 million.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2023 and June 30, 2022. Additional information on the Town's long-term obligations can be found in Note 7.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 29,355,000	$ 24,000,000	$ -	$ -	$ 29,355,000	$ 24,000,000
Revenue bonds	35,020,000	38,820,000	19,780,000	19,780,000	54,800,000	58,600,000
Revenue bonds - Direct Placements	1,881,000	2,616,000	-	197,000	1,881,000	2,813,000
Special assessment bonds	3,771,000	5,695,000	-	-	3,771,000	5,695,000
Loan payable	-	-	15,938,139	16,729,660	15,938,139	16,729,660
Deferred bond premium	4,633,878	4,973,286	272,119	291,806	4,905,997	5,265,092
Total	$ 74,660,878	$ 76,104,286	$ 35,990,258	$ 36,998,466	$ 110,651,136	$ 113,102,752

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town and the economy has recovered from the initial disruption caused by the pandemic. The economy continued to grow throughout the year, and future year forecasts call for a slowing, but still growing economy as the Town continues to attract interest from residential, commercial, and retail development. The Town experienced record revenues in some areas including construction related sales tax due to higher than anticipated commercial activity, but also due to a resilient economy, which is expected to temper during fiscal year 2023-24.

Inflation is projected to retreat to more reasonable levels from highs seen during fiscal year 2022-23, which combined with a tight labor market may yet allow for a soft landing of the economy in fiscal year 2023-24. Such economic conditions should allow the Town adequate funding capacity to accomplish goals and initiatives in the Town's Strategic Plan.

The 2023-24 budget increased by $102.8 million or 44.0%. This large increase is primarily due to the programming of a variety of capital projects as the Town continues to experience high growth. These projects, which include the Community and Aquatics Center projected for completion in 2024-25, will continue to allow the Town to provide the amenities and services desired by our residents. Revenues and other

financing sources for the fiscal year 2023-2024 budget are $254.8 million, while expenditures total $336.3 million. The financial plan assumes a combination of fund balance/equity and debt financing will be used to complete previously funded projects and other onetime expenditures approved by Council. The budget is structurally balanced with ongoing revenues supporting ongoing program expenditures.

The budget document is the comprehensive decision making tool resulting from the annual budget process and provides detail for the upcoming fiscal year. The budget is a long-range plan by which financial policy is implemented and controlled and serves as a funding plan for policies, goals, and service-levels provided to the citizens of Marana.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, Town of Marana, Arizona at 11555 West Civic Center Drive, Marana, Arizona 85653, or visit www.MaranaAZ.gov.

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 174,580,803	$ 46,874,086	$ 221,454,889
Property taxes receivable	3,941	-	3,941
Accounts receivable	416,753	1,276,540	1,693,293
Leases receivable	3,076,711	4,727,341	7,804,052
Interest receivable	570,696	-	570,696
Due from other governments	10,169,806	801,119	10,970,925
Internal balances	361,291	(361,291)	-
Inventories	93,537	-	93,537
Prepaid items	505,763	78,788	584,551
Total current assets	189,779,301	53,396,583	243,175,884
Noncurrent assets:			
Accounts receivable	3,472,877	-	3,472,877
Restricted cash and investments	7,181,616	812,300	7,993,916
Advances	4,682,901	(4,682,901)	-
Capital assets not depreciated/amortized	28,069,162	14,556,214	42,625,376
Capital assets (net of depreciation/amortization)	258,620,656	132,304,627	390,925,283
Total noncurrent assets	302,027,212	142,990,240	445,017,452
Total assets	491,806,513	196,386,823	688,193,336
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	8,697,872	430,760	9,128,632
Deferred charge on refunding	1,011,822	-	1,011,822
Total deferred outflows of resources	9,709,694	430,760	10,140,454
LIABILITIES			
Current liabilities:			
Accounts payable	4,896,063	1,563,675	6,459,738
Retainage payable	116,176	234,180	350,356
Accrued payroll and employee benefits	1,648,639	-	1,648,639
Unearned revenue	930,534	-	930,534
Deposits held for others	509,165	1,634,120	2,143,285
Due to other government	71,207	284,998	356,205
Claims payable	325,609	-	325,609
Accrued interest payable	1,544,059	600,691	2,144,750
Compensated absences	1,396,654	144,857	1,541,511
Leases and subscription technology arrangements	113,876	-	113,876
Water agreement payable	-	202,035	202,035
Loan payable	-	991,709	991,709
General obligation bonds - CFD	750,000	-	750,000
Special assessment bonds - TFRID	1,234,000	-	1,234,000
Revenue bonds	4,579,000	-	4,579,000
Total current liabilities	18,114,982	5,656,265	23,771,247
Noncurrent liabilities:			
Compensated absences	155,175	16,095	171,270
Leases and subscription technology arrangements	551,169	-	551,169
Net pension liability	40,288,874	2,362,526	42,651,400
Water agreement payable	-	404,070	404,070
Loan payable	-	14,946,430	14,946,430
General obligation bonds - CFD	29,847,131	-	29,847,131
Special assessment bonds - TFRID	2,537,000	-	2,537,000
Revenue bonds	35,713,747	20,052,119	55,765,866
Total noncurrent liabilities	109,093,096	37,781,240	146,874,336
Total liabilities	127,208,078	43,437,505	170,645,583
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,202,615	59,913	1,262,528
Deferred inflows related to leases	2,894,510	4,511,278	7,405,788
Total deferred inflows of resources	4,097,125	4,571,191	8,668,316
NET POSITION			
Net investment in capital assets	227,108,692	110,636,403	337,745,095
Restricted for:			
Capital projects	31,693,275	-	31,693,275
Debt service	-	812,300	812,300
General government	4,820,221	-	4,820,221
Public safety	1,445,216	-	1,445,216
Highways and streets	6,672,750	-	6,672,750
Economic and community development	106,110	-	106,110
Unrestricted	98,364,740	37,360,184	135,724,924
Total net position	$ 370,211,004	$ 148,808,887	$ 519,019,891

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Primary Government							
Governmental activities:							
General government	$ 30,094,018	$ 6,995,048	$ 18,060	$ 144,182	$ (22,936,728)	$ -	$ (22,936,728)
Public safety	27,499,364	5,502,628	1,784,264	8,216	(20,204,256)	-	(20,204,256)
Highways and streets	25,897,485	458,686	4,749,647	7,584,983	(13,104,169)	-	(13,104,169)
Health and welfare	419,995	79,782	10,834	-	(329,379)	-	(329,379)
Economic and community development	5,360,580	1,415,536	57,291	2,361,490	(1,526,263)	-	(1,526,263)
Culture and recreation	8,396,785	333,097	29,257	1,444,176	(6,590,255)	-	(6,590,255)
Interest on long-term debt	2,703,753	-	-	-	(2,703,753)	-	(2,703,753)
Total governmental activities	100,371,980	14,784,777	6,649,353	11,543,047	(67,394,803)	-	(67,394,803)
Business-type activities:							
Water	10,751,400	8,322,971	186,408	7,472,330	-	5,230,309	5,230,309
Wastewater	5,156,015	2,992,586	-	3,316,908	-	1,153,479	1,153,479
Airport	1,740,057	326,709	72,000	1,128,485	-	(212,863)	(212,863)
Total business-type activities	17,647,472	11,642,266	258,408	11,917,723	-	6,170,925	6,170,925
Total primary government	$ 118,019,452	$ 26,427,043	$ 6,907,761	$ 23,460,770	(67,394,803)	6,170,925	(61,223,878)
General revenues:							
Taxes:							
Sales taxes					69,267,334	-	69,267,334
Property taxes					2,081,218	-	2,081,218
Franchise taxes					607,138	-	607,138
State shared revenues, unrestricted					21,304,677	-	21,304,677
Investment income					6,777,982	277,729	7,055,711
Gain on sale of capital assets					31,350	-	31,350
Miscellaneous					735,265	116,493	851,758
Transfers					(15,579,848)	15,579,848	-
Total general revenues and transfers					85,225,116	15,974,070	101,199,186
Changes in net position					17,830,313	22,144,995	39,975,308
Net position, beginning of year					352,380,691	126,663,892	479,044,583
Net position, end of year					$ 370,211,004	$ 148,808,887	$ 519,019,891

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
ASSETS			
Cash and cash equivalents	$ 94,276,024	$ 6,461,456	$ 586,465
Property taxes receivable	-	-	-
Accounts receivable	308,085	-	-
Leases receivable	3,076,711	-	-
Special assessments receivable	-	-	3,472,877
Interest receivable	482,665	-	-
Due from other funds	828,566	-	-
Due from other governments	5,805,380	431,488	-
Inventories	93,537	-	-
Prepaid items	502,302	-	-
Advances	2,482,901	-	-
Restricted cash and investments	-	-	-
Total assets	$ 107,856,171	$ 6,892,944	$ 4,059,342
LIABILITIES			
Accounts payable	$ 2,680,694	$ 306,746	$ -
Retainage payable	72,161	2,599	-
Accrued payroll and employee benefits	1,648,639	-	-
Due to other funds	-	-	-
Due to other governments	71,207	-	-
Deposits held for others	318,333	-	-
Unearned revenue	930,534	-	-
Total liabilities	5,721,568	309,345	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	3,472,877
Deferred inflows related to leases	2,894,510	-	-
Total deferred inflows of resources	2,894,510	-	3,472,877
FUND BALANCES (DEFICITS)			
Nonspendable	3,078,740	-	-
Restricted	-	6,583,599	586,465
Committed	-	-	-
Unassigned	96,161,353	-	-
Total fund balances (deficits)	99,240,093	6,583,599	586,465
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 107,856,171	$ 6,892,944	$ 4,059,342

The notes to the financial statements are an integral part of this statement.

Transportation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
$ 24,988,148	$ 44,989,073	$ 171,301,166
-	3,941	3,941
-	108,668	416,753
-	-	3,076,711
-	-	3,472,877
72,355	15,676	570,696
100,000	-	928,566
2,463,815	1,469,123	10,169,806
-	-	93,537
-	3,461	505,763
2,200,000	-	4,682,901
345,497	6,836,119	7,181,616
$ 30,169,815	$ 53,426,061	$ 202,404,333
$ 702,767	$ 946,131	$ 4,636,338
13,931	27,485	116,176
-	-	1,648,639
-	567,275	567,275
-	-	71,207
15,998	174,834	509,165
-	-	930,534
732,696	1,715,725	8,479,334
-	87,573	3,560,450
-	-	2,894,510
-	87,573	6,454,960
-	3,461	3,082,201
345,497	50,433,028	57,948,589
29,091,622	1,922,614	31,014,236
-	(736,340)	95,425,013
29,437,119	51,622,763	187,470,039
$ 30,169,815	$ 53,426,061	$ 202,404,333

TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total governmental fund balances		**$ 187,470,039**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	$ 590,818,645	
Governmental right of use assets	782,418	
Less accumulated depreciation/amortization	(304,911,245)	286,689,818
Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(1,551,829)	
Leases and subscription technology arrangements payable	(665,045)	
Revenue bonds payable	(36,901,000)	
General obligation bonds payable	(29,355,000)	
Special assessment bonds	(3,771,000)	
Net pension liability	(40,288,874)	
Accrued interest payable	(1,544,059)	(114,076,807)
Internal Service Funds are used by management to charge the costs of health and dental services. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		2,694,303
Deferred items related to the issuance of bonds and resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Bond premium	(4,633,878)	
Deferred charge on refunding	1,011,822	
Deferred inflows related to pensions	(1,202,615)	
Deferred outflows related to pensions	8,697,872	3,873,201
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Intergovernmental revenue	87,573	
Special assessments revenue	3,472,877	3,560,450
Net position of governmental activities		**$ 370,211,004**

The notes to the financial statements are an integral part of this statement.



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TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
Revenues:			
Sales taxes	$ 43,388,307	$ -	$ -
Property taxes	-	-	-
Intergovernmental	21,315,511	4,718,392	-
Licenses, fees & permits	7,776,633	128,100	-
Fines, forfeitures & penalties	364,942	-	-
Charges for services	822,976	-	-
Lease income	170,766	-	-
Contributions	101,590	-	2,279,871
Investment income	6,015,344	128,376	-
Miscellaneous	679,937	21,361	-
Total revenues	80,636,006	4,996,229	2,279,871
Expenditures:			
Current -			
General government	15,973,231	-	27,440
Public safety	25,032,319	-	-
Highways and streets	2,909,688	2,821,520	-
Health and welfare	417,916	-	-
Economic and community development	4,469,262	-	-
Culture and recreation	6,353,162	-	-
Capital outlay	4,914,974	507,156	-
Debt service -			
Principal retirement	112,353	-	1,924,000
Interest and fiscal charges	376,872	-	109,231
Bond issuance costs	-	-	-
Total expenditures	60,559,777	3,328,676	2,060,671
Excess (deficiency) of revenues over expenditures	20,076,229	1,667,553	219,200
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Leases and subscription technology arrangements	414,265	-	-
Transfers in	28,483	-	-
Transfers out	(19,853,706)	-	-
Total other financing sources (uses)	(19,410,958)	-	-
Changes in fund balances	665,271	1,667,553	219,200
Fund balances (deficits), beginning of year	98,574,822	4,916,046	367,265
Fund balances (deficits), end of year	$ 99,240,093	$ 6,583,599	$ 586,465

The notes to the financial statements are an integral part of this statement.

Transportation Capital Fund	Non-Major Governmental Funds	Total Governmental Funds
$ 15,860,584	$ 10,018,443	$ 69,267,334
-	2,081,218	2,081,218
-	1,875,420	27,909,323
-	5,981,378	13,886,111
-	54,090	419,032
-	13,444	836,420
-	-	170,766
-	178,452	2,559,913
232,679	389,066	6,765,465
-	1,750	703,048
16,093,263	20,593,261	124,598,630
907,990	1,025,299	17,933,960
-	1,582,098	26,614,417
-	256,573	5,987,781
-	-	417,916
-	368,718	4,837,980
-	-	6,353,162
3,788,004	12,343,821	21,553,955
-	5,400,000	7,436,353
7,480	2,697,791	3,191,374
-	334,436	334,436
4,703,474	24,008,736	94,661,334
11,389,789	(3,415,475)	29,937,296
-	6,220,000	6,220,000
-	157,884	157,884
-	-	414,265
-	6,954,637	6,983,120
(1,459,224)	(1,250,038)	(22,562,968)
(1,459,224)	12,082,483	(8,787,699)
9,930,565	8,667,008	21,149,597
19,506,554	42,955,755	166,320,442
$ 29,437,119	$ 51,622,763	$ 187,470,039



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TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net changes in fund balances - total governmental funds			**$ 21,149,597**
Amounts reported for governmental activities in the Statement of Activities are different because			
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives depreciation expense.			
Expenditures for capitalized assets	$ 14,361,250		
Less current year depreciation	(22,580,222)		(8,218,972)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			
Issuance of general obligation bonds	(6,220,000)		
Issuance of premium on bonds	(157,884)		
Lease principal & Subscription technology arrangement principal	112,353		
Special assessment bond retirement	1,924,000		
General obligation bond retirement	865,000		
Revenue bond principal retirement	4,535,000		1,058,469
Contributions of infrastructure assets are not recorded as revenues in the governmental funds.			5,462,562
Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.			
Accrued interest	(153,417)		
Intergovernmental revenue	8,216		
Special assessments	(2,118,465)		
Compensated absences	(177,612)		
Proceeds from the sale of capital assets	(81,075)		
Gain on sale of assets	31,350		
Amortization of bond premium	497,292		
Amortization of deferred charges	(147,896)		(2,141,607)
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.			
Town pension contributions	5,124,298		
Pension revenue	29,717		
Pension expense	(4,961,880)		192,135
Internal service funds are used by the Town to charge the costs of health and dental services. The net revenue (expense) is reported with governmental activities in the Statement of Activities.			328,129
Change in net position in governmental activities			**$ 17,830,313**

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 24,309,968	$ 22,564,118	$ -	$ 46,874,086	$ 3,279,637
Accounts receivable	932,489	344,051	-	1,276,540	-
Lease receivable	-	-	4,727,341	4,727,341	-
Due from governments	698,890	-	102,229	801,119	-
Prepaid items	78,693	-	95	78,788	-
Total current assets	26,020,040	22,908,169	4,829,665	53,757,874	3,279,637
Noncurrent assets:					
Restricted cash	407,759	404,541	-	812,300	-
Capital assets not depreciated	9,456,986	3,510,754	1,588,474	14,556,214	-
Capital assets (net of depreciation)	54,195,458	61,595,206	16,513,963	132,304,627	-
Total noncurrent assets	64,060,203	65,510,501	18,102,437	147,673,141	-
Total assets	90,080,243	88,418,670	22,932,102	201,431,015	3,279,637
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	334,167	61,989	34,604	430,760	-
Total deferred outflows of resources	334,167	61,989	34,604	430,760	-
LIABILITIES					
Current liabilities:					
Accounts payable	1,134,739	356,287	67,858	1,558,884	259,725
Retainage payable	234,180	-	-	234,180	-
Claims payable	-	-	-	-	325,609
Compensated absences	108,647	22,827	13,383	144,857	-
Due to other funds	-	250,000	111,291	361,291	-
Deposits held for others	1,638,911	-	-	1,638,911	-
Due to other governments	284,998	-	-	284,998	-
Water agreement payable	202,035	-	-	202,035	-
Loan payable - current	951,380	40,329	-	991,709	-
Interest payable	186,892	413,799	-	600,691	-
Total current liabilities	4,741,782	1,083,242	192,532	6,017,556	585,334
Noncurrent liabilities:					
Advances	-	4,682,901	-	4,682,901	-
Compensated absences	12,072	2,536	1,487	16,095	-
Water agreement payable	404,070	-	-	404,070	-
Bonds payable	-	20,052,119	-	20,052,119	-
Loan payable	14,196,733	749,697	-	14,946,430	-
Net pension liability	1,838,458	288,313	235,755	2,362,526	-
Total noncurrent liabilities	16,451,333	25,775,566	237,242	42,464,141	-
Total liabilities	21,193,115	26,858,808	429,774	48,481,697	585,334
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	52,829	7,084	-	59,913	-
Deferred inflows related to leases	-	-	4,511,278	4,511,278	-
Total deferred inflows of resources	52,829	7,084	4,511,278	4,571,191	-
NET POSITION					
Net investment in capital assets	48,270,151	44,263,815	18,102,437	110,636,403	-
Restricted for debt service	407,759	404,541	-	812,300	-
Unrestricted	20,490,556	16,946,411	(76,783)	37,360,184	2,694,303
Total net position	$ 69,168,466	$ 61,614,767	$ 18,025,654	$ 148,808,887	$ 2,694,303

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Licenses, fees & permits	$ 222,542	$ 30,995	$ -	$ 253,537	$ -
Charges for services	8,100,429	2,961,591	326,709	11,388,729	5,856,704
Miscellaneous	116,493	-	-	116,493	-
Total operating revenues	8,439,464	2,992,586	326,709	11,758,759	5,856,704
Operating expenses:					
Personnel costs	2,856,444	657,974	309,952	3,824,370	-
Contractual services	1,563,946	724,904	203,825	2,492,675	1,090,032
Commodities	2,647,098	456,163	56,977	3,160,238	-
Other	867,821	150,947	13,683	1,032,451	4,451,060
Depreciation expense	2,040,117	2,358,117	1,155,620	5,553,854	-
Total operating expenses	9,975,426	4,348,105	1,740,057	16,063,588	5,541,092
Operating income (loss)	(1,535,962)	(1,355,519)	(1,413,348)	(4,304,829)	315,612
Nonoperating revenues (expenses):					
Contributions	186,408	-	72,000	258,408	-
Investment income	131,838	3,283	142,608	277,729	12,517
Interest expense	(382,169)	(807,910)	-	(1,190,079)	-
Gain (loss) on disposal of capital assets	(393,805)	-	-	(393,805)	-
Total nonoperating revenues (expenses)	(457,728)	(804,627)	214,608	(1,047,747)	12,517
Net income (loss) before contributons and transfers	(1,993,690)	(2,160,146)	(1,198,740)	(5,352,576)	328,129
Development fees	6,932,723	3,171,919	-	10,104,642	-
Capital contributions	539,607	144,989	1,128,485	1,813,081	-
Transfers in	5,129,197	12,502,897	156,153	17,788,247	-
Transfers out	(1,305,648)	(902,751)	-	(2,208,399)	-
Changes in net position	9,302,189	12,756,908	85,898	22,144,995	328,129
Net position, beginning of year	59,866,277	48,857,859	17,939,756	126,663,892	2,366,174
Net position, end of year	$ 69,168,466	$ 61,614,767	$ 18,025,654	$ 148,808,887	$ 2,694,303

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Received from customers	$ 9,191,229	$ 2,955,768	$ 259,839	$ 12,406,836	$ 5,856,704
Payments to suppliers for goods and services	(4,617,195)	(1,097,168)	(450,964)	(6,165,327)	(5,499,788)
Payments to employees for services	(2,906,319)	(668,758)	(306,575)	(3,881,652)	-
Other receipts/payments	116,493	-	-	116,493	-
Net cash provided by (used for) operating activities	1,784,208	1,189,842	(497,700)	2,476,350	356,916
Cash flows from non-capital activities:					
Interfund borrowing	-	(185,388)	8,855	(176,533)	-
Contributions	186,408	-	72,000	258,408	-
Transfers in	5,129,197	12,502,897	156,153	17,788,247	-
Transfers out	(1,305,648)	(902,751)	-	(2,208,399)	-
Net cash provided by (used for) non-capital activities	4,009,957	11,414,758	237,008	15,661,723	-
Cash flows from capital activities and related financing activities:					
Capital grants received	(513,950)	-	1,386,326	872,376	-
Development fees received	6,932,723	3,316,908	-	10,249,631	-
Loan proceeds	161,390	-	-	161,390	-
Principal payments	(1,110,510)	(39,402)	-	(1,149,912)	-
Interest paid on debt	(394,712)	(828,060)	-	(1,222,772)	-
Acquisition and construction of capital assets	(2,603,487)	(712,524)	(1,268,342)	(4,584,353)	-
Net cash provided by (used for) capital activities	2,471,454	1,736,922	117,984	4,326,360	-
Cash flows from investing activities:					
Interest on investments	131,838	3,283	142,608	277,729	12,517
Net cash provided by investing activities	131,838	3,283	142,608	277,729	12,517
Net increase (decrease) in cash and cash equivalents	8,397,457	14,344,805	(100)	22,742,162	369,433
Cash and cash equivalents, beginning of year	16,320,270	8,623,854	100	24,944,224	2,910,204
Cash and cash equivalents, end of year	$ 24,717,727	$ 22,968,659	$ -	$ 47,686,386	$ 3,279,637

The notes to the financial statements are an integral part of this statement.

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating (loss)	$ (1,535,962)	$ (1,355,519)	$ (1,413,348)	$ (4,304,829)	$ 315,612
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	2,040,117	2,358,117	1,155,620	5,553,854	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	293,489	(36,818)	77,174	333,845	-
(Increase) decrease in leases receivable		-	49,756	49,756	-
(Increase) decrease in prepaid items	(77,622)	-	55	(77,567)	-
(Increase) decrease in deferred outflows of resources related to pensions	99,365	32,886	21,128	153,379	-
Increase (decrease) in accounts payable	663,705	234,846	(176,534)	722,017	(3,951)
Increase (decrease) in claims payable	-	-	-	-	45,255
Increase (decrease) in accrued payroll payable	(94,240)	(19,274)	(9,525)	(123,039)	-
Increase (decrease) in compensated absences	29,238	(4,725)	1,099	25,612	-
Increase (decrease) in water agreement payable	(202,035)	-	-	(202,035)	-
Increase (decrease) in deposits held for others	589,053	-	-	589,053	-
Increase (decrease) in due to other governments	63,338	-	-	63,338	-
Increase (decrease) in net pension liability	470,352	111,604	60,478	642,434	-
Increase (decrease) in deferred inflows of resources related to pensions	(554,590)	(131,275)	(69,803)	(755,668)	-
Increase (decrease) in deferred inflows of resources related to leases	-	-	(193,800)	(193,800)	-
Net cash provided (used) by operating activities	$ 1,784,208	$ 1,189,842	$ (497,700)	$ 2,476,350	$ 356,916
Noncash investing, capital and financing activities:					
Capital contributions	539,607	-	-	539,607	-
Amortization of bond premium	-	19,687	-	19,687	-
Loss on disposal of capital assets	393,805	-	-	393,805	-
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$ 24,309,968	$ 22,564,118	$ -	$ 46,874,086	$ 3,279,637
Restricted cash	407,759	404,541	-	812,300	-
Total cash and cash equivalents	$ 24,717,727	$ 22,968,659	$ -	$ 47,686,386	$ 3,279,637



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NOTES TO FINANCIAL STATEMENTS



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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles.

For the year ended June 30, 2023, the Town implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the Town's financial statements have been modified to reflect the implementation of this new standard.

A. Reporting Entity

The Town of Marana, Arizona (the Town) was incorporated on March 21, 1977, under the provisions of the Constitution of Arizona and the Arizona Revised Statutes. The Town operates under a separately elected council-mayor form of government. All funds and entities related to the Town that are controlled by the Mayor and Council are included in the annual comprehensive financial report. Control is determined on the basis of budget adoption, taxing authority, and the ability to significantly influence operations and accountability for fiscal matters. The Town provides a full range of services including general government, development and planning services, legal, public safety, public works, and parks and recreation services.

In accordance with generally accepted accounting principles, these financial statements present the Town and its component units, the Gladden Farms Community Facilities District (GFCFD), Gladden Farms Community Facilities District II (GFCFD II), the Saguaro Springs Community Facilities District (SSCFD) and the Tangerine Farms Road Improvement District (TFRID). The GFCFD, GFCFD II, SSCFD and TFRID are blended component units with the Town in these financial statements as all four were established by the Town in order to fund the debt incurred to finance the purchase of various public infrastructure within the districts.

The GFCFD, GFCFD II, SSCFD and TFRID component units each have a June 30 year-end and are included in the Gladden Farms Capital Projects and Debt Service Funds, the Saguaro Springs Capital Projects and Debt Service Funds, the Tangerine Farms Improvement District Debt Service Fund, and the Other Capital Projects Funds, respectively. Separate financial statements are prepared for the community facilities districts and can be obtained from the Town of Marana Finance Department at 11555 W Civic Center Drive, Marana, AZ 85653. Separate financial statements of the TFRID are not prepared on a stand-alone basis.

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund-based financial statements. The government-wide statements focus on the Town as a whole, while the fund-based statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) present financial information about the Town as a whole. The reported information includes all of the activities of the Town and its component units.

These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which are financed in whole or part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function of the Town's governmental activities or segment of its business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not currently have an indirect cost allocation system. However, the General Fund does allocate administrative charges to the Enterprise funds to support general services used by those funds (like purchasing, accounting, administration, etc.) These fees are included in the expense column on the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income, and other items not included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Wastewater Utility, and Airport funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if doing so would distort the direct costs and program revenues reported by the departments concerned.

Fund Financial Statements

Fund statements provide information about the Town's funds, including blended component units. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Highway User Revenue Fund – This fund accounts for excise fuel taxes which are distributed to cities and towns based on a formula. A constitutional restriction requires that these funds be used solely for street and highway purposes.

Tangerine Farms Improvement District Debt Service – This fund accounts for the accumulation of resources and payment of principal and interest on the Tangerine Farms Road Improvement District Special Assessment Bonds.

Transportation Capital Fund – This fund accounts for the financing and construction of transportation capacity improvement projects.

The Town reports the following major proprietary funds:

Water Fund – This fund is used to account for the financing and operation of the Water Utility.

Wastewater Fund – This fund is used to account for the financing and operation of the Wastewater Utility.

Airport Fund – This fund is used to account for the financing and operation of the Marana Airport.

Additionally, the Town reports the following fund types:

Internal service fund – This fund is used to account for the operating revenues and charges for health and dental benefits.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, including unbilled water services which are accrued, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon all eligibility requirements imposed by the grantor or provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year. Compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements and subscription-based information technology arrangements are reported as other financing sources.

Sales taxes, licenses and permits, charges for services, and investment income associated with the current

fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash.

Property taxes are levied by community facility districts, which are component units of the Town and collected by the Pima County Treasurer and special assessment property taxes are levied and collected by the Town. All property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

Tangerine Farms Road Improvement District (a component unit) issued special assessment bonds for infrastructure improvements. These bonds will be paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received.

D. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Town considers all highly liquid investments (including the funds' participation in the investment pool account, and appropriate restricted assets) to be cash equivalents. Individual fund investments with a maturity of three months or less when purchased are considered as cash equivalents.

E. Investments

Arizona Revised Statutes authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, towns, school districts, and special districts as specified by statue.

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All investments are stated at fair value.

F. Postemployment Benefits

For purposes of measuring the net pension (asset and) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments

(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. ASRS, EORP, CORP, and PSPRS net OPEB assets/liabilities or related deferrals have not been recorded, or further disclosed, at June 30, 2023 in accordance with GASB 75, due to the relative insignificance to the Town's financial statements.

G. Restricted Assets

The trust indentures executed for the entire bond series issued require all cash and investments for each bond series to be held on deposit by the trustee/fiscal agents. These assets are restricted for payment of interest and trustee fees associated with the bond issues, retirement of principal balances, and to finance various capital projects.

In addition, the State of Arizona required that assets obtained at the completion of criminal proceedings by the Town's police department be given to Pima County for custodial purposes. These assets are restricted for expenses that will enhance the Town's ability to conduct police investigations.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All trade and other receivables are shown net of an allowance for uncollectible amounts.

J. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

K. Capital Assets

Capital assets, including public domain infrastructure such as roads, bridges, curbs and sidewalks, lighting system, water distribution system and other assets that are immovable and of value to the Town, are defined as assets with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at actual cost or historical cost (or estimated historical cost if historical records are not available). Donated capital assets are reported at acquisition value. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. No long-term assets or depreciation/amortization are shown in the governmental funds financial statements.

The Town has chosen not to apply the modified approach to any network, system, or subsystem of infrastructure assets.

The cost of normal maintenance and repairs that do not significantly add to the value of the asset or materially extend the life of the asset are not capitalized. Major improvements are capitalized and depreciated over the remaining useful life of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation/amortization is provided over the estimated useful lives of such assets using the straight-line method. These estimated useful lives are as follows:

	Years
Buildings	15-40
Building improvements	10-15
Pump stations, distribution systems, equipment and improvements	20-75
Public domain infrastructure	20-50
Machinery, equipment, and assets under capital lease	5-10

Inangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

L. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities and proprietary fund type statement of net position. Bond related charges and credits, such as premium discounts and issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period incurred.

M. Compensated Absences

The Town's employee vacation, managed time off, and sick leave policies generally provide for granting vacation and sick leave with pay.

Vacation leave vests with the employee as it is earned. Employees may accumulate up to 240 hours of vacation depending on years of service. The current and long-term liabilities for accumulated vacation, including related benefits, are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements.

Managed time off and sick leave benefits provided for necessary rest and relaxation, attendance at commitments outside of work, and ordinary sick pay are not vested with the employees. Generally, resources from the General Fund are used to pay for compensated absences.

N. Leases and subscription-based information technology arrangements

Leases

As lessee, the Town recognizes lease liabilities with an initial, individual value of $100,000 or more. The Town uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The Town's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the Town.

As lessor, the Town recognizes lease receivables with an initial, individual value of $100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the Town charges the lessee) and the implicit rate cannot be determined, the Town uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The Town's estimated incremental borrowing rate is calculated as described above.

Subscription-based information technology arrangements

The Town recognizes subscription liabilities with an initial value of $100,000 or more. The Town uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The Town's estimated incremental borrowing rate is calculated as described above.

O. Transactions Between Funds

Transactions that would be treated as revenue or expenses if they involved organizations external to the governmental unit are accounted for as revenue or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenses initially made from that fund which are properly applicable to another fund are recorded as expenses in the reimbursing fund and as reductions of the expense in the fund that is reimbursed.

Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

P. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Q. Seized Property

The Town Police have in their custody certain assets seized in criminal proceedings. Until formal procedures have been finalized, the ownership of this property is not determinable. In addition, legal requirements dictate that such assets not be reflected on the Town's financial records in an agency capacity until Town ownership has been determined. Consequently, no such assets are recorded on these financial statements.

R. Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to future periods and will be recognized as revenue in future periods.

S. Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance).

In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the Town funds certain programs by a combination of grants and general revenues. The Town applies grant resources to such programs before using general revenues.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

Committed fund balance can be used only for specific purposes determined by formal action of Town Council. Town Council is the highest level of decision-making authority for the town. Commitments may be established, modified, or rescinded only through resolutions approved by Town Council.

Nonspendable Fund Balance consists of funds that are not in a spendable form, such as inventories and prepaids, or can be legally or contractually required to be maintained intact.

Restricted Fund Balance consists of funds that are externally imposed by creditors, grantors, contributors, law or regulations of other governments, or by law imposed through constitutional provisions or enabling legislation.

Assigned Fund Balance consists of funds constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This classification of fund balance must be designated by the Town's highest level of decision making authority or a Town official that has been delegated the authority to assign funds.

Unassigned Fund Balance consists of the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that can report a positive unassigned fund balance and any other governmental fund can report a negative fund balance. When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources.

As of June 30, 2023, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Tangerine Farms Road Improvement District Debt Service	Transportation	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventories	$ 93,537	$ -	$ -	$ -	$ -
Prepaid expenditures	502,302	-	-	-	3,461
Long-term advance	2,482,901	-	-	-	-
Restricted:					
Debt service	-	-	586,465	-	7,147,359
Public safety	-	-	-	-	1,355,157
Capital projects	-	-	-	345,497	37,005,156
Streets and highways	-	6,583,599	-	-	-
Courts	-	-	-	-	703,280
Affordable housing	-	-	-	-	106,110
Tourism promotion	-	-	-	-	4,115,966
Committed:					
Capital projects	-	-	-	29,091,622	1,922,614
Unassigned:	96,161,353	-	-	-	(736,340)
Total fund balances:	$ 99,240,093	$ 6,583,599	$ 586,465	$ 29,437,119	$ 51,622,763

NOTE 3 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2023, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

The voters of the State of Arizona, on June 30, 1980, approved an expenditure limitation that is applicable to all local governments. This limitation, based on expenditures of the 1979-80 fiscal year, restricts the growth of expenditures based on a factor of increases in population and inflation. Certain expenditures are held to be excludable. The limitation is set by the State Economic Estimates Commission prior to April 1 of each year for the following fiscal year. As allowed, the voters of the Town of Marana, on August 4, 2020, approved an alternative expenditure limitation - home rule option to be applicable to the Town. This alternative expenditure limitation is free from any ties to the state imposed limitations and is in effect for four consecutive years beginning with the fiscal year ended June 30, 2022. This limitation provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year with no expenditures held to be excludable. Therefore, the annual expenditure limitation equals the adopted budget.

The Town establishes its fiscal year as the twelve-month period beginning July 1. The departments submit to the Town manager a budget of estimated expenditures for the ensuing fiscal year. The Town manager and each department head meet to discuss mutually acceptable changes for the estimated expenditures for that department after which the Town manager subsequently submits a budget of estimated expenditures and revenues to the Town Council.

Upon receipt of the budget estimates, the Town Council will hold a public meeting to obtain taxpayer comments. Concurrently, a copy of the budget estimates is published in a local newspaper. The Town Council is prevented from legally enacting the budget through passage of a resolution until 15 days have passed after the date of the public meeting. Prior to July 1, the budget is legally enacted.

The Town Council formally adopts the budget and legally allocates the available monies for the General Fund, the Highway User Revenue Fund, the Community Development Block Grant Fund, the Affordable Housing Revolving Fund, the Local JCEF Fund, the Local Technology Enhancement Fund, the Fill the Gap Fund, the Bed Tax Fund, the RICO Fund, the Impound Fund, the Other Grants and Contributions Fund, the Series 2013 Debt Fund, the Series 2014 Debt Fund, the 2017 Debt Fund, the Gladden Farms CFD Debt Fund, the Gladden Farms II CFD Debt Fund, the Saguaro Springs CFD Debt Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Pima Association of Governments Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, and the Saguaro Springs CFD Capital Fund. The enterprise funds, Water Utility, Wastewater Utility and Airport, are subject to flexible budgets.

The Town manager is authorized to transfer budgeted amounts within any department in the General Fund or between funds for any other fund; however, any revisions that reallocate budgeted amounts between departments within the General Fund or from the budget line items labeled "contingency" must be approved by the Town Council.

NOTE 4 - CASH AND INVESTMENTS

A.R.S. and the Town's investment policy authorize investments in the State Treasurer's local government investment pools (LGIP), the County Treasurer's investment pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the Town's investments. The State Board of Investment provides oversight for the State Treasurer's pools.

At June 30, 2023, the carrying amount of the Town's deposits was $4,413,799 and the bank balance was $4,419,605. The differences between the book and bank balances are due to timing of certain transactions like deposits in transit and outstanding checks.

Of the bank balance, $2,420,834 was covered by Federal depository insurance and $1,622,192 was covered by collateral held by the pledging financial institution's trust department but not in the Town's name; no portion of the balance was uninsured and uncollateralized. The Town had $4,725 in petty cash funds, change drawers and other related items at year end. Additionally, the Town had deposits of $533,283 held by Pima County in a fiduciary capacity.

At June 30, 2023, the Town's investments, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair value measurement using		
Investment by fair value level	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Federal Home Loan Mortgage Corp	$ 4,637,155	$ -	$ 4,637,155	$ -
Federal Home Loan Banks	5,996,207	-	5,996,207	-
U.S. Treasuries	53,957,003	53,957,003	-	-
Corporate Notes	1,864,508	-	1,864,508	-
Commercial Paper	3,900,000	-	3,900,000	-
Total investments by fair value level	70,354,873	$ 53,957,003	$ 16,397,870	$ -
External investment pools measured at fair value				
State Treasurer's investment pool 5	31,690,668			
State Treasurer's investment pool 7	2,019,883			
Total investments measured at fair value	33,710,551			
Investments measured at amortized costs				
Money market investments	19,461,571			
Repurchase agreement	100,970,003			
Total investments measured at amortized costs	120,431,574			
Total investments	$ 224,496,998			

Investments categorized as Level 2 are valued using market-corroborated inputs by evaluating issues with its best-known market maker. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Credit Risk. State Law and the Town's investment policy limits the purchase of Commercial Paper to those securities rated A1/P1 or the equivalent by two nationally recognized statistical rating agencies. The Town's investment policy also limits the purchase of Corporate Bonds or Notes to those securities rated AA-/Aa3 or better at the time of purchase by two nationally recognized statistical rating agencies. At June 30, 2023 the Town's investments in compliance with these rating requirements included $3,900,000 in Commercial Paper and $1,864,508 in Corporate Notes.

The Town's investment in the State Treasurer's investment pool 5 and pool 7 are specifically limited to those securities that carry the full faith and credit of the United States Government. The net asset value per share of both pools at June 30, 2023 was $1.00. Pool 5 has continued to maintain the highest credit rating of AAA f/S1+ by Standard & Poor's. Pool 7 invests in securities backed by the U.S. Government and has an AAA weighted average rating. The Town's investments in U.S. Agencies were rated AA+ by Standard & Poor's. The Arizona State Treasurer has a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, AZ 85007 or at www.aztreasury.gov.

Custodial Credit Risk. To control custodial credit risk, State law and the Town's investment policy requires all securities and collateral to be held by an independent third party custodian in the Town's name. The custodian provides the Town with monthly safekeeping statements.

The Town's investment in the State Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the Town's portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration of Credit Risk. The Town's investment policy sets diversification limits on both security types and length of maturity, except for LGIP and U.S. Treasury and other government obligations which do not have a portfolio issuer limit. As of June 30, 2023, the Town's investments include 44% in repurchase agreement.

Interest Rate Risk. Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days. In order to limit interest and market rate risk, the Town's investment policy sets a maximum maturity on any investment of 5 years. The weighted average maturity (WAM) at June 30, 2023 for Town investments, excluding LGIP, was 231 days. The State Treasurer's investment policy sets a maximum WAM for pools 5 and 7 not to exceed 90 days.

At June 30, 2023, the Town had the following investment in debt securities:

		Investment maturities	
Investment Type	Amount	Less than 1 Year	1-5 Years
Money market investments	$ 19,461,571	$ 19,461,571	$ -
State Treasurer's Investment Pool 5	31,690,668	31,690,668	-
State Treasurer's Investment Pool 7	2,019,883	2,019,883	-
Federal Home Loan Mortgage Corp	4,637,155	3,729,785	907,370
Federal Home Loan Banks	5,996,207	3,551,420	2,444,787
U.S. Treasuries	53,957,003	46,150,639	7,806,364
Corporate Notes	1,864,508	467,808	1,396,700
Commercial Paper	3,900,000	3,900,000	-
Repurchase Agreement	100,970,003	100,970,003	-
Total investments	$ 224,496,998	$ 211,941,777	$ 12,555,221

NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2023:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	$ 9,541,148	$ 5,809,544	$ -	$ 15,350,692
Construction in progress	6,790,444	8,946,468	3,018,442	12,718,470
Total capital assets, not being depreciated/amortized	16,331,592	14,756,012	3,018,442	28,069,162
Capital assets, being depreciated/amortized:				
Right of use subscription assets	-	414,265	-	414,265
Right of use lease assets - land	368,153	-	-	368,153
Buildings and improvements	65,945,662	419,505	-	66,365,167
Machinery, equipment, and other assets	26,627,534	3,294,002	539,816	29,381,720
Infrastructure	462,629,861	4,372,735	-	467,002,596
Total capital assets being depreciated	555,571,210	8,500,507	539,816	563,531,901
Less accumulated depreciation/amortizaiton for:				
Right of use subscription assets	-	(106,693)	-	(106,693)
Right of use lease assets - land	(15,666)	(15,666)	-	(31,332)
Buildings and improvements	(25,891,147)	(1,951,438)	-	(27,842,585)
Machinery, equipment, and other assets	(18,582,368)	(1,952,206)	(490,091)	(20,044,483)
Infrastructure	(238,331,933)	(18,554,219)	-	(256,886,152)
Total accumulated depreciation/amortization	(282,821,114)	(22,580,222)	(490,091)	(304,911,245)
Total capital assets, being depreciated/amortized, net	272,750,096	(14,079,715)	49,725	258,620,656
Governmental activities capital assets, net	$ 289,081,688	$ 676,297	$ 3,068,167	$ 286,689,818

Governmental activities depreciation expense was charged to function/programs as follows:

Governmental Activities:	
General government	$ 1,069,237
Public safety	1,146,962
Highways and streets	18,157,566
Economic and community development	164,510
Health and Welfare	23,737
Culture and recreation	2,018,210
Total depreciation expense - governmental activities	$ 22,580,222

A summary of changes in capital assets for business-type activities is as follows:

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 4,170,118	$ 145,248	$ -	$ 4,315,366
Water rights	4,311,282	45,995	-	4,357,277
Construction in progress	3,175,650	4,372,512	1,664,591	5,883,571
Total capital assets, not being depreciated	11,657,050	4,563,755	1,664,591	14,556,214
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	177,667,312	1,993,165	864,837	178,795,640
Machinery, equipment, and other assets	4,022,753	456,977	12,255	4,467,475
Total capital assets being depreciated	181,690,065	2,450,142	877,092	183,263,115
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(43,733,573)	(5,089,707)	(471,031)	(48,352,249)
Machinery, equipment, and other assets	(2,154,347)	(464,147)	(12,255)	(2,606,239)
Total accumulated depreciation	(45,887,920)	(5,553,854)	(483,286)	(50,958,488)
Total capital assets, being depreciated, net	135,802,145	(3,103,712)	393,806	132,304,627
Business-type activities capital assets, net	$ 147,459,195	$ 1,460,043	$ 2,058,397	$ 146,860,841

Business-type depreciation expense was charged to functions/programs as follows:

Businees-type Activities:	
Airport	$ 1,155,620
Water	2,040,117
Wastewater	2,358,117
Total depreciation expense - business-type activities	$ 5,553,854

NOTE 6 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Leases

In accordance with the provisions of GASB No. 87, each lease was retroactively measured as of July 1, 2021 at an interest rate of 3.0%, the Town's incremental borrowing rate used for lease measurements.

Lessee

Effective January 1, 2015, the Town renewed a lease for land. Based on this agreement the Town will make variable monthly payments through fiscal year 2045. The Town has acquired land as a right-to-use asset by under the provisions of a lease agreement. There is no purchase option included in the agreement for the land.

The total amount of the lease asset and the related accumulated amortization is as follows:

Total Intangible right-to-use lease asset	$	368,153
Less: accumulated amortization		(31,332)
Carrying value	$	336,821

The following schedule details minimum lease payments to maturity for the Town's leases payable at June 30, 2023:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 6,333	$ 10,639	$ 16,972
2025	7,042	10,440	17,482
2026	7,788	10,218	18,006
2027	8,572	9,974	18,546
2028	9,397	9,706	19,103
2029-2033	60,892	43,571	104,463
2034-2038	88,628	32,475	121,103
2039-2043	123,697	16,696	140,393
2044-2045	45,124	1,086	46,210
	$ 357,473	$ 144,805	$ 502,278

Lessor

The Town has entered into various lease agreements as the Lessor. From time to time the Town's lease contracts include variable lease payments, including residual value guarantees, that are not included in the lease receivable because they are not fixed in substance. The Town recognized an insignificant amount of revenue related to these variable lease payments and they have not been further disclosed or included in the measurement of the Town's lease receivables.

As of June 30, 2023, the Town is reporting the following lease receivables, deferred inflows related to leases, lease revenue, and interest revenue:

Governmental Activities

Lease	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Communication Tower Land Leases	$ 2,930,411	$ 2,756,663	$ 146,125	$ 88,839
Building Lease	146,300	137,847	6,412	4,428
Totals	$ 3,076,711	$ 2,894,510	$ 152,537	$ 93,267

Business-type Activities

Lease	Lease Receivable	Deferred Inflows Related to Leases	Lease Revenue	Lease Interest Revenue
Airport Land Leses	$ 4,727,341	$ 4,511,278	$ 202,473	$ 142,608

The Town's leases are summarized as follows:

Communication Tower Land Leases – The Town has entered into multiple land leases for communication towers. Based on these agreement the Town will be receiving variable monthly and/or annual payments through fiscal year 2048.

Building Lease – The Town has entered into a building lease leases for a communication tower. Based on the agreement the Town will be receiving variable monthly payments through fiscal year 2045.

Other Leasing Arrangements

Land – State of Arizona

The Town has assigned and assumed a non-cancelable long-term operating lease for 2,400 acres of land with the State of Arizona with an expiration of October 2099. This lease had an initial annual rent of $432,000 that requires 10% increases in the annual rent payments for each succeeding five year period. This lease does not meet the definition of a lease under GASB 87 as the lease does not provide the Town with exclusive rights to the property.

In conjunction with the Town assuming the long-term operating lease, a developer signed a non-cancelable agreement to reimburse the Town the annual rental payment for either a minimum of twenty years or until the first twelve consecutive months the developer generates more than $1,000,000 in resort sales tax to the Town from the development project known as "Dove Mountain". This threshold was reached on June 30, 2011, and therefore the developer ceased reimbursing the Town for the annual rent payment. These leases provide for payments of minimum annual rentals as follows, excluding real estate taxes, common area charges, management fees, and sales taxes:

Years Ending June 30,	
2024	$ 632,491
2025	632,491
2026	695,740
2027	695,740
2028	695,740
2029 - 2033	3,687,422
2034 - 2038	4,056,163
2039 - 2043	4,461,780
2044 - 2048	4,907,959
2049 - 2053	5,398,754
2054 - 2058	5,938,630
2059 - 2063	6,532,495
2064 - 2068	7,185,745
2069 - 2073	7,904,319
2074 - 2078	8,694,751
2079 - 2083	9,564,226
2084 - 2088	10,520,649
2089 - 2093	11,572,714
2094 - 2098	12,729,984
2099	2,642,072
Total	$ 109,149,865

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2023. Rent expense under the above leases for fiscal 2022-23 aggregated $632,491.

B. Subscription-Based Information Technology Arrangements

The Town has entered into certain subscription-based information techology arrangements that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. The are generally for enterprise-scale software as a service contracts.

The total amount of subscription assets and the related accumulated amortization are as follows

Total Intangible right-to-use subscription assets	$ 414,265
Less: accumulated amortization	(106,693)
Carrying value	$ 307,572

The following schedule details minimum payments to maturity for subscription arrangements at June 30, 2023:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 107,543	$ 16,714	$ 124,257
2025	115,344	8,913	124,257
2026	84,685	1,072	85,757
	$ 307,572	$ 26,699	$ 334,271

NOTE 7 – LONG-TERM LIABILITIES

A. Notes Payable

Business-type activities loans payable consists of six loans from the Water Infrastructure Finance Authority (WIFA), the proceeds of which were used to acquire and construct various water and wastewater related infrastructure. The loans are to be repaid in annual principal payments, plus semiannual interest payments, and a semiannual servicing fee.

During 2010, the Town obtained $5,250,000 in financing from WIFA for the acquisition and construction of a new water infrastructure. As of year-end, the Town had drawn on $4,690,128 of the loan and returned $559,872. The interest rate at June 30, 2023 on the outstanding balance is 2.968 percent.

During 2019, the Town obtained $15,000,000 in financing from WIFA for the design and construction of two water treatment campuses. As of year-end, the Town has drawndown the entire balance of the loan. The interest rate at June 30, 2023 on the outstanding balance is 2.440 percent.

During 2019, the Town also obtained $1,481,990 in financing from WIFA for the design and construction of new wastewater infrastructure for the Adonis Mobile Home Park Neighborhood. Fifty percent of the principal amount is forgivable as the Town applied on behalf of Adonis, a qualified disadvantaged community. As of year-end, the Town had drawn the entire forgivable portion plus $711,230 of the loan and returned $29,764. The interest rate at June 30, 2023 on the outstanding balance is 2.508 percent.

During 2020, the Town obtained $1,100,000 in additional financing from WIFA for the two water treatment campuses. $525,500 of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus $483,534 of the loan and returned $90,966. The interest rate at June 30, 2023 on the outstanding balance is 1.8737 percent.

During 2020, the Town obtained $475,000 in additional financing from WIFA for the Adonis Mobile Home Park wastewater infrastructure. Fifty percent of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus $221,216 of the loan and returned $16,283. The interest rate at June 30, 2023 is 3.4 percent

During 2023 the Town obtained $1,000,000 in financing from WIFA for the Marana Park Reservoir. $512,000 of the principal amount is forgivable. As of year-end, the Town has drawn the entire forgivable portion plus $161,390, leaving $326,110 available for drawdown. The interest rate at June 30, 2023 on the outstanding balance is 3.204 percent

During 2023 the Town obtained $4,455,413 in financing from WIFA for the Continental Reserve 24-inch tie in and the Picture Rocks interconnect. $3,454,431 of the principal amount is forgivable. As of year end, the Town has not drawn any funds from this loan

	Outstanding June 30, 2023
$4,690,128 Water Infrastructure Finance Authority loan, due in annual installments of $201,000 to $312,000; through July 1, 2029; at 2.968% interest rate.	$ 2,002,475
$15,000,000 Water Infrastructure Finance Authority loan, 2019 Series, due in annual installments of $590,762 to $933,973; through July 1, 2038; at a 2.440% interest rate.	12,549,050
$711,231 Water Infrastructure Finance Authority loan, Adonis, due in annual installments of $28,985 to $46,405; through July 1, 2038; at a 2.508% interest rate.	587,421
$483,534 Water Infrastructure Finance Authority loan, 2020 Series, due in annual installments of $10,283 to $28,877; through July 1, 2040; at a 1.8737% interest rate.	435,198
$221,216 Water Infrastructure Finance Authority loan, Adonis 2020, due in annual installments of $9,220 to $13,119; through July 1, 2040 at 3.4% interest rate.	202,605
$487,500 Water Infrastructure Finance Authority loan, Marana Park Reservoir, due in annual installments of $17,769 to $32,352; through July 1, 2042 at 3.204% interest rate.	161,390
Total	$ 15,938,139

The following is a schedule by years of the debt service requirements for the loan as of June 30, 2023.

Fiscal Year	Principal	Interest	Total
2024	$ 991,709	$ 168,844	$ 1,160,553
2025	1,017,269	154,710	1,171,979
2026	1,043,495	143,318	1,186,813
2027	1,070,405	131,623	1,202,028
2028	1,098,017	119,617	1,217,634
2029-2033	4,893,977	428,045	5,322,022
2034-2038	4,747,654	193,963	4,941,617
2039-2043	1,075,613	17,582	1,093,195
Totals	$ 15,938,139	$ 1,357,702	$ 17,295,841

B. Community Facilities District (CFD) General Obligation Bonds

During 2016, Gladden Farms Community Facilities District (a component unit) issued general obligation bonds for infrastructure improvements and to refund prior issuances. The refunding issuance resulted in the 2004, 2006, 2007, and 2010 general obligation bond series to be considered defeased and the liability has been removed from the statement of net position. The refunding resulted in an issuance of $7,955,000 of general oblication bonds.

During 2019, Saguaro Springs Community Facilities District (a component unit) issued $3,845,000 of Series 2018 general obligation bonds for infrastructure improvements.

During 2020, Saguaro Springs Community Facilities District (a component unit) issued $1,950,000 of Series 2019 general obligation bonds for infrastructure improvements.

Gladden Farms Phase II Community Facilities District (a component unit) issued $1,245,000 of Series 2019 general obligation bonds for infrastructure improvements.

During 2021, Gladden Farms Community Facilities District (a component unit) issued $4,155,000 of Series 2020 general obligation bonds for infrastructure improvements.

During 2022, Gladden Farms Community Phase II Community Facilities District (a component unit) issued $4,080,000 of Series 2021 general obligation bonds for infrastructure improvements.

During 2022, Saguaro Springs Community Facilities District (a component unit) issued $2,720,000 of Series 2021 general obligation bonds for infrastructure improvements.

During 2023, Gladden Farms Community Phase II Community Facilities District (a component unit) issued $6,220,000 of Series 2022 general obligation bonds for infrastructure improvements.

These bonds are payable from the property tax collected by each District. The CFD general obligation bonds outstanding as reported in governmental activities as of June 30, 2023, were as follows:

	Outstanding June 30, 2023
$7,955,000 Gladden Farms CFD General Obligation Bonds, 2016 Series, due in annual installments of $20,000 to $640,000; through July 15, 2041; at a 2.0% to 4.0% interest rate.	$ 6,015,000
$3,845,000 Saguaro Springs CFD General Obligation Bonds, 2018 Series, due in annual installments of $100,000 to $235,000; through July 15, 2043; at a 2.0% to 4.0% interest rate.	3,430,000
$1,245,000 Gladden Farms Phase II CFD General Obligation Bonds, 2019 Series, due in annual installments of $30,000 to $80,000; through July 15, 2044; at a 3.75% to 4.125% interest rate.	1,180,000
$1,950,000 Saguaro Springs CFD General Obligation Bonds, 2019 Series, due in annual installments of $55,000 to $340,000; through July 15, 2044; at a 3.0% to 4.0% interest rate.	1,800,000
$4,155,000 Gladden Farms CFD General Obligation Bonds, 2020 Series, due in annual installments of $100,000 to $405,000; through July 15, 2041; at a 2.375% to 3.0% interest rate.	4,155,000
$4,080,000 Gladden Farms Phase II CFD General Obligation Bonds, 2021 Series, due in annual installments of $110,000 to $330,000; through July 15, 2047; at a 3.0% interest rate.	4,080,000

$2,720,000 Saguaro Springs CFD General Obligation Bonds, 2021 Series, due in annual installments of $50,000 to $460,000; through July 15,2047; at a 3.0% interest rate.	2,475,000
$6,220,000 Gladden Farms Phase II CFD General Obligation Bonds, 2022 Series, due in installments of $140,000 to $430,000; through July 15,2047; at a 5.0% interest rate.	6,220,000
Total	$ 29,355,000

Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2023, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 750,000	$ 1,165,933	$ 1,915,933
2025	1,055,000	1,069,725	2,124,725
2026	1,095,000	1,031,900	2,126,900
2027	1,140,000	989,575	2,129,575
2028	1,175,000	945,075	2,120,075
2029-2033	6,645,000	3,988,506	10,633,506
2034-2038	6,155,000	2,732,133	8,887,133
2039-2043	6,380,000	1,606,388	7,986,388
2044-2047	4,960,000	465,669	5,425,669
Totals	$ 29,355,000	$ 13,994,904	$ 43,349,904

C. Tangerine Farms Road Improvement District Improvement Bonds

Tangerine Farms Road Improvement District (a component unit) issued special assessment bonds for infrastructure improvements and to refund prior issuances. These bonds are paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received. The TFRID special assessment bonds outstanding as reported in governmental activities as of June 30, 2023, were as follows:

	Outstanding June 30, 2023
$14,245,132 TFRID Refunding Bonds, Series 2017, due in annual installments of $1,618,132 to $1,907,000; through January 1, 2026; at an interest rate of 1.96%.	$ 3,771,000

Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2023, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2024	1,234,000	73,912	1,307,912
2025	1,257,000	49,725	1,306,725
2026	1,280,000	25,088	1,305,088
Totals	$ 3,771,000	$ 148,725	$ 3,919,725

D. Revenue Bonds – Public Placement

The Town issued pledged excise tax-revenue and refunding obligation bonds to finance the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater Recharge Facility, for acquiring water systems, wastewater systems, infrastructure upgrades, the design and construction of the new municipal complex and to refund prior issuances.

These bonds are payable from the excise taxes collected by the Town. The revenue bonds outstanding as of June 30, 2023, were as follows:

	Oustanding June 30, 2023	
	Governmental	Business-type
$34,780,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2013 Series, due in annual installments of $315,000 to $2,570,000; through July 1, 2033; at a 2.0% to 5.0% interest rate.	$ 21,580,000	
$17,215,000 Pledged Excise Tax Revenue Bonds, 2017 Series A, due in annual installments of $1,920,000 to $2,420,000; through July 1, 2042; at a 2.0% to 5.0% interest rate.		$ 17,215,000
$19,865,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2017 Series B, due in annual installments of $840,000 to $2,580,000; through July 1, 2028; at a 2.0% to 5.0% interest rate.	13,440,000	
$2,565,000 Pledged Excise Tax Revenue Bonds, 2017 Series C, due in annual installments of $30,000 to $1,980,000; through July 1, 2034; at a 2.0% to 5.0% interest rate.		2,565,000
Total	$ 35,020,000	$ 19,780,000

Annual debt service requirements to maturity on revenue bonds at June 30, 2023, are summarized as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	$ 3,970,000	$ 1,622,250	$ -	$ 809,069
2025	4,170,000	1,418,750	-	809,069
2026	4,395,000	1,204,625	-	809,069
2027	4,615,000	979,375	-	809,069
2028	4,850,000	742,750	-	809,069
2029-2033	11,300,000	1,437,950	410,000	4,016,844
2034-2038	1,720,000	43,000	8,150,000	3,194,269
2039-2043	-	-	11,220,000	1,152,709
Totals	$ 35,020,000	$ 7,448,700	$ 19,780,000	$ 12,409,167

E. Revenue Bonds – Direct Placement

The Town issued pledged excise tax-revenue and refunding obligation bonds via direct placement to acquire additional water systems, wastewater systems, infrastructure upgrades, the design and construction of the new municipal complex and to refund prior issuances.

These bonds are payable from the excise taxes collected by the Town and water utility revenue. During 2023, the Water Utility Obligation Bonds were paid in full. The remaining direct placement revenue bonds outstanding as of June 30, 2023 were as follows:

	Oustanding June 30, 2023
	Governmental
$6,493,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2014 Series, due in annual installments of $353,000 to $735,000; through July 1, 2025; at a 2.55% interest rate.	$ 1,881,000

Annual debt service requirements to maturity on direct placement revenue bonds at June 30, 2023, are summarized as follows:

Year ending June 30	Governmental Activities	
	Principal	Interest
2024	609,000	40,201
2025	629,000	24,416
2026	643,000	8,198
Totals	$ 1,881,000	$ 72,815

F. Water Agreement Payable

In September 2021, the Town entered into a repayment agreement with Central Arizona Project (CAP) whereas the Town will pay annually for the repayment of past CAP water service capital and 9(d) debt charges over a five year period through fiscal year 2027. The agreement is calculating interest at a rate of 2.5%.

Annual debt service requirements to maturity on the water agreement payable at June 30, 2023, is summarized as follows:

Year ending June 30	Principal	Interest	Total
2024	$ 202,035	$ 8,384	210,419
2025	202,035	8,384	210,419
2026	202,035	8,384	210,419
Totals	$ 606,105	$ 25,152	$ 631,257

G. Pledged Revenues

The Town has pledged future excise tax revenues to repay $80.9 million in Excise Tax Revenue Bonds issued in 2013, 2014, and 2017. The various bonds were issued for the expansion of the Marana Wastewater Reclamation Facility, construction of the groundwater Recharge Facility, construction of the municipal complex, the acquisition of certain water systems, acquisition of the Marana Wastewater Reclamation Facility, infrastructure upgrades and to refund prior debt issuances. The Town has also pledged future excise tax revenues to repay $17.9 million in Water Infrastructure Financing Authority loans issued in 2019, 2020, and 2023. The loans were issued for wastewater improvements in the Adonis neighborhood, water quality treatment campuses, and the park reservoir. At year end, $56.7 million in bonds remain outstanding and $13.9 million in loans remain outstanding to be repaid by future excise tax revenues. The net revenues available for service of this debt were $95.9 million. The debt principal and interest paid on this debt during fiscal year 2023 was $8.2 million (8.6% of available net pledged revenues).

In addition, the Town has pledged future water utility revenues to repay $4.7 million in Water Infrastructure Financing Authority loans and a $1.3 million Revenue Refunding Bond. The loan was issued for the acquisition of well sites and the construction of certain infrastructure. The bond was issued in 2014 to refund prior debt issuances. During 2023, the bond was paid in full. At year end, $2.0 million remains outstanding to be repaid by future water revenues for the outstanding loan. For the fiscal year ended June 30, 2023, the net revenues available for service of this debt were $6.7 million. The debt principal and interest paid, including fees, on this debt during fiscal year 2023 was $516,744.

Under Arizona law, the Town is subject to a debt limit when issuing general obligation bonds for general municipal purposes not to exceed 6 percent of the full valuation of taxable real property. Also, under Arizona law, the Town can issue additional general obligation bonds for supplying specific services, such as water, sewer, lighting, parks and recreational facilities, and transportation, up to an amount not exceeding 20 percent of the full valuation of taxable real property. At June 30, 2023, the total legal debt limit was $201,933,626 . As of June 30, 2023, the total outstanding debt applicable to the limit was zero.

H. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 24,000,000	$ 6,220,000	$ (865,000)	$ 29,355,000	$ 750,000
Revenue bonds - Public Placements	38,820,000	-	(3,800,000)	35,020,000	3,970,000
Revenue bonds - Direct Placements	2,616,000	-	(735,000)	1,881,000	609,000
Compensated absences	1,374,217	1,520,712	(1,343,100)	1,551,829	1,396,654
Net pension liability	32,808,935	7,479,939		40,288,874	-
Special assessment bonds	5,695,000	-	(1,924,000)	3,771,000	1,234,000
Bond premium	4,973,286	157,884	(497,292)	4,633,878	-
Subscriptions liability	-	414,265	(106,693)	307,572	107,543
Leases payable	363,133	-	(5,660)	357,473	6,333
Total	$ 110,650,571	$ 15,792,800	$ (9,276,745)	$ 117,166,626	$ 8,073,530
Business-type activities:					
Loan payable	$ 16,729,660	$ 161,390	$ (952,911)	$ 15,938,139	$ 991,709
Net pension liability	1,720,092	642,434		2,362,526	-
Revenue bonds - Public Placement	19,780,000	-	-	19,780,000	-
Revenue bonds - Direct Placement	197,000	-	(197,000)	-	-
Compensated absences	135,340	116,676	(91,064)	160,952	144,857
Bond premium	291,806	-	(19,687)	272,119	-
Water agreement payable	808,140	-	(202,035)	606,105	202,035
Total	$ 39,662,038	$ 920,500	$ (1,462,697)	$ 39,119,841	$ 1,338,601

NOTE 8 – UNAVAILABLE AND UNEARNED AMOUNTS

Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred amounts reported in the governmental funds were as follows:

Deferred revenue	Unavailable	Unearned
Program revenues (General Fund)	$ -	$ 930,534
Intergovernmental (Non-Major Governmental Funds)	87,573	-
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	3,472,877	-
Total deferred amounts for governmental funds	$ 3,560,450	$ 930,534

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2023, several funds were involved in interfund borrowing arrangements with the General Fund due to insufficient resources available in the funds to cover expenditures. Through the fiscal year 2023-2024, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Wastewater Fund, $2,200,000 to the Transportation Fund and $2,482,901 to the General Fund, is considered long-term. The long-term borrowing was due to insufficient resources in past years for capital projects in the Wastewater Fund. Listed below is a summary of the interfund borrowing transactions.

	Due From			
Due To	Non-Major Governmental Funds	Wastewater Fund	Airport Fund	Total
General Fund	$ 567,275	$ 2,632,901	$ 111,291	$ 3,311,467
Transportaion Fund	-	2,300,000	-	2,300,000
Total	$ 567,275	$ 4,932,901	$ 111,291	$ 5,611,467

Interfund transfers:

Interfund transfers were made by the Town during the fiscal year to ensure that sufficient resources were available to cover expenditures in the applicable funds. These were direct transfers between funds and will not be eliminated as sufficient resources become available in the receiving funds. Specifically, the General Fund and select Non-Major Governmental funds transferred funds to provide the resources for debt service payments. Listed below is a summary of transfers between funds.

	Transfers In					
	Governmental Funds			Enterprise Funds		
Transfers Out	General Fund	Transporation	Non-Major Governmental Funds	Water Fund	Wastewater Fund	Total
General Fund	$ -	$ -	$ 28,483	$ -	$ -	$ 28,483
Non-Major Governmental	2,468,356	1,459,224	1,221,555	902,751	902,751	6,954,637
Water Fund	5,129,197	-	-	-	-	5,129,197
Wastewater Fund	12,100,000	-	-	402,897	-	12,502,897
Airport Fund	156,153	-	-	-	-	156,153
Total	$ 19,853,706	$ 1,459,224	$ 1,250,038	$ 1,305,648	$ 902,751	$ 24,771,367

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

All full-time and permanent part-time employees participate in one of four different retirement plans. With the exception of public safety personnel, police dispatchers and elected officials, all other employees participate in the Arizona State Retirement System (ASRS). Certified public safety personnel participate in the Public Safety Retirement Systems (PSPRS). Police dispatch and communication staff hired before July 1, 2018 participate in the Corrections Officer Retirement Plan (CORP). The Town's Mayor and Council Members participate in the Elected Officials' Retirement Plan (EORP).

At June 30, 2023, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	$ 40,288,874	$ 2,362,526	$ 42,651,400
Deferred outflows of resources	8,697,872	430,760	9,128,632
Deferred inflows of resources	1,202,615	59,913	1,262,528
Pension expense	4,961,880	351,886	5,313,766

The Town reported $5,124,298 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

All full-time and permanent part-time employees not in the Public Safety Retirement System, Corrections Officers Retirement System or Elected Officials Retirement System are eligible to participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost sharing multiple-employer defined benefit plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1. ASRS net OPEB liabilities have not been recorded, or further disclosed at June 30, 2023 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements. ASRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on its website at www.azasrs.gov.

Benefits provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50*
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that would typically be filled by an employee who contributes to the ASRS. The Town's contributions to the pension plan for the year ended June 30, 2023, were $2,312,893.

During fiscal year 2023, the Town paid for ASRS pension contributions as follows: 86.52% percent from the General Fund and 13.48% from enterprise funds.

Pension liability—At June 30, 2023, the Town reported a liability of $22,753,177 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Town's proportion measured as of June 30, 2022, was 0.1394 percent, which was an increase of 0.00115 percent from its proportion measured as of June 30, 2021.

Pension expense—For the year ended June 30, 2023, the Town recognized pension expense for ASRS of $2,513,184.

Deferred outflows/inflows of resources—At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ 193,871	$ -
Changes of assumptions or other inputs	1,129,284	-
Net difference between projected and actual earnings on pension plan investments	-	599,341
Changes in proportion and differences between contributions and proportionate share of contributions	114,253	216,232
Town contributions subsequent to the measurement date	2,312,893	-
Total	$ 3,750,301	$ 815,573

The $2,312,893 reported as deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2024	$ 921,661
2025	(218,503)
2026	(1,040,596)
2027	959,273
2028	-
Thereafter	-

Actuarial Assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	(0.20)%
Real estate	20%	6.00%
Total	100%	

Discount Rate—At June 30, 2022, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.0)%	Current Discount Rate (7.0%)	1% Increase (8.0)%
Town's proportionate share of the net pension liability	$ 33,571,635	$ 22,753,176	$ 13,732,272

Pension plan fiduciary net position—Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

All of the Town's full-time police officers are covered by the Arizona Public Safety Personnel Retirement System (PSPRS), which is an agent multiple-employer defined benefit plan. PSPRS was established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes to provide pension benefits for public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS is jointly administered by the Board of Trustees (formerly fund manager) and participating local boards. The Board of Trustees is a nine-member board appointed by the Governor and the State Legislature. The Board of Trustees is responsible for establishing contribution rates in accordance with an actuarial study. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the Town's financial statements.

All full-time and permanent part-time employees employed as police dispatchers or communications operators hired before July 1, 2018 are eligible to participate in the Corrections Officers Retirement Plan (CORP), an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. All full-time and permanent part-time employees employed as police dispatchers or communications operators hired after July 1, 2018 are eligible to participate in the Arizona State Retirement System (ASRS), a cost sharing multiple-employer defined benefit plan. The CORP is governed by the PSPRS Board of Trustees and the local participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6. PSPRS and CORP net OPEB liabilities have not been recorded, or further disclosed at June 30, 2023 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements.

PSPRS and CORP issue publicly available financial reports that include financial statements and required supplemental information. This report may be obtained on the PSPRS website at www.psprs.com or by writing to 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

Benefits provided—The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Reitrement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited aservice, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability	50% or normal retirement, whichever is greater	

Retirement		
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	
CORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018
Reitrement and Disability		
Years of service and age required to receive benefit	Sum of years and age equals 80 25 years of service, any age 10 years of service, age 62	25 years of service, age 52.5 10 years of service, age 62
Final average salary is based on	Highest 36 consecutive of last 10 years	Highest 60 consecutive of last 10 years
Benefit percent		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service	

Survivor Benefit

Retired Members	80% of retired member's pension benefit
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from $100 per month to $260 per month depending on the age of the member and dependents.

Employees covered by benefit terms—At June 30, 2023, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Police	CORP
Inactive employees or beneficiaries currently receiving benefits	38	4
Inactive employees entitled to but not yet receiving benefits	19	2
Active employees	68	3
Total	125	9

Contributions—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police	CORP Dispatchers
Active members-Pension	7.65% - 11.65%	7.96%
Town		
Pension	36.70%	27.88%
Health insurance premium benefit	0.10%	0.30%

Also, the PSPRS Board of Trustees required an additional employer contribution of 23.27 percent for legacy costs of Tier 1 and 2 amortization of unfunded liabilities on Tier 3 contributions. In addition, statute required the Town to contribute at the actuarially determined rate of 23.27 percent for the PSPRS of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

The Town's contributions to the pension plan for the year ended June 30, 2023, were:

	PSPRS Police	CORP
Pension Contributions made	$ 3,021,179	$ 27,625

During fiscal year 2023, the Town paid for PSPRS and CORP pension contributions with 93.31 percent from the General Fund and 6.69 percent from non-major governmental funds.

Pension liability—At June 30, 2023, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	$ 17,618,618
CORP Dispatchers	1,235,635
Total	$ 18,854,253

The net pension liabilities were measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022 reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, changing the wage inflation from 3.5 percent to a range of 3.0 - 6.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

Pension actuarial assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP-Pension	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 - 6.25% for pensions
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.85% for pensions
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Long-Term Expected

PSPRS and CORP Asset Class	Target Allocation	Arithmetic Real Rate of Return
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	100%	

Pension discount rates—At June 30, 2022, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

PSPRS - Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	$ 45,970,934	$ 31,396,883	$ 14,574,051
Adjustments to beginning of year	-	-	-
Changes for the year:			
Service cost	1,270,768	-	1,270,768
Interest on the total pension liability	3,378,745	-	3,378,745
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	(311,006)	-	(311,006)
Changes of assumptions or other inputs	304,527	-	304,527
Contributions-employer	-	2,433,571	(2,433,571)
Contributions-employee	-	521,696	(521,696)
Net investment income	-	(1,332,780)	1,332,780
Benefit payments, including refunds of employee contributions	(1,915,053)	(1,915,053)	-
Administrative expense	-	(24,020)	24,020
Other changes	-	-	-
Net changes	2,727,981	(316,586)	3,044,567
Balances at June 30, 2023	$ 48,698,915	$ 31,080,297	$ 17,618,618

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)

Balances at June 30, 2022	$ 3,097,993	$ 2,258,436	$ 839,557
Adjustments to beginning of year	-	-	-
Changes for the year:			
Service cost	40,337	-	40,337
Interest on the total pension liability	225,121	-	225,121
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	80,509	-	80,509
Changes of assumptions or other inputs	49,539	-	49,539
Contributions-employer	-	66,152	(66,152)
Contributions-employee	-	19,267	(19,267)
Net investment income	-	(84,442)	84,442
Benefit payments, including refunds of employee contributions	(108,962)	(108,962)	-
Administrative expense	-	(1,549)	1,549
Other changes	-	-	-
Net changes	286,544	(109,534)	396,078
Balances at June 30, 2023	$ 3,384,537	$ 2,148,902	$ 1,235,635

Sensitivity of the Town's net pension liability to changes in the discount rate—The following table presents the Town's net pension liabilities calculated using the discount rates noted above, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Pension plan fiduciary net position—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

PSPRS - Police	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Total pension liability	$ 24,983,657	$ 17,618,618	$ 11,670,516
CORP			
Total pension liability	$ 1,669,187	$ 1,235,635	$ 876,968

Pension expense/(income)—For the year ended June 30, 2023, the Town recognized the following pension expense/(income):

	Pension Expense/(Income)
PSPRS	$ 2,454,519
CORP Dispatchers	216,557

Pension deferred outflows/inflows of resources—At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 952,107	$ 437,270
Changes of assumptions or other inputs	778,166	-

Net difference between projected and actual earnings on pension plan investments	373,624	-
Town contributions subsequent to the measurement date	3,021,179	-
Total	$ 5,125,076	$ 437,270

CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 80,892	$ 4,919
Changes of assumptions or other inputs	33,026	-
Net difference between projected and actual earnings on pension plan investments	27,943	-
Town contributions subsequent to the measurement date	27,625	-
Total	$ 169,486	$ 4,919

The amounts reported as deferred outflows of resources related to pensions resulting from town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	PSPRS Police	CORP
2024	$ 396,078	$ 67,855
2025	270,251	38,686
2026	53,069	(19,277)
2027	929,900	49,678
2028	17,329	-
Thereafter	-	-

PSPDCRP plan—Town police officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2023, active PSPDCRP members were required by statute to contribute at least 9 percent of the members' annual covered payroll, and the Town was required by statute to contribute 9 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the Town's contributions each year as set forth in statute. The plan retains nonvested Town contributions when forfeited because of employment terminations. For the year ended June 30, 2023, the Town recognized pension expense of $23,422.

C. Elected Officials' Retirement Plan

The Town's Mayor and Council Members are eligible to participate in the Elected Officials' Retirement Plan

(EORP), a multiple employer cost-sharing defined benefit plan. The EORP pension plan was closed to new members as of January 1, 2014. The EORP is governed by the Public Safety Retirement System Board of Trustees according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. EORP issues a publicly available financial report that includes financial statements and required supplementary information. At the time of issuance, the most recent report for EORP was unavailable. The report may be obtained on PSPRS's website at www.psprs.com or by writing to EORP, 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

Benefits provided—The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

	Initial membership date:	
	Before January 1, 2012	**On or after January 1, 2012**
Reitrement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 months of last 10 years	Highest 60 months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5-10 years of service 20% with less than 5 years of serivce	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service

Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 7 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates $5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability. For the year ended June 30, 2023, statute required active EORP members to contribute 7 percent of the members' annual covered payroll and the Town to contribute at the actuarially determined rate of 70.42 percent of all active EORP members' annual covered payroll. In addition, statue required the Town to contribute 48.58 percent of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the EORP would typically fill. The Town's contributions to the pension plan for the year ended June 30, 2023, was $74,342.

During fiscal year 2023, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—At June 30, 2023, Town reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the Town's proportionate share of the State's appropriation for EORP. The amount the Town recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the EORP net pension liability	$	1,043,970
State's proportionate share of the EORP net pension liability associated with the Town		92,630
Total	$	1,136,600

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, decreasing the wage inflation from 3.75 percent to 3.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

The Town's proportion of the net pension liability was based on the Town's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2022. The Town's proportion measured as of June 30, 2022, was .1546 percent, which was a decrease of .0015 percent from its proportion measured as of June 30, 2021.

Pension expense/income and deferred outflows/inflows of resources—For the year ended June 30, 2023, the Town recognized pension income of $29,717 and pension expense of $120,725.

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Difference between projected and actual investment earnings	9,428	-
Changes in proportion and differences between employer and contributions and proportionate share of contributions	-	4,766
Town contributions subsequent to the measurement date	74,342	-
Total	$ 83,770	$ 4,766

The $74,342 reported as deferred outflows of resources related to EORP pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	EORP
2024	$ (2,868)
2025	91
2026	(4,444)
2027	11,882
2028	-
Thereafter	-

Actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP	
Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25% for pension
Price inflation	2.5% for pensions
Cost-of-living adjustment	1.85% for pensions
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	100%	

Discount rate—At June 30, 2022, the discount rate used to measure the EORP total pension liability was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
Town's proportionate share of the net pension liability	$ 1,191,838	$ 1,043,970	$ 917,310

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

EODCRS plan—Elected officials who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for the EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by State statute. The EODCPD is not further disclosed because of its relative insignificance to the Town's financial statements.

For the year ended June 30, 2023, active EODCRS members were required by statute to contribute at least 8 percent of the members' annual covered payroll, and the Town was required by statute to contribute 6 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the the Town's contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2023, the Town recognized pension expense of $1,022.

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Most of the Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. Insurance that is not available through the Pool is purchase commercially. The Town carries insurance for Liability, Property, Excess Liability, Inland Marine, Cyber, Worker's Compensation and Miscellaneous Insurances (bonds, special event, airport owner and operator, drone). The Town carries Employee Health and Accident Insurance as part of its Employee Benefits program.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

Settled claims resulting from these risks have not exceeded the Commercial or the Pool insurance coverage in any of the past three fiscal years.

The Town retains all of the risk not covered by insurance or transferred by contract and manages risk through various employee safety education and prevention programs.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Town is subject to a number of lawsuits, investigations, and other claims (some of which involve substantial amounts) that are incidental to the ordinary course of its operations, including those related to wrongful death and personal injury matters. Although the Town Attorney does not currently possess sufficient information to reasonably estimate the amounts of the liabilities to be recorded upon the settlement of such claims and lawsuits, some claims could be significant to the Town's operations. While the ultimate resolution of such lawsuits, investigations, and claims cannot be determined at this time, in the opinion of Town management, based on the advice of the Town Attorney, the resolution of these matters will not have a material adverse effect on the Town's financial position.

Significant Contractual Commitments

At the end of fiscal year 2023, the Town was obligated to $13 million in significant contractual commitments for vehicles, airport, transportation, park, street, and water and wastewater facility related construction projects. Various street projects accounted for $1.8 million, Marana Community & Aquatic Center project accounted for $2.2 million, new vehicles accounted for $1.2 million, the Tangerine Rd Widening project accounted for $2.3 million, the North Marana Sewer Interceptor project accounted for $1 million, the Marana Park Reservoir project accounted for $2.7 million, and the remaining $1.8 million is related to airport, parks, water, wastewater, and facility related projects.



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REQUIRED SUPPLEMENTARY INFORMATION



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BUDGETARY COMPARISON SCHEDULES

General Fund

Highway User Revenue Fund

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 36,215,052	$ 36,215,052	$ 43,388,307	$ 7,173,255
Intergovernmental	28,346,259	28,346,259	21,315,511	(7,030,748)
Licenses, fees & permits	8,653,000	8,653,000	7,776,633	(876,367)
Fines, forfeitures & penalties	391,500	391,500	364,942	(26,558)
Charges for services	788,100	788,100	822,976	34,876
Lease income	145,000	145,000	170,766	25,766
Contributions	-	-	101,590	101,590
Investment income	150,000	150,000	6,015,344	5,865,344
Miscellaneous	624,871	624,871	679,937	55,066
Total revenues	75,313,782	75,313,782	80,636,006	5,322,224
Expenditures:				
General government:				
General government	8,531,381	6,668,431	3,617,025	3,051,406
Town council	365,991	365,991	342,497	23,494
Town clerk	583,116	583,116	487,259	95,857
Town manager	1,794,483	1,899,483	1,473,650	425,833
Human resources	1,373,076	1,565,445	1,356,561	208,884
Facilities	1,913,014	1,813,011	1,681,162	131,849
Finance	1,940,118	1,747,749	1,539,237	208,512
Legal	1,204,385	1,204,385	1,075,703	128,682
Technology services	4,375,011	4,375,011	3,202,401	1,172,610
Municipal courts	1,248,115	1,248,115	1,197,736	50,379
Total general government	23,328,690	21,470,737	15,973,231	5,497,506
Public safety:				
Police	24,274,475	24,889,475	24,008,561	880,914
Building safety	1,354,792	1,354,792	1,008,537	346,255
Code Enforcement	23,355	21,946	15,221	6,725
Total public safety	25,652,622	26,266,213	25,032,319	1,233,894
Highways and streets	3,504,863	3,504,863	2,909,688	595,175
Health and welfare	396,246	417,916	417,916	-
Economic and community development:				
Development services	4,393,470	4,291,031	3,254,502	1,036,529
Economic development and tourism	315,461	315,461	309,998	5,463
Community development	881,023	904,762	904,762	-
Total economic and community development	5,589,954	5,511,254	4,469,262	1,041,992
Culture and recreation	7,148,878	7,128,878	6,353,162	775,716
Capital outlay	7,286,363	8,153,805	4,914,974	3,238,831
Principal retirement	-	-	112,353	(112,353)
Interest and fiscal charges	360,560	360,560	376,872	(16,312)
Total expenditures	73,268,176	72,814,226	60,559,777	12,254,449
Excess (deficiency) of revenues over expenditures	2,045,606	2,499,556	20,076,229	17,576,673
Other financing sources (uses):				
Leases and subscription technology arrangements	-	-	414,265	414,265
Transfers in	-	-	28,483	28,483
Transfers out	(20,746,340)	(20,746,340)	(19,853,706)	892,634
Total other financing sources (uses)	(20,746,340)	(20,746,340)	(19,410,958)	1,335,382
Changes in fund balances	(18,700,734)	(18,246,784)	665,271	18,912,055
Fund balances, beginning of year	-	-	98,574,822	98,574,822
Fund balances, end of year	$ (18,700,734)	$ (18,246,784)	$ 99,240,093	$ 117,486,877

See accompanying notes to budgetary comparison schedules.

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 4,802,629	$ 4,802,629	$ 4,718,392	$ (84,237)
Licenses, fees & permits	-	-	128,100	128,100
Investment income	5,000	5,000	128,376	123,376
Miscellaneous	-	-	21,361	21,361
Total revenues	4,807,629	4,807,629	4,996,229	188,600
Expenditures:				
Current -				
Highways and streets	4,228,944	4,227,844	2,821,520	1,406,324
Capital outlay	1,129,750	1,130,850	507,156	623,694
Total expenditures	5,358,694	5,358,694	3,328,676	2,030,018
Change in fund balance	(551,065)	(551,065)	1,667,553	2,218,618
Fund balances, beginning of year	-	-	4,916,046	4,916,046
Fund balances, end of year	$ (551,065)	$ (551,065)	$ 6,583,599	$ 7,134,664

See accompanying notes to budgetary comparison schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2023

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

A.R.S. Requires the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Town Council's approval. With the exception of the General Fund, each fund includes only one department.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The Town's budget is prepared on the basis consistent with generally accepted accounting principles, except for the present value of net minimum payments on leases and subscription technology arrangements, which are not budgeted.

NOTE 3 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2023, expenditures exceeded final budget amounts in principal retirement and interest and fiscal charges by $112,353 and $16,312, respectively. These items are non-departmental, therefore they do not fall under the legal level of budgetary control.

PENSION PLAN SCHEDULES

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
COST-SHARING PLANS
JUNE 30, 2023

Arizona Retirement System

	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Town's proportion of the net pension liability	0.13940%	0.13825%	0.14273%	0.14004%	0.14221%	0.14286%	0.140584%	0.136510%	0.129998%	Information not available
Town's proportionate share of the net pension liability	$ 22,753,176	$ 18,165,436	$ 24,730,142	$ 20,377,449	$ 19,833,290	$ 22,254,803	$ 22,691,024	$ 21,263,376	$ 19,235,271	
Town's covered payroll	$ 16,591,724	$ 15,163,886	$ 15,605,818	$ 14,773,437	$ 14,143,225	$ 13,881,636	$ 13,150,962	$ 12,565,464	$ 11,714,615	
Town's proportionate share of the net pension liabiliy as a percentage of its covered payroll	137.14%	119.79%	158.47%	137.93%	140.23%	160.32%	172.54%	169.22%	164.20%	
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

Elected Officials Retirement System

	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Town's proportion of the net pension liability	0.15463%	0.15610%	0.15323%	0.14837%	0.15555%	0.15048%	0.148768%	0.13340%	0.16589%	Information not available*
Town's proportionate share of the net pension liability	$ 1,043,970	$ 949,986	$ 1,034,238	$ 983,931	$ 980,148	$ 1,833,747	$ 1,405,489	$ 1,042,465	$ 1,112,385	
State's proportionate share of the net pension liability associated with the Town	92,630	95,489	89,765	88,985	167,942	380,586	290,197	324,997	341,068	
Total	$ 1,136,600	$ 1,045,475	$ 1,124,003	$ 1,072,916	$ 1,148,090	$ 2,214,333	$ 1,695,686	$ 1,367,462	$ 1,453,453	
Town's covered payroll	$ 124,017	$ 119,423	$ 119,423	$ 119,423	$ 116,021	$ 119,424	$ 119,424	$ 119,423	$ 119,423	
Town's proportionate share of the net pension liability as a percentage of its coverd payroll	841.80%	795.48%	866.03%	823.90%	844.80%	1535.49%	1176.89%	872.92%	931.47%	
Plan fiduciary net position as a percentage of the total pension liability	32.01%	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	

* Additional years' information will be displayed as it becomes available

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2023

PSPRS	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total pension liability										
Service cost	$ 1,270,768	$ 1,124,761	$ 1,130,556	$ 1,116,409	$ 1,100,133	$ 1,213,757	$ 994,058	$ 891,324	$ 876,619	Information
Interest on the total pension liability	3,378,745	3,180,634	2,922,105	2,689,703	2,538,335	2,322,987	2,005,255	1,844,654	1,551,602	not
Changes of benefit terms	-	-	-	-	-	367,673	1,837,430	-	308,515	available
Differences between expected and actual experience in the measurement of the pension liability	(311,006)	128,853	1,261,412	284,100	(566,255)	340,373	536,692	333,269	148,583	
Changes of assumptions or other inputs	304,527	-	-	1,136,498	-	725,862	1,226,081	-	1,933,583	
Benefit payments, including refunds of employee contributions	(1,915,053)	(1,817,754)	(1,715,812)	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Net change in total pension liability	2,727,981	2,616,494	3,598,261	3,823,799	1,289,041	3,583,460	5,424,991	2,094,297	3,607,644	
Total pension liability - beginning	45,970,934	43,354,440	39,756,179	35,932,380	34,643,339	31,059,879	25,634,888	23,540,591	19,932,947	
Total penion liability - ending (a)	$ 48,698,915	$ 45,970,934	$ 43,354,440	$ 39,756,179	$ 35,932,380	$ 34,643,339	$ 31,059,879	$ 25,634,888	$ 23,540,591	
Plan fiduciary net position										
Contributions - employer	$ 2,433,571	$ 2,216,029	$ 2,024,395	$ 2,011,933	$ 1,904,911	$ 1,284,924	$ 1,323,677	$ 1,006,859	$ 797,871	
Contributions - employee	521,696	503,893	467,180	406,546	488,777	621,583	672,181	579,390	578,596	
Net invested income	(1,332,780)	7,031,611	305,606	1,190,198	1,355,793	2,081,790	95,438	533,938	1,698,902	
Benefit payments, including refunds of employee contributions	(1,915,053)	(1,817,754)	(1,715,812)	(1,402,911)	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Hall/Parker Settlement	-	-	-	-	(780,563)	-	-	-	-	
Administrative expense	(24,020)	(32,716)	(24,918)	(21,675)	(21,335)	(18,820)	(14,134)	(13,410)	-	
Other changes	-	-	-	-	227	2,417	223,597	46,032	(543,969)	
Net change in plan fiduciary net position	(316,586)	7,901,063	1,056,451	2,184,091	1,164,638	2,584,702	1,126,234	1,177,859	1,320,142	
Plan fiduciary net position - beginning	31,396,883	23,495,820	22,557,297	20,384,543	19,219,905	16,535,203	15,408,969	14,231,110	12,910,968	
Adjustment to Beginning of Year	-	-	(117,928)	(11,337)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	$ 31,080,297	$ 31,396,883	$ 23,495,820	$ 22,557,297	$ 20,384,543	$ 19,119,905	$ 16,535,203	$ 15,408,969	$ 14,231,110	
Town's net pension liability (asset) - ending (a) - (b)	$ 17,618,618	$ 14,574,051	$ 19,858,620	$ 17,198,882	$ 15,547,837	$ 15,523,434	$ 14,524,676	$ 10,225,919	$ 9,309,481	
Plan fiduciary net position as a percentage of the total pension liability	63.82%	68.30%	54.19%	56.74%	56.73%	55.19%	53.24%	60.11%	60.45%	
Covered payroll	$ 5,612,745	$ 5,617,205	$ 5,207,363	$ 5,272,202	$ 5,121,661	$ 5,318,831	$ 5,182,784	$ 4,900,569	$ 4,638,415	
Town's net pension liability (asset) as a percentage of covered payroll	313.90%	259.45%	381.36%	326.22%	303.57%	291.86%	280.25%	208.67%	200.70%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2023

CORP - Disptchers

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total pension liability										
Service cost	$ 40,337	$ 40,973	$ 41,671	$ 60,952	$ 62,894	$ 59,139	$ 57,866	$ 64,307	$ 63,474	Information
Interest on the total pension liability	225,121	211,853	189,052	157,366	150,833	118,108	113,075	105,144	94,360	not
Changes of benefit terms	-	-	-	-	(111,265)	312,169	15,002	-	-	available
Differences between expected and actual experience in the measurement of the pension liability	80,509	(2,539)	108,881	224,526	(40,404)	(18,913)	(25,358)	(18,303)	(16,512)	
Changes of assumptions or other inputs	49,539	-	-	56,044	-	(5,967)	(136)	-	18,699	
Benefit payments, including refunds of employee contributions	(108,962)	(26,829)	(26,303)	(6,543)	-	(5,825)	(47,673)	(46,131)	-	
Net change in total pension liability	286,544	223,458	313,301	492,345	62,058	458,711	112,776	105,017	160,021	
Total pension liability - beginning	3,097,993	2,874,535	2,561,234	2,068,889	2,006,831	1,548,120	1,435,344	1,330,327	1,170,306	
Total penion liability - ending (a)	$ 3,384,537	$ 3,097,993	$ 2,874,535	$ 2,561,234	$ 2,068,889	$ 2,006,831	$ 1,548,120	$ 1,435,344	$ 1,330,327	
Plan fiduciary net position										
Contributions - employer	$ 66,152	$ 91,440	$ 70,986	$ 83,517	$ 57,269	$ 51,162	$ 48,648	$ 49,045	$ 48,667	
Contributions - employee	19,267	29,136	29,446	31,930	32,445	32,199	32,623	35,981	36,306	
Net invested income	(84,442)	471,853	41,793	79,174	90,441	124,809	6,034	34,230	102,910	
Benefit payments, including refunds of employee contributions	(108,962)	(26,829)	(26,303)	(6,543)	-	(5,825)	(47,673)	(46,131)	-	
Pension plan administrative expense	(1,549)	(2,166)	(1,618)	(2,113)	(2,068)	(1,491)	(1,253)	(1,233)	-	
Other changes	-	-	-	-	(22)	(6)	(5)	(635)	(24,446)	
Net change in plan fiduciary net position	(109,534)	563,434	114,304	185,965	178,065	200,848	38,374	71,257	163,437	
Plan fiduciary net position - beginning	2,258,436	1,695,002	1,580,698	1,394,733	1,216,668	1,015,820	977,446	906,189	742,752	
Plan fiduciary net position - ending (b)	$ 2,148,902	$ 2,258,436	$ 1,695,002	$ 1,580,698	$ 1,394,733	$ 1,216,668	$ 1,015,820	$ 977,446	$ 906,189	
Town's net pension liability (asset) - ending (a) - (b)	$ 1,235,635	$ 839,557	$ 1,179,533	$ 980,536	$ 674,156	$ 790,163	$ 532,300	$ 457,898	$ 424,138	
Plan fiduciary net position as a percentage of the total pension liability	63.49%	72.90%	58.97%	61.72%	67.41%	60.63%	65.62%	68.10%	68.12%	
Covered payroll	$ 177,296	$ 358,783	$ 369,922	$ 401,139	$ 407,607	$ 404,506	$ 397,428	$ 430,892	$ 456,107	
Town's net pension liability (asset) as a percentage of covered payroll	696.93%	234.00%	318.86%	244.44%	165.39%	195.34%	133.94%	106.27%	92.99%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2023

	Reporting Fiscal Year									
Arizona Retirement System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 2,312,893	$ 1,992,666	$ 1,856,449	$ 1,786,018	$ 1,645,597	$ 1,536,196	$ 1,496,440	$ 1,426,879	$ 1,367,122	$ 1,253,464
Town's contributions in relation to the statutorily required contribution	2,312,893	1,992,666	1,856,449	1,786,018	1,645,597	1,536,196	1,496,440	1,426,879	1,367,122	1,253,464
Town's contribution defciency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 19,423,425	$ 16,591,724	$ 15,548,339	$ 15,695,818	$ 14,773,437	$ 14,143,225	$ 13,881,636	$ 13,150,962	$ 12,565,464	$ 11,714,615
Town's contributions as a percentage of covered payroll	11.91%	12.01%	11.94%	11.38%	11.14%	10.86%	10.78%	10.85%	10.88%	10.70%

	Reporting Fiscal Year									
Elected Officials Retirement System	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 74,342	$ 53,207	$ 69,196	$ 69,800	$ 63,358	$ 27,266	$ 28,065	$ 28,065	$ 28,065	$ 38,431
Town's contributions in relation to the statutorily required contribution	74,342	53,207	69,196	69,800	63,358	27,266	28,065	28,065	28,065	38,431
Town's contribution defciency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 106,982	$ 75,557	$ 119,423	$ 119,423	$ 119,423	$ 116,021	$ 119,424	$ 119,424	$ 119,424	$ 119,423
Town's contributions as a percentage of covered payroll	69.49%	70.42%	57.94%	58.45%	53.05%	23.50%	23.50%	23.50%	23.50%	32.18%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2023

	Reporting Fiscal Year									
PSPRS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 3,021,179	$ 2,442,651	$ 2,228,298	$ 2,110,954	$ 2,003,419	$ 1,782,576	$ 1,381,861	$ 1,322,941	$ 1,006,859	$ 797,871
Town's contributions in relation to the actuarially required contributions	3,021,179	2,442,651	2,228,298	2,110,954	2,003,419	1,782,576	1,381,861	1,322,941	1,006,859	797,871
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 8,880,475	$ 6,653,912	$ 6,748,154	$ 6,402,828	$ 6,270,642	$ 5,542,238	$ 5,614,773	$ 5,315,870	$ 4,900,569	$ 4,638,415
Town's contributions as a percentage of covered payroll	34.02%	36.71%	33.02%	32.97%	31.95%	32.16%	24.61%	24.89%	20.55%	17.20%

	Reporting Fiscal Year									
CORP - Dispatchers	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 27,625	$ 66,152	$ 91,436	$ 70,988	$ 83,517	$ 57,269	$ 51,210	$ 48,648	$ 49,045	$ 48,667
Town's contributions in relation to the actuarially required contribution	27,625	66,152	91,436	70,988	83,517	57,269	51,210	48,648	49,045	48,667
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 99,086	$ 242,049	$ 366,036	$ 369,921	$ 401,139	$ 407,607	$ 404,507	$ 409,843	$ 430,892	$ 456,106
Town's contributions as a percentage of covered payroll	27.88%	27.33%	24.98%	19.19%	20.82%	14.05%	12.66%	11.87%	11.38%	10.67%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2023

NOTE 1 – ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2021 actuarial valuation	15 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investement rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, change RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

NOTE 2 – FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS and CORP required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS and CORP required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP required contributions are not based on actuarial valuations, and therefore, these changes did not affect them.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

Tangerine Farms Improvement District Debt Service

Transportation Capital Fund

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
TANGERINE FARMS IMPROVEMENT DISTRICT DEBT SERVICE
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Contributions	$ 2,020,059	$ 2,020,059	$ 2,279,871	$ 259,812
Total revenues	2,020,059	2,020,059	2,279,871	259,812
Expenditures:				
Current -				
General government	35,000	27,828	27,440	388
Debt service -				
Principal retirement	1,884,000	1,924,000	1,924,000	-
Interest and fiscal charges	101,059	109,231	109,231	-
Total expenditures	2,020,059	2,061,059	2,060,671	388
Changes in fund balances	-	(41,000)	219,200	260,200
Fund balances, beginning of year	-	-	367,265	367,265
Fund balances, end of year	$ -	$ (41,000)	$ 586,465	$ 627,465

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION CAPITAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 6,750,000	$ 6,750,000	$ 15,860,584	$ 9,110,584
Investment income	50,000	50,000	232,679	182,679
Total revenues	6,800,000	6,800,000	16,093,263	9,293,263
Expenditures:				
General government	738,500	738,500	907,990	(169,490)
Capital outlay	25,356,356	25,356,356	3,788,004	21,568,352
Interest and fiscal charges	10,000	10,000	7,480	2,520
Total expenditures	26,104,856	26,104,856	4,703,474	21,401,382
Excess (deficiency) of revenues over expenditures	(19,304,856)	(19,304,856)	11,389,789	30,694,645
Other financing sources (uses):				
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(859,683)	(859,683)	(1,459,224)	(599,541)
Total other financing sources (uses)	(809,683)	(809,683)	(1,459,224)	(649,541)
Changes in fund balances	(20,114,539)	(20,114,539)	9,930,565	30,045,104
Fund balances, beginning of year	-	-	19,506,554	19,506,554
Fund balances, end of year	$ (20,114,539)	$ (20,114,539)	$ 29,437,119	$ 49,551,658

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE
JUNE 30, 2023

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	$ 6,205,998	$ 38,478,955	$ 304,120	$ 44,989,073
Property taxes receivable	-	387	3,554	3,941
Accounts receivable	16,489	92,179	-	108,668
Interest receivable	-	12,110	3,566	15,676
Due from other governments	516,781	952,342	-	1,469,123
Prepaid items	3,461	-	-	3,461
Restricted cash and investments	-	-	6,836,119	6,836,119
Total assets	$ 6,742,729	$ 39,535,973	$ 7,147,359	$ 53,426,061
LIABILITIES				
Accounts payable	$ 368,701	$ 577,430	$ -	$ 946,131
Retainage payable	-	27,485	-	27,485
Due to other funds	2,481	564,794	-	567,275
Deposits held for others	-	174,834	-	174,834
Total liabilities	371,182	1,344,543	-	1,715,725
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	87,573	-	-	87,573
Total deferred inflows of resources	87,573	-	-	87,573
FUND BALANCES (DEFICITS)				
Fund balances:				
Nonspendable	3,461	-	-	3,461
Restricted	6,280,513	37,005,156	7,147,359	50,433,028
Committed	-	1,922,614	-	1,922,614
Unassigned	-	(736,340)	-	(736,340)
Total fund balances	6,283,974	38,191,430	7,147,359	51,622,763
Total liabilities, deferred inflows of resources, and fund balances	$ 6,742,729	$ 39,535,973	$ 7,147,359	$ 53,426,061

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2023

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales taxes	$ 1,913,104	$ 8,105,339	$ -	$ 10,018,443
Property taxes	-	222,900	1,858,318	2,081,218
Intergovernmental	1,830,936	44,484	-	1,875,420
Licenses, fees & permits	-	5,981,378	-	5,981,378
Fines, forfeitures & penalties	54,090	-	-	54,090
Charges for services	13,444	-	-	13,444
Contributions	-	34,270	144,182	178,452
Investment income	15,139	367,821	6,106	389,066
Miscellaneous	1,750	-	-	1,750
Total revenues	3,828,463	14,756,192	2,008,606	20,593,261
Expenditures:				
Current -				
General government	1,021,549	3,750	-	1,025,299
Public safety	1,582,098	-	-	1,582,098
Highways and streets	-	256,573	-	256,573
Economic and community development	368,718	-	-	368,718
Capital outlay	20,108	6,283,713	6,040,000	12,343,821
Debt service -				
Principal retirement	-	-	5,400,000	5,400,000
Interest and fiscal charges	-	4,234	2,693,557	2,697,791
Bond issuance costs	-	-	334,436	334,436
Total expenditures	2,992,473	6,548,270	14,467,993	24,008,736
Excess (deficiency) of revenues over expenditures	835,990	8,207,922	(12,459,387)	(3,415,475)
Other financing sources (uses):				
Issuance of debt	-	-	6,220,000	6,220,000
Premium on bonds issued	-	-	157,884	157,884
Transfers in	-	600,195	6,354,442	6,954,637
Transfers out	(28,483)	(1,221,555)	-	(1,250,038)
Total other financing sources (uses)	(28,483)	(621,360)	12,732,326	12,082,483
Change in fund balances	807,507	7,586,562	272,939	8,667,008
Fund balances, beginning of year	5,476,467	30,604,868	6,874,420	42,955,755
Fund balances, end of year	$ 6,283,974	$ 38,191,430	$ 7,147,359	$ 51,622,763



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NON-MAJOR SPECIAL REVENUE FUNDS

Community Development Block Grant Fund (CDBG) – This fund accounts for the CDBG program which provides resources to address community development needs

Affordable Housing Fund – This revolving fund accounts for resources utilized on affordable housing projects and programs.

Bed Tax Fund – This fund accounts for the collection of the discriminatory portion of bed tax revenues which funds economic development and tourism initiatives.

Judicial Collection Enhancement Fund – This fund accounts for resources required to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts including restitution, child support, fines and civil penalties; and to improve court automation projects likely to improve case processing or the administration of justice.

Fill-the-Gap Fund – This fund accounts for local Fill-the-Gap resources which shall be used to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts, to improve court automation and to improve case processing or the administration of justice.

Local Technology Fund – This fund accounts for resources required to fund local or collaborative technology improvement projects and programs.

Other Special Revenue Fund – This fund includes all other grant related programs and projects.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Community Development Block Grant	Affordable Housing	Bed Tax
ASSETS			
Cash and cash equivalents	$ -	$ 106,110	$ 4,309,159
Accounts receivable	-	-	-
Due from other governments	2,481	-	175,172
Prepaid items	-	-	975
Total assets	$ 2,481	$ 106,110	$ 4,485,306
LIABILITIES			
Accounts payable	$ -	$ -	$ 368,365
Due to other funds	2,481	-	-
Total liabilities	2,481	-	368,365
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	975
Restricted	-	106,110	4,115,966
Total fund balances (deficits)	-	106,110	4,116,941
Total liabilities, deferred inflows of resources, and fund balances	$ 2,481	$ 106,110	$ 4,485,306

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
$ 130,725	$ 110,369	$ 461,654	$ 1,087,981	$ 6,205,998
-	868	-	15,621	16,489
-	-	-	339,128	516,781
-	-	-	2,486	3,461
$ 130,725	$ 111,237	$ 461,654	$ 1,445,216	$ 6,742,729
$ -	$ -	$ 336	$ -	$ 368,701
-	-	-	-	2,481
-	-	336	-	371,182
-	-	-	87,573	87,573
-	-	-	87,573	87,573
-	-	-	2,486	3,461
130,725	111,237	461,318	1,355,157	6,280,513
130,725	111,237	461,318	1,357,643	6,283,974
$ 130,725	$ 111,237	$ 461,654	$ 1,445,216	$ 6,742,729

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023

	Community Development Block Grant	Affordable Housing	Bed Tax
Revenues:			
Sales taxes	$ -	$ -	$ 1,913,104
Intergovernmental	57,291	-	-
Fines, forfeitures & penalties	-	-	-
Charges for services	-	13,444	-
Investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	57,291	13,444	1,913,104
Expenditures:			
Current -			
General government	-	-	992,878
Public safety	-	-	-
Economic and community development	57,291	-	278,552
Capital outlay	-	-	-
Total expenditures	57,291	-	1,271,430
Excess (deficiency) of revenues over expenditures	-	13,444	641,674
Other financing sources (uses):			
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	-	13,444	641,674
Fund balances (deficits), beginning of year	-	92,666	3,475,267
Fund balances (deficits), end of year	$ -	$ 106,110	$ 4,116,941

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
$ -	$ -	$ -	$ -	$ 1,913,104
-	-	-	1,773,645	1,830,936
5,548	2,998	30,094	15,450	54,090
-	-	-	-	13,444
-	-	-	15,139	15,139
-	-	-	1,750	1,750
5,548	2,998	30,094	1,805,984	3,828,463
1,331	-	22,509	4,831	1,021,549
-	-	-	1,582,098	1,582,098
-	-	-	32,875	368,718
-	-	-	20,108	20,108
1,331	-	22,509	1,639,912	2,992,473
4,217	2,998	7,585	166,072	835,990
-	-	-	(28,483)	(28,483)
-	-	-	(28,483)	(28,483)
4,217	2,998	7,585	137,589	807,507
126,508	108,239	453,733	1,220,054	5,476,467
$ 130,725	$ 111,237	$ 461,318	$ 1,357,643	$ 6,283,974

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2023

	Community Development Block Grant			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 180,000	$ 180,000	$ 57,291	$ (122,709)
Total revenues	180,000	180,000	57,291	(122,709)
Expenditures:				
Current -				
Economic and community development	180,000	180,000	57,291	122,709
Total expenditures	180,000	180,000	57,291	122,709
Change in fund balance	-	-	-	-
Fund balance (deficits), July 1, 2022	-	-	-	-
Fund balance (deficits), June 30, 2023	$ -	$ -	$ -	$ -

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
AFFORDABLE HOUSING REVOLVING FUND
YEAR ENDED JUNE 30, 2023

	Affordable Housing			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Charges for services	$ 10,000	$ 10,000	$ 13,444	$ 3,444
Total revenues	10,000	10,000	13,444	3,444
Expenditures:				
Current -				
Economic and community development	87,435	87,435	-	87,435
Total expenditures	87,435	87,435	-	87,435
Change in fund balance	(77,435)	(77,435)	13,444	90,879
Fund balance (deficits), July 1, 2022	-	-	92,666	92,666
Fund balance (deficits), June 30, 2023	$ (77,435)	$ (77,435)	$ 106,110	$ 183,545

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
BED TAX FUND
YEAR ENDED JUNE 30, 2023

	Bed Tax			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 1,338,158	$ 1,338,158	$ 1,913,104	$ 574,946
Total revenues	1,338,158	1,338,158	1,913,104	574,946
Expenditures:				
Current -				
General government	776,825	776,825	992,878	(216,053)
Economic and community development	478,341	478,341	278,552	199,789
Capital outlay	82,992	82,992	-	82,992
Total expenditures	1,338,158	1,338,158	1,271,430	66,728
Change in fund balance	-	-	641,674	641,674
Fund balance (deficits), July 1, 2022	-	-	3,475,267	3,475,267
Fund balance (deficits), June 30, 2023	$ -	$ -	$ 4,116,941	$ 4,116,941

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
JUDICIAL COLLECTION ENHANCEMENT FUND
YEAR ENDED JUNE 30, 2023

	Judicial Collection Enhancement			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 8,000	$ 8,000	$ 5,548	$ (2,452)
Total revenues	8,000	8,000	5,548	(2,452)
Expenditures:				
Current -				
General government	131,805	131,805	1,331	130,474
Total expenditures	131,805	131,805	1,331	130,474
Change in fund balance	(123,805)	(123,805)	4,217	128,022
Fund balance (deficits), July 1, 2022	-	-	126,508	126,508
Fund balance (deficits), June 30, 2023	$ (123,805)	$ (123,805)	$ 130,725	$ 254,530

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
FILL-THE-GAP FUND
YEAR ENDED JUNE 30, 2023

	Fill-the-Gap			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 4,500	$ 4,500	$ 2,998	$ (1,502)
Total revenues	4,500	4,500	2,998	(1,502)
Expenditures:				
Current -				
General government	34,500	34,500	-	34,500
Total expenditures	34,500	34,500	-	34,500
Change in fund balance	(30,000)	(30,000)	2,998	32,998
Fund balance (deficits), July 1, 2022	-	-	108,239	108,239
Fund balance (deficits), June 30, 2023	$ (30,000)	$ (30,000)	$ 111,237	$ 141,237

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
LOCAL TECHNOLOGY
YEAR ENDED JUNE 30, 2023

	Local Technology			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 50,000	$ 50,000	$ 30,094	$ (19,906)
Total revenues	50,000	50,000	30,094	(19,906)
Expenditures:				
Current -				
General government	78,000	78,000	22,509	55,491
Total expenditures	78,000	78,000	22,509	55,491
Change in fund balance	(28,000)	(28,000)	7,585	35,585
Fund balance (deficits), July 1, 2022	-	-	453,733	453,733
Fund balance (deficits), June 30, 2023	$ (28,000)	$ (28,000)	$ 461,318	$ 489,318

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 3,062,149	$ 3,062,149	$ 1,773,645	$ (1,288,504)
Fines, forfeitures & penalties	16,000	16,000	15,450	(550)
Investment income	5,000	5,000	15,139	10,139
Miscellaneous	10,000	10,000	1,750	(8,250)
Total revenues	3,093,149	3,093,149	1,805,984	(1,287,165)
Expenditures:				
General government	2,390,000	1,429,773	4,831	1,424,942
Public safety	889,376	1,835,886	1,582,098	253,788
Economic and community development	-	-	32,875	(32,875)
Capital outlay	-	13,717	20,108	(6,391)
Total expenditures	3,279,376	3,279,376	1,639,912	1,639,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,227)	(186,227)	166,072	352,299
Other financing sources (uses):				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	(28,483)	(28,483)
Total other financing sources (uses)	100,000	100,000	(28,483)	(128,483)
Change in fund balance	(86,227)	(86,227)	137,589	223,816
Fund balance (deficits), July 1, 2022	-	-	1,220,054	1,220,054
Fund balance (deficits), June 30, 2023	$ (86,227)	$ (86,227)	$ 1,357,643	$ 1,443,870

NON-MAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by the general, enterprise, or special revenue funds.

Northwest (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the northwest benefit area.

Northeast (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the northeast benefit area.

South (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the south benefit area.

Park Impact Fees Fund – This fund accounts for park impact fees collected by the Town and utilized for authorized capital improvements.

PAG/RTA Capital Fund – This fund accounts for proceeds from Pima Association of Governments and Regional Transportation Authority which are used for road improvement projects.

Downtown Reinvestment Fund – This fund accounts for sales tax proceeds which are used for authorized capital improvements in the Downtown area.

Sales Tax Capital Projects Fund – This fund accounts for sales tax proceeds for capital related funding and projects.

Other Capital Projects Fund – Includes all other capital related funding and projects.

Gladden Farms Capital Fund – This fund accounts for the proceeds from the sale of general obligation bonds which are used for authorized capital improvements.

Saguaro Springs Capital Fund – This fund accounts for the financing and construction of authorized capital improvements.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
ASSETS				
Cash and cash equivalents	$ 1,384,959	$ -	$ 13,925,166	$ 7,237,111
Property taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	-	11,216	-
Due from other governments	-	-	-	-
Total assets	$ 1,384,959	$ -	$ 13,936,382	$ 7,237,111
LIABILITIES				
Accounts payable	$ -	$ 38,137	$ 574	$ 68,506
Retainage payable	-	-	14,707	6,778
Due to other funds	-	545,908	-	-
Deposits held for others	-	150,944	-	-
Total liabilities	-	734,989	15,281	75,284
FUND BALANCES (DEFICITS)				
Restricted	1,384,959	-	13,921,101	7,161,827
Committed	-	-	-	-
Unassigned	-	(734,989)	-	-
Total fund balances (deficits)	1,384,959	(734,989)	13,921,101	7,161,827
Total liabilities, deferred inflows of resources, and fund balances	$ 1,384,959	$ -	$ 13,936,382	$ 7,237,111

PAG/RTA Capital	Downtown Reinvestment	Sales Tax Capital Projects Fund	Other Capital Projects	Gladden Farms Capital	Saguaro Springs Capital	Totals
$ -	$ 1,891,646	$ 7,414,438	$ 5,166,925	$ 1,090,418	$ 368,292	$ 38,478,955
-	-	-	-	334	53	387
-	-	-	92,179	-	-	92,179
-	-	-	894	-	-	12,110
31,254	30,968	890,120	-	-	-	952,342
$ 31,254	$ 1,922,614	$ 8,304,558	$ 5,259,998	$ 1,090,752	$ 368,345	$ 39,535,973
$ 13,719	$ -	$ 328,284	$ 128,210	$ -	$ -	$ 577,430
-	-	6,000	-	-	-	27,485
18,886	-	-	-	-	-	564,794
-	-	-	23,890	-	-	174,834
32,605	-	334,284	152,100	-	-	1,344,543
-	-	7,970,274	5,107,898	1,090,752	368,345	37,005,156
-	1,922,614	-	-	-	-	1,922,614
(1,351)	-	-	-	-	-	(736,340)
(1,351)	1,922,614	7,970,274	5,107,898	1,090,752	368,345	38,191,430
$ 31,254	$ 1,922,614	$ 8,304,558	$ 5,259,998	$ 1,090,752	$ 368,345	$ 39,535,973

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2023

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
Revenues:				
Sales taxes	$ -	$ -	$ -	$ -
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Licenses, fees & permits	275,275	620,826	3,310,515	1,444,176
Contributions	-	-	-	-
Investment income	7,216	16	108,076	58,789
Total revenues	282,491	620,842	3,418,591	1,502,965
Expenditures:				
Current -				
General government	-	-	-	-
Highways and streets	123,036	128,723	-	-
Capital outlay	7,045	8,096	850,407	236,973
Debt service -				
Interest and fiscal charges	-	-	3,680	-
Total expenditures	130,081	136,819	854,087	236,973
Excess (deficiency) of revenues over expenditures	152,410	484,023	2,564,504	1,265,992
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(601,583)	(619,972)	-
Total other financing sources (uses)	-	(601,583)	(619,972)	-
Change in fund balances	152,410	(117,560)	1,944,532	1,265,992
Fund balances (deficits), beginning of year	1,232,549	(617,429)	11,976,569	5,895,835
Fund balances (deficits), end of year	$ 1,384,959	$ (734,989)	$ 13,921,101	$ 7,161,827

PAG/RTA Capital	Downtown Reinvestment	Sales Tax Capital Projects Fund	Other Capital Projects	Gladden Farms Capital	Saguaro Springs Capital	Totals
$ -	$ 315,161	$ 7,790,178	$ -	$ -	$ -	$ 8,105,339
-	-	-	-	140,622	82,278	222,900
44,484	-	-	-	-	-	44,484
-	-	-	330,586	-	-	5,981,378
-	-	-	34,270	-	-	34,270
-	-	-	193,724	-	-	367,821
44,484	315,161	7,790,178	558,580	140,622	82,278	14,756,192
-	-	-	-	2,500	1,250	3,750
-	-	-	4,814	-	-	256,573
31,254	21,070	3,427,974	1,700,894	-	-	6,283,713
-	-	-	554	-	-	4,234
31,254	21,070	3,427,974	1,706,262	2,500	1,250	6,548,270
13,230	294,091	4,362,204	(1,147,682)	138,122	81,028	8,207,922
-	-	-	600,195	-	-	600,195
-	-	-	-	-	-	(1,221,555)
-	-	-	600,195	-	-	(621,360)
13,230	294,091	4,362,204	(547,487)	138,122	81,028	7,586,562
(14,581)	1,628,523	3,608,070	5,655,385	952,630	287,317	30,604,868
$ (1,351)	$ 1,922,614	$ 7,970,274	$ 5,107,898	$ 1,090,752	$ 368,345	$ 38,191,430

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHWEST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2023

	Northwest Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 315,511	$ 315,511	$ 275,275	$ (40,236)
Investment income	-	-	7,216	7,216
Total revenues	315,511	315,511	282,491	(33,020)
Expenditures:				
Highways and streets	-	-	123,036	(123,036)
Capital outlay	1,311,588	1,311,588	7,045	1,304,543
Total expenditures	1,311,588	1,311,588	130,081	1,181,507
Excess (deficiency) of revenues over expenditures	(996,077)	(996,077)	152,410	1,148,487
Change in fund balances	(996,077)	(996,077)	152,410	1,148,487
Fund balances (deficits), July 1, 2022	-	-	1,232,549	1,232,549
Fund balances (deficits), June 30, 2023	$ (996,077)	$ (996,077)	$ 1,384,959	$ 2,381,036

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHEAST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2023

	Northeast Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 363,877	$ 363,877	$ 620,826	$ 256,949
Investment income	-	-	16	16
Total revenues	363,877	363,877	620,842	256,965
Expenditures:				
Current -				
Highways and streets	111,566	116,704	128,723	(12,019)
Capital outlay	20,115	20,115	8,096	12,019
Total expenditures	131,681	136,819	136,819	-
Excess (deficiency) of revenues over expenditures	232,196	227,058	484,023	256,965
Other financing sources (uses):				
Transfers out	(602,041)	(601,903)	(601,583)	320
Total other financing sources (uses)	(602,041)	(601,903)	(601,583)	320
Change in fund balances	(369,845)	(374,845)	(117,560)	257,285
Fund balances (deficits), July 1, 2022	-	-	(617,429)	(617,429)
Fund balances (deficits), June 30, 2023	$ (369,845)	$ (374,845)	$ (734,989)	$ (360,144)

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SOUTH TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2023

	South Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 1,713,492	$ 1,713,492	$ 3,310,515	$ 1,597,023
Investment income	-	-	108,076	108,076
Total revenues	1,713,492	1,713,492	3,418,591	1,705,099
Expenditures:				
Capital outlay	9,481,439	9,481,439	850,407	8,631,032
Interest and fiscal charges	5,000	5,000	3,680	1,320
Total expenditures	9,486,439	9,486,439	854,087	8,632,352
Excess (deficiency) of revenues over expenditures	(7,772,947)	(7,772,947)	2,564,504	10,337,451
Other financing sources (uses):				
Transfers out	(620,444)	(620,444)	(619,972)	472
Total other financing sources (uses)	(620,444)	(620,444)	(619,972)	472
Change in fund balances	(8,393,391)	(8,393,391)	1,944,532	10,337,923
Fund balances (deficits), July 1, 2022	-	-	11,976,569	11,976,569
Fund balances (deficits), June 30, 2023	$ (8,393,391)	$ (8,393,391)	$ 13,921,101	$ 22,314,492

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
PARK IMPACT FEES
YEAR ENDED JUNE 30, 2023

	Park Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 936,900	$ 936,900	$ 1,444,176	$ 507,276
Investment income	-	-	58,789	58,789
Total revenues	936,900	936,900	1,502,965	566,065
Expenditures:				
Current -				
Capital outlay	3,440,333	3,440,333	236,973	3,203,360
Total expenditures	3,440,333	3,440,333	236,973	3,203,360
Excess (deficiency) of revenues over expenditures	(2,503,433)	(2,503,433)	1,265,992	3,769,425
Change in fund balances	(2,503,433)	(2,503,433)	1,265,992	3,769,425
Fund balances (deficits), July 1, 2022	-	-	5,895,835	5,895,835
Fund balances (deficits), June 30, 2023	$ (2,503,433)	$ (2,503,433)	$ 7,161,827	$ 9,665,260

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
PAG/RTA CAPITAL
YEAR ENDED JUNE 30, 2023

	PAG/RTA Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 8,057,751	$ 8,057,751	$ 44,484	$ (8,013,267)
Total revenues	8,057,751	8,057,751	44,484	(8,013,267)
Expenditures:				
Capital outlay	8,057,751	7,457,751	31,254	7,426,497
Total expenditures	8,057,751	7,457,751	31,254	7,426,497
Excess (deficiency) of revenues over expenditures	-	600,000	13,230	(586,770)
Change in fund balances	-	600,000	13,230	(586,770)
Fund balances (deficits), July 1, 2022	-	-	(14,581)	(14,581)
Fund balances (deficits), June 30, 2023	$ -	$ 600,000	$ (1,351)	$ (601,351)

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
DOWNTOWN REINVESTMENT
YEAR ENDED JUNE 30, 2023

	Downtown Reinvestment			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 228,500	$ 228,500	$ 315,161	$ 86,661
Total revenues	228,500	228,500	315,161	86,661
Expenditures:				
Current -				
Economic and community development	425,000	425,000	-	425,000
Capital outlay	213,700	213,700	21,070	192,630
Total expenditures	638,700	638,700	21,070	617,630
Excess (deficiency) of revenues over expenditures	(410,200)	(410,200)	294,091	704,291
Change in fund balances	(410,200)	(410,200)	294,091	704,291
Fund balances (deficits), July 1, 2022	-	-	1,628,523	1,628,523
Fund balances (deficits), June 30, 2023	$ (410,200)	$ (410,200)	$ 1,922,614	$ 2,332,814

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SALES TAX CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023

	Sales Tax Capital Projects Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 6,000,000	$ 6,000,000	$ 7,790,178	$ 1,790,178
Total revenues	6,000,000	6,000,000	7,790,178	1,790,178
Expenditures:				
Capital outlay	12,000,000	12,000,000	3,427,974	8,572,026
Total expenditures	12,000,000	12,000,000	3,427,974	8,572,026
Excess (deficiency) of revenues over expenditures	(6,000,000)	(6,000,000)	4,362,204	10,362,204
Change in fund balances	(6,000,000)	(6,000,000)	4,362,204	10,362,204
Fund balances (deficits), July 1, 2022	-	-	3,608,070	3,608,070
Fund balances (deficits), June 30, 2023	$ (6,000,000)	$ (6,000,000)	$ 7,970,274	$ 13,970,274

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2023

	Other Capital Projects			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 8,288,533	$ 8,288,533	$ -	$ (8,288,533)
Licenses, fees & permits	250,000	250,000	330,586	80,586
Contributions	-	-	34,270	34,270
Investment income	-	-	193,724	193,724
Total revenues	8,538,533	8,538,533	558,580	(7,979,953)
Expenditures:				
Highways and streets	-	-	4,814	(4,814)
Capital outlay	8,819,682	9,419,682	1,700,894	7,718,788
Interest and fiscal charges	1,500	1,500	554	946
Total expenditures	8,821,182	9,421,182	1,706,262	7,714,920
Excess (deficiency) of revenues over expenditures	(282,649)	(882,649)	(1,147,682)	(265,033)
Other financing sources (uses):				
Transfers in	-	-	600,195	600,195
Total other financing sources (uses)	-	-	600,195	600,195
Change in fund balances	(282,649)	(882,649)	(547,487)	335,162
Fund balances (deficits), July 1, 2022	-	-	5,655,385	5,655,385
Fund balances (deficits), June 30, 2023	$ (282,649)	$ (882,649)	$ 5,107,898	$ 5,990,547

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
GLADDEN FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2023

	Gladden Farms Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 140,921	$ 140,921	$ 140,622	$ (299)
Total revenues	140,921	140,921	140,622	(299)
Expenditures:				
Current -				
General government	79,250	79,250	2,500	76,750
Capital outlay	1,000,000	1,000,000	-	1,000,000
Interest and fiscal charges	4,000	4,000	-	4,000
Total expenditures	1,083,250	1,083,250	2,500	1,080,750
Excess (deficiency) of revenues over expenditures	(942,329)	(942,329)	138,122	1,080,451
Change in fund balances	(942,329)	(942,329)	138,122	1,080,451
Fund balances (deficits), July 1, 2022	-	-	952,630	952,630
Fund balances (deficits), June 30, 2023	$ (942,329)	$ (942,329)	$ 1,090,752	$ 2,033,081

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2023

	Saguaro Springs Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 82,580	$ 82,580	$ 82,278	$ (302)
Total revenues	82,580	82,580	82,278	(302)
Expenditures:				
Current -				
General government	37,500	37,500	1,250	36,250
Capital outlay	325,000	325,000	-	325,000
Interest and fiscal charges	2,000	2,000	-	2,000
Total expenditures	364,500	364,500	1,250	363,250
Excess (deficiency) of revenues over expenditures	(281,920)	(281,920)	81,028	362,948
Change in fund balances	(281,920)	(281,920)	81,028	362,948
Fund balances (deficits), July 1, 2022	-	-	287,317	287,317
Fund balances (deficits), June 30, 2023	$ (281,920)	$ (281,920)	$ 368,345	$ 650,265



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NON-MAJOR DEBT SERVICE FUNDS

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

2013 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2013 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

2014 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2014 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

2017 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2017 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

Gladden Farms Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Gladden Farms general obligation bonds.

Saguaro Springs Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Saguaro Springs general obligation bonds.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2023

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
ASSETS			
Cash and cash equivalents	$ -	$ -	$ -
Property taxes receivable	-	-	-
Interest receivable	3,566	-	-
Restricted cash and investments	2,539,754	632,984	2,291,000
Total assets	$ 2,543,320	$ 632,984	$ 2,291,000
LIABILITIES AND FUND BALANCES			
Liabilities:			
Total liabilities	-	-	-
FUND BALANCES			
Restricted	2,543,320	632,984	2,291,000
Total fund balances	2,543,320	632,984	2,291,000
Total liabilities and fund balances	$ 2,543,320	$ 632,984	$ 2,291,000

Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
$ 116,494	$ 187,626	$ 304,120
3,115	439	3,554
-	-	3,566
963,993	408,388	6,836,119
$ 1,083,602	$ 596,453	$ 7,147,359
-	-	-
1,083,602	596,453	7,147,359
1,083,602	596,453	7,147,359
$ 1,083,602	$ 596,453	$ 7,147,359

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2023

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
Revenues:			
Property taxes	$ -	$ -	$ -
Contributions	-	-	-
Investment income	4,610	328	-
Total revenues	4,610	328	-
Expenditures:			
Capital outlay	-	-	-
Debt service -			
Principal retirement	1,940,000	735,000	1,860,000
Interest and fiscal charges	1,090,300	59,337	722,700
Bond issuance costs	-	-	-
Total expenditures	3,030,300	794,337	2,582,700
Excess (deficiency) of revenues over expenditures	(3,025,690)	(794,009)	(2,582,700)
Other financing sources (uses):			
Issuance of debt	-	-	-
Premium on bonds issued	-	-	-
Transfers in	3,064,603	658,639	2,631,200
Total other financing sources (uses)	3,064,603	658,639	2,631,200
Change in fund balances	38,913	(135,370)	48,500
Fund balances, beginning of year	2,504,407	768,354	2,242,500
Fund balances, end of year	$ 2,543,320	$ 632,984	$ 2,291,000

Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
$ 1,172,666	$ 685,652	$ 1,858,318
144,182	-	144,182
1,168	-	6,106
1,318,016	685,652	2,008,606
6,040,000	-	6,040,000
465,000	400,000	5,400,000
547,670	273,550	2,693,557
334,436	-	334,436
7,387,106	673,550	14,467,993
(6,069,090)	12,102	(12,459,387)
6,220,000	-	6,220,000
157,884	-	157,884
-	-	6,354,442
6,377,884	-	12,732,326
308,794	12,102	272,939
774,808	584,351	6,874,420
$ 1,083,602	$ 596,453	$ 7,147,359

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2013 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2023

	2013 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Investment income	$ -	$ -	$ 4,610	$ 4,610
Total revenues	-	-	4,610	4,610
Expenditures:				
Debt service -				
Principal retirement	1,940,000	1,940,000	1,940,000	-
Interest and fiscal charges	1,090,300	1,090,300	1,090,300	-
Total expenditures	3,030,300	3,030,300	3,030,300	-
Excess (deficiency) of revenues over expenditures	(3,030,300)	(3,030,300)	(3,025,690)	4,610
Other financing sources (uses):				
Transfers in	3,066,500	3,066,500	3,064,603	(1,897)
Total other financing sources (uses)	3,066,500	3,066,500	3,064,603	(1,897)
Change in fund balances	36,200	36,200	38,913	2,713
Fund balances (deficits), July 1, 2022	-	-	2,504,407	2,504,407
Fund balances (deficits), June 30, 2023	$ 36,200	$ 36,200	$ 2,543,320	$ 2,507,120

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2014 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2023

	2014 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Investment income	$ -	$ -	$ 328	$ 328
Total revenues	-	-	328	328
Expenditures:				
Debt service -				
Principal retirement	735,000	735,000	735,000	-
Interest and fiscal charges	59,337	59,337	59,337	-
Total expenditures	794,337	794,337	794,337	-
Excess (deficiency) of revenues over expenditures	(794,337)	(794,337)	(794,009)	328
Other financing sources (uses):				
Transfers in	658,966	658,966	658,639	(327)
Total other financing sources (uses)	658,966	658,966	658,639	(327)
Change in fund balances	(135,371)	(135,371)	(135,370)	1
Fund balances (deficits), July 1, 2022	-	-	768,354	768,354
Fund balances (deficits), June 30, 2023	$ (135,371)	$ (135,371)	$ 632,984	$ 768,355

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2017 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2023

	2017 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Expenditures:				
Debt service -				
Principal retirement	$ 1,860,000	$ 1,860,000	$ 1,860,000	$ -
Interest and fiscal charges	720,500	722,700	722,700	-
Total expenditures	2,580,500	2,582,700	2,582,700	-
Excess (deficiency) of revenues over expenditures	(2,580,500)	(2,582,700)	(2,582,700)	-
Other financing sources (uses):				
Transfers in	2,629,000	2,629,000	2,631,200	2,200
Total other financing sources (uses)	2,629,000	2,629,000	2,631,200	2,200
Change in fund balances	48,500	46,300	48,500	2,200
Fund balances (deficits), July 1, 2022	-	-	2,242,500	2,242,500
Fund balances (deficits), June 30, 2023	$ 48,500	$ 46,300	$ 2,291,000	$ 2,244,700

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
GLADDEN FARMS DEBT SERVICE
YEAR ENDED JUNE 30, 2023

	Gladden Farms Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 1,174,338	$ 1,174,338	$ 1,172,666	$ (1,672)
Contributions	-	-	144,182	144,182
Investment income	-	-	1,168	1,168
Total revenues	1,174,338	1,174,338	1,318,016	143,678
Expenditures:				
Capital outlay	6,000,000	6,040,495	6,040,000	495
Debt service -				
Principal retirement	465,000	465,000	465,000	-
Interest and fiscal charges	546,851	547,670	547,670	-
Bond issuance costs	300,000	334,436	334,436	-
Total expenditures	7,311,851	7,387,601	7,387,106	495
Excess (deficiency) of revenues over expenditures	(6,137,513)	(6,213,263)	(6,069,090)	144,173
Other financing sources (uses):				
Issuance of debt	6,300,000	6,300,000	6,220,000	(80,000)
Premium on bonds issued	-	-	157,884	157,884
Total other financing sources (uses)	6,300,000	6,300,000	6,377,884	77,884
Change in fund balances	162,487	86,737	308,794	222,057
Fund balances (deficits), July 1, 2022	-	-	774,808	774,808
Fund balances (deficits), June 30, 2023	$ 162,487	$ 86,737	$ 1,083,602	$ 996,865

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
SAGUARO SPRINGS DEBT SERVICE
YEAR ENDED JUNE 30, 2023

	Saguaro Springs Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property taxes	$ 688,171	$ 688,171	$ 685,652	$ (2,519)
Total revenues	688,171	688,171	685,652	(2,519)
Expenditures:				
Debt service -				
Principal retirement	400,000	400,000	400,000	-
Interest and fiscal charges	274,775	274,775	273,550	1,225
Total expenditures	674,775	674,775	673,550	1,225
Excess (deficiency) of revenues over expenditures	13,396	13,396	12,102	(1,294)
Change in fund balances	13,396	13,396	12,102	(1,294)
Fund balances (deficits), July 1, 2022	-	-	584,351	584,351
Fund balances (deficits), June 30, 2023	$ 13,396	$ 13,396	$ 596,453	$ 583,057

STATISTICAL INFORMATION



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TOWN OF MARANA, ARIZONA
STATISTICAL SECTION
JUNE 30, 2023

Statistical Section

Financial presentations included in the Statistical Section provide data and information on the financial, physical, a and economic characteristics of the Town of Marana. The following schedules cover multiple fiscal years and provide users with a broader and more complete understanding of the Town and its financial affairs and economic condition. They also present detailed information as a context for understanding this year's financial statements, note disclosures, and required supplementary information.

	Schedule	Page
Financial Trends		
These schedules contain trend information to help users understand and assess how the Town's financial position has changed over time.		
Net Position by Component - Last Ten Fiscal Years	1	152
Changes in Net Position - Last Ten Fiscal Years	2	154
Fund Balances of Governmental Funds - Last Ten Fiscal Years	3	158
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Revenue Capacity		
These schedules contain information to help users understand and assess the Town's local revenue source, the property tax.		
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Debt Capacity		
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These schedules present information to help users understand the Town's operations and resources as well as to provide a context for understanding and assessing the Town's economic condition.		
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TOWN OF MARANA **Schedule 1**

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2014	2015 (as restated)	2016	2017 (as restated)
Governmental activities				
Net investment in capital assets	$ 189,171	$ 190,297	$ 193,845	$ 210,137
Restricted	58,820	36,418	43,127	31,163
Unrestricted	(283)	(4,283)	(6,492)	5,119
Total governmental activities net position	247,708	222,432	230,480	246,419
Business-type activities				
Net investment in capital assets	109,111	109,649	112,357	101,524
Restricted	293	365	365	365
Unrestricted	(208)	984	1,313	16,319
Total business-type activities net position	109,196	110,998	114,035	118,208
Primary government				
Net investment in capital assets	298,282	299,946	306,202	311,661
Restricted	59,113	36,783	43,492	31,528
Unrestricted	(491)	(3,299)	(5,179)	21,439
Total primary government net position	$ 356,904	$ 333,430	$ 344,515	$ 364,628

Source: Statement of Net Position

2018	2019 (as restated)	2020	2021	2022	2023
$ 236,208	$ 243,685	$ 244,996	$ 243,692	$ 229,747	$ 227,109
17,242	19,985	21,837	21,675	34,402	44,738
16,272	16,827	27,323	48,120	88,232	98,365
269,722	280,497	294,156	313,487	352,381	370,211
95,777	97,435	102,911	106,166	110,452	110,636
365	366	770	1,128	818	812
(4,285)	(2,176)	2,332	7,673	15,393	37,360
91,857	95,625	106,013	114,967	126,663	148,809
331,985	341,120	347,907	349,858	340,199	337,745
17,607	20,351	22,607	22,803	35,220	45,550
11,987	14,651	29,655	55,793	103,625	135,725
$ 361,579	$ 376,122	$ 400,169	$ 428,454	$ 479,044	$ 519,020

TOWN OF MARANA **Schedule 2**
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	$ 10,662	$ 14,707	$ 17,531	$ 19,393
Public safety	12,134	14,324	14,423	16,736
Highways and streets	19,053	18,522	22,659	40,172
Health & Welfare	23	-	-	278
Culture & recreation	3,131	4,433	3,422	6,006
Economic & community development	4,691	4,796	4,779	4,902
Interest on long-term debt	4,543	4,106	3,962	2,335
Total governmental activities expenses	54,237	60,888	66,776	89,822
Business-type activities:				
Airport	1,197	1,289	1,829	1,772
Wastewater	2,756	3,431	3,662	3,983
Water	5,244	4,150	4,405	5,368
Total business-type activities expenses	9,197	8,870	9,896	11,123
Total primary government expenses	$ 63,434	$ 69,758	$ 76,672	$ 100,945
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 941	$ 4,490	$ 4,787	$ 4,909
Public Safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	200	305	265	287
Economic & community development	3,386	4,585	4,027	4,355
Operating grants and contributions	4,442	4,360	4,507	4,619
Capital grants and contributions	10,268	11,281	17,157	44,371
Total government activities program revenues	19,237	25,021	30,743	58,541
Business-type activities:				
Charges for services:				
Airport	248	239	247	251
Wastewater	834	933	1,016	1,065
Water	3,766	4,146	4,243	5,064
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,534	4,015	5,214	5,941
Total business-type activity program revenues	7,382	9,333	10,720	12,321
Total primary government program revenues	26,619	34,354	41,463	70,862
Net (expense)/revenue				
Governmental activities	(35,000)	(35,867)	(36,033)	(31,281)
Business-type activities	(1,815)	463	824	1,198
Total primary government net expense	$ (36,815)	$ (35,404)	$ (35,209)	$ (30,083)

Schedule 2

TOWN OF MARANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

2018	2019	2020	2021	2022	2023
$ 18,492	$ 23,846	$ 21,040	$ 22,578	$ 28,539	$ 30,094
16,114	16,059	19,981	19,223	17,852	27,499
27,893	21,629	25,004	25,729	25,481	25,897
236	453	442	461	489	420
5,147	5,294	6,122	5,861	6,950	8,397
4,328	4,076	4,174	4,159	4,113	5,361
3,077	1,858	2,485	2,346	2,258	2,704
75,287	73,215	79,248	80,357	85,682	100,372
1,816	1,395	1,393	1,645	1,803	1,740
4,598	5,276	4,136	5,346	5,104	5,156
5,979	6,178	6,750	7,796	9,752	10,751
12,393	12,849	12,279	14,787	16,659	17,647
$ 87,680	$ 86,064	$ 91,527	$ 95,144	$ 102,341	$ 118,019
$ 5,073	$ 4,819	$ 5,247	$ 5,651	$ 5,580	$ 6,995
-	23	70	91	-	5,503
-	69	47	34	-	459
-	96	88	86	83	80
324	317	197	179	277	333
4,993	5,260	5,396	6,626	10,935	1,416
4,665	2,259	8,470	14,465	14,711	6,649
25,856	13,679	15,047	10,840	20,877	11,543
40,911	26,522	34,562	37,972	52,463	32,977
294	329	373	420	436	327
1,502	1,626	1,873	2,365	2,839	2,993
5,609	5,750	6,260	7,373	8,022	8,323
-	-	-	-	-	258
9,890	8,977	13,604	13,462	17,046	11,918
17,295	16,682	22,110	23,620	28,343	23,818
58,206	43,204	56,672	61,592	80,806	56,796
(34,376)	(46,693)	(44,685)	(42,385)	(33,219)	(67,395)
4,902	3,833	9,831	8,833	11,651	6,171
$ (29,474)	$ (42,860)	$ (34,854)	$ (33,552)	$ (21,568)	$ (61,224)

TOWN OF MARANA **Schedule 2**

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues				
City sales taxes	$ 26,226	$ 28,059	$ 35,442	$ 37,500
Property taxes	421	442	482	509
Franchise fees	377	401	447	488
State shared revenues	8,273	8,820	9,039	10,619
Investment income (loss)	171	149	173	238
Miscellaneous	854	813	676	744
Gain on sale of assets	-	116	-	-
Transfers	(2,384)	(404)	(2,177)	(2,878)
Total governmental activities	33,938	38,396	44,082	47,220
Business-type activities:				
General revenues				
Investment income	1	9	16	43
Miscellaneous	39	19	19	54
Transfers	2,384	404	2,177	2,878
Total business-type activities	2,424	432	2,212	2,975
Total primary government	36,362	38,828	46,294	50,195
Change in Net Position				
Governmental activities	(1,062)	2,529	8,049	15,939
Business-type activities	609	895	3,036	4,173
Total primary government	$ (453)	$ 3,424	$ 11,085	$ 20,112

Source: Statement of Activities

2018	2019	2020	2021	2022	2023
$ 41,689	$ 41,680	$ 40,705	$ 42,847	$ 52,112	$ 69,267
553	834	1,161	1,420	1,698	2,081
507	513	549	585	608	607
11,506	12,013	13,098	15,372	16,513	21,305
663	1,954	1,965	484	(218)	6,778
885	1,163	1,001	1,002	956	735
-	-	-	-	77	31
1,875	(688)	(136)	5	367	(15,580)
57,678	57,469	58,343	61,715	72,113	85,225
187	77	57	4	9	278
30	21	364	123	370	116
(1,875)	688	136	(5)	(367)	15,580
(1,658)	786	557	122	12	15,974
56,020	58,255	58,900	61,837	72,125	101,199
23,302	10,776	13,658	19,330	38,894	17,830
3,244	4,619	10,388	8,955	11,663	22,145
$ 26,546	$ 15,395	$ 24,046	$ 28,285	$ 50,557	$ 39,975

TOWN OF MARANA **Schedule 3**

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	$ 2,540	$ 2,282	$ 2,418	$ 2,367	$ 4,853
Unassigned	21,123	22,309	20,425	22,640	24,735
Total general fund	23,663	24,591	22,843	25,007	29,588
All other governmental funds					
Nonspendable	$ 33	$ -	$ 3	$ 1	$ 261
Restricted	40,774	40,771	48,486	49,960	44,989
Committed	-	-	-	-	-
Unassigned	(472)	(863)	(525)	(1,908)	(2,405)
Total all other governmental funds	$ 40,335	$ 39,908	$ 47,964	$ 48,053	$ 42,845
Total fund balance of governmental funds	$ 63,998	$ 64,499	$ 70,807	$ 73,060	$ 72,433

	2019	2020	2021	2022	2023
General Fund					
Nonspendable	$ 4,513	$ 4,103	$ 3,029	$ 2,937	$ 3,079
Unassigned	32,043	42,008	68,327	95,638	96,161
Total general fund	36,556	46,111	71,356	98,575	99,240
All other governmental funds					
Nonspendable	$ 1	$ 4	$ 13	$ 6	$ 3
Restricted	42,068	31,001	29,108	47,569	57,949
Committed	-	14,862	13,970	20,802	31,014
Unassigned	(562)	(873)	(968)	(632)	(736)
Total all other governmental funds	$ 41,507	$ 44,994	$ 42,123	$ 67,745	$ 88,230
Total fund balance of governmental funds	$ 78,063	$ 91,105	$ 113,479	$ 166,320	$ 187,470

Source: Governmental Fund Statements



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TOWN OF MARANA **Schedule 4**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Sales taxes	$ 26,226	$ 28,058	$ 35,442	$ 37,500
Property taxes	424	447	489	521
Intergovernmental	12,732	14,927	20,537	43,261
Licenses, fees and permits	6,549	7,048	6,243	7,078
Fines, forfeitures and penalties	831	889	750	728
Charges for services	509	692	500	563
Lease Income	99	96	90	113
Special assessments	2,176	2,050	2,129	2,340
Contributions	1,098	583	1,216	214
Investment earnings	171	149	173	238
Miscellaneous	927	853	376	460
Total revenues	51,742	55,792	67,945	93,016
Expenditures				
General government	8,953	9,652	12,017	13,347
Public safety	11,952	13,886	14,068	14,477
Highways and streets	4,214	5,441	5,796	6,037
Health and welfare	-	-	-	365
Economic and community development	4,508	4,351	4,146	4,642
Culture and recreation	3,195	3,598	3,710	4,266
Capital outlay	4,453	9,885	11,840	34,275
Debt service				
Principal	10,338	3,412	3,992	5,083
Interest	4,522	4,491	4,212	3,882
Other charges	97	-	-	1,023
Total expenditures	52,232	54,716	59,781	87,397
Excess of revenues over (under) expenditures	(490)	1,076	8,164	5,619

2018	2019	2020	2021	2022	2023
$ 41,689	$ 41,680	$ 40,705	$ 42,847	$ 52,112	$ 69,267
572	834	1,161	1,420	1,698	2,081
30,919	20,040	22,967	31,527	35,870	27,909
8,617	10,034	9,092	10,749	20,949	13,886
750	637	591	496	428	419
684	718	535	541	989	836
136	148	157	159	264	171
989	2,869	2,091	2,298	1,801	2,267
87	49	65	66	1,231	293
663	1,954	1,965	484	(218)	6,765
512	757	667	643	795	703
85,618	79,720	79,996	91,230	115,919	124,599
12,949	14,021	14,927	14,416	16,219	17,934
14,774	15,502	18,352	16,967	17,848	26,614
4,893	5,031	6,821	6,222	6,006	5,988
229	290	284	350	318	418
4,452	4,744	4,605	4,540	4,497	4,838
4,903	4,613	4,207	4,225	5,715	6,353
40,960	24,478	11,094	17,097	10,649	21,554
2,260	5,463	6,563	6,319	6,304	7,436
2,745	3,105	2,984	2,910	2,876	3,191
-	314	385	216	511	334
88,165	77,561	70,222	73,262	70,943	94,661
(2,547)	2,159	9,774	17,968	44,976	29,937

TOWN OF MARANA **Schedule 4**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	Fiscal Year			
	2014	2015	2016	2017
Other financing sources (uses)				
Transfers in	14,155	6,380	6,498	7,680
Transfers out	(16,540)	(6,955)	(8,675)	(10,558)
Proceeds from sale of capital assets	-	-	321	45
Capitalized interest	-	-	-	178
Issuance of debt	6,493	-	-	42,065
Premium on bonds issued	-	-	-	4,089
Leases and subscription technology arrangements	-	-	-	-
Payments to refunded bond escrow agent	(14,160)	-	-	(46,865)
Total other financing sources (uses)	(10,052)	(575)	(1,856)	(3,366)
Net change in fund balance	$ (10,542)	$ 501	$ 6,308	$ 2,253
Debt service as a percentage of noncapital expenditures	31.3%	18.1%	16.5%	12.6%

Source: Governmental Fund Statements

2018	2019	2020	2021	2022	2023
12,607	6,082	11,401	8,471	6,577	6,983
(10,732)	(6,770)	(11,532)	(8,467)	(6,210)	(22,563)
46	226	135	132	-	-
-	-	-	-	-	-
-	3,845	3,195	4,155	6,800	6,220
-	88	69	115	698	158
-	-	-	-	-	414
-	-	-	-	-	-
1,921	3,471	3,268	4,406	7,865	(8,788)
$ (626)	$ 5,630	$ 13,042	$ 22,374	$ 52,841	$ 21,150
9.4%	15.3%	15.7%	15.5%	13.8%	13.2%

Schedule 5

TOWN OF MARANA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Fiscal Year	Sales Tax	Highway User Revenue taxes	Total
2023	$ 69,267	$ 4,718	$ 73,986
2022	52,112	4,271	56,383
2021	42,846	3,956	46,802
2020	40,705	3,826	44,531
2019	41,681	3,608	45,289
2018	41,672	3,316	44,988
2017	37,418	3,099	40,517
2016	35,374	2,623	37,997
2015	27,974	2,484	30,458
2014	25,958	2,286	28,244

Source: Statement of Revenues, Expenditures and Changes in Fund Balances

TOWN OF MARANA **Schedule 6**

ASSESSED VALUE, ESTIMATED ACTUAL VALUE AND ASSESSMENT RATIOS OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Fiscal Year Ended June 30	Tax Year	Residential Property	Commercial Property	Less: Tax Exempt Real Property	Net Assessed Value	Total Direct Tax Rate	Limited Full Cash Value	Ratio of Net Assessed to Full Cash Value
2023	2022	$ 517,595	$ 246,095	$ 44,801	$ 718,889	8.4000	6,665,336	10.8%
2022	2021	480,657	233,235	42,820	671,072	8.4000	6,187,303	10.8%
2021	2020	438,390	224,390	42,530	620,250	8.4000	5,715,806	10.9%
2020	2019	399,814	222,348	42,749	579,413	8.7000	5,319,890	10.9%
2019	2018	362,265	214,295	41,518	535,042	5.8400	4,898,582	10.9%
2018	2017	333,217	217,618	45,746	505,089	3.7000	4,641,025	10.9%
2017	2016	310,243	210,060	46,818	473,485	3.7000	4,360,394	10.9%
2016	2015	238,994	251,902	45,889	445,007	3.7000	4,036,488	11.0%
2015	2014	259,179	210,256	43,910	425,525	3.7000	3,787,907	11.2%
2014	2013	239,380	297,401	40,974	495,807	3.7000	3,499,549	11.3%

Source: Pima County Assessor's Office *Abstract of the Assessment Roll*

TOWN OF MARANA **Schedule 7**

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Pima County (General Fund)	Road Tax	County Library District	Debt Service	Flood Control District	State Education Equalization Assistance Tax
2022/23	2022	3.8764	-	0.5453	0.3200	0.3235	0.0000
2021/22	2021	3.8764	-	0.5353	0.4500	0.3335	0.4263
2020/21	2020	3.9220	-	0.5353	0.5200	0.3335	0.4426
2019/20	2019	3.9996	-	0.5353	0.6900	0.3335	0.4566
2018/19	2018	4.0696	-	0.5153	0.6900	0.3335	0.4741
2017/18	2017	4.2096	0.2500	0.5053	0.7000	0.3135	0.4875
2016/17	2016	4.2896	-	0.5153	0.7000	0.3335	0.5010
2015/16	2015	4.3877	-	0.5153	0.7000	0.3135	0.5054
2014/15	2014	4.2779	-	0.4353	0.7000	0.3035	0.5089
2013/14	2013	3.6665	-	0.3753	0.7800	0.2635	0.5123

Fiscal Year	Tax Year	Central Arizona Water Convservation District	Marana School District	**Total Overlapping Rates**	Town of Marana	Gladden Farms Community Facilities District	Gladden Farms II Community Facilities District
2022/23	2022	0.1400	5.4689	21.7336	-	2.8000	2.8000
2021/22	2021	0.1400	5.9491	22.5583	-	2.8000	2.8000
2020/21	2020	0.1400	5.7594	22.7137	-	2.8000	2.8000
2019/20	2019	0.1400	5.8650	23.2976	-	2.8000	2.8000
2018/19	2018	0.1400	6.0840	23.6850	-	2.4400	0.3000
2017/18	2017	0.1400	6.2334	24.1015	-	2.8000	0.3000
2016/17	2016	0.1400	6.3781	24.1667	-	2.8000	0.3000
2015/16	2015	0.1400	6.3370	23.8575	-	2.8000	0.3000
2014/15	2014	0.1400	6.2288	23.5167	-	2.8000	0.3000
2013/14	2013	0.1400	6.0085	22.8209	-	2.8000	0.3000

Notes:

1) The Flowing Wells School District (a school district of approximately 13 miles) intersects approximately one mile of the Town's boundaries. Marana School District covers the remaining approximate 69 miles of the Town's boundaries.
2) The Town intersects several fire districts. Prior to fiscal year 1999, the Town contracted for fire service for the Town until fire districts could be established.
3) The Pima County Flood Control District tax levy applies only to real property.
4) Primary and secondary tax rates are assessed per $100 of the net assessed value and are set by the County Board of Supervisors or governing board of taxing jurisdiction.

Source: Pima County

Flowing Wells School District	Community College District	Northwest Fire District	Fire District Assistance	Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	**Total Direct Rates**	**Total Direct & Overlapping Rates**
6.5638	1.2878	3.1695	0.0384	-	2.8000	8.4000	30.1336
6.4855	1.2733	3.0495	0.0394	-	2.8000	8.4000	30.9583
6.6839	1.3359	2.9995	0.0416	-	2.8000	8.4000	31.1137
6.8539	1.3758	3.0049	0.0430	0.3000	2.8000	8.7000	31.9976
6.8860	1.3983	3.0501	0.0441	0.3000	2.8000	5.8400	29.5250
6.7539	1.3890	3.0734	0.0459	0.3000	0.3000	3.7000	27.8015
6.8971	1.3733	2.9920	0.0468	0.3000	0.3000	3.7000	27.8667
6.6292	1.3689	2.9138	0.0467	0.3000	0.3000	3.7000	27.5575
6.6135	1.3344	2.9272	0.0472	0.3000	0.3000	3.7000	27.2167
6.7146	1.2933	3.0213	0.0456	0.3000	0.3000	3.7000	26.5209

Schedule 8

TOWN OF MARANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Amounts expressed in thousands)

	2023			2014		
Taxpayer	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value
HSL COTTONWOOD RC HOTEL LLC	16,775	1	28.1%	2,676	6	6.8%
UNISOURCE ENERGY CORPORATION	13,371	2	22.4%	8,764	1	22.2%
TUCSON PREMIUM OUTLETS LLC	6,960	3	11.7%	-	-	-%
SOUTHWEST GAS CORPORATION	4,354	4	7.3%	-	-	-%
FRYS FOOD STORE OF ARIZONA	3,951	5	6.6%	4,522	3	11.5%
TRICO ELECTRIC COOP INC	3,630	6	6.1%	4,038	4	10.2%
WAL-MART STORES INC	3,085	7	5.2%	3,385	5	8.6%
MARANA MARKETPLACE PARTNERS LLC	2,568	8	4.3%	2,223	8	5.6%
REALTY INCOME CORP	2,518	9	4.2%	-	-	-%
SILVERBELL AZ-AE LLC, ET AL	2,448	10	4.1%	-	-	-%
DOVE MOUNTAIN HOTELCO LLC				8,090	2	20.5%
REALTY INCOME PROPERTIES 18 LLC				2,299	7	5.8%
COMCAST OF ARIZONA INC				1,743	9	4.4%
UNION PACIFIC RAILROAD				1,684	10	4.3%
Totals	$ 59,660			$ 39,424		

Notes:
1) The Town of Marana does not impose a property tax.

Source: Pima County Assessor's Office - IS Dept
(Information System's Coordinator)

TOWN OF MARANA **Schedule 9**
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

		Collected with in the Fiscal Year of the Levy		Total Collections to Date	
Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Amount	Percentage of Levy
2023	$ 2,083	$ 2,070	99.38%	$ 2,070	99.38%
2022	1,702	1,695	99.59%	1,695	99.59%
2021	1,426	1,420	99.58%	1,420	99.58%
2020	1,163	1,158	99.57%	1,163	100.00%
2019	834	830	99.52%	832	99.76%
2018	571	569	99.65%	570	99.82%
2017	521	517	99.23%	521	100.00%
2016	489	485	99.18%	488	99.80%
2015	448	444	99.11%	448	100.00%
2014	423	419	99.05%	422	99.76%

Notes:
1) The Town does not impose a property tax; levies directly related to the Gladden Farms Community Facilities District I and II, and Saguaro Springs.

Source: Pima County Treasurer's Office

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2023

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
242-B3-1	215-01-0100	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	$ 52,594.14	$ 20,731.01	$ 2,680,428	89,310	Commercial
242-B3-2	215-01-003W	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	49,379.55	19,463.92	1,409,123	73,738	Commercial
242-11	215-01-011A	Tangerine/I-10, LLC	164,906.77	65,001.25	5,600	242,954	Residential and Commercial
242-01	215-01-0130	VM Building Two Corporation	134,077.64	52,849.35	1,004,090	200,818	Residential and Commercial
242-02	215-01-0140	Southwest Gas Corporation	727,102.17	286,601.66	4,356,036	1,089,009	Commercial
242-03	215-01-0150	Tangerine/I-10, LLC	215,513.08	84,948.74	4,001	322,893	Residential and Commercial
242-04	215-01-0160	Tangerine/I-10, LLC	227,728.40	89,763.65	4,228	341,014	Residential and Commercial
242-05	215-01-0170	CTI, Inc.	567,430.53	223,663.93	26,375	850,047	Commercial
242-06	215-01-0180	Tangerine/I-10, LLC	341,156.34	134,473.51	2,125,728	510,994	Residential and Commercial
242-07	215-01-0190	U-Haul International Inc.	344,646.43	135,849.19	3,355,332	516,205	Commercial
242-08	215-01-0200	Tangerine/I-10, LLC	378,674.81	149,262.15	8,910	567,141	Residential and Commercial
242-09	215-01-0210	Tangerine/I-10, LLC	80,562.92	31,755.46	1,496	120,700	Residential and Commercial
242-10	215-01-0220	Tangerine/I-10, LLC	28,793.25	11,349.42	540	43,192	Residential and Commercial
242-12	215-01-0230	VM Building Two Corporation	38,681.84	15,247.21	1,100	58,054	Residential and Commercial
237	217-53-040A	TOWN OF MARANA	71,959.10	28,364.11	81,000	1,019,740	Park
238/239-2	217-53-8090	GLADDEN 25 LLC	20,407.15	8,043.88	129,323	57,477	Residential and Commercial
238/239-3	217-53-8100	GLADDEN 25 LLC	21,784.14	8,586.65	138,042	61,352	Residential and Commercial
238/239-4	217-53-8110	GLADDEN 25 LLC	20,979.61	8,269.52	132,860	59,049	Residential and Commercial
238/239-5	217-53-8120	GLADDEN 25 LLC	18,999.25	7,488.92	120,382	53,503	Residential and Commercial
238/239-6	217-53-8130	GLADDEN 25 LLC	20,144.14	7,940.21	127,613	56,717	Residential and Commercial
238/239-7	217-53-8140	GLADDEN 25 LLC	15,456.22	6,092.37	97,929	43,524	Residential and Commercial
238/239-8	217-53-8150	GLADDEN 25 LLC	35,461.12	13,977.70	224,687	99,861	Residential and Commercial
238/239-9	217-53-8160	GLADDEN 25 LLC	32,830.94	12,940.96	184,870	92,435	Residential and Commercial
238/239-10	217-53-8170	GLADDEN 25 LLC	30,974.33	12,209.15	174,390	87,195	Residential and Commercial
230-4	217-54-0140	HSL Properties Inc.	684,379.91	269,761.85	31,212	2,517,768	Residential and Commercial
446	217-54-026A	Moderne Communities, LLC	268,326.10	105,766.02	72,000	675,616	Residential and Commercial
347	217-54-0570	Richmond American Homes	3,770.07	1,486.05	310,458	-	Residential
826	217-54-342A	Gladden Phase II, LLC	205,307.14	80,925.86	70,000	606,791	Residential and Commercial
1583	217-54-343A	Gladden 2021, LLC	421,560.82	166,166.52	1,732,640	1,155,211	Residential and Commercial
1584	217-54-344A	Gladden Phase II, LLC	139,574.21	55,015.93	70,350	510,959	Residential and Commercial
1585	217-54-344B	HSL Gladden Farms, LLC	202,752.92	79,919.06	85,140	741,827	Residential and Commercial
455	217-54-3520	Richmond American Homes	3,029.41	1,194.10	330,048	-	Residential
491	217-54-3880	Richmond American Homes	3,029.41	1,194.10	300,269	-	Residential
492	217-54-3890	Richmond American Homes	3,029.41	1,194.10	272,367	-	Residential
494	217-54-3910	Richmond American Homes	3,029.41	1,194.10	300,269	-	Residential
495	217-54-3920	Richmond American Homes	3,029.41	1,194.10	330,023	-	Residential
496	217-54-3930	Richmond American Homes	3,029.41	1,194.10	272,367	-	Residential
510	217-54-4070	Richmond American Homes	3,029.41	1,194.10	286,774	-	Residential
544	217-54-4410	Richmond American Homes	3,029.42	1,194.11	284,397	-	Residential
547	217-54-4440	Richmond American Homes	3,029.42	1,194.11	286,259	-	Residential
551	217-54-4480	Richmond American Homes	3,029.42	1,194.11	281,228	-	Residential
827	217-54-5730	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
828	217-54-5740	Richmond American Homes	3,381.52	1,332.89	320,105	-	Residential
830	217-54-5760	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
831	217-54-5770	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
832	217-54-5780	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
833	217-54-5790	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
834	217-54-5800	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
835	217-54-5810	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
836	217-54-5820	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
838	217-54-5840	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
839	217-54-5850	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
846	217-54-5920	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
847	217-54-5930	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
870	217-54-6160	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential
871	217-54-6170	Richmond American Homes	3,381.52	1,332.89	32,298	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2023

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
873	217-54-6190	Lennar Homes	3,381.52	1,332.89	32,298	-	Residential
889	217-54-6350	Richmond American Homes	3,381.52	1,332.89	332,134	-	Residential
898	217-54-6440	Lennar Homes	3,381.52	1,332.89	32,298	-	Residential
962	217-54-7080	Lennar Homes	3,381.51	1,332.88	32,298	-	Residential
1586	217-55-0170	Flint Development	347,856.32	137,114.43	8,453,708	2,601,141	Residential and Commercial
1587	217-55-0180	Flint Development	400,579.47	157,896.31	1,608,984	2,995,236	Residential and Commercial
1588	217-55-0190	HSL Properties, Inc	130,846.64	51,575.79	909,630	978,315	Residential and Commercial
1589	217-55-0200	Tangerine 2021, LLC	60,995.74	24,042.68	983,628	455,945	Residential and Commercial
1590	217-55-0210	Tangerine 2021, LLC	8,913.42	3,513.40	220,320	66,775	Residential and Commercial
1591	217-55-0220	CKD Flagstaff, LLC	473,459.77	186,623.51	1,706,670	3,540,012	Residential and Commercial
1592	217-55-0230	Tangerine 2021, LLC	16,952.97	6,682.35	335,232	126,781	Residential and Commercial
1593	217-55-0240	Tangerine 2021, LLC	146,984.00	57,936.64	938,385	1,099,228	Residential and Commercial
1252	217-61-0010	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1253	217-61-0020	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1254	217-61-0030	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1255	217-61-0040	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1256	217-61-0050	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1257	217-61-0060	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1258	217-61-0070	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1259	217-61-0080	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1260	217-61-0090	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1261	217-61-0100	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1262	217-61-0110	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1263	217-61-0120	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1264	217-61-0130	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1265	217-61-0140	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1266	217-61-0150	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1267	217-61-0160	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1268	217-61-0170	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1269	217-61-0180	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1270	217-61-0190	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1271	217-61-0200	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1272	217-61-0210	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1273	217-61-0220	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1274	217-61-0230	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1275	217-61-0240	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1276	217-61-0250	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1277	217-61-0260	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1278	217-61-0270	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1279	217-61-0280	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1280	217-61-0290	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1281	217-61-0300	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1282	217-61-0310	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1283	217-61-0320	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1284	217-61-0330	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1285	217-61-0340	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1286	217-61-0350	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1287	217-61-0360	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1288	217-61-0370	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1289	217-61-0380	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1290	217-61-0390	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1291	217-61-0400	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1292	217-61-0410	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1293	217-61-0420	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1294	217-61-0430	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1295	217-61-0440	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2023

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1296	217-61-0450	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1297	217-61-0460	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1298	217-61-0470	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1299	217-61-0480	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1300	217-61-0490	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1301	217-61-0500	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1302	217-61-0510	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1303	217-61-0520	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1304	217-61-0530	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1305	217-61-0540	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1306	217-61-0550	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1307	217-61-0560	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1308	217-61-0570	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1309	217-61-0580	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1310	217-61-0590	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1311	217-61-0600	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1312	217-61-0610	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1313	217-61-0620	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1314	217-61-0630	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1315	217-61-0640	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1316	217-61-0650	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1317	217-61-0660	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1318	217-61-0670	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1319	217-61-0680	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1320	217-61-0690	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1321	217-61-0700	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1322	217-61-0710	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1323	217-61-0720	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1324	217-61-0730	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1325	217-61-0740	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1326	217-61-0750	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1327	217-61-0760	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1328	217-61-0770	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1329	217-61-0780	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1330	217-61-0790	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1331	217-61-0800	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1332	217-61-0810	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1333	217-61-0820	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1334	217-61-0830	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1335	217-61-0840	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1336	217-61-0850	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1337	217-61-0860	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1338	217-61-0870	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1339	217-61-0880	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1340	217-61-0890	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1341	217-61-0900	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1342	217-61-0910	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1343	217-61-0920	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1344	217-61-0930	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1345	217-61-0940	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1346	217-61-0950	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1347	217-61-0960	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1348	217-61-0970	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1349	217-61-0980	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1350	217-61-0990	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1351	217-61-1000	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1352	217-61-1010	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1353	217-61-1020	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
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Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1354	217-61-1030	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1355	217-61-1040	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1356	217-61-1050	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1357	217-61-1060	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1358	217-61-1070	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1359	217-61-1080	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1360	217-61-1090	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1361	217-61-1100	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1362	217-61-1110	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1363	217-61-1120	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1364	217-61-1130	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1365	217-61-1140	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1366	217-61-1150	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1367	217-61-1160	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1368	217-61-1170	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1369	217-61-1180	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1370	217-61-1190	Richmond American Homes	3,439.32	1,355.68	11,001	-	Residential
1371	217-62-0010	Lennar Homes	3,886.64	1,532.00	13,001	-	Residential
1372	217-62-0020	Lennar Homes	3,886.64	1,532.00	13,001	-	Residential
1373	217-62-0030	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1374	217-62-0040	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1375	217-62-0050	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1376	217-62-0060	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1377	217-62-0070	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1378	217-62-0080	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1379	217-62-0090	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1380	217-62-0100	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1381	217-62-0110	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1382	217-62-0120	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1383	217-62-0130	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1384	217-62-0140	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1385	217-62-0150	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1386	217-62-0160	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1387	217-62-0170	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1388	217-62-0180	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1389	217-62-0190	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1390	217-62-0200	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1391	217-62-0210	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1392	217-62-0220	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1393	217-62-0230	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1394	217-62-0240	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1395	217-62-0250	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1396	217-62-0260	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1397	217-62-0270	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1398	217-62-0280	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1399	217-62-0290	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1400	217-62-0300	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1401	217-62-0310	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1402	217-62-0320	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1403	217-62-0330	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1404	217-62-0340	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1405	217-62-0350	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1406	217-62-0360	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1407	217-62-0370	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1408	217-62-0380	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1409	217-62-0390	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1410	217-62-0400	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1411	217-62-0410	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1412	217-62-0420	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
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Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1413	217-62-0430	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1414	217-62-0440	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1415	217-62-0450	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1416	217-62-0460	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1417	217-62-0470	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1418	217-62-0480	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1419	217-62-0490	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1420	217-62-0500	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1421	217-62-0510	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1422	217-62-0520	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1423	217-62-0530	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1424	217-62-0540	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1425	217-62-0550	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1426	217-62-0560	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1427	217-62-0570	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1428	217-62-0580	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1429	217-62-0590	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1430	217-62-0600	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1431	217-62-0610	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1432	217-62-0620	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1433	217-62-0630	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1434	217-62-0640	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1435	217-62-0650	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1436	217-62-0660	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1437	217-62-0670	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1438	217-62-0680	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1439	217-62-0690	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1440	217-62-0700	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1441	217-62-0710	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1442	217-62-0720	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1443	217-62-0730	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1444	217-62-0740	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1445	217-62-0750	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1446	217-62-0760	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1447	217-62-0770	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1448	217-62-0780	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1449	217-62-0790	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1450	217-62-0800	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1451	217-62-0810	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1452	217-62-0820	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1453	217-62-0830	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1454	217-62-0840	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1455	217-62-0850	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1456	217-62-0860	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1457	217-62-0870	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1458	217-62-0880	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1459	217-62-0890	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1460	217-62-0900	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1461	217-62-0910	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1462	217-62-0920	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1463	217-62-0930	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1464	217-62-0940	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1465	217-62-0950	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1466	217-62-0960	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1467	217-62-0970	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1468	217-62-0980	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1469	217-62-0990	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1470	217-62-1000	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1471	217-62-1010	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2023

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1472	217-62-1020	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1473	217-62-1030	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1474	217-62-1040	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1475	217-62-1050	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1476	217-62-1060	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1477	217-62-1070	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1478	217-62-1080	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1479	217-62-1090	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1480	217-62-1100	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1481	217-62-1110	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1482	217-62-1120	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1483	217-62-1130	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1484	217-62-1140	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1485	217-62-1150	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1486	217-62-1160	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1487	217-62-1170	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1488	217-62-1180	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1489	217-62-1190	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1490	217-62-1200	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1491	217-62-1210	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1492	217-62-1220	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1493	217-62-1230	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1494	217-62-1240	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1495	217-62-1250	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1496	217-62-1260	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1497	217-62-1270	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1498	217-62-1280	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1499	217-62-1290	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1500	217-62-1300	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1501	217-62-1310	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1502	217-62-1320	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1503	217-62-1330	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1504	217-62-1340	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1505	217-62-1350	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1506	217-62-1360	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1507	217-62-1370	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1508	217-62-1380	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1509	217-62-1390	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1510	217-62-1400	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1511	217-62-1410	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1512	217-62-1420	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1513	217-62-1430	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1514	217-62-1440	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1515	217-62-1450	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1516	217-62-1460	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1517	217-62-1470	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1518	217-62-1480	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1519	217-62-1490	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1520	217-62-1500	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1521	217-62-1510	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1522	217-62-1520	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1523	217-62-1530	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1524	217-62-1540	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1525	217-62-1550	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1526	217-62-1560	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1527	217-62-1570	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1528	217-62-1580	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1529	217-62-1590	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1530	217-62-1600	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2023

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1531	217-62-1610	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1532	217-62-1620	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1533	217-62-1630	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1534	217-62-1640	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1535	217-62-1650	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1536	217-62-1660	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1537	217-62-1670	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1538	217-62-1680	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1539	217-62-1690	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1540	217-62-1700	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1541	217-62-1710	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1542	217-62-1720	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1543	217-62-1730	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1544	217-62-1740	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1545	217-62-1750	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1546	217-62-1760	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1547	217-62-1770	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1548	217-62-1780	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1549	217-62-1790	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1550	217-62-1800	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1551	217-62-1810	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1552	217-62-1820	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1553	217-62-1830	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1554	217-62-1840	Lennar Homes	3,886.63	1,531.99	11,001	-	Residential
1555	217-62-1850	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1556	217-62-1860	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1557	217-62-1870	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1558	217-62-1880	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1559	217-62-1890	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1560	217-62-1900	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1561	217-62-1910	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1562	217-62-1920	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1563	217-62-1930	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1564	217-62-1940	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1565	217-62-1950	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1566	217-62-1960	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1567	217-62-1970	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1568	217-62-1980	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1569	217-62-1990	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1570	217-62-2000	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1571	217-62-2010	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1572	217-62-2020	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1573	217-62-2030	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1574	217-62-2040	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1575	217-62-2050	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1576	217-62-2060	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1577	217-62-2070	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1578	217-62-2080	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1579	217-62-2090	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1580	217-62-2100	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1581	217-62-2110	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1582	217-62-2120	Lennar Homes	3,886.63	1,531.99	13,001	-	Residential
1594	217-63-0010	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1595	217-63-0020	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1596	217-63-0030	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1597	217-63-0040	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1598	217-63-0050	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1599	217-63-0060	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential

Town of Marana, Arizona
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Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1600	217-63-0070	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1601	217-63-0080	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1602	217-63-0090	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1603	217-63-0100	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1604	217-63-0110	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1605	217-63-0120	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1606	217-63-0130	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1607	217-63-0140	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1608	217-63-0150	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1609	217-63-0160	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1610	217-63-0170	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1611	217-63-0180	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1612	217-63-0190	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1613	217-63-0200	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1614	217-63-0210	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1615	217-63-0220	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1616	217-63-0230	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1617	217-63-0240	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1618	217-63-0250	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1619	217-63-0260	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1620	217-63-0270	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1621	217-63-0280	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1622	217-63-0290	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1623	217-63-0300	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1624	217-63-0310	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1625	217-63-0320	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1626	217-63-0330	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1627	217-63-0340	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1628	217-63-0350	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1629	217-63-0360	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1630	217-63-0370	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1631	217-63-0380	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1632	217-63-0390	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1633	217-63-0400	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1634	217-63-0410	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1635	217-63-0420	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1636	217-63-0430	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1637	217-63-0440	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1638	217-63-0450	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1639	217-63-0460	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1640	217-63-0470	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1641	217-63-0480	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1642	217-63-0490	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1643	217-63-0500	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1644	217-63-0510	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1645	217-63-0520	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1646	217-63-0530	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1647	217-63-0540	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1648	217-63-0550	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1649	217-63-0560	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1650	217-63-0570	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1651	217-63-0580	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1652	217-63-0590	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1653	217-63-0600	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1654	217-63-0610	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1655	217-63-0620	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential

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Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1656	217-63-0630	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1657	217-63-0640	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1658	217-63-0650	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1659	217-63-0660	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1660	217-63-0670	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1661	217-63-0680	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1662	217-63-0690	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1663	217-63-0700	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1664	217-63-0710	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1665	217-63-0720	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1666	217-63-0730	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1667	217-63-0740	KB Home Tucson Inc.	2,428.85	957.38	11,001	-	Residential
1668	217-63-0750	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1669	217-63-0760	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1670	217-63-0770	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1671	217-63-0780	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1672	217-63-0790	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1673	217-63-0800	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1674	217-63-0810	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1675	217-63-0820	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1676	217-63-0830	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1677	217-63-0840	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1678	217-63-0850	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1679	217-63-0860	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1680	217-63-0870	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1681	217-63-0880	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1682	217-63-0890	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1683	217-63-0900	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1684	217-63-0910	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1685	217-63-0920	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1686	217-63-0930	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1687	217-63-0940	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1688	217-63-0950	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1689	217-63-0960	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1690	217-63-0970	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1691	217-63-0980	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1692	217-63-0990	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1693	217-63-1000	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1694	217-63-1010	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1695	217-63-1020	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1696	217-63-1030	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1697	217-63-1040	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1698	217-63-1050	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1699	217-63-1060	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1700	217-63-1070	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1701	217-63-1080	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1702	217-63-1090	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1703	217-63-1100	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1704	217-63-1110	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1705	217-63-1120	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1706	217-63-1130	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1707	217-63-1140	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1708	217-63-1150	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1709	217-63-1160	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1710	217-63-1170	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2023

Schedule 10

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2022 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
1711	217-63-1180	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1712	217-63-1190	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1713	217-63-1200	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1714	217-63-1210	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1715	217-63-1220	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1716	217-63-1230	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1717	217-63-1240	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1718	217-63-1250	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1719	217-63-1260	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1720	217-63-1270	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1721	217-63-1280	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1722	217-63-1290	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1723	217-63-1300	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1724	217-63-1310	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1725	217-63-1320	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1726	217-63-1330	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1727	217-63-1340	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1728	217-63-1350	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
1729	217-63-1360	KB Home Tucson Inc.	2,428.84	957.37	11,001	-	Residential
Residential Totals:	497	Active Assessments	$ 1,661,880.71	$ 655,062.86	$ 8,249,095	0	
Non-Residential Totals:	38	Active Assessments	$ 7,148,733.30	$ 2,817,814.27	$ 33,611,982	24,728,526	
Totals:	535	Active Assessments	$ 8,810,614.01	$ 3,472,877.13	$ 43,357,213	24,728,526	(4)

TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS

Schedule 11

Industry Group	FY 2014	%	2015	%	2016*	%
Construction	$ 6,411,509	24.45%	$ 6,838,195	24.37%	$ 6,883,116	19.42%
Manufacturing	97,014	0.37%	100,329	0.36%	-	0.00%
Transporation, Communications, & Utilities	3,182,854	12.14%	3,318,976	11.83%	3,919,633	11.06%
Wholesale Trade	213,657	0.81%	305,012	1.09%	-	0.00%
Retail Trade	9,593,163	36.58%	10,133,523	36.12%	16,305,878	46.01%
Restaurant & Bars	1,865,602	7.11%	2,038,788	7.27%	3,076,737	8.68%
Fire, Insurance & Real Estate	1,256,418	4.79%	1,240,196	4.42%	1,339,496	3.78%
Hotels & Other Lodging	2,064,986	7.87%	2,481,304	8.84%	2,292,705	6.47%
Services	1,031,325	3.93%	1,046,669	3.73%	-	0.00%
All Others	509,351	1.94%	555,522	1.98%	1,624,023	4.58%
	$ 26,225,879	100.00%	$ 28,058,514	100.00%	$ 35,441,588	100.00%

Industry Group	2019	%	2020	%	2021	%
Construction	$ 10,817,479	25.95%	$ 11,599,116	28.50%	$ 9,869,708	23.03%
Transporation, Communications, & Utilities	3,987,389	9.57%	3,835,802	9.42%	4,071,000	9.50%
Retail Trade	16,403,992	39.36%	16,210,073	39.82%	19,308,702	45.06%
Restaurant & Bars	3,514,494	8.43%	3,146,078	7.73%	3,489,065	8.14%
Fire, Insurance & Real Estate	1,648,738	3.96%	1,436,817	3.53%	1,515,124	3.54%
Hotels & Other Lodging	2,913,545	6.99%	2,566,127	6.30%	2,496,865	5.83%
All Others	2,394,706	5.75%	1,910,780	4.69%	2,096,172	4.89%
	$ 41,680,343	100.00%	$ 40,704,793	100.00%	$ 42,846,636	100.00%

Note:
* In fiscal year 2016, the Arizona Department of Revenue began using a new form and payment journal, which affected the classification of certain tax revenues within the industry groups

Source: Town of Marana Finance Department, Arizona Department of Revenue

2017	%	2018	%
$ 7,557,292	20.15%	$ 9,825,265	23.57%
-	0.00%	-	0.00%
3,809,315	10.16%	4,234,220	10.16%
-	0.00%	-	0.00%
17,120,561	45.65%	17,757,284	42.59%
3,295,734	8.79%	3,616,110	8.67%
1,540,358	4.11%	1,661,010	3.98%
2,558,312	6.82%	2,827,338	6.78%
-	0.00%	-	0.00%
1,618,648	4.32%	1,768,256	4.24%
$ 37,500,220	100.00%	$ 41,689,483	100.00%

2022	%	2023	%
$ 11,299,816	21.68%	$ 21,154,863	30.54%
4,373,856	8.39%	4,804,649	6.94%
23,737,350	45.55%	28,705,644	41.44%
4,819,803	9.25%	5,809,785	8.39%
1,711,996	3.29%	1,867,183	2.70%
3,957,813	7.59%	4,090,229	5.90%
2,210,898	4.24%	2,834,981	4.09%
$ 52,111,532	100.00%	$ 69,267,334	100.00%

TOWN OF MARANA
EXCISE TAX COLLECTIONS
LAST TEN FISCAL YEARS

Schedule 12

Industry Classification	2013/14	2014/2015	2015/2016	2016/2017	2017/2018
Town Sales Tax	$ 26,225,881	$ 28,058,823	$ 35,441,585	$ 37,500,219	$ 41,689,483
State-shared Sales Taxes	3,043,102	3,195,042	3,344,679	3,798,503	4,186,856
State-shared Income Taxes	3,896,487	4,232,245	4,209,300	5,054,592	5,384,669
Licenses and permits	3,932,108	4,813,378	4,468,910	4,848,237	5,573,620
Fines and forfeitures and penalities	635,869	664,955	579,369	574,884	612,638
TOTAL	$ 37,733,447	$ 40,964,443	$ 48,043,843	$ 51,776,435	$ 57,447,266

Industry Classification	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Budgeted 2023/2024
Town Sales Tax	$ 41,680,343	$ 41,629,398	$ 42,846,635	$ 52,111,532	$ 69,267,334	$ 47,741,698
State-shared Sales Taxes	4,524,009	4,872,825	5,816,852	7,324,638	8,114,630	8,263,841
State-shared Income Taxes	5,424,305	6,078,686	7,007,072	6,771,044	10,413,667	14,720,978
Licenses and permits	5,774,930	6,021,017	7,248,432	11,190,222	7,776,633	4,717,500
Fines and forfeitures and penalities	527,447	515,514	436,491	383,241	364,942	389,500
TOTAL	$ 57,931,034	$ 59,117,440	$ 63,355,482	$ 77,780,677	$ 95,937,206	$ 75,833,517

Source: Statement of Revenues, Expenditures and changes in Fund Balances

TOWN OF MARANA **Schedule 13**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(Amounts expressed in thousands, except per capita amount)

	Governmental Activities				Business-Type Activities				
Fiscal Year	Revenue Bonds (1)	General Obligation Bonds (2)	Special Assessment Bonds (3)	Leases & Subscriptions Payable	Revenue Bonds (1)	Loans Payable	Total Primary Government	Percentage of Personal Income (4)	Per Capita
2023	$ 39,873	$ 31,017	$ 3,771	$ 665	$ 20,052	$ 15,938	$ 111,316	186.2%	1,873
2022	44,828	25,581	5,695	363	20,269	16,730	113,466	203.9%	2,090
2021	49,112	18,756	7,529		20,481	16,777	112,655	200.6%	2,170
2020	53,258	15,100	9,552		20,687	9,561	108,158	216.5%	2,193
2019	57,301	12,242	12,126		20,891	3,504	106,064	220.1%	2,256
2018	60,842	8,551	14,200		21,090	3,202	107,885	276.2%	2,409
2017	63,254	8,794	14,245		21,248	3,421	110,962	292.6%	2,552
2016	66,715	7,835	15,927		1,214	3,634	95,325	258.9%	2,307
2015	69,299	8,085	17,246		1,343	3,841	99,814	279.2%	2,475
2014	71,659	8,325	18,488		1,343	4,042	103,857	274.8%	2,712

Notes:

(1) Presented net of original issuance discounts and premiums

(2) Bonds issued for Gladdden Farms Facilities District, Gladden Farms Facilities District II, and Saguaro Springs Community Facilities District, component units of the Town.

(3) Bonds issued for Tangerine Farms Road Improvement District, a component unit of the Town.

(4) Individual statistics not available for Marana, included in figures for Pima County and Tucson Metropolitan area.

Source: US Census Bureau, Economic and Business Research Center, The University of Arizona

TOWN OF MARANA **Schedule 14**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(Amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Funds (2)	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of Property (3)	Net Bonded Debt Per Capita
2023	$ 31,017	$ 1,680	$ 29,337	0.43%	52.2%
2022	25,581	1,359	24,222	0.29%	35.8%
2021	18,756	876	17,880	0.29%	34.4%
2020	15,100	872	14,228	0.25%	28.8%
2019	12,242	584	11,658	0.22%	24.8%
2018	8,551	393	8,158	0.17%	18.2%
2017	8,794	387	8,407	0.18%	19.3%
2016	7,835	392	7,443	0.17%	18.0%
2015	8,085	254	7,831	0.19%	19.4%
2014	8,325	247	8,078	0.21%	21.1%

Notes:

(1) Represents face value of general obligation debt outstanding plus deferred bond premiums.

(2) Fund balance of GO Bond Debt Service Fund per the fund financial statements. Cash and investments in Debt Service Funds are restricted as to usage. These assets are restricted for payment of interest and trustee fees, retirement of principal, and to finace various capital projects.

(3) The Town of Marana does not impose a property tax; any property taxes presented in this report are directly related to the Gladden Farms Community Facilities District (formed in fiscal year 2005), Gladden Farms Community Facilities District II (formed in fiscal year 2007), and the Saguaro Springs Community Facilities District (formed in fiscal year 2007).

Source: General Obligation Bonds

TOWN OF MARANA **Schedule 15**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023
(Amounts expressed in thousands)

Government Unit	Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Pima County *	$ 67,655	7.29%	$ 4,932
Pima County Community College District	1,917	7.29%	140
Northwest Fire District	30,830	50.78%	15,655
Flowing Wells Unified School District No. 8	26,130	100.00%	26,130
Marana Unified School District No. 6	170,553	65.58%	111,849
Total overlapping debt			158,706
Gladden Farms Community Facilities District	10,907	100.00%	10,907
Saguaro Springs Community Facilities District	7,971	100.00%	7,971
Gladden Farms Phase II Community Facilities District	12,138	100.00%	12,138
Tangerine Farms Road Improvement District	3,771	100.00%	3,771
Town of Marana	40,538	100.00%	40,538
Total direct debt			75,325
Total direct and overlapping debt			$ 234,031

Notes:
(1) Presented net of original issuance discounts and premiums

(2) The estimated percentage of debt applicable to the Town is calculated based on the Town's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

*Excludes improvement districts

Sources: The various entities

TOWN OF MARANA **Schedule 16**
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2023

Legal Debt Margin Calculation for Fiscal Year 2023

Limited Assessed Value	$ 776,667,792
Debt Limit:	-
6% of assessed value	46,600,068
20% of assessed value	155,333,558
Total debt limit:	201,933,626
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for the repayment of general obligation debt	-
Total net debt applicable to limt	-
Legal Debt Margin	$ 201,933,626

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit equal to 6% of assessed	$ 28,630,929	$ 29,446,070	$ 31,218,157	$ 32,138,944	$ 34,553,958
Debt limit equal to 20% of assessed	95,436,430	98,153,568	104,060,525	107,129,981	115,179,860
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 124,067,359	$ 127,599,638	$ 135,278,682	$ 139,268,925	$ 149,733,818
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit equal to 6% of assessed	$ 34,749,542	$ 37,383,083	$ 40,264,323	$ 43,133,339	$ 46,600,068
Debt limit equal to 20% of assessed	115,831,808	124,610,278.20	134,214,411	143,777,798	155,333,558
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 150,581,350	$ 161,993,361	$ 174,478,734	$ 186,911,137	$ 201,933,626
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes:
* The Gladden Farms Community Facilities District, Gladden Farms II Community Facilities District and Saguaro Springs Community Facilities District, legally separate entities, are special taxing districts whose debt was approved by voters of the District. The District's general obligation debt does not count towards the Town's legal debt limit.

Source: Financial Statments; Pima County



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TOWN OF MARANA **Schedule 17**
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Gladden Farms Community Facilities District General Obligation Bonds*

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2023	$ 1,173	$ 465	$ 548	115.8%
2022	956	450	453	122.9%
2021	798	410	328	108.1%
2020	667	265	282	121.9%
2019	479	210	271	99.6%
2018	492	210	271	102.3%
2017	452	265	295	80.7%
2016	427	250	445	61.4%
2015	393	240	458	56.3%
2014	373	225	470	53.7%

Saguaro Springs Community Facilities District General Obligation Bonds**

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2023	$ 686	$ 400	$ 274	101.8%
2022	560	150	223	150.1%
2021	470	160	203	129.5%
2020	364	100	161	139.5%
2019	254	-	73	347.9%
2018	N/A	-	-	N/A
2017	N/A	-	-	N/A
2016	N/A	-	-	N/A
2015	N/A	-	-	N/A
2014	N/A	-	-	N/A

Fiscal Year	Tangerine Road Farms Improvement District Special Obligation Bonds***			
	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2023	$ 2,280	$ 1,924	$ 109	112.1%
2022	1,801	1,834	145	91.0%
2021	2,298	2,023	185	104.1%
2020	2,091	2,574	228	74.6%
2019	2,869	2,074	357	118.0%
2018	989	45	254	330.8%
2017	2,351	1,328	732	114.1%
2016	2,141	1,319	792	101.4%
2015	2,065	1,242	849	98.8%
2014	2,210	1,438	913	94.0%

Notes:

* Bonds issued for Gladden Farms Community Facilities District and Gladden Farms II Community Facilities District, component units of the Town.

**Bonds issued for Sagauro Springs Community Facilities District, a component unit of the Town. Principal Debt Payoff begins FY 2020.

***Special assessment amounts issued for Tangerine Road Farms Improvement District, a government fund of the Town. Principal debt payoff begins fiscal year 2009. Collection fees related to special assessment to begin fiscal year 2009.

Source: Financial statements and Notes to the Financial Statements

TOWN OF MARANA **Schedule 18**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2023	59,433	$ 59,768,400	$ 41,273	41.2	12,650	3.3%
2022	54,895	55,643,600	39,007	39.6	12,627	4.0%
2021	51,908	56,168,200	36,182	39.4	12,567	4.9%
2020	49,323	49,961,000	36,282	39.0	12,202	7.7%
2019	47,007	48,185,000	33,488	37.6	12,782	2.8%
2018	44,792	39,063,898	33,111	37.9	12,290	2.8%
2017	43,474	37,926,114	32,646	48.1	12,152	4.3%
2016	41,315	36,821,470	37,107	29.7	12,227	4.7%
2015	40,324	35,749,000	34,026	39.6	12,625	5.9%
2014	38,290	37,796,193	33,196	39.4	12,476	6.9%

Source: U.S. Census Bureau, Population Division; Arizona Department of Commerce; Pima Association of Governments; Arizona's Economy; The University of Arizona; and Marana Unified School District.

TOWN OF MARANA **Schedule 19**
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2023		2014	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	2,046	8.1%	1,706	11.2%
Town of Marana	429	1.7%	319	2.1%
Wal-Mart	343	1.4%	450	2.9%
The Ritz-Carlton Dove Mountain	320	1.3%	350	2.3%
Fry's Food & Drug	315	1.3%	240	1.6%
Sargeant Aerospace & Defense	313	1.2%	315	2.1%
Northwest Fire District	287	1.1%	235	1.5%
Marana Main Health Center	250	1.0%	365	2.4%
Costco	250	1.0%	130	0.8%
FLSmidth Krebs	239	1.0%	293	1.9%
Hunter Contracting			200	1.3%

Source: Town of Marana Economic Development Department, MUSD, Northwest Fire District, Sargeant Aerospace, Costco

TOWN OF MARANA **Schedule 20**

PRINCIPAL RETAIL AND CONTRACTING SALES TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2023			Fiscal Year 2014		
	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
RETAIL						
Taxpayer A	$ 3,211,540	1	4.7%	$ 1,578,067	1	6.0%
Taxpayer B	1,975,102	2	2.9%			0.0%
Taxpayer C	1,709,756	3	2.5%	647,934	3	2.5%
Taxpayer D	1,688,637	4	2.5%	1,116,511	2	4.3%
Taxpayer E	1,025,763	5	1.5%	532,461	4	2.0%
Taxpayer F	809,236	6	1.2%	458,553	6	1.7%
Taxpayer G	510,212	7	0.8%	428,942	7	1.6%
Taxpayer H	509,832	8	0.8%	510,674	5	1.9%
Taxpayer I	437,986	9	0.6%	304,038	8	1.2%
Taxpayer J	418,964	10	0.6%			0.0%
Taxpayer K			0.0%	274,377	9	1.0%
Taxpayer L			0.0%	267,091	10	1.0%
	$ 12,297,028		18.1%	$ 6,118,648		23.2%
CONTRACTING						
Taxpayer A	$ 2,555,623	1	3.8%	$ 805,163	2	3.1%
Taxpayer B	1,866,108	2	2.8%	640,551	3	2.4%
Taxpayer C	1,765,739	3	2.6%	296,500	6	1.1%
Taxpayer D	1,240,210	4	1.8%			0.0%
Taxpayer E	1,231,698	5	1.8%			0.0%
Taxpayer F	983,947	6	1.5%			0.0%
Taxpayer G	848,065	7	1.3%			0.0%
Taxpayer H	600,501	8	0.9%	929,113	1	3.5%
Taxpayer I	570,034	9	0.8%	178,234	8	0.7%
Taxpayer J	497,262	10	0.7%			0.0%
Taxpayer K			0.0%	561,020	4	2.1%
Taxpayer L			0.0%	462,633	5	1.8%
Taxpayer M			0.0%	205,482	7	0.8%
Taxpayer N			0.0%	160,329	9	0.6%
Taxpayer O			0.0%	159,607	10	0.6%
	$ 12,159,187		18.0%	$ 4,398,632		16.7%

Source: Town of Marana Finance Department, Arizona Department of Revenue

TOWN OF MARANA **Schedule 21**

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General Government	62.5	67.5	70.9	72.9	73.3	73.3	75.3	75.3	78.3	85.5
Public Safety										
Police										
Officers	80.0	81.0	83.0	85.0	87.0	87.0	90.0	90.0	96.0	102.0
Civilians	26.0	28.0	28.0	28.0	28.0	31.0	31.0	31.0	31.0	31.0
Building Safety	9.0	13.0	13.0	12.0	12.0	13.0	13.0	13.0	14.0	13.0
Highways and Streets	36.0	35.0	35.0	34.0	36.0	39.0	44.0	44.0	46.0	47.0
Health and Safety	-	-	-	-	2.0	3.0	3.0	3.0	3.0	3.6
Culture and recreation	33.3	36.5	38.5	41.8	41.0	40.0	42.0	42.0	53.0	55.0
Economic & Community Development	48.5	40.4	39.4	43.0	44.5	42.5	39.5	39.5	40.5	46.5
Water Utilities	19.1	22.0	23.0	23.0	24.0	25.2	27.6	27.6	31.6	34.0
Wastewater Utilities	4.0	4.0	40	4.0	5.0	7.0	7.0	7.0	7.0	8.0
Municipal Airport	1.0	1.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Total	319.4	328.4	373.8	346.7	355.8	364.0	375.4	375.4	403.4	429.6

Source: Town of Marana; Annual Budget; Authorized position schedule.

TOWN OF MARANA **Schedule 22**
SINGLE FAMILY RESIDENTIAL PERMITS
LAST TEN FISCAL YEARS

Month	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
January	39	42	39	54	82	42	76	99	198	27
February	61	51	58	73	65	43	80	100	102	36
March	42	57	59	76	58	61	88	77	146	60
April	47	55	54	52	60	88	37	100	81	67
May	55	87	37	85	79	71	57	82	59	98
June	59	67	50	63	80	97	111	143	63	80
July	41	59	36	73	79	83	103	99	37	74
August	50	35	47	75	67	62	82	86	36	91
September	29	51	37	40	58	65	73	159	38	91
October	71	62	57	62	63	79	82	128	39	94
November	88	22	51	75	74	67	62	86	35	
December	30	33	56	45	59	50	64	96	57	
Calendar Total	612	621	581	773	824	808	915	1,255	891	718
Fiscal Total	597	668	559	687	794	802	855	1,067	1,303	1,303

Source: Town of Marana Finance Department, Town of Marana Building Services

TOWN OF MARANA
CAPITAL ASSET STATISTICS BY FUNCTION
AS OF JUNE 30, 2023

Schedule 23

Function	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	118	129	128	129	129	131	132	131	135	139
Highways and Streets										
Street (miles)	494	511	518	520	524	540	570	591	618	638
Culture and Recreation										
Parks	8	8	9	9	11	13	14	14	14	14
Parks Acreage	139	139	146	146	158	182	182	182	182	182
Trails in Miles - Hiking	37	37	38	39	39	41	41	41	51	51
Trails in Miles - Paved	16	18	19	21	21	21	24	27	27	27
Splash Pads	-	-	-	1	1	2	2	2	2	2
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	6	6	6	6	6	6	5	4	5	5
Pickleball Courts	-	-	-	-	-	-	-	3	7	7
Senior/Community Center	1	1	1	1	1	1	1	1	1	1
Water Systems										
Miles of Water Mains	132	135	138	146	149	157	162	169	189	210
Service Connections	6,272	6,429	6,745	7,205	7,850	8,533	9,166	9,528	10,292	11,046
Water Treatment Campus	-	-	-	-	-	-	-	-	2	2
Wastewater										
Number of Manholes	863	891	909	978	1,066	1,235	1,313	1,379	1,990	2,081
Sewer Mains (miles)	47.5	48.33	49.2	53.6	58.5	62.9	66	69	89	93
Avg Daily Sewage Treated (MGD)	0.287	0.348	0.360	0.425	0.480	0.520	0.600	0.659	0.739	0.807

Source: This information is provided from the Town's facility records.

MARANA AZ

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Marana, AZ 85653
(520) 382-1999 | MaranaAZ.gov

Town of Marana, Arizona

Report on Federal Awards

June 30, 2023

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

To the Town Council of
Town of Marana, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Tempe, Arizona
December 13, 2023

Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

To the Town Council of
Town of Marana, Arizona

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Marana, Arizona's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended June 30, 2023. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Tempe, Arizona
December 13, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grantor's Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant - Entitlement Grant Cluster			
Passed through Pima County			
Community Development Block Grant 2021-2022	14.218	CT-CR-22-182	$ 15,540
Community Development Block Grant 2022-2023	14.218	CT-CR-23-184	41,751
Total U.S. Department of Housing and Urban Development - CDBG Entitlement Grant Cluster			57,290
U.S. Department of Justice			
Direct Grant			
Bulletproof Vests	16.607		2,038
Bulletproof Vests	16.607		3,785
Bulletproof Vests	16.607		4,833
Drug Enforcement Administration	16.001	Resolution 2022-105	23,246
Passed through ACJC to City of Tucson - Counter Narcotics Alliance (Byrne)	16.738	DC-20-013	74,717
Total U.S. Department of Justice			108,618
Executive Office of the President, Office of National Drug Control Policy			
Passed through Pima County -			
High Intensity Drug Trafficking Program	95.001	HT-21-2930	19,765
High Intensity Drug Trafficking Program	95.001	HT-22-2930	113,791
High Intensity Drug Trafficking Program	95.001	HT-23-2930	6,064
Total Executive Office of the President, Office of National Drug Control Policy			139,620
U.S. Department of Transportation			
Highway Safety Cluster			
Passed through Governor's Office of Highway Safety-			
Selective Traffic Enforcement (Step/Speed)	20.600	2022-PTS-036	7,938
Selective Traffic Enforcement (Step/Speed)	20.600	2023-PTS-034	80,540
DUI/Impaired Driving Enforcement	20.600	2022-AL-018	14,208
DUI/Impaired Driving Enforcement	20.600	2023-AL-016	35,870
Total U.S. Department of Transportation - Highway Safety Cluster			138,557
U.S. Department of Homeland Security			
Passed through Arizona Department of Emergency and Military Affairs -			
Homeland Security Grant Program	97.067	200420-02	6,300
Homeland Security Grant Program	97.067	220431-01	149,349
Homeland Security Grant Program	97.067	22-058	4,831
Total U.S. Department of Homeland Security			160,480 *
U.S. Department of Treasury			
Direct Grant			
VIA Marketing Grant	21.027	GR-ARPA-11112021-02-022	32,875
Secret Service	21.004		3,883
Total U.S. Department of Treasury			36,758
Federal Aviation Administration			
Direct Grant			
COVID-19 - Airport Rescue Grant	20.106	3-04-0058-027-2022	59,000
COVID-19 - Airport Coronavirus Response Grant Program	20.106	3-04-0058-025-2021	23,000
Airport Improvement Program - Siting Study	20.106	3-04-0058-024-2021	11,621
Total Federal Aviation Administration			93,621
Federal Emergency Management Agency			
Passed through Arizona Department of Emergency and Military Affairs -			
Disaster Grants - Public Assistance (FEMA-4524-DR-AZ)	97.036	CV-382	28,459
Total Federal Emergency Management Agency			28,459
Total Expenditures of Federal Awards			$ 763,403

* Denoted as a major program

See notes to schedule of expenditures of federal awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Marana, Arizona under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Marana, Arizona, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Marana, Arizona.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

3. Indirect Cost Rate

The Town of Marana, Arizona has not elected to use the 10% de minimis indirect cost rate.

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal control over financial reporting:		
Material weakness (es) identified?	____ yes	X no
Significant deficiency (ies) identified?	____ yes	X none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness (es) identified?	____ yes	X no
Significant deficiency (ies) identified?	____ yes	X none reported
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	____ yes	X no
Auditee qualified as low-risk auditee?	X yes	____ no
Dollar threshold used to distinguish between type A and type B programs:	$750,000	

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
97.067	Homeland Security Grant Program

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

None

Section III - Federal Awards Findings and Questioned Costs

None

Council-Regular Meeting **C1**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Libby Shelton, Deputy Town Attorney

From: Libby Shelton, Deputy Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Proactive Public Services

Subject: Resolution No. 2024-001: Relating to Administration; approving and authorizing the Finance Director to execute an Inmate Work Contract between the Town of Marana and the Arizona Department of Corrections, Rehabilitation and Reentry for inmate labor services (Libby Shelton)

Discussion:

The Town of Marana has maintained an agreement with the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR) and the Management & Training Corporation for a number of years to obtain use of inmate labor crews from the Marana Community Correctional Treatment Facility (MCCTF) for work on Town public works projects. In November 2023, the ADCRR decided not to renew their contract with the Management & Training Corporation to house inmates at the MCCTF.

The Town seeks to continue working with ADCRR to obtain labor crews from the Arizona State Prison Complex -Tucson. The agreement between the Town and ADCRR, if approved, will have a 5 year contract term, with an option to renew for an additional 5 year period. The proposed agreement includes many of the the same terms and conditions as the previous agreement, including methods for inmate screening, authorized work locations, and rules and regulations required by ADCRR . Per state statute, under the agreement, the Town will pay 75 cents per hour for inmate labor.

Financial Impact:

The proposed rate of 75 cents per hour is unchanged from the previous contract. Budget authority exists in multiple funds and/or departments as part of the FY 2024 Council approved budget and departments will be making plans to budget for ongoing needs in the upcoming FY 2025 budget cycle.

Staff Recommendation:

Staff recommends approval of the contract.

Suggested Motion:

I move to adopt Resolution No. 2024-001, approving and authorizing the Finance Director to execute an Inmate Work Contract between the Town of Marana and the Arizona Department of Corrections, Rehabilitation and Reentry for inmate labor services.

Attachments

Resolution No. 2024-001

Exhibit A to Resolution

MARANA RESOLUTION NO. 2024-001

RELATING TO ADMINISTRATION; APPROVING AND AUTHORIZING THE FINANCE DIRECTOR TO EXECUTE AN INMATE WORK CONTRACT BETWEEN THE TOWN OF MARANA AND THE ARIZONA DEPARTMENT OF CORRECTIONS, REHABILITATION AND REENTRY FOR INMATE LABOR SERVICES

WHEREAS the Town of Marana has maintained an agreement with the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR) and the Management & Training Corporation for a number of years to obtain use of inmate labor crews from the Marana Community Correctional Treatment Facility; and

WHEREAS in November 2023, the ADCRR decided not to renew their contract with the Management & Training Corporation to house inmates at the Marana Community Correctional Treatment Facility; and

WHEREAS the Town of Marana and ADCRR wish to enter into an agreement to obtain inmate labor crews from the Arizona State Prison Complex – Tucson; and

WHEREAS the Mayor and Council of the Town of Marana find it is in the best interests of its citizens to enter into the Inmate Work Contract.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, as follows:

SECTION 1. The Inmate Work Contract between the Town of Marana and the Arizona Department of Corrections, Rehabilitation and Reentry for inmate labor services, attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved and the Finance Director is hereby authorized and directed to execute it for and on behalf of the Town of Marana.

SECTION 2. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to implement and carry out the terms, obligations, and objectives of the contract.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS, REHABILITATION AND REENTRY
701 East Jefferson Street, Mail Code 55302
Phoenix, Arizona 85034

INMATE WORK CONTRACT

This **Contract** is entered into between the **Town of Marana,** hereinafter referred to as **Contractor**, and the **Arizona Department of Corrections, Rehabilitation and Reentry**, hereinafter referred to as **Department** or **ADCRR**, for and on behalf of its **Arizona State Prison Complex - Tucson**, hereinafter referred to as **ASPC–Tucson,** as applicable.

This document, including the Scope of Services, Special Terms and Conditions, Standard Work Provisions, and any addendums, attachments or modifications, shall constitute the entire Contract between the parties and supersedes all other understandings, oral or written.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Contract.

TOWN OF MARANA **FEDERAL I.D. #86-6006756**		**ARIZONA DEPARTMENT OF CORRECTIONS. REHABILITATION AND REENTRY**	
Signature of Authorized Individual	Date	Signature of Authorized Individual	Date
Yiannis Kalaitzidis Typed Name		**Kerry Wells** Typed Name	
Finance Director Typed Title		Chief Procurement Officer Typed Title	
11555 W. Civic Center Drive Marana, Arizona 85653 Address		701 East Jefferson Street Phoenix, Arizona 85034 Address	

Additional Signatures as Applicable

Signature of Authorized Individual	Date	Signature of Authorized Individual	Date
Typed Name		Typed Name	
Typed Title		Typed Title	

WITNESSETH

WHEREAS, the Department is duly authorized by A.R.S. § 41-1604, et seq.; § 31-252, and § 31-255, to execute and administer contracts and;

WHEREAS, the Contractor is authorized by A.R.S. § 9-240, et seq. to enter into agreements for services, and;

WHEREAS, the Department desires to implement the requirement that each able-bodied inmate under commitment to the Department shall engage in work activity during such term of imprisonment, and;

WHEREAS, the Director of the Department has the authority to maintain and administer facilities and programs as may be required for the custody, control and rehabilitation of all inmates committed to the Department, and;

WHEREAS, the Director of the Department may authorize inmate work crews to perform acceptable tasks in any part of the State, and;

WHEREAS, the Contractor has a need for a work force to support its public works project, and;

WHEREAS, the Department is able to provide an inmate work force to support this work program from its ASPC-Tucson;

NOW, THEREFORE, ADCRR and Contractor do hereby agree as follows:

1. CONTRACTOR AGREES:

1.1. To provide the tools, equipment, and supplies necessary to properly and safely perform assigned work, including, but not limited to, drinking water, sanitary facilities, and any special clothing items appropriate to the work performed, such as facial coverings, safety glasses, gloves, goggles, hats, protective outerwear or footwear, etc. Any personal protective equipment (PPE) shall be provided by Contractor at the beginning of each shift and prior to each use shall be inspected by a supervisor for completeness and functionality.

1.2. To appoint a work crew leader who may provide both technical and job supervision as necessary. Appointed supervisors shall abide by and put into operational practice the Standard Work Provision for Inmate Work Programs utilizing Contractor Supervision included as Attachment #1 of this contract.

1.2.1. Technical supervision means the Contractor shall provide staff who know the types of work tasks to be accomplished and correct way to complete each task. Technical supervisors teach assigned inmates how to complete their job assignments, and ensure the proper deployment and use of any job-related PPE.

1.2.2. Job supervision means that Contractor personnel shall remain with assigned inmates for the length of the work day to ensure inmates are supervised and accounted for, and report results to ADCRR liaison. If an inmate fails to remain at the work site, if an inmate becomes ill at the work site and needs to be returned to the prison, or if an inmate poses security concerns, the liaison shall be contacted immediately.

1.3. Contractor and its employees who participate in this Contract shall be screened and approved in writing prior to permitting them access to an institution and/or prior to allowing them to supervise inmates on or off institution grounds. Contractor shall submit in writing, upon request from ADCRR, any information necessary to screen and approve them for access to the institution. This information shall include, but not necessarily be limited to: Name, Date of Birth, and Social Security Number. Contractor personnel who require recurring access to the institution, and as such require a Contractor's Identification Card, will be required to complete and submit the prescribed Background Questionnaire form to ADCRR. The Background Questionnaire form will be provided by ADCRR.

1.4. To obtain ADCRR's written approval for Contractor's supervisor(s) prior to initiation of this contract.

1.4.1. Subsequent to Contract initiation, should Contractor's supervisor(s) change, ADCRR shall be notified at least two (2) work days prior to the impending change to permit completion of ADCRR's approval process.

1.4.2. If prior notice is not possible, ADCRR may withhold the inmate work crew from further service until the necessary approval process is completed for the new supervisor.

1.5. To assign work days/hours and work locations subject to the concurrence of ADCRR. Work sites shall be confined to locations which are within the Contractor's authority to manage, maintain and finance.

1.6. To provide transportation of inmate workers to and from the work site(s) in Contractor-owned vehicles.

1.6.1. Inmate workers **shall not** be transported in privately owned vehicles at any time.

1.7. To provide, as applicable, pesticide protection and Hazardous Material Training (HAZMAT) for inmates prior to initiating the work described in this Contract.

1.7.1. Contractor shall comply with the Site Safety and Health Plan included as Attachment #2 of this contract.

1.7.2. Inmates shall not be allowed to be present while hazardous materials, inclusive of pesticides, are being used or applied. Pursuant to the Arizona Office of Pest Management, no inmate shall be allowed to handle or to apply pesticides. However, all hazardous materials (inclusive of pesticides), if stored and/or used on this site, and while ADCRR staff and/or inmates are present, require they be trained to recognize such hazardous materials and relative adverse medical signs and symptoms associated with the chemical, in accordance with the federal chemical "Right-to-Know Act" (SARA Title III).

1.8. To obtain ADCRR approval at least two (2) workdays prior to initiating any changes in the following areas:

1.8.1. Work tasks
1.8.2. Equipment/tools used
1.8.3. Chemical used
1.8.4. Work site(s)

1.8.4.1. Work site(s) may require a Contract Amendment

1.9. To provide a working environment which meets the requirements of the Occupational Safety and Health Administration (OSHA), Safety and Health Standards for General and or Construction Industry, 29 CFR Part 1910 and 1926, as adopted by the State of Arizona.

1.10. To provide emergency first aid for minor injuries or to contact the nearest medical provider to assist if more extensive first aid services are needed.

1.11. Contractor shall follow all Department Orders (DO's), and Director's Instructions (DI's), e.g., drug-free workplace, grooming code, etc. The policies, procedures, DO's, and DI's are available on the following web site www.azcorrections.gov.

1.12. To designate a staff member who shall serve as liaison between Contractor and ADCRR in developing and coordinating work schedules, hours and transportation. Contractor shall ensure that ADCRR is given the name and phone number/extension of the contact person.

1.13. To notify ADCRR twenty-four (24) hours prior to necessity should workload require inmates to stay beyond their normal work hours. Said notice shall be provided by contacting ADCRR's contact person.

1.14. To allocate sufficient time from job responsibilities to allow Contractor's staff assigned to this work program to attend mandatory training given by ADCRR prior to initiating the work activities described in this Contract. Subsequent to Contract execution, replacement staff assigned to this program must receive ADCRR training prior to assuming work responsibilities.

1.15. To maintain the work site(s) in the manner/condition in which it was approved by ADCRR as complying with the requirements imposed by the custody level of assigned inmates and assigned work responsibilities. If, during the term of this Contract, security/safety concerns become evident, or Contractor wishes to change or alter the work site(s), the following procedures shall be followed:

1.15.1. Security/safety concerns shall be rectified immediately by Contractor in accordance with direction received from ADCRR.

1.15.2. Contractor shall provide a two (2) day written notice to ADCRR if changes or alterations are planned for the work site(s) prior to any changes or alteration being accomplished.

1.15.3. Representatives from ADCRR and Contractor shall conduct an inspection of the work site(s). If the proposed change or alteration shall negatively impact the security and/or safety of assigned inmate workers, corrective action shall be determined by ADCRR.

1.15.4. If, in the opinion of ADCRR, said security/safety concern(s) poses an immediate threat to the inmate workers, ADCRR may withhold further assignments of the inmate work crew until the concern is rectified.

1.16. Failure on the part of Contractor to respond to the request for corrective action from ADCRR under circumstances described in Paragraphs 1.15.3 and 1.15.4 above shall result in the immediate suspension of the work program.

1.16.1. The parties may meet to discuss resolution

1.16.2. If resolution cannot be achieved, ADCRR shall have the option to either disapprove the

assignment of inmates to the involved work site, or terminate this Contract.

1.16.3. Contractor shall make final payment to ADCRR as directed herein.

1.17. To pay for inmate labor at the rate of seventy five cents (75¢) per hour, to include approved extra hours, if applicable, as authorized by ADCRR.

1.18. If applicable, to pay at the prevailing hourly rate for Correctional Officer (CO) supervision of inmate work crews under this Contract, including overtime approved by Contractor, and all employee related expenses. Should additional crews be needed, Contractor will hire additional staff to supervise inmate work crews. Contractor, in agreement with ADCRR, must authorize the expense of additional ADCRR staff before the expense is incurred.

1.19. If applicable, in addition to payment for inmate labor and CO overtime, Contractor shall pay ADCRR for transportation costs at the State prevailing rate per mile, as determined by the Arizona Department of Administration, General Accounting Office, for distance traveled by each ADCRR transportation vehicle to and from the work site(s). Such payment shall be rendered by separate check or warrant at the same time and place as payment for inmate wages.

1.20. To comply with the following procedures in recording inmate work hours and rendering all payments due under this Contract:

1.20.1. The biweekly **Inmate Payroll Summary** and the corresponding **Daily Time Sheet(s)**, shall be completed by Contractor and include the appropriate signature(s) of the inmate(s), and Contractor's inmate work crew Supervisor, as provided for in Attachments #5, and #6.

1.20.1.1. The original Attachments #5 and #6 shall be sent to the address below within three (3) work days following the end of Contractor's scheduled pay period.

Arizona State Prison Complex - Tucson
Attention: Business Manager
P.O. Box 24400
Tucson, AZ 85734-4400

On rare occasions, for technical reasons, the Inmate Payroll Summary may not be of biweekly duration. When these occur, the inmate payroll period will be adjusted accordingly.

1.20.1.2. Payments as invoiced shall be paid within thirty (30) calendar days of the invoice date. The check or warrant shall be made payable to Arizona State Prison Complex – Tucson, and sent to the following address (electronic payment may be made if mutually agreed)

Arizona State Prison Complex - Tucson
Attention: Business Manager
P.O. Box 24400
Tucson, AZ 85734-4400

1.21. To maintain records and other evidence sufficient to reflect properly all payments related to this work program. Such records shall be made available for inspection and audit upon request by ADCRR.

1.22. To ensure that law enforcement/traffic control is present if the job activity requires that an inmate step

on the active portion (blacktop) of the I-10 highway.

1.23. To have and maintain all required Arizona Department of Transportation permits and to comply with the Traffic Control requirements outlined in the permits.

1.24. In the of an inmate escape, Contractor shall immediately contact ADCRR and the police department.

1.25. That inmates assigned to this work program **shall not** drive any licensed, over-the road vehicle as part of their job responsibilities. However, assigned inmates may be permitted to operate Contractor's off-road mobile equipment, in accordance with the following guidelines:

1.25.1. Contractor shall provide written notice to ADCRR advising of the need to have inmates operate mobile equipment. The notice shall describe the type(s) of off-road mobile equipment to be operated in accordance with Attachment #3.

1.25.2. No inmate shall operate any mobile equipment until Contractor receives written authorization from ADCRR in accordance with Attachment #3.

1.25.3. If Contractor receives written authorization from ADCRR, Contractor shall document training provided to inmates specific to each type of off-road mobile equipment to be operated.

1.25.4. Acquire and maintain applicable insurance in compliance with State requirements.

1.25.5. Designated off-road mobile equipment may be:
1.25.5.1. Riding lawnmowers and golf carts or similar type equipment.

1.26. To recognize that circumstances may arise which prohibit the availability of inmates for work assignments. Such circumstances could include acts of nature, institution riots, lock-downs, inmate work strikes, epidemic disease or illness, etc.

1.26.1. Contractor shall not hold ADCRR liable for failure to perform, or in default of Contract terms due to such circumstances.

1.27. Prior to pursuing any press or publicity regarding these services, Contractor shall work with ADCRR's Communications Department. ADCRR retains final approval rights concerning any such efforts.

2. ADCRR AGREES:

2.1. To provide a mutually agreed number of inmates, subject to availability of said work force, to support Contractor's public works projects.

2.2. Inmates for this work program shall be screened per Department Order (DO) 903 and approved by ADCRR in accordance with Department written instructions.

2.3. Work assignments shall be performed at Contractor's business locations as shown in Attachment #4.

2.4. ADCRR shall remove and replace as soon as possible any inmate who does not perform to the satisfaction of Contractor.

2.5. When applicable, to provide transportation of inmate workers to and from selected work site(s) in

Department owned vehicles. Inmate workers shall not be transported in privately owned vehicles at any time.

2.6. To provide sack lunches for inmates and furnish all clothing, except for any special protective clothing or footwear to be provided by Contractor.

2.7. When applicable, to provide security supervision of inmate workers in accordance with ADCRR written instructions.

2.8. When mutually agreed, to provide a Correctional Officer (CO) who shall remain onsite to provide security supervision of the inmate workers each workday. The assigned CO shall follow ADCRR notification procedures if:

2.8.1. An inmate fails to remain at the work site.
2.8.2. An inmate has an accident or becomes seriously ill at the work site.

2.9. To ensure provision of medical services for inmate injuries or illness at the worksite(s).

2.9.1. Emergency medical services required due to an injury or illness that occurs at a Contractor work-site may be provided by or arranged for by Contractor in order to protect the life or limb of an inmate(s). Contractor shall provide immediate verbal notification to ADCRR as soon as is practical after handling the emergency medical needs of the inmate(s).

2.10. To designate a contact person who shall work with Contractor in developing and coordinating work schedules, hours, and transportation. ADCRR shall ensure that Contractor is given the name and phone number/extension of the contact person.

2.11. That prior to the initiation of this work program, the proposed work site(s) shall be inspected relative to security and safety concerns to ensure the work environment satisfies all requirements imposed by the custody level of assigned inmate workers and assigned work responsibilities. If, during the term of this Contract, security or safety concerns should become evident, or Contractor wishes to change or alter the work site(s), the procedures described above in Section 1.15 shall be followed.

2.11.1. All verbal communications between ADCRR and Contractor regarding security/safety issues, or work site alterations, shall be documented in writing for file.

2.11.2. All written correspondence related to incidents involving security or safety issues shall be reported in accordance with ADCRR written instructions.

2.12. That if circumstances arise which prohibit the availability of inmates for work assignments (such circumstances could include acts of nature, institution riots, lockdowns, inmate work strikes, epidemic illness or disease, etc.) the following guidelines shall apply:

2.12.1. ADCRR shall provide immediate verbal notice to Contractor.
2.12.2. ADCRR shall provide written notice to Contractor indicating when the work program can resume.

2.13. To invoice Contractor for payments due no later than the fifth (5th) business day of each month. Invoices shall identify the following:

2.13.1. Inmate
2.13.2. Hours worked
2.13.3. Rate of pay

2.13.4. Mileage (if applicable)
2.13.5. Vehicle repair expense (if applicable)
2.13.6. Total amount invoiced

2.14. Invoices for CO supervision shall identify at a minimum the following:
2.14.1. CO name(s)
2.14.2. CO hours worked including overtime hours, if applicable
2.14.3. Rate of pay
2.14.4. Total amount invoiced
2.14.5. That invoices shall be sent to Contractor at the following address:

Director of Operations
Town of Marana
132581 North Lon Adams Blvd.
Marana, Arizona 85653

2.15. To approve and authorize inmates to be assigned to this work project.

2.16. To inform Contractor of Department written instructions and procedures and activities that have bearing upon Contractor fulfilling assigned obligations under this Contract.

2.17. To keep Contractor informed of any changes in procedures affecting this Contract.

2.18. To provide training to Contractor's staff who will be involved in supervision or interacting with inmate workers. This training shall be given prior to initiating the work activities described in this Contract.

2.18.1. Refresher/update courses shall be made available to Contractor’s staff on an as-needed basis, but no more frequently than quarterly.

2.19. To approve in writing Contractor's operational supervisor(s) assigned to this work program, in accordance with Department written instructions, prior to initiation of this Contract.

3 SPECIAL TERMS AND CONDITIONS

3.1 Term of Contract The Contract term shall begin upon the date of full execution by ADCRR and shall continue for a period of five (5) years thereafter, unless terminated, canceled or extended as otherwise provided herein.

3.2 This Contract may be extended by written mutual agreement for up to an additional five (5) year period.

3.3 This Contract may be terminated, without cause, by either party by provision of prior written notice to the other. Such Notice of Termination shall be effective thirty (30) calendar days after mailing by certified mail, return receipt requested, to the other party.

3.4 Circumstances may arise during the term of this Contract which may prohibit the assignment of inmates for work assignments. Such circumstances could include acts of nature, institution riots, lockdowns, inmate work strikes, epidemic illness or disease, etc. Also, inmate work crews may be withheld or permanently suspended when there is insufficient correctional staffing or a lack of qualified inmates who meet the criteria for outside work assignments. The following guidelines shall govern if such circumstances should occur:

3.4.1 ADCRR shall provide verbal notice within twenty-four (24) hours or as soon as possible to Contractor if circumstances will impact work activities.

3.4.2 Contractor shall not hold ADCRR liable for failure to perform, or in default of any Contract terms due to circumstances described above.

3.5 Upon termination of this Contract as permitted herein, all remaining monetary obligations up to the termination date shall be satisfied as follows:

3.5.1 All outstanding payments for services provided by the terms of this Contract shall be forwarded to ADCRR by Contractor in the format and to the location specified herein. Said payment shall be made by Contractor within two (2) weeks after termination of the Contract.

3.5.2 Payments made by Contractor to ADCRR shall be in agreement with ASPC-Tucson's records. Should a discrepancy in amount of payment occur and remain unresolved after accomplishing the procedure identified herein, ADCRR may request an audit of the Contractor's financial records. The Contract shall remain in effect until the discrepancy is resolved; however, services to the Contractor shall end in accordance with the Notice of Termination.

3.6 If a discrepancy in payment or payment records is identified by any party to this Contract, the party discovering the discrepancy shall notify the other parties in writing within ten (10) workdays after discovery. All parties shall resolve the discrepancy by comparison and reconciliation of records. If the parties cannot reach an agreement, the Department shall mediate to resolve the discrepancy.

3.7 Inmates working under this Contract are not employees of the Contractor and any compensation is provided solely pursuant to A.R.S. § 31-254.

3.8 Non-Availability of Funds In accordance with A.R.S. § 35-154, every payment obligation of the State under the Contract is conditioned upon the availability of funds appropriated or allocated for

payment of such obligation. If funds are not allocated and available for the continuance of this Contract, this Contract may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

3.9 Cancellation for Conflict of Interest In accordance with A.R.S. § 38-511, State may within three years after execution cancel the Contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State, at any time while the Contract is in effect, becomes an employee or agent or any other party to the Contract in any capacity or a consultant to any other party of the Contract with respect to the matter of the Contract.

3.10 The Department reserves the right to terminate the contract for default in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits. The Department shall provide written notice of the termination and the reasons for it to the Contractor.

3.11 Changes to the Contract shall be handled by formal amendment through Procurement Services

3.12 Arbitration In accordance with A.R.S. § 12-1518, the parties agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review except as may be required by other applicable statutes.

3.12.1 Records which relate to disputes, litigations or the settlement of claims arising out of the performance of this Contract, or to cost and expenses of this Contract as to which exception has been taken by either party, or their designees, shall be retained by the parties until such appeals, litigations, claims or exceptions have been finally resolved.

3.13 Applicable Law In accordance with A.R.S. § 41-2501, et seq., and A.A.C. R2-7-101, et seq., this Contract shall be governed and interpreted by the laws of the State of Arizona and the Arizona Procurement Code.

3.14 Non-Discrimination In accordance with A.R.S. § 41-1461, Contractor shall provide equal employment opportunities for all persons, regardless of race, color, creed, religion, sex, age, national origin, disability or political affiliation. Contractor shall comply with the Americans with Disabilities Act. Contractor shall also comply with AZ Governor's Executive Order 2023-01.

3.15 Each party to this contract shall be responsible for any and all costs, including but not limited to, attorney fees, court costs and other litigation expenses incurred as a result of the errors and omissions of its officers, employees, agents, or assigns arising out of the performance of this contract.

3.16 Audit of Records In accordance with A.R.S. § 35-214, the Contractor shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this Contract for a period of five years after completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce the original of any or all such records.

3.17 Notices Any and all notices, requests or demands given or made upon the parties hereto, pursuant to or in connection with this Contract, unless otherwise noted, shall be delivered in person or sent by United States Mail, postage prepaid, to the parties at their respective addresses as shown on the

signature page of this document.

3.18 Third Party Antitrust Violations The Contractor assigns to the State any claims for charges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Contractor.

3.19 Notice Warning Any person who takes into or out of or attempts to take into or out of correctional facility or the grounds belonging to or adjacent to a correctional facility, any item not specifically authorized by the correctional facility, shall be prosecuted under the provisions of the Arizona Revised Statues. All persons, including employee and visitors, entering upon these confines are subject to routine searches of their persons, vehicles, property of packages.

Definition: A.R.S. § 13-2501:
A.R.S. § 13-2505:
ADC Department Order 708

3.20 Unlawful Sexual Conduct

3.20.1 A person – who is employed by the State Department of Corrections or the Department of Juvenile Corrections; is employed by a private prison facility or a city or county jail; Contracts to provide services with the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail; is an official visitor, volunteer or agency representative of the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail – commits unlawful sexual conduct by intentionally or knowingly engaging in any act of a sexual nature with an offender who is in the custody of the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail or with an offender who is under the supervision of either Department or a city or county.

3.20.2 This section does not apply to a person who is employed by the State Department of Corrections, a private prison facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail or an offender who is on release status if the person was lawfully married to the prisoner or offender on release status before the prisoner or offender was sentenced to the State Department of Corrections or was incarcerated in a city or county jail.

3.20.3 Unlawful sexual conduct with an offender who is under fifteen years of age is a class 2 felony. Unlawful sexual conduct with an offender who is between fifteen and seventeen years of age is a class 3 felony. All other unlawful sexual conduct is a class 5 felony.

3.20.4 Unlawful sexual conduct; correctional facilities; classification; Definition
A.R.S. § 13-1419.

3.21 Federal Prison Rape Elimination Act 2003 The Contractor shall comply with the Federal Prison Rape Elimination Act of 2003. Reference 28 C.F.R., Part § 115.

3.22 Contraband

3.22.1 Contraband means any dangerous drug, narcotic drug, intoxicating liquor of any kind, deadly weapon, dangerous instrument, explosive, wireless communication device, multimedia storage device, or any other article whose use of or possession would endanger the safety, security or preservation of order in a correctional facility or any person therein.

(Any other article includes any substance which could cause abnormal behavior, e.g., marijuana, nonprescription medications, etc.)

Promoting prison contraband A.R.S. § 13-2505:

A person, not otherwise authorized by law, commits promoting prison contraband:

By knowingly taking contraband into a correctional facility or the grounds of such a facility; or

By knowingly conveying contraband to any persons confined in a correctional facility; or

By knowingly making, obtaining, or possessing contraband while being confined in a correctional facility.

Promoting Prison Contraband is a Class 5 felony.

Authority A.R.S. § 13-2501
A.R.S. § 13-2505
ADC Department Order 708

3.23 Offshore Performance of Work Prohibited Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or overhead services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

3.24 Electronic and Information Technology. Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 41-2531 and A.R.S. § 41-2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

3.25 E-Verify Requirement In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. § 23-214, Subsection A.

3.26 Indemnification Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

INMATE WORK PROGRAM UTILIZING CONTRACTOR SUPERVISION

A. No inmate shall be placed in a supervisory capacity over any other inmate.

B. ADCRR authorities shall be notified of unsatisfactory work or malingering of inmates and, if requested, Contractor shall furnish a written account of such unsatisfactory performance.

C. ADCRR shall receive immediate notification of an inmate's failure to remain at work in accordance with assigned job duties.

D. ADCRR shall receive immediate notification of the discovery or suspicion of any intoxicant or unprescribed drug in the possession of any inmate worker.

E. In the event of accident or serious illness while on the job, Contractor may administer first aid as necessary and shall notify ADCRR authorities without delay. If necessary, in the interest of life or limb, the inmate may be transported to the nearest hospital. Inmate workers **shall not** be transported in privately owned vehicles at any time.

F. Contractor shall provide training and special protective clothing if work environment necessitates use of specific safety precautions or if inmates must work with, near, or around hazardous materials, e.g., asbestos, explosives, radioactive substances. Provision of training shall be documented in writing for each inmate participant. Special protective clothing may include, but shall not be limited to, shoes, safety glasses, gloves, goggles, protective outerwear, hats, etc.

G. Contractor shall provide instruction to all inmate workers regarding necessary safety precautions at the job site. If inmate workers are required to operate special equipment as part of their job duties, appropriate training specific to its use shall be provided and documented.

H. Contractor's supervisors shall have knowledge and training related to the particular work tasks described in the Contract to ensure that qualified technical supervision and assistance shall be provided to inmate workers as applicable to job requirements.

I. All equipment, machinery and tools needed to accomplish designated work assignments shall be maintained in good repair and working condition by Contractor.

J. Contractor shall comply with the required standards of the Occupational Safety and Health Administration (OSHA) during the term of this Contract relative to safety of the work environment and equipment used by assigned inmate workers.

K. The confidentiality of information regarding any inmate worker acquired in the course of service pursuant to this Contract shall be maintained in accordance with A.R.S. 31-221, and **no** information shall be released without prior written authorization from a representative of ADCRR.

L. Contractor's personnel shall be instructed that it is unlawful for anyone to give, take, or in any manner barter with inmates, e.g., the supplying of any goods, including food and soft drinks or monies, constitutes a felony for which they can be prosecuted. Inmates are not permitted to work where there are alcoholic beverages or illegal drugs.

M. Contractor's personnel shall not handle any mail, notes, packages, or verbal messages for assigned inmates. No inmate shall be permitted to make or receive telephone calls unless the call is made to or received from the prison facility in which the inmate is incarcerated. No inmate shall be permitted to use

any of Contractor's work stations, laptop computers, or other electronic devices capable of connectivity to the internet.

N. An authorized representative of ADCRR shall be permitted to visit or telephone assigned inmates at the prescribed place of work, or to otherwise communicate with Contractor to discuss each inmate's work performance, work attendance and general behavior.

O. **The visiting of an inmate by any unauthorized person shall not be permitted**. If any person is found visiting with an inmate, his or her name and description shall be given to ADCRR authorities. If it is not possible or feasible to obtain names, other identification such as automobile make, description and license number shall be obtained when possible.

P. Any allegations of non-compliance with ADCRR written instructions, or other Contractor misconduct, shall be subject to investigation by ADCRR.

STANDARD WORK PROVISION
SITE SAFETY AND HEALTH PLAN

Attachment #2
ADC Contract No. 24-063-28

1 PROGRAM OBJECTIVES

1.1 This Safety and Loss Prevention Program is established to exercise all available means of eliminating or controlling hazards and risks associated with renovation and construction projects.

1.1.1 Minimize Personal injuries;

1.1.2 Maximize Property Conservations;

1.1.3 Achieve Greater Efficiency; and

1.1.4 Reduce Direct and Indirect Costs

1.2 The effectiveness of Safety and Loss Prevention Program will depend on the active participation and full cooperation of all involved with the project to include management, supervisors, inmates, and employees, and their efforts in carrying out the following basic responsibilities.

1.2.1 Plan all work to minimize personal injury, property damage and loss of productive time.

1.2.2 Properly select inmates/employees based upon their skill level for the necessary job tasks.

1.2.3 Provide for the protection of adjacent property and safety of the public.

1.2.4 Coordinate activities with others at the work location.

1.2.5 Establish and conduct an educational program to stimulate and maintain interest and participation of all inmates and employees through:

1.2.5.1 Safety Meetings;
1.2.5.2 Prompt investigation of all accidents and serious potential incidents to determine cause or causes and take necessary corrective action to eliminate a recurrence of a loss or incident:
1.2.5.3 Use of proper work methods, personal protective equipment, and mechanical guards;
1.2.5.4 Employee/inmate safety instructions to all assigned work; and
1.2.5.5 Safety training programs.

2 RESPONSIBILITIES

2.1 It is the purpose of the program to organize and direct activities, which will:

2.1.1 Avoid injuries.
2.1.2 Reduce construction interruption due to an accident.
2.1.3 Assure a safe and healthy place to work.

2.2 Contractor's Project Manager is required to establish and administer a site-specific safety program and will:

2.2.1 Make periodic loss prevention surveys.

2.2.2 Submit written recommendations.

2.2.3 Periodically attend safety meetings.

2.2.4 Assure safety orientation meetings for employees/inmates are conducted and documented.

2.2.5 Provide warning signs, safety literature, reporting forms, and other educational and training materials as deemed appropriate.

2.2.6 Maintain a written comprehensive Safety and Loss Prevention manual.

2.2.7 Give due consideration to all safety factors during pre-planning.

2.2.8 Employ only those individuals physically and mentally capable of performing in a safe manner.

2.2.9 Comply with the Occupational Safety and Health Act and all other applicable Federal, State and Local regulations.

2.2.10 Provide and enforce the use of all necessary testing equipment for employee/inmate health and safety. Provide and enforce the use of personal protective equipment and use only where Engineering controls are not feasible.

2.2.11 Provide properly guarded and maintained tools, machinery and equipment.

2.2.12 Maintain necessary accident records and promptly file the reports required by the State or Federal authorities and the insurer.

2.2.13 Promptly investigate any incident that causes injury or damage to property.

2.2.14 Plan and schedule work operations so as to control personal injury and property damage hazards.

2.2.15 Maintain good housekeeping conditions and fire protection equipment.

2.2.16 Maintain an effective equipment inspection and maintenance program.

2.2.17 Provide proper and specific work task training for employees/inmates regarding the hazards of their jobs and how to work safely.

2.2.18 Correct unsafe work habits of employees/inmates as soon as they are observed.

2.2.19 Eliminate unsafe conditions under their control and promptly report those they cannot eliminate to the proper authority.

2.2.20 Conduct weekly toolbox meetings with all employees/inmates and maintain written records of these meetings. The written record shall include the date, topic discussed, comments, and attendees.

2.2.21 Ensure each employee/inmate understands that violations of the project safety program will not be tolerated and that proper disciplinary action will be administered, including removal from the Project for violation of safety policy.

3 GENERAL SAFETY REQUIREMENTS

3.1 Laws and Regulations:

3.1.1 Responsible project management representatives shall comply with and enforce all local, state and federal laws, rules, statutes and regulations of governing or regulatory bodies within the geographical scope of its operations. They will also cooperate with all regulatory agencies regarding job site safety and health, and allow full access to the project for visitation.

3.2 Audit Procedures:

3.2.1 All documentation regarding safety training, hazard communication, electrical safety programs, equipment safety programs, equipment inspection and maintenance records, and fire protection inspection shall be kept on the job site.

3.3 Drug and Alcohol Policy:

3.3.1 The possession or use of any non-prescribed drug or any alcohol beverage on the job site is strictly prohibited.

4 SPECIFIC REQUIREMENTS

4.1 Emergency Procedures Guideline:

4.1.1 Contractor's Project Manager will set up emergency procedures for the following categories:

4.1.1.1 Fire
4.1.1.2 Injuries
4.1.1.3 Injury to the general public
4.1.1.4 Property damage, particularly to utilities; i.e., gas, water, sewage, electrical, telephone, or pedestrian and vehicle routes.
4.1.1.5 Public demonstrations
4.1.1.6 Bomb threats
4.1.1.7 Other exposures at the construction site

4.1.2 In order that necessary emergency services are supplied promptly, the Project Manager shall:

4.1.2.1 Post in a conspicuous place, a list of emergency phone numbers, along with the type of information to be transmitted for each emergency situation.

4.1.2.2 Delegate responsibility for making emergency calls.

4.1.3 It is the responsibility of the Project Manager to ensure immediate (5 min or less) reliable emergency medical response is available or to provide full time dedicated, trained emergency medical staff and facilities to be available to all employees/inmates If employees/inmates are working with materials that could adversely affect their respiration, or are subject to electrical shock that could cause loss of the breathing function, and medical response is longer than 3 to 4 minutes, the Project Manger must adhere to the OSHA rules and regulations, 29 CFR 1926.50, regarding medical response for a construction site.

4.1.4 Contractor's Project Manager's emergency procedures should be reviewed regularly and, where necessary, adjusted to provide maximum effectiveness.

4.2 Protection of the Public:

4.2.1 Contractor's Project Manager shall take all necessary precautions to prevent injury to the public or damage to property of others. The term "public" shall include all persons not engaged in the project or others working under his/her direction. Precautions to be taken shall include, but not limited to, the following:

4.2.1.1 Work shall not be performed in any area occupied by the public unless specified permitted by the contract or in writing by the Project Manager.

4.2.1.2 When it is necessary to maintain public use of work areas involving sidewalks, entrances to buildings, lobbies, corridors, aisles, stairways and vehicular roadways, the Project Manager s shall protect the public with appropriate guardrails, barricades, temporary partition shields, and adequate visibility. Such protection shall guard against harmful radioactive rays or particles, flying materials, falling or moving materials and equipment, hot or poisonous materials, explosives and explosive atmospheres, flammable or toxic liquids and gasses, open flames, energized circuits or other harmful exposures.

4.2.1.3 Sidewalks, entrances to buildings, lobbies, corridors, aisles, doors or exits shall be kept clear of obstructions to permit safe ingress and egress of the public at all times.

4.2.1.4 Appropriate warnings, signs, and instructional safety signs shall be conspicuously posted where necessary. In addition, a signal shall control the movement of motorized equipment in areas where the public might be endangered.

4.2.1.5 Sidewalk sheds, canopies, catch platforms and appropriate fences shall be provided when it is necessary to maintain public pedestrian traffic adjacent to the erection, demolition or structural, alteration of outside walls on any structure. The protection required shall be in accordance with the laws and regulations of the regulatory bodies.

4.2.1.6 A temporary fence shall be provided around the perimeter of above ground operations adjacent to public areas except where a sidewalk shed or fence is, if provided by the contract or as required by Subparagraph 5 above. Perimeter fences shall be at least six feet high and/or in compliance with the laws and regulations of the regulatory bodies involved.

4.2.1.7 Guardrails shall be provided on both sides of vehicular and pedestrian bridges, ramps, runways and platforms. Pedestrian walkways elevated above adjoining surfaces, or walkways within six feet of the top of excavated slopes or vertical banks shall be protected with guardrails, except where sidewalk sheds or fences are provided as required by Subparagraph 5 above. Guardrails shall be made of rigid materials capable of withstanding a force of at least 200 pounds applied in any direction at any point in their structure. Their height shall be approximately 42-inches. Top rails and post may be 2-inches by 4-inches dressed wood or

equal. Intermediate horizontals rails at mid-height and toe boards at platform level may be 1-inch by 6-inch wood or equal. Posts shall not be over eight feet apart.

4.2.1.8 Barricades meeting the requirements of the political subdivision involved shall provided where sidewalk sheds, fences or guardrails as referenced above, are not required between work areas and pedestrian walkways, roadways or occupied buildings. Barricades shall be secured against accidental displacement and shall be maintained to perform the work. During the period a barricade is removed temporarily for the purposes of work, a watchman shall be placed at all openings.

4.2.1.9 Temporary sidewalks shall be provided when a permanent sidewalk is obstructed by the Trade Subcontractor's or any tier operations. They shall be in accordance with the requirements of the political subdivision involved. Guardrails shall be provided on both sides of temporary sidewalks.

4.2.1.10 Warning signs and lights including lanterns, torches, flares and electric lights, meeting requirements of the political subdivision involved, shall be maintained from dusk to sunrise along guardrails, barricades, temporary sidewalks and at every obstruction to the public. These shall be placed at both ends of such protection or obstructions and not over 20 feet apart alongside of such protection or obstructions.

4.3 Housekeeping

4.3.1 During the course of construction/renovation, housekeeping practices will be followed to keep the work areas, passageways, and stairs in and around the buildings or other structures, free from debris of all types.

4.3.1.1 This shall include scrap lumber and form lumber with protruding nails.

4.3.1.2 Combustible scrap and debris shall be removed at regular intervals. Containers shall be provided for the collection of scrap, trash and other debris.

4.4 Personal Protective Equipment:

4.4.1 Contractor's Project Manager shall be responsible for requiring the wearing of appropriate personal protective equipment in all operation where there is an exposure to hazardous conditions or where there is an indication of the need for using such equipment to reduce the hazard to employees/inmates. Such equipment will be used where engineering out the hazard is not feasible.

4.5 Flammable and Combustible Liquids:

4.5.1 Flammable and combustible liquids shall be stored and dispensed in compliance with regulations and rules established by the governing regulatory bodies.

4.5.2 Any leakage or spillage of flammable or combustible liquids shall be cleaned up immediately and disposed of promptly and safely.

4.5.3 Transfer of flammable liquids from one container to another shall require electrically bonding the containers.

4.5.4 Small quantities of flammable liquids that may be used at various points on the Job Site shall be handled in approved safety cans.

4.5.5 No smoking, matches, or open flames will be permitted within 50 feet of the area where flammable liquids are used or transferred, unless conditions warrant greater clearance.

4.5.6 Fuel trucks will properly marked, contents clearly identified, posted and with proper fire protection.

4.5.7 Fuel tanks over 500 gallons will be diked, grounded, and protected from contact by vehicles on all sides. Proper identification of tanks and access for measurement will be maintained.

4.6 Tools – Hand and Power:

4.6.1 All hand and power tools and equipment shall be maintained in a safe condition. The Project Manager shall be responsible for the condition of all tools or equipment used by employees/inmates.

4.6.2 Power operated tools that are designed to accommodate guards shall be equipped with such guards while in use.

4.6.3 Belts, gears, shafts, pulleys, sprockets, spindles, drums, flywheels, chains, or other reciprocating, rotating or moving parts of such equipment or tools shall be guarded if such parts are exposed to contact.

4.6.4 Wrenches shall not be used when the jaws are sprung or worn to the point that slippage occurs.

4.6.5 Impact tool such as wedges and chisels shall be kept free of mushroomed heads.

4.6.6 Wooden handles of tool shall be kept free of splinters and cracks and shall be kept tight in the tool.

4.6.7 All hand-held powered drills, fastener drivers, grinders with wheels greater than 2-inches in diameter, disc sanders, belt sanders, reciprocating saws, saber saws and similar operating power tools shall be equipped with a momentary contact off-on control and may have a lock-on control provided that turn off can be accomplished with a single motion of the same finger or fingers that turn it on.

4.6.8 All other hand-held powered tools such as circular saws, chain saws, and percussion tools with positive accessory holding means, shall be equipped with a constant pressure switch that will shut off power when the pressure is released.

4.6.9 The use of electrical cords for hoisting or lowering tools shall not be permitted.

4.6.10 Pneumatic power tools shall be secured to the hose or whip by some positive means to prevent the tool from becoming accidentally disconnected. Each section of supply hose to pneumatic tool shall also be secured by some positive means to prevent accidental disconnection.

4.6.11 Safety clips or retainers shall be securely installed and maintained on pneumatic impact tools to prevent attachments from being accidentally expelled.

4.6.12 Pneumatic hoses shall not be used as a means of hoisting or lowering tools.

4.6.13 Only employees/inmates who have been trained in the operation of the particular tool in use shall be allowed to operate a power-actuated tool.

4.6.14 Power-actuated tools shall be tested each day before loading to see that safety devices are in proper working condition. The testing shall be done in accordance with the manufacturer's recommended pressure.

4.7 Earth Moving Equipment:

4.7.1 Operators will receive instructions on proper mounting and dismounting of equipment.

4.7.2 Operators shall wear seat belts while vehicle is in motion.

4.7.3 Equipment shall be in safe operating condition and inspected daily for proper braking and hydraulic systems and tires.

4.7.4 Dozer, loader, scraper, backhoe buckets, glades and pans will be grounded before the operator dismounts.

4.7.5 Prior to mounting any equipment, the operator will visually inspect the area not visible from the operator's station.

4.7.6 Equipment will have audible warning devices in good working order.

LETTER OF INSTRUCTION
REQUEST FOR AUTHORIZATION

UTILIZING INMATE WORKERS FOR OPERATION OF OFF-ROAD MOBILE EQUIPMENT

Inmate Work Contracts between the Department and the Contractor provide authorization for assigned inmate workers to operate off-road mobile equipment under certain conditions. This Letter of Instruction provides the procedure for obtaining approval to utilize inmate workers on Contractor's off-road mobile equipment.

1. Contractor shall provide written notice advising of the need to utilize inmate workers to operate specific off-road mobile equipment. The request shall include the following information:

1.1 A complete list describing the type(s) of off-road mobile equipment to be operated;

1.2 Identification of specific training inmates will receive for each type of off-road mobile equipment; and

1.3 A list of inmates, to include the inmate's Department identification number, for whom approval is being requested. The list shall reflect the type(s) of mobile equipment to be operated, specific to each inmate worker.

2. Department shall acknowledge the Contractor's request and, after coordinating with institution officials, notify Contractor in writing of those inmates approved to be trained to operate off-road mobile equipment. Contractor **shall not** proceed with training until written notice of authorization is received from the Department.

3. Once approval to proceed with training is received, Contractor shall provide safety and operational training to approved inmates for each type of specified off-road mobile equipment. The manufacturer's supplied training materials and/or materials developed in accordance with Occupational Safety and Health Administration (OSHA) guidelines, for each specific type of mobile equipment, should meet the training requirements for each inmate operator. Copies of training materials shall be provided to the Department for record keeping purposes.

4. Once training is complete, Contractor shall furnish documentary evidence of satisfactory completion of training for each inmate. The documentation shall include the inmate's certification by signature that he/she understands the operation and safety issues of each type of mobile equipment he/she has been trained to operate.

5. Following review of training documents provided by Contractor, and/or designee, Department shall furnish Contractor with notification of approval for individual inmates. Contractor shall maintain records of training and authorization for all inmate workers as long as they are engaged in this inmate work program.

6. Contractor shall acquire and maintain applicable insurance in compliance with State requirements.

1	**Town of Marana** **Roadside, frontage road and median clean-up along I-10 from Orange Grove Road north to the Pinal County Line** **Marana, Arizona**
2	**Town of Marana** **Streets and Right-of Ways within the Town limits and the Marana Water Service Area, the duties include landscaping, trash removal, and tree trimming** **Marana, Arizona**
****3**	**Town of Marana Parks, Paths, Trails and Trailheads for:** **Town's Heritage Park project** **12375 N. Heritage Park Drive** **Continental Ranch Community Park** **8900 N. Coachline Blvd.** **Continental Reserve Community Park** **8568 N. Continental Reserve Loop** **Crossroads at Silverbell District Park** **7548 N. Silverbell Road** **El Rio Neighborhood Park** **10160 N. Blue Crossing Way** **Gladden Farms Community Park** **12205 N. Tangerine Farms Road** **Marana Heritage River Park** **12375 N. Heritage Park Drive** **Ora Mae Harn District Park** **13250 N. Lon Adams Road** **San Lucas Community Park** **14040 N. Adonis Road** **Wade McLean Neighborhood Park** **8000 N. Silverbell Road** **Tangerine Sky Community Park** **4411 W. Tangerine Rd.** **Honea Neighborhood Park** **12500 N. White Ave.** **Work will be performed by the inmates weekly, Monday-Friday** **Marana, Arizona**
****4**	**Marana Operations Center** **5100 W. Ina Rd. Marana, AZ 85743**
****5**	**Fleet Shop** **5100 W. Ina Rd. Marana, AZ 85743**
****6**	**Town Shops and Yards** **5100 W. Ina Rd. Marana, AZ 85743 and** **12775 N. Sanders Rd., Marana, AZ 85653**
****7**	**Marana Municipal Complex** **11555 W. Civic Center Dr. Marana, AZ 85653**
****8**	**Marana Senior Center** **13250 N. Lon Adams, Marana, AZ 85653**

****9**	**Marana Regional Airport and Airfield** **11700 W. Avra Valley Rd., Marana, AZ 85653**
****10**	**Marana Reclamation Facility** **14393 W Luckett Rd Marana, AZ 85653**
****11**	**El Rio Preserve** **10190 N. Coachline Blvd.**

ARIZONA STATE PRISON COMPLEX – TUCSON

Page ____ of ____

DAILY TIME SHEET

DATE: _____ LOCATION: _____

Inmate Name & ADCRR #	Time Arrived	Time Departed	Total Hours	Lunch Break/ Other Adjustments	Adjusted Total Hours	Signature

APPROVAL SIGNATURES:

Contractor Date

Correctional Officer Date

Electronic facsimile of this form is permitted.

Copy to Institution Providing Labor
Arizona State Prison Complex – Tucson
Attention: Business Manager
P.O. Box 24400
Tucson, Arizona 85734-4400

CONTRACTOR
INMATE WORK PROGRAMS

Attachment #6
ADCRR Contract No. 24-063-28

ARIZONA STATE PRISON COMPLEX – TUCSON
INMATE PAYROLL SUMMARY

Page ____ of ____

PAY PERIOD: ____ / ____ / ____ TO ____ / ____ / ____ LOCATION: _____

ADCRR #	Name	Hourly Wage Rate	Regular Hours Worked	Overtime Hours Worked	Total Hours Worked	Total Wages	Remarks

Completed By: _____
Contractor

Electronic facsimile of this form is permitted.

Copy to Institution Providing Labor
Arizona State Prison Complex – Tucson
Attention: Business Manager
P.O. Box 24400
Tucson, Arizona 85734-4400

Council-Regular Meeting **C2**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Steven Cheslak, Principal Planner

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-002: Relating to Development; approving a final plat for Southern Arizona Logistics Center Lots 1 – 3 located generally west of Interstate 10 and east of Clark Farms Boulevard, approximately one quarter mile north of Tangerine Road (Steve Cheslak)

Discussion:

Request
An application has been submitted by Southern Arizona Logistics Center, L.L.C, the property owner, requesting approval of a final plat for a commercial, three-lot resubdivision of Block 2 of the Crossroads at Gladden Blocks 1 – 8 Final Block Plat.

Zoning
The Marana Town Council adopted Ordinance 2021.018 on August 17, 2021, approving the rezoning for approximately 281 acres, creating the Crossroads at Gladden Specific Plan (SP). The area of the proposed plat is located within the Crossroads at Gladden Specific Plan with the land use designation of Transitional (TR).

Proposed Lots and Existing Conditions
The proposed final plat comprises 68.76 acres of land largely developed with two fully constructed, vacant buildings intended for light industrial and logistic users. The three lots are proposed as:

- Lot 1 - 33.52 acres - developed with existing building
- Lot 2 - 31.84 acres - developed with existing building
- Lot 3 - 3.4 acres - undeveloped.

Access and Traffic Circulation

Access to the proposed subdivision is from existing locations on Clark Farms Blvd. and the I-10 frontage road.

Infrastructure and Utilities
The subdivision will be served by Marana Water/Water Reclamation, TEP, and Southwest Gas. Fire service will be provided by Northwest Fire District.

Staff Recommendation:

Staff has reviewed the final plat against the requirements of Ordinance 2021.018, the Marana Land Development Code, and the Marana General Plan. The proposed plat is in substantial conformance with all required development regulations and staff recommends approval.

Suggested Motion:

I move to adopt Resolution No. 2024-002 approving the final plat for Southern Arizona Logistics Center Lots 1 – 3.

Attachments

Resolution No. 2024-002
SALC Final Plat
Location Map
Application

MARANA RESOLUTION NO. 2024-002

RELATING TO DEVELOPMENT; APPROVING A FINAL PLAT FOR SOUTHERN ARIZONA LOGISTIC CENTER LOTS 1-3 LOCATED GENERALLY WEST OF INTERSTATE 10 AND EAST OF CLARK FARMS BOULEVARD, APPROXIMATELY ONE QUARTER MILE NORTH OF TANGERINE ROAD

WHEREAS, the Marana Town Council adopted Ordinance No. 2021.018 on August 17, 2021, approving a rezoning of approximately 281 acres from 'F – Specific Plan: Shops at Tangerine & I-10 Motorplex Specific Plan' to 'SP - Specific Plan: Crossroads at Gladden Specific Plan' creating the Crossroads at Gladden Specific Plan; and

WHEREAS, on December 7, 2021, the Marana Town Council adopted Resolution No. 2021.154 approving a final block plat for Crossroads at Gladden Blocks 1 – 8; and

WHEREAS, Southern Arizona Logistics Center, L.L.C., the property owner, has applied for approval of a final plat for a commercial, three-lot resubdivision of Block 2 of the Crossroads at Gladden Blocks 1 – 8 Final Block Plat, located generally west of Interstate 10 and east of Clark Farms Boulevard, approximately one quarter mile north of Tangerine Road; and

WHEREAS, the Mayor and Town Council, at the regularly scheduled meeting on January 16, 2024, determined that the final plat for Southern Arizona Logistics Center Lots 1 – 3 should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Marana, Arizona, that the final plat for Southern Arizona Logistics Center Lots 1 – 3 is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

DEDICATION

WE, THE UNDERSIGNED, HEREBY WARRANT THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY FEE TITLE INTEREST IN THE LAND SHOWN ON THIS PLAT, AND WE CONSENT TO THE SUBDIVISION OF THIS LAND IN THE MANNER SHOWN ON THIS PLAT. ALL PUBLIC UTILITY EASEMENTS AS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA, AND ALL PUBLIC AND PRIVATE UTILITY COMPANIES FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF, AND ACCESS TO, PUBLIC AND PRIVATE UTILITIES AND PUBLIC SEWERS.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY HOLD THE TOWN OF MARANA, ITS EMPLOYEES, OFFICERS, AND AGENTS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR DAMAGES RELATED TO THE USE OF THESE LANDS NOW AND IN THE FUTURE BY REASON OF FLOODING, FLOWAGE, EROSION, OR DAMAGE CAUSED BY WATER, WHETHER SURFACE, FLOOD, OR RAINFALL. NATURAL DRAINAGE SHALL NOT BE ALTERED, DISTURBED, OR OBSTRUCTED WITHOUT THE APPROVAL OF THE TOWN OF MARANA.

SOUTHERN ARIZONA LOGISTICS CENTER, LLC, A DELAWARE LIMITED LIABILITY COMPANY
BY: SOUTHERN ARIZONA LOGISTICS CENTER MANAGER, LLC, A KANSAS LIMITED LIABILITY COMPANY
ITS: MANAGER

_____
BY: HUNTER HARRIS, MANAGER

ACKNOWLEDGEMENT

STATE OF ARIZONA
} SS
COUNTY OF PIMA

ON THIS ___ DAY OF _____, 2023 BEFORE ME PERSONALLY APPEARED _____, WHO ACKNOWLEDGED TO BE THE MANAGER OF SOUTHERN ARIZONA LOGISTICS CENTER MANAGER, LLC, A KANSAS LIMITED LIABILITY COMPANY, THE MANAGER OF SOUTHERN ARIZONA LOGISTICS CENTER, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN.

BY_____ _____
MY COMMISSION EXPIRES: NOTARY PUBLIC

ASSURANCE STATEMENT

ASSURANCES IN THE FORM OF A PERFORMANCE BOND FROM ENDURANCE ASSURANCE CORPORATION IN THE AMOUNT OF $1,422,413.78 HAVE BEEN PROVIDED TO GUARANTEE INSTALLATION OF REQUIRED STREET, SEWER, ELECTRIC, GAS AND WATER UTILITIES, DRAINAGE, FLOOD CONTROL AND OTHER SUBDIVISION IMPROVEMENTS MEETING ESTABLISHED MINIMUM STANDARDS OF DESIGN AND CONSTRUCTION.

BY_____ _____
TOWN OF MARANA DATE

ASSURED WATER SUPPLY

A CERTIFICATE OF ASSURED WATER SUPPLY HAS BEEN RECEIVED FROM THE DIRECTOR OF WATER RESOURCES.

BY_____ _____
MARANA WATER DIRECTOR DATE

TOWN OF MARANA APPROVALS

BY_____ PE _____
MARANA TOWN ENGINEER/DEVELOPMENT ENGINEER DATE

BY_____ _____
MARANA PLANNING MANAGER DATE

I, _____, CLERK OF THE TOWN OF MARANA, HEREBY CERTIFY THAT THIS PLAT WAS APPROVED BY THE TOWN COUNCIL OF THE TOWN OF MARANA ON THE _____ DAY OF _____, 20___.

BY_____ _____
CLERK OF THE TOWN OF MARANA DATE

WASTEWATER

BY_____ _____
MARANA WATER DIRECTOR DATE

GENERAL NOTES

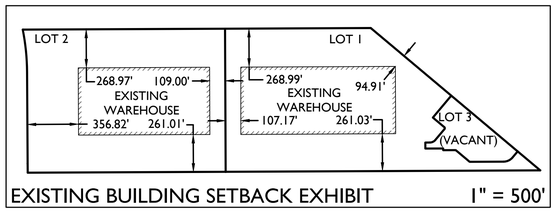
1. GROSS AREA OF THIS DEVELOPMENT IS ±68.76 ACRES (±2,995,307 S.F.)
2. CURRENT ZONING IS "SP" (SPECIFIC PLAN – THE CROSSROADS AT GLADDEN), PER ORDINANCE 2021.018. LAND USE PER SPECIFIC PLAN IS TRANSITIONAL
3. THE NUMBER OF LOTS FOR THIS PLAT IS 3.
4. THE TOTAL LENGTH OF NEW PUBLIC STREETS IS 0 MILES.
5. THE MAXIMUM ALLOWABLE BUILDING HEIGHT IS 65 FEET.
6. MINIMUM SETBACKS:
   FRONT = 25 FEET
   REAR/SIDE = 20 FEET
7. PARKING PROVISIONS INCLUDE THE FOLLOWING ONSITE PARKING SPACES FOR EACH LOT
   LOT 1: 259 SPACES
   LOT 2: 241 SPACES
   LOT 2: UNDEVELOPED
8. SUBDIVISION AREAS:
   LOT 1 = 33.5249 ACRES (1,460,346 SQUARE FEET) (MAXIMUM LOT SIZE)
   LOT 2 = 31.8407 ACRES (1,386,982 SQUARE FEET)
   LOT 3 = 3.3971 ACRES (147,979 SQUARE FEET) (MINIMUM LOT SIZE)
9. NO FURTHER SUBDIVIDING OR LOT SPLITTING SHALL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.
10. APPROVAL OF THIS PLAT DOES NOT AFFIRM, CERTIFY OR APPROVE ANY LAND DIVISION THAT MAY BE CONTRARY TO STATE LAW, NOR DOES IT CERTIFY THE EXISTENCE OF, OR COMPLIANCE WITH, ANY DEED RESTRICTIONS OR EASEMENTS.
11. ALL NEW AND EXISTING UTILITIES WITHIN OR CONTIGUOUS TO THE SITE SHALL BE PLACED UNDERGROUND EXCEPT ELECTRICAL TRANSMISSION LINES CARRYING 48 Kv OR GREATER, AND THOSE LINES WHICH CAN BE SHOWN TO EXIST IN CURRENT OR FUTURE ELECTRICAL TRANSMISSION CORRIDORS.
12. OBJECTS AND MATERIALS WITHIN SIGHT VISIBILITY TRIANGLES SHALL BE PLACED SO AS NOT TO INTERFERE WITH A VISIBILITY PLANE DESCRIBED BY TWO HORIZONTAL LINES LOCATED 30 INCHES AND 72 INCHES ABOVE FINISHED GRADE OF THE ROADWAY SURFACE, AND SHALL CONFORM TO THE TOWN OF MARANA SUBDIVISION STREET STANDARDS.
13. PER THE FEMA LOMR CASE NO: 02-09-1039P, THIS PROPERTY IS LOCATED WITHIN A SHADED ZONE X. FEMA DEFINES SHADED ZONE X AS AREAS OF 0.2-PERCENT ANNUAL CHANCE FLOOD; AREAS OF 1-PERCENT ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1-FOOT OR WITH DRAINAGE AREAS LESS THAN ONE SQUARE MILE; AND IS PROTECTED BY LEVEES FROM THE 1-PERCENT ANNUAL CHANCE FLOOD.
14. THE PROFESSIONAL ENGINEER OF RECORD SHALL CERTIFY AS TO THE FORM, LINE, AND FUNCTION OF ALL PUBLIC AND PRIVATE ROADWAYS AND DRAINAGE STRUCTURES BEFORE THE RELEASE OF ASSURANCES.
15. INSTALLATION OF ITEMS SUCH AS LANDSCAPING, IRRIGATION, SIGNAGE, MONUMENTS, WALLS AND DRAINAGE IMPROVEMENTS IN THE PUBLIC RIGHTS-OF-WAY SHALL REQUIRE A PERPETUAL LICENSE AGREEMENT FOR INSTALLATION, MAINTENANCE, AND INDEMNIFICATION. THE LICENSE AGREEMENT SHALL BE EXECUTED AND APPROVED BY THE TOWN OF MARANA PRIOR TO APPROVAL OF CLOSEOUT PACKAGE FOR THIS PROJECT.
16. THIS SUBDIVISION IS LOCATED WITHIN THE TOWN OF MARANA WATER SERVICE AREA, WHICH HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY UNDER A.R.S. §45-576.
17. POTENTIAL BUYERS WILL BE NOTIFIED OF THE PROXIMITY OF THE "MARANA REGIONAL AIRPORT" VIA FINAL PLAT NOTES FOR ALL DEVELOPMENT PARCELS. ADDITIONAL RESTRICTIONS RELATED TO THE AIRPORT MAY BE PROMULGATED BY THE TOWN.
18. THIS PROPERTY IS AFFECTED BY THE AVIGATION EASEMENT FILED IN SEQUENCE NUMBER 20211340125. THIS PROPERTY FALLS IN AN AIRPORT INFLUENCE AREA AND IS SUBJECT TO FREQUENT OVERFLIGHTS BY GENERAL AVIATION AIRCRAFT.
19. AN IRRIGATION EASEMENT HAS BEEN RECORDED ON THIS PROPERTY IN SEQUENCE NUMBER 20213440122. A PERMIT/USE LICENSE MUST BE OBTAINED FOR CORTARO-MARANA IRRIGATION DISTRICT PRIOR TO ANY CONSTRUCTION ACTIVITY OR DISTURBANCE WITHIN CORTARO-MARANA IRRIGATION DISTRICT PROPERTIES, EASEMENT OR RIGHT OF WAYS. A CORTARO-MARANA IRRIGATION DISTRICT PERMIT DOES NOT REPLACE OR ELIMINATE A REQUIRED PERMIT FROM OTHER ENTITIES.
20. SOME OR ALL OF THE LANDS WITHIN THE PROJECT SHALL CONTINUE TO BE SUBJECT TO TAX AND/OR ASSESSMENTS BY THE CORTARO-MARANA IRRIGATION DISTRICT AND CORTARO WATER USER'S ASSOCIATION.
21. ANY WELLS CONSTRUCTED AS PART OF THIS PROJECT, WITH THE EXCEPTION OF ANY WELL FOR THE TOWN OF MARANA OR CORTARO-MARANA IRRIGATION DISTRICT, ARE RESTRICTED TO A MAXIMUM FLOW RATE OF 50 GALLONS PER MINUTE.
22. THIS PROPERTY IS SUBJECT TO THE CONDITIONS, RESTRICTIONS AND EASEMENTS AS SHOWN ON THE FINAL PLAT OF CROSSROADS AT GLADDEN AND FILED IN SEQUENCE NUMBER 20213440123 AND THE PARTIAL TERMINATION OF THE CROSSROADS AT GLADDEN DEVELOPMENT AGREEMENT FILED IN SEQUENCE NUMBER 20222290170.
23. THIS PROPERTY IS SUBJECT TO THE DECLARATION OF USE RESTRICTIONS FILED IN SEQUENCE NUMBER 20221320503.
24. PER THE CROSSROADS AT GLADDEN SPECIFIC PLAN, THE MINIMUM SITE AREA AND THE MAXIMUM LOT COVERAGE ARE NONE.
25. THIS PROPERTY IS SUBJECT TO THE DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS AS FILED IN SEQUENCE NO. 20233000529.

RECORDING

STATE OF ARIZONA FEE $_____
} SS
COUNTY OF PIMA SEQUENCE No._____

THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF EPS GROUP, INC ON THIS _____ DAY OF _____, 20___, AT _____M. IN SEQUENCE NUMBER _____ THEREOF.

GABRIELLA CAZARES KELLY _____
PIMA COUNTY RECORDER BY DEPUTY



EXISTING BUILDING SETBACK EXHIBIT 1" = 500'

SHEET LAYOUT

SHEET INDEX

1	FP01	COVER & NOTES SHEET
2	FP02	PLAN SHEET, LOT 2
3	FP03	PLAN SHEET, LOT 1 & LOT 3

ABBREVIATIONS

CA	COMMON AREA
DKT	DOCKET
ESMT	EASEMENT
LS/RLS	REGISTERED LAND SURVEYOR
M&P	MAPS AND PLATS
PG	PAGE
PUE	PUBLIC UTILITY EASEMENT
ROW	RIGHT-OF-WAY
SE#	NEW SEWER EASEMENT LINE CODE
SF	SQUARE FEET
(RAD)	RADIAL
WE#	NEW WATER EASEMENT LINE CODE

LEGEND

PROPOSED PROPERTY LINE
EXISTING RIGHT-OF-WAY CENTERLINE
EXISTING RIGHT-OF-WAY
EXISTING EASEMENT LINE
PROPOSED EASEMENT LINE
SECTION LINE

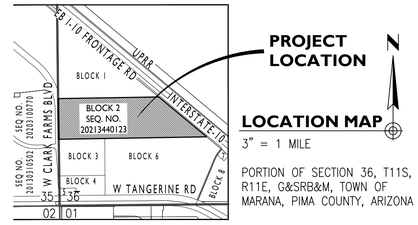
FOUND SURVEY MONUMENT STAMPED RLS 17479
FOUND SURVEY MONUMENT AS NOTED
SET NUMBER 4 REBAR AFFIXED WITH A TAG MARKED EPS LS 37495

OWNER / DEVELOPER

SOUTHERN ARIZONA LOGISTICS CENTER LLC
3515 WEST 75TH STREET, SUITE 103
PRAIRIE VILLAGE, KS, 66208
(816) 309-3409

ADDRESS:

9880 W CLARK FARMS BLVD.
10070 W CLARK FARMS BLVD.



PORTION OF SECTION 36, T11S, R11E, G&SRB&M, TOWN OF MARANA, PIMA COUNTY, ARIZONA

BASIS OF BEARING

THE BASIS OF BEARING IS NORTH 89°44'15"EAST UPON THE SOUTH LINE OF SECTION 36, TOWNSHIP 11 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, FROM A BRASS CAP SURVEY MONUMENT LOCATED AT THE SOUTHWEST CORNER OF SAID SECTION, TO A BRASS CAP SURVEY MONUMENT LOCATED AT THE SOUTHEAST CORNER OF SAID SECTION 36.

NOTE THAT THE GRID BEARINGS SHOWN HEREON (OR IMPLIED BY GRID COORDINATES) DO NOT EQUAL GEODETIC BEARINGS DUE TO MERIDIAN CONVERGENCE.

THE DATUM USED FOR THIS SURVEY IS THE PIMA COUNTY COORDINATE SYSTEM, ZONE 1. THE REFERENCE MERIDIAN IS GRID NORTH. ANY DIFFERENCES BETWEEN RECORD BEARINGS AND THE BEARINGS AS SHOWN ARE DUE TO DIFFERENCES IN THE DATUM AND MAP PROJECTION.

SURVEYOR CERTIFICATION

I HEREBY CERTIFY THAT THE BOUNDARY SURVEY AS SHOWN ON THIS PLAT WAS PERFORMED UNDER MY DIRECTION AND THAT ALL EXISTING AND PROPOSED SURVEY MONUMENTS AND MARKERS SHOWN ARE CORRECTLY DESCRIBED. I FURTHER CERTIFY THAT THIS PLAT WAS PREPARED UNDER MY DIRECTION.

REGISTERED LAND SURVEYOR CERTIFICATE NO. 37495 ROBERT A. JOHNSTON Date Signed 12/28/23 ARIZONA, U.S.A.

BY_____
ROBERT A. JOHNSTON, RLS 37495

ENGINEER CERTIFICATION

I HEREBY CERTIFY THAT THE FEMA FLOOD PLAIN INFORMATION AS SHOWN ON THIS PLAT TRUE AND ACCURATE TO THE BEST OF MY BELIEF. I FURTHER CERTIFY THAT ALL FLOOD PLAIN INFORMATION SHOWN ON THIS PLAT WAS PREPARED UNDER MY DIRECTION.

CERTIFICATE NO. 34022 JEFFERSON D. STINE Date Signed 12/28/23 ARIZONA, U.S.A.

BY_____
JEFFERSON STINE PE 34022

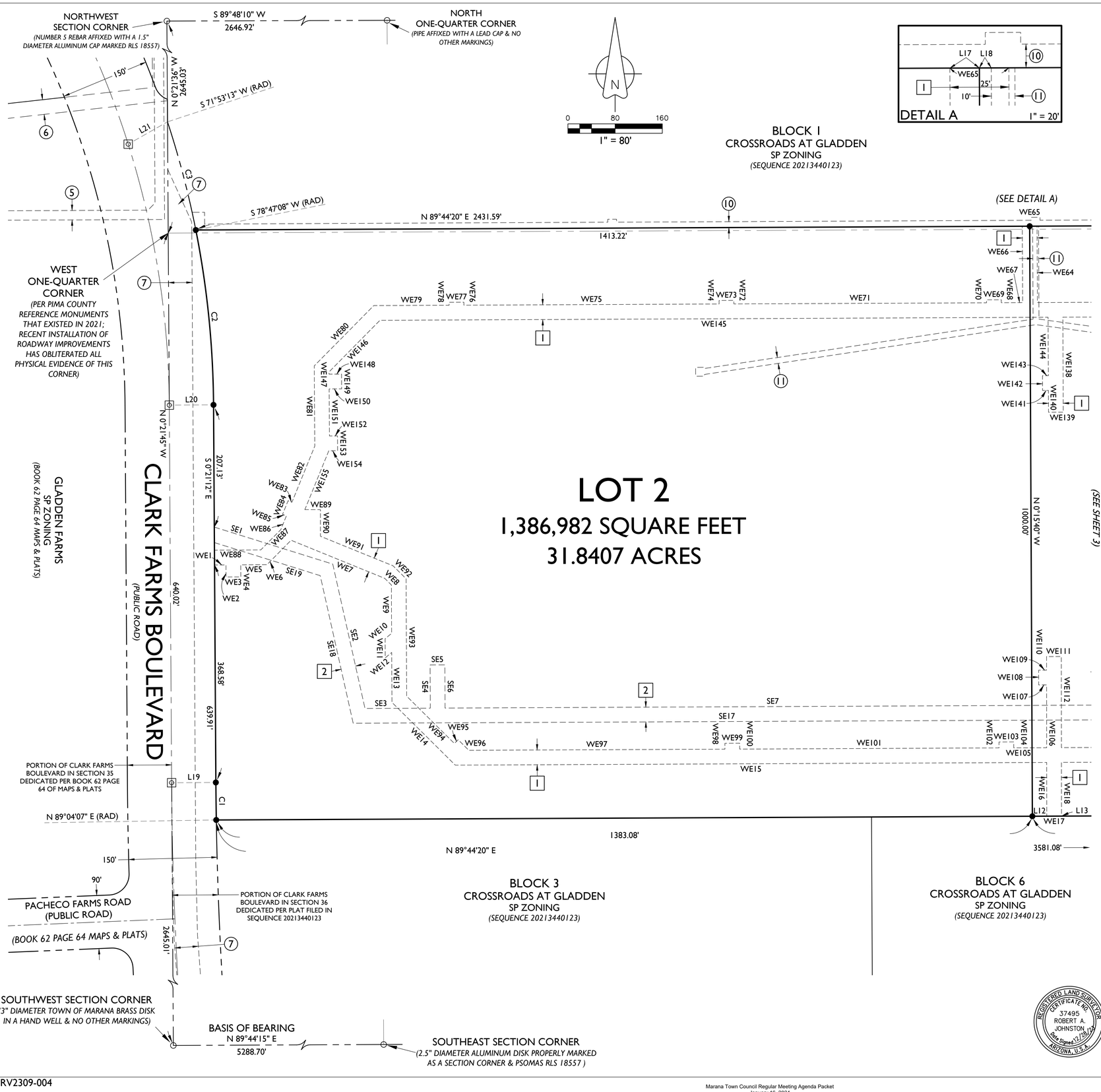
SEQUENCE NUMBER

jstine Jan 05, 2024 9:29pm U:\Projects\2021\21-1004 Flint SALC\Civil_FinalPlat\21-1004 – FP01.dwg

EPS GROUP
8710 N. Thornydale Rd, Suite 140
Tucson, AZ 85742
T:520.408.1400 | F:520.408.1403
www.epsgroupinc.com

Final Plat for
Southern Arizona Logistics Center
Lots 1 - 3
A Re-Subdivision of Block 2 of Crossroads at Gladden Blocks 1-8 as recorded in Sequence No. 20213440123, a portion of the Northwest one-quarter, the Southwest one-quarter, and the Southeast one-quarter Section 36, T11S, R11E, G&SRM Town of Marana, Pima County, Arizona
PRV2109-001
PRV2309-004
Date: 12-28-23

Scale: N/A
FP01
Sheet No. 1 of 3



WATER EASEMENT TABLES

CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
WEC1	81.00'	12.55'	8°52'39"	S 85°18'01" W	12.54'

LINE	BEARING	DISTANCE
WE1	N 89°38'12" E	19.37'
WE2	S 0°21'48" E	20.46'
WE3	N 89°38'12" E	25.00'
WE4	N 0°21'48" W	20.46'
WE5	N 89°38'12" E	44.52'
WE6	N 44°38'12" E	58.10'
WE7	S 67°51'48" E	171.33'
WE8	S 45°21'48" E	15.91'
WE9	S 0°15'40" E	82.02'
WE10	S 50°12'30" W	14.26'
WE11	S 0°15'40" E	32.41'
WE12	N 50°12'30" E	14.26'
WE13	S 0°15'40" E	84.55'
WE14	S 45°15'40" E	151.17'
WE15	N 89°44'20" E	1002.32'
WE16	S 0°04'42" E	91.08'
WE17	N 89°44'20" E	25.00'
WE18	N 0°04'42" W	91.08'
WE19	N 89°44'20" E	881.30'
WE20	S 0°15'40" E	25.58'
WE21	N 89°44'20" E	25.00'
WE22	N 0°15'40" W	25.58'
WE23	N 89°44'20" E	316.36'
WE24	S 0°15'40" E	34.58'
WE25	N 89°44'20" E	25.00'
WE26	N 0°15'40" W	34.58'
WE27	N 89°44'20" E	68.14'
WE28	S 0°13'53" E	90.94'
WE29	N 89°44'25" E	24.50'
WE30	N 0°10'19" W	30.36'
WE31	N 89°44'25" E	540.41'
WE32	S 0°15'40" E	15.99'
WE33	N 89°44'20" E	25.00'
WE34	N 0°15'40" W	15.99'
WE35	N 89°44'25" E	23.31'
WE36	S 45°15'40" E	43.11'
WE37	N 89°44'20" E	35.36'
WE38	N 45°15'40" W	78.47'
WE39	S 89°44'25" W	33.67'
WE40	N 0°15'40" W	7.48'
WE41	S 89°44'20" W	12.50'
WE42	S 0°15'40" E	6.51'
WE43	S 89°44'25" W	390.09'
WE44	N 0°15'40" W	16.00'
WE45	S 89°44'20" W	25.00'
WE46	S 0°15'40" E	16.00'
WE47	S 89°44'25" W	124.82'
WE48	N 0°15'40" W	100.54'
WE49	N 89°44'20" E	5.51'
WE50	N 0°15'40" W	42.00'
WE51	S 89°44'20" W	5.51'
WE52	N 0°15'40" W	337.37'

LINE	BEARING	DISTANCE
WE53	N 22°45'40" W	160.01'
WE54	N 45°15'40" W	264.87'
WE55	S 89°44'20" W	256.08'
WE56	N 0°15'40" W	6.00'
WE57	S 89°44'20" W	25.00'
WE58	S 0°15'40" E	6.00'
WE59	S 89°44'20" W	451.81'
WE60	N 0°15'40" W	6.00'
WE61	S 89°44'20" W	25.00'
WE62	S 0°15'40" E	6.00'
WE63	S 89°44'20" W	371.60'
WE64	N 0°15'40" W	129.47'
WE65	S 89°44'20" W	25.00'
WE66	S 0°15'40" E	129.47'
WE67	S 89°44'20" W	36.14'
WE68	N 0°15'40" W	5.00'
WE69	S 89°44'20" W	25.00'
WE70	S 0°15'40" E	5.00'
WE71	S 89°44'20" W	428.32'
WE72	N 0°15'40" W	6.00'
WE73	S 89°44'20" W	25.00'
WE74	S 0°15'40" E	6.00'
WE75	S 89°44'20" W	432.53'
WE76	N 0°15'40" W	5.00'
WE77	S 89°44'20" W	25.00'
WE78	S 0°15'40" E	5.00'
WE79	S 89°44'20" W	127.70'
WE80	S 44°38'12" W	143.60'
WE81	S 0°21'48" E	136.03'
WE82	S 22°08'12" W	102.65'
WE83	N 67°51'48" W	7.00'
WE84	S 22°08'12" W	25.00'
WE85	S 67°51'48" E	7.00'
WE86	S 22°08'12" W	25.22'
WE87	S 44°38'12" W	48.20'
WE88	S 89°38'12" W	78.53'
WE89	N 90°00'00" E	26.48'
WE90	S 0°00'00" E	45.10'
WE91	S 67°51'48" E	132.70'
WE92	S 45°21'48" E	31.26'
WE93	S 0°15'40" E	199.02'
WE94	S 45°15'40" E	113.97'
WE95	N 44°44'20" E	9.00'
WE96	S 45°15'40" E	25.49'
WE97	N 89°44'20" E	434.03'
WE98	N 0°15'40" W	10.00'
WE99	N 89°44'20" E	25.00'
WE100	S 0°15'40" E	10.00'
WE101	N 89°44'20" E	439.50'
WE102	N 0°15'40" W	10.00'
WE103	N 89°44'20" E	25.00'
WE104	S 0°15'40" E	10.00'

LINE	BEARING	DISTANCE
WE105	N 89°44'20" E	55.79'
WE106	N 0°04'42" W	106.44'
WE107	S 89°44'20" W	13.38'
WE108	N 0°15'40" W	25.00'
WE109	N 89°44'20" E	13.46'
WE110	N 0°04'42" W	23.00'
WE111	N 89°44'20" E	25.00'
WE112	S 0°04'42" E	154.44'
WE113	N 89°44'20" E	373.71'
WE114	N 0°15'40" W	10.00'
WE115	N 89°44'20" E	25.00'
WE116	S 0°15'40" E	10.00'
WE117	N 89°44'20" E	455.00'
WE118	N 0°15'40" W	10.00'
WE119	N 89°44'20" E	25.00'
WE120	S 0°15'40" E	10.00'
WE121	N 89°44'20" E	437.00'
WE122	N 0°15'40" W	112.36'
WE123	S 89°44'20" W	16.00'
WE124	N 0°15'40" W	25.00'
WE125	N 89°44'20" E	16.00'
WE126	N 0°15'40" W	192.69'
WE127	S 89°44'20" W	16.00'
WE128	N 0°15'40" W	54.14'
WE129	N 89°44'20" E	16.00'
WE130	N 0°15'40" W	30.16'
WE131	N 22°45'40" W	150.07'
WE132	N 45°15'40" W	35.99'
WE133	S 44°44'20" W	16.00'
WE134	N 45°15'40" W	25.00'
WE135	N 44°44'20" E	16.00'
WE136	N 45°15'40" W	188.55'
WE137	S 89°44'20" W	1076.13'
WE138	S 0°15'40" E	161.01'
WE139	S 89°44'20" W	25.00'
WE140	N 0°15'40" W	37.00'
WE141	S 89°44'20" W	10.00'
WE142	N 0°15'40" W	25.00'
WE143	N 89°44'20" E	10.00'
WE144	N 0°15'40" W	99.01'
WE145	S 89°44'20" W	1132.32'
WE146	S 44°38'12" W	122.86'
WE147	S 0°21'48" E	3.89'
WE148	N 89°38'12" E	21.18'
WE149	S 0°21'48" E	25.00'
WE150	S 89°38'12" W	21.18'
WE151	S 0°21'48" E	79.76'
WE152	N 89°38'12" E	13.66'
WE153	S 0°21'48" E	25.00'
WE154	S 89°38'12" W	14.90'
WE155	S 22°08'12" W	107.78'

EXISTING UTILITY EASEMENTS

(1) DEED TO CORTARO MARANA IRRIGATION DISTRICT; 25' WIDE; DOCKET 2000 PAGE 547

(2) DEED TO CORTARO MARANA IRRIGATION DISTRICT; 25' WIDE; DOCKET 2020 PAGE 284

(3) EASEMENT TO TUCSON GAS & ELECTRIC COMPANY; 10' WIDE; DOCKET 3032 PAGE 226

(4) EASEMENT TO TUCSON GAS & ELECTRIC COMPANY; 10' WIDE; DOCKET 3091 PAGE 230

(5) EASEMENT TO TUCSON ELECTRIC POWER COMPANY; 16' WIDE; DOCKET 9284 PAGE 1855

(6) EASEMENT TO CORTARO MARANA IRRIGATION DISTRICT; 25' WIDE; BOOK 62 PAGE 64 MAPS & PLATS

(7) PUBLIC SEWER EASEMENT TO TOWN OF MARANA; WIDTH VARIES; SEQUENCE 20151830202

(8) EASEMENT TO CORTARO MARANA IRRIGATION DISTRICT; 17' WIDE; SEQUENCE 20213440122

(9) EASEMENT TO TUCSON ELECTRIC POWER COMPANY; 15' WIDE; SEQUENCE 20213440123 (PLAT)

(10) EASEMENT TO TUCSON ELECTRIC POWER COMPANY; WIDTH VARIES; SEQUENCE 20231290446

(11) EASEMENT TO TUCSON ELECTRIC POWER COMPANY; WIDTH VARIES; SEQUENCE 20231290447

NEW PUBLIC UTILITY EASEMENTS DEDICATED BY THIS PLAT

[1] PUBLIC WATER EASEMENT DEDICATED BY THIS PLAT (WIDTH VARIES WITH A MINIMUM WIDTH OF 25')

[2] 25' PUBLIC SEWER EASEMENT DEDICATED BY THIS PLAT

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
37495
ROBERT A. JOHNSTON
ARIZONA, U.S.A.
Date Signed 12/28/23

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Final Plat for
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Lots 1 - 3
A Re-Subdivision of Block 2 of Crossroads at Gladden Blocks 1-8 as recorded in Sequence No. 20213440123, a portion of the Northwest one-quarter, the Southwest one-quarter, and the Southeast one-quarter Section 36, T11S, R11E, G&SRM
Town of Marana, Pima County, Arizona
PRV2109-001
PRV2309-004

Scale: 1" = 80'

FP02

Sheet No. 2 of 3

Date: 12-28-23

SEQUENCE NUMBER

mschaff Dec 28, 2023 6:41am U:\Projects\2021\21-1004 Flint SALC\Survey\2023 Lot Split\21-1004 Block Plat Base.dwg

BLOCK 1
CROSSROADS AT GLADDEN
SP ZONING
(SEQUENCE 20213440123)

(SEE DETAIL A)

N 89°44'20" E 2431.59'

1018.36'

INTERIOR
ONE-QUARTER CORNER
(NOTHING FOUND OR SET)

(SEE DETAIL B)

110' WIDE PORTION OF THE I-10 RIGHT OF WAY PER DOCKET 1905, PAGE 156

N 49°58'30" W 516.52'

NUMBER 4 REBAR AFFIXED WITH A TAG MARKED RLS 49549

UNION PACIFIC RAILROAD

INTERSTATE HIGHWAY 10

PUBLIC ROAD
(WIDTH VARIES)

(SEE SHEET 2)

N 0°15'40" W 1000.00'

LOT 1
1,460,346 SQUARE FEET
33.5249 ACRES

N 40°01'20" E 200.08'

N 49°58'30" W 103.86'

S 49°58'30" E 603.59'

LOT 3
147,979 SQUARE FEET
3.3971 ACRES

N 67°13'06" W (RAD)

NUMBER 4 REBAR AFFIXED WITH A TAG MARKED RLS 49549

N 89°44'20" W 237.88'

(SEE DETAIL C)

2198.09'

3581.17'

N 89°44'20" E

DETAIL B

LEGEND
1 = (10)

NUMBER 4 REBAR; AFFIXED A TAG MARKED EPS LS 29881 AS A PART OF THIS SURVEY

NUMBER 4 REBAR AFFIXED WITH A TAG MARKED RLS 49549

1" = 40'

SEQUENCE NUMBER

BLOCK 6
CROSSROADS AT GLADDEN
SP ZONING
(SEQUENCE 20213440123)

BOUNDARY LINE TABLES

CURVE	RADIUS	ARC LENGTH	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	6425.00'	63.58'	0°34'01"	S 0°38'53" E	63.58'
C2	1575.00'	298.34'	10°51'11"	N 5°47'16" W	297.90'
C3	1575.00'	189.64'	6°53'55"	N 14°39'49" W	189.52'
C4	10.00'	15.71'	90°00'00"	N 4°58'30" W	14.14'
C5	50.00'	43.38'	49°42'50"	N 64°52'55" E	42.04'
C6	81.00'	70.28'	49°42'50"	N 64°52'55" E	68.10'
C7	49.00'	14.75'	17°14'36"	N 31°24'12" E	14.69'

LINE	BEARING	DISTANCE
L1	S 49°59'02" E	8.21'
L2	N 49°59'28" W	209.89'
L3	N 49°58'30" W	87.57'
L4	N 49°56'31" W	120.75'
L5	N 40°01'30" E	98.91'
L6	N 89°44'20" E	31.69'
L7	N 0°15'40" W	42.00'
L8	S 89°44'20" W	124.50'
L9	N 0°15'40" W	12.00'
L10	S 89°44'20" W	87.73'
L11	S 40°01'30" W	41.46'
L12	N 89°44'20" E	24.42'
L13	N 89°44'20" E	69.58'
L14	S 89°45'14" W	540.46'
L15	S 89°44'20" W	78.80'
L16	S 89°44'20" W	153.52'
L17	S 89°44'20" W	12.50'
L18	N 89°44'20" E	5.06'
L19	S 89°38'08" W	75.00'
L20	S 89°38'19" W	75.00'
L21	S 60°23'11" W	76.66'

SEWER EASEMENT TABLE

LINE	BEARING	DISTANCE
SE1	S 72°38'57" E	210.36'
SE2	S 12°35'09" E	250.65'
SE3	N 89°44'20" E	110.70'
SE4	N 0°15'40" W	73.18'
SE5	N 89°44'23" E	25.00'
SE6	S 0°15'40" E	73.18'
SE7	N 89°44'20" E	1111.01'
SE8	N 0°15'40" W	73.17'
SE9	N 89°44'17" E	25.00'
SE10	S 0°15'40" E	236.02'
SE11	N 89°44'20" E	1763.91'
SE12	N 0°15'40" W	37.00'
SE13	N 89°44'20" E	25.00'
SE14	S 0°15'40" E	62.00'
SE15	S 89°44'20" W	1813.91'
SE16	N 0°15'40" W	162.84'
SE17	S 89°44'20" W	1266.84'
SE18	N 12°35'09" W	256.32'
SE19	N 72°38'57" W	187.92'

EXISTING UTILITY EASEMENTS

1. DEED TO CORTARO MARANA IRRIGATION DISTRICT; 25' WIDE; DOCKET 2000 PAGE 547
2. DEED TO CORTARO MARANA IRRIGATION DISTRICT; 25' WIDE; DOCKET 2020 PAGE 284
3. EASEMENT TO TUCSON GAS & ELECTRIC COMPANY; 10' WIDE; DOCKET 3032 PAGE 226
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7. PUBLIC SEWER EASEMENT TO TOWN OF MARANA; WIDTH VARIES; SEQUENCE 20151830202
8. EASEMENT TO CORTARO MARANA IRRIGATION DISTRICT; 17' WIDE; SEQUENCE 20213440122
9. EASEMENT TO TUCSON ELECTRIC POWER COMPANY; 15' WIDE; SEQUENCE 20213440123 (PLAT)
10. EASEMENT TO TUCSON ELECTRIC POWER COMPANY; WIDTH VARIES; SEQUENCE 20231290446
11. EASEMENT TO TUCSON ELECTRIC POWER COMPANY; WIDTH VARIES; SEQUENCE 20231290447

NEW PUBLIC UTILITY EASEMENTS DEDICATED BY THIS PLAT

1. PUBLIC WATER EASEMENT DEDICATED BY THIS PLAT (WIDTH VARIES WITH A MINIMUM WIDTH OF 25')
2. 25' PUBLIC SEWER EASEMENT DEDICATED BY THIS PLAT

N 9°08'19" W (RAD)

DETAIL C
1" = 40'

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
37495
ROBERT A. JOHNSTON
Date Signed 12/28/23
ARIZONA, U.S.A.

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Town of Marana, Pima County, Arizona
PRV2109-001
PRV2309-004

Scale: 1" = 80'

FP03

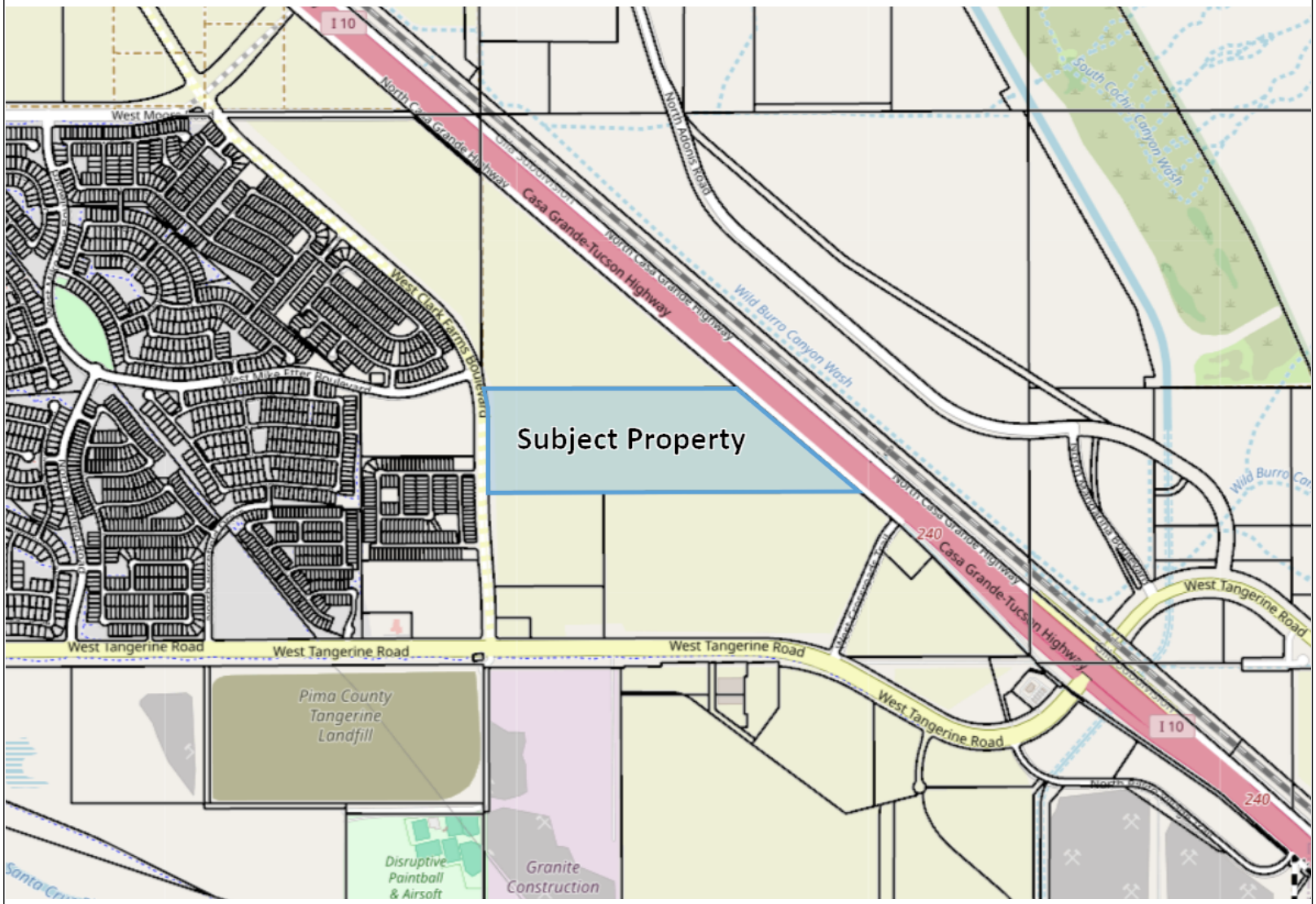
Sheet No. 3 of 3

Date: 12-28-23

mschaff Dec 28, 2023 6:39am U:\Projects\2021\21-1004 Flint SALC\Survey\2023 Lot Split\21-1004 Block Plat Base.dwg

Town of Marana Planning

Location Map





Legend

- Marana Town Limits
- Parcel Labels
- Parcels (Black)

Notes

PRV2309-004 Southern Arizona Logistics Center Final Plat

1: 18,056

0.6 0 0.28 0.6 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

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THIS MAP IS NOT TO BE USED FOR NAVIGATION

Development Services / maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
❑ Rezone	❑ Minor Land Division	❑ Translational Rezone	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
☒ Plat	❑ Improvement Plan	❑ Report (Type): _____	❑ Other: _____

PROJECT INFORMATION

Project Name: Southern Arizona Logistics Center	
Description of Project: Block 2 of Crossroads at Gladden Farms	Number of Lots: 3
Parcel No.(s): 217-55-013F	Gross Area (Acres): approx. 68.76
Project Address: 9880 and 10070 W Clark Farms Blvd. Marana, AZ 85653	
Ref. Project No.: DPP2202-002	

CONTACT INFORMATION

Owner: Southern Arizona Logistics Center, LLC	Contact Name: Steve Harder		
Address: 3515 West 75th Street, Suite 103	City: Prairie Village	State: KS	Zip: 66208
Email: flint@flintdevelopment.com	Phone No.: (314) 954-2025		
Applicant: Southern Arizona Logistics Center, LLC	Contact Name: Steve Harder		
Address: 3515 West 75th Street, Suite 103	City: Prairie Village	State: KS	Zip: 66208
Email: Steve@flintdevelopment.com	Phone No.: (314) 954-2025		
Consultant/Engineer: EPS Group Inc	Contact Name: Jeff Stine		
Address: 8710 N. Thornydale Road, Suite 140	City: Tucson	State: AZ	Zip: 85742
Email: jeff.stine@epsgroupinc.com	Phone No.: (520) 408-1401		

APPLICANT AUTHORIZATION

By signing below, I hereby acknowledge that I have read the information provided online at maranaaz.gov/arsnotice and certify that the information set forth in this application are true and correct to the best of my knowledge. I am either the owner of the property or I have been **authorized in writing** by the owner to file this application. (If the applicant is not the owner, attach written authorization from the owner)

SOUTHERN ARIZONA LOGISTICS CENTER LLC a Delaware limited liability company By: Southern Arizona Logistics Center Manager, LLC Its Manager By: Devin Schuster , Manager		8/11/23
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Project No._____ **Date Received**_____

Revision Date 05/16/2023

Council-Regular Meeting **C3**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Scott Radden, Senior Planner

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-003: Relating to Development; approving the final plat for Tangerine Crossing Commercial Center Lots 17-18, located approximately one tenth mile northeast of the intersection of Tangerine and Thornydale Roads (Scott Radden)

Discussion:

Request
Ault Companies, on behalf of Smith's Food and Drug Centers Inc., has applied for approval of a final plat for Tangerine Crossing Commercial Center Lots 17-18, a resubdivision of Lot 1 of Final Plat for Tangerine Crossing Commercial Center – Lots 1-4, 6-10, Book 61 of Maps & Plats, Page 46, located approximately one-tenth mile northeast of the intersection of Tangerine and Thornydale Roads within a portion of Section 32, Township 11 South, and Range 13 East.

Zoning
The zoning of the property is SP- Tangerine Crossing (Forest City) Specific Plan, created by Pima County Ordinance No 1988-11, incorporated into Marana by Ordinance 97.24 on August 5, 1997.

Land Use
The proposed final plat is a resubdivision of Lot 1 of Final Plat for Tangerine Crossing Commercial Center – Lots 1-4, 6-10. The Specific Plan Land Use is Commercial (C). Currently, on the existing Lot 1, there's a Fry's Marketplace, a Fry's Fuel Center and associated parking.

Access and Traffic
Access for Lots 17 and 18 is provided by three ingress/egress points off of Tangerine Road and three ingress/egress points off of Thornydale Road. There is no new public right-of-way located within the overall platted area.

Utilities
Water and sewer service for the site exists and is provided by Tucson Water and Pima County Regional Wastewater. TEP Electric and Southwest Gas will provide the electric and natural gas services.

Staff Recommendation:

Staff has reviewed the proposed final plat against the requirements of Pima County Ordinance No. 1988-11, the Tangerine Crossing (Forest City) Specific Plan, the Marana Town Code, and the Marana General Plan. The final plat is in substantial conformance with all required development regulations and staff recommends approval.

Suggested Motion:

I move to adopt Resolution No. 2024-003, approving the final plat for Tangerine Crossing Commercial Center Lots 17-18.

Attachments

Resolution No. 2024-003
Tangerine Crossing CC Lots 17_18 Final Plat
Location Map
Application

MARANA RESOLUTION NO. 2024-003

RELATING TO DEVELOPMENT; APPROVING A FINAL PLAT FOR TANGERINE CROSSING COMMERCIAL CENTER LOTS 17-18, LOCATED APPROXIMATELY ONE TENTH MILE NORTHEAST OF THE INTERSECTION OF TANGERINE AND THORNYDALE ROADS

WHEREAS, on August 5, 1997, the Mayor and Council adopted Ordinance No. 97.24 annexing approximately 1,260 acres of land located at Tangerine and Thornydale Roads into the Town of Marana and establishing zoning for the property, including zoning of Marana Specific Plan (F) for a portion of the property pursuant to the Forest City Specific Plan previously adopted by Pima County Ordinance No. 1988-11; and

WHEREAS, on February 7, 2006, the Mayor and Council approved the Final Plat for Tangerine Crossing for the property annexed pursuant to Ordinance No. 97.24, and the plat was recorded in the Pima County Recorder's Office at Book 60, Page 87; and

WHEREAS, on July 5, 2006, the Mayor and Council approved the Final Plat for Tangerine Crossing Commercial Center, being a resubdivision of Blocks 1 and 2 of the Final Plat for Tangerine Crossing, which was recorded in the Pima County Recorder's Office at Book 61, Page 46; and

WHEREAS Ault Companies, on behalf of Smith's Food and Drug Centers Inc., has applied for approval of a final plat for Tangerine Crossing Commercial Center Lots 17-18, a resubdivision of Lot 1 of the Final Plat for Tangerine Crossing Commercial Center, located approximately one-tenth of a mile northeast of the intersection of Tangerine and Thornydale Roads; and

WHEREAS the Marana Town Council, at the regularly scheduled meeting on January 16, 2024, determined that the final plat for Tangerine Crossing Commercial Center Lots 17-18 should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Marana, Arizona, that the final plat for Tangerine Crossing Commercial Center Lots 17-18 is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January 2024.

Mayor Ed Honea

ATTEST:

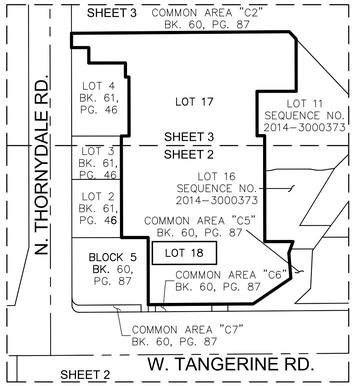
David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

FINAL PLAT FOR
TANGERINE CROSSING COMMERCIAL CENTER LOTS 17-18

BEING A RESUBDIVISION OF
LOT 1 OF FINAL PLAT FOR
TANGERINE CROSSING COMMERCIAL CENTER
LOTS 1–4, 6–10
BOOK 61 OF MAPS & PLATS, PAGE 46



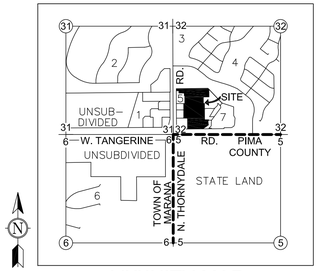
1"=250'

SHEET INDEX

1 COVER SHEET AND NOTES
2 SUBDIVISION SHEET
3 SUBDIVISION SHEET

SUBDIVISIONS

1 VILLAGIO, BOOK 63, PAGE 79, M&P
2 TORTOLITA VISTAS, BOOK 62, PAGE 44, M&P
3 TANGERINE CROSSING BLOCK 3, BOOK 65, PAGE 28, M&P
4 TANGERINE CROSSING, BOOK 60, PAGE 87, M&P
5 TANGERINE CROSSING COMMERCIAL CENTER, BOOK 61, PAGE 46, M&P
6 SKYRANCH, BOOK 58, PAGE 58, M&P
7 TANGERINE CROSSING COMMERCIAL CENTER II, LOTS 11–16, BOOK 61, PAGE 46, M&P



VICINITY MAP

3"=1 MILE

SOUTHEAST 1/4 SECTION 31 AND
SOUTHWEST 1/4 SECTION 32
TOWNSHIP 11 SOUTH, RANGE 13 EAST, AND
NORTHEAST 1/4 SECTION 6 AND
NORTHWEST 1/4 SECTION 5
TOWNSHIP 12 SOUTH, RANGE 13 EAST,
GILA & SALT RIVER MERIDIAN,
TOWN OF MARANA,
PIMA COUNTY, ARIZONA

SEQUENCE NUMBER

DEDICATION

WE, THE UNDERSIGNED, HEREBY WARRANT THAT WE ARE ALL AND THE ONLY PARTIES HAVING ANY FEE TITLE INTEREST IN THE LAND SHOWN ON THIS PLAT, AND WE CONSENT TO THE SUBDIVISION OF THIS LAND IN THE MANNER SHOWN ON THIS PLAT.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY HOLD THE TOWN OF MARANA, ITS EMPLOYEES, OFFICERS, AND AGENTS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS FOR DAMAGES RELATED TO THE USE OF THESE LANDS NOW AND IN THE FUTURE BY REASON OF FLOODING, FLOWAGE, EROSION, OR DAMAGE CAUSED BY WATER, WHETHER SURFACE, FLOOD, OR RAINFALL. NATURAL DRAINAGE SHALL NOT BE ALTERED, DISTURBED, OR OBSTRUCTED WITHOUT THE APPROVAL OF THE TOWN OF MARANA.

SMITH'S FOOD AND DRUG CENTERS, INC., AN OHIO CORPORATION

BY _____

ITS _____

ACKNOWLEDGMENT

STATE OF _____)
) SS
COUNTY OF _____)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS _____ DAY OF_____,

2023, BY _____, _____ OF SMITH'S FOOD AND DRUG

CENTERS, INC., AN OHIO CORPORATION, ON BEHALF OF THE CORPORATION.

_____
NOTARY PUBLIC

TOWN OF MARANA APPROVALS

BY _____ P.E. _____
MARANA TOWN ENGINEER/DEVELOPMENT ENGINEER DATE

BY _____ _____
MARANA PLANNING MANAGER DATE

I, _____, CLERK OF THE TOWN OF MARANA HEREBY CERTIFY

THAT THIS PLAT WAS APPROVED BY THE TOWN COUNCIL OF THE TOWN OF MARANA ON

THE _____ DAY OF _____, 20_____,

BY _____ _____
CLERK OF THE TOWN OF MARANA DATE

RECORDING

SEQ:_____

FEE: _____

STATE OF ARIZONA)
) SS
COUNTY OF PIMA)

I HEREBY CERTIFY THAT THE INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST

OF: LSRS LAND SURVEYING

DATE:_____

TIME:_____

WITNESS MY HAND AND OFFICIAL SEAL, DAY AND YEAR ABOVE WRITTEN.
GABRIELLA CAZARES–KELLY, COUNTY RECORDER.

BY: _____
DEPUTY

PIMA COUNTY APPROVAL

BY _____ _____
PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT DATE

ASSURED WATER SUPPLY

THE UNDERSIGNED CERTIFIES THAT IT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND WILL PROVIDE WATER SERVICE TO THIS SUBDIVISION.

BY _____

ITS _____ _____
CITY OF TUCSON WATER DEPARTMENT DATE

ASSURANCES

THE TOWN OF MARANA DOES NOT REQUIRE THE SUBDIVIDER TO PROVIDE SUBDIVISION ASSURANCES FOR THIS SUBDIVISION. ANY SUBDIVISION IMPROVEMENTS REQUIRED BY ARIZONA REVISED STATUTES SECTION 9–463.01(C)(8) AND MARANA TOWN CODE SECTION 17–5–4 HAVE BEEN PROVIDED.

BY _____ _____
TOWN OF MARANA DATE

AREA

LOT 17 CONTAINS 476,602 SQUARE FEET OR 10.9413 ACRES
LOT 18 CONTAINS 17,821 SQUARE FEET OR 0.4091 ACRES
SUBDIVISION CONTAINS 494,423 SQUARE FEET OR 11.3504 ACRES (NET)

BASIS OF BEARING

BEARINGS ARE BASED ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 32, WHICH BEARS NORTH 00°06'36" WEST.

OWNER

SMITH'S FOOD AND DRUG CENTERS, INC.
1014 VINE ST
CINCINNATI, OH 45202–1141
PH: (623) 936–2100

SURVEYOR

LSRS LAND SURVEYING
4634 E. HAPPY COYOTE TRL
CAVE CREEK, AZ 85331
CONTACT: JAY VANLANDSCHOOT
PH: (480) 650–4006

CERTIFICATION OF SURVEY

I HEREBY CERTIFY THAT THE BOUNDARY SURVEY AS SHOWN ON THIS PLAT WAS PERFORMED UNDER MY DIRECTION AND THAT ALL EXISTING AND PROPOSED SURVEY MONUMENTS AND MARKERS SHOWN ARE CORRECTLY DESCRIBED. I FURTHER CERTIFY THAT THIS PLAT WAS PREPARED UNDER MY DIRECTION.

_____
JAY VANLANDSCHOOT R.L.S. #45763



GENERAL NOTES

1. THE GROSS AREA OF THIS SUBDIVISION IS 562,288 SQUARE FEET OR 12.9083 ACRES, WHICH IS CALCULATED TO THE CENTERLINES OF THORNYDALE ROAD AND TANGERINE ROAD.

2. THE TOTAL NUMBER OF LOTS IS 2.

3. ZONING OF THE PROPERTY IS "SP" – FOREST CITY SPECIFIC PLAN.

4. DEVELOPMENT IN THIS SUBDIVISION IS GOVERNED BY THE ORIGINAL SPECIFIC PLAN ADOPTED BY PIMA COUNTY IN ORDINANCE NO. 1988–11, AND ADOPTED BY TOWN OF MARANA IN ORDINANCE NO. 2000.19.

5. THE SUBDIVISION IS LOCATED IN THE COMMERCIAL LAND USE DESIGNATION (DEVELOPMENT AREA "A") OF THE FOREST CITY SPECIFIC PLAN AND IS SUBJECT TO THE COMMERCIAL LAND USE DEVELOPMENT STANDARDS AND COMMERCIAL DESIGN STANDARDS.

6. MINIMUM PERIMETER SETBACKS: TANGERINE ROAD – 80'; THORNYDALE ROAD – 30'; PRIVATE STREETS – 20'.

7. DEVELOPMENT AREA "A" IN FOREST CITY SP HAS A MAXIMUM BUILDING HEIGHT: NOT TO EXCEED 30' WITHIN 100' OF TANGERINE OR THORNYDALE RIGHTS–OF–WAY; NOT TO EXCEED 60' ON REMAINDER OF AREA.

8. BASIS OF BEARINGS IS THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 32, WHICH BEARS NORTH 00°06'36" WEST.

9. NO FURTHER LOT SPLITTING SHALL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.

10. APPROVAL OF THIS PLAT DOES NOT AFFIRM, CERTIFY, OR APPROVE ANY LAND DIVISION THAT MAY BE CONTRARY TO STATE LAW, NOR DOES IT CERTIFY THE EXISTENCE OF, OR COMPLIANCE WITH, ANY DEED RESTRICTIONS OR EASEMENTS.

11. ALL NEW AND EXISTING UTILITIES WITHIN OR CONTIGUOUS TO THE SITE SHALL BE PLACED UNDERGROUND EXCEPT ELECTRICAL TRANSMISSION LINES CARRYING 48KV OR GREATER, AND THOSE LINES WHICH CAN BE SHOWN TO EXIST IN CURRENT OR FUTURE ELECTRICAL TRANSMISSION CORRIDORS.

12. THE AREA BETWEEN 100–YEAR FLOOD LIMITS REPRESENTS AN AREA THAT MAY BE SUBJECT TO FLOODING FROM A 100–YEAR FREQUENCY FLOOD AND ALL LAND IN THIS AREA WILL BE RESTRICTED TO USES THAT ARE COMPATIBLE WITH FLOODPLAIN MANAGEMENT AS APPROVED BY THE FLOODPLAIN ADMINISTRATOR.

13. THE PROFESSIONAL ENGINEER OF RECORD SHALL CERTIFY AS TO THE FORM, LINE, AND FUNCTION OF ALL PUBLIC AND PRIVATE ROADWAYS AND DRAINAGE STRUCTURES BEFORE THE RELEASE OF ASSURANCES.

14. TOTAL MILES OF NEW PUBLIC OR PRIVATE STREETS IS 0.

15. INSTALLATION OF ITEMS SUCH AS LANDSCAPING, IRRIGATION, SIGNAGE, MONUMENTS, WALLS AND DRAINAGE IMPROVEMENTS IN THE PUBLIC RIGHTS–OF–WAY SHALL REQUIRE A PERPETUAL LICENSE AGREEMENT FOR INSTALLATION, MAINTENANCE AND INDEMNIFICATION. THIS DOCUMENT SHALL BE EXECUTED PRIOR TO FINAL APPROVAL OF LANDSCAPE PLANS OR IMPROVEMENT PLANS ALLOWING INSTALLATION WITHIN THE PUBLIC RIGHTS–OF–WAY.

16. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF TUCSON WATER SERVICE AREA, WHICH HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY UNDER A.R.S. 45–576.

17. A RECIPROCAL EASEMENT AGREEMENT FOR VEHICULAR AND PEDESTRIAN INGRESS/EGRESS IS RECORDED IN DOCKET 12751, PAGE 7577; DOCKET 13048, PAGE 2137; SEQUENCE NO. 2014–3000374; AND IN SEQUENCE NO. 2015–2650672.

18. THIS DEVELOPMENT IS SUBJECT TO THE TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "TANGERINE CROSSING DEVELOPMENT AGREEMENT" RECORDED IN DOCKET 12340, PAGE 3077; PARTIAL ASSIGNMENT AND ASSUMPTION OF DEVELOPER'S RIGHTS AND OBLIGATIONS RECORDED IN DOCKET 12751, PAGE 7505.

RELATED PROJECT NOS: PRV-06052F
P1298-062
CO12-96-06
CO23-87-02
CO13-76-02
P1298-120

FINAL PLAT FOR
TANGERINE CROSSING
COMMERCIAL CENTER LOTS 17-18

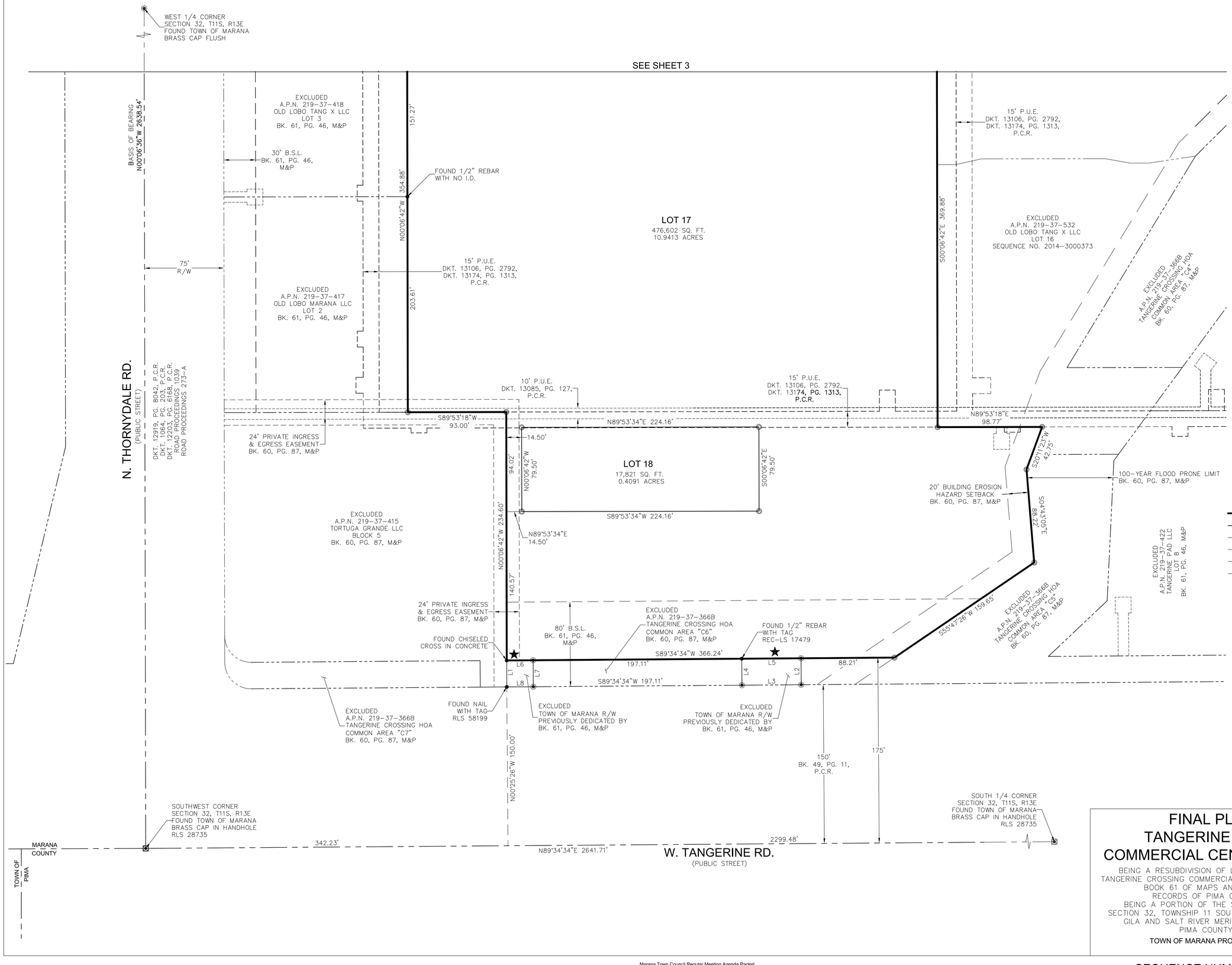
BEING A RESUBDIVISION OF LOT 1 OF FINAL PLAT FOR TANGERINE CROSSING COMMERCIAL CENTER – LOTS 1–4, 6–10, BOOK 61 OF MAPS AND PLATS, PAGE 46, RECORDS OF PIMA COUNTY, ARIZONA, BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 11 SOUTH, RANGE 13 EAST, OF THE GILA AND SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

TOWN OF MARANA PROJECT NO: PRV2307-002
ADMINISTRATIVE ADDRESS: 12046 N. THORNYDALE RD, MARANA AZ 85658

PROJ. NO: 23012
CAD FILE: 23012_FP
DATE: 12/4/23
DRAWN: JV
SCALE: NTS
REVISIONS:

SHEET 1 of 3

SEQUENCE NUMBER _____



LEGEND

- FOUND TOWN OF MARANA ALUMINUM CAP PSOMAS RLS 58199, UNLESS OTHERWISE NOTED
- FOUND BRASS CAP IN HANDHOLE
- FOUND MONUMENT AS NOTED
- MONUMENT TO BE SET
- GENERAL ACCESS LOCATION

A.P.N.	ASSESSOR PARCEL NUMBER
B.S.L.	BUILDING SETBACK LINE
P.C.R.	PIMA COUNTY RECORDS
P.U.E.	PUBLIC UTILITY EASEMENT
R/W	RIGHT-OF-WAY
DKT.	DOCKET
BK.	BOOK
PG.	PAGE
I.D.	IDENTIFICATION

- SUBDIVISION BOUNDARY LINE
- LOT LINE
- RIGHT-OF-WAY OR ADJOINER LINE
- EASEMENT LINE
- SECTION LINE
- EROSION HAZARD SETBACK LINE

LINE TABLE		
LINE	LENGTH	BEARING
L1	25.00	N00°06'42"W
L2	25.00	S00°25'26"E
L3	56.00	S89°34'34"W
L4	25.00	N00°25'26"W
L5	56.00	N89°34'34"E
L6	24.93	N89°34'34"E
L7	25.00	S00°25'26"E
L8	25.06	S89°34'34"W

JAY VANLANDSCHOOT
45763
REGISTERED LAND SURVEYOR
Date Signed 12/4/23
ARIZONA, U.S.A.
Expires 3/31/2025

FINAL PLAT FOR TANGERINE CROSSING COMMERCIAL CENTER LOTS 17-18

BEING A RESUBDIVISION OF LOT 1 OF FINAL PLAT FOR TANGERINE CROSSING COMMERCIAL CENTER – LOTS 1-4, 6-10, BOOK 61 OF MAPS AND PLATS, PAGE 46, RECORDS OF PIMA COUNTY, ARIZONA, BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 11 SOUTH, RANGE 13 EAST, OF THE GILA AND SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

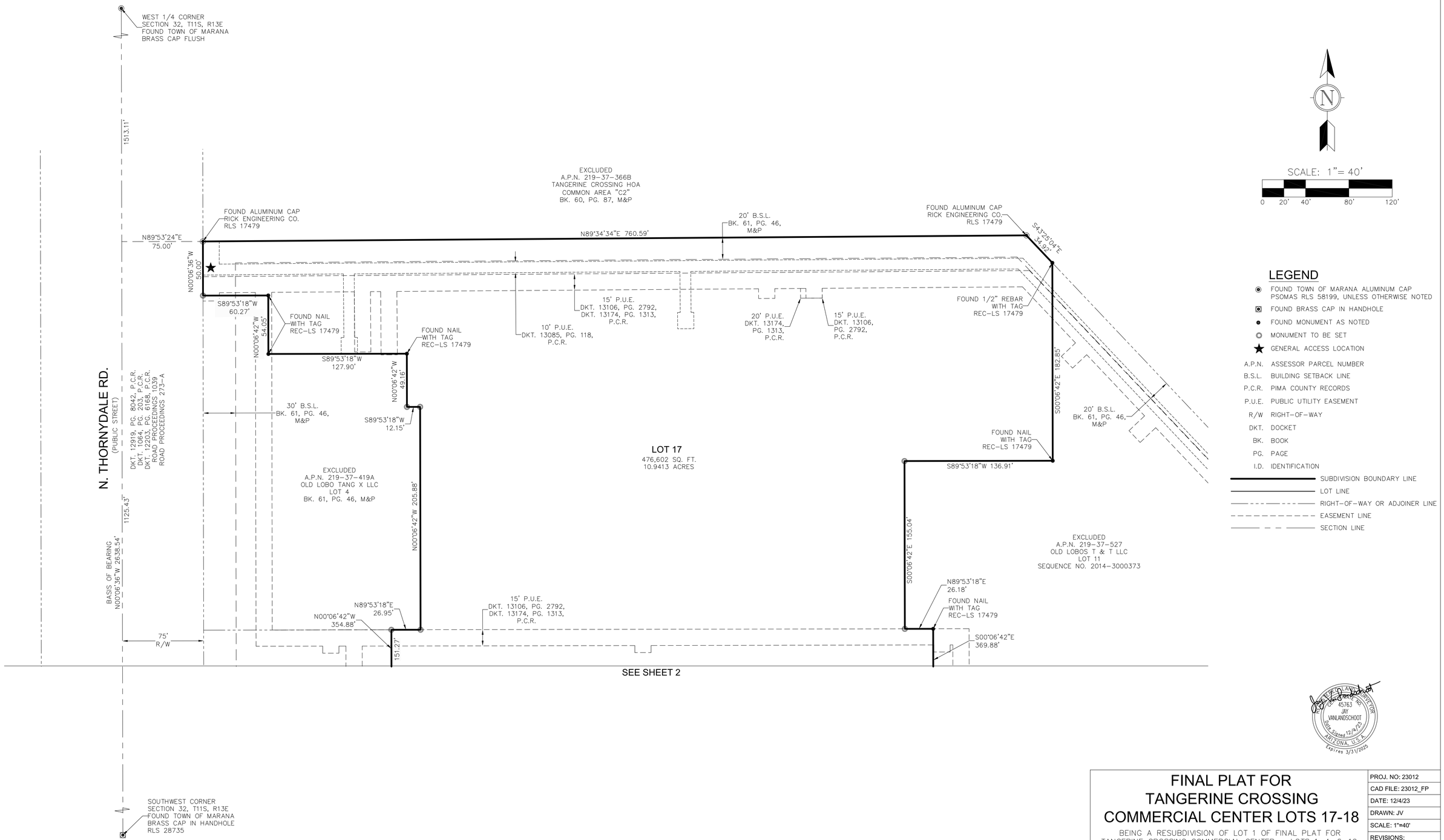
TOWN OF MARANA PROJECT NO: PRV2307-002

PROJ. NO: 23012	
CAD FILE: 23012_FP	
DATE: 12/4/23	
DRAWN: JV	
SCALE: 1"=40'	
REVISIONS:	

SHEET 2 of 3

SEQUENCE NUMBER

SEQUENCE NUMBER



FINAL PLAT FOR TANGERINE CROSSING COMMERCIAL CENTER LOTS 17-18

BEING A RESUBDIVISION OF LOT 1 OF FINAL PLAT FOR TANGERINE CROSSING COMMERCIAL CENTER – LOTS 1–4, 6–10, BOOK 61 OF MAPS AND PLATS, PAGE 46, RECORDS OF PIMA COUNTY, ARIZONA, BEING A PORTION OF THE SOUTHWEST QUARTER OF SECTION 32, TOWNSHIP 11 SOUTH, RANGE 13 EAST, OF THE GILA AND SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

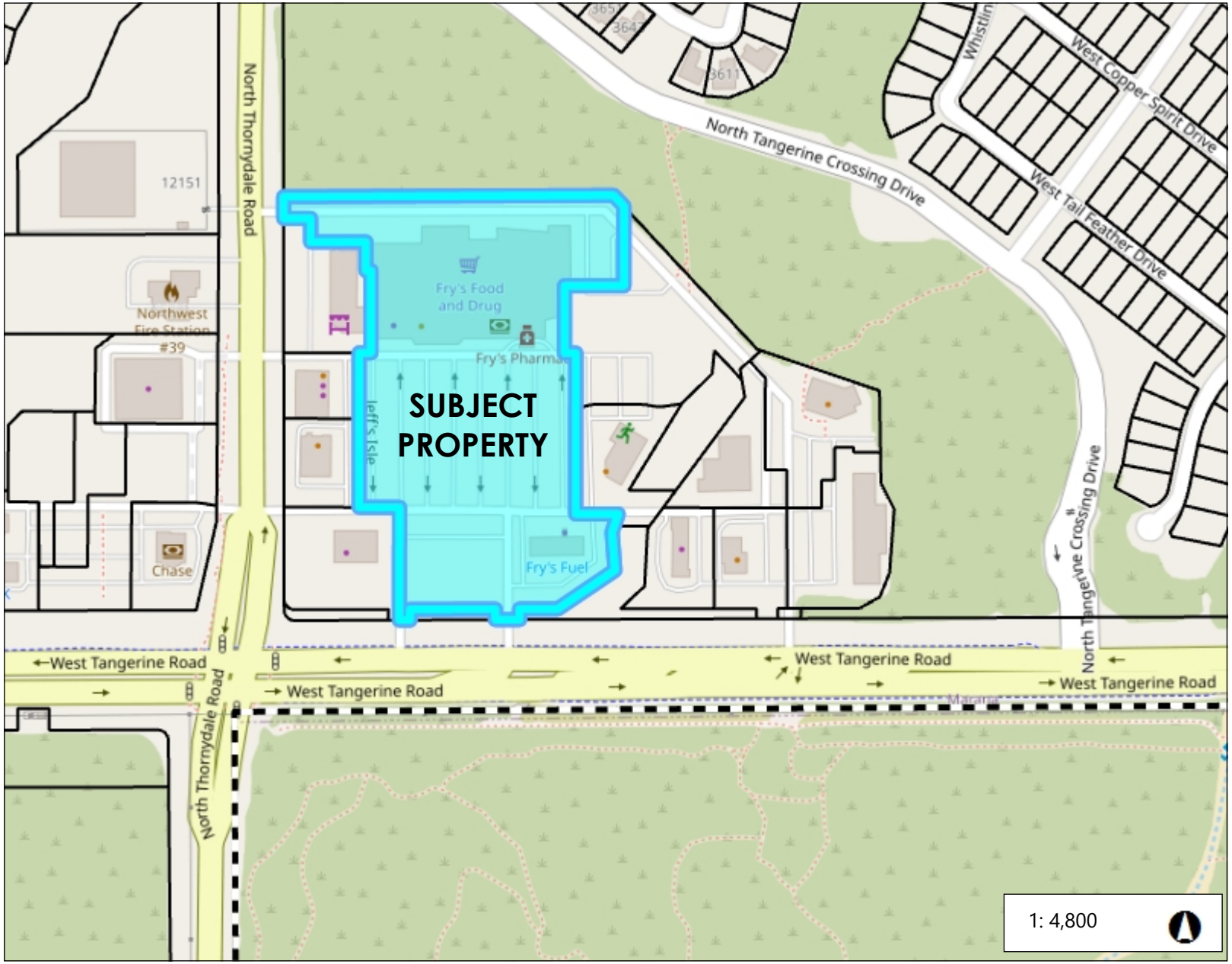
TOWN OF MARANA PROJECT NO: PRV2307-002

PROJ. NO: 23012
CAD FILE: 23012_FP
DATE: 12/4/23
DRAWN: JV
SCALE: 1"=40'
REVISIONS:
SHEET 3 of 3

SEQUENCE NUMBER

Town of Marana Planning

Location Map





Legend

- Marana Town Limits
- Parcels (Black)

Notes

0.2 0 0.08 0.2 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere

© Latitude Geographics Group Ltd.

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

MARANA AZ

Development Services / maranaplanning@maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641 / maranaAZ.gov

PROJECT APPLICATION

APPLICATION TYPE

☐ Annexation	☐ Development Plan	☐ Development Plan Package	☐ General Plan Amendment
☐ Rezone	☐ Minor Land Division	☐ Significant Land Use Change	☐ Conditional Use Permit
☐ Specific Plan	☐ Landscape Plan	☐ Native Plant Plan/Exception	☐ SWPP
☐ Variance	☐ Hydraulic Model	☐ Sewer Capacity Assurance	☐ Sign Program
☒ Plat	☐ Improvement Plan	☐ Report (Type): _____	☐ Other: _____

PROJECT INFORMATION

Project Name: Tangerine Crossing Commercial Center Lots 17-18	
Description of Project: Commercial	Number of Lots: 2
Parcel No.(s): 219-37-416A	Gross Area (Acres): 12.9083
Project Address: 12100 N. Thornydale Rd.	
Ref. Project No.:	

CONTACT INFORMATION

Owner: Smith's Food and Drug Centers Inc.	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		
Applicant: AULT Companies	Contact Name: Ron B. Ault		
Address: 4414 E. Blanche Drive	City: Phoenix	State: AZ	Zip: 85032
Email: Ron@AULTcompanies.com	Phone No.: (602) 469-5505		
Consultant/Engineer: SBL Engineering	Contact Name: Craig Baker		
Address: 1957 E. Sunburst Lane	City: Tempe	State: AZ	Zip: 85284
Email: craig@sbl-eng.com	Phone No.: (480) 290-9630		

OWNER/APPLICANT AUTHORIZATION

I hereby certify that the information set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Ron B. Ault		7/25/2023
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Revision Date 03/29/2019

Project No._____ **Date Received**_____

Council-Regular Meeting **C4**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Wayne Barnett, Deputy Director Parks & Recreation

From: Libby Shelton, Deputy Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Proactive Public Services, Healthy Lifestyles

Subject: Resolution No. 2024-004: Relating to Intergovernmental Relations; approving and authorizing the Mayor to execute an Intergovernmental Agreement by and between Marana Unified School District No. 6 and the Town of Marana for Public Leadership and Lifesaving Course (Wayne Barnett)

Discussion:

The Aquatics industry across the country has experienced a shortage of qualified lifeguards since 2020. Marana Parks and Recreation continues to explore solutions to ensure that aquatic facilities in Marana are fully staffed to provide safe experiences for all visitors.

In anticipation of the opening of the Marana Community and Aquatic Center in 2025, Marana Parks and Recreation is collaborating with Marana Unified School District (MUSD) to create a pool of eligible lifeguards by working with MUSD students to prepare them to work as lifeguards. "Professional Service Leadership and Lifesaving" will be a 13-week course offered during the second semester at Marana High School. The course will be offered to Juniors and Seniors as a Physical Education credit, during "0 hour", Monday - Thursday (7:41am - 8:45pm).

In addition to classroom work, the course will include 4 opportunities for students to practice water skills. These sessions will be held at Pima County's Thad Terry Pool (NW YMCA). The primary course instructors will be Marana Parks and Recreation staff, Kevin Goodrich, and Allison Rock. They will partner with an MUSD Physical

Education Instructor. Kevin and Allison will provide instruction in lifeguarding principles and skills, while MUSD staff will teach the health components of the class. Each week guest speakers will present topics related to community leadership and public service.

The class will be offered beginning January 22, 2024, and will run through April 18, 2024. Marana staff will be responsible for providing instruction during all Monday and Wednesday classes. The desired outcome of this program is to help students gain valuable lifeguarding skills that will allow them to more easily obtain a lifeguard certification. Additionally, this will increase the pool of lifeguards in the community who are available to work. This program will be a benefit for the Marana community as a whole.

The proposed intergovernmental agreement (IGA) outlines the responsibilities for both the Town of Marana and MUSD related to the Public Leadership and Lifesaving Course. The term of the agreement is for five years.

Financial Impact:

Per the agreement, each party to the agreement is responsible for their own costs. Staff does not anticipate a significant financial impact from the renewal of this IGA, which will be covered through existing and future Council approved budget appropriations. The IGA minimizes the overall cost of government to taxpayers.

Staff Recommendation:

Staff recommends approval of the Intergovernmental Agreement by and between Marana Unified School District No. 6 and the Town of Marana for Public Leadership and Lifesaving Course.

Suggested Motion:

I move to adopt Resolution No. 2024-004, approving and authorizing the Mayor to execute an Intergovernmental Agreement by and between Marana Unified School District No. 6 and the Town of Marana for Public Leadership and Lifesaving Course.

Attachments

Resolution No. 2024-004

Exhibit A to Resolution

MARANA RESOLUTION NO. 2024-004

RELATING TO INTERGOVERNMENTAL RELATIONS; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN MARANA UNIFIED SCHOOL DISTRICT NO. 6 AND THE TOWN OF MARANA FOR PUBLIC LEADERSHIP AND LIFESAVING COURSE

WHEREAS the Town of Marana and Marana Unified School District No. 6 ("MUSD") have negotiated an intergovernmental agreement to provide a "Public Leadership and Lifesaving Course" ("Course") at Marana High School; and

WHEREAS the Course will primarily be taught by Town employees and will prepare students to be lifeguards who can potentially be hired by the Town at a later date; and

WHEREAS the Course will also offer guest speakers presenting topics related to community leadership and public service; and

WHEREAS the Town and MUSD may contract for services and enter into agreements with one another for joint and cooperative action pursuant to A.R.S. § 11-951, *et seq*.; and

WHEREAS the Mayor and Council of the Town of Marana find it is in the best interests of its citizens to enter into this intergovernmental agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, AS FOLLOWS:

SECTION 1. Approving the intergovernmental agreement between MUSD and the Town attached to this resolution as Exhibit A and authorizing the Mayor to execute it for and on behalf of the Town of Marana.

SECTION 2. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, and objectives of this resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN
MARANA UNIFIED SCHOOL DISTRICT NO. 6
AND THE TOWN OF MARANA
FOR PUBLIC LEADERSHIP AND LIFESAVING COURSE

This intergovernmental agreement ("Agreement") is entered into by and among TOWN OF MARANA, an Arizona municipal corporation ("Town") and MARANA UNIFIED SCHOOL DISTRICT NO. 6, a political subdivision of the state of Arizona ("School District"). Town and School District are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. Town and School District may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-952, *et seq*.

B. The School District is authorized by A.R.S. § 15-342(13) to enter into intergovernmental agreements and contracts with other governing bodies as provided in A.R.S. § 11-952.

C. Town and School District are authorized by A.R.S. § 15-364 to expend public monies and enter into agreements with each other for the operation and joint use of recreational facilities on properties used for school purposes under the control of the School District. School District is authorized to use Pima County recreational facilities by issuance of a no-cost special use permit granted by Pima County.

D. Town and School District serve citizens and further the public interest by cooperatively offering instructional courses that assist students in their post-secondary path.

E. Municipalities and school districts may enter into agreements to establish responsibilities relating to instructional courses for students in School District.

F. Town and School District desire to establish the responsibilities of all Parties in the implementation of an instructional course for School District where students will learn lifesaving and lifeguarding skills they can use to pursue lifeguarding certification and subsequent employment.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants, conditions and agreements set forth in this Agreement, the Parties agree as follows:

Article 1. Purpose

The purpose of this Agreement is to establish the rights and responsibilities of the Parties regarding the planning, administration, and implementation of School District's Public Service Leadership and Lifesaving Course (the "Course"), a course offered to students to learn lifesaving and lifeguarding skills they can use to pursue lifeguarding certification and subsequent employment.

Article 2. Scope of Agreement

2.1 The Parties shall plan, develop, and offer the Course each semester during the term of this Agreement, on dates and times mutually agreed to by the Parties.

2.2 The Parties may adjust and amend the dates and times for the Course during the term of this Agreement without requiring amendment of this Agreement.

Article 3. Shared Responsibilities

3.1 The Parties shall provide the following:

3.1.1. Town employees and certified School district employees will provide instruction consistent with the Course lesson plan.

3.1.2. Classroom instruction for the Course shall occur at Marana High School.

3.1.3. Water training instruction for the Course shall occur at the Northwest YMCA, owned by Pima County. School District will be issued a special use permit for use of the Northwest YMCA Thad Terry Aquatic Center for water training instruction for the Course. Water training instruction for the Course may also occur at Marana High School, if a special use permit is issued by Pima County, and at Town facilities.

Article 4. Town Responsibilities

4.1 Town shall provide the following services and resources for the Course during the term of this Agreement:

4.1.1. Town employees shall provide input and feedback regarding the Course lesson plan to ensure students are receiving training needed to be successful lifeguards and, potentially, Town employees in the future.

4.1.2. Town employees participating in the Course shall be fingerprinted and have criminal history record checks completed pursuant to the Town of Marana Administrative Directive, "Fingerprinting and Criminal History Records Checks of Parks and Recreation Department Personnel, Contractors, and Volunteers."

Article 5. School District Responsibilities

5.1 School District shall provide the following services and resources for the Course during the term of this Agreement:

5.1.1. School District shall provide all school supplies or instructional supplies associated with this course. Each student will have access to electronic devices where they will be able to access online course materials.

5.1.2. School District is responsible to ensure that facilities are available for the Course and the School District is solely responsible for getting special use permits from Pima County for use of Pima County recreational facilities. The Parties may adjust and amend the locations for the Course during the term of this Agreement without requiring amendment of this Agreement

Article 6. Financing

The parties shall each be responsible for their own costs associated with the Course.

Article 7. Term and Termination

7.1. This Agreement shall be effective as of the signature date of the last Party to sign this Agreement, and shall remain in effect for five years, unless earlier terminated by either Party in accord with the terms of this Agreement.

7.2. This Agreement may be terminated under the following circumstances:

7.2.1. This Agreement may be terminated by either Party without cause with 60 days' written notice to the other Party.

7.2.2. A Party may terminate this Agreement for material breach of the Agreement by the other Party. Prior to any termination under this paragraph, the Party allegedly in default shall be given written notice by the other Party of the nature of the alleged default. The Party said to be in default shall have 45 days to cure the default. If the default is not cured within that time, the other Party may terminate this Agreement. Any such termination shall not relieve either Party from liabilities or costs already incurred under this Agreement.

7.2.3. This Agreement may be terminated for a conflict of interest as set forth in A.R.S. § 38-511, the relevant portions of which are hereby incorporated by reference.

7.2.4. Notwithstanding any other provision in this Agreement, this Agreement may be terminated if for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining this Agreement. In the event of such cancellation, the Parties shall have no further obligation to each other, other than for payment of services rendered prior to termination.

7.2.5. Notwithstanding any other provision of this Article 7, any termination of this agreement by either party will not take effect until the end of the then current school term, if school is in session and students are enrolled in the class at that time.

Article 8. Access to Records

8.1. The Parties shall maintain books, records, documents, and other evidence directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles and practices consistently applied. Each Party shall have access to such books, records, documents, and other evidence for inspection, audit and copying and shall provide proper facilities for such access and inspections.

8.2. Audits conducted under this Article shall be performed in accordance with generally accepted auditing standards and established procedures and guidelines of the reviewing or auditing agency.

8.3. The Parties agree to the disclosure of all information and reports resulting from access to records, as described in this Article, to a Party's auditor, provided that the audited Party is afforded the opportunity for an audit exit conference and an opportunity to comment and submit any supporting documentation on the pertinent portions of the draft audit report and that the final audit report will include written comments of reasonable length, if any, of the audited Party.

Article 9. Compliance with Laws

9.1. The Parties shall comply with all applicable federal, state and local laws, rules, regulations, standards and executive orders, without limitation to those designated within this Agreement.

9.2. The Parties agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09, which supersedes Executive Order 99-4 and amends Executive Order 75-5, and which is hereby incorporated into this Agreement as if set forth in full herein. During the performance of this Agreement, the Parties shall not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

9.3. The Parties shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336,42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

9.4. The Parties certify that they are not currently engaged in, and agree for the duration of the Agreement to not engage in, a boycott of Israel as defined by A.R.S. §35-393. The submission of a false certification may result in action up to and including termination of this Agreement.

9.5. The Parties hereby certify that they will at all times during the term of this Agreement comply with all federal immigration laws applicable to the Parties' employment of its employees, and with the requirements of A.R.S. § 23-214 (A).

9.6. This Agreement is subject to the provisions of A.R.S. § 38-511 regarding conflict of interest.

Article 10. Indemnification

To the fullest extent permitted by law, each Party (as "indemnitor") shall defend, indemnify and hold harmless the other Party (as "indemnitee"), its officers, officials, employees, agents, volunteers, successors, and assigns (the "indemnified group") for claims, damages, losses, liabilities and expenses of any nature whatsoever (including but not limited to reasonable attorneys' fees, court costs, the costs of appellate proceedings, and all claim adjusting and handling expense) relating to, arising out of, resulting from or alleged to have resulted from the indemnitor's acts, errors, mistakes or omissions relating to any action or inaction of this Agreement (collectively, "claims") including but not limited to work, services, acts, errors, mistakes, or omissions in the performance of this Agreement by anyone directly or indirectly employed by or contracting with the indemnitor, or any person for whose acts and liabilities are the obligation of the indemnitor. If any claim, action or proceeding is brought against the indemnified group, indemnitor shall have a duty, at its sole cost and expense, to resist or defend such claim or action on behalf of the indemnified group but only to the extent that such claims result in vicarious/derivative liability to the indemnitee and are caused by the act, omission, negligence, misconduct or other fault of the indemnitor, its officers, officials, agents, employees or volunteers; provided, however, that the indemnitor shall have no obligation to indemnify the indemnified group for the indemnified group's passive negligence. The indemnity provisions of this Agreement shall survive the termination of this Agreement.

Article 11. Insurance

The Parties agree that they shall maintain for the duration of this Agreement policies of public liability insurance sufficient to cover all of their obligations undertaken in the implementation of this Agreement.

Article 12. No Joint Venture

It is not intended by this Agreement to, and nothing contained in this Agreement shall be construed to create any partnership, joint venture, or employment relationship between the Parties or create any employer-employee relationship between the Parties. No Party hereto shall be liable for any debts, accounts, obligations, or other liabilities whatsoever of the other.

Article 13. Workers' Compensation

For purposes of Workers' Compensation, an employee of a Party to this Agreement who works under the jurisdiction or control of, or who works within the jurisdictional boundaries of, another Party pursuant to this specific Agreement, is deemed to be an employee of both Parties, as provided in A.R.S. § 23-1022(D). The primary employer of such employee shall be solely liable for payment of Workers' Compensation benefits for the purposes of this paragraph. Each Party shall comply with the notice provisions of A.R.S. § 23-1022(E).

Article 14. No Third Party Beneficiaries

This Agreement is intended to govern the rights and duties of the contracting Parties only and is not intended to confer on any third party any rights or benefits which would not exist in the absence of this Agreement.

Article 15. Notices

All notice requests and authorizations provided for in this Agreement shall be in writing and shall be delivered or mailed, addressed as follows:

Marana: TOWN OF MARANA
Attention: Town Manager
Address: 11555 W. Civic Center Drive
Marana, Arizona 85653

With a copy to:
TOWN OF MARANA
Attn: Parks and Recreation Director
11555 W. Civic Center Drive
Marana, Arizona 85653

School District: Marana Unified School District No. 6
Attention: Daniel Streeter, Superintendent
Address: 11279 W. Grier Road, #106
Marana, AZ 85653

With a copy to:
MARANA UNIFIED SCHOOL DISTRICT NO. 6
Attn: Kristin Reidy, Assistant Superintendent
11290 W. Grier Rd. #121C

Marana, AZ 85653

Article 16. Waiver

Neither Party's waiver of the other's breach of any term or condition contained in this Agreement shall be deemed a waiver of any subsequent breach of the same or any other term or condition of this Agreement.

Article 17. Remedies

Either Party may pursue any remedies available to it for the breach of this Agreement, and no right or remedy is intended to be exclusive of any other right or remedy existing at law or at equity or by virtue of this Agreement.

Article 18. Force Majeure

A Party shall not be in default under this Agreement if it does not fulfill any of its obligations under this Agreement because it is prevented or delayed in doing so by reason of uncontrollable forces. The term "uncontrollable forces" shall mean, for the purpose of this Agreement, any cause beyond the control of the Party affected, including but not limited to failure of facilities, breakage or accident to machinery or trans-mission facilities, weather conditions, flood, earthquake, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, strike, lockout, labor dispute, boycott, material or energy shortage, casualty loss, acts of God, or action or non-action by governmental bodies in approving or failing to act upon applications for approvals or permits which are not due to the negligence or willful action of the Parties, order of any government officer or court (excluding orders promulgated by the Parties themselves), and declared local, state or national emergency, which, by exercise of due diligence and foresight, such Party could not reasonably have been expected to avoid. Either Party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

Article 19. Construction of Agreement

19.1. This Agreement shall be governed by and construed and enforced in accord-ance with the laws of the State of Arizona.

19.2. This Agreement represents the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations or agreements, either written or oral.

19.3. If any provision of this Agreement is declared invalid or unenforceable, the remainder shall continue in full force and effect.

19.4. This Agreement may not be changed or modified except by written agreement signed by all Parties.

[SIGNATURE PAGE FOLLOWS]

The "TOWN":
TOWN OF MARANA, an Arizona municipal corporation

By:_____
Ed Honea, Mayor

Date:_____

ATTEST:

_____
David L. Udall, Town Clerk

The "SCHOOL DISTRICT":
MARANA UNIFIED SCHOOL DISTRICT NO. 6, an Arizona political subdivision

By:_____
Dr. Maribel Lopez, Board President

Date:_____

ATTEST:

_____
Brenda Drury, Board Recorder

INTERGOVERNMENTAL AGREEMENT DETERMINATION

The foregoing Agreement by and between the Town of Marana and Marana Unified School District No. 6 has been reviewed pursuant to A.R.S. § 11-952 by the undersigned who have determined, for their respective clients, that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

Town of Marana:

_____ _____

Jane Fairall, Town Attorney Date

Marana Unified School District No. 6:

_____ _____

Lisa Anne Smith, Attorney for the District Date

Council-Regular Meeting **C5**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Libby Shelton, Deputy Town Attorney

From: Libby Shelton, Deputy Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Proactive Public Services

Subject: Resolution No. 2024-005: Relating to the Police Department; approving and authorizing the Mayor to execute an intergovernmental agreement by and between the parties that form the Pima County/Tucson Metropolitan Counter Narcotics Alliance (CNA) regarding the administration and operation of the CNA, a law enforcement task force (Libby Shelton)

Discussion:

For several years, the Town of Marana Police Department has participated with the Pima County/Tucson Metropolitan Counter Narcotics Alliance (CNA). In Southern Arizona, CNA activities help improve the effectiveness and efficiency of drug control efforts by facilitating cooperation between law enforcement agencies, supplying resources, coordinating information sharing, and implementing joint initiatives. These activities are coordinated by the City of Tucson (COT). In order to participate, the Town will need to enter into the proposed IGA outlining the procedures for operation for all cooperating agencies.

COT also administers grant funding for the program. Funding awards are provided through separate agreements.

Financial Impact:

Funding is determined by the CNA Policy Board. Agreements for the funding will be brought to Council at a later date.

Staff Recommendation:

Staff recommends adoption of Resolution No. 2024-005, authorizing the Mayor to execute an intergovernmental agreement by and between the parties that form the Pima County/Tucson Metropolitan Counter Narcotics Alliance (CNA) regarding the administration and operation of the CNA, a law enforcement task force.

Suggested Motion:

I move to adopt Resolution No. 2024-005, approving and authorizing the Mayor to execute an intergovernmental agreement by and between the parties that form the Pima County/Tucson Metropolitan Counter Narcotics Alliance (CNA) regarding the administration and operation of the CNA, a law enforcement task force.

Attachments

Resolution No. 2024-005

Exhibit A to Resolution

MARANA RESOLUTION NO. 2024-005

RELATING TO THE POLICE DEPARTMENT; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE PARTIES THAT FORM THE PIMA COUNTY/TUCSON METROPOLITAN COUNTER NARCOTICS ALLIANCE (CNA) REGARDING THE ADMINISTRATION AND OPERATION OF THE CNA, A LAW ENFORCEMENT TASK FORCE

WHEREAS the Town of Marana recognizes its duty to protect its citizens by working to reduce crime associated with drug trafficking and drug use; and

WHEREAS the Marana Police Department is working with Pima County, the City of Tucson, and the Arizona Board of Regents as a regional partner in the Pima County/Tucson Metropolitan Counter Narcotics Alliance (CNA), a law enforcement task force; and

WHEREAS on September 4, 2018, the Town Council adopted Resolution No. 2018-082, approving and authorizing execution of an intergovernmental agreement (IGA) by and between the parties that form the CNA regarding the administration and operation of the CNA, a law enforcement task force; and

WHEREAS the Mayor and Council find that the Marana Police Department's continued participation in the CNA is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, AS FOLLOWS:

SECTION l. The Town Council hereby approves the intergovernmental agreement by and between the parties that form the CNA, in substantially the form attached to and incorporated by this reference in this Resolution as Exhibit A, and the Mayor is hereby authorized and directed to sign it for and on behalf of the Town of Marana.

SECTION 2. The various Town officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 16th day of January, 2024.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

INTERGOVERNMENTAL AGREEMENT AMONG CITY OF TUCSON, PIMA COUNTY, ARIZONA BOARD OF REGENTS, AND TOWN OF MARANA, REGARDING THE PIMA COUNTY/TUCSON METROPOLITAN COUNTER NARCOTICS ALLIANCE

1. Background and Purpose.

1.1. The City of Tucson ("**Tucson**") is empowered by Tucson Charter Chapter X, Section 7, to maintain the Tucson Police Department ("**TPD**") and is authorized by A.R.S. § 11-952 to enter into agreements for joint or cooperative action.

1.2. Pima County ("**County**") is empowered by A.R.S. § 11-952 to enter into agreements for joint or cooperative action, and the Sheriff, as the head of the Pima County Sheriff's Department ("**PCSD**"), is empowered by A.R.S. § 11-441 to preserve the peace and arrest those who commit public offenses.

1.3. The Arizona Board of Regents ("**ABOR**") is empowered by to A.R.S. § 15-1627 (F) to maintain the University of Arizona Police Department ("**UAPD**") for the purposes stated therein and by A.R.S. § 15-1625 to enter contracts on behalf of the University of Arizona Police Department.

1.4. The Town of Marana ("**Marana**") is empowered by A.R.S. Title 9 to contract and by A.R.S. § 9-240(b)(12) to maintain the Marana Police Department ("**MPD**") for the purposes stated therein.

1.5. Tucson, County, ABOR, and Marana (each a "**Party**" and together the "**Parties**"), pursuant to A.R.S. § 13-3872, and in accordance with the provisions of A.R.S. Title 11, Chapter 7, Article 3, and as authorized by appropriate action of the governing body for each party, desire to enter into this mutual agreement ("**IGA**") on behalf of their respective law enforcement agencies.

1.6. The governing bodies of each of the Parties finds that implementation of this IGA will substantially further the public safety, health, and welfare.

2. CNA; Staffing.

2.1. The Parties' law-enforcement agencies, described above, together with the U.S. Drug Enforcement Agency ("**DEA**") and U.S. Homeland Security Investigations ("**HSI**") (together, the "**CNA Member Agencies**") have formed the Pima County/Tucson Metropolitan Counter Narcotics Alliance ("**CNA**"), a law-enforcement task force that is an enforcement initiative of the Southwest Border High Intensity Drug Trafficking Area task force ("**HIDTA**"). The purpose of this IGA is to confirm the responsibilities of the CNA Member Agencies.

2.2. Tucson, through TPD, acts as the fiscal agent for CNA, as provided in this IGA.

2.3. The Pima County Attorney's Office ("**PCAO**") administers the anti-racketeering revolving fund established by the Pima County Board of Supervisors under A.R.S. § 13-2314.03 (the "**ARRF**") and maintains subaccounts for local law enforcement agencies to which anti-racketeering or other civilly forfeited money and property is awarded by the court, including CNA.

3. **Purpose and Objectives of CNA.**

3.1. The purpose of CNA is to provide drug enforcement, demand reduction, and education in the Tucson metropolitan area. Enforcement efforts focus on the full range of drug abuse, misuse, and trafficking activities.

3.2. The objectives to be accomplished by CNA in the Tucson metropolitan area include:

3.2.1. Reducing the rate of crime associated with drug trafficking and drug use.

3.2.2. Implementing strategies that will serve to interdict the availability, shipment and flow of illicit drugs, and the financial incentive for those activities.

3.2.3. Employing investigative strategies that target offenders, locations and organizations involved in illicit drug activities.

3.2.4. Utilizing intelligence-based law enforcement planning to coordinate collaborative resources available through member agencies.

3.2.5. Reducing the demand, availability, and chronic use of illicit drugs.

4. **Jurisdiction.** The Chief Law Enforcement Officer of each of the CNA Member Agencies consents to the extension of peace officer into their jurisdiction or territory by the peace officers assigned to CNA by the Chief Law Enforcement Officers of other CNA Member Agencies, in accordance with the provisions of A.R.S. § 13-3872. Nothing in this IGA either limits or extends the lawful jurisdiction of any of the CNA Member Agencies, other than as expressly set forth herein. For the purposes of this IGA, "Chief Law Enforcement Officer" is defined as, "the person who is a department or agency head with peace officer jurisdiction, or their duly authorized representative, having the primary responsibility for law enforcement within the jurisdiction or territory," as such phrase is used in A.R.S. § 13-3871, whether designated by appointment or election.

5. **Planning And Administration.** CNA is governed by a Policy Board, which has decision-making authority over CNA's policies and operations. This authority includes the following:

5.1. Establishing policies for assigning cases to be investigated.

5.2. In accordance with A.R.S. §§ 13-2314 and 13-2315, providing direction to:

5.2.1. Disburse funds that come under the direct control of CNA.

5.2.2. Assign or transfer forfeited real property or cash either to CNA Member Agencies or to PCAO for deposit into the ARRF for the use of CNA (the "**CNA ARRF Account**").

5.2.3. Assign or transfer non-forfeited real property or cash to TPD, as the fiduciary agent for CNA, to hold in an established account for CNA use.

5.2.4. Assign or transfer unclaimed funds or real property from the seizure holding accounts to the non-forfeiture CNA operating account, but only after TPD has completed due diligence efforts to return funds or real property back to the owner in a manner that is compliant with city, state and federal regulations.

5.2.5. Assign or transfer forfeited real property or cash generated by participating Federal Jurisdictions as provided for by law.

5.3. Maintaining oversight of forfeiture investigation and analysis conducted by the Asset Forfeiture Unit established by CNA.

6. **Membership; Policy Board.**

6.1. The Policy Board consists of the Chief Law Enforcement Officers of TPD and PCSD, the heads of the Tucson offices of DEA and HSI, and the Chief Law Enforcement Officer of one of the remaining CNA Member Agencies, who will be chosen by a vote of the Chief Law Enforcement Officers of those remaining CNA Member Agencies.

6.2. The HIDTA Executive Director or designated representative will act as the Facilitator of the Policy Board.

6.3. Additional law enforcement agencies may join CNA and become a CNA Participating Agency with the approval of the Policy Board and execution of a copy of this IGA by an official or governing body with authority to enter into an intergovernmental agreement and legally bind the agency. Upon execution of a copy of this IGA, the joining agency will be deemed another Party to this IGA.

6.4. Each member of the Policy Board has an equal vote. Motions will be considered adopted based on the simple majority vote of a Board Quorum. A Board Quorum shall consist of no fewer than 4 Policy Board members either present or attending via phone or video interface. The Chief Law Enforcement Officer selected under Section 6.1 will have one vote on behalf of all the CNA Member Agencies other than TPD, PCSD, DEA, and HIS.

6.5. The Policy Board meets on a regular schedule that is set by the Policy Board. CNA's Commander is responsible for making quarterly or regularly scheduled reports to the Policy Board regarding CNA's operational and budget activities.

6.6. The Policy Board will cause minutes to be kept of all of its meetings, and the CNA Commander will ensure that members are notified in advance of scheduled meeting dates.

7. **Operational Command.** The Policy Board will select the operational commander of the CNA (the "**CNA Commander**"), who is responsible to the Policy Board for carrying out approved policy. The CNA Commander will be an employee of one of the CNA Member Agencies and will be assigned to CNA full time. The CNA Commander shall have the rank or equivalent rank of captain or above.

8. **CNA Staff.** CNA's administrative and operational staff ("**CNA Staff**") will be employees of various CNA Member Agencies, assigned full time by those agencies to CNA. CNA Staff will

operate under the day-to-day supervision of the CNA Commander and the oversight and direction of the Policy Board, but each staff member will also remain subject to all personnel and other policies, including disciplinary policies, of their employing agency and will be paid by their employing agency.

8.1. CNA Staff positions include grant-funded and non-grant funded positions. Employees assigned to CNA from state or local CNA Member Agencies will be assigned to positions by the Policy Board with the goal of encouraging and maintaining a multi-jurisdictional staff. Personnel of federal CNA Member Agencies will not be assigned to grant-funded positions.

8.2. Personnel selected to fill grant-funded positions must be chosen in accordance with federal affirmative action guidelines. CNA Member Agencies providing grant-funded employees pay the salaries and fringe benefits for said employees and submit documentation as required by the terms of the applicable grant for reimbursement of these personnel expenses. CNA Member Agencies receiving grant funds agree to preserve and make available all salary and fringe benefit records for a period of five (5) years from the date of final payment, or for a longer period if required by state or federal regulation. Agencies providing grant funded positions will ensure they are not using these positions to supplant currently budgeted positions.

9. **Record-Keeping and Financial Responsibilities.**

9.1. **CNA Staff**: CNA Staff will administer all CNA contracts, which are entered into in the name of City; purchase equipment in the City's name for use in CNA operations; prepare the annual HIDTA and Arizona Criminal Justice Commission ("**ACJC**") grant applications, including budget requests; and prepare and provide to City monthly, quarterly and annual performance measurement statistical reports that City, as the grant recipient, must submit to HIDTA and ACJC.

9.1.1. CNA Staff will ensure that all grant-funded expenditures comply with the applicable regulations and guidelines for the HIDTA and ACJC grants.

9.1.2. CNA Staff will process, manage, track, and pay CNA's operating expenditures directly through the City of Tucson financial system in coordination with Tucson budget, finance and purchasing sections, in a manner consistent with Tucson policies and procedures and with any applicable grant requirements.

9.1.3. CNA Staff will make monthly requests directly to PCAO to reimburse City from the CNA ARRF Account for any expenses paid by City on behalf of CNA. When PCAO submits reimbursement checks to CNA Staff, CNA Staff will forward the checks to the Tucson Business Services Department.

9.2. **City**: The City of Tucson, Business Services Department, TPD satellite Office, will administer the grant contracts and funding awarded for CNA activities in the name of the City, submit all financial and other reports to the grantors required under the grant awards, and provide CNA Staff with copies of financial statements entered into the appropriate

grant portals. City will set up CNA's budget in the City's financial system and will provide financial guidance and assistance for CNA Staff as well as reports from the City's Financial System, that CNA Staff cannot access/generate.

9.3. **Handling of Forfeited Cash:**

9.3.1. When cash is seized in a CNA operation, City staff will provide CNA Staff with a C-account activation number and CNA Staff will deposit the cash into the TPD holding account.

9.3.2. Upon receipt of a court order forfeiting and awarding the seized cash, CNA staff will provide the order to City staff with instructions for how to split the award.

9.3.3. City staff will calculate the amount of interest that has accrued on the cash in the TPD holding account, and will calculate the amount of cash plus accrued interest to be distributed to each of the awardees named in the court order.

9.3.4. City staff will submit an asset-sharing request to TPD and will, upon approval, issue a check to PCAO for CNA's share for deposit into the CNA ARRF Account.

10. **Responsibility of Agencies Submitting Reimbursement Requests to CNA.** CNA Members Agencies will submit reimbursement requests including reimbursement requests for personnel expenses (salary, overtime, overtime ERE) to CNA Staff for approval and processing. All CNA Member Agency purchases and expenditures will follow applicable local, state and federal guidelines and requirements.

10.1. CNA Member Agencies will comply with all financial documentation policies established by CNA Staff and the Policy Board as they are revised from time to time.

10.2. Any travel or training attended by CNA Staff on behalf of CNA will be planned and paid for through CNA or the Staff member's employing CNA Member Agency. When these expenses are incurred by the employing CNA Member Agency, that CNA Member Agency must submit a reimbursement request to CNA. CNA staff will process the reimbursement to the submitting agency and request a check for payment of these expenses from PCAO.

11. **Reimbursement Subject to Available Funds.** Reimbursement of CNA Member Agencies under this IGA is subject to availability of funding in the form of grant funds, the CNA ARRF Account, and CNA reserves. Each CNA Member Agency will be responsible for any costs incurred by it for CNA purposes that exceed the allocations in grant awards, the CNA budget, and Policy Board actions.

12. **Provisions Of Equipment at Termination of IGA By All CNA Member Agencies.** Upon termination of this IGA and disbandment of CNA, equipment (including vehicles) purchased for CNA use with CNA ARRF Account money will be disbursed in accordance with applicable legal guidelines at the time of the termination. The Policy Board may, consistent with such legal guidelines, cause such equipment to be retained or transferred to specified CNA Member

Agencies, provided that the CNA Member Agencies receiving or retaining the equipment/vehicles must provide Tucson with written assurance that the equipment and vehicles will be used in the criminal justice system. If equipment used by CNA Staff was supplied by one of its CNA Member Agencies, said equipment will be returned to that agency.

13. **Non-Appropriation**. Every obligation of each of the CNA Member Agencies under this IGA is conditioned upon the availability of funds appropriated or allocated for the support of such obligation. If funds are not allocated and available for the continuance of a CNA Member Agency's participation in CNA, the IGA will be terminated as to that CNA Member Agency. In the event this provision is exercised, that CNA Member Agency will not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

14. **Term**. This IGA shall be for an initial term of five (5) years, effective upon execution by the last of the Parties to sign it. The parties may extend the term of this IGA for two (2) additional five (5) year periods. Any modification or time extension of this IGA must be by formal written amendment executed by the Parties.

15. **Termination**.

    15.1. Any Party may terminate its participation in CNA and this IGA by giving not less than 60 days advance written notice to the other Parties. Any party whose participation in CNA and this IGA is terminated for any reason will return to CNA Staff any equipment and vehicles in that Party's possession that was purchased with CNA grant or ARRF money.

    15.2. The CNA Policy Board may terminate this IGA as to a CNA Member Agency if that CNA Member Agency violates the policy guidelines set forth by the Policy Board.

    15.3. This IGA is subject to cancellation by the Parties pursuant to A.R.S. § 38-511.

16. **Assignment**. None of the parties to this IGA may assign its rights under this IGA to any other party without written permission from the Policy Board.

17. **Construction of Agreement**.

    17.1. **Entire agreement**. This IGA constitutes the entire agreement among the Parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral, or written, are hereby superseded and merged herein.

    17.2. **Amendment**. This IGA may be extended, modified, amended, altered, or changed only by a written amendment signed by all Parties.

    17.3. **Severability**. If any provision of this IGA or the application thereof is declared invalid or void by statute or judicial, such action shall have no effect on other provisions and their application, which can be given effect without the invalid or void provision or application, and to this extent the provisions of the Agreement are severable. If any

provision of this IGA is declared invalid or void, the parties agree to meet promptly upon request of another party in attempt to reach an agreement on a substitute provision.

18. **Legal Jurisdiction.** Nothing in this IGA shall be construed as either limiting or extending the legal jurisdiction of any existing CNA member.

19. **No Joint Venture.** It is not intended by this IGA to, and nothing contained in this IGA shall be construed to, create any partnership, joint venture or employment relationship between the parties or create any employer-employee relationship between the members and CNA. None of the parties shall be liable for neither any debts, accounts, obligations nor other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security income taxes for itself or any of its employees.

20. **Compliance with Laws.**

    20.1. **In General.** Each Party will comply with the human relations provisions of its respective agency and all parties shall comply with all applicable Federal, state and local laws, rules, regulations, standards and executive orders, without limitation to those designated within this IGA.

    20.2. **Non-Discrimination.** The Parties will comply with the provisions Executive Order 75-5, as amended by Executive Order 2009-9, which is incorporated herein by this reference.

    20.3. **Americans with Disabilities Act.** This IGA is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-366. 42 U.S.C. §§ 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 35 and 36.

    20.4. **Immigration.** The parties agree to comply with all applicable federal immigration laws and regulations.

21. **Worker's Compensation.**

    21.1. For the purposes of worker's compensation, an employee of a party to this IGA, who worked under the jurisdiction or control of, or who works within the jurisdictional boundaries of another party pursuant to this particular intergovernmental agreement for mutual aid law enforcement, shall be deemed to be an employee of the party who is the employee's primary employer and of the party under whose jurisdiction and control the employee is then working as provided in A.R.S. § 23-1022(D) and the primary employer party of such an employee shall be solely liable for payment of worker's compensation benefits for the purpose of this section. Each party herein shall comply with A.R.S. § 23-1022(E) by posting the public notice required.

    21.2. Except for the purpose of worker's compensation as noted in the preceding paragraph of this section, each party will be solely responsible and liable for claims, demands, or judgments (including costs, expenses and attorney fees) resulting from personal injury to any person or damage to any property arising out of its own employee's performance under this IGA. Each party has the right of contribution against the other parties with

respect to tort liability judgments finding multiple parties under this IGA to be liable. This right of contribution will not apply to any settlement or demand. This responsibility includes automobile liability. Each party represents that it shall maintain for the duration of this IGA liability insurance. The parties may fulfill their obligations by programs of self-insurance authorized by applicable law.

21.3. Each party agrees to be solely responsible for any expense resulting from industrial insurance by its employees incurred as a result of operations under this IGA.

22. **Waiver**. Waiver by any Party of any breach of any term, covenant or condition herein contained shall not be deemed a waiver of any other term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained.

23. **Force Majeure**. A party shall not be in default under this IGA if it does not fulfill any of its obligations under this IGA because it is prevented or delayed in doing so by reason of uncontrollable forces. The term "uncontrollable forces" shall mean, for the purpose of this IGA, any causes beyond the control of the party affected, including but not limited to the failure of facilities, breakage or accident to machinery or transmission facilities, weather conditions, flood, earthquake, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, strike, lockout, labor dispute, boycott, material or energy shortage, casualty loss, acts of God, or action or non-action by governmental bodies in negligence or willful action of the parties, or order of any government officer or court (excluding orders promulgated by the parties themselves), and declared local, state or national emergency, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Any party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence and foresight, such party could not reasonably have been expected to avoid. Any party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

24. **Method Of Execution**. This IGA may be executed in one or more identical counterparts each of which shall be deemed an original, but all of which taken together shall constitute one agreement.

25. **Notification**. All notices or demands upon any party to this IGA shall be in writing, unless other forms are designated elsewhere, and shall be delivered in person or sent by mail addressed as follows:

City of Tucson:

City Manager
City Hall Tower
255 West Alameda Street, 10th Floor
Tucson, AZ 85701

And

Tucson Chief of Police
Tucson Police Department
270 South Stone Avenue Tucson, AZ 85701

Pima County:

Pima County Sheriff
Pima County Sheriff's Department
1650 E Benson Hwy
Tucson, AZ 85714

And:

Chief Deputy County Attorney
Pima County Attorney's Office
32 N. Stone Avenue
Tucson, AZ 85701

ABOR:

University of Arizona Sponsored Projects Services
PO Box 3308
Tucson, AZ 85722-3308

Marana:

Chief of Police
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653

26. **Remedies**. No right or remedy under this IGA is exclusive of any other right or remedy and each is cumulative and in addition to any remedies provided by law for the breach of this IGA.

27. **Indemnity**. Each party shall be responsible for liabilities from all claims, damages, or suits arising from the negligence or willful misconduct of its officers, agents, and employees of any kind of nature arising out of CNA or its participating member agencies. To the extent permitted by law, each Party, as "Indemnitor," will indemnify, defend and hold harmless every other Party and its officers and employees (the "**Indemnified Parties**") from and against any and all suits, actions, legal or administrative proceedings, claims demands, damages, and expenses and losses of any kind suffered or incurred by the Indemnified Parties as a result of the negligence or willful misconduct of the Indemnitor or its officers or employees.

TOWN OF MARANA

By: _____ Date: _____
Ed Honea
Mayor

ATTEST:

By: _____ Date: _____
Town Clerk

INTERGOVERNMENTAL AGREEMENT DETERMINATION:

The undersigned attorney for the Town of Marana has reviewed the foregoing intergovernmental agreement by and among the City of Tucson, Pima County, Arizona Board of Regents on behalf of the University of Arizona, and the Town of Marana, and has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Town.

_____
Jane Fairall
Town Attorney

Council-Regular Meeting **C6**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Libby Shelton, Deputy Town Attorney

From: Libby Shelton, Deputy Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-006: Relating to Police Department; approving and authorizing the Chief of Police to execute the Arizona Internet Crimes Against Children Task Force Intergovernmental Agreement between the Marana Police Department and the Phoenix Police Department (Libby Shelton)

Discussion:

The Phoenix Police Department (PPD)/Arizona Internet Crimes Against Children Task Force (ICAC Task Force) lead agency is the recipient of the United States Department of Justice (DOJ), Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant regarding Internet Crimes Against Children (ICAC). The ICAC Task Force uses the grant, and funding from the Arizona Attorney General's Office, for the purpose of administering and operating an ICAC Task Force in Arizona. OJJDP administers the ICAC Task Force Program, which is a national network of state and local law enforcement, and the program assists these agencies in the development of an effective response to cases involving images depicting the sexual exploitation of minors and the sexual assault and abuse of children facilitated by technology. ICAC's goals are to increase the investigations and prosecutions of internet crimes against children and to increase public awareness and prevention of ICAC offenses.

By executing this IGA, the Marana Police Department will become an "Affiliate Agency" to the ICAC Task Force and will work with the PPD/ICAC Task Force to support the goals of the ICAC Task Force, a DOJ initiative. The purpose of this IGA is to provide funding for the Marana Police Department, on a reimbursable basis, and to

memorialize the parties' agreement to work together to support efforts to investigate, prosecute and deter the possession, production, and distribution of unlawful images depicting the sexual exploitation of minors and utilization of the internet to seek children as sexual victims. The term of the agreement is five years from the effective date.

Financial Impact:

The IGA provides funding on a reimbursable basis. The City of Phoenix does not currently have funding for this IGA. However, budget appropriation for this IGA will be made available in the Town's Grants and Contributions Fund (2015-21500000) upon award of specific funding at a future date.

Staff Recommendation:

Staff recommends adoption of Resolution No. 2024-006, authorizing the Chief of Police to execute the Arizona Internet Crimes Against Children Intergovernmental Agreement between the Marana Police Department and the Phoenix Police Department.

Suggested Motion:

I move to adopt Resolution No. 2024-006, authorizing the Chief of Police to execute the Arizona Internet Crimes Against Children Intergovernmental Agreement between the Marana Police Department and the Phoenix Police Department.

Attachments

Resolution No. 2024-006

Exhibit A to Resolution

MARANA RESOLUTION NO. 2024-006

RELATING TO POLICE DEPARTMENT; APPROVING AND AUTHORIZING THE CHIEF OF POLICE TO EXECUTE THE ARIZONA INTERNET CRIMES AGAINST CHILDREN TASK FORCE INTERGOVERNMENTAL AGREEMENT BETWEEN THE MARANA POLICE DEPARTMENT AND THE PHOENIX POLICE DEPARTMENT

WHEREAS the City of Phoenix and the Town of Marana may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. §11-952 et seq.; and

WHEREAS evidence has shown that sexual exploitation of minors and the sexual assault and abuse of children facilitated by technology exists in the Pima County area; and

WHEREAS the United States Department of Justice, Office of Juvenile Justice and Delinquency Prevention (OJJDP) awarded the Phoenix Police Department a grant regarding Internet Crimes Against Children (ICAC) and Phoenix Police Department, as the lead agency, uses the grant and funding from the Arizona Attorney General's Office for the purpose of administering and operating the Arizona ICAC Task Force; and

WHEREAS the Town of Marana, through its Police Department, seeks to be an "Affiliate Agency" through the IGA to receive assistance in the development of an effective response to investigating and prosecuting ICAC cases and to receive financial assistance; and

WHEREAS on October 20, 2020, the Town Council adopted Resolution No. 2020-115, approving and authorizing execution of an intergovernmental agreement (IGA) between the Town of Marana Police Department and the Phoenix Police Department to support the goals of the ICAC Task Force; and

WHEREAS the Mayor and Council of the Town of Marana find that continued participation in the ICAC Task Force is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, AS FOLLOWS:

SECTION l. The Town Council hereby approves the Internet Crimes Against Children Task Force intergovernmental agreement between the Marana Police Department

and the Phoenix Police Department, in substantially the form attached to and incorporated by this reference in this Resolution as Exhibit A, and the Mayor is hereby authorized and directed to sign it for and on behalf of the Town of Marana.

SECTION 2. The various Town officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

ARIZONA INTERNET CRIMES AGAINST CHILDREN TASK FORCE

Intergovernmental Agreement

Between

Phoenix Police Department (Primary Grantee) /
Arizona ICAC Task Force Lead Agency

and

Marana Police Department

THIS Intergovernmental Agreement ("IGA") is entered into between the City of Phoenix, Arizona, through the Phoenix Police Department ("PPD" or "Primary Grantee"), and the Town of Marana, Arizona, through the Marana Police Department ("Affiliate Agency").

I. RECITALS

1.1 Whereas public agencies are authorized and empowered to enter into intergovernmental agreements for the provision of services or for joint or cooperative action pursuant to Arizona Revised Statutes (A.R.S.) §11-952. The City of Phoenix is also authorized and empowered pursuant to Chapter 2, Section 2 (i), of the Charter of the City of Phoenix.

1.2 Whereas the Phoenix Police Department / Arizona Internet Crimes Against Children Task Force ("ICAC Task Force") Lead Agency, is the recipient of the United States Department of Justice ("DOJ"), Office of Juvenile Justice and Delinquency Prevention ("OJJDP") grant regarding Internet Crimes Against Children ("ICAC"). The Task Force utilizes the grant, and funding from the Arizona Attorney General's Office, for the purpose of administering and operating an ICAC Task Force in Arizona. PPD is the primary grantee for the ICAC Task Force. Agencies affiliated through this IGA are known as "Affiliate Agencies".

1.3 Whereas the PPD / ICAC Task Force agrees to work with the affiliates to support and advance the goals of the Internet Crimes Against Children Task Force, a DOJ initiative. Phoenix PD / ICAC Task Force may be able to provide financial assistance to the Affiliate Agency, on a reimbursable basis, through various funding sources.

1.4 Whereas the OJJDP administers the ICAC Task Force Program, which is a national network of state and local law enforcement investigative units. The national ICAC program assists state and local law enforcement agencies in the

development of an effective response to cases involving images depicting the sexual exploitation of minors and the sexual assault and abuse of children facilitated by technology. Due in large part to the technological aspects of these cases, the ICAC Task Force Program promotes a multi-jurisdictional, multi-agency approach to investigating and prosecuting ICAC cases. ICAC's goals are to increase the investigations and prosecutions of Internet crimes against children offenses, and to increase public awareness and prevention of ICAC offenses.

1.5 Whereas the national policy objectives for ICACs are to:

(1) Increase the investigative capabilities, including effectiveness and efficiency, of law enforcement officers in the detection, investigation of qualifying offenses and the apprehension of offenders;
(2) Increase the number of ICAC-qualifying (state and federal) offenses being prosecuted;
(3) Create a multi-agency task force response to ICAC offenses;
(4) Enhance the nationwide response to ICAC offenses; and
(5) Develop and deliver ICAC public awareness and prevention programs.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties hereby agree to the following terms and conditions:

II. PURPOSE

2.1 The purpose of this IGA is to provide funding for the Affiliate Agency, on a reimbursable basis, to support their efforts to investigate, prosecute, and deter the possession, production, and distribution of unlawful images depicting the sexual exploitation of minors and the utilization of the Internet to seek children as sexual victims.

2.2 The purpose of this IGA is to memorialize parties' agreement to work together to assist the ICAC Task Force in its efforts to investigate, prosecute, and deter the possession, production, and distribution of unlawful images depicting the sexual exploitation of minors and the utilization of the Internet to seek children as sexual victims.

2.3 Additionally, this IGA defines the responsibilities of the Affiliate Agency with the ICAC Task Force.

III. RESPONSIBILITIES

3.1 Affiliated ICAC Task Forces may include investigators, supervisors, or prosecutors from various local, state, and federal law enforcement agencies who provide assistance, subject to availability.

3.2 Affiliated ICAC Task Forces should identify and investigate individuals who exploit children for sexual purposes through the use of technology and/or who obtain, distribute, and/or produce child pornography.

3.3 Affiliated ICAC Task Forces should be focused on presenting evidence of criminal activity to prosecutors, which then leads to the successful prosecution of individuals who have committed coercion/enticement or unlawful image offenses.

3.4 Affiliated ICAC Task Forces may, subject to availability, sponsor community education efforts regarding the prevention of Internet crimes against children and provide ICAC training to other state and local law enforcement officials.

3.5 Affiliated ICAC Task Forces may, subject to availability:

(1) Conduct undercover ICAC investigations; and
(2) Conduct reactive investigations for which venue lies within the agency's jurisdiction(s), including investigations of unlawful images depicting the sexual exploitation of minors, CyberTip referrals from the National Center of Missing and Exploited Children (NCMEC), Internet Service Provider and law enforcement referrals, other ICAC-related investigations, and other sources.

3.6 The Affiliated ICAC Task Force will ensure that:

(1) Only sworn law enforcement personnel will conduct undercover ICAC investigations;
(2) Each investigator involved with undercover operations has received ICAC training prior to initiating investigations; and
(3) ICAC investigations shall also be governed by the national ICAC program's Standard Operating Procedures.

3.7 Where investigations reveal that the safety of a child is at risk, it is of paramount importance that the safety and well-being of the child clearly outweigh any consideration being given to the continued investigation.

3.8 ICAC Task Forces have a substantial number of matters to investigate which requires prioritization of these matters. The Affiliate Agency agrees to use the guidelines in the ICAC Standard Operating Procedures to prioritize cases.

3.9 An additional secondary role of the Affiliate Agency is to educate, as time and resources permit, both children and parents regarding online dangers, and empower them with information so they may visit the Internet in safety. Task force personnel may conduct education and prevention programs to foster awareness and provide practical, relevant guidance to the community about Internet child safety issues.

IV. DURATION AND TERMINATION

4.1 This IGA shall become effective upon the date of the last signature of the executing parties and will supersede any pre-existing agreements between the Affiliate Agency and the Arizona ICAC Task Force. This IGA will remain in effect

for five (5) years after the IGA becomes effective, unless the agreement is terminated in writing by either party upon thirty (30) day notice.

4.2 Violation of the ICAC Standard Operating Procedures is considered a material breach of this agreement and cause for cancellation of Affiliate Agency's affiliation with the Arizona ICAC Task Force. Upon discovering a violation and notifying the Affiliate Agency, the Primary Party may cancel the contract and rescind any funding under this agreement.

V. GENERAL PROVISIONS

5.1 Conflict of Interest. This Agreement is subject to cancellation pursuant to the provisions of A.R.S. § 38-511.

5.2 Immigration law compliance and warranty. As required by A.R.S. § 41-4401, each party hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Each party further warrants that after hiring an employee, it verifies the employment eligibility of the employee through the E-Verify program. If either party uses any subcontractors in performance of the IGA, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the IGA, subject to penalties up to, and including, termination. A party shall not be deemed in material breach if it and/or its subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). Each party retains the legal right to inspect the papers of the other party and/or its subcontractor engaged in performance of this IGA to ensure that the other party and/or its subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the parties may modify this paragraph consistent with state law.

5.3 Communication between state and local government agencies and federal immigration authorities; compliance. As required by 8 U.S.C. § 1373, each party hereby agrees that, notwithstanding any other provision of federal, state, or local law, it will not prohibit, or in any way restrict, any government entity or official from sending to, or receiving from, federal immigration authorities, including US Immigration and Customs Enforcement (ICE), US Customs and Border Protection (CBP), or US Citizenship and Immigration Services (USCIS), information regarding the citizenship or immigration status, lawful or unlawful, of any individual.

5.4 Indemnification. To the extent permitted by law, each party will indemnify and save the other party harmless, including any of the parties' departments, agencies, officers, employees, elected officials or agents, from and against all loss,

expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the indemnifying party of any of the provisions of this IGA.

Each party, in all instances, shall be indemnified against all liability, losses, and damages of any nature for, or on account of, any injuries or death of persons or damages to or destruction of property arising out of or in any way connected with the performance or non-performance of this IGA by the other party, except such injury or damage as shall have been occasioned by the negligence of that other party. The damages incurred by the other party, their department, agencies, officers, employees, elected officers, or agents shall include in the event of any action, court costs, expenses for litigation and reasonable attorneys' fees.

The parties are responsible and liable for the acts and omissions of their own officers, agents, or employees in connection with the performance of their official duties under this IGA.

This agreement does not relieve either agency of its official duties and shall not be construed as limiting or expanding the statutory responsibilities of the parties.

5.5 Binding effect. All terms, provisions, and conditions hereof shall be binding upon and inure to the benefit of all parties hereto and their respective heirs, personal representatives, successors, and assigns.

5.6 Severability. In the event any term or provision of this IGA is held to be invalid or unenforceable, the validity of the other provisions shall not be affected, and the IGA shall be construed and enforced as if it did not contain the particular term or provision that is deemed to be invalid or unenforceable.

5.7 Governing law. This IGA will be governed by the laws of the State of Arizona, both as to interpretation and performance.

5.8 Modification. This IGA may be modified only by mutual written agreement of the parties.

VI. SPECIAL PROVISIONS

6.1 Goals for cases prosecuted. Various County Attorneys' Offices throughout the State of Arizona have successfully prosecuted many cases investigated by the ICAC Task Force and its affiliated agencies. Cases investigated by the ICAC Task Force may be prosecuted in Federal or State Court.

The affiliated agency agrees that the criteria for determining whether to prosecute a particular violation in state or federal court will be determined based upon the forum in which the greatest overall benefit to the public will be achieved. The parties agree that the greatest overall benefit to the public and victims will be achieved in the forum in which the purposes of punishment will be accomplished

to the greatest possible extent. The parties agree that the sentences in ICAC cases should, to the greatest possible extent:

(1) Reflect the seriousness of the offense;
(2) Promote respect for the law;
(3) Provide just punishment for the offense;
(4) Afford adequate deterrence to criminal conduct;
(5) Protect the public from further crimes of the defendant; and
(6) To provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner.

Given these goals and the research regarding the typical hands-on offense histories of those convicted as on-line predators and child pornography offenders, incarceration is a desired outcome in ICAC cases.

6.2 Reporting statistics. The Affiliate Agency will provide monthly reports to the Phoenix PD / ICAC Task Force in the prescribed format, no later than ten (10) days after the end of the preceding month. If statistics are not provided by the deadline, any funding will be suspended until the reporting requirement is met.

6.3 Training. The affiliated agency may make investigators available for applicable specialized training provided through the national ICAC program and other appropriate training programs.

6.4 Media. Media outreach on cases should be coordinated with the prosecutor to whom the case has been, or will be, referred in order to ensure compliance with applicable bar rules. All lawful efforts will be made to protect ongoing undercover operations from media publication. Member agencies will refrain from unnecessarily releasing ongoing investigative techniques and ongoing undercover identities, including screen names, age or sex of undercover personas, unless authorized and mandated by public record law, or when the information is revealed pursuant to lawful discovery or at trial.

6.5 Confidentiality. It is understood that any confidential information pertaining to investigations of ICAC will be held in the strictest confidence, and will only be shared with participating ICAC Task Force members or other law enforcement agencies where necessary, or as otherwise permitted by federal and/or state law.

6.6 Text messaging while driving. Pursuant to Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 1, 2009), the Department encourages recipients and sub recipients to adopt and enforce policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this IGA, and to establish workplace safety policies and conduct education, awareness, and other outreach to decrease crashes caused by distracted drivers.

6.7 Data protection. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by, or transmitted to affiliate agencies in connection with this agreement is to be kept confidential. Except as specifically provided in this IGA, the affiliate agencies shall not disclose data generated in the performance of the service to any third person without the prior written consent of all affiliate agencies, unless required by law.

Personal identifying information, financial account information, or restricted information, whether electronic format or hard copy, must be secured and protected at all times to avoid unauthorized access. At a minimum, affiliate agencies must encrypt and/or password protect electronic files. This includes data saved to laptop computers, computerized devices or removable storage devices.

Unless contrary to law, which includes Arizona State Records Retention statutes, when personal identifying information, financial account information or restricted information, regardless of its format, is no longer necessary, the information must be redacted, destroyed or secured through appropriate and secure methods that ensure the information cannot be viewed, accessed or reconstructed.

In the event that data collected or obtained by the affiliate agencies in connection with this IGA is believed to have been compromised, affiliate agencies shall notify all other agencies in writing within ten (10) business days.

Affiliate agencies agree that the requirements of this section shall be incorporated into all relevant subcontractor/subconsultant agreements entered into by the affiliate agencies. A violation of this section may result in immediate termination of the IGA.

The obligations of affiliate agencies under this section shall survive the termination of this agreement.

6.8 Consistency. No local agreement can be inconsistent with any provision herein or impair achievement of any provision herein.

6.9 Return of Proceeds of Sale or Auction. Affiliate agencies are prohibited from retaining the proceeds from the sale or auction of any equipment purchased with funding provided pursuant to this IGA. In the event that an affiliate agency sells or auctions any equipment purchased with funding provided pursuant to this IGA, the affiliate agency shall return the proceeds from the sale or auction of equipment to the City of Phoenix. The City of Phoenix shall remit the proceeds returned to the original funding source. The City of Phoenix shall have the authority to audit the records of an affiliate agency as shall be deemed proper to ensure that the proceeds from the sale or auction of any equipment purchased with funding provided pursuant to this IGA have been accounted for and returned pursuant to this section.

6.10 Affiliate Agency must abide by all federal, state, and local grant regulations.

IN WITNESS WHEREOF, the parties enter into this Agreement:

City of Phoenix, Arizona
An Arizona Municipal Corporation
(Primary Grantee)

Michael G. Sullivan
Interim Police Chief
Phoenix Police Department

Date

ATTEST:

City Clerk Date

APPROVED AS TO FORM:

Signature Date

(Printed Name)
Acting City Attorney

Town of Marana, Arizona
An Arizona Municipal Corporation
(Affiliate)

(Authorized Signature)

Printed Name, Title

Date

ATTEST:

City Clerk Date

APPROVED AS TO FORM:

Signature Date

(Printed Name)
City Attorney

INTERGOVERNMENTAL AGREEMENT DETERMINATION

In accordance with the requirements of A.R.S. § 11-952 (D), each of the undersigned attorneys Acknowledge: (1) that they have reviewed the above IGA on behalf of their respective clients; and, (2) that, as to their respective clients only, each attorney has determined that this IGA is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

City of Phoenix (Primary Grantee)	Town of Marana (Affiliate)
_____	_____
Signature Date	Signature Date
_____	_____
(Printed Name) Acting City Attorney	(Printed Name) City Attorney

Council-Regular Meeting **C7**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Stefanie Boe, Tourism and Marketing Manager

From: Stefanie Boe, Tourism and Marketing Manager

Date: January 16, 2024

Strategic Plan Focus Area:
Thriving Commerce, Healthy Lifestyles

Subject: Resolution No. 2024-007: Relating to Tourism; approving and authorizing the Mayor to execute an agreement between the Town of Marana and Project Echelon, Ltd. regarding participation in and financial support of the 2024 Project Echelon Gran Fondo Ride for Veterans (Stefanie Boe)

Discussion:

As part of the Thriving Commerce focus area of the Strategic Plan, the Tourism and Marketing Manager has been identifying ways to promote the outdoor recreation opportunities in the town and gain national attention for the scenic open spaces that set Marana apart from other areas of the region.

Project Echelon is a UCI Continental Professional Cycling Team that educates, equips and empowers veterans and their communities through physical activity and self discovery. As an organization, Project Echelon removes the barriers to healing by fostering relationships between veterans, their communities, and professional athletes through mentorship, structure, and the promotion of long-term health and well-being through endurance sport. As a Purple Heart Town, this mission matches the vision of the Town of Marana to support its Veteran community.

Project Echelon had been looking for a new venue to bring the Gran Fondo Ride (a non-competitive ride of either 75, 55, or 30 miles) strategically closer to Oro Valley, where their Gala Weekend (consisting of a golf outing, dinner and ride) is held. After meeting with organizers, staff found that elite riders are already training each year in

the Marana area.

Project Echelon reports that 300 riders from around the world are expected to participate in the Gran Fondo, bringing revenue to the town through dining and shopping. The data from the 2023 Gran Fondo shows that 200 riders participated from 5 countries and 25 US states. This unique opportunity will showcase Marana as a destination for riders, both pro and amateur.

As part of the agreement with Project Echelon, the Town will contribute $4,500 towards the ride to be held March 3, 2024. The Discover Marana brand will be marketed and promoted through social media, video and media coverage before, during and after the event to bring attention to the town with a global audience of potential visitors and community members alike.

Financial Impact:

Fiscal Year:	2024
Budgeted Y/N:	N
Amount:	$4,500.00

Staff identified savings in the FY2024 Tourism advertising budget to fund this agreement.

Staff Recommendation:

Staff recommends approval of the agreement and budget reallocation.

Suggested Motion:

I move to adopt Resolution No. 2024-007 approving and uthorizing the Mayor to execute an agreement between the Town of Marana and Project Echelon, Ltd. regarding participation in and financial support of the 2024 Project Echelon Gran Fondo Ride for Veterans.

Attachments

Resolution No. 2024-007

Exhibit A to Resolution

MARANA RESOLUTION NO. 2024-007

RELATING TO TOURISM; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE TOWN OF MARANA AND PROJECT ECHELON, LTD. REGARDING PARTICIPATION IN AND FINANCIAL SUPPORT OF THE 2024 PROJECT ECHELON GRAN FONDO RIDE FOR VETERANS

WHEREAS on September 6, 2022, the Marana Town Council adopted the Town of Marana Strategic Plan V, identifying "Thriving Commerce" as one of its five focus areas, with the goal to "Expand Marana's thriving tourism industry by promoting its heritage, cultural resources, scenic open spaces, and signature events"; and

WHEREAS Project Echelon, Ltd. ("PE") is a nonprofit corporation responsible for the promotion and production of the Gran Fondo Ride ("Fondo"), a non-competitive bicycle ride occurring on March 3, 2024; and

WHEREAS the Town and PE desire to enter into an agreement regarding the Town's participation in and financial support of the Fondo; and

WHEREAS the Town Council finds that the agreement addressed by this resolution is in the best interests of the Town of Marana and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, as follows:

SECTION 1. The agreement between the Town of Marana and PE for the Fondo, attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved and the Mayor is hereby authorized to execute it for and on behalf of the Town of Marana.

SECTION 2. The Town's Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, and objectives of this resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

2024 PROJECT ECHELON GRAN FONDO RIDE AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town") and PROJECT ECHELON, LTD. a Wisconsin nonprofit corporation ("PE"). The Town and PE are sometimes collectively referred to in this Agreement as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. On September 6, 2022, the Marana Town Council adopted the Town of Marana Strategic Plan V, identifying "Thriving Commerce" as one of its five focus areas, with the goal to "Expand Marana's thriving tourism industry by promoting its heritage, cultural resources, scenic open spaces, and signature events."

B. Project Echelon is a nonprofit corporation responsible for the promotion and production of a multi-day event the weekend of March 2-3, 2024 called the "Project Echelon Gala Weekend" which consists of a golf tournament, a gala dinner on the first day, and a Gran Fondo ride on the second day (the "Fondo Ride").

C. The Town and PE desire to enter into an agreement regarding the Town's participation in and financial support of the portion of the Fondo Ride that will take place within Town limits that will be held on Sunday, March 3, 2024 involving the participation of racers and volunteers.

D. The Town finds that the benefits to the Town resulting from PE's promotion and production of the Fondo Ride in Marana have a value at least equal to the fair market value of the financial support to be provided to PE by the Town pursuant to this Agreement.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals, which are incorporated here as the intent of the Parties in entering into this Agreement, and in consideration of the terms of this Agreement, the Parties hereby agree as follows:

1. *Financial support to be provided by the Town.* Pursuant to the terms and conditions of this Agreement, including without limitation paragraph 22 (*Termination*) below, the Town shall provide financial support of $4,500 to PE for the Fondo Ride 30 days prior to the Fondo Ride.

2. *Fee Waiver*. The Town will waive special event permit fees affiliated with the Fondo Ride.

3. *Event promotion by the Town*. In addition to the financial support provided pursuant to paragraph 1 above, the Town shall also promote the events through the Town's media/communication outlets.

4. *Benefits to be provided to the Town.* In exchange for the financial support described in paragraph 1 above, PE shall provide to the Town the benefits and services described in Exhibit A.

5. *Co-marketing with the Town of Oro Valley*. The Fondo Ride will also be held in the Town of Oro Valley on Sunday, March 3, 2024. The Parties acknowledge and agree it is in their mutual interests that some of the marketing efforts contemplated in this Agreement will be done jointly with the Town of Oro Valley to promote the Fondo Ride.

6. *Books; taxes.* PE shall make available to the Town for inspection any books, ledgers or statements kept by PE regarding activities conducted pursuant to this Agreement. PE shall be liable for all taxes applicable to the proceeds received by PE under this Agreement, if any.

7. *Effective date and duration.* This Agreement shall be effective as of the signature date of the last Party to sign this Agreement (the "Effective Date"), and shall remain in effect until April 8, 2024, unless sooner terminated pursuant to paragraph 22 below. Notwithstanding the foregoing, the indemnification provisions set forth in paragraph 11 below shall survive termination of this Agreement.

8. *Relationship of the Parties.* In the performance of the services contemplated by this Agreement, PE shall act solely as an independent contractor, and nothing expressed or implied in this Agreement shall be construed to create the relationship of employer and employee, partnership, principal and agent, or to create a joint venture between the Town and PE.

9. *Use of names, trademarks, logos and seal.* The Town grants PE a limited license to use, at no cost, the Town's Discover Marana name and logo in PE's performance of the services described in this Agreement. PE shall not use the Town's Discover Marana name and logo for any other purpose or use. PE shall not modify, revise or alter the Town's Discover Marana logo in any way. PE grants the Town a limited license to use, at no cost, PE's name, trademarks, and logos in the Town's performance of the services described in this agreement. The Town shall not use PE's name, trademarks, and logos for any other purpose or use. The Town shall not modify, revise or alter PE's trademarks and logos in any way.

10. *Insurance*. During the term of this Agreement, PE shall maintain insurance from carriers acceptable to the Town with the following required minimum coverages and limits, and the Town shall be named as an additional insured on the commercial general liability insurance policy for the purposes of PE's activities in relation to the events covered by this Agreement:

Commercial General Liability:	U.S. $3,000,000 per occurrence
	U.S. $3,000,000 aggregate
Business Auto Liability:	U.S. $1,000,000 combined single limit

a. PE shall deliver one or more certificates of insurance evidencing coverage as described in this paragraph to the Town by no later than January 22, 2024 and prior to commencing any activities pursuant to this Agreement. PE shall also deliver new certificates of insurance each time the policy(s) is updated. All certificates shall be delivered to the Town's Economic Development Department.

b. As an additional insured on PE's commercial general liability policy, the Town shall be provided coverage for any liability arising out of operations performed in whole or in part by or on behalf of PE. PE shall deliver additional insured endorsement(s) along with the certificate(s) of insurance required by subparagraph (a) above. The additional insured endorsement form identification number shall also be included within the description box on the certificate of insurance and the applicable policy number shall be included on the endorsement.

c. All policies required pursuant to this paragraph shall be endorsed to contain a waiver of transfer of rights of recovery (subrogation) against the Town, its agents, officers, officials, and employees for any claims arising out of PE's work or service. Endorsements evidencing this waiver of subrogation shall be provided to the Town along with all other insurance documentation required by this paragraph.

d. The certificate(s) shall also stipulate that the insurance afforded the Town shall be primary insurance and that any insurance carried by the Town, its agents, officials or employees shall be excess and not contributory insurance to that provided by PE. Coverage provided by PE shall be primary insurance with respect to all other available sources.

e. The insurance requirements specified in this paragraph may not be changed or modified except by written agreement signed by both Parties.

f. During the term of this Agreement PE shall give the Town at least 30 calendar days' written notice prior to a planned cancellation or reduction of any coverage required by this paragraph. PE shall give the Town immediate notice of any other cancellation or reduction of any coverage required by this paragraph. Cancellation or reduction of any coverage required by this paragraph is grounds for termination of this Agreement by the Town.

11. *Indemnification.* PE agrees to defend, save, hold harmless, and indemnify the Town, its officials, employees, agents, successors, and assigns from and against any and all manner of claims, suits, lawsuits, action or actions, causes or causes of action, liabilities, damages, and other claims and demands of whatsoever nature or kind, in law or in equity, in tort or in contract, or otherwise caused by or resulting from PE's errors,

omissions, or negligent acts in the performance of services pursuant to this Agreement, or the errors, omissions or negligent acts of any party PE contracts with in the performance of services pursuant to this Agreement, anyone directly or indirectly employed by PE, or anyone for whose acts PE may be liable.

12. *Notices.* All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

If to the Town, to:
TOWN OF MARANA
Attn: Stefanie Boe, Tourism and Marketing Manager
11555 W. Civic Center Drive – Bldg. A3
Marana, AZ 85653

With a copy to:

TOWN OF MARANA
Attn: Town Attorney
11555 W. Civic Center Drive – Bldg. A3
Marana, AZ 85653

If to PE, to:
PROJECT ECHELON, LTD
Attn: Eric Hill
N9W27151 Woodridge Ln.
Waukesha, WI 53188

Either Party may from time to time designate any other address for this purpose by written notice to the other Party. All notices under this Agreement shall be deemed received upon actual receipt.

13. *Entire agreement.* This Agreement constitutes the entire agreement and understanding of the Parties pertaining to the subject matter of the Agreement and supersedes all offers, negotiations, and other agreements of any kind. All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded and merged in this Agreement.

14. *Authority to execute agreement.* The individuals executing this Agreement hereby represent that they have full right, power, and authority to execute this Agreement on behalf of their respective Parties.

15. *Force majeure.* Notwithstanding any other term, condition or provision of this Agreement to the contrary, if any Party to this Agreement is precluded from satisfying or fulfilling any duty or obligation imposed upon it due to labor strikes, material shortages, war, civil disturbances, weather conditions, natural disasters, acts of God, or other events beyond the control of such Party, the time period provided herein for the performance by such Party of such duty or obligation shall be extended for a period equal to the delay occasioned by such events.

16. *Immigration laws.* PE warrants that it will at all times comply with all federal immigration laws and regulations that relate to its employees (if any) and with Arizona Revised Statutes section (A.R.S. §) 23-214 (A). PE acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Agreement subject to penalties up to and including termination of this Agreement, and that the Town retains the legal right to inspect the papers of any employee (if any) who performs work or services pursuant to this Agreement to ensure compliance with this warranty.

17. *Israel Boycott Divestments*. PE certifies that it is not currently engaged in, and agrees for the duration of this Agreement to not engage in, a boycott of Israel as defined by A.R.S. §35-393.

18. Pursuant to and in compliance with A.R.S. § 35-394, the Contractor hereby agrees and certifies that it does not currently, and agrees for the duration of this Contract that the Contractor will not, use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any Contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If the Contractor becomes aware during the term of the contract that the company is not in compliance with this written certification, the company shall notify the Town within five business days after becoming aware of the noncompliance. If the Contractor does not provide the Town with a written certification that the Contractor has remedied the noncompliance within 180 days after notifying the Town of the noncompliance, this Contract terminates, except that if the contract termination date occurs before the end of the remedy period the Contract terminates on the Contract termination date. The Contractor also hereby agrees to indemnify and hold harmless the Town, its officials, employees, and agents from any claims or causes of action relating to the Town's action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the Town in defending such as action.

19. *Conflict of interest.* This Agreement is subject to the provisions of A.R.S. § 38-511, which provides for termination in certain instances involving conflicts of interest.

20. *Attorneys' fees.* The prevailing Party in a civil action to enforce this Agreement shall be entitled to recover from the other Party, in addition to any relief to which such prevailing Party may be entitled, all costs, expenses and reasonable attorneys' fees incurred in connection with that civil action.

21. *Governing law.* This Agreement shall be construed in accordance with the laws of the State of Arizona.

22. *Termination.*

a. This Agreement shall be terminated without further action by the Parties if the Fondo Ride, as described in this Agreement, is cancelled for any reason. If the

event is cancelled, PE shall refund to the Town all financial support provided by the Town to PE pursuant to paragraph 1 of this Agreement within 30 days of cancellation of the event.

b. This Agreement may be terminated without further liability on 30 days' prior written notice by either Party upon a default by the other Party of any covenant or term of this Agreement, which default is not cured within 30 days of receipt of written notice of default, except that this Agreement shall not be terminated if the default cannot reasonably be cured within such 30-day period and the defaulting party has started to cure the default within the 30-day period and diligently pursues the cure to completion; provided that the grace period for any monetary default is ten days from receipt of written notice.

c. This Agreement may be terminated by mutual written agreement of the Parties.

23. *Miscellaneous.*

a. This Agreement may not be modified except in a writing signed by both of the Parties.

b. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience, and do not define, limit, construe or describe the scope or intent of such sections or articles of this Agreement.

c. This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original and all of which, taken together, shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this instrument below.

The "Town":

TOWN OF MARANA, an Arizona municipal corporation

Ed Honea, Mayor

Date:

ATTEST:

David L. Udall, Town Clerk Date

APPROVED AS TO FORM:

Jane Fairall, Town Attorney Date

"PE":

PROJECT ECHELON LTD, a Wisconsin nonprofit corporation

Eric Hill, President

Date

Federal I.D. # 81-2114278

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this _____ day of _____, 202__ by Erick Hill, President of Project Echelon, LTD., a Wisconsin nonprofit corporation, on behalf of the corporation.

(Seal)

Notary Public

Exhibit A

1.	Oro Valley/Marana feature in Project Echelon Newsletter (Dec, Feb, April)	$500 value
2.	Coverage of the pro team training in Northern Pima County and the Fondo in Velonews (35,000 subscribers, 750,000 online views per month)	$500 value
3.	Professional Photography for commercial/town use	$1000 value
4.	One Marana specific photoshoot for team content	$500 value
5.	Social Media Manager to post stories throughout the team camp and ride featuring Marana (up to 10)	$500 value
6.	Press Conference/Press release coordinated by Pima County/Oro Valley/Marana along with earned media coverage in local market	$1000 value
7.	Project Echelon to attach flyers or other promotional materials to participant packets at the Fondo events	$200 value
8.	Project Echelon to recognize Discover Marana as a sponsor at the start of the Fondo ride	$200 value
9.	Project Echelon riders and staff can attend local school events as requested by Discover Marana	
10.	Project Echelon riders and staff can meet with local veterans and active duty groups to discuss the non-profit organization and riding	
11.	Discover Marana can host a booth at the Fondo ride if requested	$200 value
12.	Project Echelon will work with Marana and Oro Valley to develop an Economic Impact survey and provide all date to the towns after the event	
13.	Brand the Echelon Racing League USA Cycling event series on Zwift with Discover Marana branding.	$1000 value
14.	Project Echelon to recognize Discover Marana as a presenting sponsor at the Gala Dinner on March 2nd	$3000 value

C8

TO:	Citizen Forum Members
FROM:	
DATE:	01/16/2024
SUBJECT:	Approval of Regular Council Meeting Summary Minutes of December 19, 2023 (David L. Udall)

Attachments

Regular Council Meeting Summary Minutes, 12/19/2023

MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING

11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, December 19, 2023, at or after 6:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
Patti Comerford, Council Member
Jackie Craig, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Mayor Honea called the meeting to order at 6:00 PM and directed the Town Clerk to call the roll. All Council Members were present, constituting a quorum.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by **Mayor Honea.**

APPROVAL OF AGENDA

Mayor Honea asked for a motion to approve the agenda.

Council Member Ziegler moved to approve the agenda as presented. Council Member Officer seconded the motion. Motion passed, 7-0.

CALL TO THE PUBLIC

PROCLAMATIONS

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

Council Member Ziegler welcomed back **Marana Chief of Police Jeffrey Pridgett** from his time at the FBI Academy.

Council Member Comerford encouraged everyone to love their families during the holiday season and wished everyone a Merry Christmas. She also expressed gratitude for the great work on the Christmas tree lighting.

Mayor Honea commented on a ribbon cutting that took place at Jerimiah's Italian Ice and said the Italian ice was really good there. He also wished everyone a Merry Christmas.

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Town Manager Terry Rozema said the Town issued 60 single-family residential permits so far for the month of December. Last December, there were 57 total permits issued. He provided an update on the Community Center and Aquatics Facility construction. He commented on a grant the Parks and Recreation Department received for monies to purchase new weightlifting equipment at the Senior Center and highlighted a new podcast related to improvements on Tangerine Road. **Mr. Rozema** also praised **Chief Pridgett** for his completion of the three-month FBI Academy and for becoming the first Police Chief from Marana who rose through the ranks of the Marana Police Department. He invited **Chief Pridgett** to say a few words.

Chief Pridgett said it was an honor for him to serve in this capacity and thanked **Mr. Rozema** for his mentoring over the last decade or more and presented him with a challenge coin.

PRESENTATIONS

P1 Relating to Economic Development and Tourism; presentation providing an update on recent tourism strategy and activity (Stefanie Boe)

Tourism and Marketing Manager Stefanie Boe presented on this item. A copy of the presentation slides is on file with the Town Clerk's Office. **Ms. Boe** summarized what she and Discover Marana have been working on over the last year, current partnerships and projects, and future plans and trends. For more information, including images and statistics, please see the detailed presentation slides.

Mayor Honea praised **Ms. Boe's** presentation and her work.

Council Member Ziegler agreed and requested more restaurants in the Town. **Ms. Boe** said she is hopeful to see more progress on attracting new restaurants to the Town in 2024.

P2 Relating to Parks and Recreation; presentation regarding the Professional Service Leadership and Lifeguarding Collaboration with MUSD and Pima County (Wayne Barnett)

Deputy Parks and Recreation Director Wayne Barnett presented on this item. A copy of the presentation slides is on file with the Town Clerk's Office. **Mr. Barnett** explained that the new Aquatics Facility will require between 40 and 50 lifeguards during the summer months and 10-20 lifeguards year-round. Currently the Town hires around 8-9 lifeguards each summer. He also highlighted that there is a lifeguard shortage that started in 2020 and is continuing. To address the need, the Town plans to partner with Marana Unified School District and Pima County in order to provide a 13-week course on professional service leadership and lifesaving at Marana High School to prepare high school students to work as lifeguards. An agreement is currently in the works and will be brought before the Council on January 16, 2024. Clarifying questions were asked and answered during the presentation. For more information, including details about the program, please see the presentation slides.

Council Member Ziegler asked if the Town has hired someone to run the Community Center and Aquatics Facility. **Mr. Barnett** explained Town staff are currently engaged in the recruitment process for a superintendent.

Mayor Honea asked if the Marana Pool at Oro Mae Harn Park would remain open after the Community Center and Aquatics Facility is completed. **Mr. Barnett** explained the current plan is to close that pool. Mayor Honea praised the proposed partnership and presentation.

CONSENT AGENDA

C1 Resolution No. 2023-122: Relating to Development; approving a release of assurances for Gladden Farms Block 31 Lots 1 - 115 & Common Areas "A-1"-"A-9" & "B-1"-"B-3" and accepting public roadways, water, and sewer improvements for maintenance (Jason Angell)

C2 Resolution No. 2023-123: Relating to Development; approving a release of assurances for Gladden Farms Block 37 Lots 1 - 212 & Common Areas "A" & "B" and accepting public roadways, water, and sewer improvements for maintenance (Jason Angell)

C3 Resolution No. 2022-124: Relating to Development; accepting public improvements for maintenance for QuikTrip Store #1474, located at 6555 W. Twin Peaks Rd. (Jason Angell)

C4 Resolution No. 2023-125: Relating to the Marana Regional Airport; approving and authorizing the Town Manager to execute an Airport Development Reimburseable Grant Agreement in the amount of $20,854.00 between the State of Arizona, by and through the Department of Transportation (ADOT), and the Town of Marana for the purpose of aiding in financing the Air Traffic Control Tower Environmental Assessment project (Grant No. E4FSS 01E) (Melissa Weimer)

C5 Resolution No. 2023-126: Relating to Parks and Recreation; approving and authorizing the Mayor to execute a Facility Use and In-Kind Support and Assistance Agreement between the Town of Marana and Interfaith Community Services (Jim Conroy)

C6 Resolution No. 2023-127: Relating to Personnel; approving and adopting amendments to the Town's Personnel Policies and Procedures, revising Chapter 3 - Classification and Compensation, by amending Sections 3-11-1 "Eligibility" and 3-11-2 "Severance Benefits" (Curry C. Hale)

C7 Resolution No. 2023-128: Relating to Public Works; approving and authorizing the Mayor to execute amendment number 1 to the intergovernmental agreement between the Regional Transportation Authority and the Town of Marana for construction of improvements for Tangerine Road—I-10 to approximately Marana Tech Drive (Jane Fairall)

C8 Resolution No. 2023-129: Relating to Tourism; approving and authorizing the Mayor to execute an agreement between the Town of Marana and Tucson Bicycle Classic regarding participation in and financial support of the time trial stage of the Tucson Bicycle Classic (Stefanie Boe)

C9 Resolution No. 2023-130: Relating to Water; approving and authorizing the Mayor to sign the First Amendment to Town of Marana Agreement for Construction of Water Facilities Under Private Contract for Twin Peaks Crossings (David L. Udall)

C10 Resolution No. 2023-131: Relating to Water; approving and authorizing the Mayor to sign an Agreement for Construction of Water Facilities Under Private Contract for The Safford Apartments (David L. Udall)

C11 Approval of Regular Council Meeting Summary Minutes of December 5, 2023 (David L. Udall)

Vice Mayor Post moved to approve the consent agenda. Council Member Kai seconded the motion. Motion passed, 7-0.

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 Resolution No. 2023-132: Relating to Intergovernmental Relations; adopting a 2024 Town of Marana Legislative Policy Priority Program and authorizing and directing those authorized to lobby on behalf of the Town of Marana to represent and pursue it (Andrea De La Cruz)

Assistant to the Town Manager Andrea De La Cruz presented on this item. A copy of the presentation slides is on file with the Town Clerk's Office. **Ms. De La Cruz** explained that each year prior to the start of the State's Legislative Session, the Town adopts a legislative policy priority program to help guide lobbying efforts at the State Legislature. She said Town staff reviewed the 2023 policy program and there were no significant changes recommended. She said one additional priority was recommended, which was to support initiatives that expand access to high-speed internet service. For more information, please see the presentation slides.

Council Member Ziegler moved to adopt Resolution No. 2023-132. Council Member Officer seconded the motion. Motion passed, 7-0.

ITEMS FOR DISCUSSION / POSSIBLE ACTION

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

FUTURE AGENDA ITEMS

Notwithstanding the Mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

Mayor Honea asked for any future agenda items. There were no requests to add future agenda items.

ADJOURNMENT

Mayor Honea asked for a motion to adjourn the meeting.

Vice Mayor Post moved to adjourn the meeting. Council Member Kai seconded the motion. Motion passed, 7-0. Meeting adjourned at 6:49 PM.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the regular Town Council meeting held on December 19, 2023. I further certify that a quorum was present.

_____

David L. Udall, Town Clerk

DRAFT

Council-Regular Meeting **A1**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Scott Radden, Senior Planner

From: Scott Radden, Senior Planner

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No. 2024.001: Relating to Development; approving a rezoning of approximately 3.9 acres of land located at 9996 N. Silverbell Road, on the east side of N. Silverbell Road, one tenth of a mile south of N. Coachline Boulevard, from Zone C (Large Lot) to R-36 (Residential) (Scott S. Radden)

Discussion:

Request

Lynn Hansen, representing the property owners Richard R. Nelson and Roseleta Harm, is requesting approval to rezone approximately 3.9 acres of land from Zone C (Large Lot) to R-36 (Residential - 36,000 SF minimum lot size) with the intent to subdivide the parcel in the future. The property is located at 9996 N. Silverbell Road on the east side of N. Silverbell Road, one tenth of a mile south of N. Coachline Boulevard.

This is the second application for the rezoning of this parcel. The original request for a recommendation to the Marana Town Council for approval was unanimously approved by the Planning Commission on May 3, 2023. The rezoning request then failed a motion for adoption at the May 16, 2023, Town Council meeting by a vote of four Council members against the motion and three in favor. Since the Town Council meeting in May, the applicant has learned additional information regarding the area surrounding the parcel and has decided to reapply for the rezoning of the parcel.

Marana 2040 General Plan
The Marana General Plan designates the proposed rezoning area with a land use category of Low Density Residential, allowing for semi-rural residential development between one and two dwelling units per acre. The proposed rezoning to Residential R-36 is consistent with the existing land use designation.

Surrounding Land Use and Site Characteristics
The property is surrounded by parcels zoned "C" Large Lot on the north, south and west sides with existing homes and vacant land. Further north, on the same side of Silverbell Road, is the Continental Ranch Sonoran Vista residential subdivision with an average lot size of 7,169 SF. To the east, the undeveloped property is zoned Specific Plan (SP), part of the Continental Ranch Specific Plan and Pima County's Los Morteros Conservation Area. There are properties to the southwest, across Silverbell Road, that are zoned Residential R-144 with existing homes.

Access
The subject property is adjacent to Silverbell Road with direct driveway access.

Utilities
The proposed rezoning area is located within the Marana Water service area, Pima County sewer service area and is currently served by a private well and septic system. The proposed rezoning area also lies within the service areas of Tucson Electric Power, Southwest Gas, Century Link and Xfinity/Comcast.

Fire District Service
The rezoning area is within the Northwest Fire District Service Area, but is not annexed.

Citizen Participation
The applicant mailed a letter to each of the property owners within 300 feet of the subject property advising them of the application submitted to the Town. The letter provided the opportunity for the property owners to contact and meet with the applicants to discuss the project, if desired.

Public Notification
This public hearing was properly noticed in The Daily Territorial and all property owners within 300 feet of the boundary of the rezoning area were sent notification by first class mail of the date, time, and topic of the public hearing. The Planning Commission received three letters of protest from surrounding area neighbors concerned with the proposed zoning minimum lot size. Those letters are included in the Council's packet. The Town received a fourth letter indicating no objection to the rezoning, which is also included in the packet.

Case Analysis Review Criteria
Pursuant to Town Code section 17-3-1(D), the Planning Commission and Town Council shall consider the following criteria, at a minimum, in reviewing an

application for rezoning:

1. Any change of character in the area due to installation of public facilities, other zone changes, new growth trends, deterioration, and development;

Based upon the requirements and conditions, the rezoning amendment does not appear to be detrimental to the character of the area due to installation of public facilities or any other rezoning changes.

2. The degree to which the proposed zoning will benefit the community; whether there will be benefits derived by the community, or area, by granting the proposed rezoning;

With the acceptance of the recommended conditions, this rezoning will benefit the community through infill and the continuance of low density residential.

3. Whether the proposed rezoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such an excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances;

Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding area and does not appear to be adversely impact the adjacent street network or generate such excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances.

4. Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the general plan, other adopted plans, and the goals, objectives and policies of the land development code, and other town regulations and guidelines, including goals and policies relating to economic development;

The rezoning amendment conforms to the goals and policies of the general plan, the land development code, and other town regulations and guidelines.

5. The zoning districts and existing land uses of the surrounding properties;

Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding property zoning and existing land use.

6. Whether the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development;

With the acceptance of the recommended conditions, the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development.

7. Whether the existing and proposed utility infrastructure, public facilities, and public services are suitable and adequate to serve the proposed rezoning area;

Based upon the rezoning requirements and conditions, there is adequate utility infrastructure, public facilities, and public services in the area to serve the proposed rezoning area.

8. Whether the subject property is suitable for the uses to which it has been restricted under the existing zoning classification;

Based upon the rezoning requirements and conditions, the subject property is suitable for the proposed uses.

9. Whether the rezoning is compatible with the adjacent neighborhood, especially residential neighborhood stability and character;

Based upon the rezoning requirements and conditions, this rezoning amendment is compatible with the adjacent neighborhood in area stability and character.

10. If applicable, the length of time the subject property has remained vacant as zoned:

N/A

11. Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs:

Based upon the rezoning subject area location, there is a limited supply of land available in the area and the surrounding community, but will accommodate the zoning and community needs by utilizing successful infill.

Staff Recommendation:

Staff Recommendation

This is a discretionary item for the Town Council to consider. Should the Town Council choose to approve this item, staff recommends approval be subject to the conditions set forth in the draft ordinance attached.

Planning Commission Recommendation

The proposed rezoning was considered at a public hearing before the Marana Planning Commission on December 6, 2023. The Planning Commission voted unanimously 7-0 to recommend to the Town Council approval of the requested rezoning.

Suggested Motion:

I move to adopt Ordinance No. 2024.001, approving the Silverbell Nelson Rezoning, subject to the recommended conditions.

Attachments

Ordinance No. 2024.001

Exhibit A to Ordinance

Rezoning Location Map

Silverbell Nelson Rezone Request

Silverbell Nelson Rezone Maps

Rezone Application

Comment Letter 1
Comment Letter 2
Comment Letter 3
Comment Letter 4

MARANA ORDINANCE NO. 2024.001

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 3.9 ACRES OF LAND LOCATED AT 9996 N. SILVERBELL ROAD, ON THE EAST SIDE OF N. SILVERBELL ROAD, ONE TENTH OF A MILE SOUTH OF N. COACHLINE BOULEVARD,FROM ZONE C (LARGE LOT) TO R-36 (RESIDENTIAL)

WHEREAS Richard R. Nelson and Roseleta Harm (the "Property Owners") own approximately 3.9 acres of land located at 9996 N. Silverbell Road, on the east side of N. Silverbell Road, one tenth of a mile south of N. Coachline Boulevard in Section 17, Township 12 South, Range 12 East, described and depicted on Exhibit "A" attached to and incorporated in this ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Property Owners have authorized Lynn Hansen to submit an application to rezone the Rezoning Area from Zone C (Large Lot) to R-36 (Residential) ("this Rezoning"); and

WHEREAS the Marana Planning Commission held a public hearing to consider this Rezoning on December 6, 2023, and voted unanimously 7-0 to recommend that the Town Council approve this Rezoning, subject to the recommended conditions; and

WHEREAS the Marana Town Council held a public hearing on this Rezoning on January 16, 2024 and determined that this Rezoning should be approved.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. The zoning of the Rezoning Area is hereby changed from Zone C (Large Lot) to R-36 (Residential).

Section 2. This Rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this Rezoning), and which shall be binding on the Property Owners, and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's codes and ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.
2. No approval, permit or authorization by the Town of Marana authorizes violation of any federal or state law or regulation or relieves the Property Owners from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. The Property Owners should retain

appropriate experts and consult appropriate federal and state agencies to determine any action necessary to assure compliance with applicable laws and regulations.

3. The property owners shall transfer to the water provider, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for providing designation of assured water supply and water service to the Rezoning Area. If Type I or Type II is needed on the Rezoning Area, the water provider and the property owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Rezoning Area.
4. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Rezoning Area.
5. The Property Owners shall not cause any lot split of any kind without the written consent of the Town of Marana.
6. The Property Owners shall dedicate the right-of-way necessary to construct Silverbell Road as a 90-foot collector cross-section, as determined by the Town, along the entire western property line of the Rezoning Area upon demand of the Town.

Section 3. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

EXHIBIT "A" to Marana Ordinance No. 2024.001

Legal Description

For APN/Parcel ID(s): 226-04-027D

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

That portion of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter of Section 17, Township 12 South, Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona, lying East of Silverbell Road;

EXCEPT the North 200 feet thereof;

FURTHER EXCEPT that portion conveyed to the Town of Marana Municipal Property Corporation, an Arizona non-profit corporation on September 5, 2001 in Recording No. Docket 11627, Page 857, more particularly described as follows:

That portion of the Parcel recorded in Docket 11372, Page 3049, within the Northwest One-Quarter (NW 1/4) of Section 17, Township 12 South, Range 12 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Southeast comer of said Parcel;

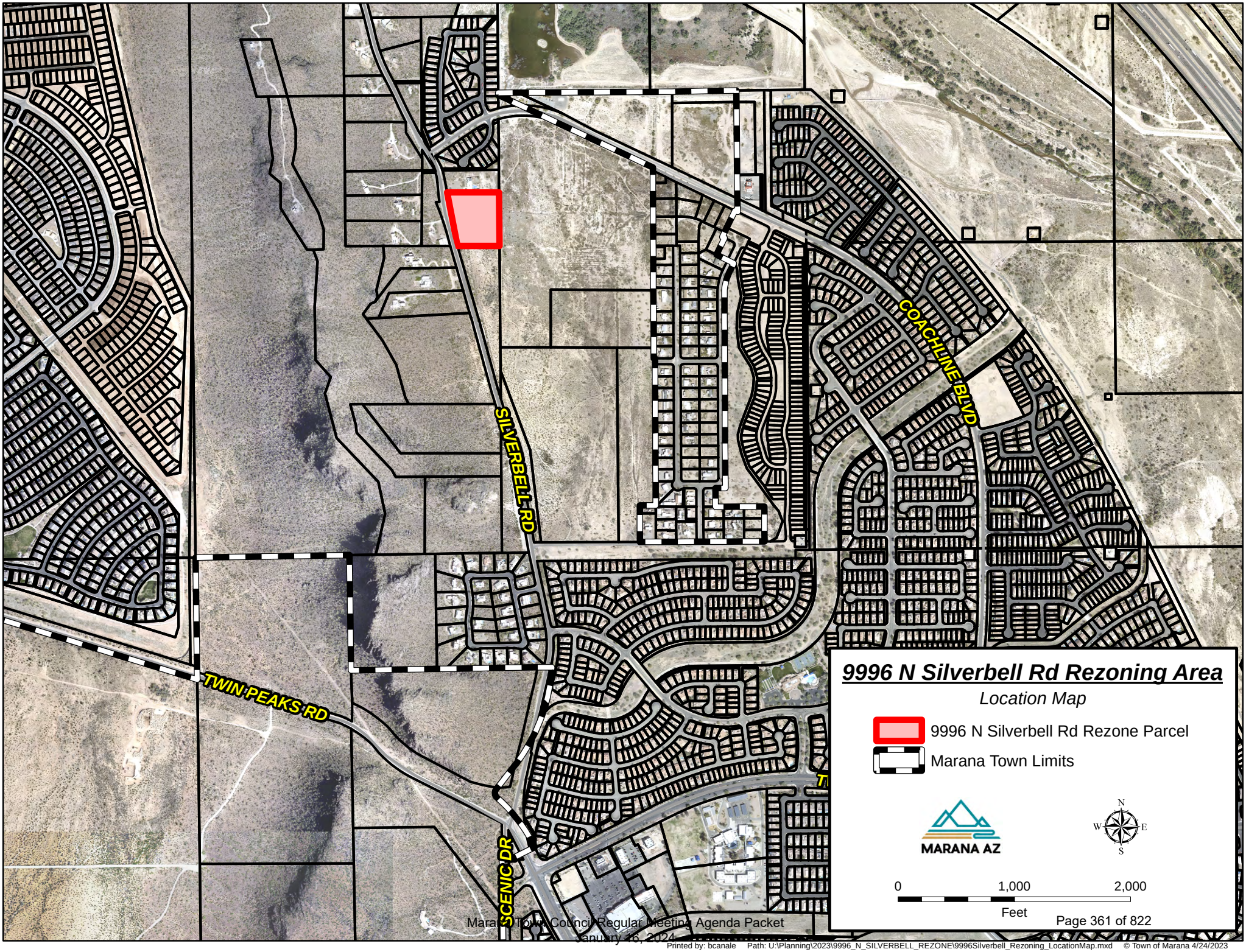
THENCE S 89 degrees, 20'08'' W, along the South line of said Parcel, a distance of 356.59 feet to a point on the existing Easterly right-of-way line of Silverbell Road, being the POINT OF BEGINNING;

THENCE N 15 degrees, 42'08" W, along said rightof-way line 279,83 feet;

THENCE N 09 degrees, 16'38" W, along said right-of-way line 192.96 feet;

THENCE S 14 degrees, 57'48" E, 310.36 feet;

THENCE S 09 degrees, 28'35" E, 162.19 feet to the POINT OF BEGINNING.



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SILVERBELL NELSON PROJECT

1. NARRATIVE REQUEST

1. The PROPOSED USE of the subject property is to divide the 3.9 acres into three residential lots of approximately 1.3 acres each. The existing home will be on one of the lots. This cannot be done under the current Marana C Zone. In order to complete a Minor Land Division to create the 3 lots, the property needs to be rezoned to R36.

2. The Marana 2010 General Plan Land Use map and the Marana 2040 Future Land Use map both have the property designated as "Low Density Residential".

3. The proposed Rezoning and Minor Land Division will change the existing 3.9 acre lot into three 1.3 acre residential lots with the existing home located on one of them. See attached plan.

4. The existing use of the subject property is one 3.9 acre residential lot with one existing home. The proposed use is three 1.3 acre residential lots with a home on one of them.

5. Utilities: Water: Private Well with Shared Well Agreement City Water also available
Electricity: TEP
Sewer: Septic tank
Gas: Southwest Gas
Fire District: Not assigned

6. No grading necessary except for the driveway easement to Lot 3.

7. Topography: Flat land, FEMA Flood Zone X, above 500-year flood level

8. A Cultural Resources Survey has been submitted.

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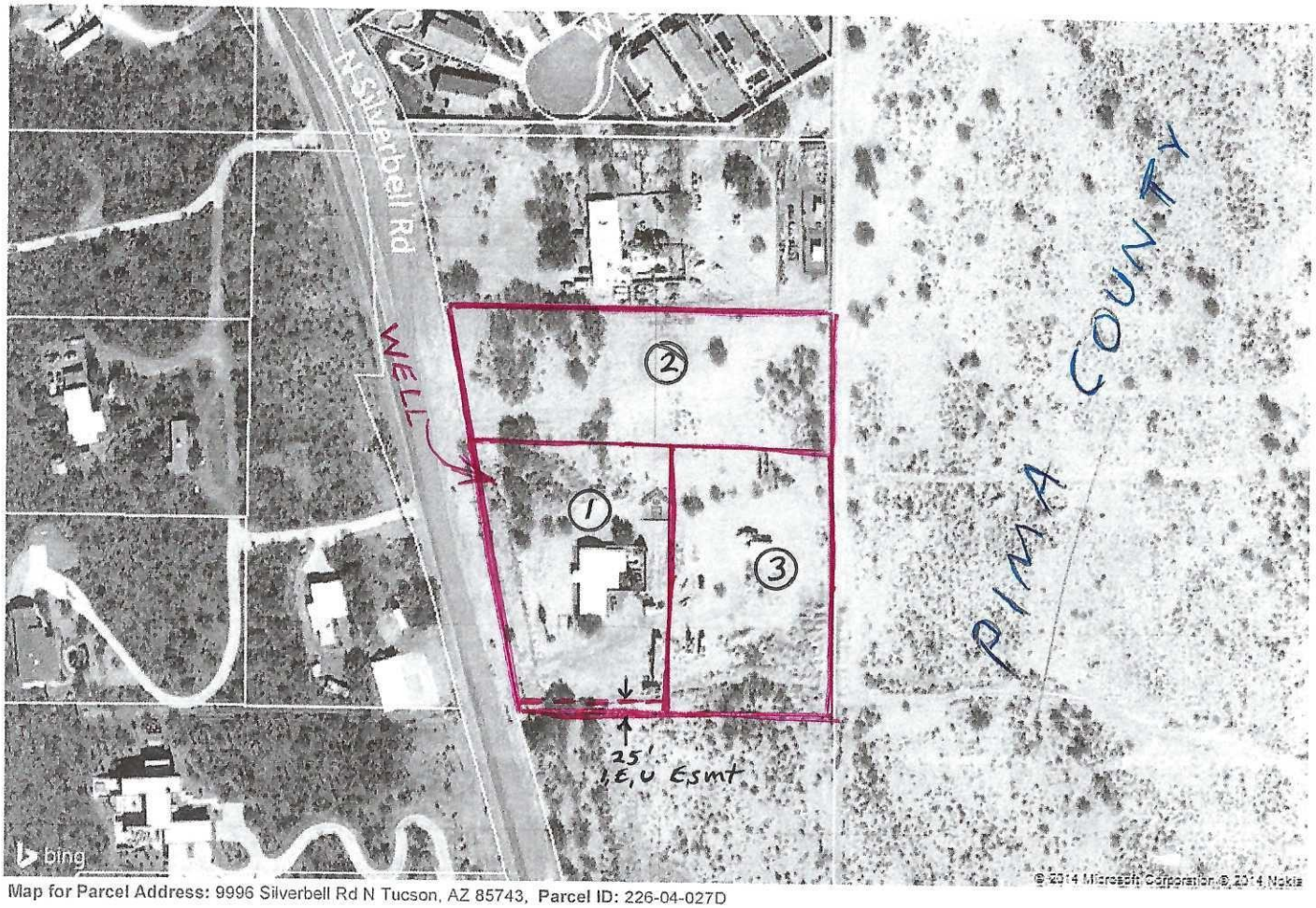
Map for Parcel Address: 9996 Silverbell Rd N Tucson, AZ 85743 **Parcel ID:** 226-04-027D



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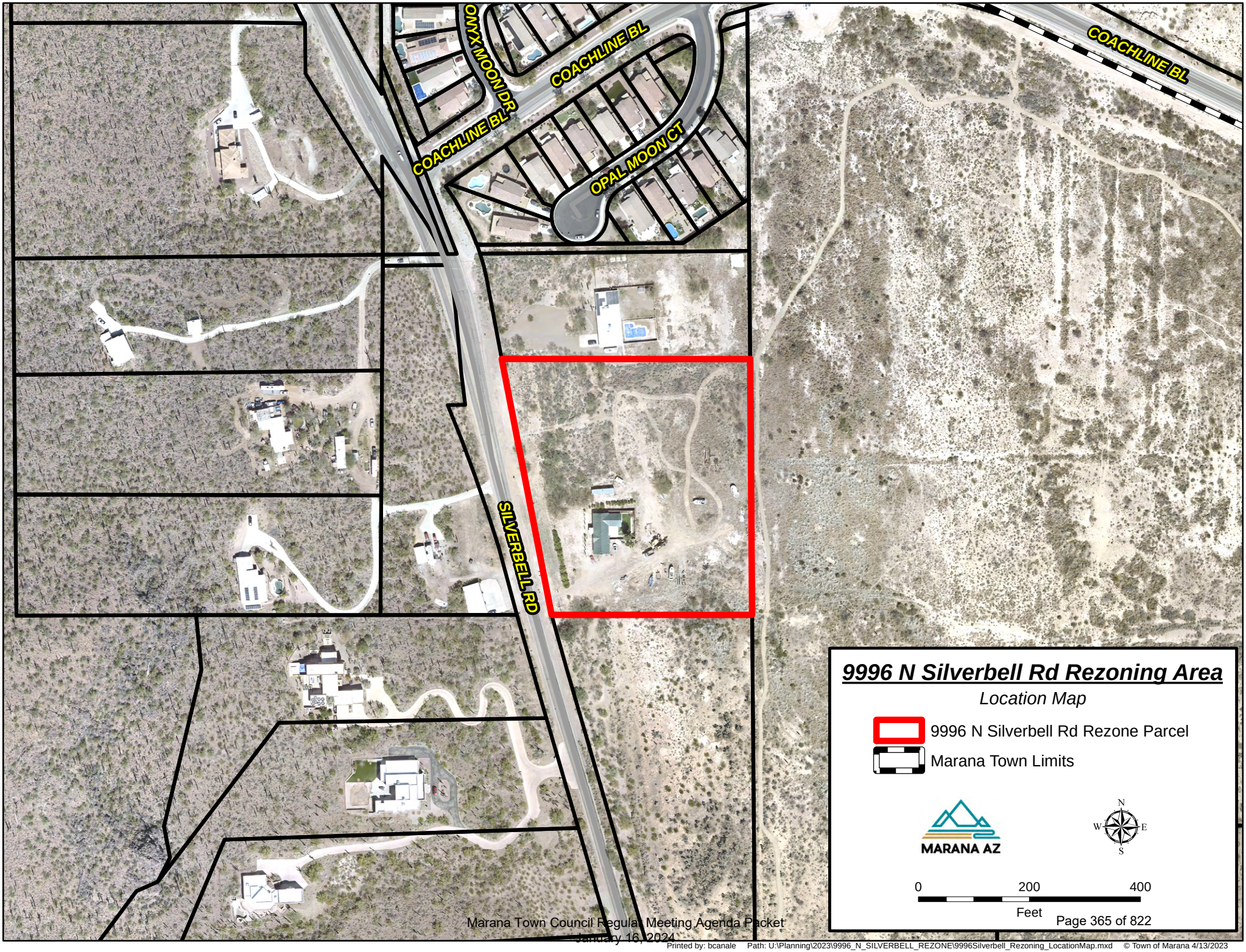
CRS PowerTool Real Estate

CRS Bing™ Map

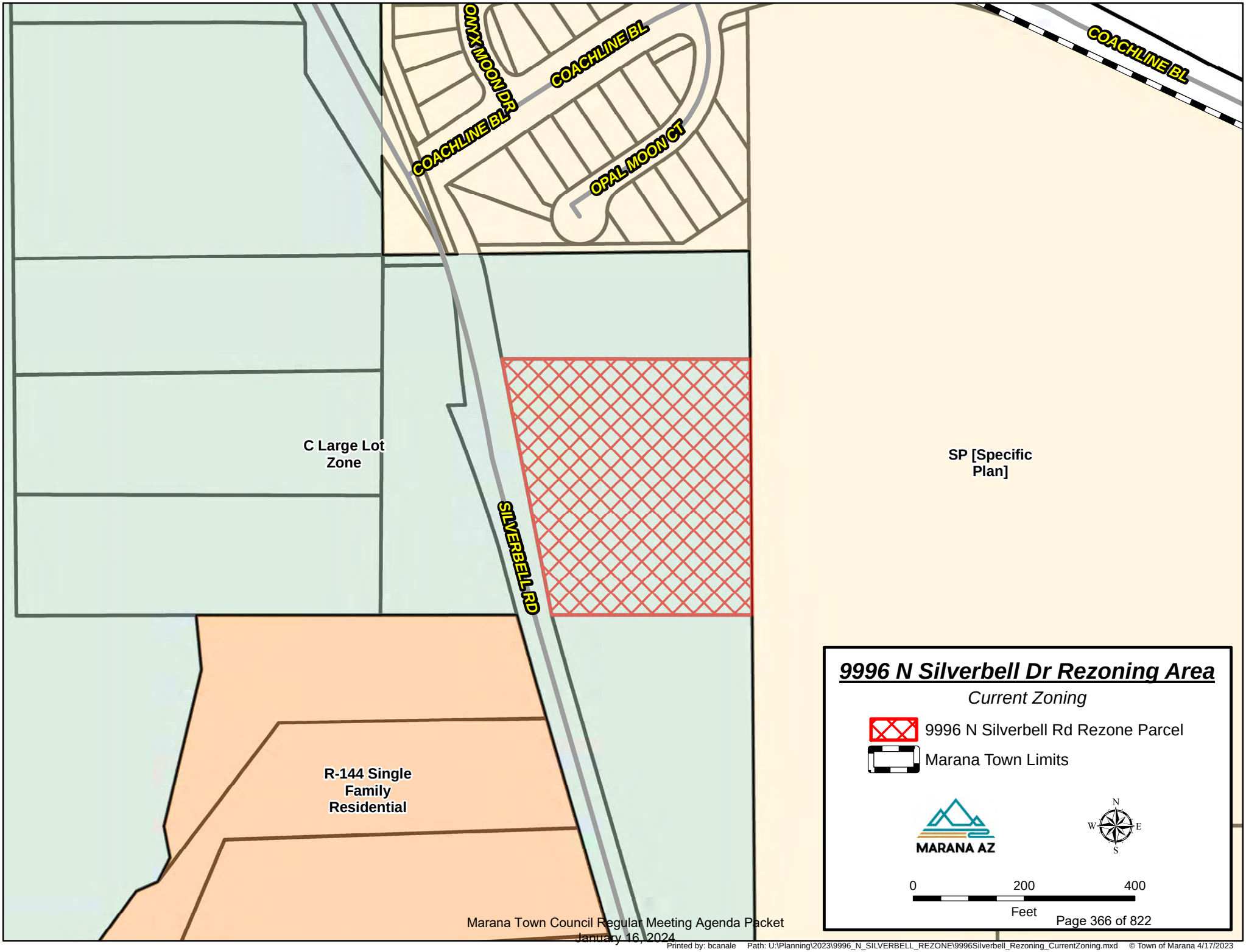


Map for Parcel Address: 9996 Silverbell Rd N Tucson, AZ 85743, Parcel ID: 226-04-027D

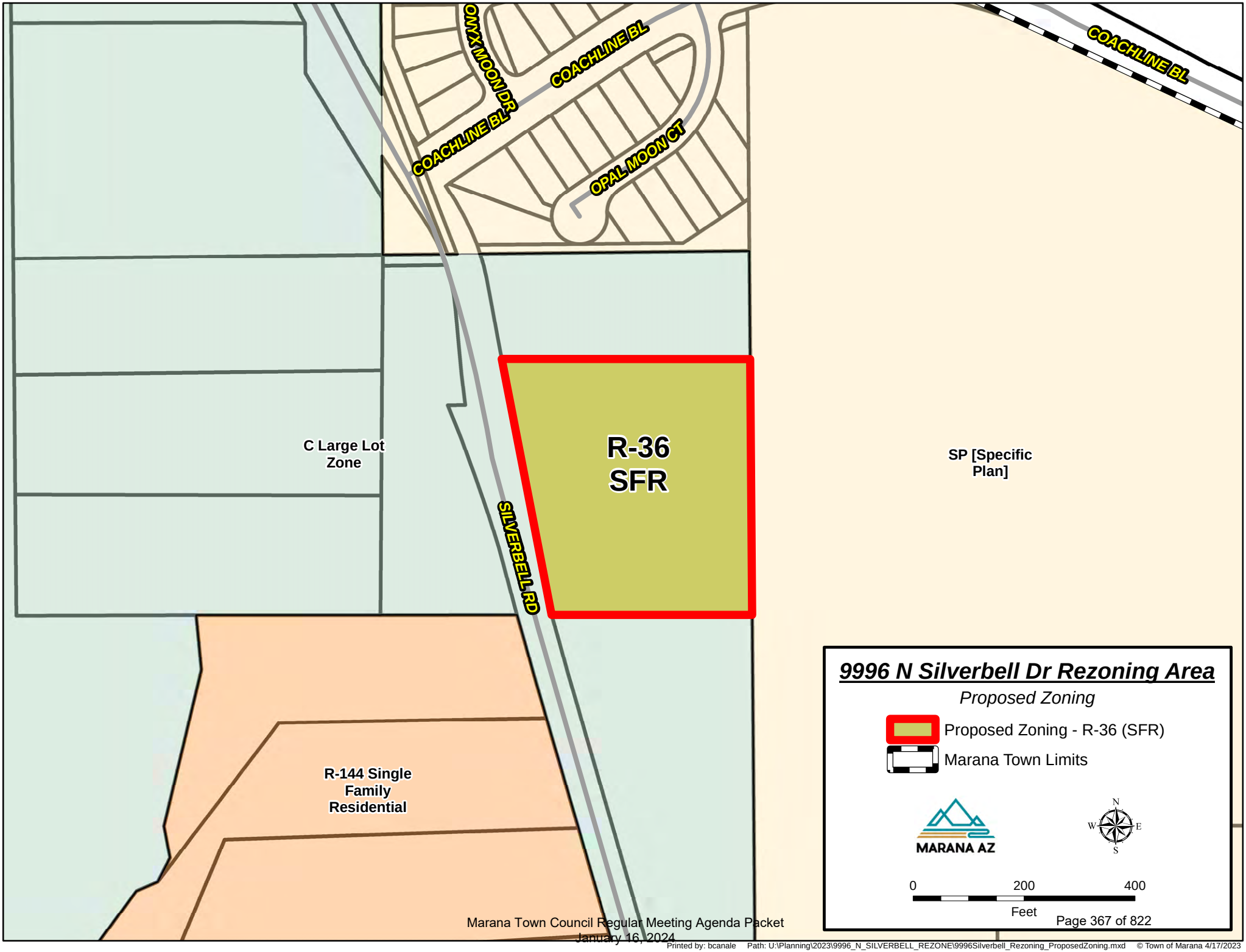
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Contact Us at (800) 374-7488 ext 3 for Help.



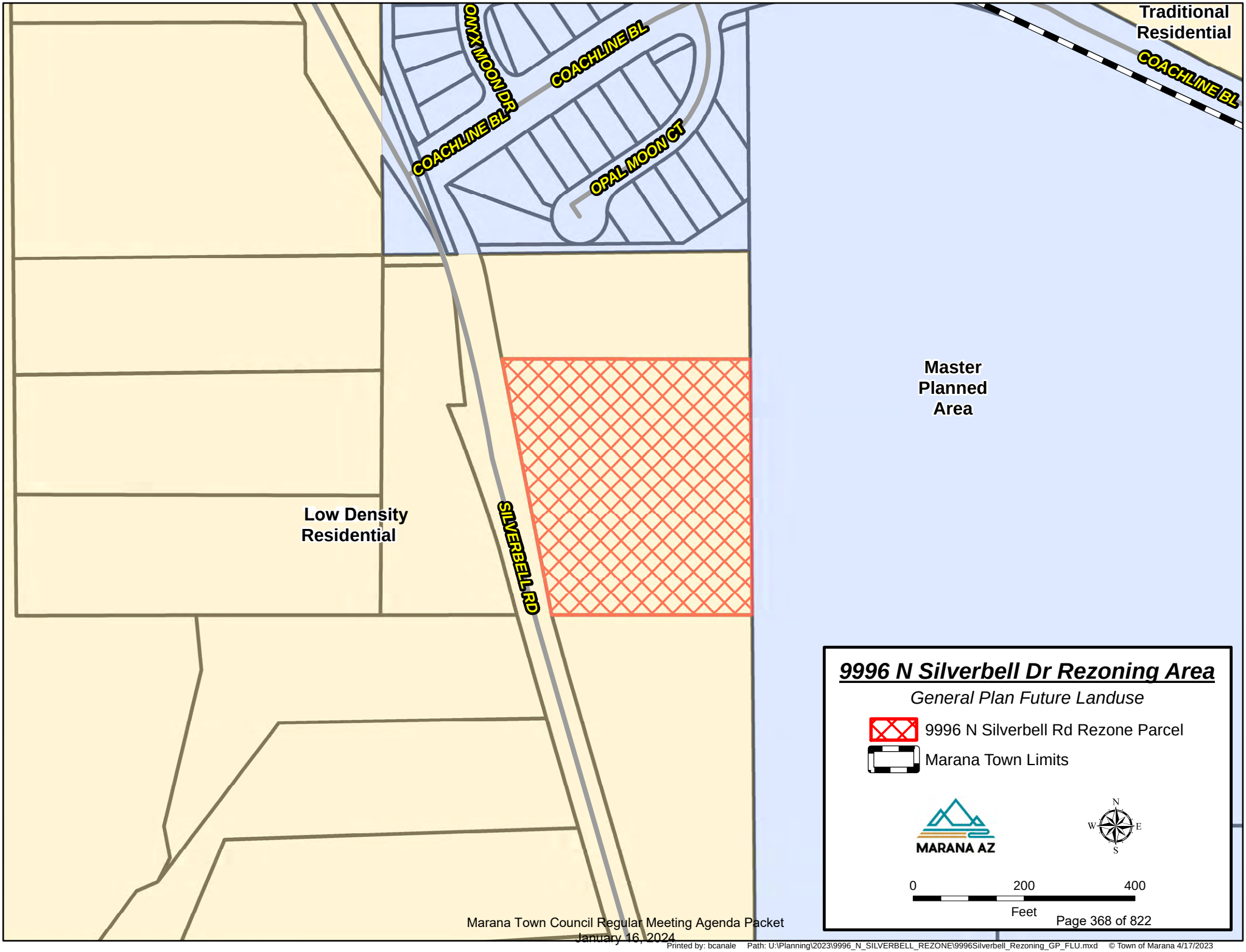
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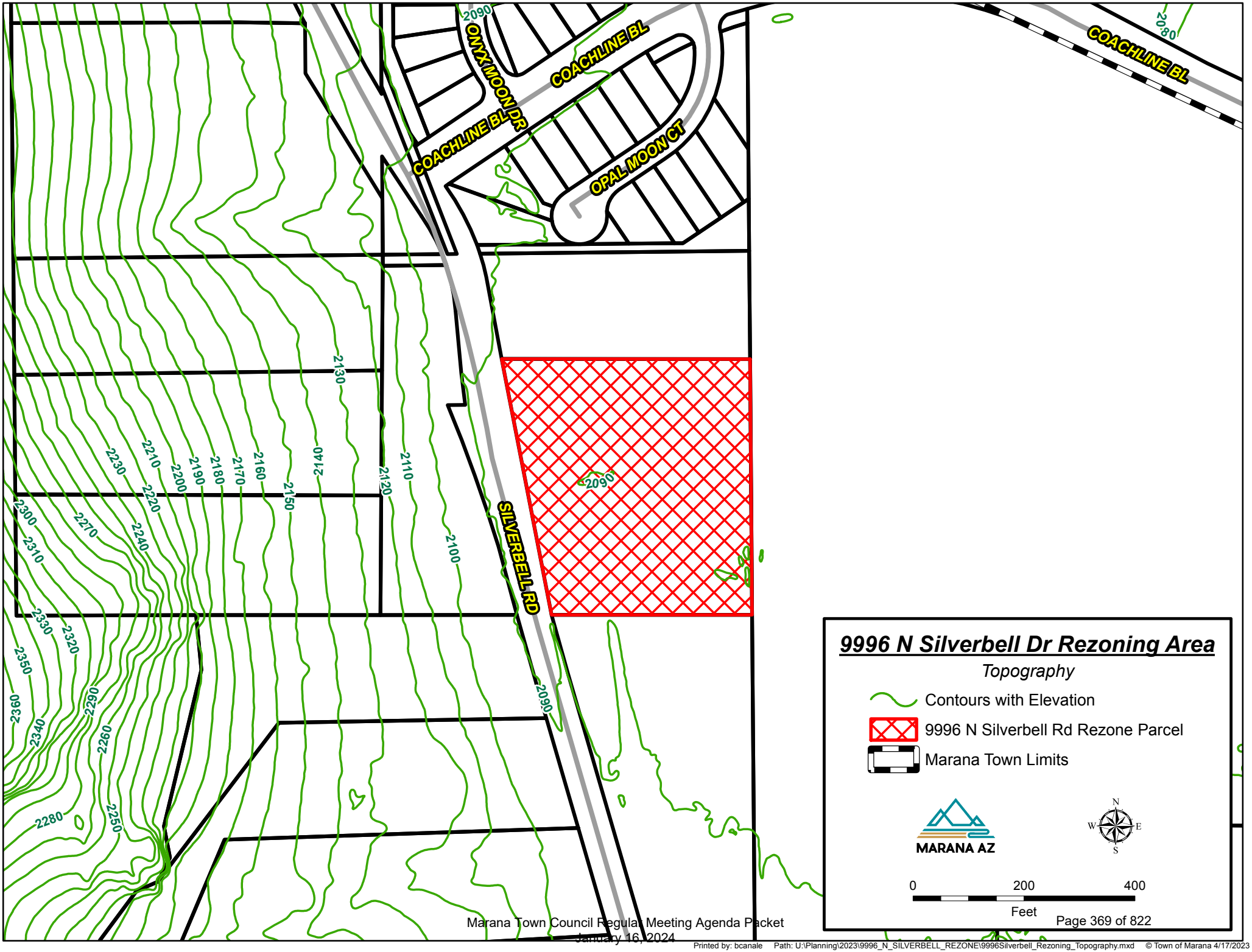
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MARANA AZ

Development Services / maranaplanning@maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641 / maranaAZ.gov

PROJECT APPLICATION

APPLICATION TYPE

☐ Annexation	☐ Development Plan	☐ Development Plan Package	☐ General Plan Amendment
☒ Rezone	☒ Minor Land Division	☐ Significant Land Use Change	☐ Conditional Use Permit
☐ Specific Plan	☐ Landscape Plan	☐ Native Plant Plan/Exception	☐ SWPP
☐ Variance	☐ Hydraulic Model	☐ Sewer Capacity Assurance	☐ Sign Program
☐ Plat	☐ Improvement Plan	☐ Report (Type): _____	☐ Other: _____

PROJECT INFORMATION

Project Name: Silverbell Nelson Project	
Description of Project: Rezoning and Minor Land Division	Number of Lots: 3
Parcel No.(s): 1	Gross Area (Acres): 3.9
Project Address: 9996 N Silverbell Road, Marana, AZ 85743	
Ref. Project No.:	

CONTACT INFORMATION

Owner: Richard R Nelson and Roseleta Harm	Contact Name: Rick Nelson		
Address: 9996 N Silverbell Road	City: Marana	State: AZ	Zip: 85743
Email: nwelldrill@aol.com	Phone No.: (520) 682-8592		
Applicant: Richard R Nelson	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		
Consultant/Engineer: Lynn Hansen	Contact Name: Lynn Hansen		
Address: PO Box 68511	City: Tucson	State: AZ	Zip: 85737
Email: lynnhansenaz@gmail.;com	Phone No.: (520) 360-2318		

OWNER/APPLICANT AUTHORIZATION

I hereby certify that the information set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Lynn Hansen for Richard R Nelson	Lynn Hansen	3/10/2023
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Revision Date 03/29/2019

Project No._____ **Date Received**_____

MARANA AZ

Development Services / permits@maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641 / maranaAZ.gov

OWNER/APPLICANT AUTHORIZATION FORM

I Richard R Nelson, hereby authorize
{Property Owner}

Lynn Hansen to act on my behalf
{Applicant/Contractor}

regarding parcel(s) 226-04-027D
{Parcel Number(s)}

located at 9996 N Silverbell Rd Marana, AZ
{Street Address}

As the property owner, I understand that I am responsible for any and all work that will result from the issuance of approvals and/or permits.

Richard R. Nelson
{Property Owner Signature}

9-9-21
{Date}

520 360 2318
{Phone Number}

Revision Date 1/26/2017

DyShaun Muhammad and Jeremy Black
9971 N Silverbell Road
Tucson, AZ 85743

October 17, 2023

To: Town of Marana Planning Commission
ATTN: Scott Radden – sradden@maranaaz.gov

Re: File Number PCZ2309-003 – Note of Protest for October 25 Public Hearing
Previously: File Number PCZ2303-001 – Note of Protest for May 3 Public Hearing

Marana Planning Commission,

This is a note in protest to the petition to rezone property owned by Richard R. Nelson located in a portion of the SE1/4 SE1/4 NW1/4 of Section 17, Township 12S, Range 12E per reference file PCZ2309-003.

As property owners within 300 feet of the subject parcel, we are opposed to rezoning this parcel from Large Lot Zone (C) to Residential R-36 due to the following:

- Inconsistency with the immediate area – properties adjacent to this parcel are both currently part of Large Lot Zone C and our property across the street is part of a R-144 zone which maintains a lower density profile. A change of zoning to this isolated parcel (with Large Lot Zone C on both sides) would disrupt the flow of the area. We believe the maintenance of the Large Lot Zone or a shift to R-144 like the immediate area is more appropriate.

- Disrupts/blocks off El Rio Preserve visibility and visual access to N Silverbell Road – The historic preserve and trail on county conservation land currently have strong visual interaction with the areas across N Silverbell Road. R-36 designation would enable extensive development of lots, housing, and other visual obstructions that would visually isolate the portion of the preserve south of Coachline and east of N. Silverbell.

- Sufficient R-36-type areas already exist in the vicinity – There is extensive active development and pre-existing zoned potential for the type of higher-density housing already available in the immediate area. This rezoning is not needed to provide additional housing in the area.

We are unable to attend the hearing to comment in person due to prior engagement. We ask that you accept these comments into the public record as an indication of our opposition to this application.

Please let us know when this issue, once decided upon by the Planning Commission, will also be considered by the Town Council.

Thank you for your attention.

DyShaun Muhammad & Jeremy P. Black
Homeowners, 9971 N. Silverbell Road

Date: 11/28/2023

To: Marana Planning Commission and Council

Re: Request for re-zoning property at 9996 N Silverbell

Property at 9996 N Silverbell Road is a single-family home on 3.9 acres. A request has been submitted for re-zoning to subdivide into 3 lots with plans to build two additional homes. This area, our property at 10000 N Silverbell Road, and the area west of silverbell road are currently R144 and large lot housing zones. This current arrangement comes with a certain property value creating a rural atmosphere which is most desirable. The current zoning adds to the beauty of our residence AND to the Los Morteros conservation area immediately adjacent to these lots. Community members frequently use the path through Los Morteros to enjoy solitude, peace and a brief respite from busy, crowded, hectic city life. Additional homes surrounding this preserve will encroach upon this area detracting from its beauty and sense of escape from the busier city area.

A change in zoning to allow additional housing will significantly and permanently change the character, beauty and value of ALL surrounding lots. We personally will be affected by loss of property value, obstruction of the scenic views and decreased privacy. We paid a premium for our home on this lot. The large spacious lots and privacy were factored into the price of our home. We could not have anticipated a change in zoning that would significantly impact the value of our property.

Additionally, it is precisely these large lots, low density neighborhoods that attracted us to Marana. There is ample new construction of tract housing on smaller, closer lots in HOA settings and fewer and fewer of the larger more private lots that attract more people to Marana. These more desirable large lots seem to be less and less available and I believe they should be protected or at least not destroyed.

These are our concerns regarding the requested zone changes for the adjacent property at 9996 N Silverbell Road. We are uncomfortable with the proposed changes. If these changes are made, no one benefits except the applicant. It is not a benefit to the surrounding neighborhood, any of the immediate neighbors, or the community at large.

These changes are unacceptable.

Sincerely,

Homeowners : Dana and Joanne Rink @ 10000 N Silverbell Rd

Silverbell Rezone Comment Letter

All,

I spoke with Mr. Kauffman on 11/16/2023 concerning the proposed rezone to the east (across Silverbell) from his property. He would like to make a formal objection to the rezone PCZ2309-003. Mr. Kauffman stated that his water well is located just to the west of Silverbell and if Mr. Nelson splits his lot and puts two more houses on it (and ties into the existing well on the site), the potential for more stress from the same well water source is a major concern.

Please forward this to the Commission for their records.

Thank you,

Scott S. Radden
Senior Planner
11555 W. Civic Center Dr.
Marana, Arizona 85653
Office: (520) 382-2651

From: Julie Sanders <julieesanders@hotmail.com>
Sent: Wednesday, November 22, 2023 5:04 PM
To: lynnhansenaz@gmail.com
Subject: Rezoning of 9996 N Silverbell

Hello, Neighbor!

This email is in response to your letter, dated October 25, 2023, concerning the rezoning of the 3.9-acre parcel located at 9996 N Silverbell Road. We appreciate the detailed letter and map you sent to us explaining the rezoning plan. We do not have any objections to the rezoning.

Should you ever need to get ahold us, please do not hesitate to reach out to either of us at the phone numbers included in our signature line.

Best wishes to you and your family with the new construction.

Best,
Ben & Julie Sanders
10075 N. Silverbell Road
Tucson, AZ 85743
(614) 753-1780 Julie Cell
(614) 753-0003 Ben Cell

Julie E Sanders

Council-Regular Meeting **A2**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Scott Radden, Senior Planner

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No. 2024.002: Relating to Development; approving a modification of a rezoning condition of Marana Ordinance No. 2021.016, which rezoned approximately 49 acres of land located approximately one-quarter mile south of Ina Road, west of Silverbell Road, to revise a provision of the ordinance that required the property owner to design and construct a continuous left-turn lane along the entire frontage of the rezoning area (Scott S. Radden)

Discussion:

On August 17, 2021, the Mayor and Council adopted Ordinance No 2021.016, approving the rezoning of approximately 49 acres of land generally located approximately one-quarter mile south of Ina Road, west of Silverbell Road, from R-16 (Residential) to R-6 (Residential). The rezoning ordinance included a number of conditions, including condition #4 which requires the property owners to construct a continuous left-turn lane along the entire frontage of the rezoning area, subject to design approval by the Town Engineer. The applicant, Baker & Associates Engineering, Inc., on behalf of the property owner, has requested that Ordinance No 2021.014, condition 4 be modified to require that the property owners design and construct left-turn lanes for the northbound traffic on Silverbell Road for both entrances into the subdivision, subject to design approval by the Town Engineer. The applicant is requesting this modification based on Pima County Conservation Lands located directly to the east that will never be developed and large tracts of Common Area "A", natural open space and wildlife corridors that abut Silverbell Road, in front of the proposed subdivision cannot be accessed. This condition modification is insubstantial enough not to require or

benefit from Planning Commission consideration. Notice of this public hearing was published as required by law.

Section 2, Condition #4 of Ordinance No. 2021.016 is proposed to be revised as follows, with deletions shown with strikeouts and additions shown italicized:

> The Property Owners shall design and construct ~~a continuous left-turn lane~~ *left-turn lanes for northbound traffic on Silverbell Road for both entrances into the Rezoning Area, and bike lanes* along the entire frontage of the Rezoning Area. The design shall be subject to approval by the Town Engineer.

Staff Recommendation:

This is a discretionary item for the Council to consider. Staff has no objection to the requested rezoning condition modification.

Suggested Motion:

I move to adopt Ordinance No. 2024.002, approving a modification of a rezoning condition of Marana Ordinance No. 2021.016 which required the property owner to design and construct a continuous left-turn lane along the entire frontage of the Rezoning Area.

Attachments

Ordinance No. 2024.002
Applicant Request
Location Map
Application
Ordinance 2021.16

MARANA ORDINANCE NO. 2024.002

RELATING TO DEVELOPMENT; APPROVING A MODIFICATION OF A REZONING CONDITION OF MARANA ORDINANCE NO. 2021.016, WHICH REZONED APPROXIMATELY 49 ACRES OF LAND LOCATED APPROXIMATELY ONE-QUARTER MILE SOUTH OF INA ROAD, WEST OF SILVERBELL ROAD, TO REVISE A PROVISION OF THE ORDINANCE THAT REQUIRED THE PROPERTY OWNER TO DESIGN AND CONSTRUCT A CONTINUOUS LEFT-TURN LANE ALONG THE ENTIRE FRONTAGE OF THE REZONING AREA

WHEREAS the Mayor and Council of the Town of Marana adopted Ordinance No. 2021.016 on August 17, 2021, approving a rezoning of approximately 49 acres of land located approximately one-quarter mile south of Ina Road, west of Silverbell Road; and

WHEREAS approval of the rezoning was subject to a number of conditions, including condition 4 which provides that the property owner shall design and construct a continuous left-turn lane along the entire frontage of the rezoning area; and

WHEREAS the property owner has applied to the Town to modify condition 4; and

WHEREAS the Mayor and Council find that modification of condition 4 as set forth in this ordinance is insubstantial enough not to require or benefit from Planning Commission consideration, and that this ordinance is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. Section 2, condition 4 of Marana Ordinance No. 2021.016 is hereby revised as follows, with deletions shown with ~~strikeouts~~ and additions shown with double-underlining:

> The Property Owners shall design and construct ~~a continuous left-turn lane~~ left-turn lanes for northbound traffic on Silverbell Road for both entrances into the Rezoning Area, and bike lanes along the entire frontage of the Rezoning Area. The design shall be subject to approval by the Town Engineer.

Section 2. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are repealed as of the effective date of this ordinance.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, the decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

Baker & Associates Engineering, Inc.

William H. Baker Jr., P.E., R.L.S.
Martin V. Magelli, P.E.

3561 E. Sunrise Dr., Suite 225
Tucson, Arizona 85718
520.318.1950 Fax 318.1930

October 11, 2023

Heidi Lasham, P.E.
CIP Engineering Division Manager/Public Works
Town of Marana
5100 West Ina Road
Marana, AZ 85743

via email: hlasham@maranaaz.gov

RE: Silverbell Ridge, Lots 1-55
BAE Job 2541.4

Heidi

We are in process of preparing improvement plans for the construction of off-site improvements to Silverbell Road for the addition of a continuous left-turn lane. Marana Ordinance No. 2021.016, re-zoning condition 4, states "The Property Owners shall design and construct a continuous left-turn lane along the entire frontage of the Rezoning Area. The design shall be subject to approval by the Town Engineer".

On behalf of our client, we respectfully request your consideration requiring the continuous left-turn lane be limited to where it's needed. Accompanying this correspondence a plan illustrates our proposal for the widening of Silverbell Road.

Based upon our review, we find the addition of a continuous left-turn lane southerly of Silverbell Ridge Drive, the primary entrance to the subdivision, serves no benefit to the public nor to the development of Silverbell Ridge. Please consider the following:

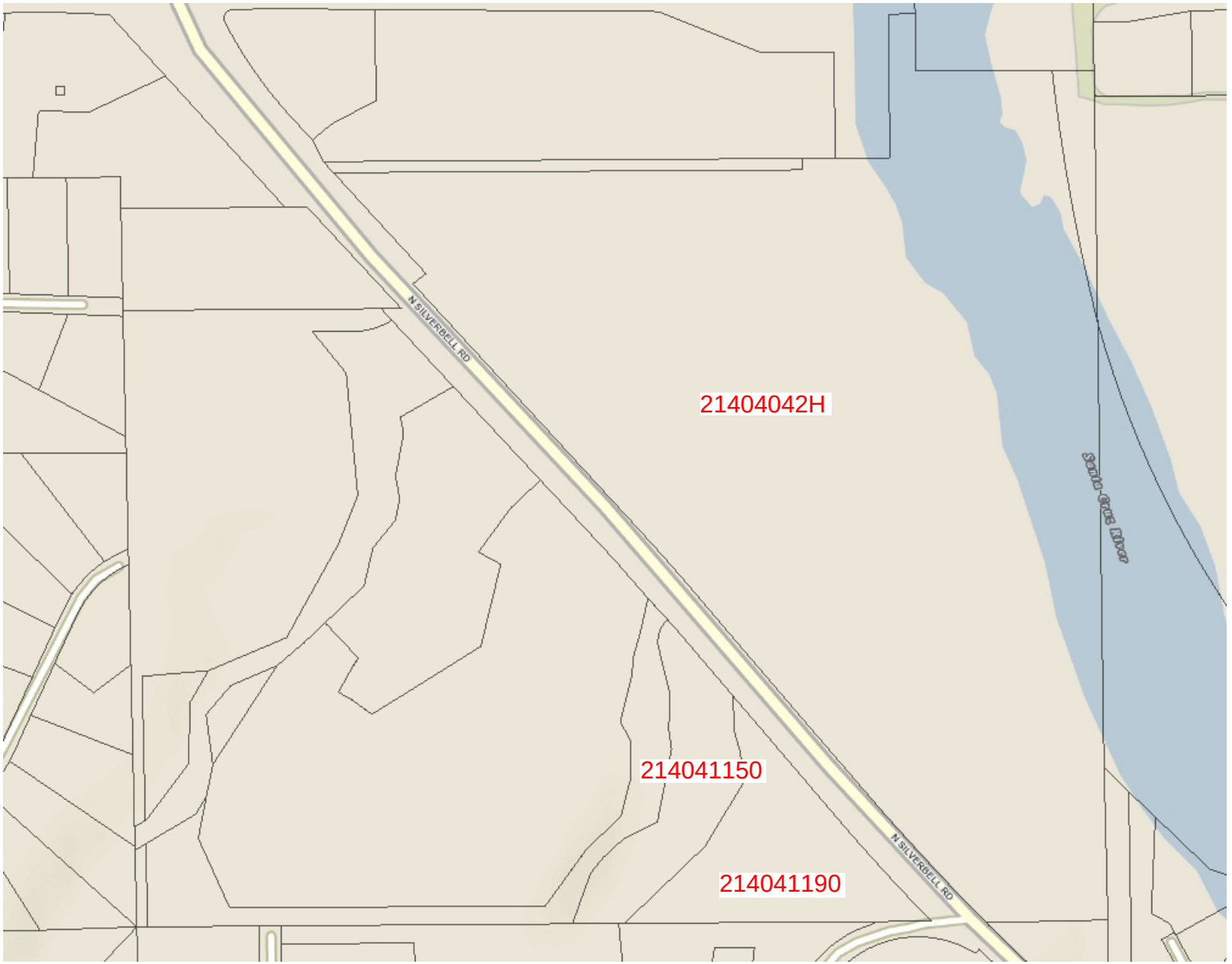
- The land to the east, parcel 21404042H (see attached exhibit) is Pima County Conservation Land, never to be developed therefore, there exists no need for a left turn movement to service this site
- To the west, parcel 214041150 is Town of Marana land containing flood prone area and wildlife corridor, never to be developed so, there exists no need for a left turn movement to service this parcel
- Also to the west, south of the Town property, lies parcel 214041190, identified upon the final plat for Silverbell Ridge as Common Area "A", natural open space, being a significant portion of the sixty six percent non-disturbance condition of re-zoning. Similarly, this land is never to be developed so, there exists no need for a left turn movement to service this parcel
- We are hopeful that you will also take into consideration, Silverbell Ridge is a challenging development of very low density for these times. In order to make this project economically viable, costs for any construction that lacks benefit to the public or services the development must be eliminated wherever possible.

Thank you for your consideration of this request.

Respectfully yours,

Michael John Baker, P.E.

cc: Steve Cheslak



Legend

Parcels

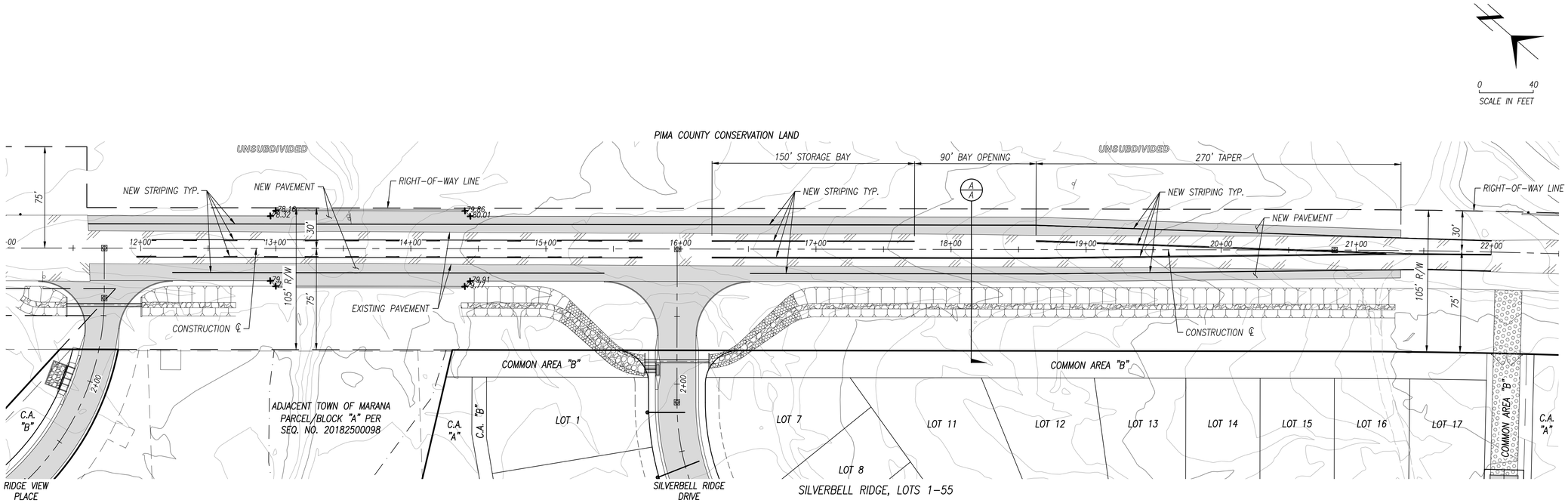


Notes:

800.0 0 400.00

Feet

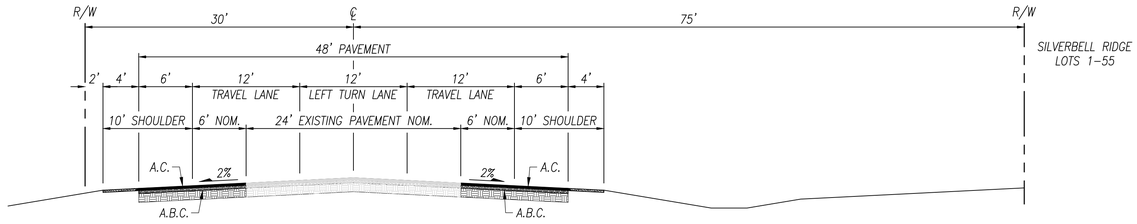
This map is static output from an internet mapping site and no warranty is expressed or implied as to the accuracy, reliability, currency or completeness of the data, and is for reference only



0 40
SCALE IN FEET

SILVERBELL ROAD

(EX. PUBLIC STREET)

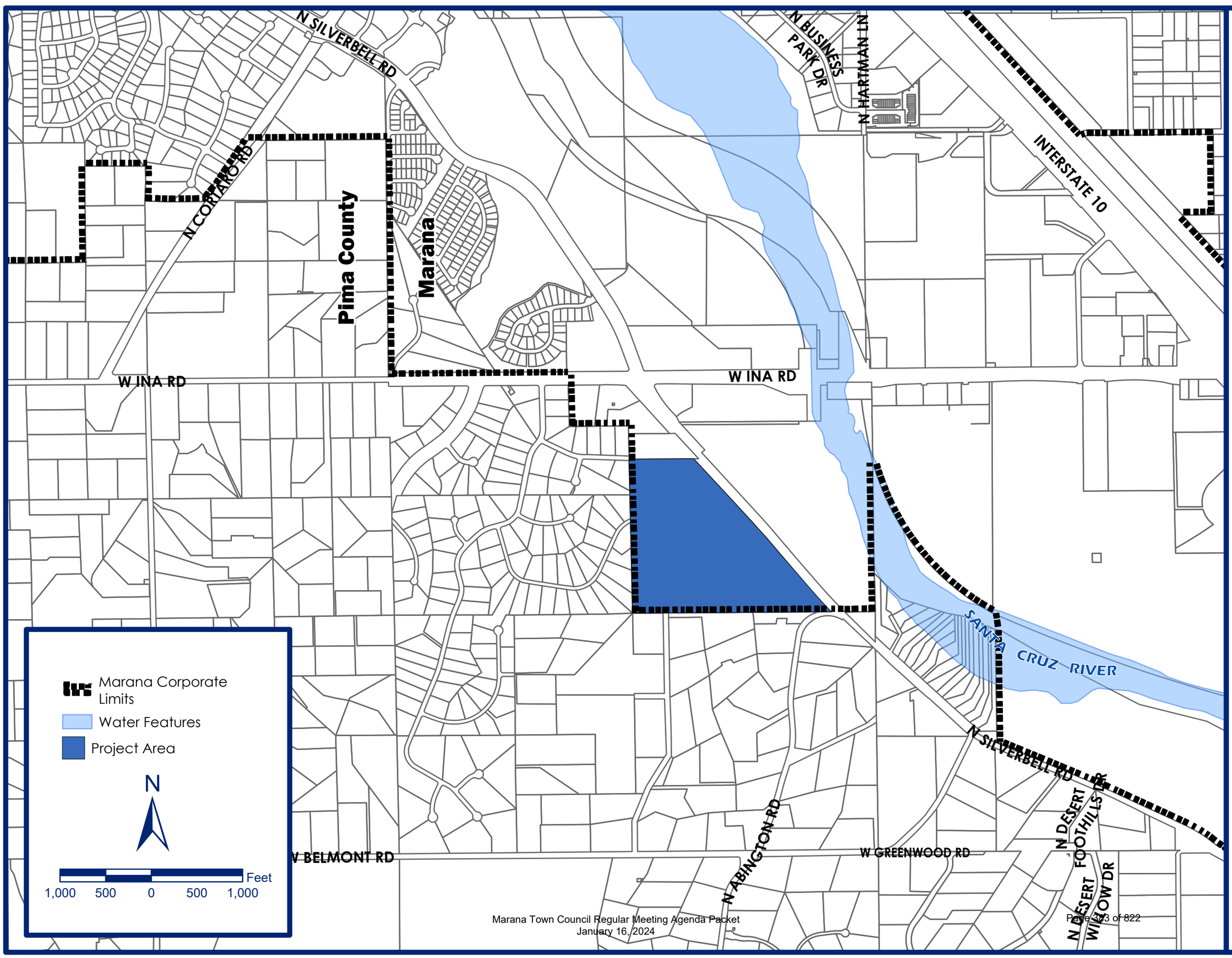


SILVERBELL ROAD CROSS-SECTION "A-A"

(LOOKING SOUTHEAST) N.T.S.

SILVERBELL ROAD IMPROVEMENT EXHIBIT

Baker & Associates Engineering, Inc.
3561 E. Sunrise Drive, Suite #225 Tucson, Arizona 85718 (520) 318-1950 Fax (520) 318-1930


N SILVERBELL RD
N BUSINESS PARK DR
N HARTMAN LN
INTERSTATE 10
N CORTARO RD
Pima County
Marana
W INA RD
W INA RD
SANTA CRUZ RIVER
N SILVERBELL RD
W BELMONT RD
N ABINGTON RD
W GREENWOOD RD
N DESERT FOOTHILLS DR
N DESERT WILLOW DR
Marana Corporate Limits
Water Features
Project Area
N
Feet
1,000 500 0 500 1,000

MARANA AZ

Development Services / maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
❑ Rezone	❑ Minor Land Division	❑ Translational Rezone	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
❑ Plat	❑ Improvement Plan	❑ Report (Type): _____	☒ Other: condition change

PROJECT INFORMATION

Project Name: SILVERBELL RIDGE	
Description of Project: Single Family Detached Residential Subdivision	Number of Lots: 55
Parcel No.(s): 214041170, 214041180 & 214041190	Gross Area (Acres): 49
Project Address: 6975 N. Silverbell Road, Marana, AZ 85743	
Ref. Project No.: PRV2112-002	

CONTACT INFORMATION

Owner: C & C Construction	Contact Name: Bud Cardinal		
Address: 7608 N. La Cholla Blvd	City: Tucson	State: AZ	Zip: 85741
Email: budc@theriver.com	Phone No.: 575-0600		
Applicant: BAKER & ASSOCIATES ENGINEERING, INC	Contact Name: Michael John Baker, P.E.		
Address: 3561 E. Sunrise Drive, Suite 225	City: Tucson	State: AZ	Zip: 85718
Email: mike@baetucson.com	Phone No.: 318-1950		
Consultant/Engineer: Same as Applicant	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		

APPLICANT AUTHORIZATION

By signing below, I hereby acknowledge that I have read the information provided online at maranaaz.gov/arsnotice and certify that the information set forth in this application are true and correct to the best of my knowledge. I am either the owner of the property or I have been **authorized in writing** by the owner to file this application. (If the applicant is not the owner, attach written authorization from the owner)

Michael John Baker, P.E.	Michael John Baker	12/6/2023
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY
Revision Date 05/16/2023

Project No._____ **Date Received**_____

GABRIELLA CÁZARES-KELLY, RECORDER
Recorded By: LW
DEPUTY RECORDER
41

SMARA
TOWN OF MARANA
PICKUP

SEQUENCE: 20212320150
NO. PAGES: 22
08/20/2021
10:05:50

MARANA ORDINANCE NO. 2021.016

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 49 ACRES OF LAND LOCATED APPROXIMATELY ONE-QUARTER MILE SOUTH OF INA ROAD, WEST OF SILVERBELL ROAD, FROM R-16 (RESIDENTIAL) TO R-6 (RESIDENTIAL)

WHEREAS C & C Construction Co., Inc., (the "Property Owner") owns 49 acres of land located approximately one-quarter mile south of Ina Road, west of Silverbell Road within Section 2, Township 13 South, and Range 12 East, described on Exhibit "E" attached to and incorporated in this ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Property Owner has authorized The Planning Center to submit an application to rezone the Rezoning Area from R-16 (Residential) to R-6 (Residential); and

WHEREAS the Marana Planning Commission held a public hearing on this Rezoning on July 28, 2021, and voted five to zero (with two Commissioners absent) to recommend that the Town Council approve this Rezoning, subject to the recommended conditions; and

WHEREAS the Marana Mayor and Town Council held a public hearing on August 17, 2021 and determined that the application for rezoning should be approved; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. The zoning of the Rezoning Area is hereby changed from R-16 (Residential) to R-6 (Residential).

Section 2. This Rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this Rezoning), and which shall be binding on the Property Owner and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's Codes and Ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.
2. Any preliminary plat or development plan for any portion of the Rezoning Area shall be in substantial conformance with the tentative development plan (shown

as "Exhibit A" attached to and incorporated by this reference in this ordinance) presented to and approved by the Town Council as part of this Rezoning.

3. A master drainage study must be submitted by the Property Owners and accepted by the Town Engineer prior to Town approval of a preliminary plat or development plan for any portion of the Rezoning Area.
4. The Property Owners shall design and construct a continuous left-turn lane along the entire frontage of the Rezoning Area. The design shall be subject to approval by the Town Engineer.
5. A water infrastructure and phasing plan (WIP) must be submitted by the Property Owners and accepted by the water provider prior to approval of a preliminary plat for any portion of the Rezoning Area. The WIP shall identify all on-site and off-site water facilities needed to serve the proposed development. The WIP shall include all information required by the water provider, such as (but not limited to) analysis of water use and fire flow requirements, and well source, reservoir, and booster station infrastructure needed to serve the proposed development. If the water provider requires a water service agreement as a condition of service to the proposed development, the Property Owners must enter into a water service agreement with the water provider consistent with the accepted WIP.
6. A master sewer plan must be submitted by the Property Owners and accepted by Pima County Regional Wastewater Reclamation Department (the "wastewater utility") prior to the approval of any final plat or development plan for the Rezoning Area. The master sewer plan shall identify all on-site and off-site wastewater facilities needed to serve the proposed development, and shall include all information required by the wastewater utility. If the wastewater utility requires a sewer service agreement as a condition of service to the proposed development, the Property Owners must enter into a sewer service agreement with the wastewater utility consistent with the accepted master sewer plan.
7. The Property Owners must design and construct any roadway, drainage, water, and wastewater improvements, and dedicate or acquire any property rights associated with those improvements, that the Town requires based on the data and findings of the accepted traffic impact analysis, the accepted master drainage study, the accepted WIP, the accepted master sewer plan, and other studies approved in connection with the approval of a preliminary plat or development plan for any portion of the Rezoning Area.
8. The final design of all streets and circulation facilities, including any gated or emergency access, must be accepted by the Northwest Fire District prior to Town Council consideration of a final plat for any portion of the Rezoning Area.
9. The Rezoning Area shall be limited to a maximum of 57 lots, laid out in substantial conformance with the tentative development plan attached as Exhibit A. Site disturbance in the 49-acre Rezoning Area shall not exceed 34% or 725,710 square feet.

10. No approval, permit or authorization by the Town of Marana authorizes violation of any Federal or State law or regulation or relieves the Property Owners from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. The Property Owners should retain appropriate experts and consult appropriate Federal and State agencies to determine any action necessary to assure compliance with applicable laws and regulations.
11. The Property Owners shall transfer to Marana, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for the Town providing designation of assured water supply and water service to the Rezoning Area. If Type I or Type II is needed on the Rezoning Area, the Town and the Property Owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Rezoning Area.
12. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Army Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Rezoning Area.
13. The Property Owners shall not cause any lot split of any kind without the written consent of the Town of Marana.
14. The Property Owners shall provide the necessary authorization and documentation from the Western Area Power Administration (WAPA) with the subsequent plat submittal.
15. All open space easements and wildlife corridors shall be left entirely undisturbed and in their natural desert state, except for necessary utility installations, which shall be revegetated. All such easements and corridors shall be dedicated to the appropriate entity, acceptable to the Town and at a time acceptable to the Town. All utilities shall be underground, and all utility trenches shall be revegetated to be identical with the surrounding desert with the exception of the overhead electric WAPA easement which shall be to WAPA specifications.
16. Lots 18-57 as designated on Exhibit A are restricted to one story and a maximum height of 20 feet. Two story homes are permitted on Lots 1-17 as designated on Exhibit A.
17. The preliminary plat for the Rezoning Area shall establish a minimum lot size of 6,000 square feet and the rezoning parcel will be mass graded.
18. There shall be no connectivity between Waycross Road, Martingale Lane, Bridle Way, or Abington Lane and any access point, right of way, road, or lot within the Rezoning Area.
19. There shall be a 120 - foot "No Disturbance" bufferyard along the southern boundary of the Rezoning Area (as identified on Exhibit A).
20. There shall be a 100 – foot "No Disturbance" bufferyard along the western boundary of the Rezoning Area (as identified on Exhibit A).

21. The Property Owners, through the Town of Marana's normal notification process, shall notify the impacted parties, as specified in Exhibit B attached to and incorporated by this reference in this ordinance, if any request is made to modify, eliminate, or add to the conditions listed in this ordinance.
22. The minimum width of the two designated wildlife corridors shall be 230 feet and, where possible, revegetation shall occur in disturbed areas beyond the 230-foot minimum width. Reseeding with a native Mohave, Chihuahua and/or Sonoran arid/adapted mix of groundcovers, mid-story shrubs and canopy trees, including hackberry (Cletis pallida), is preferable for areas where it is impossible to reliably deliver water.
23. This Rezoning is subject to the Residential Design Standards found in the Marana Land Development Code as amended from time to time.
24. The Property Owners agree to enter into a finance contract establishing their contribution for schools. The Property Owners shall provide written documentation that an agreement with the Marana Unified School District is completed prior to the issuance of the first single-family residential building permit for the Rezoning Area. A receipt of payment shall be provided with each individual residential building permit.
25. No view fencing shall be allowed on lots facing the two wildlife corridors.
26. All outdoor lighting shall be down-lit and shall adhere to "dark sky-friendly" lighting design, and such language shall be placed in the Conditions, Covenants and Restrictions.
27. All Natural Undisturbed Open Space set-asides shall be protected in perpetuity, by either a Restrictive Covenant or Conservation Easement and such language shall be placed in the Conditions, Covenants and Restrictions. Prior to or upon requesting a building permit for any lot in the Rezoning Area, the Property Owners shall record a covenant, to run with the land, memorializing the terms of this condition.
28. Free-ranging domestic animals shall be prohibited in the subdivision and such language shall be placed in the Conditions, Covenants and Restrictions.
29. No side or backyard gates shall be constructed leading to undisturbed open space areas on each lot or within the two onsite wash corridors and such language shall be placed in the Conditions, Covenants and Restrictions.
30. Upon the effective date of this Ordinance, the Property Owners shall have a continuing responsibility to remove from the Rezoning Area invasive non-native species, including those listed in Exhibit C attached to and incorporated by this reference in this ordinance. Acceptable methods of removal include chemical treatment, physical removal, or other known effective means of removal. Property Owners and future owners of individual lots in the Rezoning Area shall keep private lots, including enclosed yards, free of invasive non-native plant species detailed in Exhibit C. Prior to or upon requesting a building permit for any lot in

the Rezoning Area, the Property Owners shall record a covenant, to run with the land, memorializing the terms of this condition.

31. The Property Owners shall place "no trespassing" signs along the south boundary of the Rezoning Area and signs directing people to stay out of the washes.
32. The Property Owners shall landscape the area near the emergency access roadway with a continuous row of shrubs at the time of the emergency roadway construction, as depicted on Exhibit A, the Tentative Development Plan.
33. The Property Owners shall incorporate Low Impact Development techniques to accommodate drainage such as rock-lined channels with sandy bottoms and one and two rock dams.
34. The Property Owners shall install a non-asphalt, stabilized all weather surface for the emergency access road.
35. The Property Owners shall construct a 6-foot decorative masonry wall along the back of lots 33-43 located along the south boundary to reduce noise and light impacts as depicted on Exhibit A, the Tentative Development Plan.
36. The Property Owners shall install wildlife-friendly fencing in one of two locations identified on Exhibit A, the Tentative Development Plan, prior to building permit approval of lot 44 to discourage the creation of unauthorized trails and ATV roads to access the Waycross neighborhood.
37. Property owners shall secure a license from WAPA, and provide evidence of, for the areas on Street A that encroach into the WAPA/TEP easement prior to approval of the preliminary plat.
38. Property owners shall secure, and provide evidence of, a license from WAPA for pedestrian access from the cul-de-sac on Street A to the recreation area for the residents of Lots 18-48 prior to approval of the preliminary plat.
39. The two wildlife corridors located on Town owned A.P.N. 214-04-1150 and identified on Exhibit A, the Tentative Development Plan, shall be preserved in perpetuity to ensure continued wildlife passage. The corridors will be subject to a restrictive covenant or conservation easement and protected with fencing and flagging during construction.
40. The Property Owners shall enter into an open space covenant with a reputable conservation entity to ensure that the open space areas approved within the Rezoning Area remain open space in perpetuity.
41. The Property Owners and future owners of individual lots in the Rezoning Area shall use the attached redlined Town of Marana Regulatory Plant List, Exhibit D, to vegetate all developable landscape areas in the Silverbell Ridge Rezoning area.

Section 3. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any

court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 17th day of August, 2021.

Mayor Ed Honea

ATTEST:

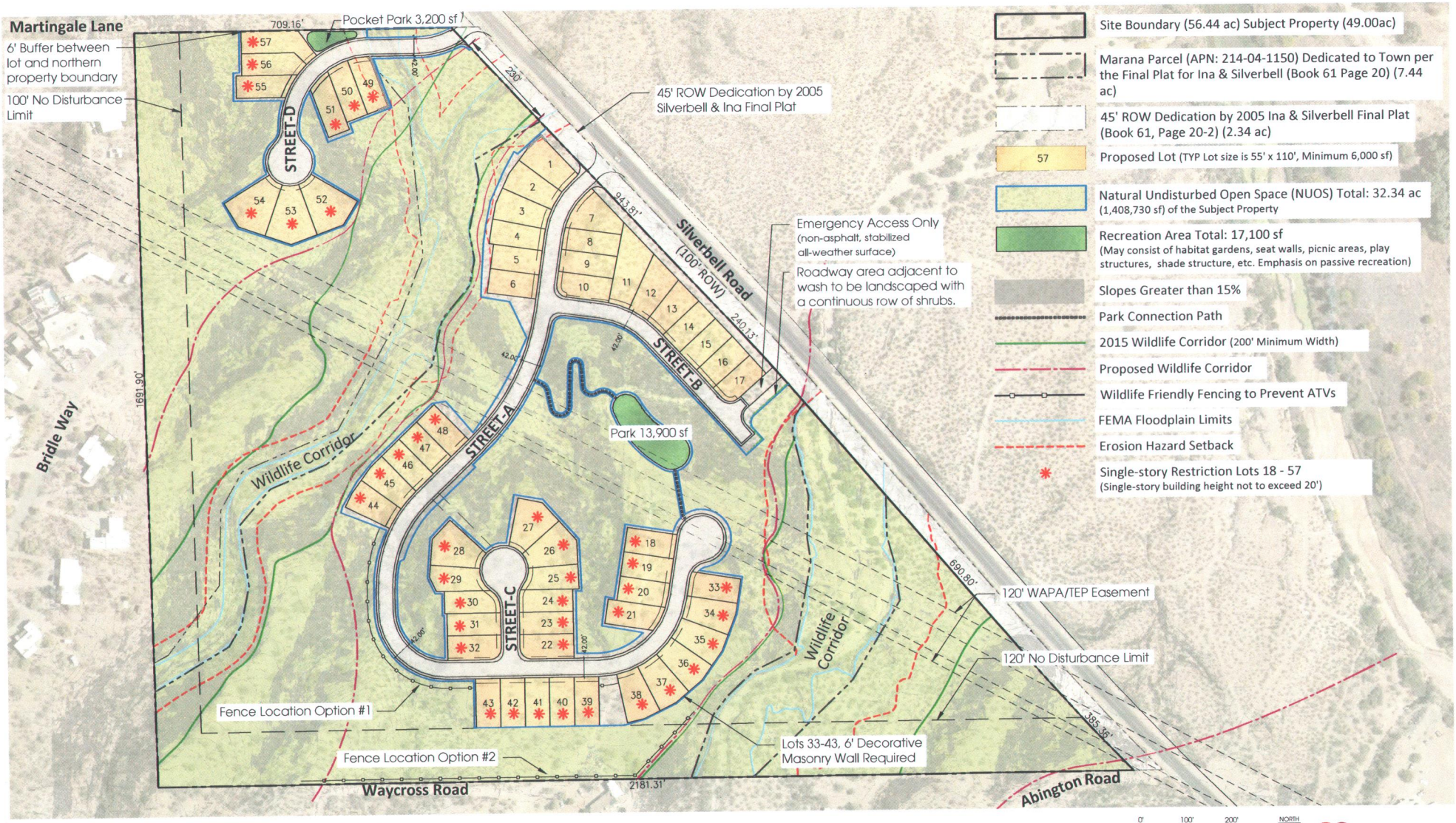
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

MARANA AZ
ESTABLISHED 1977

TENTATIVE DEVELOPMENT PLAN



Silverbell Ridge Estates

0' 100' 200'
SCALE: 1"=200'-0"
PROJECT: CAC-06 DATE: 07/28/21
FILE NAME: CAC-06_TDP.DWG

NORTH

THE PLANNING CENTER
a division of TPC Group, Inc.

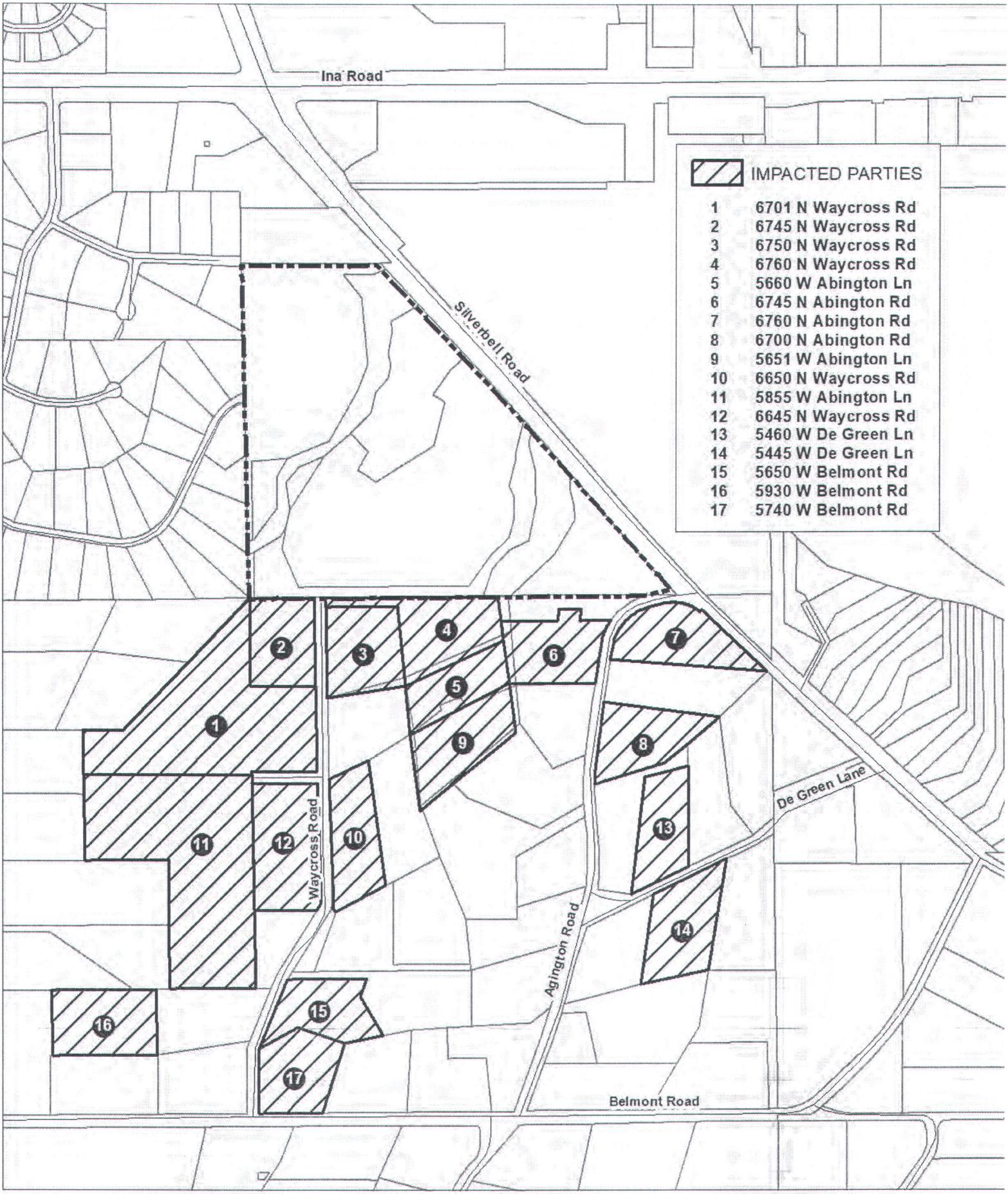


EXHIBIT "B"
IMPACTED PARTIES

FILE NAME: Impacted Parties 6x8_CAC-06.mxd
SOURCE: Pima County GIS, 2021

Exhibit C

Invasive Non-Native Plant Species Subject to Control

Scientific Name	Common Name
Ailanthus altissima	*Tree of Heaven*
Alhagi pseudalhagi	*Camelthorn*
Arundo donax	*Giant reed*
Baccharis sarothroides	*Desert Broom*
Brassica tournefortii	*Sahara mustard*
Bromus rubens	*Red brome*
Bromus tectorum	*Cheatgrass*
Centaurea melitensis	*Malta starthistle*
Centaurea solstitalis	*Yellow starthistle*
Cynodon dactylon	*Bermuda grass (exclude sod hybrid)*
Digitaria spp.	*Crabgrass*
Elaeagnus angustifolia	*Russian olive*
Eragrostis spp.	*Lovegrass (exclude E. intermedia, plains lovegrass)*
Melinis repens	*Natal grass*
Mesembryanthemum spp.	*Iceplant*
Oncosiphon piluliferum	*Globe Chamomile aka Stinknet*
Peganum harmala	*African rue*
Pennisetum ciliare	*Buffelgrass*
Pennisetum setaceum	*Fountain grass*
Rhus lancea	*African sumac*
Salsola spp.	*Russian thistle*
Schinus spp.	*Pepper tree*
Schismus arabicus	*Arabian grass*
Schismus barbatus	*Mediterranean grass*
Sorghum halepense	*Johnson grass*
Tamarix spp.	*Tamarisk*

Exhibit D

Town of Marana

*Redlined Town of Marana Regulatory Plant List (*Acceptable Silverbell Ridge subdivision vegetation as determined and redlined by Coalition for Sonoran Desert Protection on 7/12/21)

OFFICIAL REGULATORY PLANT LIST

LOW WATER USE / DROUGHT TOLERANT PLANT LIST

The plants on this list can be grown with moderate to no supplemental irrigation once they are established. Occasionally, for good appearance, supplemental irrigation may be applied during the growing season. In addition to the cacti on this list, any cacti salvaged and tagged in compliance with state agricultural and horticultural regulations may be used.

All of the plants on the Plant List meet the Arizona Department of Water Resources (ADWR) standard for low consumption.

Some plants on the list may fall under more than one plant type category (e.g. Acacia constricta can be grown as a tree or a shrub depending upon the growth habit that is preferred).

Applications for additions, deletions or exceptions to the list may be submitted to the Zoning Administrator.

Key to symbols:

A - Accent Plant
***** - Toxic; may be harmful if eaten. (For more information call Arizona Poison Control Center at (520) 626-6016.)
C - Cactus
Gc - Groundcover
I - Invasive -- may spread and intrude into natural areas.
Gr - Ornamental Grass
sh - Semi-hardy -- some dieback in a hard frost
S - Shrub
(t) - Tender (may be severely damaged or killed in a hard frost)
Sc - Succulent (other than cacti)
- Exceptions to the nomenclature in Hortus III.
T - Tree
an - Annual
V - Vine
p - Perennial
cl - Seasonal Color (showy flowers, fall color or berries).

CD - Chihuahuan Desert Region - (broadly interpreted to include a large area of north central and northwest Mexico, southwest Texas, southern New Mexico and extreme southeast Arizona.)
SD - Sonoran Desert Region - (broadly interpreted to include the arid and semi-arid areas of northwest Mexico, southeast California and most of Arizona south of the Mogollon Rim.)

(Note: Chihuahuan and Sonoran Desert Regions annotated by Matt Johnson, Native Plant Society.)

Approximate Watering Needs (depending on soil and climate conditions)

1 - No supplemental irrigation once established.
2 - Once a month during the growing season once established.
3 - Twice a month during the growing season once established.
4 - Once a week during the growing season once established.

TABLE 7-2

Town of Marana
OFFICIAL REGULATORY PLANT LIST

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
Abronia villosa	Sand verbena	Gc, an	SD	1	
~~Acacia abyssinica~~	~~Abyssinian Acacia~~	~~T~~	~~Africa~~	~~3~~	~~(sh)~~
~~Acacia aneura~~	~~Mulga~~	~~T~~	~~Australia~~	~~2~~	~~(sh)~~
Acacia angustissima	White Ball Acacia	S	SD	2	(sh)
Acacia berlandieri	Guajillo	S,T	CD	3	
Acacia constricta	Whitethorn Acacia, Mescat	T,S*	SD, CD	1	
~~Acacia crasspedocarpa~~	~~Waxleaf Acacia~~	~~T,S~~	~~Australia~~	~~1~~	
~~Acacia cultriformis~~	~~Knife Leaf Acacia~~	~~T,S~~	~~Australia~~	~~2~~	~~(sh)~~
Acacia greggii	Cat's Claw Acacia	T,S	SD, CD	1	
Acacia minuta (smallii)	Southwestern Sweet Acacia	T,S,cl	SD, CD	2	
~~Acacia notabilis~~	~~Acacia~~	~~S~~	~~Australia~~	~~2~~	
~~Acacia redolens~~	~~Prostrate Acacia~~	~~S,Gc~~	~~Australia~~	~~2~~	
Acacia rigidula	Black Brush Acacia	S,T	CD	3	
~~Acacia salicina~~	~~Weeping Wattle~~	~~T,cl~~	~~Australia~~	~~2~~	~~(sh)~~
~~Acacia saligna~~	~~Wattle Tree~~	~~T~~	~~Australia~~	~~1-2~~	~~(sh)~~
Acacia schaffneri	Twisted Acacia	T	CD	1-2	
~~Acacia stenophylla~~	~~Pencilleaf Acacia~~	~~T~~	~~Australia~~	~~1-2~~	
~~Acacia willardiana~~	Palo Blanco	T	SD	1-2	(sh)
Agave americana	Century Plant	Sc	CD	1-2	
Agave colorata	Agave	Sc	SD	1	
Agave filifera	Agave	Sc	CD	1-2	
Agave huachucensis	Huachuca Agave	Sc	SD	1-2	
Agave lophantha (univittata)	Agave	Sc	CD	2	
Agave ocahui	Ocahui Agave	Sc	SD	1-2	
Agave palmeri	Palmer Agave	Sc	SD	1	
Agave victoriae-reginae	Victoria Regina Agave	Sc	CD	1-2	
Agave vilmoriniana	Octopus Agave	Sc	SD	1-2	(sh)
~~Aloe barbadensis~~	~~Barbados Aloe~~	~~Sc,cl~~	~~Africa~~	~~2-3~~	~~(sh)~~
~~Aloe ferox~~	~~(sh) Cape Aloe~~	~~Sc,cl~~	~~Africa~~	~~2-3~~	
~~Aloe saponaria~~	~~Mediterranean Aloe~~	~~Sc,cl~~	~~Africa~~	~~2-3~~	~~(sh)~~
Aloysia gratissimma	Fragrant Bush, Bee Brush	S	SD, CD	2	
Aloysia wrightii	Wright's Oregano, Lemon Verbena	S	SD, CD	2	
Ambrosia (Franseria)	Triangle-leaf	S	SD		

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
deltoidea	Bursage				
Ambrosia (Franseria) dumosa	White Bursage	S	SD	1	
Anisacanthus thurberi	Desert Honeysuckle	S	SD	2	
Antigonon leptopus	Queen's Wreath	V,cl	SD	2-3	(t)
Aristida purpurea	Purple Three-Awn	Gr,cl	SD, CD	1	
Asclepias linaria	Pine-Leaf Milkweed	S	SD, CD	2	
Asclepias subulata	Desert Milkweed	A	SD	2	(sh)
Aster bigelovii	Aster	an	SD	1	(t)
Aster tanacetifolius	Aster	an	SD, CD	1	(t)
Atriplex canescens	Four-Wing Saltbush	S	SD, CD	1	
Atriplex lentiformis	Quail Bush	S	SD	1	
Atriplex lentiformis breweri	Brewer Saltbush	S	SD	1-2	
~~Atriplex nummularia~~	~~Old Man Saltbush~~	~~S~~	~~Australia~~	~~1~~	
Atriplex polycarpa	Desert Saltbush	S	SD	1	
~~Atriplex semibaccata~~	~~Australian Saltbush~~	~~S~~	~~Australia~~	~~2~~	
~~Baccharis sarothroides (male plants only)~~	~~Desert Broom~~	~~S,I~~	~~SD~~	~~1-2~~	
~~Baccharis sarothroides `Centennial'~~	~~Centennial~~	~~S,Gc~~	~~SD~~	~~2-3~~	
Bahia absinthifolia	Desert Daisy	p,cl	SD	2	
Baileya multiradiata	Desert Marigold	p,cl*	SD, CD	1-2	
Berberis harrisoniana	Barberry	S	SD	3	
Berberis trifoliata	Agritos	S	SD	3	
Bothriochloa barbinodis	Cane Beardgrass	Gr,cl	SD, CD	1	
~~Bougainvillea spp.~~	~~Bougainvillea~~	~~V,S,cl~~	~~Brazil~~	~~3~~	~~(t)~~
Bouteloua chondrosioides	Sprucetop Grama	Gr	SD, CD	2	
Bouteloua curtipendula	Sideoats Grama	Gr,cl	SD, CD	2	
Bouteloua eriopoda	Black Grama	Gr,cl	SD	3	
Bouteloua gracilis	Blue Grama	Gr	SD, CD	2	
Bouteloua hirsuta	Hairy Grama	Gr	SD	2	
Bouteloua rothrockii	Rothrock Grama	Gr	SD, CD	1	
~~Brachychiton populneus~~	~~Bottle Tree~~	~~T~~	~~Australia~~	~~2-3~~	
Brahea (Erythea) armata	Mexican Blue Palm	T	SD	2-3	
Buchloe dactyloides	Buffalo Grass	Gr	CD	2-3	
Buddleia marrubifolia	Wooly Butterfly Bush	S,cl	CD	2-3	
Caesalpinia (Poinciana) mexicana,	Mexican Bird of Paradise (yellow)	S,cl*	CD	2	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
~~Caesalpinia (Poinciana) gilliesii~~	~~Yellow Bird of Paradise~~	~~S,cl*~~	~~Argentina~~	~~1-2~~	
~~Caesalpinia pulcherrima~~	~~Red Bird of Paradise~~	~~S,cl*~~	~~Caribbean~~	~~3~~	~~(sh)~~
Calliandra californica	Red Fairy Duster, Baja Fairy Duster	S,cl	SD	2-3	
Calliandra eriophylla	Fairy Duster, False Mesquite	S,cl	SD	1	
Calliandra peninsularis	Red Calliandra, Baja Fairy Duster	S,cl	SD	2-3	(sh)
~~Callistemon citrinus~~	~~Lemon Bottlebrush~~	~~T,S,cl~~	~~Australia~~	~~3~~	~~(sh)~~
Calylophus hartwegii	Calylophus	Gc,cl	CD	3	
Campsis radicans	Common Trumpet Creeper	V,cl	SD, CD	2-3	
Carnegiea gigantea	Saguaro	C	SD	1	
~~Carpobrotus edulis~~	~~Ice Plant~~	~~Gc,Sc,cl,~~	~~Africa~~	~~3~~	~~(t)~~
~~Cassia artemisioides~~	~~Wormwood Senna, Feathery Cassia~~	~~S,cl~~	~~Australia~~	~~2-3~~	~~(sh)~~
~~Cassia nemophila (eremophila)~~	~~Green Cassia~~	~~S,cl~~	~~Australia~~	~~2~~	
~~Cassia phyllodinea~~	~~Silvery Cassia~~	~~S,cl~~	~~Australia~~	~~2-3~~	
~~Casuarina cunninghamiana~~	~~Australian Pine~~	~~T~~	~~Australia~~	~~3~~	
~~Casuarina stricta~~	~~Coast Beefwood~~	~~T~~	~~Australia~~	~~2-3~~	
Cathostecum erectum	False Grama	Gr,cl	SD	1	
Celtis pallida	Spiny or Desert Hackberry	S	SD, CD	1-2	
Celtis reticulata	Netleaf or Western Hackberry	T	SD, CD	2	
~~Centaurea cineraria~~	~~Dusty Miller~~	~~p,cl~~	~~Mediterranean~~	~~3~~	
Cephalophyllum `Red Spike'	Red Spike Ice Plant	Gc,Sc,cl		2	
~~Ceratonia siliqua~~	~~Carob, St. John's Bread Tree~~	~~T~~	~~Mediterranean~~	~~3~~	~~(sh)~~
Cercidium floridum	Blue Palo Verde	T,cl	SD	2-3	
Cercidium microphyllum	Littleleaf or Foothill Palo Verde	T,cl	SD	1	
Cercidium praecox	Palo Brea	T,cl	SD	2	(sh)
Cercidium sonorae	Sonoran Palo Verde	T,cl	SD	1-2	
Cercis canadensis var. mexicana	Mexican Redbud	T,S	CD	3	
~~Cereus peruvianus 'Monstrosus'~~	~~Peruvian Cereus~~	~~C~~	~~South America~~	~~1-2~~	~~(sh)~~
~~Chamaerops humilis~~	~~Mediterranean Fan Palm~~	~~T~~	~~Spain~~	~~2-3~~	
Chilopsis linearis	Desert Willow	T,S,cl	SD, CD	2-3	

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~~Cissus incisa~~	~~Desert Grape Ivy~~	~~V,I~~	~~CD~~	~~1-2~~	
Cissus trifoliata	Desert Grape Ivy	V	SD	1-2	
Condalia warnockii var. kearneyana	Condalia	S	SD, CD	1	
~~Convolvulus cneorum~~	~~Bush Morning Glory~~	~~S,Gc,cl*~~	~~Mediterranean~~	~~1-2~~	
~~Convolvulus mauritanicus~~	~~Ground Morning Glory~~	~~Gc,cl~~	~~Africa~~	~~3~~	~~(sh)~~
Cordia boissieri	Anacahuita, Texas Olive	T,S,cl	CD	2-3	(sh)
Cordia parvifolia	Littleleaf Cordia	S,cl	SD, CD	1-2	
~~Cortaderia selloana~~	~~Pampas Grass~~	~~Gr~~	~~Argentina~~	~~3~~	
Cupressus arizonica	Arizona Cypress	T	SD, CD	2	
Cupressus glabra	Smooth Bark Cypress	T	SD	2-3	
~~Dalbergia sissoo~~	~~Rosewood~~	~~T~~	~~India~~	~~3~~	~~(sh)~~
Dalea bicolor var. argyrea	Silver Dalea	S	SD	2-3	
Dalea frutescens	Black Dalea	S,cl	CD	2-3	
Dalea greggii	Trailing Indigo Bush	Gc	CD	2-3	
Dalea pulchra	Indigo Bush	S,cl	SD	2-3	
Dalea versicolor var. sessilis	Indigo Bush, Dalea	S,cl	SD	3	
Dasylirion acrotriche	Green Desert Spoon	A	CD	1	
Dasylirion wheeleri	Sotol, Desert Spoon	A	SD, CD	1	
Datura wrightii	Sacred Datura	Gc,p,cl*	SD	3	(sh)
~~Digitaria californica~~	~~Arizona Cottontop~~	~~Gr~~	~~SD, CD~~	~~1~~	
~~Dimorphotheca sinuata~~	~~African Daisy, Cape Marigold~~	~~an,cl~~	~~South Africa~~	~~4~~	
Dodonaea viscosa	Hopbush	S	SD, CD	1-2	(sh)
Dyssodia acerosa	Dogweed	Gc,p,cl,SD,CD	SD, CD	2-3	
~~Dyssodia pentachaeta~~	~~Dyssodia~~	~~Gc,an,p,cl~~	~~SD,CD~~	~~2-3~~	
Echinocactus grusonii	Golden Barrel	C,cl	SD	1-2	
Echinocereus spp.	Hedgehog, Rainbow Cactus	C,cl	SD, CD	1	
~~Echinopsis spp.~~	~~Easter Lily, Sea Urchin Cactus~~	~~C,cl~~	~~So. America~~	~~1~~	
Encelia californica	California Brittlebush (green)	S,cl	SD	1-2	(sh)
Encelia farinosa	Brittlebush	S,cl	SD	1-2	(sh)
Ephedra nevadensis	Ephedra	S	SD	3	
~~Eragrostis intermedia~~	~~Plains lovegrass~~	~~Gr~~	~~SD, CD~~	~~1~~	
~~Eremophila decipiens~~	~~Emu Bush~~	~~S,cl~~	~~Australia~~	~~1~~	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
Erioneuron pulchellus	Fluffgrass	Gr	SD, CD	1	
Eschscholtzia californica	California Poppy	an,cl	SD	2-3	
Eschscholtzia mexicana	Mexican Gold Poppy	an,cl	SD	3	
~~Eucalyptus camaldulensis~~	~~Red River Gum~~	~~T~~	~~Australia~~	~~2~~	
~~Eucalyptus campaspe~~	~~Silver Gimlet~~	~~T~~	~~Australia~~	~~2-3~~	~~(sh)~~
~~Eucalyptus formanii~~	~~Eucalyptus~~	~~T~~	~~Australia~~	~~2~~	
~~Eucalyptus leucoxylon (rosea)~~	~~White Iron Bark~~	~~T,cl~~	~~Australia~~	~~2~~	
~~Eucalyptus microtheca~~	~~Tiny Capsule Eucalyptus~~	~~T~~	~~Australia~~	~~1-2~~	
~~Eucalyptus polyanthemos~~	~~Silver Dollar Gum~~	~~T~~	~~Australia~~	~~2~~	
~~Eucalyptus rudis~~	~~Desert Gum~~	~~T~~	~~Australia~~	~~2~~	
~~Eucalyptus spathulata~~	~~Swamp Mallee~~	~~T~~	~~Australia~~	~~3~~	
Euphorbia antisyphilitica	Wax Plant, Candelilla	S	CD	1	
Euphorbia myrsinites	Euphorbia	Gc		2	
~~Euphorbia rigida (biglandulosa)~~	~~Gopher Plant~~	~~A,Sc,cl* Africa~~	~~Africa~~	~~2~~	
~~Feijoa sellowiana~~	~~Pineapple Guava~~	~~T,S,cl~~	~~So. America~~	~~3~~	
Ferocactus spp.	Barrel Cactus	C,cl	SD, CD	1	
Fouquieria splendens	Ocotillo	A,cl	SD, CD	1	
Gaillardia pulchella	Fire Wheel, Blanket Flower	an,cl	CD	3	
~~Gazania rigens `Copper King'~~	~~Copper King Gazania~~	~~Gc,cl~~	~~Africa~~	~~3-4~~	
~~Gazania rigens~~	~~Treasure Flower Gazania~~	~~Gc,cl~~	~~Africa~~	~~3-4~~	
~~Gazania rigens leucolaena~~	~~Trailing Gazania~~	~~Gc,cl~~	~~Africa~~	~~3-4~~	~~(t)~~
~~Geoffreya (Gourleia) decorticans~~	~~Chilean Palo Verde~~	~~T,cl~~	~~So. America~~	~~1~~	
Gossypium harknessii	Gossypium	S,cl	SD	2	(t)
Haplopappus (Ericameria) laricifolius	Turpentine Bush	S,cl	SD, CD	1	
Hesperaloe funifera	Giant Hesperaloe	A	CD	1-2	
Hesperaloe parviflora	Red Yucca, Red Flowered Hesperaloe	A,cl	CD	1-2	
Hetropogon contortus	Tanglehead	Gr	SD	3	
Hibiscus coulteri	Yellow Hibiscus, Coulter's Hibiscus	S	SD, CD	2	
Hilaria berlangeri	Curly Mesquite	Gr	SD, CD	2	
Hilaria mutica	Tobosa Grass	Gr	SD, CD	1	
Hilaria rigida	Big Galleta Grass	Gr	SD, CD	2	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
Hyptis emoryi	Desert Lavendar	S	SD	3	(sh)
Jatropha cardiophylla	Limberbush	S	SD	1	
Jatropha dioica	Jatropha	S,cl	CD	1	(t)
~~Juniperus chinensis~~	~~Juniper (many culitvars)~~	~~T,S~~	~~Asia~~	~~3~~	
Juniperus deppeana	Alligator Bark Juniper	T	SD, CD	3	
~~Juniperus sabina `Arcadia'~~	~~Arcadia Juniper~~	~~S~~		~~3~~	
Justicia (Beloperone) californica	Chuparosa	S,cl	SD	2-3	
Justicia candicans	Red Jacobinia	S,cl	SD	3	(sh)
Justicia spicigera	Mexican Honeysuckle, Firecracker Bush	S,cl	SD	3	(sh)
Lantana camara	Bush Lantana (many cultivars)	S,cl*	No. America	3-4	(t)
Lantana montevidensis	Trailing Lantana	Gc,cl* S. Am.	So. America	3-4	(t)
Larrea tridentata (divaricata)	Creosote Bush, Greasewood	S,cl	SD, CD	1	
Leptochloa dubia	Green Sprangle-Top	Gr	CD	3	
Leucaena retusa	Golden Leadball	T,S,cl	CD	1-2	
Leucophyllum spp.	Texas Ranger (all cultivars)	S,cl	CD	2	
~~Linum grandiflorum `Rubrum'~~	~~Scarlet Flax~~	~~Gc,an,cl~~		~~3~~	
Linum lewisii	Blue Flax	an,cl	SD, CD	3	
Lupinus arizonicus	Lupine	an,cl	SD	1	
Lupinus sparsiflorus	Desert Lupine	an,cl	SD	1	
Lupinus succulentus	Arroyo Lupine	an,cl	SD	1	
Lycium exsertum	Lycium	S	SD	1	
Lycium fremontii	Wolfberry	S	SD	1	
Lysiloma thornberi	Feather Tree	T,S	SD	2-3	(sh)
Macfadyena unguis-cati	Cat's Claw Vine	V,cl	America	2-3	
~~Malephora crocea~~	~~Croceum, Ice Plant~~	~~Gc,Sc,cl~~		~~2-3~~	
Mamillaria spp.	Mamillaria Cactus	C,cl	SD, CD	1-2	
Mascagnia lilacina	Lavender Orchid Vine	V,cl	CD	2-3	
Mascagnia macroptera	Yellow Orchid Vine	V,cl	SD, CD	2-3	(sh)
Maytenus phyllanthoides	Mangle Dulce	S	SD, CD	2	

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Melampodium leucanthum	Blackfoot Daisy	Gc,p,cl SD,CD	SD, CD	2	
Merremia aurea	Yellow Merremia	V,cl	SD	2-3	(t)
Mimosa dysocarpa	Velvetpod	S,cl	SD	2	
Muhlenbergia dumosa	Bush Muhlenbergia, Bamboo Muhly	Gr	SD	3-4	
Muhlenbergia emersleyi	Bullgrass	Gr,cl	SD	1	
Muhlenbergia porteri	Bush Muhly	Gr,cl	SD, CD	1	
Muhlenbergia rigens	Deer Grass	Gr	SD	3	
Muhlenbergia rigida	'Nashville' TM	Gr,cl	SD	3	
~~Myoporum parvifolium~~	~~Myoporum~~	~~Gc~~	~~Australia~~	~~3~~	
~~Myrtus communis~~	~~True Myrtle, Roman Myrtle~~	~~S~~	~~Mediterranean~~	~~3~~	
~~Myrtus communis `Boetica'~~	~~Twisted Myrtle~~	~~S#~~	~~Mediterranean~~	~~3~~	
~~Myrtus communis `Compact~~	~~Dwarf Myrtle~~	~~S~~	~~Mediterranean~~	~~3~~	
~~Nandina domestica~~	~~Heavenly Bamboo (many cultivars)~~	~~S,cl~~		~~3~~	
~~Nerium oleander~~	~~Oleander (many cultivars)~~	~~S,cl*~~	~~Asia~~	~~2-3~~	
Nolina bigelovii	Beargrass	A	SD	1-2	
Nolina matapensis	Tree Beargrass	A,T	SD	1-2	
Nolina microcarpa	Beargrass	A	SD	1-2	
Nolina parryi	Parry's Beargrass	A	SD	1-2	
Oenothera berlandieri (speciosa childsii)	Mexican Evening Primrose	Gc,cl	CD	3	
Oenothera caespitosa	Tufted Evening Primrose	p,cl	SD	2-3	
Oenothera stubbei	Chihuahuan Primrose, Baja Primrose	Gc,cl	CD	2-3	
~~Olea europaea `Swan Hill'~~	~~Swan Hill Olive~~	~~T~~	~~Mediterranean~~	~~3~~	
Olneya tesota	Desert Ironwood, Tesota	T	SD, CD	1	(sh)
Opuntia spp.	Prickly Pear, Cholla	C	SD, CD	1	
Oryzopsis hymenoides	Indian Ricegrass	Gr	SD, CD	3	
~~Osteospermum fruticosum~~	~~Trailing African Daisy~~	~~Gc,cl~~	~~Africa~~	3-4	(sh)
Pappophorum mucronulatum	Pappusgrass	Gr	SD	1	
~~Parkinsonia aculeata~~	~~Mexican Palo Verde~~	~~T,I,cl~~	~~SD, CD~~	~~1-2~~	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
Passiflora foetida	Passion Flower	V	SD	3	(sh)
Pedilanthus macrocarpus	Slipper Flower	A,Sc,cl*	SD	2	
~~Pennisetum setaceum `Cupreum'~~	~~Purple Fountain Grass~~	~~Gr~~	~~Africa~~	~~1-2~~	
Penstemon baccharifolius	Cutleaf Penstemon	p,cl	CD	1	
Penstemon barbatus	Beardtongue Penstemon	p,cl	SD, CD	1	
Penstemon eatoni	Eaton's Penstemon	p,cl	SD	1	
Penstemon parryi	Parry Penstemon	p,cl	SD	1	
Penstemon pseudospectabilis	Canyon Penstemon, Mohave Beardtongue	p,cl	SD	1	
Penstemon superbus	Superb Penstemon	p,cl	CD	1	
~~Pentzia incana~~	~~Karoo Bush~~	~~Gc~~	~~Africa~~	~~1-2~~	
Phacelia campanularia	Desert Canterbury Bells	an,cl	SD	2-3	
Phacelia tanacetifolia	Tansy Phacelia	an,cl	SD	2-3	
~~Phoenix canariensis~~	~~Canary Island Date Palm~~	~~T~~		~~3~~	
~~Phoenix dactylifera~~	~~Date Palm~~	~~T~~	~~Asia~~	~~3~~	
~~Phyla nodiflora~~	~~Lippia~~	~~Gc,cl~~		~~3-4~~	
~~Pinus edulis~~	~~Piñon Nut Pine~~	~~T~~		~~2-3~~	
~~Pinus eldarica~~	~~Afghan Pine~~	~~T#~~	~~Asia~~	~~2~~	
~~Pinus halepensis~~	~~Aleppo Pine~~	~~T~~	~~Mediterranean~~	~~2~~	
~~Pinus monophylla~~	~~Singleleaf Piñon Pine~~	~~T~~	~~Mojave~~	~~2~~	
~~Pinus pinea~~	~~Italian Stone Pine~~	~~T~~	~~Mediterranean~~	~~2-3~~	
~~Pinus roxburghii~~	~~Chir Pine~~	~~T~~	~~Asia~~	~~3~~	
~~Pistacia atlantica~~	~~Mt. Atlas Pistache~~	~~T~~	~~Africa~~	~~2~~	
~~Pistacia chinensis~~	~~Chinese Pistache~~	~~T,cl~~	~~Asia~~	~~3~~	
~~Pistacia terebinthus x integerrima~~	~~Pistache hybrid terebinthus x integerrima~~	~~T,cl~~		~~3~~	
~~Pistacia vera~~	~~Pistachio~~	~~T~~	~~Asia~~	~~2-3~~	
Pithecellobium flexicaule	Texas Ebony	T	CD	2	(sh)
Pithecellobium mexicanum	Mexican Ebony	T	SD	3	
Pithecellobium pallens	Tenaza	T	CD	2	(sh)
~~Pittosporum phillyraeoides~~	~~Willow Pittosporum~~	~~T~~	~~Australia~~	~~2~~	
Plantago spp.	Indian Wheat	an	SD, CD	1-2	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
Prosopis (So. Am. hybrid)	Thornless Mesquite (So. Am. hybrid)	T#	So. America	2	
~~Prosopis alba~~	~~Argentine Mesquite~~	~~T#~~	~~So. America~~	~~2~~	
~~Prosopis chilensis~~	~~Chilean Mesquite~~	~~T#~~	~~So. America~~	~~2~~	
Prosopis glandulosa glandulosa	Honey or Texas Mesquite	T#	CD	2	
Prosopis pubescens	Screwbean Mesquite	T	SD, CD	2	
Prosopis velutina	Velvet Mesquite	T#	SD	2	
Psilostrophe cooperi	Paper Flower	p,cl	SD, CD	2	
~~Punica granatum~~	~~Pomegranate~~	~~S,T,cl~~	~~India~~	~~2-3~~	
~~Pyracantha (red berried types)~~	~~Pyracantha (many cultivars)~~	~~S,cl~~		~~3~~	
Quercus arizonica	Arizona White Oak	T	SD, CD	3	
Quercus emoryi	Emory Oak	T	SD, CD	3	
~~Quercus ilex~~	~~Holly Oak~~	~~T~~		~~3~~	
~~Quercus suber~~	~~Cork Oak~~	~~T*~~	~~Mediterranean~~	~~2~~	
~~Quercus virginiana 'Heritage'~~	~~Heritage Live Oak~~	~~T~~	~~SE U.S.A.~~	~~3~~	
~~Rhus lancea~~	~~African Sumac~~	~~T,I~~	~~Africa~~	~~2~~	
Rhus microphylla	Littleleaf Sumac	S,cl	CD	2	
Rhus ovata	Sugar Bush, Sugar Sumac	S	SD	2	
Rhus virens	Evergreen Sumac	S,cl	CD	2	
~~Rosa banksiae~~	~~Lady Banks Rose, Tombstone Rose~~	~~S,Gc,V~~		~~3~~	
~~Rosmarinus officinalis~~	~~Bush Rosemary~~	~~S,cl~~	~~Mediterranean~~	~~2-3~~	
~~Rosmarinus officinalis 'Prostratus'~~	~~Dwarf or Trailing Rosemary~~	~~Gc,cl~~	~~Mediterranean~~	~~2-3~~	
Ruellia californica	Ruellia	S,cl	SD	3	(t)
Ruellia peninsularis	Ruellia	S,cl	SD	3	(t)
~~Ruschia uncinatus~~	~~Ruschia~~	~~Sc,Gc~~		~~2~~	
Salvia chamaedryoides	Blue Sage	S,p,cl	CD	2-3	
Salvia clevelandii	Cleveland Sage	S,cl		3	
Salvia columbariae	Chia	an,cl	SD	3	
Salvia farinacea	Mealy Blue Sage	S,cl	CD	3-4	
Salvia greggii	Texas Red Salvia, Autumn Sage	S,cl	CD	2-3	
Salvia mohavensis	Mohave Sage	S,cl	SD	2	
Sambucus mexicana	Mexican Elderberry	T	SD, CD	2	
~~Santolina chamaecyparissus~~	~~Lavendar Cotton~~	~~S,Gc~~	~~Mediterranean~~	~~2-3~~	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
~~Santolina virens~~	~~Green Santolina~~	~~Gc,S,cl Medit.~~	~~Mediterranean~~	~~3-4~~	
Sapindus saponaria	Soapberry	T*	SD, CD	3-4	
~~Schinus molle~~	~~California Pepper Tree~~	~~T~~	~~So. America~~	~~2-3~~	
~~Senecio cineraria~~	~~Dusty Miller, Silver Plant~~	~~p,cl*~~		~~3~~	
Senna covesii	Desert Senna	p,cl	SD	1-2	
Senna lindheimeriana	Senna	S	CD	4	(sh)
Senna wislizenii	Cassia, Shrubby Senna	S,p,cl	SD, CD	2	
~~Sesuvium verrucosum~~	~~Sea Purslane, Ice Plant~~	~~Gc~~	~~Africa~~	~~2~~	~~(t)~~
Setaria macrostachya	Plains Bristle Grass	Gr	SD, CD	3	
Simmondsia chinensis	Jojoba, Goat Nut	S	SD	1-2	
Sophora secundiflora	Mescal Bean, Texas Mountain Laurel	S,T,cl*	CD	2-3	
Sphaeralcea spp.	Globe-Mallow	p,cl	SD, CD	1	
Sporobolus airoides	Alkali Sacaton	Gr	SD, CD	3	
Sporobolus contractus	Spike Dropseed	Gr	SD, CD	1	
Sporobolus cryptandrus	Sand Drops	Gr	SD, CD	3	
Sporobolus flexuosus	Mesa Dropseed	Gr	SD, CD	2	
Sporobolus wrightii	Sacaton	Gr	SD, CD	1	
Stenocereus (Lemaireocereus) thurberi	Organ Pipe Cactus	C	SD	1	
Stipa neomexicana	New Mexico Feathergrass	Gr	SD, CD	2	
Tagetes lemmoni	Mountain Marigold	p,cl	SD	3-4	
~~Tamarix aphylla~~	~~Athel Tree, Tamarisk~~	~~T~~	~~Asia~~	~~1~~	
~~Tamarix parviflora or chinensis~~	~~Spring Flowering Salt Cedar~~	~~T,S,I~~	~~Asia~~	~~2~~	
Tecoma stans var. angustata	Trumpet-Bush	S,cl	SD, CD	2-3	(sh)
~~Tecomaria capensis~~	~~Cape Honeysuckle~~	~~S,cl~~	~~Africa~~	~~4~~	~~(sh)~~
~~Teucrium chamaedrys (prostratum)~~	~~Prostrate Germander~~	~~Gc,p~~	~~Mediterranean~~	~~2-3~~	
~~Teucrium fruticans~~	~~Bush Germander~~	~~S~~		~~3~~	
Trucklers crinita	Two-feather Trichloris	Gr	SD, CD	2	
Trichocereus spp.	Trichocerius Cactus	C		1-2	
Tridens muticus	Slim Tridens	Gr	SD, CD	2	

BOTANICAL NAME	COMMON NAME	STATUS	ORIGIN	NEEDS	HARDY
Ungnadia speciosa	Mexican Buckeye	T,cl	CD	3	
Vauquelinia californica	Arizona Rosewood	S,T#	SD	2	
Verbena gooddingii	Goodding Verbena	p,cl	SD	3-4	
~~Verbena peruviana~~	~~Peruvian Verbena~~	~~p,cl~~	~~So. America~~	~~4~~	
~~Verbena tenuisecta (pulchella)~~	~~Moss Verbena, Fineleaf Verbena~~	~~p,cl~~	~~So. America~~	~~3~~	
Verbesina encelioides	Crown Beard	an,cl	SD, CD	2	
Viguiera deltoidea	Golden Eye	p,cl	SD	2	
~~Vitex agnus castus~~	~~Chaste Tree, Monk's Pepper~~	~~T,S,cl~~		~~2~~	
~~Washingtonia filifera~~	~~California Fan Palm~~	~~T~~	~~SD~~	~~2~~	
~~Washingtonia robusta~~	~~Mexican Fan Palm~~	~~T~~	~~SD~~	~~2-3~~	~~(sh)~~
~~Xylosma congestum~~	~~Xylosma~~	~~T,S~~	~~China~~	~~3-4~~	
Yucca aloifolia	Spanish Bayonet Yucca	A	SD	1	
Yucca baccata	Banana Yucca	A	SD, CD	1	
Yucca brevifolia	Joshua Tree	A	CD	1	
Yucca carnerosana	Giant Dagger Yucca	A	CD	1	
Yucca elata	Soaptree Yucca	A	SD, CD	1	
Yucca glauca	Small Soapweed Yucca	Sc	U.S.A.	1	
Yucca recurvifolia (pendula)	Pendulous or Curveleaf Yucca	A	U.S.A.	2	
Yucca rigida	Blue Dagger Yucca	A,cl	CD	1	
Yucca rostrata	Beaked Yucca	A	CD	1	
Yucca schottii	Mountain Yucca	Sc	SD	1	
Yucca treculeana	Tree Yucca	A	CD	1	
Yucca whipplei	Our Lord's Candle	A	SD	1	
Zauschneria californica	Hummingbird Trumpet	Gc,cl	SD	3	
Zinnia acerosa	Desert Zinnia	p,cl	SD, CD	1	
Zinnia grandiflora	Rocky Mountain Zinnia	p,cl	CD	2	
~~Zizyphus jujuba~~	~~Chinese Date~~	~~T,I~~	~~Asia~~	~~2~~	

List Sorted Alphabetically by Botanical Name

EXHIBIT E

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Blocks 1, 2 and 3, SILVERBELL RIDGE ESTATES, according to plat recorded in Sequence No. 20182500098, records of Pima County, Arizona.

APN: 214-04-1170, 214-04-1180 and 114-04-1190

Council-Regular Meeting **A3**

Meeting Date: 01/16/2024

To: Mayor and Council

Submitted For: Scott Radden, Senior Planner

From: Scott Radden, Senior Planner

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No 2024.003: Relating to Development; approving a rezoning of approximately 1.5 acres of land located northwest of the intersection of West Ina Road and North Oldfather Drive from NC (Neighborhood Commercial) to VC (Village Commercial) (Scott S. Radden)

Discussion:

Request
Lazarus & Silvyn, P.C., representing the property owner, LCC-Oldfather/Ina, LLC, is requesting a recommendation to the Marana Town Council for approval to rezone the subject parcel from Neighborhood Commercial (NC) to Village Commercial (VC) with the intent to match the adjacent zoning district, so similar land uses can be utilized.

Marana 2040 General Plan
The Marana General Plan designates the proposed rezoning area with a land use category of Commercial (C). The proposed rezoning to Village Commercial is consistent with this land use designation.

History
The 1.51 acre proposed rezoning area was annexed into the Town of Marana in 1993 by Ordinance No.93.12. The existing Pima County zoning was translated to the Town zoning of NC from County Business Zone 1 (CB-1). A mini-lube garage has existed on the property since 1989, prior to annexation. A self-service gas

station and car wash were built after annexation, but currently the mini-lube garage (Oilstop Drive Thru) is the only business still in operation.

Surrounding Land Use and Zoning
To the north of the subject property is a vacant lot zoned VC. Located to the east, across North Oldfather Drive, is a Speedway gas station, zoned VC. Directly to the west of the property is a restaurant, zoned VC. On the south side of the property, across West Ina Road, is a multi-tenant retail and service center, zoned VC.

Access and Circulation
The subject property has direct access to both Ina Road to the south, and Oldfather Drive to the east.

Utilities
The rezoning area is located within the Tucson Water obligated water service and Pima County sewer service areas. The rezoning area lies within the service areas of Tucson Electric Power, Southwest Gas, Century Link and Xfinity/Comcast.

Fire Service
The rezoning area is located within the Northwest Fire District service area.

Citizen Participation
The applicant mailed a letter to each of the property owners within 300 feet of the subject property advising them of the application submitted to the Town. The letter provided the opportunity for the property owners to contact and meet with the applicants to discuss the project via a virtual Zoom meeting.

Public Notification
This public hearing was noticed in The Daily Territorial newspaper, and all property owners within 300 feet of the rezoning area were noticed by United States Mail of the date, time, and topic of the public hearing. Additional notice was posted at the property, various locations within the community and on the Town's website. As of the time of submittal of this agenda item, staff had received no comments.

Case Analysis Review Criteria
Pursuant to Town Code section 17-3-1(D), the Planning Commission and Town Council shall consider the following questions, at a minimum, in reviewing an application for rezoning:

Any change of character in the area due to installation of public facilities, other zone changes, new growth trends, deterioration, and development:

> *Based upon the requirements and conditions, the rezoning amendment does not appear to be detrimental to the character of the area due to installation of public facilities or any other rezoning changes.*

The degree to which the proposed zoning will benefit the community; whether there will be benefits derived by the community, or area, by granting the

proposed rezoning:

With the acceptance of the recommended conditions, this rezoning will benefit the community through the extension of public utilities and sidewalks, as well as provide additional commercial options.

Whether the proposed rezoning is compatible with the surrounding area or whether there will be adverse impacts on the capacity or safety of the portion of street network influenced by the rezoning, parking problems, or environmental impacts that the new use will generate such an excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances:

Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding area and does not appear to adversely impact the adjacent street network or generate such excessive storm runoff, water, air, or noise pollution, excessive nighttime lighting, or other nuisances.

Whether the proposal conforms with and is in furtherance of the implementation of the goals and policies of the general plan, other adopted plans, and the goals, objectives and policies of the land development code, and other town regulations and guidelines, including goals and policies relating to economic development:

The rezoning amendment conforms to the goals and policies of the general plan, the land development code, and other town regulations and guidelines.

The zoning districts and existing land uses of the surrounding properties:

Based on the recommended requirements and conditions, the rezoning amendment is compatible with the surrounding property zoning and existing land use.

Whether the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development:

With the acceptance of the recommended conditions, the existing and proposed transportation infrastructure is suitable and adequate to serve the traffic anticipated to be generated by the proposed development.

Whether the existing and proposed utility infrastructure, public facilities, and public services are suitable and adequate to serve the proposed rezoning area:

Based upon the rezoning requirements and conditions, there is adequate utility infrastructure, public facilities, and public services in the area to serve the proposed rezoning area.

Whether the subject property is suitable for the uses, to which it has been restricted under the existing zoning classification:

Based upon the rezoning requirements and conditions, the subject property is suitable for the uses permitted allowed within the VC Zoning District.

Whether the rezoning is compatible with the adjacent neighborhood, especially residential neighborhood stability and character:

Based upon the rezoning requirements and conditions, this rezoning amendment is compatible with the adjacent neighborhood in area stability and character.

If applicable, the length of time the subject property has remained vacant as zoned:

Not applicable

Whether there is an adequate supply of land available in the subject area and the surrounding community to accommodate the zoning and community needs:

Based upon the rezoning subject area location, there is a limited supply of land available in the area and the surrounding community, but will accommodate the zoning and community needs by potential redevelopment.

Staff Recommendation:

Staff Recommendation:

This is a discretionary item for the Town Council to consider. Should the Town Council choose to approve this item, staff recommends the approval be based upon the recommended findings and subject to the conditions set forth in the attached draft ordinance.

Planning Commission Recommendation

The requested rezoning was considered at a public hearing before the Marana Planning Commission on December 6, 2023. The Planning Commission voted unanimously 7-0 to recommend to the Town Council approval of the request subject to the recommended conditions.

Suggested Motion:

I move to adopt Ordinance No. 2024.003, approving the NWC Ina Oldfather Rezone subject to the recommended conditions.

Attachments

Ordinance No. 2024.003
Exhibit A to Ordinance
Narrative and Associated Docs
Location Map
Rezoning Maps
Application

MARANA ORDINANCE NO. 2024.003

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 1.5 ACRES OF LAND LOCATED NORTHWEST OF THE INTERSECTION OF WEST INA ROAD AND NORTH OLDFATHER DRIVE FROM NC (NEIGHBORHOOD COMMERCIAL) TO VC (VILLAGE COMMERCIAL)

WHEREAS LCC-Oldfather/Ina, LLC (the "Property Owners") own approximately 1.5 acres of land generally located northwest of the intersection of W. Ina Road and N. Oldfather Drive, in Section 31, Township 12 South, Range 13 East, described on Exhibit "A" attached to and incorporated in this ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Property Owners have authorized Lazarus & Silvyn, P.C. to submit an application to rezone the Rezoning Area from NC (Neighborhood Commercial) to VC (Village Commercial) ("this Rezoning"); and

WHEREAS the Marana Planning Commission held a public hearing to consider this Rezoning on December 6, 2023, and voted unanimously 7-0 to recommend that the Town Council approve this Rezoning, subject to the recommended conditions; and

WHEREAS the Marana Town Council held a public hearing on this Rezoning on January 16, 2024, and determined that this Rezoning should be approved.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. The zoning of the Rezoning Area is hereby changed from NC (Neighborhood Commercial) to VC (Village Commercial).

Section 2. This Rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this Rezoning), and which shall be binding on the Property Owners, and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's codes and ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.
2. A detailed traffic impact analysis must be submitted by the Property Owners and

accepted by Town staff prior to approval of a preliminary plat or development plan for any portion of the Rezoning Area.

3. A master drainage study must be submitted by the Property Owners and accepted by the Town Engineer prior to Town approval of a preliminary plat or development plan for any portion of the Rezoning Area.

4. A water infrastructure and phasing plan (WIP) must be submitted by the Property Owners and accepted by Tucson Water (the "water provider") prior to approval of a preliminary plat for any portion of the Rezoning Area. The WIP shall identify all on-site and off-site water facilities needed to serve the proposed development. The WIP shall include all information required by the water provider, such as (but not limited to) analysis of water use and fire flow requirements, and well source, reservoir, and booster station infrastructure needed to serve the proposed development. If the water provider requires a water service agreement as a condition of service to the proposed development, the Property Owners must enter into a water service agreement with the water provider consistent with the accepted WIP.

5. A master sewer plan must be submitted by the Property Owners and accepted by Pima County Regional Wastewater (the "wastewater utility") prior to the approval of any final plat or development plan for the Rezoning Area. The master sewer plan shall identify all on-site and off-site wastewater facilities needed to serve the proposed development, and shall include all information required by the wastewater utility. If the wastewater utility requires a sewer service agreement as a condition of service to the proposed development, the Property Owners must enter into a sewer service agreement with the wastewater utility consistent with the accepted master sewer plan.

6. The Property Owners must design and construct any roadway, drainage, water, and wastewater improvements, and dedicate or acquire any property rights associated with those improvements, that the Town requires based on the data and findings of the accepted traffic impact analysis, the accepted master drainage study, the accepted WIP, the accepted master sewer plan, and other studies approved in connection with the approval of a preliminary plat or development plan for any portion of the Rezoning Area.

7. The final design of all streets and circulation facilities, including gated access (if applicable) and emergency access, must be accepted by the Northwest Fire District prior to Town Council consideration of a final plat for any portion of the Rezoning Area.

8. No approval, permit or authorization by the Town of Marana authorizes violation of any federal or state law or regulation or relieves the Property Owners from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. The Property Owners should retain appropriate experts and consult appropriate federal and state agencies to determine any action necessary to assure compliance with

applicable laws and regulations.

9. The property owners shall transfer to the water provider, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for providing designation of assured water supply and water service to the Rezoning Area. If Type I or Type II is needed on the Rezoning Area, the water provider and the property owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Rezoning Area.
10. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Rezoning Area.
11. The Property Owners shall not cause any lot split of any kind without the written consent of the Town of Marana.

Section 3. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

EXHIBIT “A” TO
Marana
ORDINANCE
2024.003

The West 285 feet of the East 330 feet of the North 230 feet of the South 305 feet of Lot 5, Section 31, Township 12 South, Range 13 East, of the Gila and Salt River Base and Meridian, Pima County, Arizona;

EXCEPTING therefrom that portion conveyed to Pima County, Arizona, by Deed recorded in Docket 8341, page 1657.

Law Offices of
Lazarus & Silvyn, P.C.

October 30, 2023

Mr. Steve Cheslak
Planning Manager
Town of Marana Development Services Department
11555 W. Civic Center Drive
Marana, AZ 85653

SUBJECT: PCZ2309-004 – NWC Oldfather/Ina Rezoning Request, 2nd submittal

Dear Mr. Cheslak:

LCC-Oldfather/Ina, LLC ("Owner") owns approximately 1.51 acres of property at 4202 W. Ina Road (Assessor Parcel No. 225-36-020D) at the northwest corner of Oldfather Road and Ina Road (the "Property") within the Town of Marana ("Town"). (See Location Map, provided as Attachment 1.) The Property is zoned Neighborhood Commercial ("NC") and is surrounded by Village Commercial ("VC") zoning. (See Attachment 2, Existing Zoning & Land Use Map.) This letter serves as a non-site analysis rezoning request from NC to VC, which will remove the island of NC zoning, and thereby create uniform zoning along this segment of the Ina Road corridor.

Rezoning Request

The Property is currently developed with an oil and lube shop, as well as an abandoned gas station. The oil and lube shop will continue to operate on the Property. The Owner is interested in rezoning to increase the Property's marketability and allow for the redevelopment of the Property with a future commercial use in conformance with VC zone. The existing vacant gas station structures may be utilized, depending on the feasibility of repurposing for the new use. The Property is an infill site served by existing utilities and public services with existing access to both Ina and Oldfather.

With the recent approval to rezone the adjacent property to the north,[1] this Property's existing NC zoning is an island on the zoning map, as shown on Attachment 3 (Ina Corridor Zoning). This request is to rezone the entire 1.51-acre Property to VC, which will establish a zoning designation consistent with the majority of the properties along Ina Road between Interstate 10 and Thornydale Road. VC zoning supports community- and regional-level commercial businesses, as well as higher-density residential uses. Ina Road is classified as an Urban Principal Arterial, and VC zoning is the appropriate designation for this area.

[1] PCZ2303-002, Ord. No. 2023.019

206 E. Virginia Avenue | Phoenix, AZ 85004-1110
602.340.0900 | Fax 602.340.8955

5983 E. Grant Road, Suite 290 | Tucson, AZ 85712-2365
520.207.4464 | Fax 520.300.9662

Marana's General Plan, *Make Marana 2040*, supports the rezoning request to VC. The General Plan's Future Land Use Map designates all properties on the north side of Ina Road within the Town's limits as Commercial, which is described as follows:

> *The Commercial category includes areas that comprise both community and regional commercial development… Commercial uses should be located along major arterials, at major intersections, and near highway interchanges…The existing zoning districts consistent with this land use category are: A, B, E, CO, NC, VC, RR, RC, RV, BU, DN, DT.*

In addition, the Property is within the Town's South Growth Area, an area that is largely built out and well-served by existing public infrastructure. Per the General Plan, the South Growth Area is *"envisioned to grow incrementally over time through infill development and redevelopment compatible with and that enhance existing residential neighborhoods."* Rezoning this infill Property to VC is in substantial conformance with *Make Marana 2040* and will benefit the Town by establishing a consistent zoning pattern that supports regional and community commercial development along the Ina Road corridor.

Conclusion

To increase marketability and lend flexibility to the redevelopment of the Property with an as-yet unknown commercial land use, we are requesting a rezoning of the Property from NC to VC zone to align with the zoning of properties along the Ina Road Corridor through the Town's non-site analysis rezoning process.

Enclosed is a letter from the Property owner authorizing the Project team to take actions necessary to obtain zoning entitlements and other development-related approvals. (See Attachment 4.) Thank you for your consideration. Please do not hesitate to contact me if you have any questions or require additional information: (520) 207-4464 or via email at RLarge@LSLawAZ.com.

Sincerely,

Robin M. Large
Senior Land Use Planner
Lazarus & Silvyn, P.C.

Enclosures:
1 – Location Map
2 – Existing Zoning & Land Use Map
3 – Ina Corridor Zoning Map
4 – Property Owner Authorization

cc: Mr. Tom Keating
Mr. Jamie Keating
Ms. Keri Silvyn, Esq.

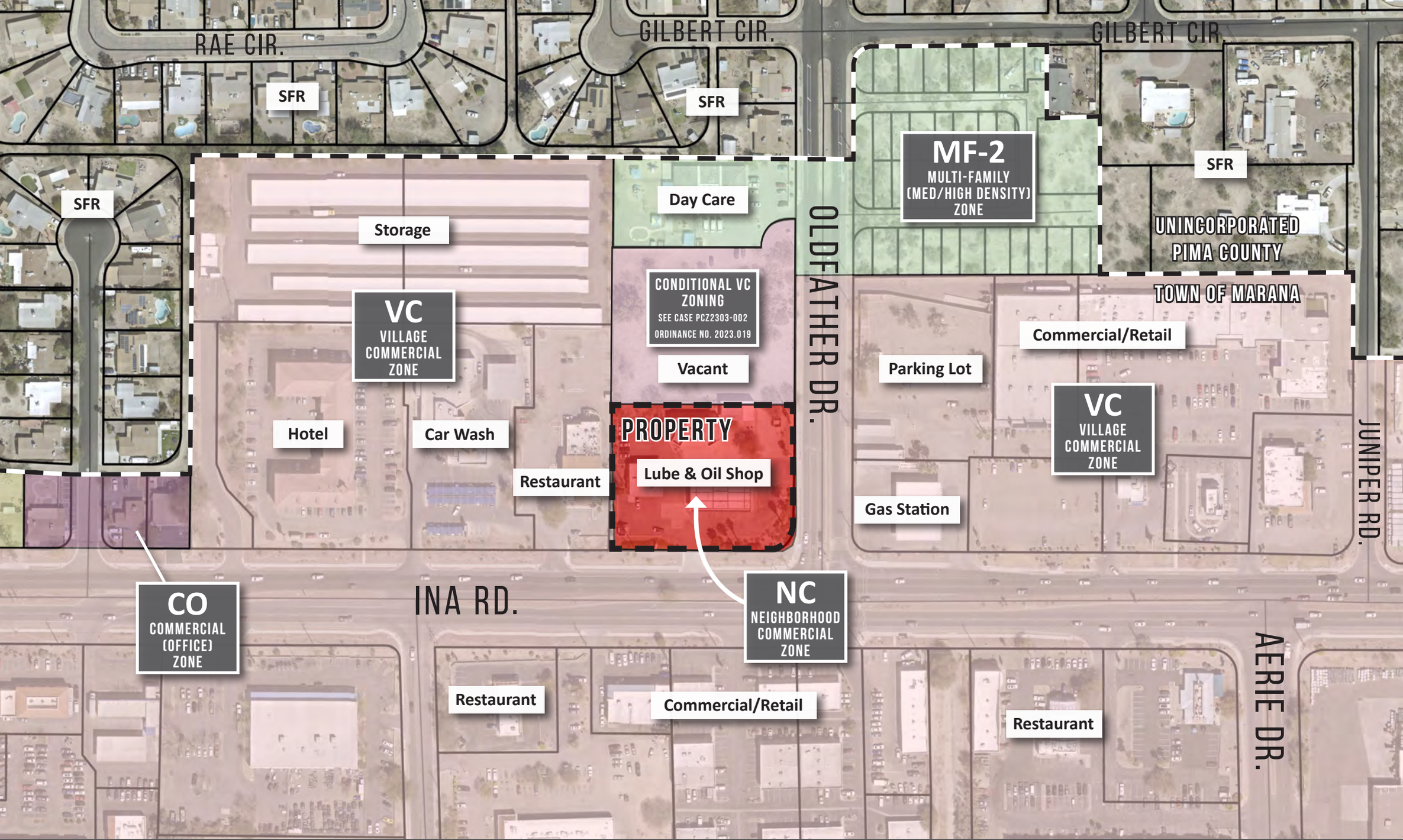


Attachment 1: Location Map

NORTH

DO NOT SCALE MAP - FOR REFERENCE ONLY

0 100 200 400 Feet

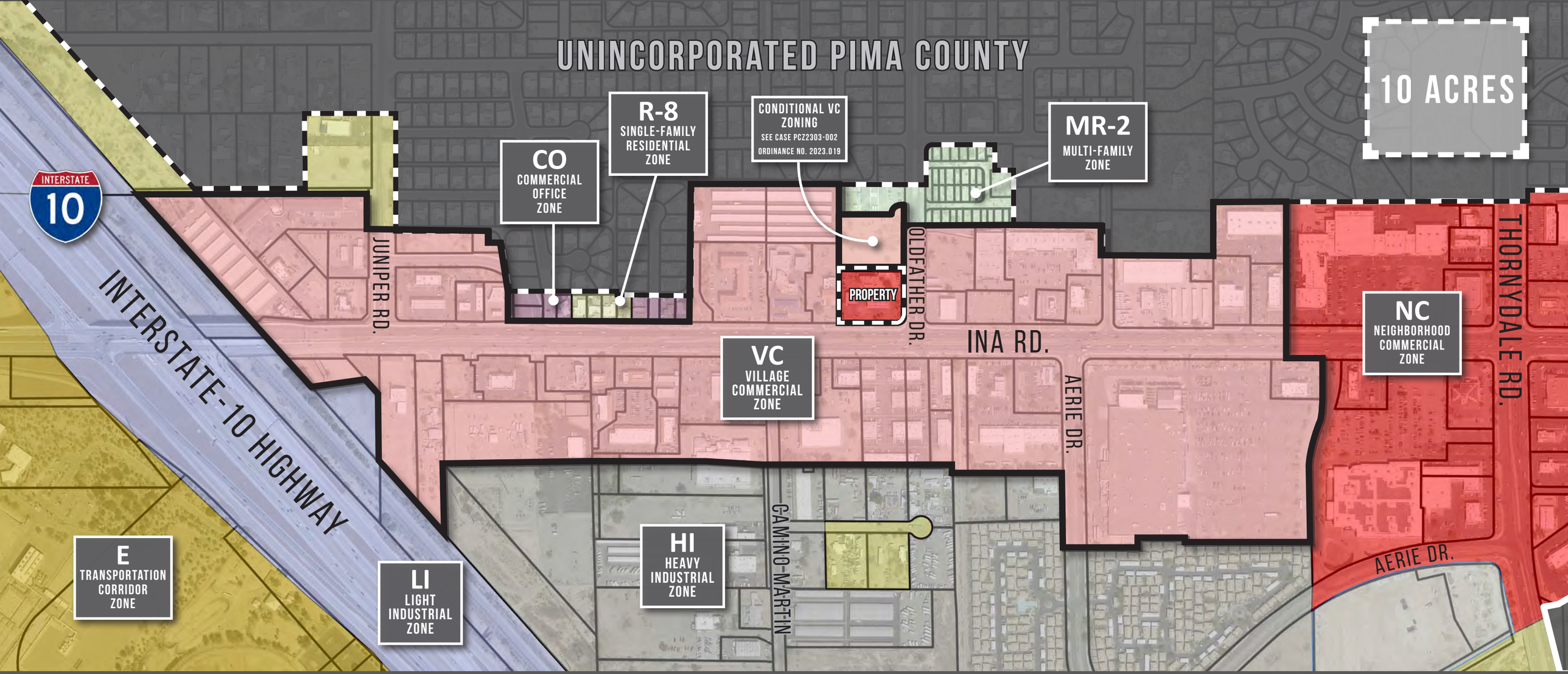


Attachment 2: Existing Zoning & Land Use Map

NORTH

DO NOT SCALE MAP - FOR REFERENCE ONLY

0 100 200 400 Feet



Attachment 3: Ina Corridor Zoning

NORTH

DO NOT SCALE MAP - FOR REFERENCE

0 250 500 1,000 Feet

DocuSign Envelope ID: C2C11B9F-13C0-4AE1-9AD6-8F9973B02BB0

August 7, 2023

Town of Marana
Development Services Department
11555 W. Civic Center Drive
Marana, AZ 85653

Re: Property Owner Authorization – NWC Oldfather/Ina Rezoning

Dear Development Services Department:

The LCC-Oldfather/Ina, LLC, an Arizona Limited Liability Company, owns approximately 1.51 acres of property, Assessor Parcel No. 225-36-020D (the "Property"), located at the northwest corner of Oldfather Road and Ina Road within the Town of Marana ("Town").

The purpose of this letter is to authorize Lazarus & Silvyn, P.C. and their respective employees and other engaged consultants to take such action they deem advisable in order to obtain zoning entitlements and related approvals for the Property, including but not limited to, filing applications for a change of zoning, development plan/plat, grading permits and associated building permits.

Sincerely,

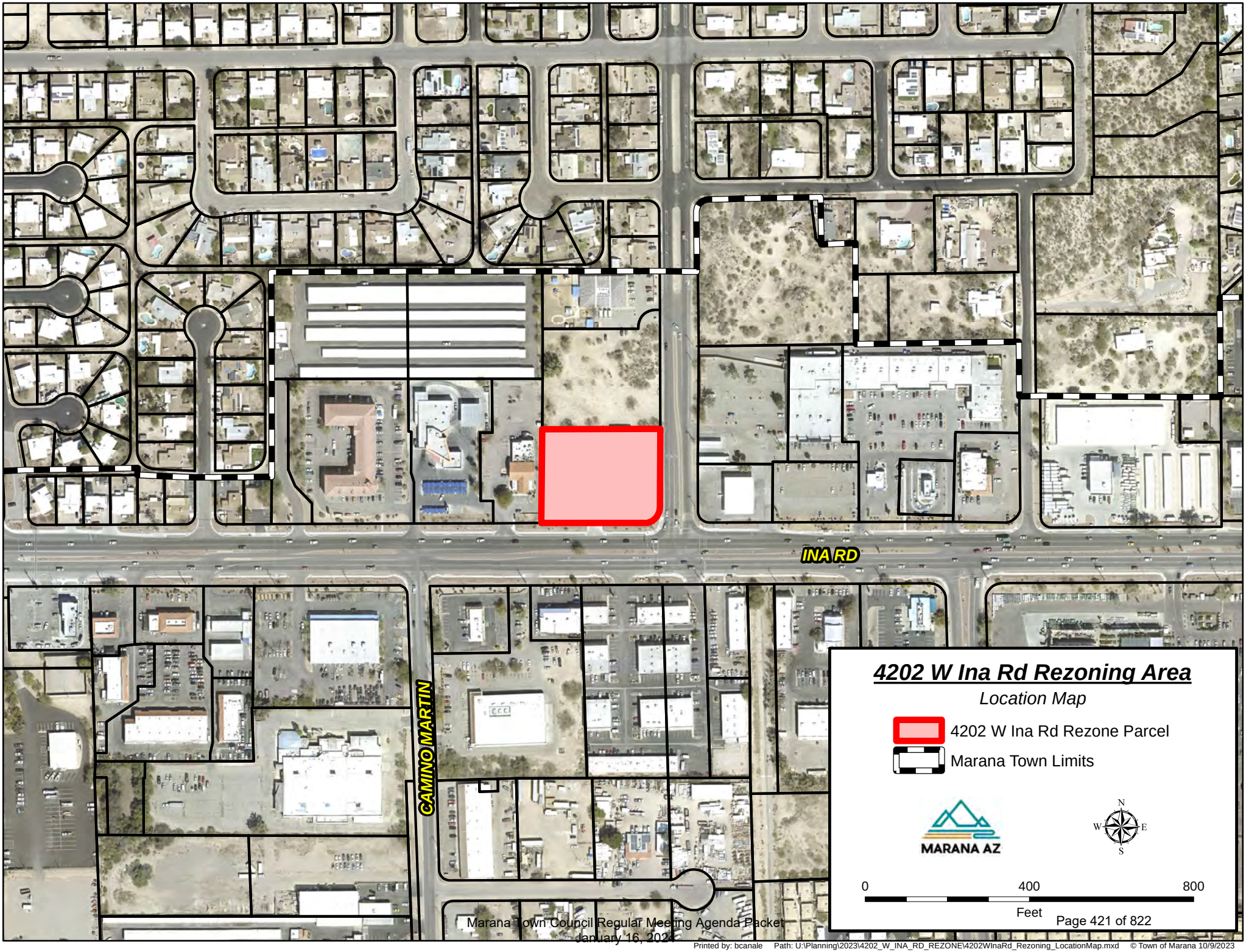
LCC Oldfather/Ina, LLC, an Arizona Limited Liability Company

By: DocuSigned by: Tom Keating 30E3FC7307514DB...

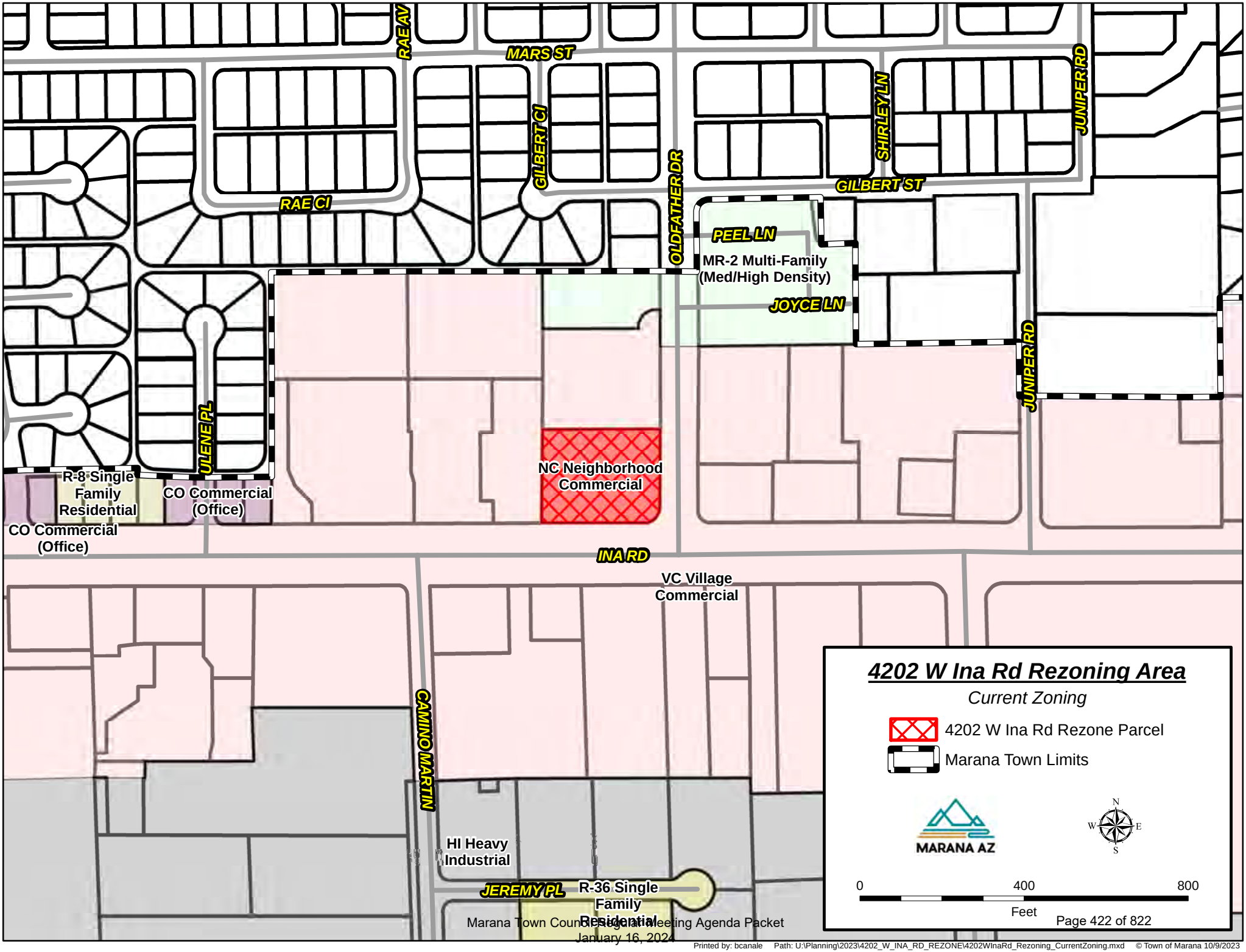
Name: Tom Keating

Its: owner

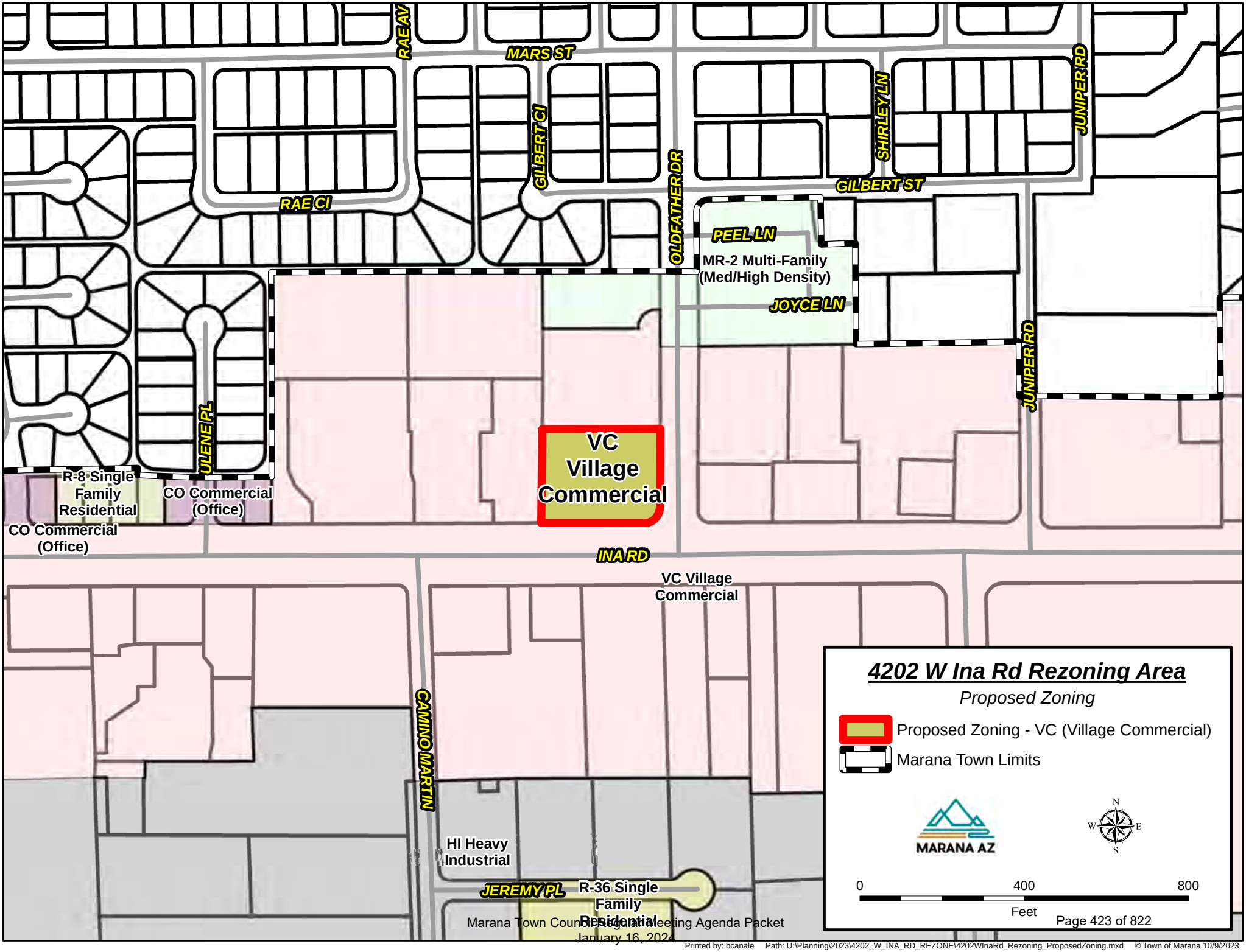
Date: 8/21/2023



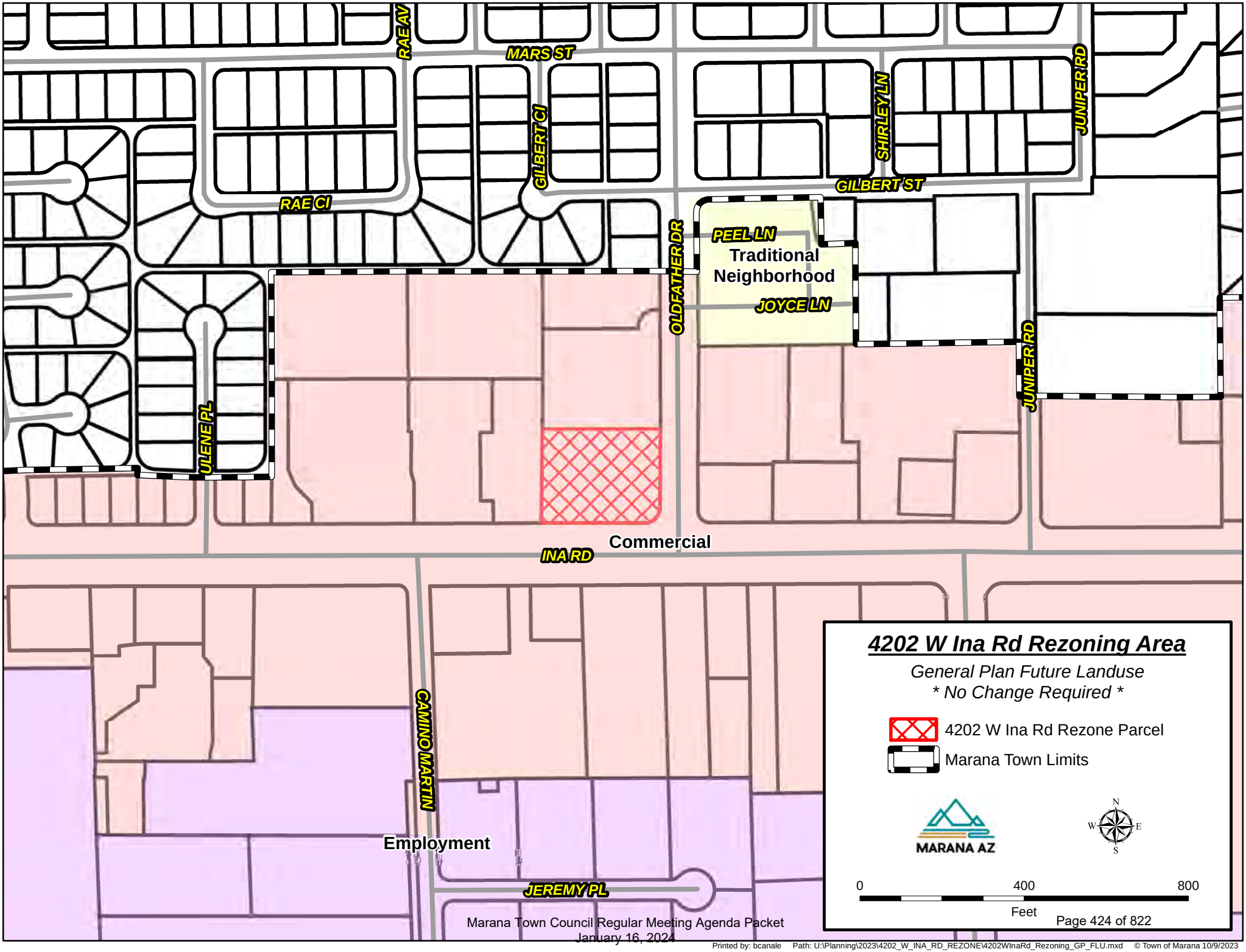
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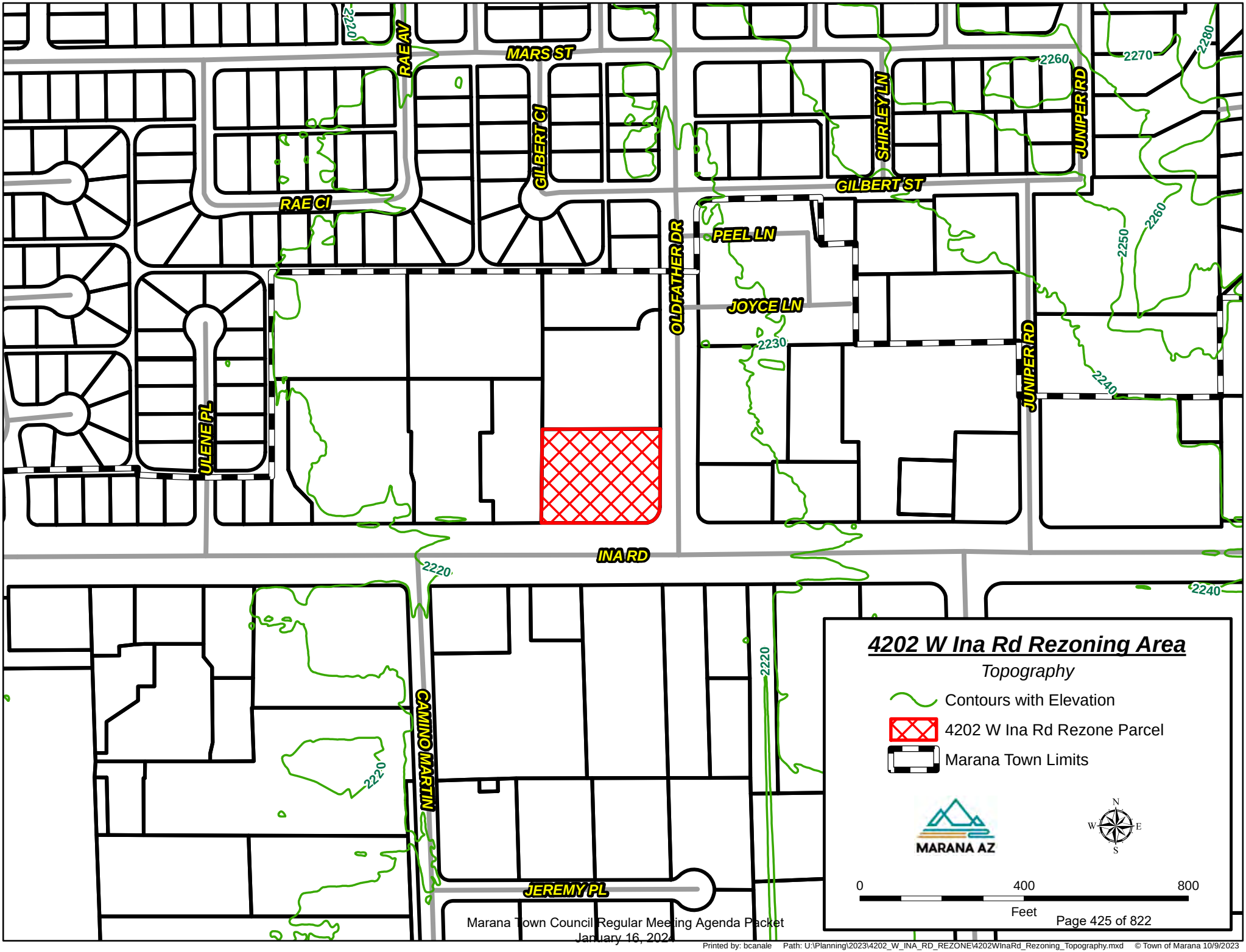
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MARANA AZ

Development Services / maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
☒ Rezone	❑ Minor Land Division	❑ Translational Rezone	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
❑ Plat	❑ Improvement Plan	❑ Report (Type): _____	☒ Other: non-site analysis

PROJECT INFORMATION

Project Name: NWC Oldfather/Ina Rezoning	
Description of Project: Rezone from NC to VC	Number of Lots: 1
Parcel No.(s): 225-36-020D	Gross Area (Acres): 1.51
Project Address: 4202 W. Ina Road	
Ref. Project No.:	

CONTACT INFORMATION

Owner: LCC-Oldfather/Ina, LLC	Contact Name: Jamie Keating		
Address: 3610 N. Prince Village Pl.	City: Tucson	State: AZ	Zip: 85719
Email: jamie@thvllc.com	Phone No.:		
Applicant: Lazarus & Silvyn, P.C.	Contact Name: Robin Large & Keri Silvyn		
Address: 5983 E. Grant Rd., Ste. 290	City: Tucson	State: AZ	Zip: 85712
Email: RLarge@LSLawAZ.com	Phone No.: (520) 207-4464		
Consultant/Engineer:	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		

APPLICANT AUTHORIZATION

By signing below, I hereby acknowledge that I have read the information provided online at maranaaz.gov/arsnotice and certify that the information set forth in this application are true and correct to the best of my knowledge. I am either the owner of the property or I have been **authorized in writing** by the owner to file this application. (If the applicant is not the owner, attach written authorization from the owner)

Robin Large	Robin Large Digitally signed by Robin Large Date: 2023.09.15 09:46:01 -07'00'	9/15/2023
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Project No._____ **Date Received**_____

Revision Date 05/16/2023

Council-Regular Meeting **A4**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Resolution No. 2024-008: Relating to Development; adopting a minor amendment to the Marana 2040 General Plan to amend the Future Circulation Map (Figure 2-4) in the General Plan to reduce the right-of-way width for Adonis Road from 250 feet to 150 feet from South of the San Lucas subdivision to Tangerine Road (Jane Fairall)

Discussion:

A general plan is an official planning policy document that is designed to help guide community growth and development. Pursuant to Arizona Revised Statutes (A.R.S.) §9-461.05, the State of Arizona requires all municipalities to adopt a general plan and update it every ten years. The Town of Marana updated its General Plan in December 2019, which was ratified by the voters in the 2020 election.

Town of Marana Resolution No. 2009-177 modified the right-of-way width for Adonis Road in the Marana Major Routes Plan from 250 feet to 150 feet from south of the San Lucas subdivision to Tangerine Road. The circulation element of the General Plan now serves as the Town's Major Routes Plan. The Future Circulation Map (Figure 2-4) in the Marana 2040 General Plan inadvertently provided the right-of-way width for Adonis Road from south of the San Lucas subdivision to Tangerine Road as the older width of 250 feet, necessitating an amendment to the Future Circulation Map. The General Plan defines any change to the Future Circulation Map as a minor amendment.

The proposed amendment, as set forth in the attached draft resolution, will amend the Future Circulation Map to provide for a 150 right-of-way width for Adonis Road in the noted location.

A public hearing was held before the Planning Commission on December 6, 2023, and the Planning Commission voted unanimously (7-0) to recommend approval of this amendment by the Council. Proper notice of this public hearing was published in the Daily Territorial.

Staff Recommendation:

Staff recommends approval of the minor amendment to the General Plan.

Suggested Motion:

I move to adopt Resolution No. 2024-008, adopting a minor amendment to the Marana 2040 General Plan to amend the Future Circulation Map (Figure 2-4) in the General Planto reduce the right-of-way width for Adonis Road from 250 feet to 150 feet from South of the San Lucas subdivision to Tangerine Road.

Attachments

Resolution No. 2024-008

Exhibit A - Revised Future Circulation Map

Resolution No. 2009-177

Current Figure 2-4 Future Circulation Map

MARANA RESOLUTION NO. 2024-008

RELATING TO DEVELOPMENT; ADOPTING A MINOR AMENDMENT TO THE MARANA 2040 GENERAL PLAN TO AMEND THE FUTURE CIRCULATION MAP (FIGURE 2-4) IN THE GENERAL PLAN TO REDUCE THE RIGHT-OF-WAY WIDTH FOR ADONIS ROAD FROM 250 FEET TO 150 FEET FROM SOUTH OF THE SAN LUCAS SUBDIVISION TO TANGERINE ROAD

WHEREAS Town of Marana Resolution No. 2009-177 modified the right-of-way width for Adonis Road in the Marana Major Routes Plan from 250 feet to 150 feet from south of the San Lucas subdivision to Tangerine Road; and

WHEREAS Town of Marana Resolution No. 2019-120 adopted the Marana 2040 General Plan and called for an August 4, 2020 primary election for voter ratification as required by A.R.S. § 9-461.06 paragraph M; and

WHEREAS the Marana 2040 General Plan was ratified by the voters on August 4, 2020; and

WHEREAS the General Plan is a dynamic document that establishes policies and goals to guide development within the community, and discusses strategies to guide elected and appointed officials and Town staff to achieve its defined goals; and

WHEREAS conditions or elements of the General Plan can change or become obsolete as the community develops; and

WHEREAS the circulation element of the General Plan now serves as the Town's Major Routes Plan; and

WHEREAS the Future Circulation Map (Figure 2-4) in the Marana 2040 General Plan inadvertently provided the right-of-way width for Adonis Road from south of the San Lucas subdivision to Tangerine Road as 250 feet; and

WHEREAS A.R.S. § 9-461.06 and the General Plan itself define a major amendment as a substantial alteration of the Town's land use mixture or balance as established in the General Plan land use element; and

WHEREAS the General Plan defines any change to the Future Circulation Map as a minor amendment; and

WHEREAS the General Plan amendment adopted by this resolution does not meet the definition of a major amendment; and

WHEREAS the Town of Marana has provided the notice and held the public hearings required for the adoption of the General Plan amendment adopted by this resolution; and

WHEREAS the Mayor and Council of the Town of Marana find that this resolution is in the best interests of the Town of Marana and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, as follows:

SECTION 1. Marana 2040 General Plan Chapter 2 (Built Environment) Figure 2-4 (Future Circulation Map) is hereby amended to reduce the right-of-way width for Adonis Road from 250 feet to 150 feet from south of the San Lucas subdivision to Tangerine Road, as set forth on Exhibit A, attached to and incorporated within this resolution by this reference.

SECTION 2. The Town Manager and staff are hereby directed and authorized to modify the General Plan documentation and undertake all other and further tasks required or beneficial to carry out the terms and objectives of this resolution.

SECTION 3. All resolutions, orders, or actions of the Town, or parts thereof that are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January 2024.

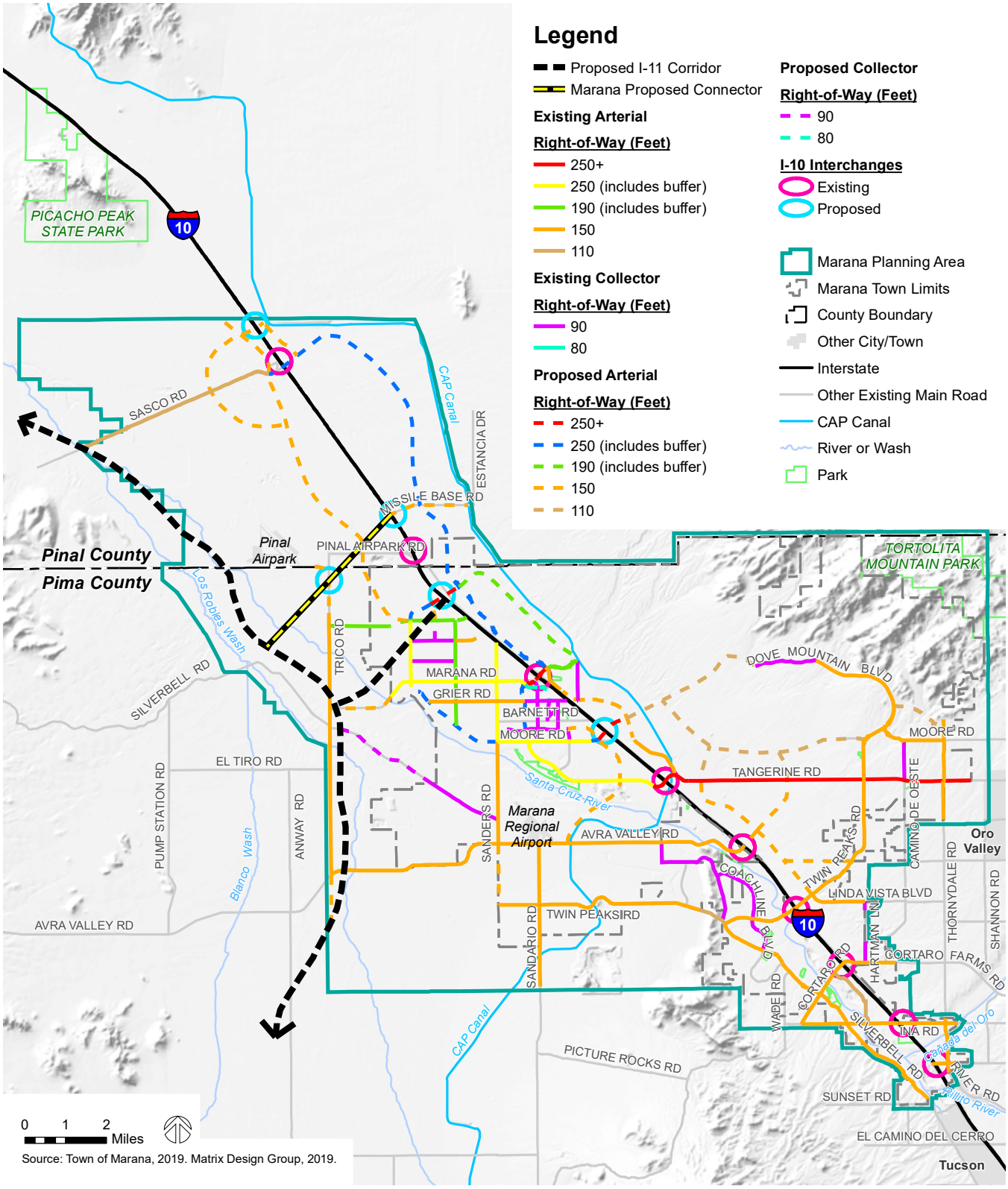
_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney



Source: Town of Marana, 2019. Matrix Design Group, 2019.

Matrix

MAKE MARANA 2040 • GENERAL PLAN

The Town of Marana provides this map information "As Is" at the request of the user with the understanding that it is not guaranteed to be accurate, correct or complete and conclusions drawn from such information are the responsibility of the user. In no event shall The Town of Marana become liable to users of these data, or any other party, for any loss or direct, indirect, special, incidental, or consequential damages, including but not limited to time, money, or goodwill, arising from the use or modification of the data.

Map Revised: 1/13/2020
Map Revised: 1/16/2024 Resolution No. 2024.XXX

Figure 2-4
Future Circulation

MARANA RESOLUTION NO. 2009-177

RELATING TO STREETS; MODIFYING THE MARANA MAJOR ROUTES PLAN RIGHT-OF-WAY WIDTH FOR ADONIS ROAD TO ACCOUNT FOR THE RELOCATION OF THE LINEAR DRAINAGE BUFFER TO AN AREA ADJACENT TO THE UNION PACIFIC RAILROAD

WHEREAS Marana Resolution No. 2002-150 adopted the Marana Major Routes Plan, which establishes future right-of-way widths for major routes; and

WHEREAS the Marana Major Routes Plan right-of-way width for Adonis Road was 250 feet and included a 150-foot road right-of-way combined with a 100 foot linear drainage buffer; and

WHEREAS the Town plans to construct a channel along the current Barnett Road alignment, to be known as the Barnett Channel, that will provide a positive drainage from the east side of Interstate 10; and

WHEREAS since the collection point for the Barnett Channel will be just east of the Union Pacific Railroad at Barnett Road, the logical location for a linear drainage buffer to drain into Barnett Channel is adjacent to the railroad and not Adonis Road.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, that the Marana Major Routes Plan right-of-way width for Adonis Road from south of San Lucas to Tangerine Road is reduced to 150 feet, to account for the relocation of the 100-foot Adonis Road linear drainage buffer to the area adjacent to the Union Pacific Railroad in the same vicinity.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 6th day of October, 2009.

Mayor Ed Honea

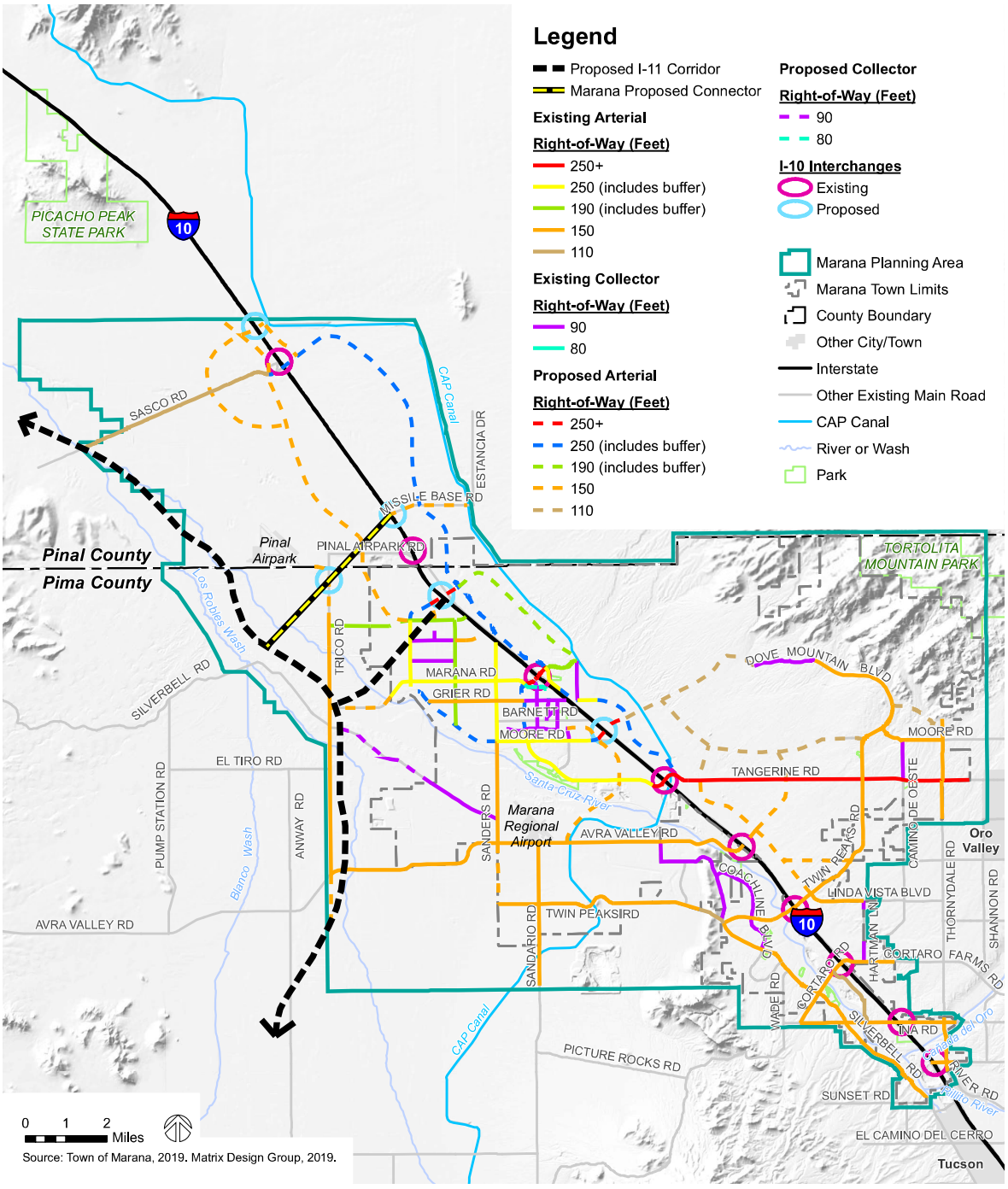
TOWN OF MARANA CORPORATE SEAL ARIZ. 1977

ATTEST:

Jocelyn C. Bronson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney



Matrix

MAKE MARANA 2040 • GENERAL PLAN

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Map Revised: 1/13/2020

Figure 2-4
Future Circulation

Council-Regular Meeting **A5**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Steven Cheslak, Principal Planner

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: PUBLIC HEARING: Ordinance No. 2024.004: Relating to Development; approving a modification of a rezoning condition of Marana Ordinance No. 2012.05, which rezoned approximately 278 acres of land located generally northeast of I-10, approximately 1.2 miles northwest of the I-10/Tangerine Road interchange, creating the Tortolita Shadows Specific Plan, to revise a provision of the ordinance that required the developer to dedicate to the Town a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad (Steve Cheslak)

Discussion:

On July 17, 2012, the Mayor and Council adopted Ordinance No. 2012.05, approving a rezoning of approximately 248 acres of land located generally northeast of I-10, approximately 1.2 miles northwest of the I-10/Tangerine Road interchange to "F – Specific Plan" creating the Tortolita Shadows Specific Plan. The rezoning ordinance included a number of conditions, including condition 8 which provides that the developer dedicate to the Town a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel.

Bowman Consulting Group, LTD. has applied to the Town to modify condition 8 based on a recently completed drainage analysis and design as part of the incorporation of the Tortolita Specific Plan area into the Stonegate master plan. The drainage analysis finds that the 170-foot wide drainage easement required by condition 8 of Ordinance No. 2012.05 is no longer warranted based on the Town accepted design storm discharge from the recently constructed Mandarina

Regional Detention Basin. Based on these findings, Bowman has determined the channel, adjacent access and buffer space can easily fit within a 130'-wide drainage easement. Additionally, since Town staff has expressed a preference the developer convey the drainage area as a fee title parcel rather than a drainage easement, the property owner, CLB Real Property Holding Co, LLC, is willing to convey the drainage parcel to the Town by block plat or within 60 days of demand by the Town of Marana. This condition modification is insubstantial enough not to require or benefit from Planning Commission consideration. Notice of tonight's public hearing was published as required by law.

Section 3, condition 8 of Marana Ordinance No. 2012.05 is proposed to be revised as follows, with deletions shown with strikeouts and additions shown italicized:

> The developer shall ~~dedicate~~ *convey* to the Town of Marana, at minimum, a ~~170-foot~~ *130-foot wide* drainage ~~easement~~ *parcel* to be located adjacent to the Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel. ~~If the Town determines based on additional drainage studies that an easement of this width is insufficient, the owner or developer shall dedicate the width necessary to accommodate the future drainage improvements.~~ The ~~easement~~ *drainage parcel* shall be ~~dedicated~~ *conveyed to the Town by final block plat or* within 60 days of demand by the Town of Marana.

Staff Recommendation:

Staff recommends approval of the rezoning modification.

Suggested Motion:

I move to adopt Ordinance No. 2024.004, approving a modification of a rezoning condition of Marana Ordinance No. 2012.05, which created the Tortolita Shadows Specific Plan, that required the developer to dedicate to the Town a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad.

Attachments

Ordinance No. 2024.004
Applicant Request
Existing Ordinance No. 2012.05
Application

MARANA ORDINANCE NO. 2024.004

RELATING TO DEVELOPMENT; APPROVING A MODIFICATION OF A REZONING CONDITION OF MARANA ORDINANCE NO. 2012.05, WHICH REZONED APPROXIMATELY 278 ACRES OF LAND LOCATED GENERALLY NORTHEAST OF I-10, APPROXIMATELY 1.2 MILES NORTHWEST OF THE I-10/TANGERINE ROAD INTERCHANGE, CREATING THE TORTOLITA SHADOWS SPECIFIC PLAN, TO REVISE A PROVISION OF THE ORDINANCE THAT REQUIRED THE DEVELOPER TO DEDICATE TO THE TOWN A 170-FOOT WIDE DRAINAGE EASEMENT TO BE LOCATED ADJACENT TO THE UNION PACIFIC RAILROAD

WHEREAS the Mayor and Council of the Town of Marana adopted Ordinance No. 2012.05 on July 17, 2012, approving a rezoning of approximately 278 acres of land located generally northeast of I-10, approximately 1.2 miles northwest of the I-10/Tangerine Road Interchange, creating the Tortolita Shadows Specific Plan; and

WHEREAS approval of the rezoning was subject to a number of conditions, including condition 8 which provides that the developer shall dedicate to the Town of Marana, at minimum, a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel; and

WHEREAS the property owner, CLB Real Property Holding Co, LLC, has applied to the Town to modify condition 8 based on drainage analysis and design completed by the property owner's consultant and accepted by the Town; and

WHEREAS the Mayor and Council find that modification of condition 8 as proposed by this ordinance is insubstantial enough not to require or benefit from Planning Commission consideration, and that this ordinance is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. Section 3, condition 8 of Marana Ordinance No. 2012.05 is hereby revised as follows, with deletions shown with ~~strikeouts~~ and additions shown with double-underlining, and the Tortolita Shadows Specific Plan is hereby amended to conform to this revised condition:

> The developer shall ~~dedicate~~ convey to the Town of Marana, at minimum, a ~~170-foot~~ 130-foot-wide drainage ~~easement~~ parcel to be located adjacent to the

Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel. ~~If the Town determines based on additional drainage studies that an easement of this width is insufficient, the owner or developer shall dedicate the width necessary to accommodate the future drainage improvements.~~ The ~~easement~~ drainage parcel shall be ~~dedicated~~ conveyed to the Town by final block plat or within 60 days of demand by the Town of Marana.

Section 2. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are repealed as of the effective date of this ordinance.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, the decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

Bowman

December 7, 2023

Attn: Steve Cheslak, Planning Manager
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653

Project:	Stonegate, Blocks 1-7 Block Plat
Bowman Project No:	050985-01-001
Activity Number:	PRV2206-003

RE: Change of Rezoning Condition for Marana Ordinance No. 2012.05
Tortolita Shadows Specific Plan (T.S.S.P.)
Subject Property APN: 217-33-0050

Dear Steve,

Bowman Consulting Group Ltd (Bowman), on behalf of our Client, W Holdings, is proposing a change to the conditions of Marana Ordinance No. 2012.05 ("Ordinance"), Section 3, Condition 8 as a result of completed engineering design.

Section 3, Condition 8 in the Ordinance states: "The developer shall dedicate to the Town of Marana, at minimum, a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel. If the Town determines based on additional drainage studies that an easement of this width is insufficient, the owner or developer shall dedicate the width necessary to accommodate the future drainage improvements. The easement shall be dedicated within 60 days of demand by the Town of Marana."

Bowman Consulting has performed drainage analysis and design using the Town accepted design storm discharge of 3,207 cfs from the Mandarina Regional Detention Basin (see Flo-2D Cross Section 28, from Figure 3 of "Town of Marana Northwest Area Drainage Master Plan", by CMG Drainage Engineering, Inc., Project No. 18-029, Feb. 20, 2020.)

The analysis was done using the HEC-RAS software and shows that a drainage channel with a 60' bottom width, 2:1 (H:V) side slopes, 7' deep (Max. top width = 88') and 0.3% longitudinal slope, is adequate to convey the design flow with the required freeboard. The design also provides variable width space along the west channel bank to tie-in to the existing grade along the railroad, and 27'-wide road access (16' min. at access ramps) along the east channel bank. The channel and adjacent access and buffer space can easily fit within a 130'-wide drainage easement. Excerpts from the channel design plans and a simple channel section are attached to this letter.

3275 W Ina Rd, Suite 220, Tucson, Arizona 85741
520.463.3200
bowman.com

Bowman

Town staff has expressed a preference that the developer convey the drainage facility as a fee title parcel rather than a drainage easement.

Accordingly, Bowman proposes that Section 3, Condition 8 of the Ordinance be revised as follows:

“The developer shall convey to the Town of Marana, at minimum, a 130-foot-wide drainage parcel to be located adjacent to the Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel. The drainage parcel shall be conveyed by block plat or within 60 days of demand by the Town of Marana.”

If you have any questions or require additional information, please call me at (520) 375-2228 or send an email to chunt@bowman.com.

Thank you,



Craig A. Hunt, P.E.
Senior Project Manager
Bowman

3275 W Ina Rd, Suite 220, Tucson, Arizona 85741
520.463.3200
bowman.com

FLO-2D Cross Section Non-Regional Discharge Summary Table	
FLO-2D Cross Section	100-ft NonRegional Model Existing Condition Q100 (cfs)
1	1,139
2	37
3	822
4	1,162
5	1,028
6	733
7	1,084
8	3,172
9	3,776
10	234
11	512
12	2,074
13	737
14	5
15	442
16	1,157
17	896
18	481
19	104
20	5,059
21	6
22	4,950
23	3,118
24	1,535
25	3,418
26	1,139
27	2,531
28	3,207
29	2,754

360+65
376+25
392+75
459+00
472+00
527+00
541+43
564+50
578+00
650+00
692+75

PINAL COUNTY
PIMA COUNTY

CAP EMBANKMENT BREACHED IN FLO-2D
STATION 376+25 TO 443+00

CAP EMBANKMENT BREACHED
IN FLO-2D
STATION 483+00 TO 544+00

HARDIN RD
KIRBY HUGHES RD
LUCKETT RD
MARANA RD
GRIER RD
SANDERS RD
SANDARIO RD
ADONIS RD
BARNETT RD
MOORE RD
I-10

LEGEND

- FLO-2D CROSS SECTIONS
- CULVERT LOCATIONS & ID
- EAST_SCR_FLO-2D_LIMIT
- CAP EMBANKMENT FAILURE
- CMID CANALS
- CAP LOCATIONS

100-YEAR FLOW DEPTHS

- 0.030 - 0.199
- 0.200 - 0.500
- 0.501 - 1.000
- 1.001 - 2.000
- 2.001 - 3.000
- >3.00
- PARCELS

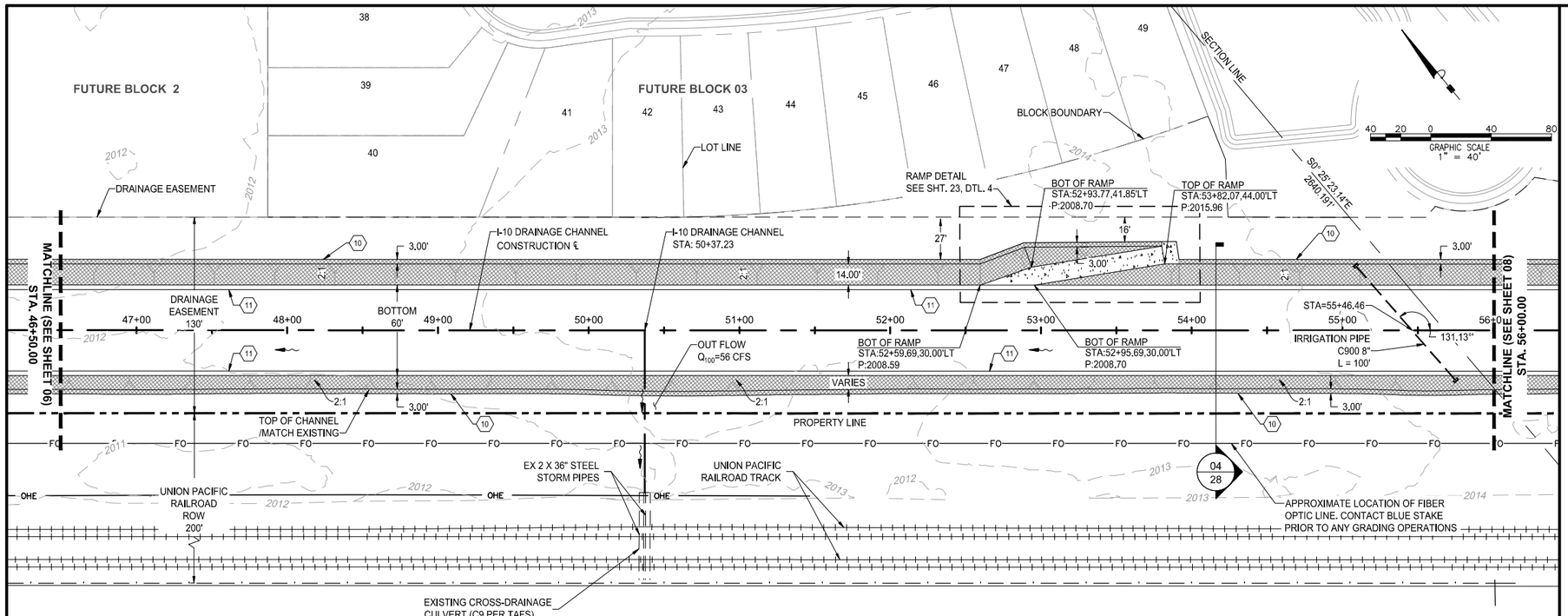
3,000 0 3,000 Feet

N W E S

FIGURE 3:
FLO-2D CROSS-SECTION LOCATIONS AND NON-REGIONAL STORM DISCHARGE RATES
(OBTAINED FROM 100-FT GRID TORTOLITA ALLUVIAL FAN STUDY)

CMG DRAINAGE ENGINEERING, INC.
3555 N Mountain Ave., Tucson Arizona 85719
Phone: (520) 882-4244, Fax: (520) 888-1421

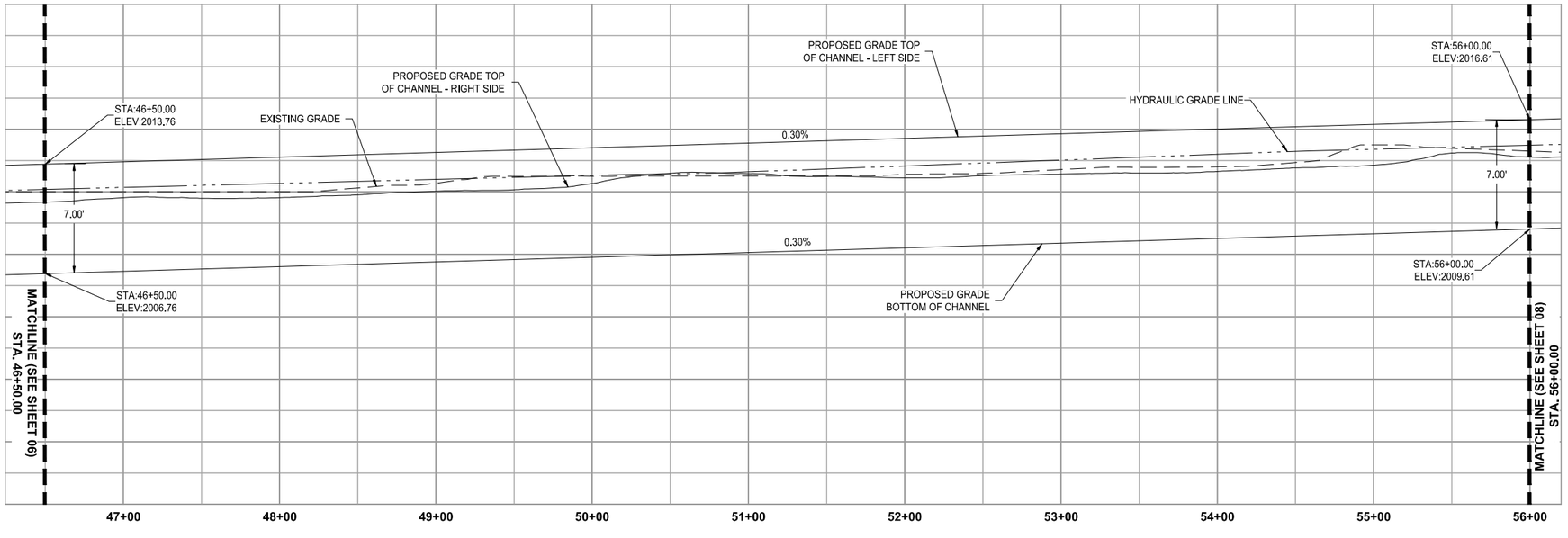
Document Path: Z:\PROJECTS\2018\18-029_Town-of-Marana_Drainage-Mstr-Plan\GIS\figures\Fig_3_100ft_Cross_sections_non_regional_11x17.mxd



I-10 DRAINAGE CHANNEL / RETENTION BASIN
STA. 46+50.00 TO STA. 56+00.00

NOTE:
1. STATIONING IS ALONG THE CHANNEL CENTERLINE UNLESS OTHERWISE NOTED.

PROFILE SCALE:
HORIZ: 1" = 40'
VERT: 1" = 4'



CONSTRUCTION NOTES

1. INTERSECTION OF TWO CENTERLINES
2. INSTALL 3-12' X 5' RCBC PER M.D.R.
3. INSTALL 2-14' X 6' RCBC. PER M.D.R.
4. INSTALL HEADWALL WITH WINGS PER ADOT SD 6.08.
5. HAND-PLACED GROUTED RIP-RAP DEPTH 12", D_{50} = 6", SEE GRADIENT TABLE ON SHT. 26, DTL. 08.
6. INTSALL DRYWELL PLUS, SEE SHT. 25, DTL. 06
7. 1'W X 3'D CONCRETE CUTOFF WALL WITH WELDED WIRE FABRIC SEE SHT. 25, DTL. 04.
8. ARMORMAX 75, SEE SHT. 28.
9. 6" GUNITE WITH 6" X 6" X W1.4 (10GA) WELDED WIRE FABRIC SEE SHT. 25, DTL. 02.
10. CREST OF SLOPE TRENCH, SEE SHT. 29, DTL. 01.
11. SCOURLOK UNIT, SEE DETAILS ON SHT. 29 4 - FT VS. 5 - FT OF CONCRETE WALL DEPTH
12. 1'W X 5'D CONCRETE CUTOFF WALL WITH WELDED WIRE FABRIC SEE SHT. 25, DTL. 03.
13. ARMORMAX - CONCRETE CONNECTION. SEE DTL. 3B SHT. 29
14. 1'W X 5'D CONCRETE CUTOFF WALL WITH WELDED WIRE FABRIC SEE SHT. 25, DTL. 05.
15. GROUTED RIP-RAP DEPTH 42", D_{50} = 20", HAND-PLACED GROUTED, SEE GRADIENT TABLE ON SHT. 26, DT

Bowman

Bowman Consulting Group Ltd
3275 W Ina Road, Suite 220,
Tucson, Arizona 85741

Phone: (520) 463-3200

www.bowmanllc.com

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ENG2112-006

CHANNEL PLAN AND PROFILE

STONEGATE

TOWN OF MARANA, AZ

PIMA COUNTY

050985-01-001
PROJECT NUMBER

54544
ROBERT W. SCHLICHER
REGISTERED PROFESSIONAL ENGINEER (CIVIL)
CERTIFICATE NO.
Date Signed 06/23/23
ARIZONA U.S.A.

PLAN STATUS

DATE	DESCRIPTION

HR/ML DESIGN	HR/ML DRAWN	RWS CHKD
SCALE	H: 1"=40' V: 1"=4'	
JOB No.	050985-01-001	
DATE :	06/23/23	

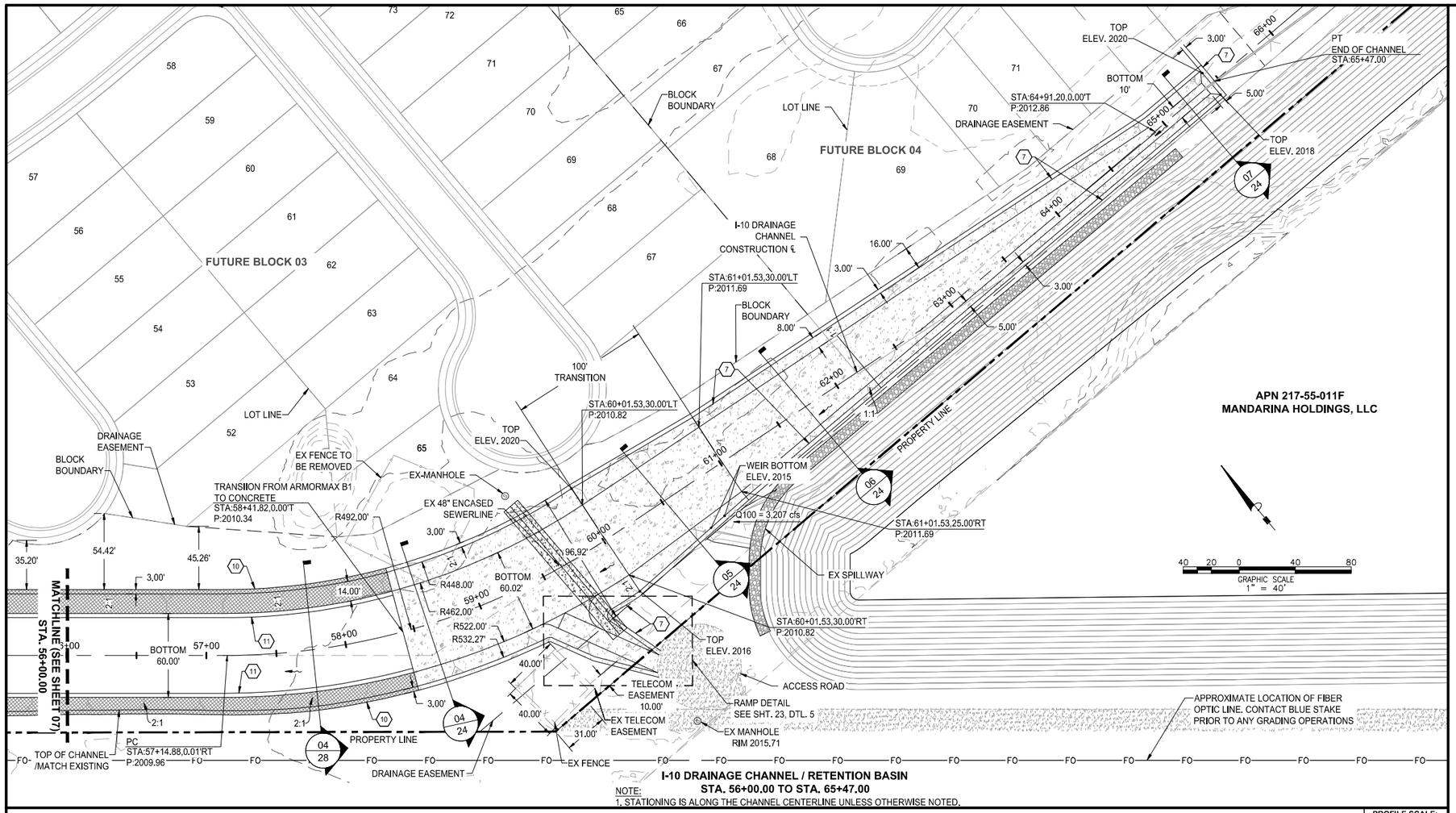
ENG2112-006

Contact Arizona 811 at least two full working days before you begin excavation

ARIZONA811 Call 811 or click Arizona811.com

SHEET 07 OF 31

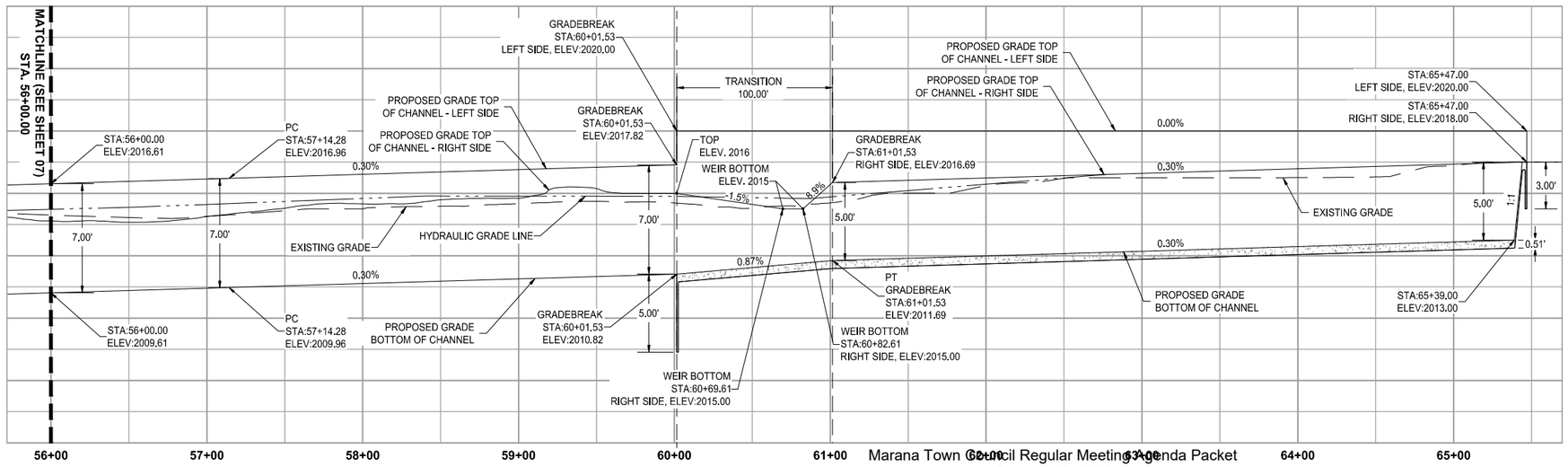
V:\050985 - Tortolita Shadows-Rancho Marana-\050985-01-001 (ENG) - Tortolita Shadows-Rancho Marana\Engineering\Engineering Plans\Drainage Channel Plan\07 CHANNEL PLAN AND PROFILE.dwg 06/23/2023



I-10 DRAINAGE CHANNEL / RETENTION BASIN
STA. 56+00.00 TO STA. 65+47.00

NOTE:
1. STATIONING IS ALONG THE CHANNEL CENTERLINE UNLESS OTHERWISE NOTED.

PROFILE SCALE:
HORIZ: 1" = 40'
VERT: 1" = 4'



CONSTRUCTION NOTES

1. INTERSECTION OF TWO CENTERLINES
2. INSTALL 3-12' X 5' RCBC PER M.D.R.
3. INSTALL 2-14' X 6' RCBC. PER M.D.R.
4. INSTALL HEADWALL WITH WINGS PER ADOT SD 6.08.
5. HAND-PLACED GROUTED RIP-RAP DEPTH 12", D_{50} = 6", SEE GRADIENT TABLE ON SHT. 26, DTL. 08.
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15. GROUTED RIP-RAP DEPTH 42", D_{50} = 20", HAND-PLACED GROUTED, SEE GRADIENT TABLE ON SHT. 26, DT

Bowman

Bowman Consulting Group Ltd
3275 W Ina Road, Suite 220,
Tucson, Arizona 85741

Phone: (520) 463-3200

www.bowman.com

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ENG2112-006

PIMA COUNTY

CHANNEL PLAN AND PROFILE
STONEGATE

TOWN OF MARANA, AZ

050985-01-001
PROJECT NUMBER

REGISTERED PROFESSIONAL ENGINEER (CIVIL) CERTIFICATE NO. 54544 ROBERT W. SCHLICHER Date Signed 6/30/23 ARIZONA U.S.A.

PLAN STATUS

DATE	DESCRIPTION
HR/ML DESIGN	HR/ML DRAWN / RWS CHKD
SCALE	H: 1"=40' V: 1"=4'
JOB No.	050985-01-001
DATE :	06/23/23

ENG2112-006

Contact Arizona 811 at least two full working days before you begin excavation
ARIZONA811 Call 811 or click Arizona811.com

SHEET 08 OF 31

V:\050985 - Tortolita Shadows-Rancho Marana-\050985-01-001 (ENG) - Tortolita Shadows-Rancho Marana\Engineering\Engineering Plans\Drainage Channel Plan\08 CHANNEL PLAN AND PROFILE.dwg 06/23/2023

Channel Report

Hydraflow Express Extension for Autodesk® Civil 3D® by Autodesk, Inc. Wednesday, Dec 6 2023

Stonegate I-10 Channel

Trapezoidal

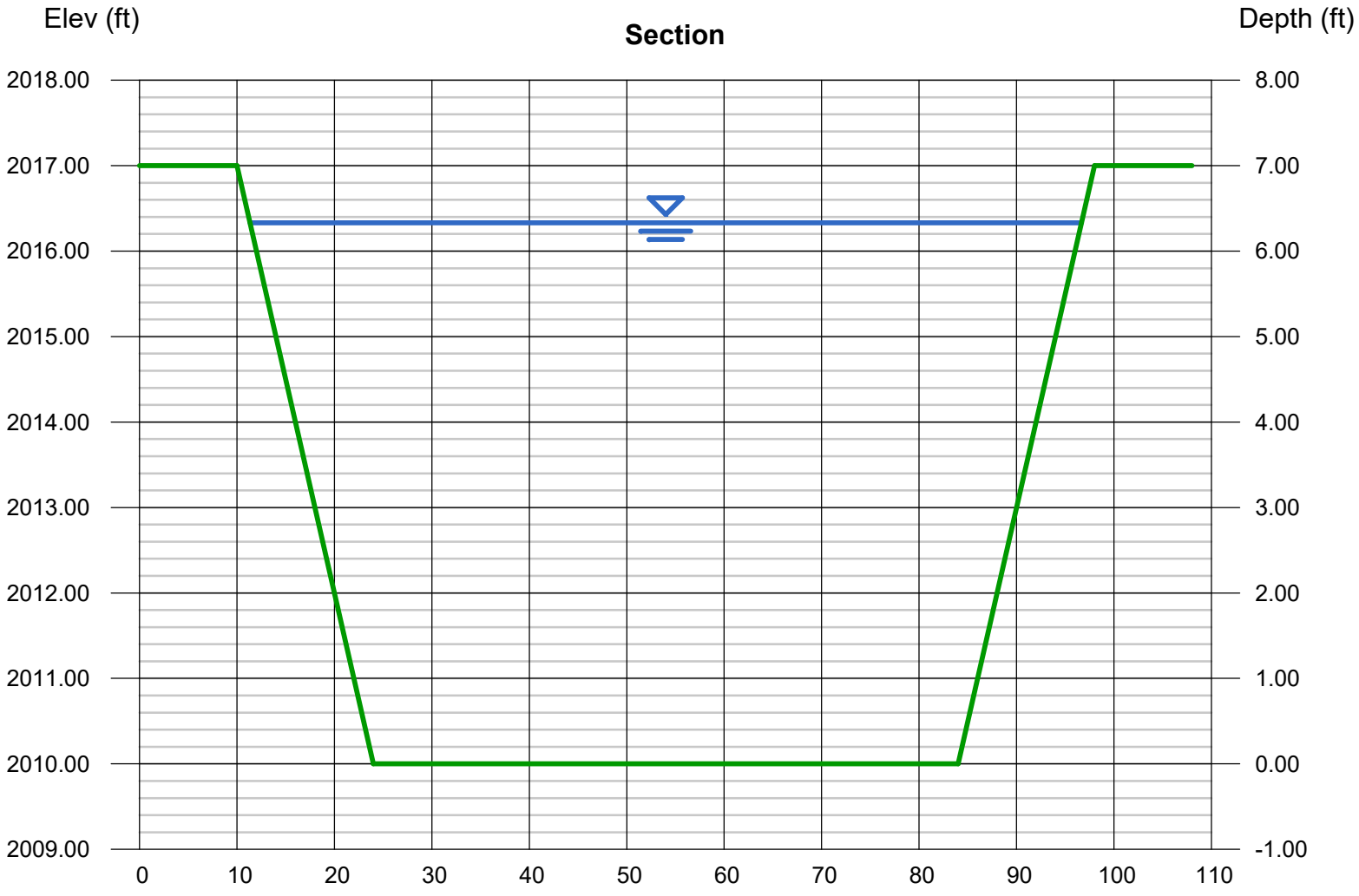
Bottom Width (ft)	= 60.00
Side Slopes (z:1)	= 2.00, 2.00
Total Depth (ft)	= 7.00
Invert Elev (ft)	= 2010.00
Slope (%)	= 0.30
N-Value	= 0.035

Calculations

Compute by:	Known Q
Known Q (cfs)	= 3207.00

Highlighted

Depth (ft)	= 6.33
Q (cfs)	= 3,207
Area (sqft)	= 459.94
Velocity (ft/s)	= 6.97
Wetted Perim (ft)	= 88.31
Crit Depth, Yc (ft)	= 4.25
Top Width (ft)	= 85.32
EGL (ft)	= 7.09



MARANA ORDINANCE NO. 2012.05

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 278 ACRES LOCATED NORTHEAST OF I-10 APPROXIMATELY 1.2 MILES NORTHWEST OF THE I-10/TANGERINE ROAD INTERCHANGE FROM 'E' (TRANSPORTATION CORRIDOR ZONE) TO 'F' (SPECIFIC PLAN), CREATING THE TORTOLITA SHADOWS SPECIFIC PLAN, AND APPROVING A MINOR AMENDMENT TO THE GENERAL PLAN

WHEREAS TERRAMAR PROPERTIES, INC., an Arizona corporation, owns approximately 278 acres of property located at the Moore Road alignment northeast of I-10 approximately 1.2 miles northwest of the I-10/Tangerine Road interchange within a portion of Section 25, Township 11 South, Range 11 East, as described on Exhibit "A" attached to and incorporated in this Ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Marana Planning Commission held a public hearing on April 25, 2012, and voted unanimously 5-0 to recommend that the Town Council approve this rezoning; and

WHEREAS the Marana Mayor and Town Council heard from representatives of the owner, staff and members of the public at the regular Town Council meeting held July 17, 2012, and determined that the rezoning should be approved.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. A minor amendment to the General Plan is hereby approved for the Rezoning Area, changing its General Plan designation from Commercial (C) and Medium Density Residential (MDR) to Master Plan Area (MPA).

Section 2. The zoning of the Rezoning Area is hereby changed from 'E' (Transportation Corridor Zone) to 'F' (Specific Plan) creating the Tortolita Shadows Specific Plan.

Section 3. This rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this rezoning Ordinance):

1. Compliance with all provisions of Town Codes, Ordinances, and policies of the General Plan current at the time of development including, but not limited to, requirements for public improvements.
2. The developer will be required to process subdivision plats, development plans, landscape plans, Native Plant Permits, and all associated improvement plans through the Town of Marana.

3. The developer shall dedicate, or cause to have dedicated, the necessary rights-of-way for Adonis Road and Moore Road with the recording of the final block plat or within 60 days of demand by the Town.
4. The following conditions pertain to the design and construction of transportation improvements, which shall be the responsibility of the developer.
   a. The design and construction of Adonis Road to the Town's four lane arterial roadway standard along the entire frontage of the project. (As indicated in the Specific Plan document, Adonis Road shall have been built by others (or this developer) to connect with Cochie Canyon Trail to the north and Tangerine Road to the south prior to or concurrent with the development of the first phase of this project.
   b. The design and construction of traffic signals at each of the two loop road intersections with Adonis Road (as shown on the Circulation Concept exhibit in the Specific Plan) when found warranted by traffic studies.
   c. Any other roadway or traffic control improvements found warranted based on the data and findings of additional traffic studies that shall be prepared at the platting or development plan review stages of this project.
5. Public vehicular and utility access through Tortolita Shadows to the adjacent portion of the Mary DeConcini Trust property (parcels 217-33-001E and 217-33-001F) shall be dedicated when a subdivision plat is recorded or a development plan is approved for Tortolita Shadows Parcel 6, 7, or 9. No building permits shall be issued for any construction within Parcels 6, 7 or 9 of Tortolita Shadows unless and until the dedication of public vehicular and utility access is provided to the adjacent Mary DeConcini Trust property.
6. A master drainage study must be submitted by the Developer and accepted by the Town Engineer prior to Town approval of any preliminary plat or development plan.
7. The owner or developer of Tortolita Shadows shall dedicate to the Town of Marana a minimum 35-foot wide drainage easement along the south boundary of the Rezoning Area to complement the 35-foot wide drainage easement to be dedicated by the owner or developer of the adjacent Mandarina property. The owner or developer of both properties shall share equally in the cost to construct and maintain a joint use drainage channel and easement area between the two developments. The easement shall be dedicated within 60 days of demand by the Town of Marana.
8. The developer shall dedicate to the Town of Marana, at minimum, a 170-foot wide drainage easement to be located adjacent to the Union Pacific Railroad to accommodate the Tangerine Road Traffic Interchange drainage outflow to the Barnett Channel. If the Town determines based on additional drainage studies that an easement of this width is insufficient, the owner or developer shall dedicate the width necessary to accommodate the future drainage improvements. The easement shall be dedicated within 60 days of demand by the Town of Marana.
9. This project is located within the Northwest Marana Transportation and Marana Park Benefit Areas, and will be subject to those fees at time of building permitting of each residential structure.
10. The property owner shall not cause any lot split of any kind without the written consent of the Town of Marana.
11. No approval, permit or authorization by the Town of Marana authorizes violation of any Federal or State law or regulation or relieves the applicant or the land owner from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. Appropriate experts should be retained and appropriate federal and state agencies should be consulted to determine any action necessary to assure compliance with applicable laws and regulations,

compliance with applicable laws and regulations,

12. The maximum allowable residential units for the project shall not exceed 1,788.
13. The property owner shall transfer to Marana, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for the Town providing designation of assured water supply and water service to said property. If Type I or Type II is needed on said property, the Town and developer/landowner shall arrive at an agreeable solution to the use of those water rights appurtenant to said land.
14. The property is within the intended water service area of the Town. A water service agreement and a master water plan must be submitted by the Developer and accepted by the Marana Utilities Director prior to the approval of the initial final plat by the Town Council.
15. Installation of a non-potable water system may be required to serve the common open space areas and other landscaped amenities, as accepted by the Town of Marana. The Town or its designated provider shall provide water for such a system.
16. A sewer service agreement and master sewer plan shall be submitted by the Developer and accepted by the wastewater provider and the Town Engineer prior to the approval of any final plat or development plan.
17. [Deleted by Council motion.]
18. An annual report shall be submitted within 30 days of the anniversary of the Town Council's approval of the Tortolita Shadows Specific Plan in accordance with the requirements defined in the Land Development Code and Specific Plan.
19. Within 60 days of adoption of the Rezoning Ordinance by the Mayor and Council approving the Tortolita Shadows Specific Plan, the applicant shall provide the Planning Department with the following final edition of the Tortolita Shadows Specific Plan: one non-bound original; 40 bound copies; and one electronic copy on CD in Microsoft Word or other acceptable format.

Section 4. This Ordinance shall not be effective until the Town files with the county recorder an instrument (in a form acceptable to the Town Attorney), executed by the Property Owners and any other party having any title interest in the Rezoning Area, that waives any potential claims against the Town under the Arizona Property Rights Protection Act (A.R.S. § 12-1131 *et seq.*, and specifically A.R.S. § 12-1134) resulting from changes in the land use laws that apply to the Rezoning Area as a result of the Town's adoption of this Ordinance. If this waiver instrument is not recorded within 90 calendar days after the motion approving this Ordinance, this Ordinance shall be void and of no force and effect.

Section 5. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this Ordinance are hereby repealed, effective as of the effective date of this Ordinance.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Marana, Arizona, this 17th day of July, 2012.

Mayor Ed Honea

ATTEST:

Jocelyn C. Bronson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

EXHIBIT A

Parcel 1:

The West Half of the Southeast Quarter of Section 25, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona, EXCEPT the following parcel:

A parcel of land in the West Half of the Southeast Quarter of Section 25, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, and being more particularly described as follows:

BEGINNING at the Northeast corner of said Section 25;

THENCE along the East boundary of said Section 25 South 00 degrees 28 minutes 45 seconds East, 5276.53 feet to the Southeast corner of said Section 25;

THENCE North 31 degrees 22 minutes 00 seconds West, 2576.25 feet to a point in the East boundary of said West Half of the Southeast Quarter of Section 25 being the TRUE POINT OF BEGINNING;

THENCE North 30 degrees 26 minutes 46 seconds West, 493.84 feet to a point in the North boundary of said West Half of the Southeast Quarter of Section 25 that bears South 30 degrees 16 minutes 06 seconds West, 3069.28 feet from said Northeast corner of Section 25;

THENCE along said North boundary North 89 degrees 32 minutes 12 seconds East 246.76 feet to the Northeast corner of said West Half of the Southeast Quarter;

THENCE along the East boundary of said West Half of the Southeast Quarter South 00 degrees 28 minutes 01 seconds East 427.75 feet to the TRUE POINT OF BEGINNING.

AND FURTHER EXCEPT the South 75 feet.

Parcel 2:

The South 75 feet of the West Half of the Southeast Quarter of Section 25, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

Parcel 3:

The Southwest quarter and the South half of the South half of the Northwest quarter of Section 25, Township 11 South, Range 11 East, Gila and Salt River Base and Meridian, Pima County, Arizona, lying Northeast of the Northerly right-of-way line of the Southern Pacific Railroad.

Development Services / maranaAZ.gov
11555 West Civic Center Drive / Marana, AZ 85653
Ph (520) 382-2600 / Fax (520) 382-2641

PROJECT APPLICATION

APPLICATION TYPE

❑ Annexation	❑ Development Plan	❑ Development Plan Package	❑ General Plan Amendment
❑ Rezone	❑ Minor Land Division	❑ Translational Rezone	❑ Conditional Use Permit
❑ Specific Plan	❑ Landscape Plan	❑ Native Plant Plan/Exception	❑ SWPP
❑ Variance	❑ Hydraulic Model	❑ Sewer Capacity Assurance	❑ Sign Program
❑ Plat	❑ Improvement Plan	❑ Report (Type): _____	☒ Other: Rezoning condition

PROJECT INFORMATION

Project Name: Stonegate	
Description of Project: Change of Rezoning Condition	Number of Lots:
Parcel No.(s): 217-33-0050	Gross Area (Acres): 9.36
Project Address: 12800 N I-10	
Ref. Project No.: PRV2206-003 Block Plat (Blks 1-7)	

CONTACT INFORMATION

Owner: CLB Real Property Holding Co, LLC	Contact Name: Carson Brown		
Address: 15420 E SILVER CREEK CT	City: Gilbert	State: AZ	Zip: 85298
Email: carson@wholdings.com	Phone No.: (480) 831-2000		
Applicant: Bowman Consulting Group, Ltd.	Contact Name: Craig Hunt		
Address: 3275 E. Ina Rd, Suite 220	City: Tucson	State: AZ	Zip: 85741
Email: chunt@bowman.com	Phone No.: (520) 375-2228		
Consultant/Engineer: Same as Applicant	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		

APPLICANT AUTHORIZATION

By signing below, I hereby acknowledge that I have read the information provided online at maranaaz.gov/arsnotice and certify that the information set forth in this application are true and correct to the best of my knowledge. I am either the owner of the property or I have been **authorized in writing** by the owner to file this application. (If the applicant is not the owner, attach written authorization from the owner)

Craig A. Hunt	Craig A. Hunt	12/7/2023
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Revision Date 05/16/2023

Project No._____ **Date Received**_____

Council-Regular Meeting **A6**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Vibrant Community, Proactive Public Services, Healthy Lifestyles

Subject: PUBLIC HEARING: Ordinance No. 2024.005: Relating to Development; approving a modification of a rezoning condition of Marana Ordinance No. 2009.02, which rezoned approximately 342 acres located north and northwest of the Interstate 10 and Tangerine Road traffic interchange, creating the Mandarina Specific Plan, to delete a provision of the ordinance that required the developer to install a non-potable water system to serve the common open space areas and other landscaped amenities and approving and authorizing the Mayor to sign the First Amendment to Mandarina Development Agreement (Jane Fairall)

Discussion:

On February 17, 2009, the Mayor and Council adopted Ordinance No. 2009.02, approving a rezoning of approximately 342 acres of land located north and northwest of the Interstate 10 and Tangerine Road traffic interchange to "F – Specific Plan" creating the Mandarina Specific Plan ("Mandarina"). A copy of Ordinance No. 2009.02 is included in the Council packet.

On December 1, 2020, the Town and the former owner of Mandarina, Mandarina, LLC, entered into a development agreement ("DA") governing the development of Mandarina. A copy of the December 2020 DA is included in the Council packet. Shortly thereafter, Mandarina Holdings, LLC purchased Mandarina and began developing the property. Since December 2020, some issues addressed by the DA have changed and other issues that were not addressed in the DA have come up. The proposed DA amendment on tonight's agenda is essentially a clean-up document reflecting the changes that have occurred in the last 3 years with the development. The following is a summary of the issues addressed by the DA amendment.

- **Non-Potable Water Condition**. The 2009 rezoning ordinance creating the Mandarina Specific Plan requires the developer to install a non-potable water system to serve common open space areas and other landscaped amenities. The original DA acknowledges that the Cortaro-Marana Irrigation District (CMID) is the only plausible provider of non-potable water to the property. The DA further provides that if the developer was unable to receive non-potable water service from CMID in an economically feasible manner, Town staff will schedule for Council consideration an ordinance to remove or modify the Non-Potable Water Condition. The developer was unable to obtain non-potable service from CMID in an economically feasible manner. This DA amendment

documents that the developer was unable to obtain non-potable water for the project and will not be eligible for a Water Resources impact fee credit that was described in the original DA. The accompanying ordinance approves the DA amendment and removes the Non-Potable Water Condition. Notice of tonight's public hearing regarding the rezoning modification was published as required by law.

- **Adonis Road Extension**. The Town has a project in its Capital Improvement Program (CIP) to extend Adonis Road from Mandarina Blvd. to Tangerine Road. After discussions with Town staff, the developer began design work for the project and had discussed with the Town the possibility of moving forward with the project ahead of the Town's timeline, and then being reimbursed by the Town for the work. The Town has since decided to complete the project as part of its Tangerine Road project. This DA amendment provides for the Town to reimburse the developer for the money they have already spent on design costs for the project (approximately $153,000, which Town staff has verified). The Town will pay this amount to the developer within 60 days of the Town receiving the design plans.
- **Regional Drainage Improvements**. The original DA provides that if the developer builds three oversized drainage facilities – 1) a detention basin in the northwest corner of the property, 2) a north channel along the northern border of the property, and 3) a regional channel along the UPRR alignment – the developer will be reimbursed for the oversizing costs (i.e., the costs for the portion of the facilities not needed to serve the property). The original DA calls for two reimbursement mechanisms: 1) construction sales tax reimbursements, and 2) oversizing recovery fees paid by other properties that drain into the oversized facilities. The original DA stated that the Town and the developer would enter into Agreements for Construction of the facilities prior to construction. The forms of agreement were attached to the original DA with the information that was available at the time regarding projected costs and projected drainage capacities. The developer has substantially completed the drainage improvements, but did so prior to entering into the Agreements for Construction of the facilities. This DA amendment acknowledges this chronology of events and includes new forms of the Agreements for Construction, reflecting the actual costs and capacities. The new forms of agreement are attached to this DA amendment as exhibits. Town staff intends to bring the Agreements for Construction to Council at the February 6, 2024 Council meeting, after we give 30-day notice to the potentially affected property owners. The actual costs and oversizing recovery fees for the basin and north channel are much higher than projected 3 years ago. The regional channel costs are less than was projected. The table below summarizes the original projected costs and fees (regular font) and the actual costs and fees (**bold font**) ("a-f" means "acre-feet" and "cfs" means "cubic feet per second").

	Original Projected Cost	**Actual Cost**	Original Projected Oversizing Fee	**Actual Oversizing Fee**
Detention Basin	$2,733,436	**$6,219,619**	$11,833.06 per a-f	**$33,206 per a-f**
Regional Channel	$7,002,106	**$3,315,403**	$2,183.38 per cfs	**$1,033 per cfs**
North Channel	$929,006	**$1,737,833**	$579.18 per cfs	**$3,613 per cfs**

- **Parcel B Channel**. A portion of the regional drainage channel the developer built will no longer be used when the Town completes the Adonis Road Extension. This is because the Central Arizona Project (CAP) determined that only one crossing of its siphon in this location would be allowed, and the Town decided that the crossing associated with its Tangerine Road project would take precedence. This DA amendment provides that the costs for the oversizing of this portion of the channel, called the "Parcel B Channel", are excluded from the oversizing recovery fee calculation since other properties will get little (temporary) or no benefit from this portion of the channel. Instead, the costs for the Parcel B Channel will be reimbursed only through Construction Sales Tax reimbursements as contemplated in the original DA. The Town will be responsible for demolishing the Parcel B Channel when it's no longer needed, and then the Town and the developer will negotiate the sale of the property back to the developer, at the assumed rate of $30,000 per acre as contemplated by the original DA, or pursuant to separately negotiated terms.

- **Mandarina Community Park**. Shortly after the current developer purchased the Mandarina property, the developer and the Town began discussing building a community park in the regional detention basin. This park was not originally contemplated by the specific plan or the original DA. The Town added the park to the 2022 Parks IIP. The developer hired a design team and worked with Parks staff on design of the park. This DA amendment will memorialize the Town's obligation to reimburse the developer for its costs for the park design. These costs will be reimbursed through impact fee reimbursements for fees paid on the Mandarina property.

Financial Impact:

The financial impact of the Mandarina DA and this amendment will depend on when the Developer moves forward with development of the Mandarina property. However, in all cases, the Mandarina DA and this amendment require the Developer to up-front infrastructure costs, and provides for reimbursements to be paid out of revenues generated by the Mandarina project itself or through oversizing recovery charges paid by other benefiting properties. The Mandarina DA and amendment do not require the Town to front the cost of any infrastructure needed to serve Mandarina.

Staff Recommendation:

Staff recommends approval of the Mandarina DA amendment and the ordinance removing the Non-Potable Water Condition.

Suggested Motion:

I move to adopt Ordinance No. 2024.005, approving a modification of a rezoning condition of Marana Ordinance No. 2009.02 to delete a provision of the ordinance that required the Mandarina developer to install a non-potable water system, and approving the First Amendment to Mandarina Development Agreement.

Attachments

Ordinance No. 2024.005

First Amendment to Mandarina DA

Ordinance No. 2009.02

Original Mandarina DA Dec. 2020

MARANA ORDINANCE NO. 2024.005

RELATING TO DEVELOPMENT; APPROVING A MODIFICATION OF A REZONING CONDITION OF MARANA ORDINANCE NO. 2009.02, WHICH REZONED APPROXIMATELY 342 ACRES LOCATED NORTH AND NORTHWEST OF THE INTERSTATE 10 AND TANGERINE ROAD TRAFFIC INTERCHANGE, CREATING THE MANDARINA SPECIFIC PLAN, TO DELETE A PROVISION OF THE ORDINANCE THAT REQUIRED THE DEVELOPER TO INSTALL A NON-POTABLE WATER SYSTEM TO SERVE THE COMMON OPEN SPACE AREAS AND OTHER LANDSCAPED AMENITIES AND APPROVING AND AUTHORIZING THE MAYOR TO SIGN THE FIRST AMENDMENT TO MANDARINA DEVELOPMENT AGREEMENT

WHEREAS the Mayor and Council of the Town of Marana adopted Ordinance No. 2009.02 on February 17, 2009, approving a rezoning of approximately 342 acres of land located north and northwest of the Interstate 10 and Tangerine Road traffic interchange to "F – Specific Plan" creating the Mandarina Specific Plan ("Mandarina"); and

WHEREAS approval of the rezoning was subject to a number of conditions, including condition 10 which provides that the developer shall install a non-potable water system to serve the common open space areas and other landscaped amenities of Mandarina (the "Non-Potable Water Condition"); and

WHEREAS the Town and the then-owner of Mandarina, Mandarina, LLC, entered into the "Mandarina Development Agreement," recorded in the Pima County Recorder's office on December 4, 2020, at Sequence 20203390091 (the "Original DA"); and

WHEREAS the current beneficial owner of Mandarina, Mandarina Holdings, LLC, is the successor in interest to Mandarina LLC; and

WHEREAS the Original DA acknowledges that the Cortaro-Marana Irrigation District ("CMID") is the only plausible provider of non-potable water to Mandarina, and provides that if the Developer is unable to receive non-potable water service from CMID in an economically feasible manner, Town staff will schedule for Council consideration an ordinance to remove or modify the Non-Potable Water Condition; and

WHEREAS the developer was unable to receive non-potable water service from CMID in an economically feasible manner; and

WHEREAS Town staff has negotiated the terms of a First Amendment to the Original DA with Mandarina Holdings, LLC to address the Non-Potable Water Condition and other matters, including transportation, drainage, and park improvements and reimbursements; and

WHEREAS the Mayor and Council find that the First Amendment to the Mandarina Development Agreement is consistent with the Marana General Plan, the Mandarina Specific Plan and all other applicable Town regulations and policies; and

WHEREAS the Mayor and Council find that deletion of the Non-Potable Water Condition is insubstantial enough not to require or benefit from Planning Commission consideration, and that this ordinance is in the best interests of the Town and its citizens.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. The First Amendment to the Mandarina Development Agreement is hereby approved in the form provided in the agenda materials associated with this Council agenda item, and the Mayor is hereby authorized and directed to sign it for and on behalf of the Town of Marana.

Section 2. Section 3, condition 10 of Marana Ordinance No. 2009.02 is hereby deleted and the Mandarina Specific Plan is hereby amended, as and if necessary, to conform to the deletion of the condition.

Section 3. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are repealed as of the effective date of this ordinance.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, the decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

FIRST AMENDMENT TO MANDARINA DEVELOPMENT AGREEMENT

Town of Marana, Arizona

THIS FIRST AMENDMENT TO MANDARINA DEVELOPMENT AGREEMENT (this "First Amendment") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), MANDARINA HOLDINGS, LLC, an Arizona limited liability company (the "Developer"), and TITLE SECURITY AGENCY, LLC, a Delaware limited liability company as Trustee under trust number 202308 and not in its corporate capacity (the "Trust"). The Town, the Developer, and the Trust are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. The development project commonly known as Mandarina and referred to in this First Amendment as the "Subject Property" consists of the land area included within the Mandarina Specific Plan.

B. The Mandarina Specific Plan was established by the February 17, 2009 adoption of Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005).

C. The Mandarina Specific Plan was amended administratively on October 30, 2019, and on November 15, 2022, pursuant to Part 5 (Implementation and Administration) section H(3) of the Mandarina Specific Plan.

D. The Final Block Plat for Mandarina Blocks 1-7 and Parcels A, B, & C was recorded in the Pima County Recorder's office on June 8, 2023, at Sequence 20231590262 (the "First Mandarina FBP").

E. The Final Block Plat for Mandarina Blocks 1-2, 4-5 & 8-13 was recorded in the Pima County Recorder's office on November 28, 2023, at Sequence 20233320095 (the "Second Mandarina FBP").

F. The Developer is the master developer of the Subject Property and, together with the Trust, is holding the Subject Property for investment purposes and has done significant improvement work to the Subject Property to allow the future conveyance of platted and engineered parcels of the Subject Property to residential and commercial developers.

G. Title to some of the blocks in Mandarina beneficially owned by the Developer is held by the Trust. Specifically, at the time of execution of this First Amendment, title to Blocks 1-2, 4-5, and 8-9 of the Second Mandarina FBP is held by the Trust.

H. The Town and MANDARINA, LLC, a Colorado limited liability company, entered into the "MANDARINA DEVELOPMENT AGREEMENT," recorded in the Pima County Recorder's office on December 4, 2020, at Sequence 20203390091 (the "Original DA").

I. The Developer is the successor in interest to MANDARINA, LLC.

J. This First Amendment amends the Original DA.

K. Marana Ordinance No. 2009.02 includes a condition, referred to in the Original DA as the "Non-Potable Water Condition," requiring installation of a non-potable water system to serve the common open space areas and other landscaped amenities of the Subject Property.

L. Subparagraph 4(d) of the Original DA provides that if the Developer satisfies the Non-Potable Water Condition, the Developer shall be entitled to credit against the Town's Water Resources Development Impact Fee for the resulting estimated potable water resources savings.

M. Paragraph 9 of the Original DA provides that the Parties acknowledge that the Cortaro-Marana Irrigation District ("CMID") is the only plausible provider of non-potable water to the Subject Property, and that the Developer was coordinating with CMID to supply non-potable water to the Subject Property. Paragraph 9 further provides that if the Developer is unable to receive non-potable water service from CMID in an economically feasible manner, Town staff will schedule for Council consideration an ordinance to remove or modify the Non-Potable Water Condition.

N. The Parties agree and acknowledge that despite the Developer's best efforts, the Developer was unable to receive non-potable water service from CMID in an economically feasible manner. This First Amendment is approved, and the Town's Mayor is authorized to sign it, by virtue of the Town Council's adoption of Marana Ordinance No. 2023.____ (the "Concurrent Ordinance"), which also removes the Non-Potable Water Condition from Marana Ordinance No. 2009.02.

O. The Developer engaged EPS GROUP, INC. ("EPS") to do design work for the Adonis Road Extension, a project that will extend Adonis Road commencing approximately 1,450 linear feet west of the existing Adonis Road/Mandarina Boulevard intersection and continuing east to Tangerine Road, a total length of approximately 3,700 feet. The plan set is identified as ENG2201-003 and is at 60% completion (the "Adonis Road Extension Plans").

P. In connection with the Adonis Road Extension, the Developer paid administrative fees to the Central Arizona Project ("CAP") and engaged SMP Environmental Design to prepare a preliminary landscape plan (the "Adonis Road Extension Landscape Plan").

Q. The Adonis Road Extension is included in the Town's fiscal year 2023-2024 Five-Year Capital Improvement Plan and the Town intends to construct it at its sole cost and expense.

R. Paragraph 3 of the Original DA describes the process for protected facility designations and charges for Oversized Public Facilities and provides that as the Developer is ready to contractually obligate itself to construct each of the Oversized Public Facilities, the Developer was to initiate the protected facility designation process by signing and tendering to the Town the appropriate form of "Agreement for Construction of Facilities under Private Contract" for that facility (attached to the Original DA as Exhibits D through H), which would be presented to the Town Council following notice to properties that would potentially benefit from the Oversized Public Facilities.

S. The Developer constructed the Regional Drainage Improvements including the Oversize Portion without following the process described in paragraph 3 of the Original DA for protected facility designations and charges for Oversized Public Facilities. Nevertheless, the Parties acknowledge and agree that the Parties have continued to act in good faith regarding the construction of the Regional Drainage Improvements and reimbursement for the Regional Drainage Improvements Oversize Costs.

T. The Regional Drainage Improvements were constructed on the parcels identified on the First Mandarina FBP as Parcels A, B, and C. The Detention Basin and a portion of the Regional Channel are located in Parcel A; the remainder of the Regional Channel is located in Parcel B; and the North Channel is located in Parcel C.

U. The Developer intended to construct a drainage crossing under the Adonis Road Extension as it crosses the Central Arizona Project's easement for the CAP's Santa Cruz siphon that would tie into the portion of the Regional Channel located in Parcel B of the First Mandarina FBP (the "Parcel B Channel").

V. When the Town submitted plans to the CAP for a second crossing of the CAP siphon as a part of the Town's Tangerine Road widening project, the Town received a letter from the CAP informing the Town that the CAP would only allow one crossing of its easement for the Santa Cruz siphon.

W. The Town decided that its Tangerine Road CAP crossing would take precedence over the Developer's planned Adonis Road CAP crossing.

X. When the Town constructs the Adonis Road Extension, the Town will construct drainage improvements on property located east of the Subject Property's boundary.

Y. As a result of the change of plans regarding the CAP siphon crossing described in Recitals U, V, and W above, most of the Parcel B Channel (the "Temporary Parcel B Channel") will no longer be needed for drainage purposes once the Town builds the drainage improvements described in Recital X, above.

Z. The Developer engaged EPS to design the Mandarina Community Park, a 25-acre community park located within a portion of Parcel A of the First Mandarina FBP (the "Mandarina Community Park"), and the Parties agreed that the Town would add the Mandarina Community Park to the next revision of the Town's infrastructure improvements plan supporting amendments to the Town's Parks and Recreation Development

Impact Fees. The EPS plan set is identified as Job. No. 20-0522 and Job No. 20-0938 (the "Park Plans").

AA. On September 20, 2022, the Town Council approved Marana Resolution No. 2022-100 adopting the Town of Marana Impact Fee Study Update and Parks Infrastructure Improvement Plan (the "2022 Parks IIP"). The 2022 Parks IIP includes the Mandarina Community Park as a project to be funded by development impact fees adopted pursuant to A.R.S. §9-463.05, at a development cost of $7,568,766.00, and the Town intends to construct the park as described in the 2022 Parks IIP.

BB. The Developer has submitted an application and petition to the Town to form a community facilities district (CFD) on the Subject Property pursuant to A.R.S. §48-701 *et seq*, to finance the construction and acquisition of public infrastructure within and benefiting the Subject Property. This community facilities district is referred to in this First Amendment as the "CFD."

CC. The Parties acknowledge and agree that this First Amendment is a "development agreement" within the meaning of, and entered into pursuant to, the terms of A.R.S. § 9-500.05, in order to facilitate the development of Mandarina.

DD. The Parties desire to amend the Original DA to memorialize their agreement concerning the issues addressed in this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this First Amendment, the Parties hereby agree as follows:

1. **Recitals.** The Recitals set forth above are true and correct and are incorporated herein by this reference.

2. **Effect.** Capitalized words and phrases in this First Amendment, including in the Recitals set forth above, shall have the meanings set forth in the Original DA as modified by this First Amendment, and the terms of the Original DA shall continue in full force and effect except as expressly modified by this First Amendment.

3. **Non-Potable Water Condition.** As noted in Recital N, above, the Developer was unable to receive non-potable water service from CMID in an economically feasible manner, and the Concurrent Ordinance removes the Non-Potable Water Condition from Marana Ordinance No. 2009.02. Because the Developer was unable to satisfy the Non-Potable Water Condition, the Developer is not entitled to the credit against the Town's Water Resources Development Impact Fee described in subparagraphs 2(e) and 4(d) of the Original DA.

4. **Adonis Road Extension.** The Developer hereby assigns to the Town, without any representations or warranties and to the extent assignable, any and all of the Developer's rights to the Adonis Road Extension Plans and the Adonis Road Extension Landscape Plan, as well as the Developer's rights, if any, with respect to the administrative fees paid to CAP, as described in Recital P, above. As verified by the Town, the Developer has spent

$153,308.50 in Reimbursable Costs on these items for the Adonis Road Extension. The Town shall reimburse the Developer for these Reimbursable Costs within 60 days of the Town's receipt of the following: (i) the Adonis Road Extension Plans in CAD file format in its then-current state of completion; and (ii) the Adonis Road Extension Landscape Plan in CAD file format in its then-current state of completion. The Developer shall provide the Adonis Road Extension Plans and the Adonis Road Extension Landscape Plan sets to the Town's Public Works Department - Capital Improvement Project (CIP) Division. For 60 days after the Effective Date, the Developer will use commercially reasonable, good faith efforts to cause the CAP to consent to the assignment to the Town of the Developer's rights, if any, with respect to the administrative fees paid to CAP, as described in Recital P, above. If the CAP will not consent to such assignment, and if the Developer receives reimbursement of the administrative fees from the CAP, the Developer will pay such monies (or endorse over any CAP check without recourse) to the Town within 30 days after receipt of the reimbursement of the administrative fees. Any amounts not timely paid under this paragraph will bear interest at the rate of 12% per annum from the due date until paid in full.

5. **Regional Drainage Improvements**

a. *Agreements for Construction of Facilities under Private Contract*. Because the Developer constructed the Regional Drainage Improvements prior to entering into the Agreements for Construction of Facilities under Private Contract, the forms of agreement attached as exhibits to the Original DA for the Regional Drainage Improvements (Exhibits F, G, and H) must be amended. The amended forms of Agreement for Construction of Facilities under Private Contract for the Regional Channel, North Channel, and Detention Basin are attached to this First Amendment as Exhibits F1, G1, and H1, respectively. After providing notice to potentially affected properties as provided in Marana Town Code section 14-4-5, Town staff will present the Agreements for Construction of Facilities under Private Contract for the Regional Drainage Improvements to Council. Because the Regional Drainage Improvements have already been constructed, and final costs and capacities are known, reconciliation as described in subparagraph 3(e) of the Original DA is not necessary.

b. Parcel B Channel

i. The Regional Drainage Improvements Oversize Costs for the Temporary Parcel B Channel (the "Excluded Oversize Costs") are not included within the Agreements for Construction of Facilities under Private Contract. The Developer shall be reimbursed for the Excluded Oversize Costs only through reimbursement of Construction Sales Tax Revenues, as described in paragraph 6 of the Original DA. As verified by the Town and supported by the Developer's statements of cost, the Excluded Oversize Costs that are eligible for reimbursement only through Construction Sales Tax Revenues amount to $1,869,408.

ii. When the Temporary Parcel B Channel is no longer needed for drainage, as determined by the Town, the Town shall be responsible for restoring it to native land at the Town's sole cost and expense.

iii. When the Temporary Parcel B Channel has been restored to native land, the Town and the Developer shall negotiate the purchase and sale of the property for the Town to transfer title to the land used for the Temporary Parcel B Channel back to the Developer. The Town will convey the land to the Developer by special warranty deed subject only to the same title exceptions as when the land was conveyed by the Developer to the Town and will represent and warrant to the Developer that neither the Town nor any of its contractors (or their subcontractors), employees, or agents released any hazardous materials on, under, or from the land in violation of any environmental laws during its ownership of the land. The value of the property shall be the assumed value of $30,000 per acre as provided in subparagraph 1(gg) of the Original DA unless the Parties negotiate a separate agreement with different terms regarding the conveyance.

6. **Mandarina Community Park**

a. *Design.* The Developer shall cause EPS to complete the Park Plans described in Recital Z, above. Upon approval of the Park Plans by the Town, pursuant to the Town's normal plan submittal, review, and approval procedures, the Developer shall assign to the Town any and all of the Developer's rights to the Park Plans, without any representation or warranty and to the extent assignable. The Developer shall provide the full plan set in CAD file format to the Town's CIP Division within 30 days of Town approval of the Park Plans.

b. *Reimbursement.* The Town shall reimburse the Developer for the Reimbursable Costs of the Mandarina Community Park design (the "Mandarina Community Park Design Costs") only through reimbursement of the first Parks and Recreation Development Impact Fees payable for construction occurring on the Subject Property. The Developer shall receive reimbursement for the full Parks and Recreation Development Impact Fees collected from the Subject Property until the combined total of all Parks and Recreation Development Impact Fee reimbursements to the Developer equals the Mandarina Community Park Design Costs. After full reimbursement to the Developer is made, the Town will retain the full Parks and Recreation Development Impact Fee for construction occurring on the Subject Property.

c. *Construction.* The Town shall construct the Mandarina Community Park pursuant to and as described in the 2022 Parks IIP, as it may be amended in future impact fee update cycles. The Town makes no representations or warranties as to the timing of the Town's construction of the Mandarina Community Park. The 2022 Parks IIP uses an incremental expansion methodology, which allows the Town to adjust the projects on the capital plan to meet changing community recreation needs, while maintaining the Town's existing level of parks and recreation service as the community grows through the expansion of parks and recreation facilities necessary to meet

the demand of growth. The application of the 2022 Parks IIP and this methodology, as determined by the Town, as well as availability of funding, will dictate the timing of construction of the Mandarina Community Park.

7. **Community Facilities District.** As noted in Recital BB, above, the Developer has submitted an application and petition to form a community facilities district (CFD) on the Subject Property pursuant to A.R.S. §48-701 *et seq*. The Parties acknowledge and agree that if the CFD is formed and the CFD acquires any public infrastructure by issuance of general obligation bonds issued by the CFD, (i) any costs for public infrastructure that are reimbursed to the Developer through Construction Sales Tax Revenues or Oversizing Recovery Charges pursuant to the Original DA and this First Amendment shall not be eligible for reimbursement through issuance of general obligation bonds by the CFD; and (ii) any costs for public infrastructure that are credited to the Developer against development impact fees (whether through direct credits or reimbursements) may be eligible for reimbursement to the Developer through issuance of general obligation bonds by the CFD, subject to the limitations, terms and provisions of a CFD development agreement that the Town and the Developer will enter into upon formation of the CFD and subject to the eligibility requirements for public infrastructure set forth in A.R.S. §48-701 *et seq*; and (iii) any costs for public infrastructure that are reimbursed to the Developer by the CFD through issuance of general obligation bonds may also be eligible for credits against development impact fees (whether through direct credits or reimbursements), subject to the terms of the Original DA and this First Amendment. The Parties acknowledge and agree that the Developer's receipt of credits against development impact fees (whether through direct credits or reimbursements) and reimbursement from CFD bond proceeds is not "double-dipping".

8. **Conformance of the Original DA.** The terms of the Original DA are modified to conform to this First Amendment, including without limitation, the following:

a. Paragraph 1 (*Definitions*) of the Original DA, is hereby amended as follows, with deletions shown with ~~strikethroughs~~ and additions shown with double-underlining:

> d. "Credit" or "credits" when used to refer to fees and charges due from the Subject Property shall mean ~~credits or~~ reimbursements., ~~at the Developer's option. Unless and until directed otherwise, a credit shall be applied against fees otherwise payable from the Subject Property. If and when the Developer chooses instead to receive reimbursements, the~~ The full amount of fees will be charged to the Subject Property, and the amount ~~which would otherwise be credited~~ will ~~instead~~ be collected by the Town and placed in the Reimbursement Account (see subparagraph 7.a below).
>
> r. The "Northwest Street Facilities Development Impact Fee" is the fee adopted by the Town pursuant to Section ~~4~~ 5 of Marana Ordinance No. ~~2017.029~~ 2022.029.

ll. The "Wastewater Facilities Development Impact Fee" is the fee adopted by the Town pursuant to Section 3 of Marana Ordinance No. 2014.013 and amended by Section 9 of Marana Ordinance No. 2017.029 and amended by Section 10 of Marana Ordinance No. 2022.029.

nn. The "Water Infrastructure Development Impact Fee" is the fee adopted by the Town pursuant to Section 1 of Marana Ordinance No. 2014.013 and amended by Section 7 of Marana Ordinance No. 2017.029 and amended by Section 8 of Marana Ordinance No. 2022.029.

oo. The "Water Resources Development Impact Fee" is the fee adopted by the Town pursuant to Section 2 of Marana Ordinance No. 2014.013 and amended by Section 8 of Marana Ordinance No. 2017.029 and amended by Section 9 of Marana Ordinance No. 2022.029.

b. Paragraph 1 (*Definitions*) of the Original DA, is hereby further amended to add the following subparagraphs:

pp. The "Adonis Road Extension" means the extension of existing Adonis Road commencing approximately 1,450 linear feet west of the existing Adonis Road/Mandarina Boulevard intersection and continuing east to Tangerine Road, a total length of approximately 3,700 feet.

qq. "Adonis Road Extension Costs" means Reimbursable Costs for the Adonis Road Extension.

rr. "Adonis Road Extension Plans" means the EPS Group Inc. 60% design plan set for the Adonis Road Extension identified as ENG2201-003.

ss. "Adonis Road Extension Landscape Plan" means the SMP Environmental Design preliminary landscape plan for the Adonis Road Extension.

tt. The "First Mandarina Final Block Plat" means the Final Block Plat for Mandarina Blocks 1-7 and Parcels A, B, & C, recorded in the Pima County Recorder's office on June 8, 2023, at Sequence 20231590262.

uu. "Mandarina Community Park" means the 25-acre community park located within a portion of Parcel A of the First Mandarina Final Block Plat and identified in the Park Plans.

vv. "Mandarina Community Park Design Costs" means Reimbursable Costs for the design of the Mandarina Community Park.

ww. "Park Plans" means the EPS Group Inc. design plan set for the Mandarina Community Park identified as Job. No. 20-0522 and Job No. 20-0938

xx. The "Parks and Recreation Development Impact Fees" are the fees adopted by the Town pursuant to Sections 2 and 3 of Marana Ordinance No. 2022.029.

c. Paragraph 2 (*Overview of reimbursements and credits*) of the Original DA is hereby amended by adding subparagraphs (f) and (g) as follows:

> f. *Mandarina Community Park Design Costs.* If the Developer provides the Town with Town-approved Park Plans in CAD file format within 30 days of Town approval of the Park Plans, Mandarina Community Park Design Costs are reimbursed to the Developer only through reimbursement of the first Parks and Recreation Development Impact Fees received by the Town after the Effective Date for construction occurring on the Subject Property. The Town will retain the full Parks and Recreation Development Impact Fee for construction occurring on the Subject Property after the combined total of all Parks and Recreation Development Impact Fee reimbursements to the Developer equals the Mandarina Community Park Design Costs.
>
> g. *Adonis Road Extension Costs*. The Adonis Road Extension Costs shall be reimbursed to the Developer within 60 days of the Town's CIP Division's receipt of: (i) the Adonis Road Extension Plans in CAD file format in its then-current state of completion; and (ii) the Adonis Road Extension Landscape Plan in CAD file format in its then-current state of completion.

d. Paragraph 4 of the Original DA is hereby amended to add subparagraph (e) as follows:

> e. *Credits to be applied to the Parks and Recreation Development Impact Fees*. Mandarina Community Park Design Costs are reimbursed to the Developer only through credits against the first Parks and Recreation Development Impact Fees received by the Town after the Effective Date for construction occurring on the Subject Property. The full Parks and Recreation Development Impact Fees will be due and payable for construction occurring on the Subject Property after the combined total of all credits equals the Mandarina Community Park Design Costs.

9. **Term.** This First Amendment shall become effective (the "Effective Date") upon the date of recording pursuant to paragraph 10 below. The term of this First Amendment shall begin on the Effective Date and shall terminate concurrently with the termination of the Original DA.

10. **Recordation.** After this First Amendment has been executed by the Parties, the Town shall, as concurrently as reasonably possible, record this First Amendment in the office of the Pima County Recorder.

11. **Binding effect.** This First Amendment shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

12. **Cancellation for conflict of interest.** This First Amendment is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

13. **Counterparts.** This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all Parties may be physically attached to a single document.

14. **Good standing.** The Developer represents and warrants to the Town that it is duly formed and validly existing and authorized to do business in the state of Arizona. The Town represents and warrants to the Developer that it is an Arizona municipal corporation with authority to enter into this First Amendment under applicable state laws.

15. **Authority.** Each Party represents and warrants that the individual executing this First Amendment on its behalf is authorized and empowered to bind the Party on whose behalf each such individual is signing.

16. **Governing law.** This First Amendment is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona, and the Parties agree that any litigation or arbitration shall take place in Pima County, Arizona.

17. **Interpretation.** This First Amendment has been negotiated by the Parties, and no Party shall be deemed to have drafted this First Amendment for purposes of construing any portion of this First Amendment for or against any Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this First Amendment, effective as of the last date set forth below their respective signatures.

The "Town":

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: _____

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

The "Developer":

MANDARINA HOLDINGS, LLC an Arizona limited liability company
By: KDL INVESTMENTS, LLC, an Arizona limited liability company, its sole Member

By: _____
Karl N. Huish, Manager

Date: _____

The "Trust":

TITLE SECURITY AGENCY, LLC, a Delaware limited liability company, as trustee under Trust No. 202308, and not in its corporate capacity

By: _____
Ronda Tatro, Trust Officer

Date: _____

STATE OF ARIZONA)
) ss
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Karl N. Huish, Manager of KDL INVESTMENTS, LLC, an Arizona limited liability company, sole Member of MANDARINA HOLDINGS, LLC, an Arizona limited liability company, on behalf of MANDARINA HOLDINGS, LLC.

(Seal)

_____
Notary Public

STATE OF ARIZONA)
) ss
County of Pima)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Ronda Tatro, the Trust Officer of TITLE SECURITY AGENCY, LLC, a Delaware limited liability company, as trustee under Trust No. 202308, and not in its corporate capacity.

(Seal)

_____
Notary Public

LIST OF EXHIBITS

Exhibit F1 Form of Agreement for Construction of Facilities under Private Contract for the Regional Channel

Exhibit G1 Form of Agreement for Construction of Facilities under Private Contract for the North Channel

Exhibit H1 Form of Agreement for Construction of Facilities under Private Contract for the Detention Basin

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF DRAINAGE FACILITIES UNDER PRIVATE CONTRACT

Mandarina Regional Channel

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA, HOLDINGS LLC, an Arizona limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to issue flood control use permits for development on the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of receiving flood control use permits from the Town for the Subject Property, the Developer agrees to install those certain drainage infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina LOMR Drainage Channel, Plan No. ENG2103-015, sealed by Psomas on May 17, 2021 and approved by the Marana Town Engineer on May 28, 2021 (the "Facility Plan"), which is on file in the office of the Town of Marana Development Engineering Department. The Developer-Installed Facility is referred to as the "LOMR Drainage Channel" in the Facility Plan.

E. The Town and MANDARINA, LLC, a Colorado limited liability company, entered into the "MANDARINA DEVELOPMENT AGREEMENT," recorded in the Pima County Recorder's office on December 4, 2020, at Sequence 20203390091.

F. The Developer is the successor in interest to Mandarina, LLC.

G. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility,

which is referred to in the Mandarina Development Agreement as the "Regional Channel."

H. The Developer-Installed Facility includes elements and capacity sufficient to provide drainage to other currently vacant Town properties, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

I. The total cost of the Developer-Installed Facility is $3,315,403, which is the sum of the construction cost for the Developer-Installed Facility of $2,805,463 and the total land value of $509,940 (Subject Property land area to be used for the Developer-Installed Facility is 16.998 acres, valued at $30,000 per acre).

J. The Developer-Installed Facility has a capacity of 3207 cubic feet per second. The Subject Property is estimated to discharge 542 cubic feet per second, leaving excess capacity in the Developer-Installed Facility of 2665 cubic feet per second.

K. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

L. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the system of Town-maintained drainage facilities provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility*. The Developer has designed and installed, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the drainage infrastructure improvements as depicted in the Facility Plan. The drainage infrastructure improvements depicted on the Facility Plan as the "LOMR Drainage Channel" are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Flood Control District and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new drainage facility and shall show any and all alterations to the existing drainage system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer went through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work was performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor held contractor's license classifications A and A-12.

1.4. *Developer-Installed Facility acceptance by Town*. No flood plain use permits will be issued in reliance on the Developer-Installed Facility, and the Developer-Installed Facility will not be accepted for maintenance as part of the Town's drainage system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification*. Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work.

1.6. *Termination for lack of Work*. Approval of the Facility Plan shall lapse and this Agreement shall terminate if the Work is discontinued for a period of one year.

1.7. *Oversizing Recovery Charge*. The Parties have determined that the Developer-Installed Facility will have excess capacity of 2665 cubic feet per second as a result of and upon completion of the Work and after the discharge of 542 cubic feet per second from the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $1,033.80 per cubic foot per second for drainage discharges to the Regional Channel. For purposes of this paragraph, all of the following apply:

1.7.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity; currently anticipated to be for an additional 2665 cubic feet per second discharges to the Developer-Installed Facility.

1.7.2. Based on the oversizing recovery charge of $1,033.80 per cubic foot per second, the Parties' current estimate of the total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $2,755,081.49.

1.7.3. The oversizing recovery charge payments for development benefitted by the Developer-Installed Facility shall be payable as described in the Mandarina Development Agreement.

1.7.4. The Developer shall have a beneficial ownership interest in the Developer-Installed Facility sufficient to prohibit drainage discharge into it from newly developed properties unless and until the oversizing recovery charge is paid.

1.7.5. The drainage discharge into the Developer-Installed Facility from newly developed properties shall be determined by a drainage report prepared by a licensed civil engineer and approved by the Town Engineer.

1.7.6. The 542 cubic feet per second drainage discharge from the Subject Property has been calculated assuming certain development on the Subject Property. If the actual development of the Subject Property results in a different drainage discharge from the Subject Property, the remaining available capacity of the Developer-Installed

Facility, and the total potential reimbursement through oversizing recovery charges, shall be re-calculated accordingly.

1.7.7. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer employed a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority*. Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions*. The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost*. If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Construction

3.1. *Competence and diligence*. The Developer employed only competent and efficient laborers, mechanics or artisans on the Work, and the Developer performed diligently to complete the Work on or before the completion date given in the notice to proceed.

3.2. *Alterations to the existing Town drainage system*. The Developer shall, at Developer's expense, make any and all alterations to the existing drainage system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4. Dedication

4.1. *Transfer of the Developer-Installed Facility to the Town*. Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

4.2. *One-year warranty*. The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

4.3. *Other conflicting construction prohibited*. The Developer shall not construct or allow the construction of any utility, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

4.4. *Developer's obligation to maintain finished grade*. The Developer guarantees that all drainage facilities on the Subject Property will be tied to the finished grade of the Developer-Installed Facility.

4.5. *Acceptance by the Town*. The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

5. Miscellaneous

5.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

5.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

5.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

5.4. *Cancellation for conflict of interest.* This agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
David L. Udall, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA HOLDINGS, LLC, an Arizona limited liability company
By: KDL INVESTMENTS, LLC, an Arizona limited liability company, its sole Member

By: [SPECIMEN ONLY]
Karl N. Huish, Manager

Date: _____

STATE OF ARIZONA)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Karl N. Huish, the Manager of KDL INVESTMENTS, LLC, an Arizona limited liability company, the sole Member of MANDARINA HOLDINGS, LLC, an Arizona limited liability company (the "Developer"), on behalf of MANDARINA HOLDINGS, LLC.

(Seal)

[SPECIMEN ONLY]
Notary Public

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF DRAINAGE FACILITIES UNDER PRIVATE CONTRACT

Mandarina North Channel

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA HOLDINGS, LLC, an Arizona limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to issue flood control use permits for development on the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of receiving flood control use permits from the Town for the Subject Property, the Developer agrees to install those certain drainage infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina LOMR Drainage Channel, Plan No. ENG2103-015, sealed by Psomas on May 17, 2021 and approved by the Marana Town Engineer on May 28, 2021 (the "Facility Plan"), which is on file in the office of the Town of Marana Development Engineering Department. The Developer-Installed Facility is referred to as the "North Drainage Channel" in the Facility Plan.

E. The Town and MANDARINA, LLC, a Colorado limited liability company, entered into the "MANDARINA DEVELOPMENT AGREEMENT," recorded in the Pima County Recorder's office on December 4, 2020, at Sequence 20203390091.

F. The Developer is the successor in interest to Mandarina, LLC.

G. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "North Channel."

H. The Developer-Installed Facility will include elements and capacity sufficient to provide drainage to other currently vacant Town properties, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

I. The total cost of the Developer-Installed Facility is $1,737,833, which is the sum of the construction cost for the Developer-Installed Facility of $1,624,553 and the total land value of $113,280 (Subject Property land area to be used for the Developer-Installed Facility is 3.776 acres, valued at $30,000 per acre).

J. The Developer-Installed Facility also used 1.23 acres of land valued at $36,900 (valued at $30,000 per acre), which was dedicated at no cost by Stewart Title and Trust under Trust No. 3564 and Title Security Agency, LLC under Trust No. 201951R.

K. The Developer-Installed Facility has a capacity of 481 cubic feet per second. The Subject Property is estimated to discharge 174 cubic feet per second, leaving excess capacity in the Developer-Installed Facility of 307 cubic feet per second.

L. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

M. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the system of Town-maintained drainage facilities provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility*. The Developer has designed and installed, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the drainage infrastructure improvements as depicted in the Facility Plan. The drainage infrastructure improvements depicted on the Facility Plan as the "North Drainage Channel" are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Flood Control District and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new drainage facility and shall show any and all alterations to the existing drainage system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer went through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work was performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor held contractor's license classifications A and A-12.

1.4. *Developer-Installed Facility acceptance by Town*. No flood plain use permits will be issued in reliance on the Developer-Installed Facility, and the Developer-Installed Facility will not be accepted for maintenance as part of the Town's drainage system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification*. Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work.

1.6. *Termination for lack of Work*. Approval of the Facility Plan shall lapse and this Agreement shall terminate if the Work is discontinued for a period of one year.

1.7. *Oversizing Recovery Charge*. The Parties have determined that the Developer-Installed Facility will have excess capacity of 307 cubic feet per second as a result of and upon completion of the Work and after the discharge of 174 cubic feet per second from the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $3,612.96 per cubic foot per second for drainage discharges to the North Channel. For purposes of this paragraph, all of the following apply:

1.7.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity; currently anticipated to be for an additional 307 cubic feet per second discharges to the Developer-Installed Facility.

1.7.2. The successors in interest to Stewart Title and Trust under Trust No. 3564 and Title Security Agency, LLC under Trust No. 201951R shall have a credit of $36,900 toward the Developer-Installed Facility oversizing recovery charge.

1.7.3. Based on the oversizing recovery charge of $3,612.96 per cubic foot per second, and subtracting the credit in the previous subparagraph, the Parties' current estimate of the total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $1,072,278.23.

1.7.4. The oversizing recovery charge payments for development benefitted by the Developer-Installed Facility shall be payable as described in the Mandarina Development Agreement.

1.7.5. The Developer shall have a beneficial ownership interest in the Developer-Installed Facility sufficient to prohibit drainage discharge into it from newly developed properties unless and until the oversizing recovery charge is paid.

1.7.6. The drainage discharge into the Developer-Installed Facility from newly developed properties shall be determined by a drainage report prepared by a licensed civil engineer and approved by the Town Engineer.

1.7.7. The 174 cubic feet per second drainage discharge from the Subject Property has been calculated assuming certain development on the Subject Property. If the actual development of the Subject Property results in a different drainage discharge from the Subject Property, the remaining available capacity of the Developer-Installed Facility, and the total potential reimbursement through oversizing recovery charges, shall be re-calculated accordingly.

1.7.8. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer employed a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority*. Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions*. The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost*. If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Construction

3.1. *Competence and diligence*. The Developer employed only competent and efficient laborers, mechanics or artisans on the Work, and the Developer performed diligently to complete the Work on or before the completion date given in the notice to proceed.

3.2. *Alterations to the existing Town drainage system*. The Developer shall, at Developer's expense, make any and all alterations to the existing drainage system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4. Dedication

4.1. *Transfer of the Developer-Installed Facility to the Town*. Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

4.2. *One-year warranty*. The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

4.3. *Other conflicting construction prohibited*. The Developer shall not construct or allow the construction of any utility, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

4.4. *Developer's obligation to maintain finished grade*. The Developer guarantees that all drainage facilities on the Subject Property will be tied to the finished grade of the Developer-Installed Facility.

4.5. *Acceptance by the Town*. The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

5. Miscellaneous

5.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

5.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

5.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

5.4. *Cancellation for conflict of interest.* This agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
David L. Udall, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA HOLDINGS, LLC, an Arizona limited liability company
By: KDL INVESTMENTS, LLC, an Arizona limited liability company, its sole Member

By: [SPECIMEN ONLY]
Karl N. Huish, Manager

Date: _____

STATE OF ARIZONA)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Karl N. Huish, the Manager of KDL INVESTMENTS, LLC, an Arizona limited liability company, the sole Member of MANDARINA HOLDINGS, LLC, an Arizona limited liability company (the "Developer"), on behalf of MANDARINA HOLDINGS, LLC.

(Seal)

[SPECIMEN ONLY]
Notary Public

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF DRAINAGE FACILITIES UNDER PRIVATE CONTRACT

Mandarina Detention Basin

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA HOLDINGS, LLC, an Arizona limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to issue flood control use permits for development on the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by administrative amendments dated October 30, 2019, and November 15, 2022, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of receiving flood control use permits from the Town for the Subject Property, the Developer installed those certain drainage infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina Regional Retention Basin, Plan No. ENG 2110-004, sealed by EPS Group, Inc. on December 16, 2021 and approved by the Marana Town Engineer on January 19, 2022 (the "Facility Plan"), which is on file in the office of the Town of Marana Development Engineering Department.

E. The Town and MANDARINA, LLC, a Colorado limited liability company, entered into the "MANDARINA DEVELOPMENT AGREEMENT," recorded in the Pima County Recorder's office on December 4, 2020, at Sequence 20203390091.

F. The Developer is the successor in interest to Mandarina, LLC.

G. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "Detention Basin."

H. The Developer-Installed Facility includes elements and capacity sufficient to provide drainage to other currently vacant Town properties, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

I. The total cost of the Developer-Installed Facility is $6,219,619, which is the sum of the construction cost for the Developer-Installed Facility of $5,522,719 and the total land value of $696,900 (Subject Property land area to be used for the Developer-Installed Facility is 23.23 acres, valued at $30,000 per acre).

J. The Developer-Installed Facility has a storage capacity of 187.3 acre-feet. The Subject Property is estimated to require 60.2 acre-feet of storage, leaving excess storage capacity in the Developer-Installed Facility of 127.1 acre-feet.

K. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

L. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the system of Town-maintained drainage facilities provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility*. The Developer has designed and installed, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the drainage infrastructure improvements as depicted in the Facility Plan. The drainage infrastructure improvements depicted on the Facility Plan are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Flood Control District and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new drainage facility and shall show any and all alterations to the existing drainage system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer went through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work was performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In

addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor held contractor's license classifications A and A-12.

1.4. *Developer-Installed Facility acceptance by Town*. No flood plain use permits will be issued in reliance on the Developer-Installed Facility, and the Developer-Installed Facility will not be accepted for maintenance as part of the Town's drainage system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification*. Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work.

1.6. *Termination for lack of Work*. Approval of the Facility Plan shall lapse and this Agreement shall terminate if the Work is discontinued for a period of one year.

1.7. *Oversizing Recovery Charge*. The Parties have determined that the Developer-Installed Facility will have excess storage capacity of 127.1 acre-feet as a result of and upon completion of the Work and after the 60.2 acre-feet of storage capacity required for development of the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $33,206.72 per acre-foot for storage capacity used in the Detention Basin. For purposes of this paragraph, all of the following apply:

1.7.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity; currently anticipated to be for an additional 127.1 acre-feet of storage capacity used in the Developer-Installed Facility.

1.7.2. Based on the oversizing recovery charge of $33,206.72 per acre-foot, the Parties' current estimate of the total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $4,220,574.11.

1.7.3. The oversizing recovery charge payments for development benefitted by the Developer-Installed Facility shall be payable as described in the Mandarina Development Agreement.

1.7.4. The Developer shall have a beneficial ownership interest in the Developer-Installed Facility sufficient to prohibit drainage discharge into it from newly developed properties unless and until the oversizing recovery charge is paid.

1.7.5. The storage capacity required at the Developer-Installed Facility for newly developed properties shall be determined by a drainage report prepared by a licensed civil engineer and approved by the Town Engineer.

1.7.6. The 60.2 acre-feet of storage capacity required for development of the Subject Property has been calculated assuming certain development on the Subject Property. If the actual development of the Subject Property results in a different storage capacity required for development of the Subject Property, the remaining available capacity of the Developer-Installed Facility, and the total potential reimbursement through oversizing recovery charges, shall be re-calculated accordingly.

1.7.7. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer employed a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority*. Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions*. The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost*. If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Construction

3.1. *Competence and diligence*. The Developer employed only competent and efficient laborers, mechanics or artisans on the Work, and the Developer performed diligently to complete the Work on or before the completion date given in the notice to proceed.

3.2. *Alterations to the existing Town drainage system*. The Developer shall, at Developer's expense, make any and all alterations to the existing drainage system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4. Dedication

4.1. *Transfer of the Developer-Installed Facility to the Town*. Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

4.2. *One-year warranty*. The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

4.3. *Other conflicting construction prohibited*. The Developer shall not construct or allow the construction of any utility, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

4.4. *Developer's obligation to maintain finished grade*. The Developer guarantees that all drainage facilities on the Subject Property will be tied to the finished grade of the Developer-Installed Facility.

4.5. *Acceptance by the Town*. The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

5. Miscellaneous

5.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

5.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

5.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

5.4. *Cancellation for conflict of interest.* This agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
David L. Udall, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA HOLDINGS, LLC, an Arizona limited liability company
By: KDL INVESTMENTS, LLC, an Arizona limited liability company, its sole Member

By: [SPECIMEN ONLY]
Karl N. Huish, Manager

Date: _____

STATE OF ARIZONA)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Karl N. Huish, the Manager of KDL INVESTMENTS, LLC, an Arizona limited liability company, the sole Member of MANDARINA HOLDINGS, LLC, an Arizona limited liability company (the "Developer"), on behalf of MANDARINA HOLDINGS, LLC.

(Seal)

[SPECIMEN ONLY]
Notary Public

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: C_V
DEPUTY RECORDER
1016 PE-1

SMARA
TOWN OF MARANA
ATTN: TOWN CLERK
11555 W CIVIC CENTER DR
MARANA AZ 85653

DOCKET: 13499
PAGE: 8
NO. OF PAGES: 8
SEQUENCE: 20090340005
02/20/2009
ORDIN 08:46

MAIL
AMOUNT PAID $ 9.50

MARANA ORDINANCE NO. 2009.02

RELATING TO DEVELOPMENT; APPROVING AND AUTHORIZING A REZONING TO CREATE THE MANDARINA SPECIFIC PLAN

WHEREAS, I-10 Ltd., d/b/a I-10 Limited Partnership, and Tangerine L.L.C., are the property owners of approximately 342.3 acres of land located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South, Range 11 East and of Section 31, Township 11 South, Range 12 East, as depicted on Exhibit "A", attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, the Marana Planning Commission held a public hearing on December 17, 2008, and at said meeting voted unanimously to recommend that the Town Council approve said rezoning, including that development of the property shall be in accordance with the Mandarina Specific Plan , adopting the recommended conditions; and

WHEREAS, the Marana Town Council heard from representatives of the owner, staff and members of the public at the regular Town Council meeting held February 17, 2009, and has determined that the rezoning meets the criteria for a minor amendment to the General Plan, changing the land use designation from Commercial and Medium-Density Residential to Master Planning Area, and should be approved.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, as follows:

Section 1. A minor amendment to the General Plan of approximately 342.3 acres of land located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South, Range 11 East and of Section 31, Township 11 South, Range 12 East, changing the General Plan designation from Commercial and Medium-Density Residential to Master Planning Area.

Section 2. The zoning of approximately 342.3 acres of land located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South, Range 11 East and of Section 31, Township 11 South, Range 12 East (the "Rezoning Area"), is hereby changed from "E" (Transportation Corridor), "C" (Large Lot) and "AG" (Agricultural) to "F" (Specific Plan) creating the Mandarina Specific Plan.

Section 3. The purpose of this rezoning is to allow the use of the Rezoning Area for a mix of residential densities and housing types, recreation and open space, and commercial development, subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this rezoning Ordinance):

1. Except as otherwise provided in the Mandarina Specific Plan, development shall be in compliance with all applicable provisions of the Town's Codes, and Ordinances current at the

time of any subsequent development including, but not limited to, requirements for public improvements.

2. Any preliminary plat or development plan shall be in general conformance with the Land Use Concept of the Mandarina Specific Plan.

3. This project is located within the Northwest Marana Transportation and Marana Park Benefit Areas, and will be subject to those fees at time of building permitting of each residential structure

4. Development of the Property, including infrastructure, is contemplated to progress in phases, over a number of years, that may be non-contiguous until all of the Property is developed. The property owner shall not cause any further division of the Property without the written consent of the Town of Marana Planning Director or, if applicable, the Town Council.

5. No approval, permit or authorization by the Town of Marana authorizes violation of any federal or state law or regulation or relieves the applicant or the land owner from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the Endangered Species Act and the Clean Water Act. Appropriate experts should be retained and appropriate federal and state agencies should be consulted to determine any action necessary to assure compliance with applicable laws and regulations.

6. The maximum allowable residential units for the project shall not exceed 2500.

7. The developer shall dedicate, or cause to have dedicated, within 60 days of demand by the Town, the necessary rights-of-way for Tangerine Road and that portion of Adonis Road south of Tangerine Road in order to effectuate the planned traffic interchange, at Tangerine Road and Interstate 10, together with all easements for related roadway, water, sewer and drainage improvements. The developer shall dedicate, or cause to have dedicated, the necessary rights-of-way for Adonis Road north of Tangerine Road and Mandarina Road, (a) in phases commensurate with development of the Property, at the time of Town approval of any final plat or development plan in respect of such portion of the Property, or (b) within 60 days of demand by the Town if Adonis Road or Mandarina Road, as applicable, is the subject of a Town capital improvement project and the alignment of such rights-of-way are in substantial conformance to the locations depicted in the Mandarina Specific Plan as mutually agreed or are in such other location as mutually agreed to by the Town and developer.

8. A master drainage study must be submitted by the Developer and accepted by the Town Engineer prior to Town approval of the initial final plat or final development plan in respect of the Property.

9. The property is within the intended water service area of the Town. A Water Service Agreement and a Master Water Plan must be submitted by the Developer and accepted by the Utilities Director prior to the approval of the initial final plat by the Town Council.

10. Installation of a non-potable water system shall be required to serve the common open space areas and other landscaped amenities, as accepted by the Town of Marana. The Town or its designated provider shall provide water for such system.

11. A Sewer Service Agreement and Master Sewer Plan shall be submitted by the Developer and accepted by the wastewater provider and the Town Engineer prior to the approval of any final plat or development plan.

12. The property owner shall transfer to Marana, by the appropriate Arizona Department of Water Resources form, any Irrigation Grandfathered Rights or Type I Non-Irrigation Grandfathered Rights appurtenant to the land in exchange for the Town of Marana as a designated water provider agreeing to provide an assured water supply and related water service to said property.

13. Minor grammar and technical, but not substantive, changes as required by the Town of Marana shall be made to the Mandarina Specific Plan prior to Town Council consideration of the zoning request.

14. An annual report shall be submitted within 30 days of the anniversary of the Town Council's approval of the Mandarina Specific Plan in accordance with Sec. 05.06.08 of the Land Development Code (which shall be the applicable Regulation for this purpose).

15. Upon adoption of the ordinance by the Mayor and Council approving thc Mandarina Specific Plan, the applicant shall provide the Planning Department with the following final edition of the Mandarina Specific Plan: one non-bound original; forty bound copies; and one digital copy in Microsoft Word or other acceptable format within sixty days of the adoption.

16. The Developer shall contribute, proportionally to the Project's impact, to the cost to design and construct the improvements required to proceed the new Tangerine Road/I-10 traffic interchange and associated roadway network, including without limitation any signalization associated with these improvements upon (1) the completion and approval by the Arizona Department of Transportation and any other parties and public bodies whose approval is required of engineering and construction design plans for the planned traffic interchange, at Tangerine Road and Interstate 10, together with all related roadway intersection locations and roadway, water, sewer and drainage improvements, has occurred; (2) confirmation of funding commitments sufficient to construct the traffic interchange and related improvements, have been confirmed; and (3) water and sewer service being available to the Property. If the developer wishes to submit a preliminary plat or development plan prior to satisfaction of these conditions, the Town may require amendment of the Mandarina Specific Plan. As provided by A.R.S. § 9-463.05, the cost of any transportation improvements constructed by the Developer for which the Town has adopted a development impact fee shall be credited against transportation impact fees payable for development within the Property.

17. Other than arterial and collector streets included in the Tangerine Road/I-10 traffic interchange project and associated roadway network, additional traffic studies may be required at the plat or development plan stage for this project. The developer shall be responsible for the design and construction of any transportation improvements determined to be necessary by Town Staff based on the findings of those studies.

18. Temporary emergency egress will be provided, until construction of a permanent roadway is completed, from the northern boundary of the Mandarina project to another existing permanent roadway connection to the Interstate 10 east side frontage road north of Mandarina. The Mandarina temporary emergency access may change locations if necessary due to changing conditions. The temporary emergency access will be constructed to the specifications of a 20 feet wide, gated and graded road surface capable of supporting a WB-40 vehicle of 75,000 pounds and will be maintained for passenger vehicle travel.

19. Before combustible materials are brought on any portion of the Property, that portion of the Property shall either be annexed into a fire district by separate agreement or shall be covered by some other fire protection service that is satisfactory to the Town.

20. Nothing in the Mandarina Specific Plan or these Conditions is intended to, or shall, preclude separate development agreements between the Town and the Developer for reimbursement to the Developer of the cost of infrastructure and other facilities or the land value of rights-of-way and easements, as applicable, or the establishment of an improvement district, community facilities district and/or other mechanisms to finance the cost of infrastructure and rights-of-way.

Section 4. All Ordinances, Resolutions and Motions and parts of Ordinances, Resolutions, and Motions of the Marana Town Council in conflict with the provisions of this Ordinance are hereby repealed, effective as of the effective date of Ordinance No. 2009.02.

Section 5. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 17th day of February, 2009.

Mayor Ed Honea

ATTEST:

Jocelyn C. Bronson, Town Clerk

TOWN OF MARANA CORPORATE SEAL ARIZ. 1977

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

F. ANN RODRIGUEZ, RECORDER
Recorded By: JG
DEPUTY RECORDER
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MARANA TOWN CLERK
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MANDARINA DEVELOPMENT AGREEMENT

Town of Marana, Arizona

THIS MANDARINA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into by and between the TOWN OF MARANA (the "Town"), an Arizona municipal corporation; and MANDARINA, LLC (the "Developer"), a Colorado limited liability company. The Town and the Developer are sometimes collectively referred to as the "Parties," either of which is sometimes individually referred to as a "Party."

RECITALS

A. On February 17, 2009, the Council created the "Mandarina Specific Plan" by its adoption of Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005).

B. The Mandarina Specific Plan governs the development of approximately 342.3 acres of land referred to in this Agreement as the "Subject Property," legally described in Exhibit A to Marana Ordinance No. 2009.02, and consisting of land located north and northwest of the Interstate 10 and Tangerine Road traffic interchange.

C. Marana Ordinance No. 2009.02 includes a condition, referred to in this Agreement as the "Non-Potable Water Condition," requiring installation of a non-potable water system to serve the common open space areas and other landscaped amenities of the Subject Property.

D. The Developer owns the Subject Property.

E. Two lawsuits between the Parties relating to the Subject Property were settled under the terms of a mediation agreement dated October 30, 2019, as amended by a first amendment dated June 3, 2020, and a second amendment dated September 2, 2020, all of which are collectively referred to in this Agreement as the "Mandarina Mediation Agreement," a true and correct copy of which is attached as Exhibit A.

F. Consistent with the terms of the Mandarina Mediation Agreement and pursuant to Part 5 (Implementation and Administration) section H(3) of the Mandarina Specific Plan, the Developer applied for and the Town approved an administrative amendment to the Mandarina Specific Plan dated October 30, 2019 (the "Administrative Amendment"), a true and correct copy of which is attached as Exhibit B.

G. The development contemplated by this Agreement complies with the Town's adopted and approved General Plan (as defined in A.R.S. § 9-461).

H. The development contemplated by this Agreement complies with the Mandarina Specific Plan as amended by the Administrative Amendment.

I. The Town is authorized by A.R.S. § 9-500.05 to enter into a development agreement with a land owner or other person or entity having an interest in real property located within the Town to facilitate development of the property by providing for, among other things, the conditions, terms, restrictions, and requirements for development and public infrastructure and the financing of public infrastructure.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Agreement as though fully restated here, and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. *Definitions*. The following definitions shall apply to this Agreement:

a. The "Administrative Amendment" is defined in recital F above.

b. "Construction Sales Tax Revenues" means three-quarters of the Town's transaction privilege taxes (currently 4%) generated pursuant to Section 8-415 or 8-416 of the Marana Tax Code (or corresponding sections of successor codes) from construction contracting or speculative builder activities (i) on the Subject Property and (ii) from the Developer's construction of the Oversized Public Facilities.

c. "Council" means the Mayor and Town Council of the Town.

d. "Credit" or "credits" when used to refer to fees and charges due from the Subject Property shall mean credits or reimbursements, at the Developer's option. Unless and until directed otherwise, a credit shall be applied against fees otherwise payable from the Subject Property. If and when the Developer chooses instead to receive reimbursements, the full amount of fees will be charged to the Subject Property, and the amount which would otherwise be credited will instead be collected by the Town and placed in the Reimbursement Account (see subparagraph 7.a below).

e. The "Detention Basin" consists of those certain detention improvements anticipated to be designed and constructed by the Developer in the approximately 23.25-acre area located entirely within and at the northwest corner of the Subject Property, where the Regional Channel and the North Channel converge (see Exhibit C).

f. The "Developer" means MANDARINA, LLC, a Colorado limited liability company, or its successor in interest who is the master developer of the Subject Property.

g. "Development Regulations" is defined in paragraph 15 below.

h. "EDU" means "equivalent demand unit" or "equivalent dwelling unit." This is the usage from a typical single-family residence based on available information.

i. The "Mandarina Detention Basin Oversizing Recovery Charge" is the oversizing recovery charge associated with the Detention Basin (see subparagraph 3.d.v below).

j. The "Mandarina North Channel Oversizing Recovery Charge" is the oversizing recovery charge associated with the North Channel (see subparagraph 3.d.iv below).

k. The "Mandarina Offsite Sewer Oversizing Recovery Charge" is the oversizing recovery charge associated with the Offsite 15-Inch Sewer (see subparagraph 3.d.i below).

l. The "Mandarina Offsite Water Main Oversizing Recovery Charge" is the oversizing recovery charge associated with the Offsite 16-Inch Potable Water Main (see subparagraph 3.d.ii below).

m. The "Mandarina Oversizing Recovery Charges" are, collectively, the Mandarina Offsite Sewer Oversizing Recovery Charge, the Mandarina Offsite Water Main Oversizing Recovery Charge, the Mandarina Regional Channel Oversizing Recovery Charge, the Mandarina North Channel Oversizing Recovery Charge, and the Mandarina Detention Basin Oversizing Recovery Charge.

n. The "Mandarina Regional Channel Oversizing Recovery Charge" is the oversizing recovery charge associated with the Regional Channel (see subparagraph 3.d.iii below).

o. The "Mandarina Specific Plan" is defined in recital A above.

p. The "Non-Potable Water Condition" is defined in recital C above.

q. The "North Channel" consists of those certain drainage channel improvements anticipated to be designed and constructed by the Developer in the approximately 5.06-acre area that follows the north boundary of the Subject Property, approximately 3.78 acres of which is located on the Subject Property.

r. The "Northwest Street Facilities Development Impact Fee" is the fee adopted by the Town pursuant to Section 4 of Marana Ordinance No. 2017.029.

s. The "Offsite 15-Inch Sewer" consists of those certain sewer infrastructure improvements anticipated to be designed and constructed by the Developer connecting from the Town's existing 18" sewer located near the future intersection of Moore Road and Clark Farms Boulevard, crossing under Interstate 10 and the Union Pacific Railroad, where it will terminate near the northwest boundary of Mandarina (see Exhibit C).

t. The "Offsite 15-Inch Sewer Oversize Costs" means the Oversize Portion of the Reimbursable Costs of the Offsite 15-Inch Sewer.

u. The "Offsite 16-Inch Potable Water Main" consists of those certain water infrastructure improvements anticipated to be designed and constructed by the Developer connecting from the Town's existing 16-inch water main located southwest of the intersection of Interstate 10 and Tangerine Road, under Interstate 10 and the Union Pacific Railroad within a 32" sleeve (also to be installed by the Developer), and terminating at the future intersection of Tangerine Road and Mandarina Boulevard (see Exhibit C).

v. The "Offsite 16-Inch Potable Water Main Costs" means the Reimbursable Costs of the Offsite 16-Inch Potable Water Main.

w. The "Offsite 16-Inch Potable Water Main Oversize Costs" means the Oversize Portion of the Offsite 16-Inch Potable Water Main Costs.

x. "Oversize Portion" means the percentage of capacity of a public improvement that is attributable to and available to properties other than the Subject Property.

y. The "Oversized Public Facilities" are the Offsite 15-Inch Sewer, the Offsite 16-Inch Potable Water Main, the Regional Channel, the North Channel, and the Detention Basin.

z. "Oversized Public Facilities Costs" means Reimbursable Costs of the Oversized Public Facilities.

aa. "Party" and "Parties" are defined in the introductory paragraph of this Agreement.

bb. The "Permanent Adonis Road and Mandarina Boulevard Improvements Costs" are the total contribution from the Developer under the Mandarina Mediation Agreement for the two-lane permanent Adonis Road roadway and the two-lane permanent Mandarina Boulevard roadway constructed pursuant to the Mandarina Mediation Agreement.

cc. The "Regional Channel" consists of that certain system of drainage channel improvements anticipated to be designed and constructed by the Developer in the approximately 30-acre area located entirely on and that follows the east and southwest boundaries of the Subject Property (see Exhibit C).

dd. The "Regional Drainage Improvements" are, collectively, the Regional Channel, the North Channel, and the Detention Basin (see Exhibit C).

ee. The "Regional Drainage Improvements Costs" means all costs, expenses, fees, transaction privilege taxes and charges actually incurred and paid by or on behalf of the Developer to contractors, architects, engineers, surveyors, governmental agencies, other professionals and consultants, and other third parties for materials, labor, planning, design, engineering, surveying, site excavation and preparation, governmental permits and payments, payment and performance bonds, other professional services, and all other costs and expenses related or incidental to and reasonably necessary for, the acquisition, improvement, construction, installation, or provision of the Regional Drainage Improvements and warranting the Regional Drainage Improvements for one year after completion.

ff. The "Regional Drainage Improvements Oversize Costs" means the Oversize Portion of the Reimbursable Costs of the Regional Drainage Improvements.

gg. "Reimbursable Costs" means all costs, expenses, fees, transaction privilege taxes and charges actually incurred and paid by or on behalf of the Developer to contractors, architects, engineers, surveyors, governmental agencies, other professionals

and consultants, and other third parties for materials, labor, planning, design, engineering, surveying, site excavation and preparation, governmental permits and payments, payment and performance bonds, other professional services, and all other costs and expenses related or incidental to and reasonably necessary for, the acquisition, improvement, construction, installation, or provision of the referenced improvements and warranting the referenced improvements for one year after completion. Reimbursable Costs shall not include and shall not accrue interest. For the Regional Drainage Improvements, "Reimbursable Costs" includes the value of the portion of the Subject Property used for the Regional Drainage Improvements at an assumed value of $30,000 per acre.

hh. "Reimbursement Account" means a separate account within the Town's General Fund or accounted for by an appropriate book or ledger entry designation for the purpose of making Reimbursement Payments. See subparagraph 7.a below.

ii. "Reimbursement Payments" is defined in paragraph 7.b below.

jj. The "Subject Property" is defined in recital B above.

kk. The "Town" is the TOWN OF MARANA, an Arizona municipal corporation.

ll. The "Wastewater Facilities Development Impact Fee" is the fee adopted by the Town pursuant to Section 3 of Marana Ordinance No. 2014.013 and amended by Section 9 of Marana Ordinance No. 2017.029.

mm. "Water Amenities" are defined in paragraph 8 below.

nn. The "Water Infrastructure Development Impact Fee" is the fee adopted by the Town pursuant to Section 1 of Marana Ordinance No. 2014.013 and amended by Section 7 of Marana Ordinance No. 2017.029.

oo. The "Water Resources Development Impact Fee" is the fee adopted by the Town pursuant to Section 2 of Marana Ordinance No. 2014.013 and amended by Section 8 of Marana Ordinance No. 2017.029.

2. *Overview of reimbursements and credits.* The credits and reimbursements to the Developer under this Agreement are summarized as follows:

a. *The Offsite 15-Inch Sewer.* If the Developer constructs the Offsite 15-Inch Sewer, the Offsite 15-Inch Sewer Oversize Costs will be reimbursed to the Developer only through the Mandarina Offsite Sewer Protected Facility Charge (see subparagraph 3.d.i below).

b. *The Offsite 16-Inch Potable Water Main.* If the Developer constructs the Offsite 16-Inch Potable Water Main, reimbursement to the Developer for the Offsite 16-Inch Potable Water Main Costs shall be as follows:

i. Until the Offsite 16-Inch Potable Water Main is included in the Water Infrastructure Development Impact Fee, the Offsite 16-Inch Potable Water Main Oversize Costs will be reimbursed to the Developer through the Mandarina Offsite Water Main Oversizing Recovery Charge (see subparagraph 3.d.ii below).

ii. After the Offsite 16-Inch Potable Water Main is included in the Water Infrastructure Development Impact Fee, and until the combined total amount of reimbursements to the Developer from the Mandarina Offsite Water Main Oversizing Recovery Charge and Water Infrastructure Development Impact Fee credits and reimbursements equals the Offsite 16-Inch Potable Water Main Costs,

(a) The Subject Property will receive full credit against the Water Infrastructure Development Impact Fee; and

(b) The Town will require benefiting properties other than the Subject Property either to continue paying the Mandarina Offsite Water Main Oversizing Recovery Charge or, at the Town's option, the Town will transfer an equivalent amount from each such benefiting property's Water Infrastructure Development Impact Fee into the Reimbursement Account (see subparagraph 7.a below).

c. *The Regional Drainage Improvements.* If and to the extent the Developer constructs the Regional Drainage Improvements, the Mandarina Regional Drainage Improvements Oversize Costs will be reimbursed to the Developer through the Mandarina Regional Channel Oversizing Recovery Charge (see subparagraph 3.d.iii below), the Mandarina North Channel Oversizing Recovery Charge (see subparagraph 3.d.iv below), the Mandarina Detention Basin Oversizing Recovery Charge (see subparagraph 3.d.v below), and through reimbursement of the Construction Sales Tax Revenues until the combined total amount of these reimbursements to the Developer equals the Regional Drainage Improvements Oversize Costs. To reimburse itself for reimbursements to the Developer from Construction Sales Tax Revenues, the Town will retain any Mandarina Regional Channel Oversizing Recovery Charge, Mandarina North Channel Oversizing Recovery Charge, and Mandarina Detention Basin Oversizing Recovery Charge received after the Developer has received full reimbursement of the Regional Drainage Improvements Oversize Costs.

d. *Permanent Adonis Road and Mandarina Boulevard Improvements Costs.* Permanent Adonis Road and Mandarina Boulevard Improvements Costs are reimbursed to the Developer only through credits against Northwest Street Facilities Development Impact Fees payable for construction occurring on the Subject Property. The full Northwest Street Facilities Development Impact Fee will be due and payable for construction occurring on the Subject Property after the combined total of all credits equals the Permanent Adonis Road and Mandarina Boulevard Improvements Costs.

e. *Costs of satisfying the Non-Potable Water Condition.* The Developer's only compensation for satisfying the Non-Potable Water Condition shall be a credit against the Water Resources Development Impact Fee as described in subparagraph 4.d below

3. *Protected facility designations and charges.* The Oversized Public Facilities are each sized to include elements and capacity sufficient to serve the Subject Property and other benefiting properties, but the benefiting properties and the extent of the oversizing are different for each of the Oversized Public Facilities.

a. *Tender of agreements for construction.* As the Developer is ready to contractually obligate itself to construct each of the Oversized Public Facilities, the Developer shall initiate the protected facility designation process by signing and tendering to the Town the form of "Agreement for Construction of Facilities under Private Contract" for that facility. Based on information available as of the preparation of this Agreement, the currently contemplated forms of "Agreement for Construction of Facilities under Private Contract" for each of the Oversized Public Facilities are attached as Exhibit D (Offsite 15-Inch Sewer), Exhibit E (Offsite 16-Inch Potable Water Main), Exhibit F (Regional Channel), Exhibit G (North Channel), and Exhibit H (Detention Basin).

b. *Updating of information.* Before tendering each of the agreements for construction to the Town, the Developer and its consultants shall work with the Town's staff to update the cost, benefited properties, and amount per EDU, acre, unit of flow, or other similar measurement of the oversizing recovery charge in the agreement to reflect the best available information.

c. *Presentation to Council.* After providing the notice to benefited properties as provided in Marana Town Code section 14-4-5, Town staff will present the agreement for construction to Council.

d. *Effect of approval.* Upon approval by Council:

i. The Agreement for Construction of Facilities under Private Contract for the Offsite 15-Inch Sewer will result in the establishment of the Mandarina Offsite Sewer Oversizing Recovery Charge.

ii. The Agreement for Construction of Facilities under Private Contract for the Offsite 16-Inch Potable Water Main will result in the establishment of the Mandarina Offsite Water Main Oversizing Recovery Charge.

iii. The Agreement for Construction of Facilities under Private Contract for the Regional Channel will result in the establishment of the Mandarina Regional Channel Oversizing Recovery Charge.

iv. The Agreement for Construction of Facilities under Private Contract for the North Channel will result in the establishment of the Mandarina North Channel Oversizing Recovery Charge.

v. The Agreement for Construction of Facilities under Private Contract for the Detention Basin will result in the establishment of the Mandarina Detention Basin Oversizing Recovery Charge.

e. Reconciliation. As construction is completed on each of the Oversized Public Facilities, a reconciliation agreement shall be brought forward for Council consideration

if the final costs, capacities, or other factors result in a need to revise the associated oversizing recovery charge.

f. Deposit into the Reimbursement Account. The Town shall deposit all Mandarina Oversizing Recovery Charges into the Reimbursement Account (see subparagraph 7.a below).

4. *Development impact fees.* Nothing in this Agreement shall be construed as a waiver or reduction of development impact fees properly adopted by the Town pursuant to A.R.S. § 9-463.05 and applicable to the Subject Property.

a. *Currently applicable development impact fees.* As of the date of this Agreement, the following Town development impact fees apply to the Subject Property (as they may be amended from time to time):

i. The $2,461 per EDU Parks and Recreation Facilities Development Impact Fee adopted by Marana Ordinance Nos. 2014.012 and 2017.029.

ii. The $3,719 per EDU Northwest Street Facilities Development Impact Fee adopted by Marana Ordinance No. 2017.029 (subject to the credits to be applied per subparagraph 4.b below).

iii. The $2,331 per five-eighths-inch water meter Water Infrastructure Development Impact Fee as amended by Marana Ordinance No. 2017.029 (subject to the credits to be applied per subparagraph 4.c below). Fees for larger water meters are higher.

iv. The $3,050 per five-eighths-inch water meter Water Resources Development Impact Fee as amended by Marana Ordinance No. 2017.029 (subject to the credits to be applied per subparagraph 4.d below). Fees for larger water meters are higher.

v. The $3,930 per five-eighths-inch water meter Wastewater Facilities Development Impact Fee as amended by Marana Ordinance No. 2017.029. Fees for larger water meters are higher.

b. *Credits to be applied to the Northwest Street Facilities Development Impact Fee.* Credits to be applied to the Northwest Street Facilities Development Impact Fee will be applied in accordance with the Mandarina Mediation Agreement.

c. *Credits to be applied to the Water Infrastructure Development Impact Fee.* Credits to be applied to the Water Infrastructure Development Impact Fee will be applied as follows:

i. Once the Parties enter into the Agreement for Construction of Facilities under Private Contract for the Offsite 16-Inch Potable Water Main (see subparagraph 3.d.ii above), the Offsite 16-Inch Potable Water Main will be added to the next revision of the Town's infrastructure improvements plan supporting amendments to the Town's Water Infrastructure Development Impact Fee.

ii. From and after the effective date of the ensuing revision to the Town's Water Infrastructure Development Impact Fee, the Developer shall receive credits against Water Infrastructure Development Impact Fees payable for the Subject Property in the amount of the Offsite 16-Inch Potable Water Main Costs.

iii. The credits shall cease, and the Developer shall pay the full Water Infrastructure Development Impact Fee, when the sum of the following equal the Offsite 16-Inch Potable Water Main Costs:

(a) The cumulative credits against Water Infrastructure Development Impact Fees payable for the Subject Property; plus

(b) The cumulative total of all Mandarina Offsite Water Main Oversizing Recovery Charges reimbursed to the Developer.

d. *Credits to be applied to the Water Resources Development Impact Fee.* If the Developer satisfies the Non-Potable Water Condition, the Developer shall be entitled to credit against the Water Resources Development Impact Fee for the resulting estimated potable water resources savings, as reasonably determined by the Water Director and reasonably accepted by the Developer's representative (see subparagraph 24.a below). The amount of credit shall be consistent with the water usage determined by the most recent water infrastructure improvement plan; specifically, for each acre-foot of potable water demand eliminated by having non-potable water delivered to the Subject Property, 3.3 EDUs of credit shall be given against the Water Resources Development Impact Fee.

5. *Tangerine Downtown Sewer Protected Facility Charge.* The Offsite 15-Inch Sewer connects to, and the Subject Property benefits from, the Tangerine Downtown Sewer. The Developer shall pay the Tangerine Downtown Sewer Protected Facility Charge of $519.67 per EDU adopted by Marana Resolution No. 2019-027.

6. *Developer reimbursement for Regional Drainage Improvements Oversize Costs from Construction Sales Tax Revenues.* If and to the extent the Developer constructs the Regional Drainage Improvements, the Mandarina Regional Drainage Improvements Oversize Costs will be reimbursed to the Developer through the Mandarina Regional Channel Oversizing Recovery Charge (see subparagraph 3.d.iii above), the Mandarina North Channel Oversizing Recovery Charge (see subparagraph 3.d.iv above), the Mandarina Detention Basin Oversizing Recovery Charge (see subparagraph 3.d.v above), and through reimbursement of the Construction Sales Tax Revenues as described in this paragraph 6 until the combined total amount of these reimbursements to the Developer equals the Regional Drainage Improvements Oversize Costs.

a. *Regional Drainage Improvements construction and reimbursement.* As a condition precedent to receiving Reimbursement Payments for the Regional Drainage Improvements Oversize Costs under subparagraph 7.b of this Agreement, and not as a separate contractual obligation, the Developer shall, in conjunction with development of the Subject Property:

i. Design and construct the Regional Drainage Improvements;

ii. Transfer to the Town title to the land used for the Regional Drainage Improvements; and

iii. Pay all Regional Drainage Improvements Costs as they become due.

b. *Developer cost statements and Town reimbursement for Regional Drainage Improvements Oversize Costs.* The Town shall make Reimbursement Payments to the Developer for the Regional Drainage Improvements Oversize Costs pursuant to subparagraph 7.b below. The Developer shall submit to the Town quarterly statements showing the actual Regional Drainage Improvements Oversize Costs incurred and paid to date. Quarterly statements shall be provided until the Developer has made final payment for the Regional Drainage Improvements, the one-year warranty for the last of the Regional Drainage Improvements has expired, and the Town has full maintenance responsibility for the Regional Drainage Improvements (see paragraph 14 below). The Developer shall provide the Town with invoices or other backup information reasonably requested by the Town to confirm the accuracy of the Developer's quarterly statements of costs.

c. *Effect of loss of Construction Sales Tax Revenues.* If the laws of the State of Arizona are revised during the term of this Agreement in a way that reduces or eliminates Construction Sales Tax Revenues, the Town shall make deposits into the Reimbursement Account from such funding, if any, that the Town receives under then-existing laws of the State of Arizona to replace the reduced or eliminated Construction Sales Tax Revenues, in an amount that is proportional, to the Construction Sales Tax Revenues that the Town would have received if the laws of the State of Arizona had not been so revised.

d. *No Town representation of sufficiency of Reimbursement Payments.* The Developer acknowledges and understands that the amount of the Construction Sales Tax Revenues depends on many factors and may be insufficient to pay all Regional Drainage Improvements Oversize Costs.

e. *Developer's audit.* Not more than once each calendar year, the Developer may, at its own cost, audit Town sales tax returns and other appropriate financial records of the Town to assure prompt and accurate deposit into the Reimbursement Account of all revenues as required pursuant to this Agreement. The Developer's audit authorized by this paragraph shall be subject to all applicable laws that may prohibit or limit the dissemination or use of transaction privilege tax and related information. Before the Developer's audit occurs, the Developer shall obtain and provide to the Town written waivers of confidentiality sufficient to satisfy the requirements of Arizona Revised Statutes § 42-2003(A)(6) from each taxpayer whose sales tax returns and other financial records are provided by the Town in connection with the audit.

f. *Annual report.* Within 45 days following the end of each Town fiscal year, the Town shall deliver to the Developer a report of all Construction Sales Tax Revenues

which have been utilized by the Town in determining the amount deposited into the Reimbursement Account. The report shall be restricted to information that may be released by the Town without violating applicable laws that may prohibit or limit the dissemination or use of transaction privilege tax and related information. The report will not contain information capable of identifying confidential information of any particular taxpayer unless and until the Developer has obtained and provided to the Town written waivers of confidentiality sufficient to satisfy the requirements of Arizona Revised Statutes § 42-2003(A)(6) from each taxpayer whose confidential information is revealed in the report.

g. *Contractor and subcontractor disaggregation of tax information for the Oversized Public Facilities and the Subject Property; release of tax information.* The Developer shall require each contractor and subcontractor responsible for the payment of Construction Sales Tax Revenues to separately report construction sales tax attributable to the Oversized Public Facilities or attributable to construction on the Subject Property. The Developer shall exercise reasonable efforts to obtain from each contractor and subcontractor doing work attributable to the Subject Property or the Oversized Public Facilities a consent to release of tax information in a form reasonably acceptable to the Town. If the separate report required by this subparagraph is not provided to the Town, the Town shall make a reasonable estimate of Construction Sales Tax Revenues based on all information available to the Town, including information provided by the Developer, and the good faith certification by the Town's Finance Director shall be considered final and binding upon the Developer. The final certification of the Town's Finance Director shall be subject to all applicable laws that may prohibit or limit the dissemination or use of transaction privilege tax and related information.

7. *Reimbursements.* All reimbursements under this Agreement shall be paid to the Developer as provided in this paragraph.

a. *Reimbursement Account.* Beginning with the first Construction Sales Tax Revenues generated from the Developer's construction of the Oversized Public Facilities or the development of the Subject Property, and ending upon the expiration of this Agreement; the Town shall deposit into the Reimbursement Account all of the following:

i. The Construction Sales Tax Revenues as they are received from the Arizona Department of Revenue;

ii. All Mandarina Oversizing Recovery Charges; and

iii. Any development impact fees paid for development on the Subject Property that is reimbursable to the Developer (see subparagraph 1.d above).

b. *Reimbursement Payments.* Within the first 30 days of each calendar quarter, the Town shall pay the Developer all funds in the Reimbursement Account ("Reimbursement Payments"). Reimbursement Payments shall begin the first calendar quarter after (a) the Developer has incurred Oversized Public Facilities Costs and (b) the Town

has funds in the Reimbursement Account. Any funds accrued in the Reimbursement Account and owed to the Developer but not yet disbursed to the Developer upon the expiration of this Agreement shall be paid to the Developer within 30 days after the expiration of this Agreement.

c. *Limitations.* During the Term of this Agreement, the Town shall not enter into any agreement or transaction which impairs the Town's ability to make Reimbursement Payments or the rights of the Developer under this Agreement, including, without limitation, the right to receive the Reimbursement Payments and the proceeds of the Reimbursement Account in accordance with the procedures established in this Agreement.

8. *Water Amenities.* The Developer may, in its sole and absolute direction, elect to design, construct and develop recreational lakes, water features, and other compatible improvement and amenities (the "Water Amenities"). The Town supports the concept of providing Water Amenities to current and future residents of the Town, so long as the Developer provides the permanent water resources necessary for any and all Water Amenities, and that those water resources shall not include treated effluent from the Subject Property (all of which the Town requires for its long-term water resource obligations, separate from and not including any Water Amenities). The Town recognizes the public value created by incorporating Water Amenities into neighborhood and commercial centers of the Town. The Parties acknowledge that future agreements may be necessary to address regulatory, permitting, design, management, and ownership aspects of the Water Amenities. As development of the Subject Property progresses, the Parties agree to cooperate in identifying all agreements necessary to develop the Water Amenities. The Developer acknowledges and agrees that any future agreement relating to Water Amenities is subject to federal, state, and county regulatory requirements and approvals and as such would be would be subject to the approval by the Council in its sole and absolute discretion.

9. *Inability of the Developer to satisfy the Non-Potable Water Condition.* The Parties acknowledge that the Cortaro-Marana Irrigation District is the only plausible provider of non-potable water to the Subject Property, and that the Developer is currently coordinating with the Cortaro-Marana Irrigation District to supply non-potable water to the Subject Property. If the Developer is unable to receive non-potable water service from the Cortaro-Marana Irrigation District in an economically feasible manner before development of the first subdivision on the Subject Property, Town staff will schedule for Council consideration an ordinance to remove or modify the Non-Potable Water Condition.

10. *CFD application fee waived.* Pursuant to paragraph 3.2 of the Mandarina Mediation Agreement, application and review fees with respect to the formation of a community facilities district on the Subject Property are waived.

11. *Other future economic incentives.* The absence of language in this Agreement to address a particular form or type of economic incentive is not intended to imply that no such economic incentives will be available or forthcoming. On the contrary, the Parties

anticipate that future economic incentives will be the subject of future agreements or amendments to this Agreement if and when the Parties determine the economic incentives are necessary or beneficial (i) to induce one or more retail business facilities to locate on the Subject Property, (ii) to assist in the creation or retention of jobs, and/or (iii) to otherwise improve or enhance the economic welfare of the Town's inhabitants.

12. *Competitive bids required.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer shall go through the competitive bidding process for the Oversized Public Facilities in compliance with Title 34 of the Arizona Revised Statutes.

13. *Term.* This Agreement shall become effective (the "Effective Date") upon the later of (i) its date of recording pursuant to paragraph 26 below and (ii) the effective date of the Town resolution approving this Agreement. The term of this Agreement shall begin on the Effective Date and, unless sooner terminated by the mutual consent of the Parties, shall automatically terminate and shall thereafter be void for all purposes on the 30th anniversary of the Effective Date. The Town's reimbursement obligations under paragraph 7.b above shall terminate on the earlier of (i) the date the Town has reimbursed the Developer for all of the Oversized Public Facilities Costs available for reimbursement under this Agreement or (ii) the 30th anniversary of the Effective Date.

14. *Maintenance.* Once the Oversized Public Facilities are completed by the Developer and accepted by the Town, and the one-year warranty applicable to each has expired, the Town shall have full maintenance responsibility for the Oversized Public Facilities.

15. *Development regulations.* The Subject Property shall be governed by the Mandarina Specific Plan and this Agreement. The Marana Land Development Code, including the written rules, regulations, substantive procedures, and policies relating to development of land, adopted or approved by the Council (collectively the "Marana Development Code") in effect on the Effective Date shall apply to the extent not covered by the Mandarina Specific Plan or this Agreement. The requirements of this paragraph are collectively referred to as the "Development Regulations." In the event of any express conflict, the following rules shall apply:

a. The Mandarina Specific Plan as amended by the Administrative Amendment shall control over the terms of the Marana Development Code on all matters.

b. The Mandarina Specific Plan as amended by the Administrative Amendment and the Marana Development Code shall control over the terms of this Agreement as to any zoning or other legislative matter.

c. This Agreement shall control over the terms of the Mandarina Specific Plan as amended by the Administrative Amendment and the Marana Development Code as to any administrative or procedural matter.

16. *Development review.* The Subject Property shall be developed in a manner consistent with the Development Regulations and this Agreement, which together establish the basic land uses, and the densities, intensities and development regulations that apply

to the land uses authorized for the Subject Property. Upon the Developer's compliance with the applicable development review and approval procedures and substantive requirements of the Development Regulations, the Town agrees to issue such permits or approvals for the Subject Property as may be requested by the Developer.

17. *Permit and review fee waiver.* The Town will waive all Town plan review fees and inspection and construction permit fees for the Oversized Public Facilities.

18. *Town review and approval of plans.* Except as expressly provided in this Agreement, the Oversized Public Facilities are subject to the Town's normal plan submittal, review and approval procedures and construction inspection requirements.

19. *No partnership or joint venture.* Nothing in this Agreement shall be understood or construed to create or imply a partnership or joint venture between the Developer and the Town.

20. *Exercise of eminent domain.* If the Developer and the Town mutually determine that acquisition of third-party property rights are necessary and appropriate for the construction of public infrastructure contemplated by this Agreement or by the Mandarina Specific Plan as amended by the Administrative Amendment, the Developer will use commercially reasonable efforts to acquire the third-party property rights. The Developer shall not construct public infrastructure requiring acquisition of third-party property rights until either (i) the Developer has acquired the necessary third-party property rights pursuant to this paragraph or, (ii) the Town has obtained possession of the necessary third-party property rights by eminent domain, which the Town shall exercise by filing a condemnation lawsuit in the Superior Court of Pima County within 180 days after the Developer advises the Town in writing that it has been unable to obtain the necessary third-party property rights. If the Town exercises its power of eminent domain pursuant to this paragraph, the Developer shall pay all of the Town's costs of condemnation, including but not limited to the condemnation award to the property owners, costs of litigation, and the Town's reasonable attorneys' fees. If the Town settles a condemnation lawsuit, the Developer shall pay the settlement costs, provided that those costs do not exceed the higher of (a) 120% of the appraised value of the third-party property rights acquired or (b) an amount approved by the Developer.

21. *Lender provisions.* The Developer may provide a collateral assignment of this Agreement or assign or pledge the Developer's right to receive Reimbursement Payments under paragraph 7.b above to one or more lenders to finance development, construction, or operation of the Subject Property. The Developer shall notify the Town in writing of the collateral assignment or the assignment or pledge of Reimbursement Payments. If a lender is permitted under the terms of its agreement with the Developer to cure the nonperformance and/or to assume the Developer's position with respect to this Agreement, the Town agrees to recognize the rights of the lender and to permit the lender to assume the rights and obligations of the Developer under this Agreement. Nothing in this Agreement shall be deemed to prohibit, restrict, or limit the right of a lender to take title to all

or any portion of the Subject Property, without the approval or consent of the Town, pursuant to a foreclosure proceeding, trustee's sale, or deed in lieu of foreclosure.

22. *Status statements.* The Town, the Developer, a purchaser (only with respect to the portion of the Subject Property being purchased), or a lender (only with respect to the portion of the Subject Property the lender encumbers with a loan or security interest) may request the Town and/or the Developer to provide, within fifteen business days of the request, a written statement that, to the best knowledge of the Party providing the statement, (a) this Agreement is in full force and effect and a binding obligation of the Party providing the statement, (b) this Agreement has not been amended or modified (or, if amended, identifying the amendments or modifications), (c) there is no known default by the Town or the Developer in the performance of their obligations under this Agreement (or, if there is a default, a description of the nature and extent of the default), and (d) any other matter reasonably requested including the balance or status of any required payment, reimbursement or other similar matter. The Town Manager is authorized to sign or provide the written statement on behalf of the Town. The Town and the Developer acknowledge that a statement provided pursuant to this paragraph may be relied upon by the requestor, but the Town and the Developer shall have no liability for monetary damages to the requestor in connection with, resulting from, or based upon any statement that was been provided in good faith by the Town or the Developer.

23. *Force majeure.* If any Party is unable to observe or perform any covenant or condition of this Agreement or of any of the agreements for construction (see paragraph 3 above) by reason of force majeure, then the failure to observe or perform the covenant or condition shall not constitute an event of non-performance under this Agreement so long as the Party uses commercially reasonable efforts to remedy with all reasonable speed the event or condition causing the inability to perform, and the covenant or condition can be cured within a reasonable amount of time. Force majeure as used in this paragraph means events due to causes beyond the Party's control and without its fault, negligence, or failure to comply with applicable laws. Acts of God, acts of terrorism, war, and strikes are examples of force majeure.

24. *Cooperation and alternative dispute resolution.*

a. *Appointment of representatives.* To further the commitment of the Parties to cooperate in the development of the Subject Property and the construction of the public improvements discussed in this Agreement, the Town and the Developer each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Developer. The initial representative for the Town is the Town Manager, and the initial representative for the Developer is Marcus Palkowitsh or a replacement to be selected by the Developer. The representatives shall be available at all reasonable times to discuss and review the performance of the Parties in the development of the Subject Property and the construction of the public improvements discussed in this Agreement.

b. *Non-performance; remedies.* If any Party does not perform under this Agreement (the "Non-Performing Party") with respect to any of that Party's obligations under this Agreement, any other Party (the "Demanding Party") shall be entitled to give written notice in the manner prescribed in paragraph 25 below to the Non-Performing Party (and to a lender who has received a collateral assignment of this Agreement pursuant to paragraph 21 above), which notice shall state the nature of the non-performance claimed and make demand that such non-performance be corrected. The Non-Performing Party shall then have (i) 15 days from the date of the notice within which to correct the non-performance if it can reasonably be corrected by the payment of money, or (ii) 30 days from the date of the notice to cure the non-performance if action other than the payment of money is reasonably required, or if the non-monetary non-performance cannot reasonably be cured within 30 days, then such longer period as may be reasonably required, provided and so long as the cure is promptly commenced within 30 days and thereafter diligently prosecuted to completion. If any non-performance is not cured within the applicable time set forth in this paragraph, then the Demanding Party shall be entitled to begin the mediation and arbitration proceedings set forth in this paragraph. The Parties agree that due to the size, nature and scope of the Subject Property and the construction of the public improvements discussed in this Agreement, and due to the fact that it may not be practical or possible to restore the property to its condition prior to the Developer's development and improvement work, once implementation of this Agreement has begun, money damages and remedies at law will likely be inadequate and that specific performance will likely be appropriate for the non-performance of a covenant contained in this Agreement. This paragraph shall not limit any contract or other rights, remedies, or causes of action that any Party may have at law or in equity.

c. *Mediation.* If there is a dispute under this Agreement which the Parties cannot resolve between themselves, the Parties agree that there shall be a 45-day moratorium on arbitration during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of arbitration. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the Developer and the Town. If the Parties cannot agree upon the selection of a mediator within seven days, then within three days thereafter the Town and the Developer shall request the presiding judge of the Superior Court in and for the County of Pima, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five years' experience in mediating or arbitrating disputes relating to real estate development. The cost of any such mediation shall be divided equally between the Town and the Developer. The results of the mediation shall be nonbinding on the Parties, and any Party shall be free to initiate arbitration after the moratorium.

d. *Arbitration.* After mediation, as provided for in subparagraph 24.c above, any dispute, controversy, claim or cause of action arising out of or relating to this Agreement shall be settled by submission of the matter by both Parties to binding arbitration

in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-501 *et seq.*, and judgment upon the award rendered by the arbitrator(s) may be entered in a court having jurisdiction.

25. *Notices.* All notices, requests and other communications under this Agreement shall be given in writing and either (i) personally served on the party to whom it is given, or (ii) mailed by registered or certified mail, postage prepaid, return receipt requested, or (iii) sent by private overnight courier such as Federal Express, addressed as follows:

If to the Town:

TOWN OF MARANA
11555 W. Civic Center Drive, Bldg. A3
Marana, Arizona 85653-7006
Telephone: (520) 382-1900
Email: townmanager@maranaAZ.gov

If to the Developer:

MANDARINA, LLC
720 South Colorado Boulevard, Suite 940N
Denver, Colorado 80246
Attn: Marcus Palkowitsh
Telephone: (303) 399-9804
Email: marcus@mspcompanies.com

All notices shall be deemed given when delivered or, if mailed as provided above, on the second day after the day of mailing, and if sent by overnight courier, on the next day after the date of deposit with the courier. Any Party may change its address for the receipt of notices at any time by giving written notice thereof to the other Party in accordance with the terms of this section. The inability to deliver notice because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the effective receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. In addition to mailed notice, a courtesy email copy will be sent the same day (but the email notice will not satisfy the notice requirement of this paragraph 25).

26. *Recordation.* After this Agreement has been executed by the Parties, the Town shall record this Agreement in the office of the Pima County Recorder.

27. *Miscellaneous.*

a. This Agreement may not be modified except in a writing signed by the Parties.

b. Time is of the essence of this Agreement.

c. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona, and any lawsuit to enforce any provision of this Agreement or to obtain any remedy with respect to this Agreement shall be brought in the

Pima County Superior Court, and for this purpose the Parties expressly and irrevocably consent to the jurisdiction of the Pima County Superior Court.

d. If any Party fails to perform any of its obligations under this Agreement or if a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and costs consistent with A.R.S. § 12-341.01.

e. This Agreement may be executed in identical counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature pages and this Agreement may be executed by the affixing of the signature pages, and all of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all the signers had signed a single signature page.

f. Exhibits referred to in and attached to this Agreement are incorporated by reference as if set forth in full in the text of this Agreement.

g. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors in interest and assigns; provided, however, that (i) upon the conveyance of all of the Developer's holdings in the Subject Property to a single grantee, the Developer shall automatically be released from any further obligation or liability under this Agreement and this Agreement shall thereafter bind the grantee; and (ii) in no event shall this Agreement be binding on or burden the property of a purchaser of a home on the Subject Property.

h. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last date set forth below their respective signatures, with an Effective Date determined as set forth in paragraph 12 above.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: 12/1/2020

ATTEST:

_____
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

The "Developer":

MANDARINA, LLC, a Colorado limited liability company
By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: _____
Marcus Palkowitsh, Partner

Date: 12-1-20

STATE OF COLORADO)
ss
County of Arapahoe)

The foregoing instrument was acknowledged before me on 12/1/2020 by Marcus Palkowitsh, Partner of MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, Manager of MANDARINA, LLC, a Colorado limited liability company (the "Developer"), on its behalf.

(Seal)

_____
Notary Public

SHANNON TWEEDY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20034014037
MY COMMISSION EXPIRES DECEMBER 5, 2021

LIST OF EXHIBITS

Exhibit A	The Mandarina Mediation Agreement
Exhibit B	Administrative Amendment to the Mandarina Specific Plan
Exhibit C	Depiction of Public Improvements map
Exhibit D	Form of Agreement for Construction of Facilities under Private Contract for the Offsite 15-Inch Sewer
Exhibit E	Form of Agreement for Construction of Facilities under Private Contract for the Offsite 16-Inch Potable Water Main
Exhibit F	Form of Agreement for Construction of Facilities under Private Contract for the Regional Channel
Exhibit G	Form of Agreement for Construction of Facilities under Private Contract for the North Channel
Exhibit H	Form of Agreement for Construction of Facilities under Private Contract for the Detention Basin

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

Dale S. Zeitlin (#006615)
ZEITLIN & ZEITLIN, P.C.
5050 North 40th Street, Suite 330
Phoenix, Arizona 85018
Telephone: (602) 648-5222
Email: Dale@zeitlinlaw.com
Attorneys for Mandarina, LLC

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR PIMA COUNTY

MANDARINA, LLC, a Colorado limited liability company, Plaintiff, v. TOWN OF MARANA, a municipal corporation, Defendant.	Case No.: C20161982 **MEDIATION AGREEMENT** (Assigned to the Honorable D. Douglas Metcalf)
TOWN OF MARANA, an Arizona municipal corporation, Plaintiff, v. MANDARINA, LLC, a Colorado limited liability company; and PIMA COUNTY TREASURER, Defendants.	Case No.: C20184425 (Assigned to the Honorable Janet C. Bostwick)

The parties, the Town of Marana ("Town") and Mandarina, LLC ("Mandarina"), participated in a mediation pursuant to Rule 80(a) Ariz. R. Civ. Proc. before the Honorable Lawrence H. Fleischman that occurred on June 20, 2019. The parties have reached this agreement (this "Mediation Agreement") to settle the above referenced cases (the "Pending Litigation") as follows:

1. **AGREEMENTS RE ADONIS ROAD**

1.1. In the lawsuit *Town of Marana v. Mandarina, LLC* C20184425 (the "Eminent Domain Action"), the Town condemned right-of-way for the construction of Adonis Road

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

through the property owned by Mandarina (the "Mandarina Property"). Adonis Road has not yet been constructed and is currently being designed as a temporary (i.e., not designed to the Town's permanent street standards) two-lane roadway located in an alignment not consistent with future development of the Mandarina Property as depicted on the development plan that is attached and incorporated herein as Exhibit 1.

1.2. Pursuant to this Mediation Agreement, Adonis Road is being realigned to accommodate future development of the Mandarina Property as depicted on the development plan that is attached and incorporated herein as Exhibit 1, but the Town or a third party acting pursuant to an agreement with the Town will within two years of this Mediation Agreement construct Adonis Road as a temporary two-lane roadway ("Temporary Adonis Road") and Mandarina Road Link (defined in paragraph 1.4.2 below) as a temporary two-lane roadway. The construction of Temporary Adonis Road and Mandarina Road Link will include the installation of stock-tight fencing at the 150-foot Adonis Road right-of-way boundaries from the north boundary of the Mandarina Property to Mandarina Link Road, and will include the installation of stock-tight fencing at the 51-foot temporary Mandarina Road Link right-of-way boundaries from Adonis Road to Tangerine Road, all as shown on the map attached and incorporated herein as Exhibit 2. The parties acknowledge that upon the development of the Mandarina Property, Temporary Adonis Road will need to be removed and replaced with a permanent roadway that is in compliance with Mandarina's Specific Plan ("Permanent Adonis Road") as further described in Section 1.10 below.

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

1.3. The portion of Permanent Adonis Road that runs parallel to the Union Pacific Railroad will be redesigned and constructed such that the closest point to the Union Pacific Railroad will be 500 feet, as depicted on Exhibit 1.

1.4. Within 30 days after the Effective Date of this Mediation Agreement, Mandarina shall dedicate to the Town the following-described public right-of-way:

1.4.1. The 150-foot right-of-way needed for the four-lane Permanent Adonis Road through the Mandarina Property, as described and depicted on Exhibit 3.

1.4.2. A 51-foot interim right-of-way at or near the east boundary of the Mandarina Property, connecting Adonis Road to Tangerine Road (the "Mandarina Road Link"), as described and depicted on Exhibit 4.

1.5. Any additional right-of-way needed for the construction of the four-lane Permanent Adonis Road and the permanent road to be constructed as Mandarina Boulevard shall be dedicated to the Town at no additional cost when it is needed, and any right-of-way dedicated pursuant to this Mediation Agreement for the four-lane Permanent Adonis Road or for the Mandarina Road Link that the Town Engineer and Mandarina determine is not needed for the actual construction of those permanent roads shall be vacated to Mandarina or its successor in interest at no cost pursuant to A.R.S. § 28-7203 ("roadway exchange"). The vacated right-of-way for the Mandarina Road Link shall be returned to Mandarina no later than 30 days after conditional acceptance by the Town of the permanent road to be constructed as Mandarina Boulevard.

1.6. On or before the Effective Date of this Mediation Agreement, the Town shall provide all necessary engineering information to Mandarina to design Temporary Adonis

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

Road and the Mandarina Road Link as temporary two-lane roadways (consistent with the existing temporary two-lane roadway design for the balance of Adonis Road).

1.7. Mandarina shall pay for and, within 60 days after the Effective Date of this Mediation Agreement, shall submit to the Town Engineer the design plans for Temporary Adonis Road and the Mandarina Road Link as temporary two-lane roadways (consistent with the existing temporary two-lane roadway design for the balance of Adonis Road) within the right-of-way described in Section 1.4 above.

1.7.1. Temporary Adonis Road will be designed and built within the west 75 feet of the new Adonis Road right-of-way.

1.7.2. Mandarina's revisions to the Temporary Adonis Road design shall include design off-site of the Mandarina Property to the extent necessary to tie in the revised alignment to the portion of the temporary two-lane Adonis Road located north of the Mandarina Property. Mandarina shall not be responsible for any offsite right-of-way, easements, or improvements not on the Mandarina Property.

1.7.3. The Town shall review and provide comments for the design plans for Temporary Adonis Road submitted by Mandarina within 30 days after receipt of the design plans. Mandarina shall submit plan revisions to the Town Engineer within 30 days after receipt of the Town's plan review comments.

1.7.4. The escrow instructions for the Escrow Account (see Section 1.11 below) shall authorize (but not require) the Town to withdraw sufficient funds from the Escrow Account to complete the design of Temporary Adonis Road and the Mandarina

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

Road Link as two-lane roadways described in this Section 1.7 if Mandarina fails to do so within the timeframes set forth in this Section 1.7.

1.8. Within 30 days after the Town's receipt from Mandarina of title to the right-of-way described in Section 1.4 above, the Town shall do all of the following:

1.8.1. Dismiss the Eminent Domain Action.

1.8.2. Return to Mandarina clear title to any portion of the right-of-way sought in the Eminent Domain Action and not included in the right-of-way described in Section 1.4 above.

1.8.3. Record a release of lis pendens with the Pima County Recorder.

1.9. The parties will work together so that the connections where Adonis Road leaves the Mandarina Property, both on the north and south ends of the Mandarina Property, comply with the Town's engineering and safety standards.

1.10. Through the Mandarina Property, phased with development as it occurs on the Mandarina Property, Mandarina shall design and construct Adonis Road as a permanent two-lane roadway (one lane in each direction) that fully complies with the ultimate street standards of the Mandarina Specific Plan, as more specifically depicted in Exhibit 5.

1.10.1. When designing the two-lane Permanent Adonis Road, Mandarina shall undertake sufficient design and technical analysis of the ultimate construction of Adonis Road as a four-lane road so that the two-lane ultimate Adonis Road improvements constructed by Mandarina will function with and will not need to be removed or substantially modified upon the construction of the final two lanes of the

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

ultimate four-lane cross-section of Adonis Road, but in no circumstance shall the Town require Mandarina to provide the Town with design and technical plans that exceed 30% of final design and technical plans.

1.10.2. Any Mandarina obligation associated with paying for the cost of design and/or construction of Permanent Adonis Road as a four-lane roadway shall be proportional to the traffic impact of development on the Mandarina Property, but only as the traffic impact of development on the Mandarina Property exceeds the capacity provided by the two-lane Permanent Adonis Road.

1.11. Within 30 days after the Effective Date of this Mediation Agreement, the Town shall contribute $900,000 into an escrow account (the "Escrow Account") to be held by a Tucson-area title company of Mandarina's choice (the "Escrow Agent") and disbursed in accordance with the terms of this Mediation Agreement. The escrow instructions for the Escrow Account shall:

1.11.1. Permit Mandarina to withdraw funds in the Escrow Account to pay Mandarina's costs to design and construct Adonis Road on the Mandarina Property as a permanent roadway, as contemplated by Section 1.10 above.

1.11.2. Authorize the Town to withdraw funds in the Escrow Account to pay costs to design Temporary Adonis Road and Mandarina Road Link, but only in the event that Mandarina does not perform its obligations described in Section 1.7 above.

1.12. At least 60 days before commencement of construction of Adonis Road as a two-lane permanent roadway through the Mandarina Property pursuant to Section 1.10 of this Mediation Agreement, the Town shall deposit into the Escrow Account an additional

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

$1,100,000 for the removal of Temporary Adonis Road and for the design and construction of Permanent Adonis Road through the Mandarina Property. The Town's obligation to deposit the additional $1,100,000 into the Escrow Account shall be waived if the two-lane Permanent Adonis Road is designed and constructed by or on behalf of the Town. The design and construction of the two-lane Permanent Adonis Road by or on behalf of the Town will satisfy all of Mandarina's obligation for capacity on the two-lane Permanent Adonis Road.

1.13. The Town agrees the Mandarina Road Link will have a full movement un-signalized traffic intersection at Tangerine Road until Tangerine Road is widened or until the intersection meets warrants for a traffic light (whichever first occurs), at which time the Mandarina Road Link will be reconfigured to have a three-quarter access point on Tangerine Road, as depicted in Exhibit 6. The Town has determined that the intersection does not meet separation requirements for a traffic light.

1.14. The parties agree the intersection described in Section 1.13 above may also be used by the Town to temporarily avoid the Adonis Road crossing of the Central Arizona Project (CAP).

1.15. At no time shall Mandarina be restricted by the Town from developing the Mandarina Property because the Town has not yet completed the Adonis Road crossing of the CAP and the connection east of the CAP crossing to Tangerine Road.

1.16. Not less than 30 days prior to the commencement of construction on the Mandarina Property of a section or segment of Permanent Adonis Road or Mandarina Boulevard, the Town shall amend its infrastructure improvements plan ("IIP") adopted

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

pursuant to A.R.S. § 9-463.05. relating to municipal development impact fees ("DIFs"). to add the section or segment of Permanent Adonis Road and/or Mandarina Boulevard, to allow all of the following (to the extent permitted by law):

1.16.1. The recapture and reimbursement to the Town through street facilities DIFs of the lesser of (i) the $2,000,000 deposited by the Town into the Escrow Account or (ii) half of the IIP-determined anticipated cost of the permanent two-lane Adonis Road through the Mandarina Property; and

1.16.2. All Transportation DIF-creditable costs beyond those set forth in Subsection 1.16.1 above shall be fully creditable or reimbursable to Mandarina. Mandarina shall receive 100% credit or reimbursement, at its election, from all street and related facilities DIFs paid within the Mandarina Property until all such costs have been recaptured by Mandarina.

1.17. The Town or others will continue to have sole responsibility for the design and construction of Adonis Road beyond the boundaries of the Mandarina Property, including the CAP crossing and the Adonis Road connection east of the CAP crossing to Tangerine Road. Except for the design of the transition of Temporary Adonis Road to the previous alignment in the area 296.30 feet north of the Mandarina Property, in no event shall Mandarina be responsible for the design and construction of Adonis Road outside the boundaries of the Mandarina Property.

1.18. Except as provided in Subsection 1.10.2 above, Mandarina shall be responsible for the redesign and construction of the two-lane Permanent Adonis Road through the Mandarina Property only.

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1.19. If Mandarina sells a portion of the Mandarina Property to a successor owner(s), Mandarina may, at its election, assign a portion of its rights to use and withdraw funds from the Escrow Account, by written agreement between Mandarina and the successor owner. If Mandarina sells the Mandarina Property and has no further obligation to design and construct any portion of Permanent Adonis Road, Mandarina shall assign the rights to use and withdraw funds from the Escrow Account to the successor owner.

2. **AMENDMENTS TO THE MANDARINA SPECIFIC PLAN**

2.1. In the lawsuit *Mandarina, LLC v. Town of Marana*, C20161982, (the "Inverse Condemnation Action") Mandarina alleged certain claims against the Town arising from the Town's decision to eliminate the planned interchange at Tangerine Road and Interstate-10 (I-10). The Town denied the claims. Nevertheless, the parties recognize that it is in their mutual interest to amend the Mandarina Specific Plan. Therefore, Mandarina and the Town will work together cooperatively and diligently to review and complete the amendment to the Mandarina Specific Plan to include, without limitation, those certain modifications of land uses, areas of land uses, and modifications of the on-site roadway network and roadway dedication requirements, as set forth on Exhibit 1.

2.2. The parties have agreed that the amendments/modifications to the Mandarina Specific Plan can be accomplished through an administrative process as set forth in the Mandarina Specific Plan §H(3).

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

3. **WAIVER OF FEES**

3.1. The Town shall waive Town of Marana application and review fees through the approval of the final block plat covering the Mandarina Property (but not for subdivision plats for individual blocks of the block plat).

3.2. The Town shall also waive any Town of Marana application and review fees that may otherwise be incurred with respect to the formation of a Community Facilities District for the Mandarina Property.

4. **MISCELLANEOUS**

4.1. Binding Arbitration. Judge Fleischman shall serve in the role of arbitrator, and shall have the authority to resolve any disputes between the parties. Any such decision by Judge Fleischman shall be binding on the parties. Judge Fleischman shall have the authority to order modifications to the language of this Mediation Agreement that is consistent with parties' settlement intentions as reasonably interpreted by Judge Fleischman. The parties hereby waive any right to initiate an action in any court with respect to this Agreement, other than an appeal of a binding arbitration decision by Judge Fleischman.

4.2. Dismissal of Pending Litigation. Upon the Town Council approving this Mediation Agreement and the amendments/modifications to the Mandarina Specific Plan: (i) the Inverse Condemnation Action will be dismissed with prejudice, each side to bear its own attorneys' fees and costs; (ii) in the Eminent Domain Action, the Town and Mandarina shall enter into a stipulation to place the case on the inactive calendar until it is dismissed pursuant to Section 1.8 of this Mediation Agreement; and Mandarina shall

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

keep the money previously paid by the Town for the taking of Adonis Road, but Mandarina waives any further compensation based on the redesign and relocation of Adonis Road, and the increase in right-of-way required for Adonis Road, beyond the compensation provided for as described in this Mediation Agreement. If necessary, the parties will stipulate to the continuance of the Pending Litigation on the inactive calendar for so long as necessary and until this Mediation Agreement is approved by the Town Council and Mr. Palkowitsh.

4.3. Agenda. Once the terms of this Mediation Agreement have been agreed to by the representatives of both parties, the Town will place it on the agenda of the next scheduled Marana Town Council Meeting for approval. This Mediation Agreement is not effective and binding on the parties until accepted by the Town Council for the Town of Marana, and by Marcus Palkowitsh on behalf Mandarina, LLC (the "Effective Date").

4.4. Cooperation. The Town will work with Mandarina cooperatively and diligently to complete the items contemplated within this Mediation Agreement and to facilitate the development of the Mandarina Property.

4.5. Compromise. The settlement reflected in this Mediation Agreement represents a compromise and settlement of disputed claims and does not constitute an admission of any fact, or of liability with respect to any claim by any party.

4.6. Attorneys' fees re Pending Litigation and this Agreement. The parties shall bear their own attorneys' fees and costs incurred in the Pending Litigation and in the preparation of this Mediation Agreement.

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

4.7. Binding Effect. The provisions of this Mediation Agreement are binding upon and shall inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns.

4.8. Attorneys' Fees. If either party to this Mediation Agreement initiates or defends any legal action or proceeding with the other party in any way connected with this Mediation Agreement, including an arbitration proceeding before Judge Fleischman, the prevailing party in any such legal action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to recover from the losing party in any such legal action or proceeding its reasonable costs and expenses of suit, including reasonable attorneys' fees and expert witness fees. If either party to this Mediation Agreement initiates or defends any legal action or proceeding with a third party because of the violation of any term, covenant, condition or agreement contained in this Mediation Agreement by the other party to this Mediation Agreement, then the party so litigating shall be entitled to recover its reasonable costs and expenses of suit, including reasonable attorneys' fees and expert witness fees, incurred in connection with such litigation from the other party to this Mediation Agreement. All such costs and attorney's fees shall be deemed to have accrued on commencement of any such legal action or proceeding and shall be enforceable whether or not such legal action or proceeding is prosecuted to judgment. Attorneys' fees under this Section include attorneys' fees on any appeal and in any bankruptcy or similar or related proceeding in federal or state courts. Any dispute as to the amounts payable pursuant to this Section shall be resolved by the court and not by a jury.

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

4.9. Waivers. No waiver of any of the provisions of this Mediation Agreement shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided in this Mediation Agreement, no waiver shall be binding unless executed in writing by the party making the waiver. Either party may waive any provision of this Mediation Agreement intended for its benefit; provided, however, such waiver shall in no way excuse the other party from the performance of any of its other obligations under this Mediation Agreement.

4.10. Notices. All notices shall be in writing and shall be made by hand delivery, email, express delivery service, freight prepaid, or by certified mail, postage prepaid, return receipt requested. Notices will be delivered or addressed to the parties at the addresses or email addresses hereinafter set forth or at such other address as a party may designate to the other party in writing. Any such notice shall be deemed to be given and received and shall be effective (a) on the date on which the notice is delivered, if notice is given by hand delivery; (b) on the date of actual receipt, if the notice is sent by express delivery service; (c) on the date on which it is received or rejected as reflected by a receipt if given by United States mail, addressed and sent as aforesaid; and (d) when transmitted, in the case of email transmission; provided, however, that if transmission after 5:00 p.m., Arizona time on such day, then the email transmission will be deemed to have been given and received and become effective on the next succeeding day.

If to Mandarina: Mandarina, LLC
720 S. Colorado Blvd., Ste. 940N
Denver, Colorado 80246
Tel: (303) 399-9804
Email: marcus@mspcompanies.com

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

Attn: Marcus Palkowitsh

With a copy to: Dale S. Zeitlin
Zeitlin & Zeitlin, P.C.
5050 N. 40th Street, Ste. 330
Phoenix, Arizona 85018
Tel: (602) 648-5222
Email: Dale@zeitlinlaw.com

If to the Town: Town of Marana
11555 W. Civic Center Dr.
Marana, Arizona 85653
Tel: (520) 382-1900
Email: clerk@maranaaz.gov
Attn: Town Clerk

With a copy to: Town Attorney
Marana Legal Department
11555 W. Civic Center Dr.
Marana, Arizona 85653
Tel: (520) 382-1900
Email: fcassidy@maranaaz.gov

4.11. Further Documentation. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Mediation Agreement.

4.12. Counterparts. This Mediation Agreement may be executed in counterparts (and by different parties to this Mediation Agreement in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract

4.13. Construction. Unless the context of this Mediation Agreement clearly requires otherwise or unless otherwise expressly stated in this Mediation Agreement, this Mediation Agreement shall be construed in accordance with the following:

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

4.13.1. Use of Certain Words. References to the plural include the singular and to the singular include the plural and references to any gender include any other gender. The part includes the whole; the terms "include" and "including" are not limiting; and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Mediation Agreement refer to this Mediation Agreement as a whole and not to any particular provision of this Mediation Agreement.

4.13.2. References. References in this Mediation Agreement to "Articles," "Sections," or Exhibits are to the Articles and Sections of this Mediation Agreement and the Exhibits to this Mediation Agreement. Any reference to this Mediation Agreement includes any and all amendments, extensions, modifications, renewals, or supplements to this Mediation Agreement. The headings of this Mediation Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Mediation Agreement.

4.14. Construing the Agreement. Each of the parties to this Mediation Agreement acknowledges that such party has had the benefit of independent counsel with regard to this Mediation Agreement and that this Mediation Agreement has been prepared as a result of the joint efforts of all parties and their respective counsel. Accordingly, all parties agree that the provisions of this Mediation Agreement shall not be construed or interpreted for or against any party to this Mediation Agreement based upon authorship or any other factor but shall be construed and interpreted according to the ordinary meaning of the

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

words used so as to fairly accomplish the purposes and intentions of all parties to this Mediation Agreement.

4.15. Partial Invalidity. If any portion of this Mediation Agreement is determined to be unconstitutional, unenforceable or invalid, such portion of this Mediation Agreement shall be stricken from and construed for all purposes not to constitute a part of this Mediation Agreement, and the remaining portion of this Mediation Agreement shall remain in full force and effect and shall, for all purposes, constitute the entire Mediation Agreement.

4.16. Governing Law. This Mediation Agreement shall be construed according to the laws of the State of Arizona, without giving effect to its conflict of laws principles.

4.17. Time of Essence; Time Periods. Time is of the essence of this Mediation Agreement. The time for performance of any obligation or taking any action under this Mediation Agreement shall be deemed to expire at 5:00 o'clock p.m. (local Arizona time) on the last day of the applicable time period provided for in this Mediation Agreement. If the time for the performance of any obligation or taking any action under this Mediation Agreement expires on a Saturday, Sunday or legal holiday, or any other day that Escrow Agent is closed for business, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday or day on which Escrow Agent is closed for business.

4.18. Entire Agreement. This Mediation Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in this Mediation Agreement. All prior and contemporaneous agreements, representations and

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

understandings of the parties, oral or written, are superseded by and merged in this Mediation Agreement. No supplement, modification or amendment of this Mediation Agreement shall be binding unless in writing and executed by the Town and Mandarina.

APPROVED BY:

ZEITLIN & ZEITLIN, P.C.

BY:/s/ *Dale S. Zeitlin*
Dale S. Zeitlin (#006615)
5050 N. 40th Street, Suite 330
Phoenix, AZ 85018
Attorneys for Mandarina, LLC

SIMS MACKIN, LTD.

BY:/s/
Catherine M. Bowman (#011713)
3031 N. Central Avenue, Suite 870
Phoenix, AZ 85012
Attorneys for Town of Marana

TOWN OF MARANA LEGAL DEPARTMENT

BY:/s/
Frank Cassidy (#007358)
11555 West Civic Center Drive
Marana, AZ 85653-7006
Attorneys for Town of Marana

THE FLEISHMAN LAW FIRM, P.C.

BY:/s/
The Honorable Lawrence H. Fleishman
P.O. Box 27646
Tucson, AZ 85726
Mediator

The "Town":

TOWN OF MARANA, an Arizona municipal corporation

By: Ed Honea
Ed Honea, Mayor

Date: 10/30/19

ATTEST:

Cherry L. Lawson, Town Clerk

"Mandarina":

MANDARINA, LLC, a Colorado limited liability company
By: **MSP INVESTMENT CO., LLP**, a Colorado limited liability partnership, its Manager

By: _____
Marcus Palkowitsh, Partner

Date: _____

-17-

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

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Dale S. Zeitlin (#006615)
5050 N. 40th Street, Suite 330
Phoenix, AZ 85018
Attorneys for Mandarina, LLC

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Phoenix, AZ 85012
Attorneys for Town of Marana

TOWN OF MARANA LEGAL DEPARTMENT

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Frank Cassidy (#007358)
11555 West Civic Center Drive
Marana, AZ 85653-7006
Attorneys for Town of Marana

THE FLEISHMAN LAW FIRM, P.C.

BY:/s/
The Honorable Lawrence H. Fleishman
P.O. Box 27646
Tucson, AZ 85726
Mediator

The "Town":

TOWN OF MARANA, an Arizona municipal corporation

By:
Ed Honea, Mayor

Date:

ATTEST:

Cherry L. Lawson, Town Clerk

"Mandarina":

MANDARINA, LLC, a Colorado limited liability company
By: **MSP INVESTMENT CO., LLP**, a Colorado limited liability partnership, its Manager

By:
Marcus Palkowitsh, Partner

Date: 10/28/2019

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

understandings of the parties, oral or written, are superseded by and merged in this Mediation Agreement. No supplement, modification or amendment of this Mediation Agreement shall be binding unless in writing and executed by the Town and Mandarina.

APPROVED BY:

ZEITLIN & ZEITLIN, P.C.

BY:/s/ *Dale S. Zeitlin*
Dale S. Zeitlin (#006615)
5050 N. 40th Street, Suite 330
Phoenix, AZ 85018
Attorneys for Mandarina, LLC

SIMS MACKIN, LTD.

BY:/s/
Catherine M. Bowman (#011713)
3031 N. Central Avenue, Suite 870
Phoenix, AZ 85012
Attorneys for Town of Marana

TOWN OF MARANA LEGAL DEPARTMENT

BY:/s/
Frank Cassidy (#007358)
11555 West Civic Center Drive
Marana, AZ 85653-7006
Attorneys for Town of Marana

THE FLEISHMAN LAW FIRM, P.C.

BY:/s/
The Honorable Lawrence H. Fleishman
P.O. Box 27646
Tucson, AZ 85726
Mediator

The "Town":

TOWN OF MARANA, an Arizona municipal corporation

By:
Ed Honea, Mayor

Date:

ATTEST:

Cherry L. Lawson, Town Clerk

"Mandarina":

MANDARINA, LLC, a Colorado limited liability company
By: **MSP INVESTMENT CO., LLP**, a Colorado limited liability partnership, its Manager

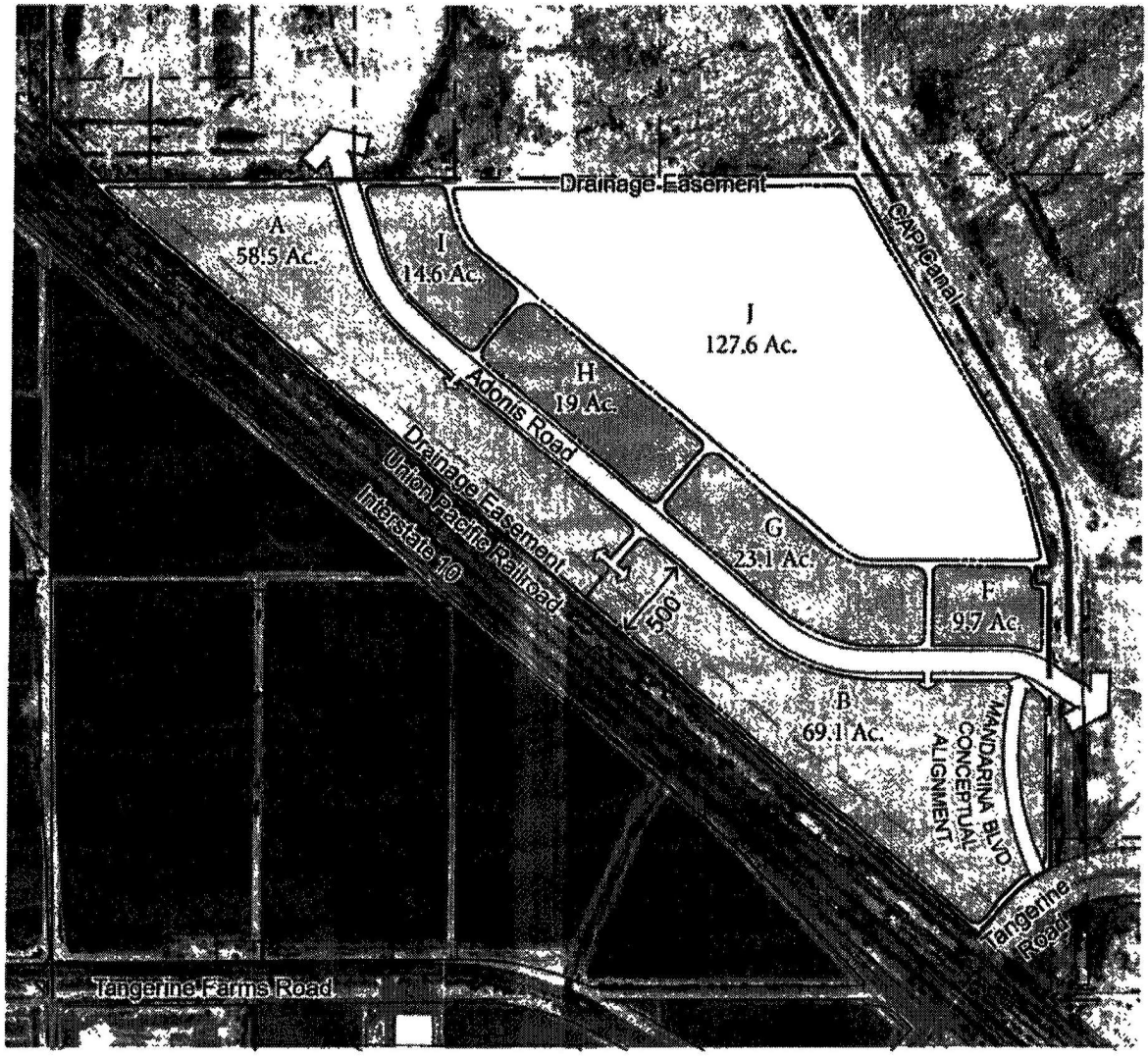
By:
Marcus Palkowitsh, Partner

Date:

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT 1 TO THE MANDARINA MEDIATION AGREEMENT

mandarina DEVELOPMENT PLAN



LEGEND

- Mandarina Transportation Corridor
- Mandarina Village Center
- Mandarina Corridor
- Tortolita Corridor
- Adonis Road (20.7 Acres)

0 500 1,000
Scale: 1"=1,000'

10
July 2019

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT 2 TO THE MANDARINA MEDIATION AGREEMENT

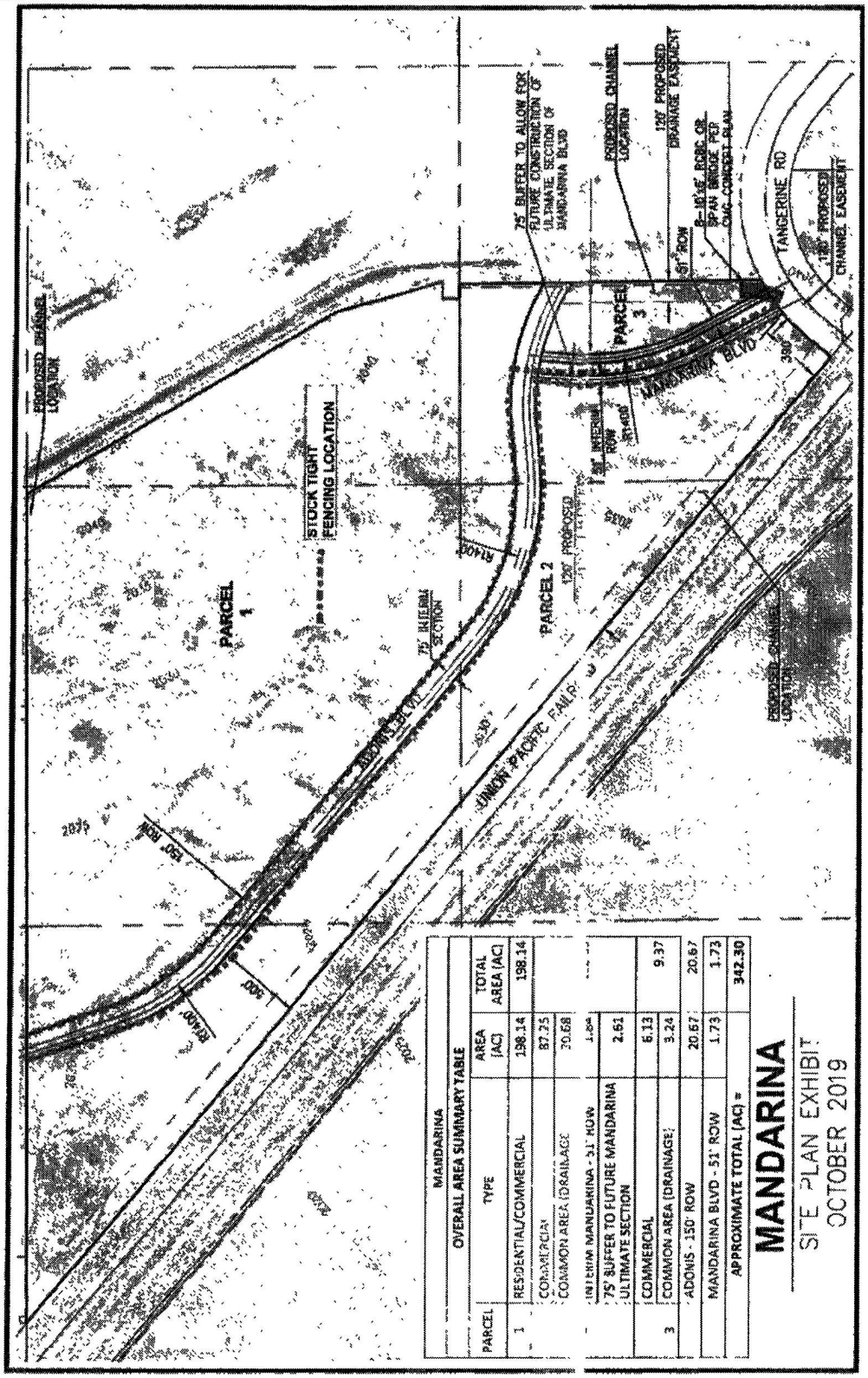


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT 3 TO THE MANDARINA MEDIATION AGREEMENT

September 18, 2019
Psomas #7MAN190101

EXHIBIT A

LEGAL DESCRIPTION
RIGHT-OF-WAY

A portion of those parcels recorded in Docket 13752, Page 852, records of Pima County, Arizona, located in Section 36, Township 11 South, Range 11 East, and in General Land Office Lot 3 of the southwest one-quarter of Section 31, Township 11 South, Range 12 East, Gila & Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the northwest corner of said Section 36, monumented by a 3-1/4" aluminum cap, marked "T11S, R11E, S26|S25/S35|S36, PSOMAS 2006, RLS 18557", from which the north one-quarter corner of said section, monumented by a lead capped pipe, marked "X", bears N 89°31'27" E (basis of bearing for this legal description) a distance of 2646.83 feet as shown in Record of Survey Book 55, Page 84, records of said Pima County;

THENCE along the north line of the northwest one-quarter of said Section 36, N 89°31'27" E a distance of 1838.62 feet to the **POINT OF BEGINNING**;

THENCE continue along the said north line, N 89°31'27" E a distance of 157.83 feet;

THENCE S 18°35'38" E a distance of 531.22 feet to a point of curvature of a tangent curve concave to the northeast;

THENCE southeasterly upon the arc of said curve, to the left, having a radius of 1325.00 feet and a central angle of 31°36'36" for an arc length of 731.00 feet;

THENCE S 50°12'14" E a distance of 2417.41 feet to a point of curvature of a tangent curve concave northerly;

THENCE easterly upon the arc of said curve, to the left, having a radius of 1325.00 feet and a central angle of 45°05'29" for an arc length of 1042.77 feet;

THENCE N 84°42'17" E a distance of 255.19 feet to a point of curvature of a tangent curve, concave southerly;

THENCE easterly upon the arc of said curve, to the right, having a radius of 1475.00 feet and a central angle of 35°01'09" for an arc length of 901.52 feet to the east line of said parcel recorded in Docket 13752 Page 852 and shown in said record of survey;

THENCE upon said east line, S 00°37'06" E a distance of 176.31 feet;

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

THENCE N 58°27'44" W a distance of 47.15 feet to a point curvature of tangent curve, concave southerly,

THENCE westerly upon the arc of said curve, to the left, having a radius of 1325.00 feet and a central angle of 36°49'59" for an arc length of 851.79 feet;

THENCE S 84°42'17" W a distance of 255.19 feet to a point of curvature of a tangent curve, concave northerly,

THENCE westerly upon the arc of said curve, to the right, having a radius of 1475.00 feet and a central angle of 45°05'29" for an arc length of 1160.81 feet;

THENCE N 50°12'14" W a distance of 2417.41 feet to a point of curvature of a tangent curve, concave northeasterly;

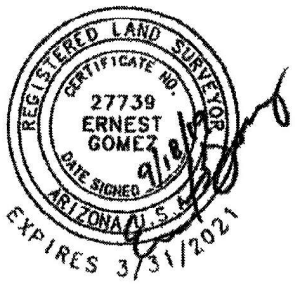
THENCE northwesterly upon the arc of said curve, to the right, having a radius of 1475.00 feet and a central angle of 31°36'36" for an arc length of 813.76 feet;

THENCE N 18°35'38" W a distance of 580.30 feet to the **POINT OF BEGINNING.**

Containing an area of 20.67 acres, more or less.

See Exhibits B-1 & B-2 attached hereto and made a part hereof

Prepared By:
Psomas



Ernest Gomez, AZ. R.L.S. 27739

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

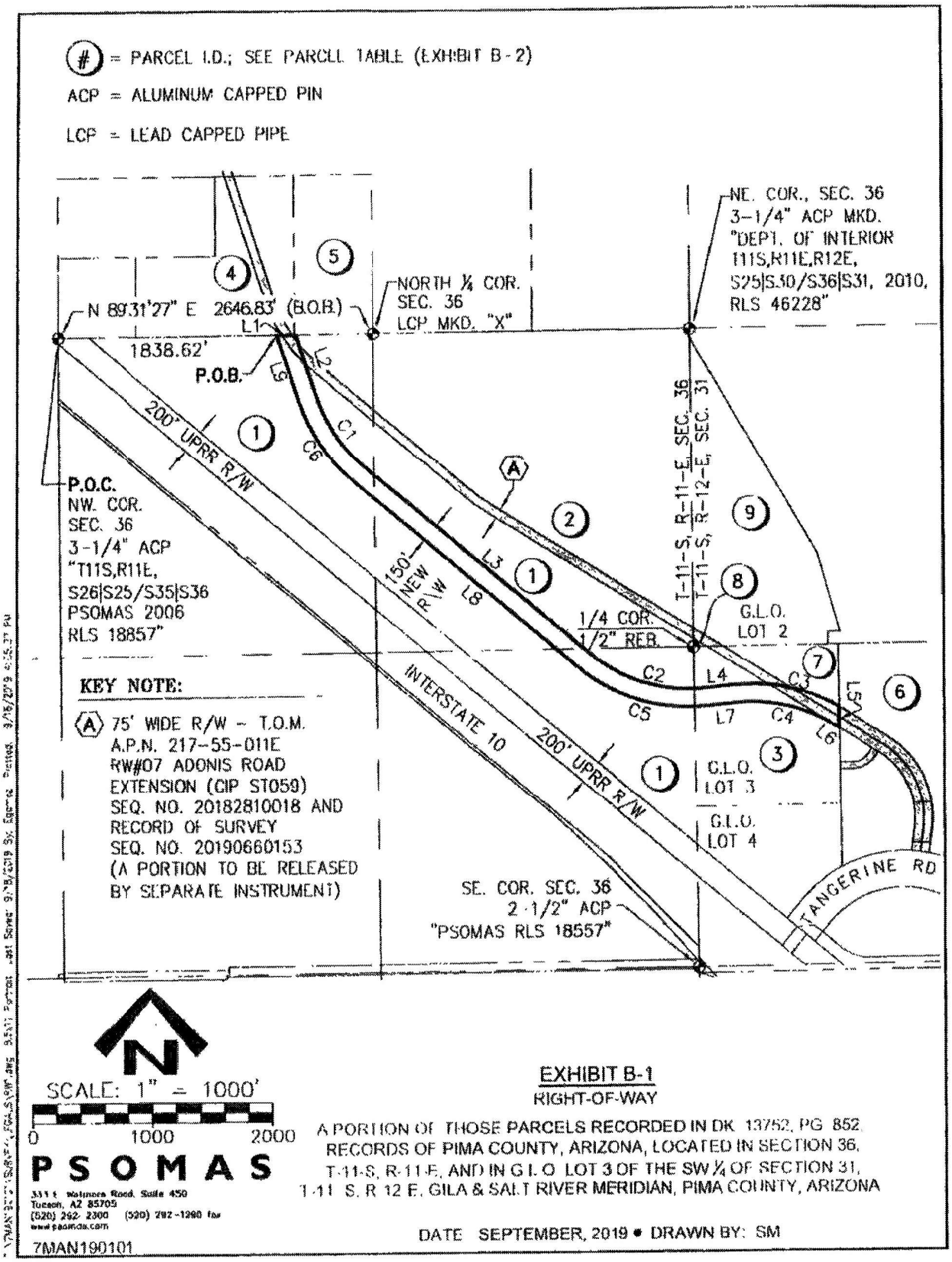


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

PARCEL TABLE

KEYNOTE	APN	OWNER	DOCKET	PAGE	SEQUENCE NO.
1	217-55-011C	MANDARINA LLC	13752	852	20100360173
2	217-55-011D	MANDARINA LLC	13752	852	20100360173
3	218 49 002B	MANDARINA LLC	13752	852	20100360173
4	217 33 006A/B	STEWART TITLE & TRUST No. 3564	10814	781	19980910339
5	217-33-0070	STEWART TITLE & TRUST No. 3564	10814	781	19980910339
6	218-49-003C/D/E	TANGERINE INVESTMENT PARTNERS LLC	7347	207	20101210571
7	218-49-002C	MANDARINA LLC	13752	852	20100360173
8	218-49-001F	MANDARINA LLC	13752	852	20100360173
9	218-49-001E	MANDARINA LLC	13752	852	20100360173

CURVE TABLE

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	731.00'	1325.00'	31°36'36"	S 34°23'56" E	721.77'
C2	1042.77	1325.00'	45°05'29"	S 72°44'58" E	1016.06'
C3	901.52'	1475.00'	35°01'09"	S 77°47'08" E	887.55'
C4	851.79'	1325.00'	36°49'59"	N 76°52'43" W	837.19'
C5	1160.81'	1475.00'	45°05'29"	N 72°44'58" W	1131.09'
C6	813.76'	1475.00'	31°36'36"	N 34°23'56" E	803.48'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 89°31'27" E	157.83'
L2	S 18°35'38" E	531.22'
L3	S 50°12'14" E	2417.41'
L4	N 84°42'17" E	255.19'
L5	S 00°37'06" E	176.31'
L6	N 58°27'44" W	47.15'
L7	S 84°42'17" W	255.19'
L8	N 50°12'14" W	2417.41'
L9	N 18°35'38" W	580.30'

EXHIBIT B-2

LINE, CURVE & PARCEL TABLES

A PORTION OF THOSE PARCELS RECORDED IN DK 13752, PG 852, RECORDS OF PIMA COUNTY, ARIZONA, LOCATED IN SECTION 36, T-11-S, R-11-E, AND IN G.L.O. LOT 3 OF THE SW¼ OF SECTION 31, T-11 S, R-12-E, GILA & SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

DATE: SEPTEMBER, 2019 • DRAWN BY SM

PSOMAS
433 E. Wetmore Road, Suite 450
Tucson, AZ 85705
(520) 292-2300 (520) 292-1290 fax
www.psomas.com

7MAN190101

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT 4 TO THE MANDARINA MEDIATION AGREEMENT

September 23, 2019
Psomas #7MAN190101

EXHIBIT A

LEGAL DESCRIPTION
RIGHT-OF-WAY

A portion of those parcels recorded in Docket 13752, Page 852, records of Pima County, Arizona, located in General Land Office Lot 3 and Lot 4 of the southwest one-quarter of Section 31, Township 11 South, Range 12 East, Gila & Salt River Meridian, Pima County, Arizona, described as follows.

COMMENCING at the southwest corner of said Section 31, monumented by a 2-1/2" aluminum cap, marked "T11S, R11E, S1|S6/S36|S31, T12S, R12E, PSOMAS, RLS 18557", from which the west one-quarter corner of said section, monumented by a 1/2" rebar, bears N 00°42'58" W (basis of bearing for this legal description) a distance of 2644.10 feet as shown in Record of Survey Book 55, Page 84, records of said Pima County;

THENCE upon the west line of said southwest one-quarter of Section 31 N 00°42'58" W a distance of 2153.73 feet to the proposed southerly right-of-way of Adonis Rd, lying on the arc of a non-tangent curve, concave northerly, a radial line of said curve through said point having a bearing of S 01°36'41" E;

THENCE easterly upon the arc of said curve, to the left, having a radius of 1475.00 feet and a central angle of 3°41'02" for an arc length of 94.84 feet;

THENCE N 84°42'17" E a distance of 255.19 feet to a point of curvature of a tangent curve, concave southerly;

THENCE easterly upon the arc of said curve, to the right, having a radius of 1325.00 feet and a central angle of 10°25'33" for an arc length of 241.10 feet to the **POINT OF BEGINNING**;

THENCE continue easterly upon the arc of said curve, to the right, having a radius of 1325.00 feet and a central angle of 4°27'30" for an arc length of 103.10 feet to a point of cusp of a radial curve, concave southeasterly;

THENCE southwesterly upon the arc of said curve, to the left, having a radius of 25.00 feet and a central angle of 95°09'29" for an arc length of 41.52 feet;

THENCE S 4°25'51" W a distance of 164.10 feet to a point of curvature of a tangent curve, concave easterly,

THENCE southerly upon the arc of said curve, to the left, having a radius of 1500.50 feet and a central angle of 32°25'16" for an arc length of 849.07 feet;

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

THENCE S 27°59'25" E a distance of 509.28 feet to the northerly right-of-way of Tangerine Road, recorded in Docket 11487, Page 2029, records of said Pima County, lying on the arc of a non-tangent curve, concave southeasterly, a radial line of said curve through said point having a bearing of N 37°36'17" W;

THENCE southwesterly upon the arc of said curve, to the left, having a radius of 1104.95 feet and a central angle of 2°41'38" for an arc length of 51.95 feet;

THENCE N 27°59'25" W a distance of 519.16 feet to a point of curvature of a tangent curve, concave easterly;

THENCE northerly upon the arc of said curve, to the right, having a radius of 1551.50 feet and a central angle of 32°25'16" for an arc length of 877.92 feet;

THENCE N 4°25'51" E a distance of 169.27 feet to a point of curvature of a tangent curve, concave southwesterly;

THENCE northwesterly upon the arc of said curve, to the left, having a radius of 25.00 feet and a central angle of 89°18'01" for an arc length of 38.96 feet to the **POINT OF BEGINNING.**

Containing an area of 1 85 acres, more or less.

See Exhibits B-1 & B-2 attached hereto and made a part hereof.

Prepared By:
Psomas



Ernest Gomez, AZ. R L S 27739

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

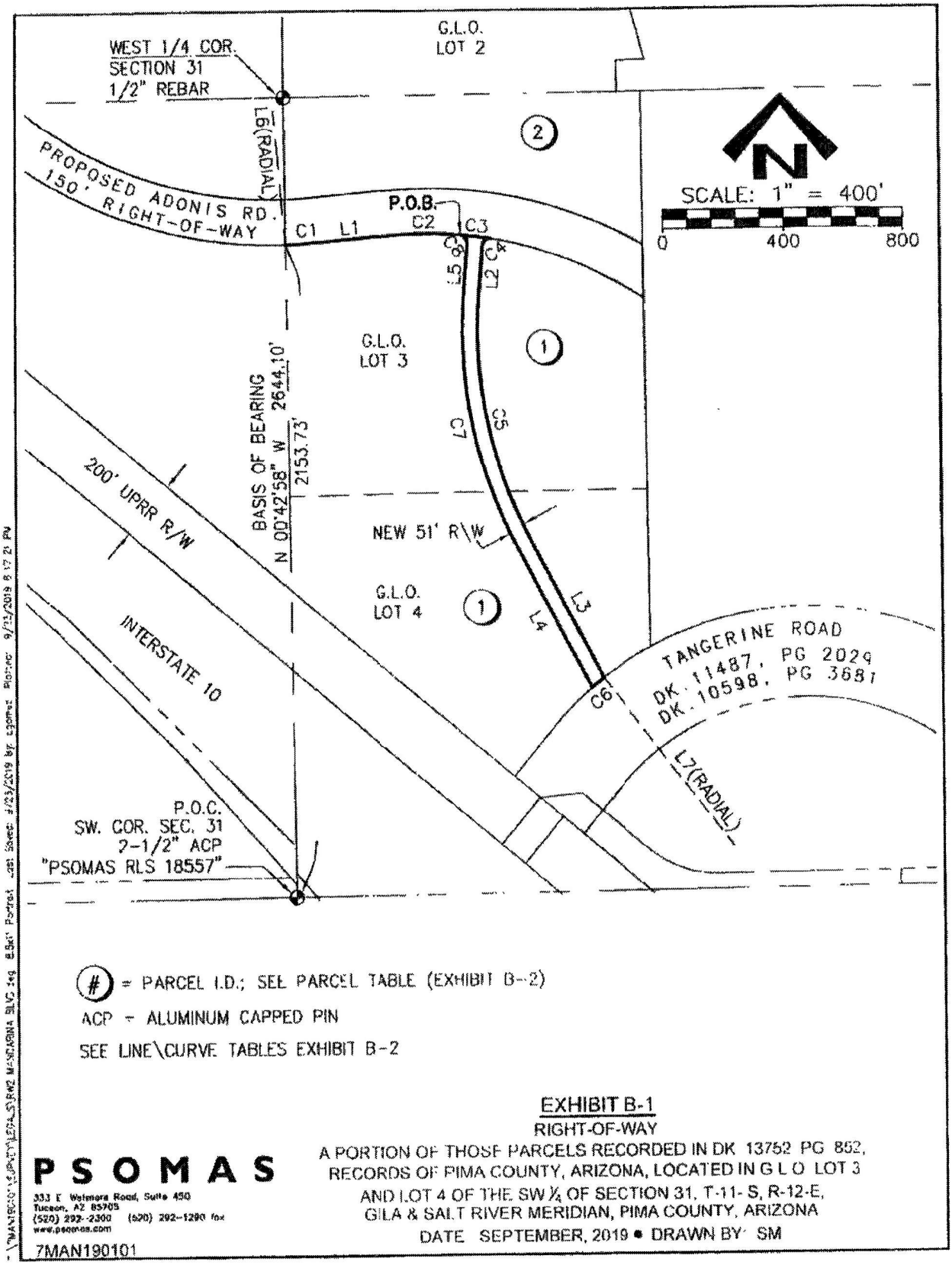


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

PARCEL TABLE

KEYNOTE	APN	OWNER	DOCKET	PAGE	SEQUENCE NO.
(1)	218-49-002B	MANDARINA LLC	13752	852	20100360173
(2)	218-49-002C	MANDARINA LLC	13752	852	20100360173

CURVE TABLE

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	94.84'	1475.00'	3°41'02"	N 86°32'48" E	94.82'
C2	241.10'	1325.00'	10°25'33"	N 89°55'04" E	240.77'
C3	103.10'	1325.00'	4°27'30"	S 82°38'25" E	103.08'
C4	41.52'	25.00'	95°09'29"	S 52°00'35" W	36.91'
C5	849.07'	1500.50'	32°25'16"	S 11°46'47" E	837.78'
C6	51.95'	1104.95'	2°41'38"	S 51°02'54" W	51.95'
C7	877.92'	1551.50'	32°25'16"	N 11°46'47" W	866.26'
C8	38.96'	25.00'	89°18'01"	N 40°13'10" W	35.14'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 84°42'17" E	255.19'
L2	S 04°25'51" W	164.10'
L3	S 27°59'25" E	509.28'
L4	N 27°59'25" W	519.16'
L5	N 04°25'51" E	169.27'
L6	S 01°36'41" E	1475.00' RADIAL
L7	N 37°36'17" W	1104.95' RADIAL

EXHIBIT B-2

LINE, CURVE & PARCEL TABLES

A PORTION OF THOSE PARCELS RECORDED IN DK 13752 PG 852, RECORDS OF PIMA COUNTY, ARIZONA, LOCATED IN G.L.O. LOT 3 AND LOT 4 OF THE SW¼ OF SECTION 31, T-11-S, R-12-E GILA & SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA

DATE: SEPTEMBER, 2019 • DRAWN BY: SM

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Tucson, AZ 85705
(520) 292-2300 (520) 292-1260 fax
www.psomas.com

7MAN190101

C:\7MAN190101\SURVEY\LEGALS\RW2 MANDARINA BLA.dwg 8.5x11 Portrait (2) Last Saved: 9/23/2019 By: Egomez Plotted: 9/23/2019 6:17:33 PM

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT 5 TO THE MANDARINA MEDIATION AGREEMENT

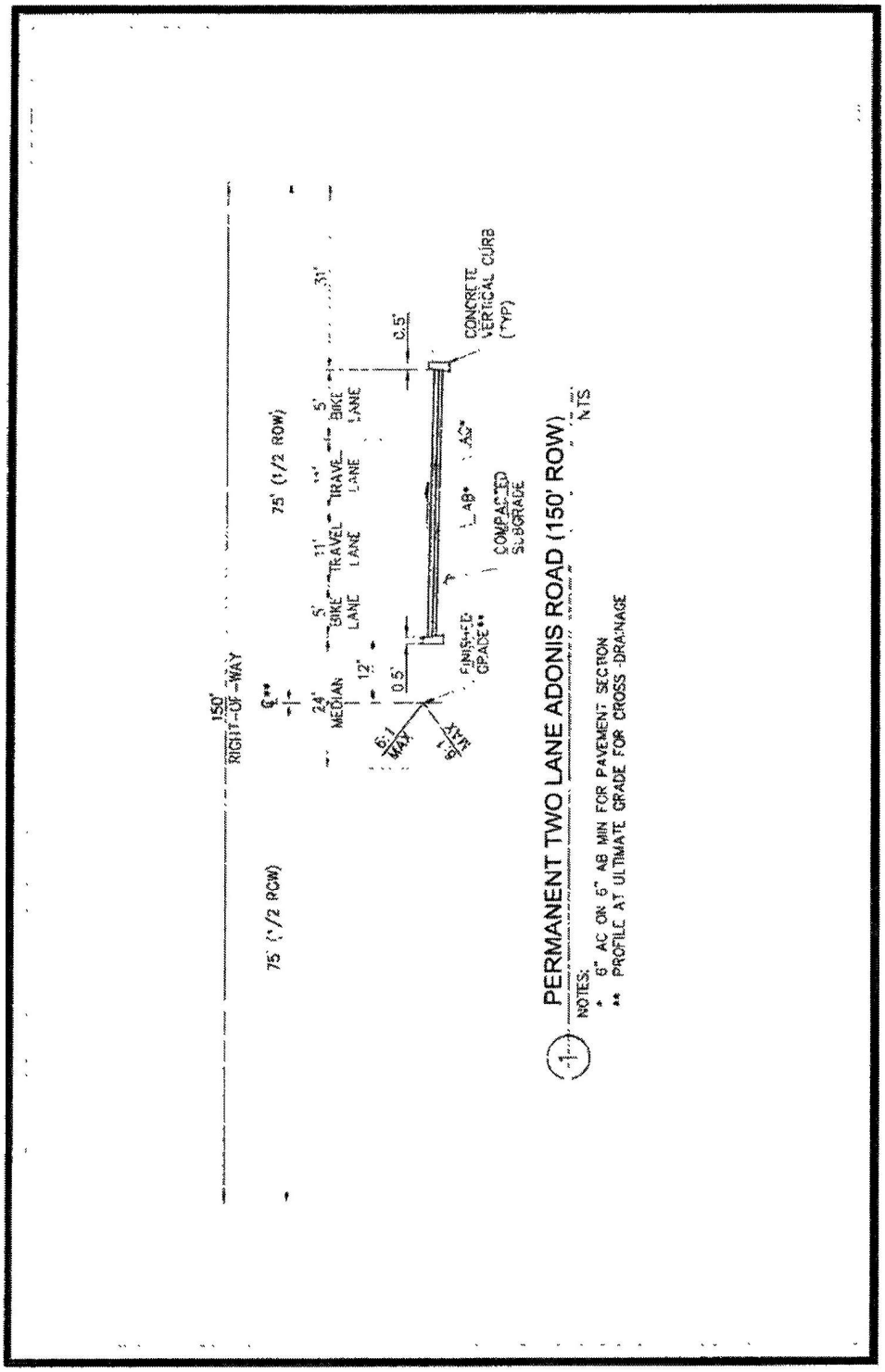


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT 6 TO THE MANDARINA MEDIATION AGREEMENT

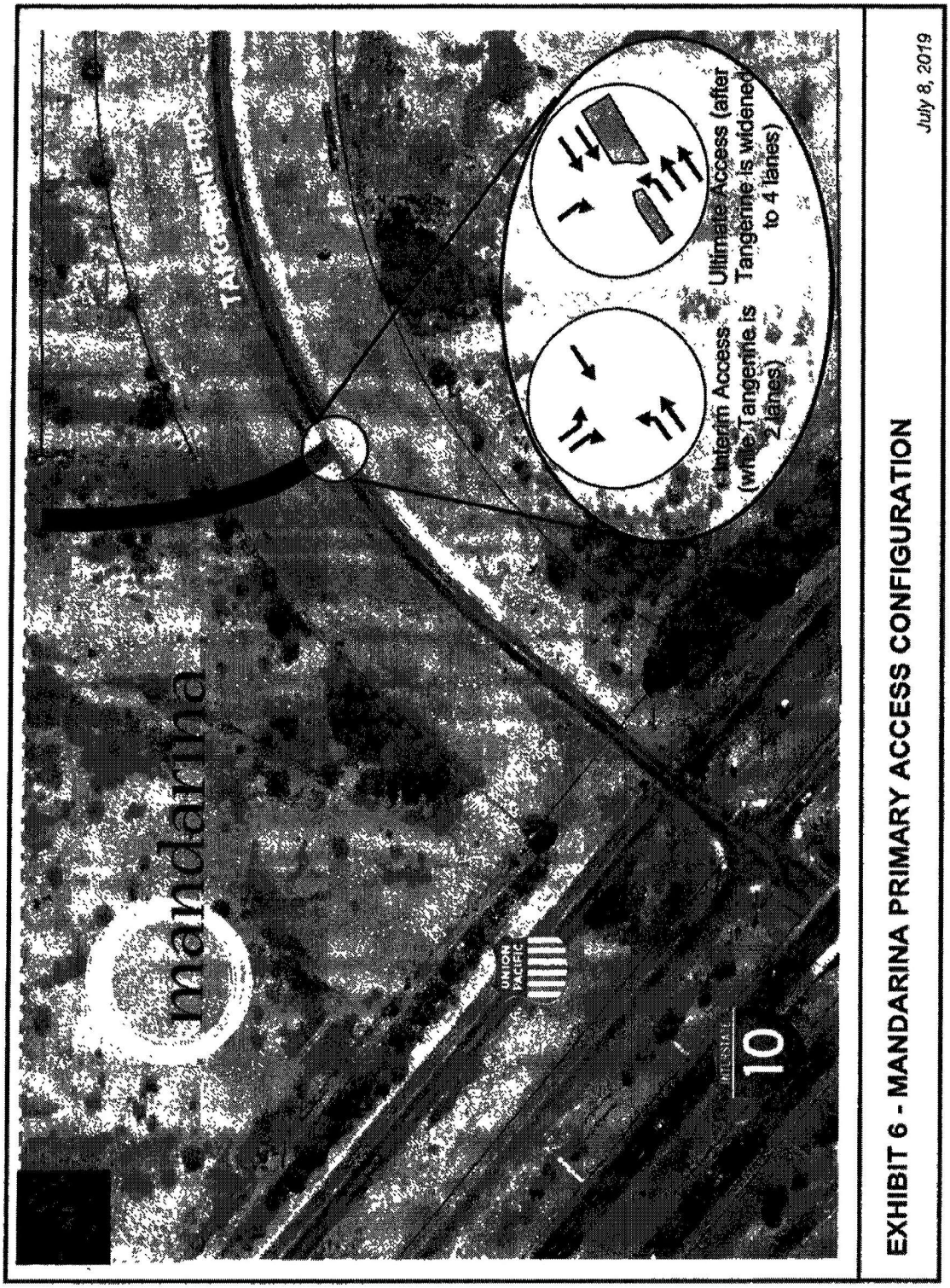


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

FIRST AMENDMENT TO MANDARINA MEDIATION AGREEMENT

Town of Marana, Arizona

THIS FIRST AMENDMENT TO MANDARINA MEDIATION AGREEMENT (this "Amendment") is made and entered into by and between the TOWN OF MARANA (the "Town"), an Arizona municipal corporation; and MANDARINA, LLC ("Mandarina"), a Colorado limited liability company. The Town and Mandarina are sometimes collectively referred to as the "Parties," either of which is sometimes individually referred to as a "Party."

RECITALS

A. The Parties entered into a "MEDIATION AGREEMENT" (the "Mediation Agreement") dated October 30, 2019, in settlement of two then-pending lawsuits, entitled *Mandarina, LLC v. Town of Marana*, Pima County Superior Court case number C20161982, and *Town of Marana v. Mandarina, LLC*, Pima County Superior Court case number C20184425.

B. Construction of and funding for Adonis Road was an element of the Mediation Agreement.

C. At the time of the Mediation Agreement, Adonis Road was anticipated to be constructed by a third-party developer pursuant to development agreements.

D. As a result of an amendment to the development agreements with the third-party developer, the Town will now construct Adonis Road.

E. Adonis Road and Mandarina Road Link have been designed as temporary two-lane roadways.

F. The Parties now desire to amend the Mediation Agreement to facilitate the Town's construction of the segment of Adonis Road located on the Mandarina Property as a permanent two-lane road.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Amendment as though fully restated here, and the mutual covenants set forth in the Mediation Agreement, the Parties hereby agree as follows:

1. *Definitions from the Mediation Agreement.* Terms that are used in both the Mediation Agreement and in this Amendment shall have the definitions found in the Mediation Agreement.

2. *Town construction of the Adonis Road Improvements.* As soon as possible and in any event no later than October 30, 2021, the Town shall procure, construct, and complete the

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

"Adonis Road Improvements," consisting of the three roadway segments to be constructed pursuant to the "Adonis North GMP," the "Mandarina GMP," and the "Mandarina Road Link GMP" as defined in paragraph 8 below. The Adonis North GMP and the Mandarina Road Link GMP roadway segments will be constructed as temporary two-lane roadways consistent with already-completed design plans, and the Mandarina GMP roadway segment will be constructed according to the Psomas plans to be submitted pursuant to paragraph 4 below.

3. *The CMAR.* The Town shall construct the Adonis Road Improvements using a construction-manager-at-risk form of procurement authorized by A.R.S. § 34-603. The Town's construction manager procured for the construction of the Adonis Road Improvements is referred to in this amendment as the "CMAR." The Town has already begun the CMAR procurement process, and anticipates selection of the CMAR by July 31, 2020.

4. *Design of the Subject Improvements.* At Mandarina's cost, the engineering firm Psomas will, as soon as possible (with a goal of having final plans approval by September 15, 2020), provide plans for the construction of the following-described improvements on the Mandarina Property, which improvements are together referred to as the "Subject Improvements," and for the transition from the Subject Improvements to the roadway segment to be constructed pursuant to the Adonis North GMP:

a. A two-lane permanent Adonis Road roadway (the north/east two lanes of the four-lane ultimate Adonis Road roadway), to a "permanent interim cross-section" of four inches of asphaltic concrete over a six inch aggregate base course, consistent with the cross section exhibit attached to this Amendment as Exhibit A.

b. Curbs and sidewalks and the top two inches of asphalt are excluded from initial construction; but will be provided by Mandarina in phases as the Mandarina Property is developed, so that the final two-lane permanent Adonis Road roadway will be consistent with the cross section exhibit attached to this Amendment as Exhibit B.

c. As constructed pursuant to this Amendment, the two-lane permanent Adonis Road roadway shall only extend as far east as its future permanent intersection with Mandarina Road Link as depicted on Exhibit 2 to the Mediation Agreement and not to the east Mandarina Property boundary.

5. *Stock-tight fencing.* The cost for all required stock-tight fencing (four-wire barbed) for Adonis Road within the Mandarina Property will be paid for by Mandarina.

6. *Expedited plan review.* The Town will expedite review and approval of the Psomas plans with a goal of having them reviewed and approved by September 15, 2020.

7. *Description and acquisition of right-of way for transition north of the Mandarina Property.* The roadway segment to be constructed pursuant to the Adonis North GMP includes a transition north of the Mandarina Property to the Subject Improvements on the Mandarina Property. For the transition north of the Mandarina Property, Mandarina shall provide to the Town the design, legal description, and depiction of the additional required Adonis Road right-of-way from the property owner to the north. The Town shall

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

acquire the necessary right-of-way as provided in paragraph 1.7.2 of the Mediation Agreement and in Marana Ordinance No. 2012.05 (adopting the Tortolita Shadows Specific Plan).

8. *GMP.* As part of the Town's preconstruction services contract with the CMAR, the Town shall obtain from the CMAR a guaranteed maximum price (GMP) for the construction of the Adonis Road Improvements (the "Total GMP"). The Total GMP shall consist of the following three separate GMPs:

a. A GMP for the segment of temporary Adonis Road located north of the Subject Improvements (the "Adonis North GMP"). The Adonis North GMP includes all improvements north of the Mandarina Property, including the transition from the temporary two-lane Adonis Road cross-section to the Subject Improvements.

b. A GMP for the Subject Improvements (the "Mandarina GMP").

c. A GMP for the segment of temporary Mandarina Road Link located south of the Subject Improvements (the "Mandarina Road Link GMP").

9. *Payment for the Adonis Road Improvements.*

a. The Town shall be responsible to pay all costs associated with the construction of the roadway segments to be constructed pursuant to the Adonis North GMP and the Mandarina Road Link GMP.

b. The funds for the construction of the roadway segment to be constructed pursuant to the Mandarina GMP shall be provided as follows:

i. The Town shall pay the first $1,100,000 pursuant to paragraph 1.12 of the Mediation Agreement.

ii. The Town shall pay the next $972,281 from the funds it would have spent to construct temporary two-lane Adonis Road through Mandarina.

iii. Mandarina shall pay from the Escrow Account established pursuant to paragraph 1.11 of the Mediation Agreement the remaining balance of the $900,000 previously deposited pursuant to paragraph 1.11 of the Mediation Agreement after Mandarina's payment of design costs (see paragraph 4 above). If not fully needed to cover the cost of the Mandarina GMP, any balance shall remain available to Mandarina for use in accordance with the Mediation Agreement.

iv. If needed after applying the funding described in subparagraphs 9.b.i, ii, and iii above, Mandarina shall pay any remaining balance of the Mandarina GMP into the Escrow Account within 14 calendar days after Mandarina receives the Mandarina GMP. If the remaining balance required by this subparagraph is not timely paid, this Amendment is automatically terminated, and the rights and duties of the Parties shall be as set forth in the Mediation Agreement.

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

10. *Earthwork equipment crossing of Adonis Road.* During development of the Mandarina Property, the Town shall allow earthwork equipment to cross Adonis Road with appropriate protection of the roadway and with appropriate traffic control to be reviewed and approved by the Town in connection with the submittal for and issuance of one or more applicable right-of-way use permits pursuant to Marana Town Code Chapter 12-7 ("Construction in Town rights-of-way").

11. *Pavement cuts moratorium exemption.* After construction of the permanent interim cross-section of the Subject Improvements as described in subparagraph 4.a above, Mandarina shall be exempt from the Town's moratorium on pavement cuts as set forth in Marana Town Code section 12-7-9 ("Additional requirements for specified asphalt pavements") until curbs and sidewalks and the top two inches of asphalt are constructed (see subparagraph 4.b above).

12. *Remainder of the Mediation Agreement unchanged.* Except as revised in this Amendment, the Mediation Agreement shall remain unchanged.

13. *Term.* This Amendment shall become effective (the "Effective Date") on the last Party's signature date below, and shall terminate upon completion of construction of and payment for the Adonis Road Improvements, unless earlier terminated by operation of subparagraph 9.b.iv above.

14. *Miscellaneous.*

a. The Mediation Agreement as amended by this Amendment may not be modified except in a writing signed by the Parties.

b. This Amendment may be executed in identical counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. In addition, this Amendment may contain more than one counterpart of the signature pages and this Amendment may be executed by the affixing of the signature pages, and all of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all the signers had signed a single signature page.

c. This Amendment is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

[Remainder of page left blank. Signature page follows.]

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the last date set forth below their respective signatures, with an Effective Date determined as set forth in paragraph 13 above.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: Ed Honea
Ed Honea, Mayor

Date: 6-3-2020

ATTEST:

Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

Frank Cassidy, Town Attorney

"Mandarina":

MANDARINA, LLC, a Colorado limited liability company

By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By:
Marcus Pafkowitsh, Partner

Date: 06/2/2020

LIST OF EXHIBITS

Exhibit A	Adonis Road permanent interim cross section exhibit
Exhibit B	Adonis Road Mandarina development cross section exhibit

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT A TO FIRST AMENDMENT TO MANDARINA MEDIATION AGREEMENT

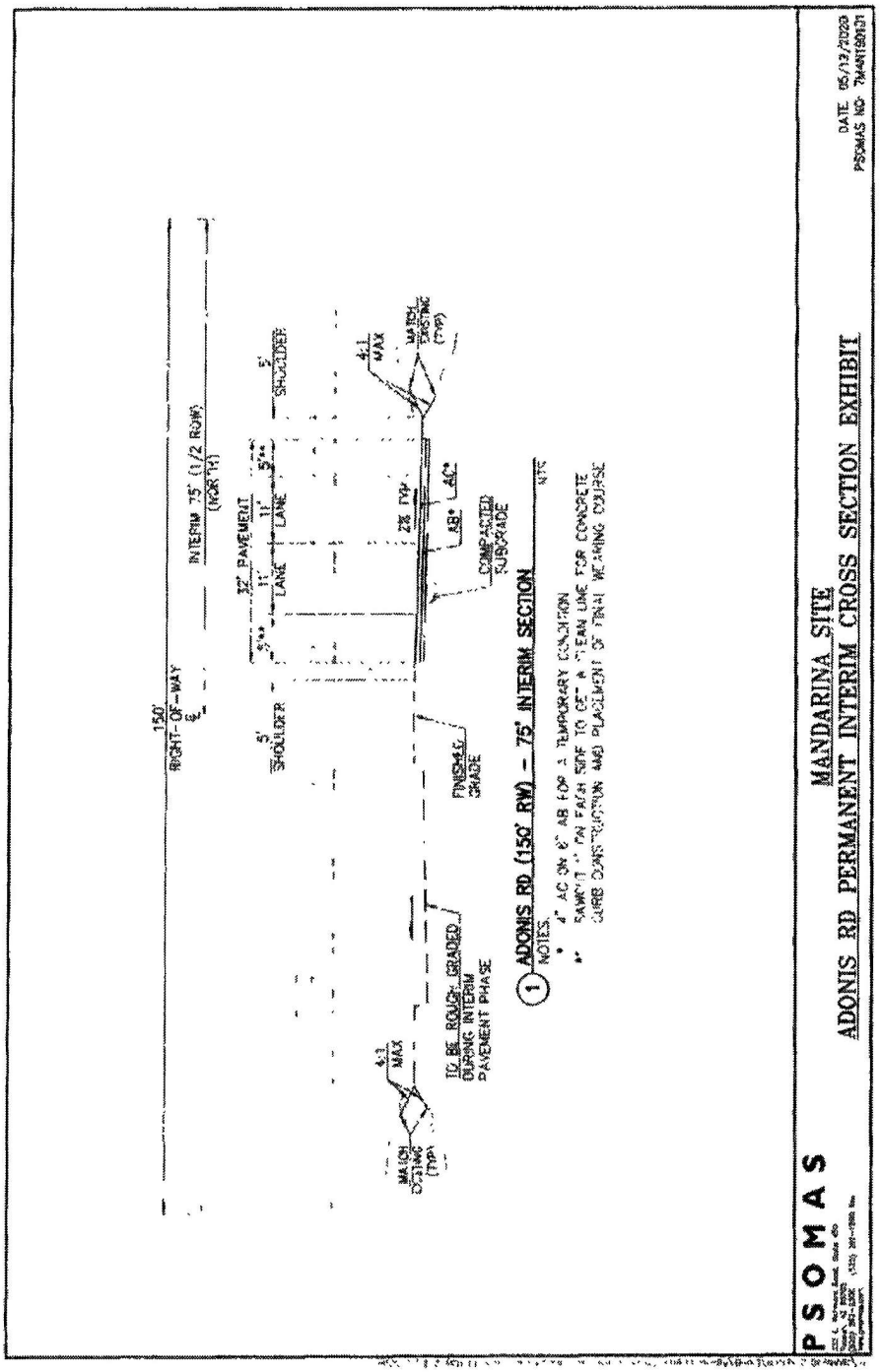


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

EXHIBIT B TO FIRST AMENDMENT TO MANDARINA MEDIATION AGREEMENT

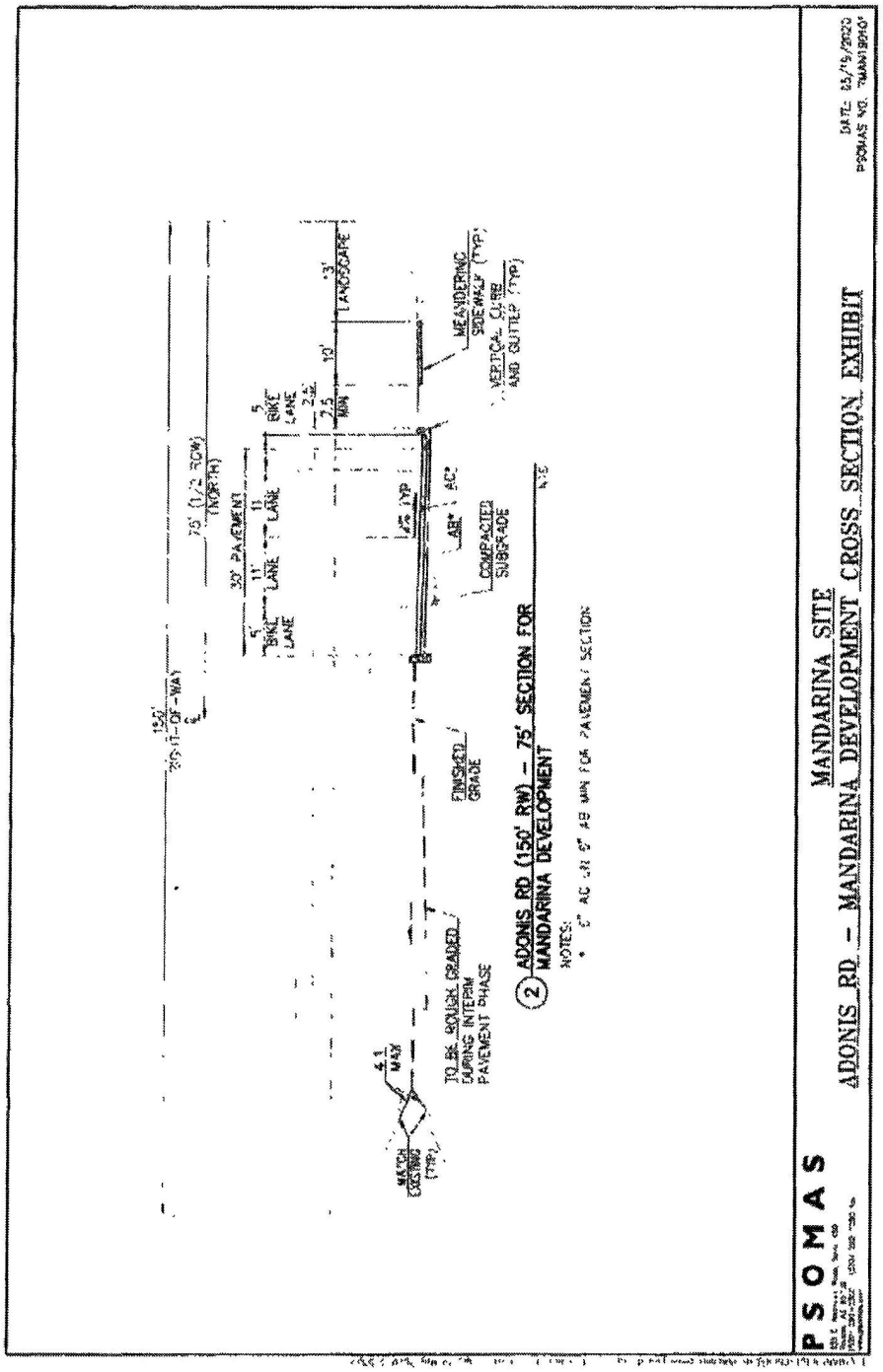


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

SECOND AMENDMENT TO MANDARINA MEDIATION AGREEMENT

Town of Marana, Arizona

THIS SECOND AMENDMENT TO MANDARINA MEDIATION AGREEMENT (this "Amendment") is made and entered into by and between the TOWN OF MARANA (the "Town"), an Arizona municipal corporation; and MANDARINA, LLC ("Mandarina"), a Colorado limited liability company. The Town and Mandarina are sometimes collectively referred to as the "Parties," either of which is sometimes individually referred to as a "Party."

RECITALS

A. The Parties entered into a "MEDIATION AGREEMENT" (the "Mediation Agreement") dated October 30, 2019, in settlement of two then-pending lawsuits, entitled *Mandarina, LLC v. Town of Marana*, Pima County Superior Court case number C20161982, and *Town of Marana v. Mandarina, LLC*, Pima County Superior Court case number C20184425.

B. The Parties entered into a "FIRST AMENDMENT TO MANDARINA MEDIATION AGREEMENT" (the "First Amendment") dated June 3, 2020, amending the Mediation Agreement to accommodate construction of Adonis Road by the Town of Marana with Mandarina providing a funding contribution to facilitate construction of Adonis Road on the Mandarina Property as a permanent two-lane road.

C. The Parties now desire to further amend the Mediation Agreement as amended by the First Amendment to facilitate construction of a portion of Mandarina Road Link as a permanent two-lane road.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this Amendment as though fully restated here, and the mutual covenants set forth in the Mediation Agreement, the First Amendment, and this Amendment, the Parties hereby agree as follows:

1. *Definitions of terms.* Terms used in this Amendment shall have the definitions found in the Mediation Agreement as amended by the First Amendment and as further amended by this Amendment.

2. *Mandarina Boulevard defined and Mandarina Link Road redefined.*

a. "Mandarina Boulevard" means A two-lane permanent Mandarina Boulevard and its transition to temporary two-lane roadway between Adonis Road and Station 20+88 of "INTERIM MANDARINA BLVD (PUBLIC STREET)" as shown on the plans entitled "PUBLIC PAVING IMPROVEMENT PLAN FOR MANDARINA/INTERIM

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

ADONIS ROAD AND MANDARINA BLVD (SOUTHERN PORTION OF ADONIS ROAD ROW ONLY)" prepared by Psomas and bearing an engineering stamp dated January 8, 2020.

b. "Mandarina Link Road" means the section of temporary road located south of Mandarina Boulevard described in subparagraph a above.

3. *Revision to the Subject Improvements.* The improvements referred to as the "Subject Improvements" as defined in paragraph 4 of the First Amendment are now defined to include all of the following-described improvements on the Mandarina Property:

a. A two-lane permanent Adonis Road roadway (the north/east two lanes of the four-lane ultimate Adonis Road roadway) to a "permanent interim cross-section" of three inches of asphaltic concrete over a four inch aggregate base course over a six inch cement treated subgrade, consistent with the cross section exhibit attached to the First Amendment as Exhibit A.

b. Curbs and sidewalks and the top two inches of asphalt are excluded from initial construction of Adonis Road described in subparagraph a above, but will be provided by Mandarina in phases as the Mandarina Property is developed, so that the final two-lane permanent Adonis Road roadway will be consistent with the cross section exhibit attached to the First Amendment as Exhibit B.

c. A two-lane permanent Mandarina Boulevard to a "permanent interim cross-section" of three inches of asphaltic concrete over a four inch aggregate base course over a six inch cement treated subgrade, consistent with the cross section exhibit attached to this Amendment as Exhibit C, and its transition to temporary two-lane roadway connecting to Mandarina Link Road.

d. Curbs and sidewalks and the top two inches of asphalt are excluded from initial construction of permanent Mandarina Boulevard described in subparagraph c above, but will be provided by Mandarina in phases as the Mandarina Property is developed, so that the final two-lane permanent Mandarina Boulevard roadway will be consistent with the cross section exhibit attached to this Amendment as Exhibit D.

e. As constructed pursuant to the First Amendment as amended by this Amendment, the two-lane permanent Adonis Road roadway shall only extend as far east as its intersection with Mandarina Boulevard as constructed pursuant to subparagraph c above and not to the east Mandarina Property boundary.

4. *Payment for the Adonis Road Improvements.* Paragraph 9 of the First Amendment is amended by deleting subparagraph b.ii and replacing it with the following:

ii. The Town shall pay the next $1,134,742 from the funds it would have spent to construct temporary two-lane Adonis Road through the Mandarina Property and to construct the temporary two-lane segment now replaced by permanent Mandarina Boulevard.

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

5. *Earthwork equipment crossing of Mandarina Boulevard and Mandarina Link Road.* During development of the Mandarina Property, the Town shall allow earthwork equipment to cross Mandarina Boulevard and Mandarina Link Road with appropriate protection of the roadway and with appropriate traffic control to be reviewed and approved by the Town in connection with the submittal for and issuance of one or more applicable right-of-way use permits pursuant to Marana Town Code Chapter 12-7 ("Construction in Town rights-of-way").

6. *Remainder of the Mediation Agreement and First Amendment unchanged.* Except as revised in and/or as revised by applying the revised definitions of terms in this Amendment, the Mediation Agreement as amended by the First Amendment shall remain unchanged.

7. *Term.* This Amendment shall become effective (the "Effective Date") on the last Party's signature date below, and shall terminate upon completion of construction of and payment for the Adonis Road Improvements, unless earlier terminated by operation of subparagraph 9.b.iv of the First Amendment.

8. *Miscellaneous.*

a. The Mediation Agreement as amended by the First Amendment and this Amendment may not be modified except in a writing signed by the Parties.

b. This Amendment may be executed in identical counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument. In addition, this Amendment may contain more than one counterpart of the signature pages and this Amendment may be executed by the affixing of the signature pages, and all of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all the signers had signed a single signature page.

c. This Amendment is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

[Remainder of page left blank. Signature page follows.]

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the last date set forth below their respective signatures, with an Effective Date determined as set forth in paragraph 7 above.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: 9/2/2020

ATTEST:

_____
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

_____
Frank Cassidy, Town Attorney

"Mandarina":

MANDARINA, LLC, a Colorado limited liability company

By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: _____
Marcus Palkowitsh, Partner

Date: 8.31.2020

LIST OF EXHIBITS

Exhibit C	Mandarina Boulevard permanent interim cross section exhibit
Exhibit D	Mandarina Boulevard ultimate cross section exhibit

EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

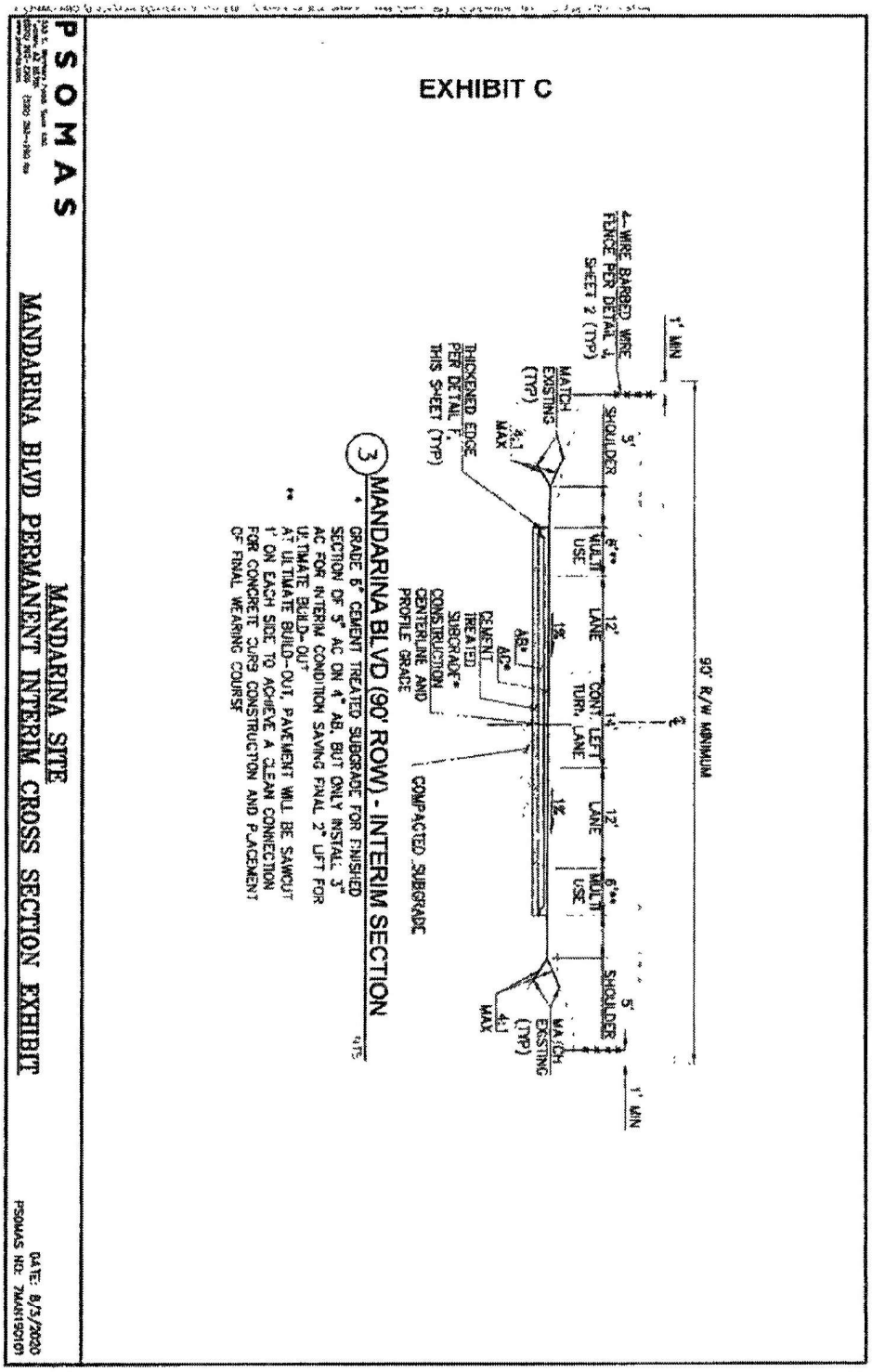


EXHIBIT A TO MANDARINA DEVELOPMENT AGREEMENT

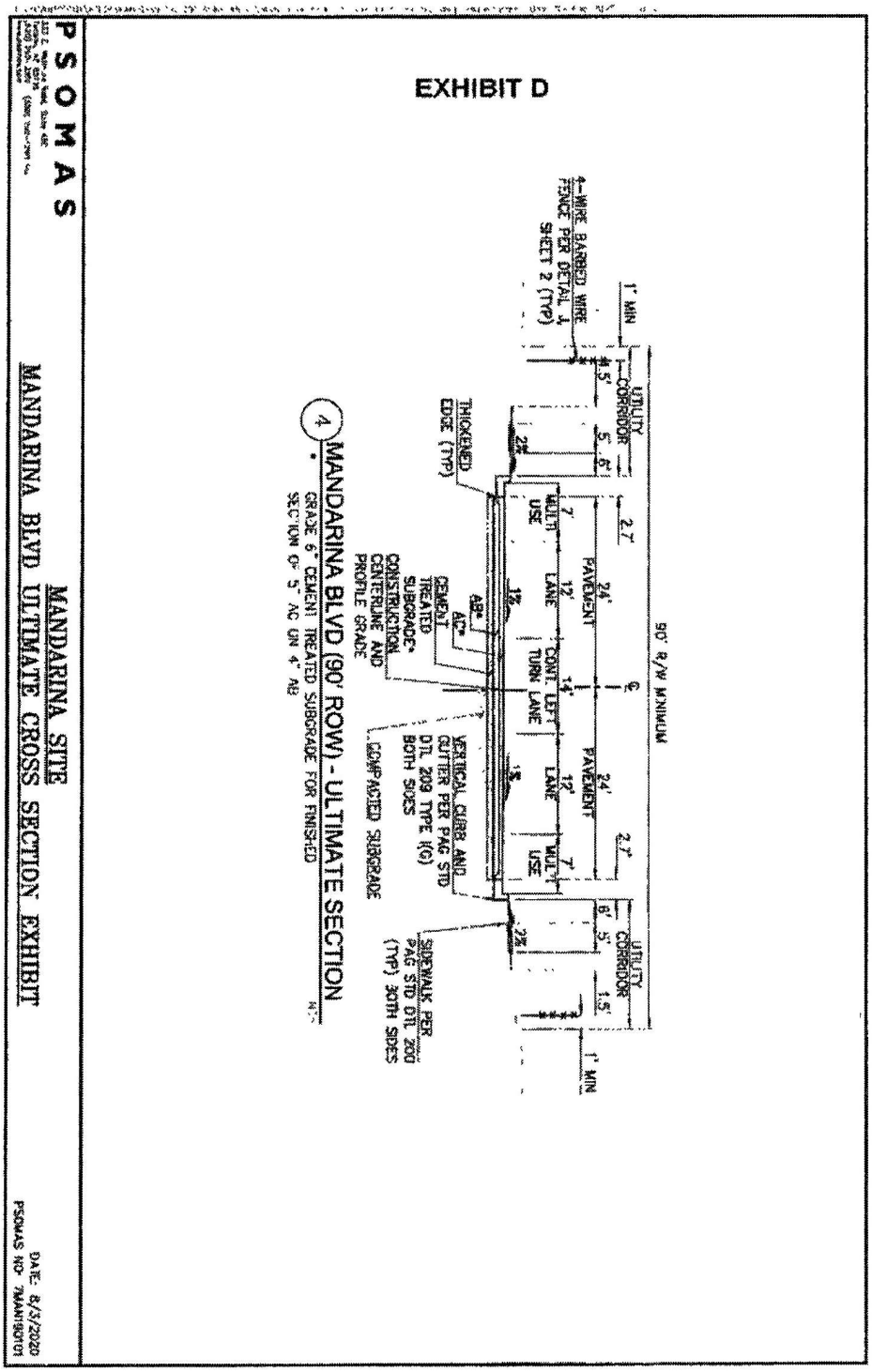


EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

ADMINISTRATIVE CHANGE TO THE MANDARINA SPECIFIC PLAN

Whereas the Mandarina Specific Plan was initially adopted pursuant to Marana Ordinance No. 2009.02, dated February 17, 2009 ("Mandarina Specific Plan").

Whereas the Owner of the land included within the boundaries of the Mandarina Specific Plan desires to remove and delete the references in the Mandarina Specific Plan to access to the new Interstate-10/Tangerine Road interchange. The Owner desires to amend the Land Use Summary in Part 2.2 of the Mandarina Specific Plan to set forth the revised acreages in each respective planning area without changing the cumulative acreage in Mandarina. The Owner of the land within the Mandarina Specific Plan desires to develop the land according to the revised Land Use Concept plan, the revised Circulation Concept plan and the revised Trail Concept plan all as shown in Exhibit A attached hereto. The Owner of Mandarina desires to develop the land in conformance with the design guidelines and standards of Mandarina to provide consistency within the overall community.

Whereas the Town of Marana desires to have consistent development regulations within a community.

Whereas Part 5.H.3 of the Mandarina Specific Plan authorizes the Planning Director to administratively make minor changes to the Specific Plan provided such changes are not in conflict with the overall intent as expressed in the Mandarina Specific Plan.

Whereas Part 5.H.3 further categorizes administrative changes to include the addition of new information to the Specific Plan maps or text that does not change the effect of any regulations or guidelines.

Whereas Part 5.H.3 also categorizes changes in land use designation boundaries, division of plan areas or combinations of areas as administrative changes.

Whereas the Town of Marana Development Services Director (Planning Director) has determined that the modifications and amendments to the Mandarina Specific Plan set forth in Exhibit A attached hereto would not conflict with the overall intent of the Mandarina Specific Plan and the Specific Plan is hereby modified as follows:

EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

Upon approval hereof, the text and exhibits on pages 9, 10, 11, 17, and 21 shall be revised as shown on the attached Exhibit A.

This administrative change to the Mandarina Specific Plan is hereby approved as of October 30, 2019.

Town of Marana Development Services Director

Mandarina, LLC, a Colorado limited liability company
By: MSP Investment Co., LLP, a Colorado limited liability partnership, its Manager

Marcus Palkowitsh, Partner

EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

Exhibit A

C. Development Plan Concept

The Mandarina Specific Plan provides the framework for a diverse project that responds to market demands and the Town of Marana vision while maximizing development opportunities for the site. By integrating a variety of well planned land uses which may include and are not limited to retail, commercial, and office uses, single-family and multi-family residences, a balanced community is envisioned.

Mandarina is influenced by its proximity to strong transportation corridors and its inclusion in the Single Central Business District. The strong retail and commercial land use component shall provide employment and tax revenue opportunities for the Town of Marana. The provision of a variety of housing options, appealing to all household types from families to empty-nesters, shall create a diverse community. Integrated residential uses shall provide opportunities for pedestrian friendly, walkable, live/work environments and a network of trails shall provide connections to existing and future open space areas and among the various neighborhoods in the area. (See Exhibit 2.C.1 - Land Use Concept, pg. 10)

This plan envisions an area that can accommodate growth, create a destination and function as a gateway, both to the east and to the north as transit plans and transportation alternatives evolve. The balance of uses, consistent with the economic vision for the area, shall be a catalyst and a partner in "Marana's vision as a self-sustaining community that meets the needs of its citizens..."[1]

[1] Marana General Plan 2007, Appendix C, Land Use Decision Keys

D. Land Use Concept

The four Planning Areas in Mandarina represent a gradation of uses, with the most transportation influenced uses planned for the area adjacent to the Interstate.

1. Mandarina Land Use Planning Areas

The four Planning Areas, described in this section, shall guide the implementation of the Mandarina Specific Plan. Refer to Part 3 - Development Standards, of this document for proposed land uses for each Planning Area. Land use transition and development standards shall create a project in which the integrated mix of uses creates a place that people want to live, work, play and shop—helping build a successful Marana for the future.

1.1 Mandarina Transportation Corridor (MTC)

The Mandarina Transportation Corridor is directly adjacent to Interstate 10 and is designed to take advantage of the high visibility from the Interstate. Uses permitted in the Mandarina Transportation Corridor benefit from convenient access to a strong transportation network and the proposed inter-city rail connection.

1.2 Mandarina Village Center (MVC)

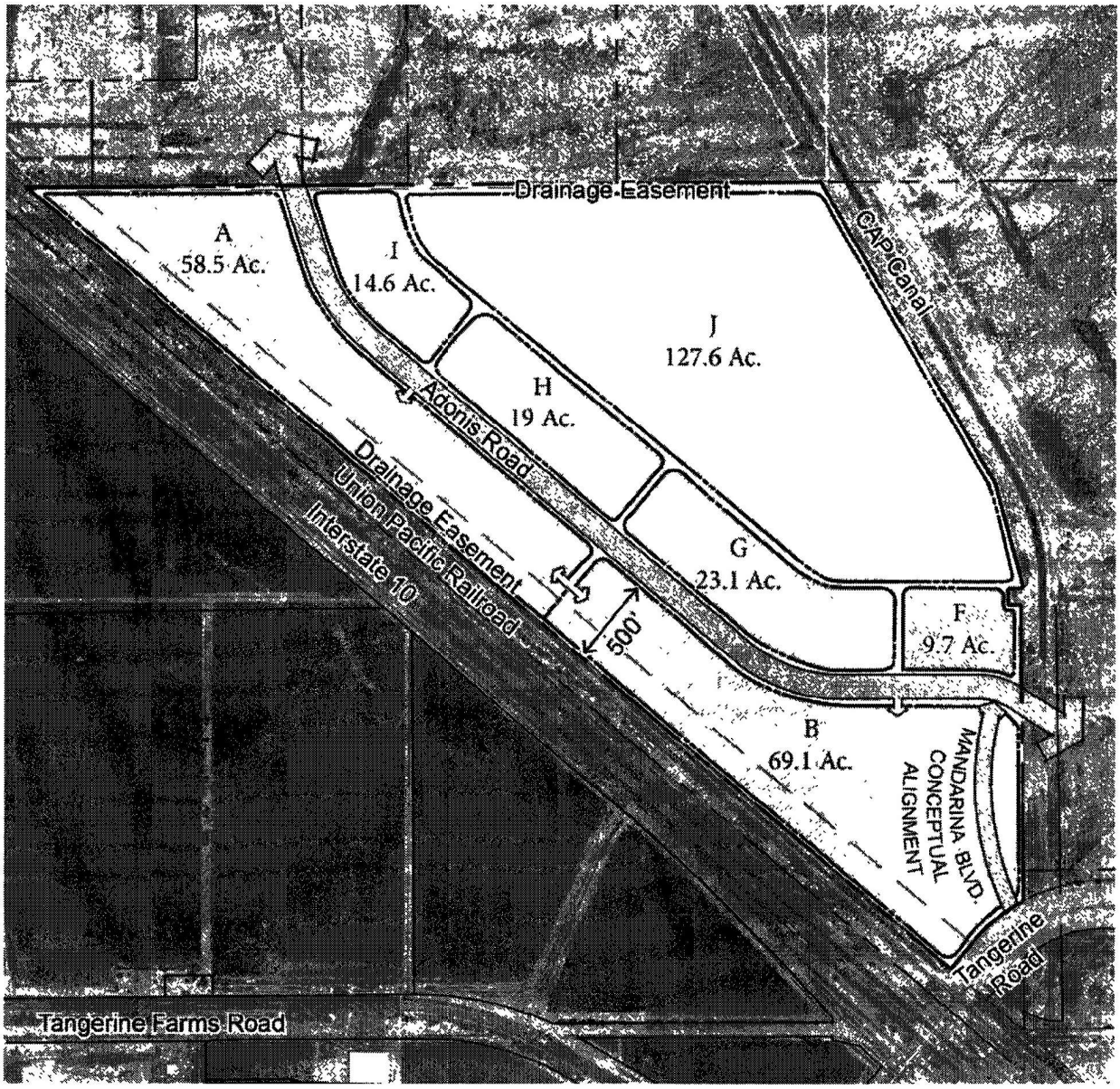
The Mandarina Village Center shall be located at the intersection of Adonis Road and

EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

mandarina

DEVELOPMENT PLAN

EXHIBIT 2.C.1 - LAND USE CONCEPT



LEGEND

- Mandarina Transportation Corridor
- Mandarina Village Center
- Mandarina Corridor
- Tortolita Corridor

0 500 1,000

Scale: 1"=1,000'

10

October 2019

EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

Mandarina Boulevard. The location of the Mandarina Village Center makes it the central core of the Mandarina community as well as a gateway to Oro Valley, Northwest Tucson and the communities east of the interstate. A broad range of retail and employment opportunities shall create a vibrant regional destination. Its pedestrian orientation shall create an exciting walkable hub with a vibrant sense of community. Homes may be integrated into this area, offering residents myriad opportunities for work and play.

1.3 Mandarina Corridor (MC)

The Mandarina Corridor holds a prime position adjacent to Adonis Road. The Mandarina Corridor area shall support uses that benefit from the proximity to a major arterial. Uses in this planning area may be related to those within the Mandarina Transportation Corridor, taking advantage of the vehicle traffic generated by the Mandarina Transportation Corridor uses.

1.4 Tortolita Corridor (TC)

The Tortolita Corridor is uniquely situated to take advantage of both the natural beauty of the area and the proximity to the shops, employment and services that are proposed in the other Planning Areas. Nearby open space, regional and local trails and the planned CAP Canal Trail shall provide visitors and residents with easy access to recreational opportunities and breathtaking views of the region's mountains. Uses proposed for this Planning Area are likely to be less intense, incorporating the dramatic backdrop of the open space into its unique character.

2. Land Use Summary

Parcels and their respective acreage are identified for each Planning Area in Table A.

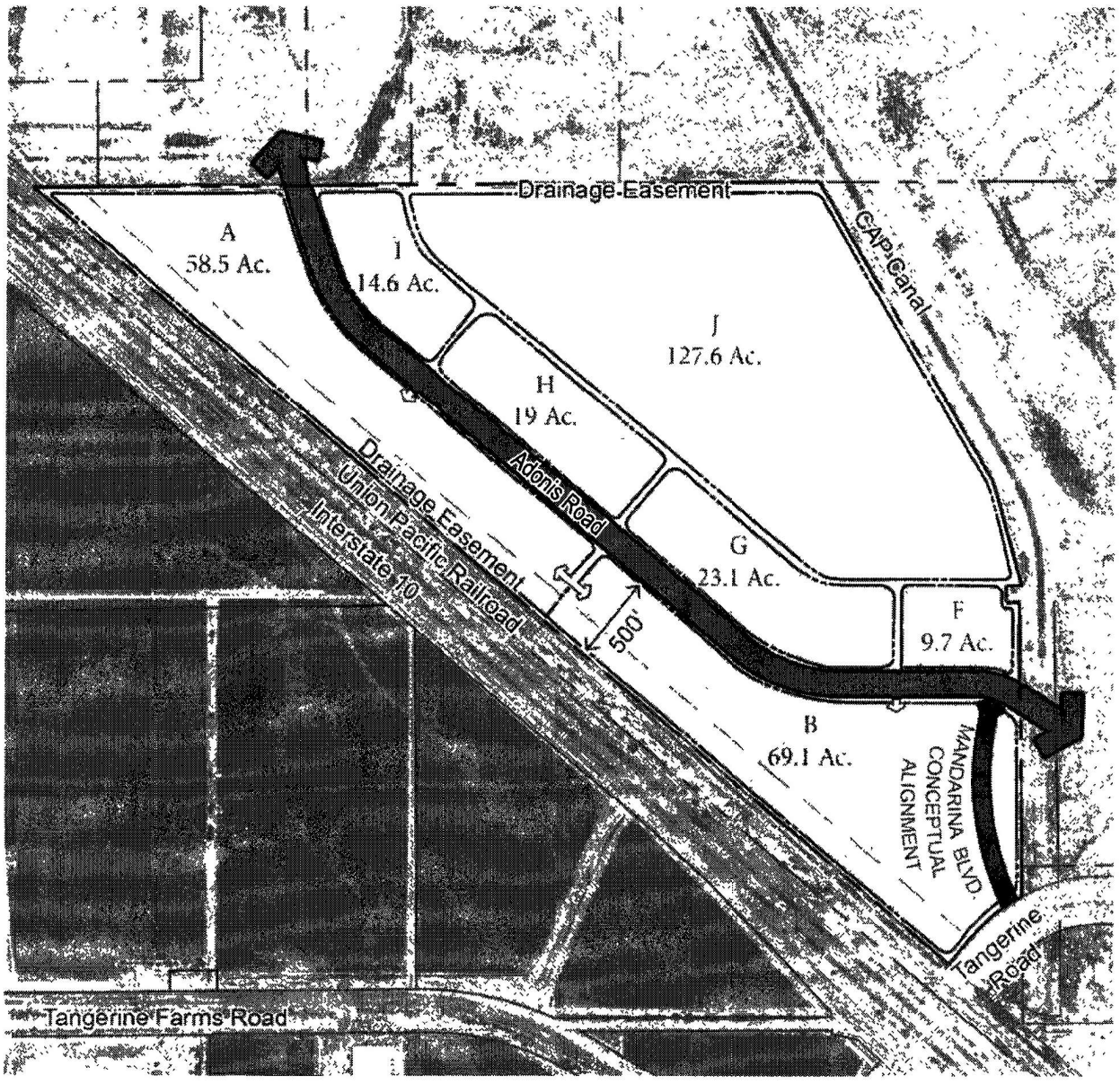
Table A: Land Use Summary		
Parcel	**Planning Area**	**Area (Acres)**
A	MTC	58.5
B	MTC	69.1
F	MVC	9.7
G	MC	23.1
H	MC	19.0
I	MC	14.6
J	TC	127.6
Adonis Road		20.6
TOTAL		**342.2**

EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

mandarina

DEVELOPMENT PLAN

EXHIBIT 2.H.1 - CIRCULATION CONCEPT



LEGEND

Arterial Road

Collector Road

0 500 1,000

Scale: 1"=1,000'

EXHIBIT B TO MANDARINA DEVELOPMENT AGREEMENT

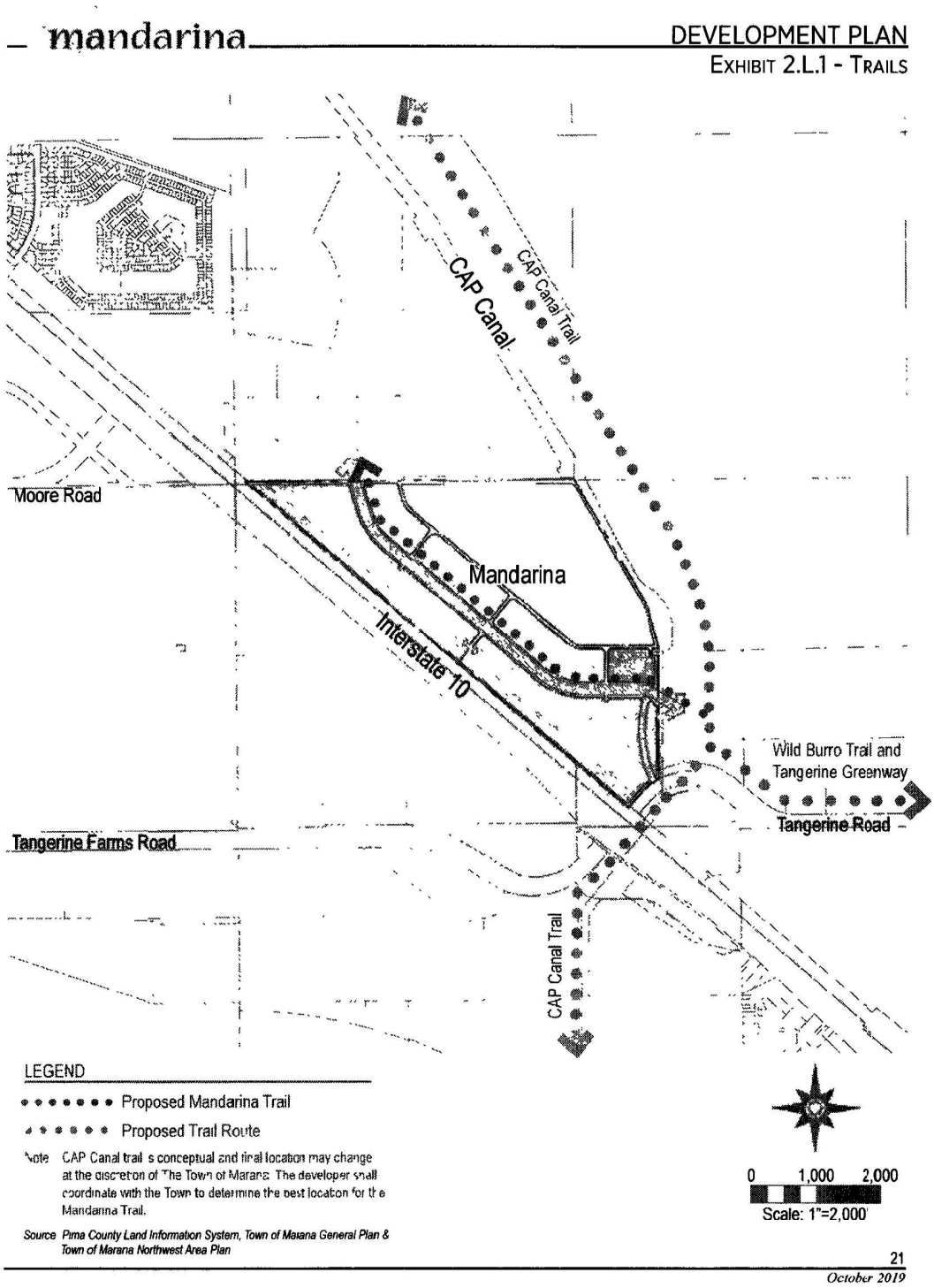
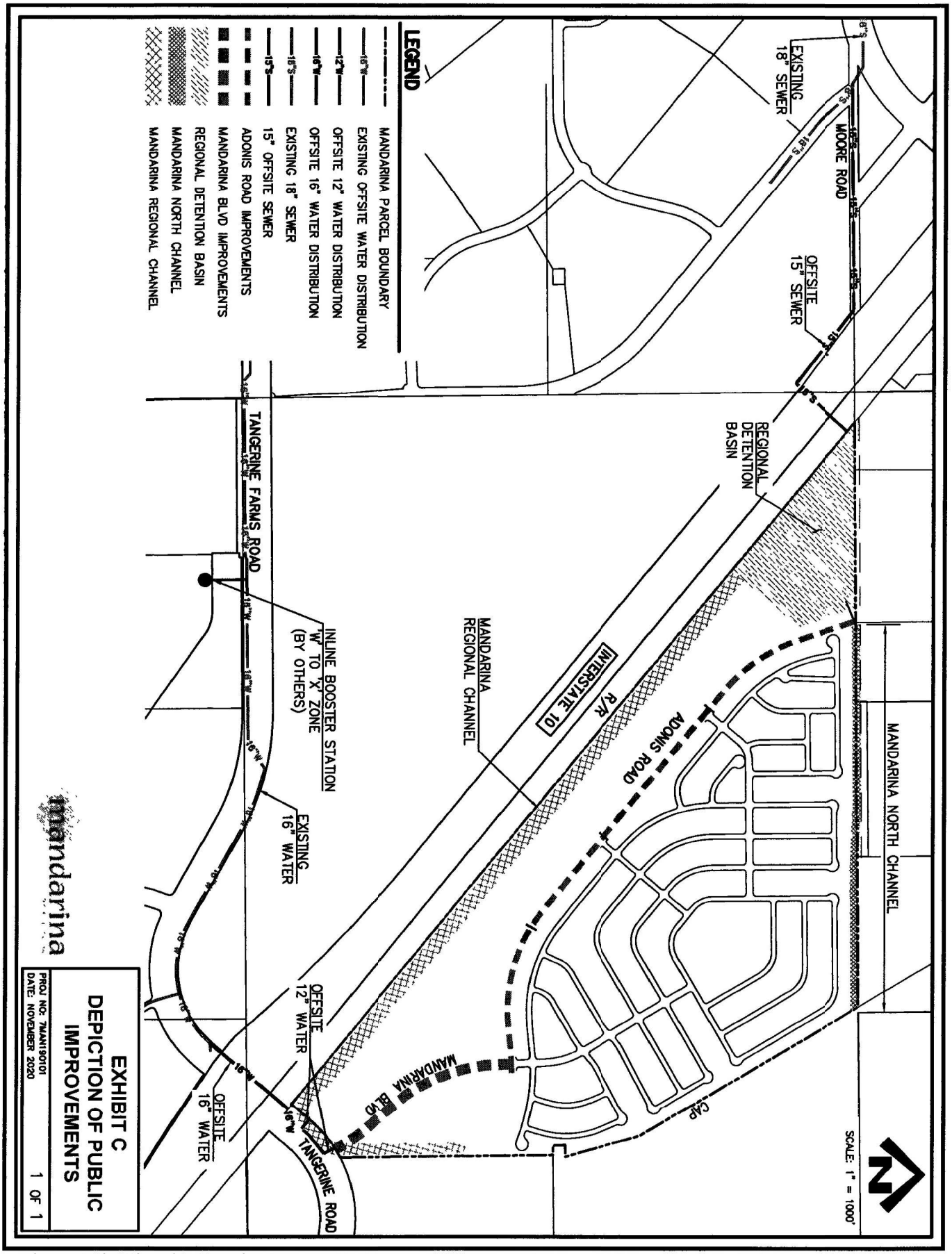


EXHIBIT C TO MANDARINA DEVELOPMENT AGREEMENT



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EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF SEWER FACILITIES UNDER PRIVATE CONTRACT

Mandarina Offsite Sewer

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA, LLC, a Colorado limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to provide sewer service to the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of securing sewer service from the Town for the Subject Property, the Developer agrees to install those certain sewer infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina Offsite Public 15" Sewer, Plan No. ENG_____, sealed by [Engineering Firm] on [Date] and approved by the Town of Marana Water Director on [Date] (the "Facility Plan"), which is on file in the office of the Town of Marana Water Department.

E. The Parties are also parties to the "Mandarina Development Agreement," recorded in the Pima County Recorder's office on December 4, 2020 at Sequence 2020_____ and approved by Marana Resolution No. 2020-_____, adopted by the Marana Town Council on December 1, 2020.

F. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "Offsite 15-Inch Sewer."

EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

G. If constructed as designed, the Developer-Installed Facility will include elements and capacity sufficient to serve other new Town customers, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

H. If constructed as designed, the current total estimated construction cost for the Developer-Installed Facility is $2,054,036.

I. The Developer-Installed Facility has capacity for 4,927 EDUs. The Subject Property is estimated to have a total of 2,005 EDUs, leaving excess capacity in the Developer-Installed Facility of 2,922 EDUs.

J. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

K. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the Town sewer system provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility.* The Developer has designed and shall install, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the sewer infrastructure improvements as depicted in the Facility Plan. The sewer infrastructure improvements depicted on the Facility Plan are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Wastewater Reclamation Department and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new sewer facility and shall show any and all alterations to the existing sewer system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer shall go through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A, A-12 and A-16.

EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

1.4. *Payment of connection fees.* Before any service connections are made from the Town's sewer system to the Developer-Installed Facility, the person or entity seeking the service connection shall pay to the Town the connection fees and any other fees required by Marana Town Code Title 14.

1.5. *Developer-Installed Facility acceptance by Town.* Service connections shall not be made to the Developer-Installed Facility, and the Developer-Installed Facility shall not be connected to the Town's sewer system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.6. *Developer's certification.* Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work and has approved and agrees with the location of all service lines.

1.7. *Termination for lack of Work.* Approval of the Facility Plan shall lapse and this Agreement shall terminate if more than one year has passed since the date of this Agreement and the Work has not begun, or if the Work is discontinued for a period of one year.

1.8. *Oversizing Recovery Charge.* The Parties have determined that the Developer-Installed Facility will have sufficient capacity to serve an additional 2,922 EDUs as a result of and upon completion of the Work and after connection of 2,005 EDUs on the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $416.89 per EDU for connections whose capacity is made possible as a result of the Work. For purposes of this paragraph, all of the following apply:

1.8.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity, currently anticipated to be for an additional 2,922 EDUs whose capacity is made possible as a result of the Work or until the termination of the Mandarina Development Agreement, whichever occurs first. Based on the oversizing recovery charge of $416.89 per EDU, the Parties' current estimate of the Developer's total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $1,218,164.

1.8.2. The Town will deposit the oversizing recovery charge payments for constructed EDUs benefitted by the Developer-Installed Facility in the "Reimbursement Account" established pursuant to the Mandarina Development Agreement, and will reimburse the Developer in accordance with the "Reimbursement Payments" provision of the Mandarina Development Agreement.

1.8.3. The Developer shall have a beneficial ownership interest in the service area for the Developer-Installed Facility sufficient to prohibit connection in that area unless and until the oversizing recovery charge is paid.

1.8.4. One EDU is a typical single-family residence served by a five-eighths inch meter. EDU equivalencies for other uses and meter sizes shall be based on standard Town equivalency tables and calculations.

EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

1.8.5. The number of EDUs subject to the oversizing recovery charge has been calculated assuming the development of 2005 lots on the Subject Property served by five-eighths inch meters. If the actual number of lots and size of meters used to develop the Subject Property results in a different EDU count, the number of EDUs required to pay the oversizing recovery charge shall be adjusted accordingly, based on standard Town equivalency tables and calculations, and the "oversizing recovery charge" set forth in subparagraph 1.8.1 above shall be re-calculated accordingly.

1.8.6. The Parties acknowledge that final construction quantities and amounts will be provided after construction of the Developer Installed-Facility is completed.

1.8.7. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority.* Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions.* The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost.* If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction.* The Developer shall submit a written request to begin construction to the Town five working days before the Work is to commence.

3.2. *Construction permit.* This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

3.3. *Start and completion of the Work.* No portion of the Work shall begin until the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

3.4. *Progress of the Work.* The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing.* Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

3.6. *Permits and approvals.* The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work. Town permit fees for the Work are waived pursuant to the Mandarina Development Agreement.

4. Construction

4.1. *Developer's presence on site.* The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence.* The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Alterations to the existing Town sewer system.* The Developer shall, at Developer's expense, make any and all alterations to the existing sewer system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.4. *Worksite safety.* The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facility to the Town.* Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

5.2. *One-year warranty.* The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

5.3. *Other conflicting construction prohibited.* The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

5.4. *Developer's obligation to maintain finished grade.* The Developer guarantees that all service lines and other sewer facilities on the Subject Property will be to finished grade and that Developer will remain responsible for raising or lowering said services as required until the Subject Property is fully developed.

5.5. *Acceptance by the Town.* The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

6.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[Signature page follows.]

EXHIBIT D TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA, LLC, a Colorado limited liability company
By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: [SPECIMEN ONLY]
Marcus Palkowitsh, Partner

Date: _____

STATE OF COLORADO)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Marcus Palkowitsh, Partner of MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, Manager of MANDARINA, LLC, a Colorado limited liability company (the "Developer"), on its behalf.

(Seal)

[SPECIMEN ONLY]
Notary Public

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF WATER FACILITIES UNDER PRIVATE CONTRACT

Mandarina Offsite Water

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA, LLC, a Colorado limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to provide water service to the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of securing water service from the Town for the Subject Property, the Developer agrees to install those certain water infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Water Plan for Mandarina Offsite Public 16" Water, Zone ___ Transmission Main, Plan No. ENG_____, sealed by [Engineering Firm] on [Date] and approved by the Town of Marana Water Director on [Date] (the "Facility Plan"), which is on file in the office of the Town of Marana Water Department.

E. The Parties are also parties to the "Mandarina Development Agreement," recorded in the Pima County Recorder's office on December 4, 2020 at Sequence 2020_____ and approved by Marana Resolution No. 2020-_____, adopted by the Marana Town Council on December 1, 2020.

F. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "Offsite 16-Inch Potable Water Main."

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

G. If constructed as designed, the Developer-Installed Facility will include elements and capacity sufficient to serve other new Town customers, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

H. If constructed as designed, the current total estimated construction cost for the Developer-Installed Facility is $1,363,643.

I. Based on the water modeling for the development of the Subject Property, and assuming 2,000 gallons per minute of capacity is set aside for fire flow, the Town concludes that the Developer-Installed Facility will have total capacity for 2,730 EDUs. The Parties currently assume that 2,005 EDUs will be developed on the Subject Property, which would leave excess capacity in the Developer-Installed Facility of 725 EDUs.

J. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

K. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the Town water system provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility.* The Developer has designed and shall install, at the Developer's own expense (subject to the reimbursement provisions of this Agreement and the Mandarina Development Agreement), the water infrastructure improvements as depicted in the Facility Plan. The water infrastructure improvements depicted on the Facility Plan are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the City of Tucson Water Department and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new water facility and shall show any and all alterations to the existing water system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer shall go through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors.

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A, A-12 and A-16.

1.4. *Payment of connection fees.* Before any service connections are made from the Town's water system to the Developer-Installed Facility, the person or entity seeking the service connection shall pay to the Town the connection fees and any other fees required by Marana Town Code Title 14.

1.5. *Developer-Installed Facility acceptance by Town.* No service connections shall be made from the Town's water system to the Applicant-Installed Facility until the Applicant-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.6. *Developer's certification.* Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work and has approved and agrees with the location of all service lines.

1.7. *Termination for lack of Work.* Approval of the Facility Plan shall lapse and this Agreement shall terminate if more than one year has passed since the date of this Agreement and the Work has not begun, or if the Work is discontinued for a period of one year.

1.8. *Oversizing Recovery Charge.* The Parties have determined that the Developer-Installed Facility will have sufficient capacity to serve an additional 725 EDUs as a result of and upon completion of the Work and after connection of 2,005 EDUs on the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $499.50 per EDU for connections whose capacity is made possible as a result of the Work. For purposes of this paragraph, all of the following apply:

1.8.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity, currently anticipated to be for an additional 725 EDUs made possible as a result of the Work or until the termination of the Mandarina Development Agreement, whichever occurs first. Based on the oversizing recovery charge of $499.50 per EDU, the Parties' current estimate of the Developer's total potential reimbursement from the Town from oversizing recovery charges under this Agreement is $362,137.50.

1.8.2. The Town will deposit the oversizing recovery charge payments for constructed EDUs benefitted by the Developer-Installed Facility in the "Reimbursement Account" established pursuant to the Mandarina Development Agreement, and will reimburse the Developer in accordance with the "Reimbursement Payments" provision of the Mandarina Development Agreement.

1.8.3. The Developer shall have a beneficial ownership interest in the service area for the Developer-Installed Facility sufficient to prohibit connection in that area unless and until the oversizing recovery charge is paid.

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

1.8.4. One EDU is a typical single-family residence served by a five-eighths inch meter. EDU equivalencies for other uses and meter sizes shall be based on standard Town equivalency tables and calculations.

1.8.5. The number of EDUs subject to the oversizing recovery charge has been calculated based on a calculated 16" pipe capacity and assuming the development of 2005 lots on the Subject Property served by five-eighths inch meters. If the actual pipe capacity and/or the actual number of lots and size of meters used to develop the Subject Property results in a different EDU count, the number of EDUs required to pay the oversizing recovery charge shall be adjusted accordingly, based on standard Town equivalency tables and calculations, and the "oversizing recovery charge" set forth in subparagraph 1.8.1 above shall be re-calculated accordingly.

1.8.6. The Parties acknowledge that final construction quantities and amounts will be provided after construction of the Developer Installed-Facility is completed.

1.8.7. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority.* Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions.* The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost.* If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction.* The Developer shall submit a written request to begin construction to the Town five working days before the Work is to commence.

3.2. *Construction permit.* This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

3.3. *Start and completion of the Work.* No portion of the Work shall begin until the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

3.4. *Progress of the Work.* The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing.* Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

3.6. *Permits and approvals.* The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work. Town permit fees for the Work are waived pursuant to the Mandarina Development Agreement.

4. Construction

4.1. *Developer's presence on site.* The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence.* The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Paving.* The Applicant shall identify and locate all water valves prior to paving and set valve boxes to final grade after paving.

4.4. *Alterations to the existing Town water system.* The Developer shall, at Developer's expense, make any and all alterations to the existing water system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.5. *Worksite safety.* The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facility to the Town.* Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

5.2. *One-year warranty.* The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

5.3. *Other conflicting construction prohibited.* The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

5.4. *Developer's obligation to maintain finished grade.* The Developer guarantees that all service lines, meters, and meter boxes on the Subject Property will be to finished grade and that the Developer will remain responsible for raising or lowering said services as required until the Subject Property is fully developed.

5.5. *Acceptance by the Town.* The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

6.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[Signature page follows.]

EXHIBIT E TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA, LLC, a Colorado limited liability company
By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: [SPECIMEN ONLY]
Marcus Palkowitsh, Partner

Date: _____

STATE OF COLORADO)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Marcus Palkowitsh, Partner of MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, Manager of MANDARINA, LLC, a Colorado limited liability company (the "Developer"), on its behalf.

(Seal)

[SPECIMEN ONLY]
Notary Public

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF DRAINAGE FACILITIES UNDER PRIVATE CONTRACT

Mandarina Regional Channel

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA, LLC, a Colorado limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to issue flood control use permits for development on the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of receiving flood control use permits from the Town for the Subject Property, the Developer agrees to install those certain drainage infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina Regional Channel, Plan No. ENG_____, sealed by [Engineering Firm] on [Date] and approved by the Marana Town Engineer on [Date] (the "Facility Plan"), which is on file in the office of the Town of Marana Development Engineering Department.

E. The Parties are also parties to the "Mandarina Development Agreement," recorded in the Pima County Recorder's office on December 4, 2020 at Sequence 2020_____ and approved by Marana Resolution No. 2020-_____, adopted by the Marana Town Council on December 1, 2020.

F. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "Regional Channel."

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

G. If constructed as designed, the Developer-Installed Facility will include elements and capacity sufficient to provide drainage to other currently vacant Town properties, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

H. If constructed as designed, the total cost of the Developer-Installed Facility is $7,002,106, which is the sum of the current total estimated construction cost for the Developer-Installed Facility of $6,102,106 and the total estimated land value of $900,000 (Subject Property land area to be used for the Developer-Installed Facility is 30 acres, valued at $30,000 per acre).

I. The Developer-Installed Facility has a capacity of 3207 cubic feet per second. The Subject Property is estimated to discharge 800 cubic feet per second, leaving excess capacity in the Developer-Installed Facility of 2407 cubic feet per second.

J. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

K. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the system of Town-maintained drainage facilities provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility.* The Developer has designed and shall install, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the drainage infrastructure improvements as depicted in the Facility Plan. The drainage infrastructure improvements depicted on the Facility Plan are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Flood Control District and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new drainage facility and shall show any and all alterations to the existing drainage system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer shall go through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors.

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A and A-12.

1.4. *Developer-Installed Facility acceptance by Town.* No flood plain use permits will be issued in reliance on the Developer-Installed Facility, and the Developer-Installed Facility will not be accepted for maintenance as part of the Town's drainage system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification.* Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work.

1.6. *Termination for lack of Work.* Approval of the Facility Plan shall lapse and this Agreement shall terminate if more than one year has passed since the date of this Agreement and the Work has not begun, or if the Work is discontinued for a period of one year.

1.7. *Oversizing Recovery Charge.* The Parties have determined that the Developer-Installed Facility will have excess capacity of 2407 cubic feet per second as a result of and upon completion of the Work and after the discharge of 800 cubic feet per second from the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $2,183.38 per cubic foot per second for drainage discharges to the Regional Channel. For purposes of this paragraph, all of the following apply:

1.7.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity; currently anticipated to be for an additional 2407 cubic feet per second discharges to the Developer-Installed Facility.

1.7.2. Based on the oversizing recovery charge of $2,183.38 per cubic foot per second, the Parties' current estimate of the total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $5,255,395.66.

1.7.3. The oversizing recovery charge payments for development benefitted by the Developer-Installed Facility shall be payable as described in the Mandarina Development Agreement.

1.7.4. The Developer shall have a beneficial ownership interest in the Developer-Installed Facility sufficient to prohibit drainage discharge into it from newly developed properties unless and until the oversizing recovery charge is paid.

1.7.5. The drainage discharge into the Developer-Installed Facility from newly developed properties shall be determined by a drainage report prepared by a licensed civil engineer and approved by the Town Engineer.

1.7.6. The 800 cubic feet per second drainage discharge from the Subject Property has been calculated assuming certain development on the Subject Property. If the actual development of the Subject Property results in a different drainage discharge from the Subject Property, the remaining available capacity of the Developer-Installed

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

Facility, and the total potential reimbursement through oversizing recovery charges, shall be re-calculated accordingly.

1.7.7. The Parties acknowledge that final construction quantities and amounts will be provided after construction of the Developer Installed-Facility is completed.

1.7.8. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority.* Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions.* The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost.* If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction.* The Developer shall submit a written request to begin construction to the Town five working days before the Work is to commence.

3.2. *Construction permit.* This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

3.3. *Start and completion of the Work.* No portion of the Work shall begin until the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

3.4. *Progress of the Work.* The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing.* Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

3.6. *Permits and approvals.* The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work. Town permit fees for the Work are waived pursuant to the Mandarina Development Agreement.

4. Construction

4.1. *Developer's presence on site.* The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence.* The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Alterations to the existing Town drainage system.* The Developer shall, at Developer's expense, make any and all alterations to the existing drainage system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.4. *Worksite safety.* The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facility to the Town.* Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

5.2. *One-year warranty.* The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

5.3. *Other conflicting construction prohibited.* The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

5.4. *Developer's obligation to tie to finished grade.* The Developer guarantees that all drainage facilities on the Subject Property will be tied to the finished grade of the Developer-Installed Facility.

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

5.5. *Acceptance by the Town.* The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

6.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[Signature page follows.]

EXHIBIT F TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA, LLC, a Colorado limited liability company
By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: [SPECIMEN ONLY]
Marcus Palkowitsh, Partner

Date: _____

STATE OF COLORADO)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Marcus Palkowitsh, Partner of MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, Manager of MANDARINA, LLC, a Colorado limited liability company (the "Developer"), on its behalf.

(Seal)

[SPECIMEN ONLY]
Notary Public

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF DRAINAGE FACILITIES UNDER PRIVATE CONTRACT

Mandarina North Channel

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA, LLC, a Colorado limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to issue flood control use permits for development on the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of receiving flood control use permits from the Town for the Subject Property, the Developer agrees to install those certain drainage infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina North Channel, Plan No. ENG_____, sealed by [Engineering Firm] on [Date] and approved by the Marana Town Engineer on [Date] (the "Facility Plan"), which is on file in the office of the Town of Marana Development Engineering Department.

E. The Parties are also parties to the "Mandarina Development Agreement," recorded in the Pima County Recorder's office on December 4, 2020 at Sequence 2020_____ and approved by Marana Resolution No. 2020-_____, adopted by the Marana Town Council on December 1, 2020.

F. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "North Channel."

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

G. If constructed as designed, the Developer-Installed Facility will include elements and capacity sufficient to provide drainage to other currently vacant Town properties, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

H. If constructed as designed, the total cost of the Developer-Installed Facility is $929,006, which is the sum of the current total estimated construction cost for the Developer-Installed Facility of $815,606 and the total estimated land value of $113,400 (Subject Property land area to be used for the Developer-Installed Facility is 3.78 acres, valued at $30,000 per acre).

I. If constructed as designed, the Developer-Installed Facility will also use 1.28 acres of land valued at 38,400 (valued at $30,000 per acre), which was dedicated at no cost by Stewart Title and Trust under Trust No. 3564.

J. The Developer-Installed Facility has a capacity of 1604 cubic feet per second. The Subject Property is estimated to discharge 407 cubic feet per second, leaving excess capacity in the Developer-Installed Facility of 1197 cubic feet per second.

K. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

L. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the system of Town-maintained drainage facilities provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility.* The Developer has designed and shall install, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the drainage infrastructure improvements as depicted in the Facility Plan. The drainage infrastructure improvements depicted on the Facility Plan are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Flood Control District and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new drainage facility and shall show any and all alterations to the existing drainage system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer shall go through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors. In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A and A-12.

1.4. *Developer-Installed Facility acceptance by Town.* No flood plain use permits will be issued in reliance on the Developer-Installed Facility, and the Developer-Installed Facility will not be accepted for maintenance as part of the Town's drainage system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification.* Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work.

1.6. *Termination for lack of Work.* Approval of the Facility Plan shall lapse and this Agreement shall terminate if more than one year has passed since the date of this Agreement and the Work has not begun, or if the Work is discontinued for a period of one year.

1.7. *Oversizing Recovery Charge.* The Parties have determined that the Developer-Installed Facility will have excess capacity of 1197 cubic feet per second as a result of and upon completion of the Work and after the discharge of 407 cubic feet per second from the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $579.18 per cubic foot per second for drainage discharges to the North Channel. For purposes of this paragraph, all of the following apply:

1.7.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity; currently anticipated to be for an additional 1197 cubic feet per second discharges to the Developer-Installed Facility.

1.7.2. Stewart Title and Trust under Trust No. 3564 shall have a credit of $38,400 toward the Developer-Installed Facility oversizing recovery charge.

1.7.3. Based on the oversizing recovery charge of $579.18 per cubic foot per second, and subtracting the credit in the previous subparagraph, the Parties' current estimate of the total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $693,278.46.

1.7.4. The oversizing recovery charge payments for development benefitted by the Developer-Installed Facility shall be payable as described in the Mandarina Development Agreement.

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

1.7.5. The Developer shall have a beneficial ownership interest in the Developer-Installed Facility sufficient to prohibit drainage discharge into it from newly developed properties unless and until the oversizing recovery charge is paid.

1.7.6. The drainage discharge into the Developer-Installed Facility from newly developed properties shall be determined by a drainage report prepared by a licensed civil engineer and approved by the Town Engineer.

1.7.7. The 407 cubic feet per second drainage discharge from the Subject Property has been calculated assuming certain development on the Subject Property. If the actual development of the Subject Property results in a different drainage discharge from the Subject Property, the remaining available capacity of the Developer-Installed Facility, and the total potential reimbursement through oversizing recovery charges, shall be re-calculated accordingly.

1.7.8. The Parties acknowledge that final construction quantities and amounts will be provided after construction of the Developer Installed-Facility is completed.

1.7.9. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority.* Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions.* The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost.* If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction.* The Developer shall submit a written request to begin construction to the Town five working days before the Work is to commence.

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

3.2. *Construction permit.* This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

3.3. *Start and completion of the Work.* No portion of the Work shall begin until the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

3.4. *Progress of the Work.* The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing.* Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

3.6. *Permits and approvals.* The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work. Town permit fees for the Work are waived pursuant to the Mandarina Development Agreement.

4. Construction

4.1. *Developer's presence on site.* The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence.* The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Alterations to the existing Town drainage system.* The Developer shall, at Developer's expense, make any and all alterations to the existing drainage system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.4. *Worksite safety.* The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facility to the Town.* Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

5.2. *One-year warranty.* The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

5.3. *Other conflicting construction prohibited.* The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

5.4. *Developer's obligation to maintain finished grade.* The Developer guarantees that all drainage facilities on the Subject Property will be tied to the finished grade of the Developer-Installed Facility.

5.5. *Acceptance by the Town.* The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

6.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[Signature page follows.]

EXHIBIT G TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA, LLC, a Colorado limited liability company
By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: [SPECIMEN ONLY]
Marcus Palkowitsh, Partner

Date: _____

STATE OF COLORADO)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Marcus Palkowitsh, Partner of MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, Manager of MANDARINA, LLC, a Colorado limited liability company (the "Developer"), on its behalf.

(Seal)

[SPECIMEN ONLY]
Notary Public

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

TOWN OF MARANA AGREEMENT FOR CONSTRUCTION OF DRAINAGE FACILITIES UNDER PRIVATE CONTRACT

Mandarina Detention Basin

THIS AGREEMENT (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town"), and MANDARINA, LLC, a Colorado limited liability company (the "Developer"). The Town and the Developer are sometimes collectively referred to as the "Parties," each of which is sometimes individually referred to as a "Party."

RECITALS

A. This Agreement is entered into and authorized pursuant to Title 14 of the Marana Town Code as it may be amended from time to time ("Marana Town Code Title 14").

B. The Developer desires for the Town to issue flood control use permits for development on the land described and depicted in the Mandarina Specific Plan, adopted by Marana Ordinance No. 2009.02, recorded in the Pima County Recorder's office at Docket 13499, Page 8 (Sequence 20090340005), and amended by an administrative amendment dated October 30, 2019, whose land area is referred to in this Agreement as the "Subject Property."

C. The Developer is the owner of the "Subject Property."

D. As a condition of receiving flood control use permits from the Town for the Subject Property, the Developer agrees to install those certain drainage infrastructure improvements (the "Developer-Installed Facility") in accordance with the required plans, specifications, and materials as outlined and depicted in the Plan for Mandarina Detention Basin, Plan No. ENG_____, sealed by [Engineering Firm] on [Date] and approved by the Marana Town Engineer on [Date] (the "Facility Plan"), which is on file in the office of the Town of Marana Development Engineering Department.

E. The Parties are also parties to the "Mandarina Development Agreement," recorded in the Pima County Recorder's office on December 4, 2020 at Sequence 2020_____ and approved by Marana Resolution No. 2020-_____, adopted by the Marana Town Council on December 1, 2020.

F. The Mandarina Development Agreement governs development of the Subject Property and anticipates the Developer's installation of the Developer-Installed Facility, which is referred to in the Mandarina Development Agreement as the "Detention Basin."

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

G. If constructed as designed, the Developer-Installed Facility will include elements and capacity sufficient to provide drainage to other currently vacant Town properties, and to that extent the Parties wish to provide for partial reimbursement to the Developer in accordance with Marana Town Code section 14-4-3 (capacity requirements).

H. If constructed as designed, the total cost of the Developer-Installed Facility is $2,733,436, which is the sum of the current total estimated construction cost for the Developer-Installed Facility of $2,035,936 and the total estimated land value of $697,500 (Subject Property land area to be used for the Developer-Installed Facility is 23.25 acres, valued at $30,000 per acre).

I. The Developer-Installed Facility has a storage capacity of 231 acre-feet. The Subject Property is estimated to require 94 acre-feet of storage, leaving excess storage capacity in the Developer-Installed Facility of 137 acre-feet.

J. The Developer desires that the Town take ownership of, operate, and service the Developer-Installed Facility.

K. The Town is willing to accept the Developer-Installed Facility and permit it to be connected to the system of Town-maintained drainage facilities provided it meets Town standards and the work is done in accordance with Town requirements.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth in this Agreement, the Parties hereby agree as follows:

1. The Developer-Installed Facility

1.1. *Developer installation of the Developer-Installed Facility.* The Developer has designed and shall install, at the Developer's own expense (subject to the reimbursement provisions of this Agreement), the drainage infrastructure improvements as depicted in the Facility Plan. The drainage infrastructure improvements depicted on the Facility Plan are referred to in this Agreement as the "Developer-Installed Facility," and shall conform to the design standards of the Pima County Regional Flood Control District and the Town of Marana Town Code Title 14 and special specifications and details as approved by the Town and by this reference made a part of this Agreement. The Facility Plan shall include a plan note identifying the Developer-Installed Facility as a new drainage facility and shall show any and all alterations to the existing drainage system. Construction and installation of the Developer-Installed Facility in accordance with the Facility Plan, including without limitation all labor, materials, equipment, supplies, and tools required for the construction and installation, is referred to in this Agreement as the "Work."

1.2. *Competitive bids.* As a condition of and prerequisite to receiving any reimbursement under this Agreement, the Developer shall go through the competitive bidding process for the Work in compliance with Title 34 of the Arizona Revised Statutes.

1.3. *Work by licensed contractor.* The Work shall be performed by a contractor properly licensed by the State of Arizona as determined by the Arizona Registrar of Contractors.

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

In addition to any other contractor's license classifications required by the Arizona Registrar of Contractors, the contractor shall hold contractor's license classifications A and A-12.

1.4. *Developer-Installed Facility acceptance by Town.* No flood plain use permits will be issued in reliance on the Developer-Installed Facility, and the Developer-Installed Facility will not be accepted for maintenance as part of the Town's drainage system, until the Developer-Installed Facility has been accepted by the Town in accordance with Marana Town Code Title 14.

1.5. *Developer's certification.* Execution of this Agreement certifies that the Developer has reviewed the Facility Plan and all other specifications applicable to the Work.

1.6. *Termination for lack of Work.* Approval of the Facility Plan shall lapse and this Agreement shall terminate if more than one year has passed since the date of this Agreement and the Work has not begun, or if the Work is discontinued for a period of one year.

1.7. *Oversizing Recovery Charge.* The Parties have determined that the Developer-Installed Facility will have excess storage capacity of 137 acre-feet as a result of and upon completion of the Work and after the 94 acre-feet of storage capacity required for development of the Subject Property. Consequently, pursuant to Marana Town Code section 14-4-3 (C), the Town hereby establishes an "oversizing recovery charge" of $11,833.06 per acre-foot for storage capacity used in the Detention Basin. For purposes of this paragraph, all of the following apply:

1.7.1. The oversizing recovery charge shall be payable only until the Developer-Installed Facility reaches its design capacity; currently anticipated to be for an additional 137 acre-feet of storage capacity used in the Developer-Installed Facility.

1.7.2. Based on the oversizing recovery charge of $11,833.06 per acre-foot, the Parties' current estimate of the total potential reimbursement through oversizing recovery charges for the Developer-Installed Facility is $1,621,129.22.

1.7.3. The oversizing recovery charge payments for development benefitted by the Developer-Installed Facility shall be payable as described in the Mandarina Development Agreement.

1.7.4. The Developer shall have a beneficial ownership interest in the Developer-Installed Facility sufficient to prohibit drainage discharge into it from newly developed properties unless and until the oversizing recovery charge is paid.

1.7.5. The storage capacity required at the Developer-Installed Facility for newly developed properties shall be determined by a drainage report prepared by a licensed civil engineer and approved by the Town Engineer.

1.7.6. The 94 acre-feet of storage capacity required for development of the Subject Property has been calculated assuming certain development on the Subject Property. If the actual development of the Subject Property results in a different storage capacity required for development of the Subject Property, the remaining available capacity of

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

the Developer-Installed Facility, and the total potential reimbursement through over-sizing recovery charges, shall be re-calculated accordingly.

1.7.7. The Parties acknowledge that final construction quantities and amounts will be provided after construction of the Developer Installed-Facility is completed.

1.7.8. The Town makes no guarantee that the Developer will receive full reimbursement of the Developer's cost of completing the Work.

2. Engineering and Inspection

2.1. *Registered civil engineer.* The Developer shall employ a registered Civil Engineer to design, lay out, establish control lines for and certify the layout of the Work according to the Facility Plan.

2.2. *Town inspector's authority.* Any inspector authorized by the Town shall have full inspection authority over the Work.

2.3. *Inspection provisions.* The Developer shall furnish the Town's inspector with all facilities reasonably necessary to inspect the Work. The Work shall be subject to Town inspection at all times. Defective work shall be corrected in a manner satisfactory to the Town's inspector. Inspection by the Town is for the purpose of ensuring compliance with plans and specifications only. The Town makes no guarantee as to the safety or engineering soundness of plans prepared by the Developer or any contractor.

2.4. *Payment of Town inspector's overtime cost.* If scheduling by the Developer's contractor reasonably requires the Town's inspector to work overtime, the Developer or Developer's contractor shall pay the Town for any additional salaries, expenses or employee benefits relating to the overtime. For purposes of this paragraph, overtime is any time over 40 hours worked in a seven-day work period, any time over eight hours worked Monday through Friday, and any time worked on weekends and legal holidays observed by the Town.

3. Preconstruction Procedure

3.1. *Request to begin construction.* The Developer shall submit a written request to begin construction to the Town five working days before the Work is to commence.

3.2. *Construction permit.* This Agreement shall be completed, signed and notarized, and returned to the Town prior to issuance of a construction permit for the Work.

3.3. *Start and completion of the Work.* No portion of the Work shall begin until the Town has issued a construction permit specifying the starting date and a reasonable time for completion.

3.4. *Progress of the Work.* The Work shall be commenced and carried on at such points and in such order as may be directed by the Town.

3.5. *Materials sampling and testing.* Materials shall be available for sampling and testing by the Town prior to being used in the Work. Materials that fail to meet Town specification shall be removed from the site.

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

3.6. *Permits and approvals.* The Developer shall, at Developer's expense, obtain all necessary permits and licenses for the Work, pay all fees and comply with all laws, ordinances and regulations relating to the Work. Town permit fees for the Work are waived pursuant to the Mandarina Development Agreement.

4. Construction

4.1. *Developer's presence on site.* The Developer, or Developer's designated agent, shall be present at all times during performance of the Work. The name of the Developer's designated agent and the contractor performing the Work shall be furnished to the Town before the Work begins. Instructions given by the Town to the designated agent shall be deemed to have been given to the Developer.

4.2. *Competence and diligence.* The Developer shall employ only competent and efficient laborers, mechanics or artisans on the Work, and the Developer agrees to perform diligently to complete the Work on or before the completion date given in the notice to proceed.

4.3. *Alterations to the existing Town drainage system.* The Developer shall, at Developer's expense, make any and all alterations to the existing drainage system either on-site or off-site necessitated by paving, drainage, or other improvements caused by the development of the Subject Property.

4.4. *Worksite safety.* The Developer shall require all contractors and subcontractors performing any portion of the Work to comply with all safety requirements of the Occupational Safety and Hazards Act as set forth by the Federal Government and as implemented by the State of Arizona. The Developer or its contractors shall be solely responsible for all fines or other penalties provided for by law for any violations of the Occupational Safety Hazards Act.

5. Dedication

5.1. *Transfer of the Developer-Installed Facility to the Town.* Upon the Town's final acceptance of the Work, the Developer shall at no cost grant, bargain, sell, convey, transfer and deliver to the Town the Developer-Installed Facility free and clear of all liens, claims, charges or encumbrances.

5.2. *One-year warranty.* The Developer guarantees the Work to be free from all failures due to poor workmanship or materials for a period of one year from the date of the Town's final acceptance of the Work.

5.3. *Other conflicting construction prohibited.* The Developer shall not construct or allow the construction of any utility, structure, building, or other improvement that would interfere with the operation or maintenance of the Developer-Installed Facility.

5.4. *Developer's obligation to maintain finished grade.* The Developer guarantees that all drainage facilities on the Subject Property will be tied to the finished grade of the Developer-Installed Facility.

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

5.5. *Acceptance by the Town.* The Town shall accept title to and take possession of the Developer-Installed Facility when the Work has been completed to the satisfaction of the Town. Subject to the Developer's continuing obligations under this Agreement, the Town shall operate and service the Developer-Installed Facility after taking over possession of it under this paragraph.

6. Miscellaneous

6.1. *Indemnity.* Developer shall indemnify, defend, and hold harmless the Town, its Mayor and Council, officers and employees, boards, committees and commissions from and against any loss, claim, suit, demand, cause of action, or liability of any nature, including but not limited to damage to property and injuries to persons, including death, arising or alleged to have arisen, in whole or in part, out of any negligent act or omission of the Developer or any contractor, subcontractor, or any person employed directly or indirectly by any of them in the performance of the Work or in the operation of the Developer-Installed Facility.

6.2. *Binding effect.* This agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties.

6.3. *Consent required for assignment.* The Developer may not assign this Agreement without the prior written consent of the Town.

6.4. *Cancellation for conflict of interest.* This Agreement is subject to A.R.S. § 38-511, which provides for cancellation in certain instances involving conflict of interest.

[Signature page follows.]

EXHIBIT H TO MANDARINA DEVELOPMENT AGREEMENT

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

THE "TOWN":

TOWN OF MARANA, an Arizona municipal corporation

By: [SPECIMEN ONLY]
Ed Honea, Mayor

Date: _____

ATTEST:

[SPECIMEN ONLY]
Cherry L. Lawson, Town Clerk

APPROVED AS TO FORM:

[SPECIMEN ONLY]
Jane Fairall, Town Attorney

The "Developer":

MANDARINA, LLC, a Colorado limited liability company
By: MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, its Manager

By: [SPECIMEN ONLY]
Marcus Palkowitsh, Partner

Date: _____

STATE OF COLORADO)
ss
County of _____)

The foregoing instrument was acknowledged before me on _____ by Marcus Palkowitsh, Partner of MSP INVESTMENT CO., LLP, a Colorado limited liability partnership, Manager of MANDARINA, LLC, a Colorado limited liability company (the "Developer"), on its behalf.

(Seal)

[SPECIMEN ONLY]
Notary Public

Council-Regular Meeting **A7**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-009: Consideration and possible adoption of a resolution approving the sale and execution and delivery of pledged excise tax revenue obligations and pledged excise tax revenue refunding obligations, in one or more series; approving the form and authorizing the execution and delivery of necessary agreements, instruments and documents; delegating authority to determine certain matters with respect to the foregoing and declaring an emergency (Yiannis Kalaitzidis)

Discussion:

Town staff has been preparing for the sale of excise tax revenue and revenue refunding obligations (the "Obligations") with the Town's bond counsel, Michael Cafiso of Greenberg Traurig and underwriter Mark Reader of Stifel. The primary purposes of the Obligations are to fund the construction of the Community & Aquatics Center project (Project) and to refinance prior year issued debt (Pledged Excise Tax Revenue and Revenue Refunding Obligations Series 2013, and Pledged Excise Tax Revenue Obligations, Series 2017C).

The funding for the design, financing, construction, furnishing and equipping of the Project approved by Council Ordinance 2021.022 in October 2021, and as amended by Ordinance 2022.011 in August 2022, created a dedicated half cent sales tax which will be repealed upon satisfaction of all outstanding obligations related to the Project. Construction of the Project commenced during the fall of 2023 with an anticipated completion date of March 2025. The Town has been using existing cash on hand collected from the dedicated half cent sales tax to pay expenses to date but, as construction is moving fast, it is now time to issue debt to cover ongoing construction

costs through the completion of the Project. The amount of new obligations will not exceed $52,000,000 and debt proceeds will be used to pay for costs of debt issuance and past and future construction expenses. Debt payments will be paid from the dedicated half cent sales tax collections authorized by the aforementioned Council ordinances. Town general excise tax revenues and State shared revenues (as opposed to the dedicated half cent sales tax revenues) will be pledged to payment of debt service on the Obligations. The Town has adequate debt service coverage (i.e., sufficient revenues compared to debt service) for the incurrence of the Obligations. While the debt duration is planned for 20 years, terms will be structured to allow repayment to happen earlier, with a current estimated payoff at around 6 years contingent on future sales tax collections.

The refunding of prior year obligations (Series 2013 and Series 2017C) is related to amounts issued for water reclamation related projects and to refund older general government debt (Refunding Series 2013) to take advantage of lower interest rates available in 2013. The current planned refunding of $22,130,000 combined outstanding debt is estimated to generate net present value savings of $2 million and reduce total annual debt service payments by approximately $210,000.

A draft Preliminary Official Statement (the "POS") for the Obligations which is the subject of the Resolution being considered is provided as backup material in connection with this agenda item to allow the Mayor and Council members an opportunity to review and return questions or comments. The POS must not contain any untrue statement of a material fact or omit to state a material fact required to make the statements therein not misleading. The POS has been assembled using information that is typically included in an Arizona municipality's preliminary official statement, is currently in draft form and will be reviewed and edited by Town officials and members of the group working on the sale and issuance of the Obligations before it is sent to potential investors. However, the content of the POS is the sole responsibility of the Town, and participation by Mayor and Council members in review of the POS is required. Members should focus on the information about the Town and specifically financial-related matters in this regard.

Other backup documents provided with this agenda item and associated with the Obligations include the current drafts of the purchase agreement, trust agreement, continuing disclosure compliance procedures and the Obligation Purchase Agreement with Stifel.

If adopted, the Resolution proposed for adoption by this item will authorize the Mayor and Town staff to prepare, finalize, and execute the various documents and undertake all necessary and prudent actions related to the sale of the Obligations.

Financial Impact:

If approved, this item will obligate the Town to pay a principal amount of up to $52,000,000, and a probable actual amount of approximately $60,000,000 over a 6-year period, assuming sales tax collections are adequate to allow for early prepayment. An additional $25,400,000, including interest, will refund existing debt, resulting in an estimated net present value savings of $2,000,000. The repayment term for the refunded bonds will not be extended.

Staff Recommendation:

Staff recommends approval of Resolution No. 2024-009.

Suggested Motion:

I move to adopt Resolution No. 2024-009.

Attachments

Resolution No. 2024-009
Series 2024 Preliminary Official Statement
Series 2024 Draft Fourth Purchase Agreement
Series 2024 Draft Fourth Trust Agreement
Series 2024 Draft Continuing Disclosure
Series 2024 Draft Obligation Purchase Agreement
Series 2024 Presentation

RESOLUTION NO. 2024-009

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, (1) APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FOURTH PURCHASE AGREEMENT, A FOURTH TRUST AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AN OBLIGATION PURCHASE AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; (2) APPROVING THE SALE AND EXECUTION AND DELIVERY OF PLEDGED EXCISE TAX REVENUE OBLIGATIONS AND PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, IN ONE OR MORE SERIES, EVIDENCING A PROPORTIONATE INTEREST OF THE OWNERS THEREOF IN THE PURCHASE AGREEMENT; (3) DELEGATING AUTHORITY TO THE MAYOR, THE MANAGER AND THE FINANCE DIRECTOR OF THE TOWN TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; (4) ADOPTING POST-ISSUANCE CONTINUING DISCLOSURE COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; (5) AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND (6) DECLARING AN EMERGENCY

WHEREAS, the Mayor and Common Council of the Town of Marana, Arizona (the "Town"), have determined to (A) finance the costs of the construction and equipping of a multi-generational community center and aquatic center and related capital improvements (collectively, the "Project"); and (B) refinance all or a portion of the remaining payments due pursuant to (i) the First Purchase Agreement, dated as of June 1, 2013 (the "First Purchase Agreement"), to Computershare Trust Company, National Association (successor in interest to Wells Fargo Bank, N.A.), with respect to financing the costs to acquire certain wastewater treatment facilities for the Town and to make certain improvements thereto and refinancing the lease purchase of a portion of the new municipal complex (MPC Series 2003) (collectively, the "2013 Project"), and (ii) the Third Purchase Agreement, dated as of April 1, 2017 (the "Third Purchase Agreement"), to U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), with respect to financing the costs of the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater Recharge Facility, including design, permitting, construction and equipping, as applicable, of operational improvements to such facilities, and a facility maintenance building for such facilities (collectively with the Project and the 2013 Project, the "Projects"), by entering into a Fourth Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligations established as provided herein (the "Purchase Agreement"), with a bank authorized to exercise corporate trust

powers in the State of Arizona, appointed as provided hereby, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

WHEREAS, the payments due from the Town pursuant to (i) the First Purchase Agreement secure certain payments due with respect to the Town's Pledged Excise Tax Revenue and Revenue Refunding Obligations, Series 2013 (the amounts of such obligations to be prepaid as provided herein are referred to herein as the "2013 Obligations Being Prepaid"), and (ii) the Third Purchase Agreement secure certain payments due with respect to, among other series of obligations not being prepaid with the proceeds of the Obligations, the Town's Pledged Excise Tax Revenue Obligations, Series 2017C (the amounts of such obligations to be refunded as provided herein are referred to herein collectively with the 2013 Obligations Being Prepaid as the "Obligations Being Prepaid"); and

WHEREAS, in connection with the Purchase Agreement, the Mayor and Common Council of the Town have deemed it necessary and desirable to provide for the sale and execution and delivery of pledged excise tax revenue obligations and pledged excise tax revenue refunding obligations, in one or more series, as provided for by this Resolution (collectively, the "Obligations"), pursuant to the Fourth Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Trust Agreement"), between the Trustee and the Town, evidencing proportionate interests of the owners of the Obligations in payments to be made by the Town to the Trustee pursuant to the Purchase Agreement; and

WHEREAS, the payments represented by the Obligations will be secured by amounts received under the Purchase Agreement pursuant to which the Town will pledge Excise Tax Revenues and State Shared Revenues (as such terms are defined in the Trust Agreement); and

WHEREAS, the Mayor and Common Council of the Town will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the underwriter (the "Underwriter"), and not acting as a municipal advisor as defined in the Registration of Municipal Advisors Rule of the Securities and Exchange Commission, and has determined that the Obligations should be sold through negotiation to the Underwriter on such terms as may hereafter be approved by the Authorized Representatives (as defined herein); and

WHEREAS, pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), Participating Underwriters (as defined in the Rule) are required to reasonably determine that issuers have entered into written undertakings to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule, including with respect to the Obligations, to be dated the date of the Obligations (the "Undertaking"); and

WHEREAS, the Mayor and Common Council of the Town hereby determine that procedures should be adopted in order to document practices and describe various procedures for preparing and disseminating such ongoing disclosure for the benefit of the holders of obligations of the Town and to assist the Participating Underwriters in complying with the Rule and such written undertakings (the "Procedures"); and

WHEREAS, there have been presented to the Mayor and Common Council of the Town at the meeting at which this Resolution is being adopted the proposed forms of: (1) the Purchase Agreement; (2) the Trust Agreement; (3) the Undertaking; (4) an Obligation Purchase Agreement, to be dated the date of the sale of the Obligations (the "Purchase Contract"), by and between the Town and the Underwriter, for the purchase of the Obligations; (5) the Preliminary Official Statement, dated the date of the dissemination thereof (the "Preliminary Official Statement"), relating to the Obligations, which, as to be revised after the sale of the Obligations, shall constitute the Official Statement, to be dated the date of sale of the Obligations (the "Official Statement"), relating to the Obligations; and (6) the Procedures; and

WHEREAS, financing and refinancing, as applicable, the costs of the Projects pursuant to the Purchase Agreement is in furtherance of the purposes of the Town and is in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, THAT:

Section 1. (a) The execution and delivery of the Obligations by the Trustee is approved.

(b) The Mayor, the Manager, the Finance Director of the Town or the designees of any of them (collectively, the "Authorized Representatives") are each authorized to determine on behalf of the Town: (1) the identity of the Trustee; (2) the series name and series designation of each series of the Obligations; (3) the date the Obligations are to be sold to the Underwriter; (4) the total aggregate principal amount of each series of the Obligations which are to be executed and delivered (but not to exceed the aggregate principal amount of $52,000,000 for the Obligations to be used to finance the costs of the Project); (5) the date the Obligations are to be dated; (6) the dates on which interest on the Obligations is to be payable and the interest rates per annum the Obligations are to bear; (7) the dates the Obligations become payable (but not later than July 1, 2044), the principal amounts to become payable on such dates and the provisions for prepayment thereof in advance of such dates; (8) the provisions for prepayment of the Obligations Being Prepaid (including the amounts and dates of prepayment); and (9) the terms upon which the Obligations are to be sold to the Underwriter (including determinations of price, original issue discount and premium and underwriting compensation); provided, however, that the foregoing determinations (A) shall not result in the yield on the Obligations to be used to finance the costs of the Project, as calculated in accordance with Section 148 of the Internal Revenue Code of 1986, as amended, exceeding four and three-quarters percent (4.75%); and (B) shall result in a present value savings, net of all costs, with respect to the prepayment of the Obligations Being Prepaid, of at least three percent (3.00%) of the principal amount of the Obligations Being Prepaid.

(c) The Authorized Representatives are further each authorized to determine on behalf of the Town whether the purchase of an insurance policy securing payment of the Obligations would be advantageous to the Town or the terms of the financing represented by the Obligations. The Authorized Representatives are each authorized to negotiate with and secure, with proceeds of the Obligations or otherwise, such an insurance policy, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The Authorized Representatives are

each authorized to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy.

(d) The forms and other terms of the Obligations, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are approved.

(e) The Procedures are hereby adopted to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

Section 2. The Obligations are to be sold to the Underwriter pursuant to the terms of the Purchase Contract as such terms are to be determined as provided hereinabove.

Section 3. The forms, terms and provisions of the Purchase Agreement, the Trust Agreement, the Purchase Contract and the Undertaking, in substantially the forms of such documents (including the Obligations and other exhibits thereto) presented at the meeting of the Mayor and Common Council at which this Resolution is being adopted, are hereby approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove, and shall be approved by the Mayor of the Town, any other member of the Council, and, in the case of the Purchase Contract, the Authorized Representatives, the execution of each such document being conclusive evidence of such approval. The Authorized Representatives are hereby authorized to enter into, if necessary, an Escrow Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligations (the "Escrow Trust Agreement"), with the Trustee or another bank authorized to exercise corporate trust powers in the State of Arizona, as escrow trustee (the "Escrow Trustee"), for the establishment of an escrow to pay principal of and interest on the Obligations Being Prepaid and to prepay the Obligations Being Prepaid. The Mayor of the Town or any other member of the Council and, in the case of the Purchase Contract, the Authorized Representatives, or the Clerk of the Town, where applicable, are hereby authorized and directed, for and on behalf of the Town, to execute and deliver, and attest or approve, the Purchase Agreement, the Trust Agreement, the Escrow Trust Agreement, the Purchase Contract and the Undertaking, in each case as necessary and as applicable, and to take all action to carry out and comply with the terms of such documents.

Section 4. The distribution of the Preliminary Official Statement by the Underwriter is approved, and the Official Statement in substantially the form of the Preliminary Official Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Authorized Representatives, is approved, and the Authorized Representatives are authorized, empowered and directed, in the name and on behalf of the Town, to execute and deliver the same to the Underwriter. The Authorized Representatives are authorized, empowered and directed to execute and deliver instruments confirming that the Preliminary Official Statement is "deemed final" in accordance with the Rule.

Section 5. The Trustee (including in its capacity as Seller) and the Escrow Trustee are requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement, the Trust Agreement and the Escrow Trust Agreement, the sale and execution and delivery of the Obligations and the prepayment of the Obligations Being Prepaid and are further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by them.

Section 6. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on Excise Tax Revenues and State Shared Revenues and the restriction on the execution and delivery of further parity obligations secured by Excise Tax Revenues and State Shared Revenues are approved and confirmed.

Section 7. The Authorized Representatives and other officers of the Town, on behalf of the Town, are authorized and directed, without further order of the Mayor and Common Council of the Town, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the Town to evidence compliance with, or further the purposes of, all the terms and conditions of this Resolution and the consummation of the transactions contemplated hereby and as may be necessary to carry out the terms and intent of this Resolution.

Section 8. All actions of the officers and agents of the Town which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of the Obligations and the prepayment of the Obligations Being Prepaid as contemplated by this Resolution, whether heretofore or hereafter taken, are ratified, confirmed and approved.

Section 9. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 10. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, particularly to immediately sell the Obligations to secure the best, available economic terms therefor, and an emergency is hereby declared to exist, and this Resolution will be in full force and effect from and after its passage by the Mayor and Common Council of the Town and it is hereby excepted from the referendum provisions of the Constitution and laws of the State of Arizona. After any of the Obligations are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Obligations and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

PASSED AND ADOPTED by the Common Council and approved by the Mayor of the Town of Marana, Arizona, this 16th day of January 2024.

….....
Mayor

ATTEST:

.....
Town Clerk

APPROVED AS TO FORM:

.....
Town Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2024-009 was duly passed and adopted by the Mayor and Common Council of the Town of Marana, Arizona, at a regular meeting held on the 16th day of January 2024, and the vote was ..... ayes and ..... nays.

.....
Town Clerk

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUES – BOOK-ENTRY ONLY **RATING: See "RATING" herein.**

In the opinion of Greenberg Traurig, LLP, Special Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, the portion of each installment payment made by the Town pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") will be excludable from gross income for federal income tax purposes. Further, the Interest Portion will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion will not be excluded from the determination of adjusted financial statement income for tax years beginning after 2022. See "TAX EXEMPTION" herein for a description of certain other federal tax consequences of ownership of the Obligations. Special Counsel is further of the opinion that the Interest Portion will be exempt from income taxation under the laws of the State of Arizona so long as the Interest Portion is excludable from gross income for federal income tax purposes.

DRAFT III
1-4-24

TOWN OF MARANA, ARIZONA

$52,000,000*
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024

$20,505,000
PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

Dated: Date of Delivery *Due:* July 1, as shown on the inside front cover pages

The Pledged Excise Tax Revenue Obligations, Series 2024 (the "New Money Obligations") and the Pledged Excise Tax Revenue Refunding Obligations, Series 2024 (the "Refunding Obligations" and, collectively with the New Money Obligations, the "Obligations") will be executed and delivered (i) to finance the costs of certain capital projects in and for the Town of Marana, Arizona (the "Town"), (ii) to refinance the costs of certain capital projects in and for the Town and (iii) to pay costs relating to the execution and delivery of the Obligations. See "NEW MONEY PROJECT" and "PLAN OF REFUNDING" herein.

Interest on the Obligations will be payable semiannually on each July 1 and January 1, commencing July 1, 2024*. The Obligations will be dated the date of delivery and will be issuable as fully registered obligations without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Obligations. Beneficial interests in the Obligations will be available to purchasers in amounts of $5,000 of principal of a series due on a specific payment date and any integral multiple thereof only under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive physical certificates. So long as any purchaser is the beneficial owner of an Obligation, such purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal and interest on such Obligations. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM" herein.

The New Money Obligations will be subject to prepayment prior to their stated payment dates as described herein. The Refunding Obligations will not be subject to prepayment. See "THE OBLIGATIONS – Prepayment Provisions" herein.

SEE PAYMENT SCHEDULES ON INSIDE FRONT COVER PAGES

The Obligations will be undivided, proportionate interests in the installment payments to be made by the Town pursuant to a Fourth Purchase Agreement, to be dated as of February 1, 2024* (the "Purchase Agreement"), between the Town and [Trustee]. The installment payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues (as defined herein) and State Shared Revenues (as defined herein) on a parity with the Outstanding Parity Obligations and any Additional Revenue Obligations (each as defined herein) as provided in the Purchase Agreement. No obligations may be incurred that would have a prior pledge of Excise Tax Revenues and State Shared Revenues to the installment payments due pursuant to the Purchase Agreement. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS" herein.

THE OBLIGATIONS WILL BE SPECIAL, LIMITED, REVENUE OBLIGATIONS OF THE TOWN AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE TOWN, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF AND THE FULL FAITH AND CREDIT OF THE TOWN, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF WILL NOT BE PLEDGED FOR THE PAYMENT OF THE OBLIGATIONS.

The Obligations will be offered when, as and if executed and delivered, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel, as to validity and tax exemption. Certain matters will be passed upon for the underwriter identified below by its counsel, Ballard Spahr LLP, Phoenix, Arizona. It is anticipated that the Obligations in definitive form will be available for delivery through DTC on or about February 8, 2024*.

This cover page contains only a brief description of the Obligations and the security therefor. It is not a summary of material information with respect to the Obligations. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Obligations.

STIFEL

* *Subject to change.*

MATURITY SCHEDULE*

$52,000,000*
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024

Payment Date (July 15)	Principal Amount	Interest Rate	Yield	CUSIP®[1] No. 56574C
2024	$ 2,755,000	%	%	
2025	1,655,000			
2026	1,720,000			
2027	1,790,000			
2028	1,860,000			
2029	1,935,000			
2030	2,010,000			
2031	2,090,000			
2032	2,175,000			
2033	2,265,000			
2034	2,355,000			
2035	2,450,000			
2036	2,545,000			
2037	2,645,000			
2038	2,755,000			
2039	2,865,000			
2040	2,980,000			
2041	3,095,000			
2042	3,220,000			
2043	3,350,000			
2044	3,485,000			

* *Subject to change.*

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MATURITY SCHEDULE*

$20,505,000
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

Payment Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP®[(1)] No. 56574C
2024	$ 2,045,000	%	%	
2025	2,090,000			
2026	2,195,000			
2027	2,300,000			
2028	2,415,000			
2029	1,310,000			
2030	1,415,000			
2031	1,545,000			
2032	1,655,000			
2033	1,730,000			
2034	1,805,000			

* *Subject to change.*

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TOWN OF MARANA, ARIZONA

TOWN COUNCIL

Ed Honea, *Mayor*

Jon Post, *Vice Mayor*

Patti Comerford, *Councilmember*

Jackie Craig, *Councilmember*

Herb Kai, *Councilmember*

John Officer, *Councilmember*

Roxanne Ziegler, *Councilmember*

TOWN ADMINISTRATION

Terry Rozema, *Town Manager*

Erik Montague, *Deputy Town Manager*

Yiannis Kalaitzidis, *Finance Director*

Jane Fairall, *Town Attorney*

SPECIAL COUNSEL

Greenberg Traurig, LLP
Phoenix, Arizona

TRUSTEE

[Trustee]
Phoenix, Arizona

REGARDING THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Town of Marana, Arizona (the "Town") or Stifel, Nicolaus & Company, Incorporated (the "Underwriter") to give any information or to make any representations with respect to the Obligations, other than those in this Official Statement, which includes the cover page, the inside front cover pages and the appendices hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, and there shall not be any sale of the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth in this Official Statement, which includes the cover page, inside front cover pages and appendices hereto, has been obtained from representatives of the Town and the Arizona Department of Revenue and other sources that are considered to be accurate and reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Town or the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the Town. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the Town has been identified by source and has not been independently confirmed or verified by the Town or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the Town or any of the other parties or matters described herein since the date hereof.

None of the Town, the Underwriter, counsel to the Underwriter or Special Counsel (as defined herein) are actuaries. None of them have performed any actuarial or other analysis of the Town's share of unfunded liabilities of the Arizona State Retirement System.

The Obligations will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission (the "SEC") nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Obligations for sale.

A wide variety of information, including financial information, concerning the Town is available from publications and websites of the Town and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such publications and websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the SEC.

The Town will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the SEC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES OF THE OBLIGATIONS TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE OBLIGATIONS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

TOWN OF MARANA, ARIZONA

$52,000,000*
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024

$20,505,000
PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the inside front cover pages and the appendices hereto, provides certain information concerning the Pledged Excise Tax Revenue Obligations, Series 2024 (the "New Money Obligations") and the Pledged Excise Tax Revenue Refunding Obligations, Series 2024 (the "Refunding Obligations" and, collectively with the New Money Obligations, the "Obligations"), to be executed and delivered in the respective principal amounts indicated hereinabove. The Obligations will be undivided, participating, proportionate interests in installment payments (the "Payments") to be made by the Town of Marana, Arizona (the "Town"), pursuant to a Fourth Purchase Agreement, to be dated as of February 1, 2024* (the "Purchase Agreement"), between the Town, as buyer, and [Trustee], in its capacity as trustee (the "Trustee"). The Obligations are being executed and delivered for the purpose of providing funds (i) to finance the costs of certain capital projects in and for the Town as described under the heading "NEW MONEY PROJECT" (the "New Money Project"), (ii) to refinance the costs of certain capital projects in and for the Town (the "Refinanced Projects" and, together with the New Money Project, the "Projects") as described under the heading "PLAN OF REFUNDING" and (iii) to pay the costs and expenses relating to the execution and delivery of the Obligations. Pursuant to the Purchase Agreement, the Trustee will sell and convey to the Town, and the Town will buy and accept from the Trustee, the Projects.

The Obligations will be executed and delivered pursuant to a Fourth Trust Agreement, to be dated as of February 1, 2024* (the "Trust Agreement"), between the Town and the Trustee. Certain of the Trustee's interests under the Purchase Agreement, including, without limitation, the right to receive and collect the Payments and the right to enforce the payment of the Payments, will be held by the Trustee for the benefit of the registered owners of the Obligations. See APPENDIX D – "SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS" in addition to the information hereinbelow for descriptions of the terms of the Purchase Agreement and the Trust Agreement. See APPENDIX A – "TOWN OF MARANA, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION," APPENDIX B – "TOWN OF MARANA, ARIZONA – FINANCIAL DATA" and APPENDIX C – "TOWN OF MARANA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023" for information about the Town.

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues (as defined herein) and State Shared Revenues (as defined herein), on a parity with the payments required pursuant to (i) the First Purchase Agreement, dated as of June 1, 2013 (the "First Purchase Agreement"), executed and delivered by the Town in connection with $19,565,000 outstanding aggregate principal amount of the Town's Pledged Excise Tax Revenue and Revenue Refunding Obligations, Series 2013, (ii) the Second Purchase Agreement, dated as of June 1, 2014 (the "Second Purchase Agreement"), executed and delivered by the Town in connection with $1,272,000 outstanding aggregate principal amount of the Town's Pledged Excise Tax Revenue Refunding Obligations, Series 2014, (iii) the Third Purchase Agreement, dated as of April 1, 2017, (the "Third Purchase Agreement"), executed and delivered by the Town in connection with $17,215,000 outstanding aggregate principal amount of the Town's Pledged Excise Tax Revenue Obligations, Series 2017A, $11,485,000 outstanding aggregate principal amount of the Town's Pledged Excise Tax Revenue Refunding Obligations, Series 2017B, and $2,565,000 outstanding aggregate principal amount of the Town's Pledged Excise Tax Revenue Obligations, Series 2017C, (iv) Loan Agreement No. 910176-19, dated as of August 10, 2018, by and between the Town and the Water Infrastructure Finance Authority of Arizona ("WIFA") with an outstanding aggregate principal amount of $556,660, (v) Loan Agreement No. 920293-19, dated as of January 18, 2019, by and between the Town and WIFA with an outstanding aggregate principal amount of $11,898,484, (vi) Loan Agreement No. 910183-20, dated as of May 15, 2020, by and between the Town and WIFA with an outstanding aggregate principal amount of $193,036, (vii) Loan Agreement No. 920303-20, dated as of May 15, 2020, by and between the Town and WIFA with an outstanding aggregate principal amount of $413,741, (viii) Loan Agreement No.

920362-23, dated as of December 9, 2022 by and between the Town and WIFA with an outstanding aggregate principal amount of $973,159 (such loan agreements between the Town and WIFA are collectively referred to herein as the "WIFA Loan Agreements"), and (viii) any Additional Revenue Obligations (as defined herein) hereafter issued or incurred as provided in the Purchase Agreement. The First Purchase Agreement, the Second Purchase Agreement, the Third Purchase Agreement and the WIFA Loan Agreements are collectively referred to herein as the "Outstanding Parity Obligations."

In addition to the Obligations, the Town expects to enter into an additional loan from WIFA in the third quarter of 2024 to fund additional wastewater improvements. This additional loan will be secured by a pledge of Excise Taxes and State Shared Revenues on a parity basis with the Obligations. The principal amount of the additional loan is expected to be approximately $7,180,000 with $4,500,000 of such principal amount being forgivable if certain requirements are satisfied. The additional loan will be repaid over a twenty (20) year repayment period with semi-annual payments of interest and annual payments of principal.

"Excise Tax Revenues" means revenues from the Town sales taxes, license and permit fees and fines and forfeitures which the Town now collects; provided that the Mayor and Common Council of the Town may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council. "State Shared Revenues" means revenues from amounts allocated or apportioned to the Town by the State of Arizona (the "State" or "Arizona"), any political subdivision thereof or any other governmental unit or agency, except the share of the Town of any taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the Town may not further encumber Excise Tax Revenues and State Shared Revenues on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS – Additional Revenue Obligations" and, for detail about amounts due pursuant to the Outstanding Parity Obligations and the Purchase Agreement, see APPENDIX B – "TOWN OF MARANA, ARIZONA – FINANCIAL DATA." The Town may not encumber Excise Tax Revenues and State Shared Revenues on a basis prior to the pledge for the Purchase Agreement.

THE OBLIGATIONS AND THE OBLIGATION OF THE TOWN TO MAKE THE PAYMENTS EACH CONSTITUTE A LIMITED OBLIGATION OF THE TOWN, AND NEITHER CONSTITUTES A GENERAL OBLIGATION OF THE TOWN WITHIN THE MEANING OF THE CONSTITUTION OR LAWS OF THE STATE. THE TOWN'S OBLIGATION TO MAKE THE PAYMENTS IS NOT SUBJECT TO ANNUAL APPROPRIATION OR BUDGETING BY THE TOWN NOR IS SUCH OBLIGATION SUBJECT TO ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON EXPENDITURES.

Unless and until discontinued, the Obligations will be held in book-entry form by The Depository Trust Company, New York, New York ("DTC"), a registered securities depository, and beneficial interests therein may only be purchased and sold, and payments of principal and interest on the Obligations will be made only to beneficial owners (the "Beneficial Owners"), through participants in the DTC system. Beneficial interests in the Obligations will be available to purchasers in amounts of $5,000 of principal due on a specific payment date and any integral multiple thereof. So long as Cede & Co. is the registered Owner of the Obligations, as nominee for DTC, references in this Official Statement to "Owner" or registered Owners of the Obligations (other than with respect to the Obligations under the heading "TAX EXEMPTION") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of such Obligations. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM" herein.

Brief descriptions of the security for the Obligations and of matters related to the Town are included in this Official Statement together with a summary of select provisions of the Purchase Agreement and the Trust Agreement. Such descriptions do not purport to be comprehensive or definitive. All references to the Purchase Agreement and the Trust Agreement are qualified in their entirety by reference to such documents, and references herein to the Obligations are qualified in their entirety by reference to the form thereof included in the Trust Agreement, copies of all of which are available for inspection at the designated corporate trust office of the Trustee.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes, or uncodified, or of the Arizona Constitution, are references to those current provisions. Those provisions may be amended, repealed or supplemented.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be considered as, or as part of, a contract with the original purchasers or subsequent owners or beneficial owners of the Obligations.

THE OBLIGATIONS

General Provisions

The Obligations will be dated the date of their initial execution and delivery, and will bear interest payable semiannually on July 1 and January 1 of each year (each an "Interest Payment Date"), commencing on July 1, 2024*, until their payment date or prepayment dates, at the rates set forth on the inside front cover pages of this Official Statement. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

As described in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM," the Obligations, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. So long as DTC, or its nominee Cede & Co., is the registered owner of all the Obligations, all payments on the Obligations and notices regarding the Obligations will be made directly to DTC.

Subject to the provisions summarized in APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM," the principal of each Obligation will be payable at the designated office of the Trustee. Interest represented by the Obligations will be paid on each Interest Payment Date by check drawn on the Trustee mailed on or before the Interest Payment Date to the registered owners as shown on the records of the Trustee as of the fifteenth day of the month immediately preceding such Interest Payment Date or, if such date is not a business day, on the next succeeding business day (the "Regular Record Date") or the Trustee may agree with a registered Owner of $1,000,000 or more in aggregate principal amount of the Obligations for another form of payment.

If the Trustee fails to make payments or provision for payment of interest on the Obligations when due on any Interest Payment Date, that interest shall cease to be payable to the registered Owner of such Obligations as of the applicable Regular Record Date, and when moneys become available for payment of that interest, the Trustee shall establish a special record date for the payment of that interest, which shall be at least ten days prior to the proposed interest payment date, and notice of such special record date shall be mailed to each registered Owner at least ten days prior to the special record date.

Each Obligation will accrue interest from the Interest Payment Date next preceding the date of its execution, unless: (i) executed on an Interest Payment Date or after a Regular Record Date but before the following Interest Payment Date, in which case interest accrues from such Interest Payment Date, (ii) executed on the date of initial delivery or prior to July 1, 2024*, in which case interest accrues from its dated date, or (iii) payment of interest is in default, in which case interest is payable from the last date to which interest has been paid or, if none, its dated date.

Prepayment Provisions *

Optional Prepayment of New Money Obligations. The New Money Obligations will be subject to prepayment, at the option of the Town, in whole or in part on any date on or after July 1, 20__, at the prepayment price of the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

No Optional Prepayment of Refunding Obligations. The Refunding Obligations will not be subject to optional prepayment prior to their stated payment dates.

Manner of Selection for Prepayment. The Obligations will be prepaid only in principal amounts of $5,000 each or integral multiples thereof. The Town will, at least 45 days prior to the prepayment date, notify the Trustee of such prepayment date and of the payment dates of the Obligations and the principal amount of the Obligations of any such payment date to be prepaid on such date. For the purposes of any prepayment of less than all of the Obligations of a single payment date, the particular Obligations or portions of the Obligations to be prepaid shall be selected through the procedures of DTC.

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* *Subject to change.*

Notice of Prepayment. Prepayment notices will be sent only to DTC by electronic media, not more than 60 nor less than 30 days prior to the date set for prepayment. See APPENDIX G – "BOOK-ENTRY-ONLY SYSTEM." Such notice will state that if, on the specified prepayment date, moneys for prepayment of all the Obligations to be prepaid together with interest to the date of prepayment, is held by the Trustee, then, from and after said date of prepayment, interest with respect to the Obligations will cease to accrue and become payable and that if such moneys are not so held, the prepayment will not occur.

SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS

General

The Obligations will be special, limited, revenue obligations, taking the form of undivided, participating, proportionate interests in the Payments. The obligation of the Town to make the Payments will be limited to payment from Excise Tax Revenues and State Shared Revenues and will in no circumstances constitute a general obligation or a pledge of the full faith and credit of the Town, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by the Trustee for payments due under the Purchase Agreement will constitute surplus revenues and may be used by the Town for any lawful purpose for the benefit of the Town. The Town, also, may make the Payments from its other funds as permitted by law and as the Town determines from time to time, and the Trustee will thereafter have no claim to such other funds.

Under the terms of the Trust Agreement, an irrevocable trust will be administered by the Trustee for the equal and proportionate benefit of the Owners of the Obligations, which trust includes: (1) all right, title and interest of the Trustee in the Purchase Agreement and the right to (a) make claim for, collect or receive all amounts payable or receivable thereunder, (b) bring actions and proceedings thereunder or for the enforcement of such rights, and (c) do any and all other things which the Trustee is entitled to do thereunder; (2) amounts on deposit from time to time in the funds created pursuant to the Trust Agreement; and (3) any and all other property of any kind hereafter conveyed as additional security for the Obligations.

Pledge

The Payments will be payable from and secured by a first lien on and pledge of Excise Tax Revenues and State Share Revenues on a parity with the payments due pursuant to the Outstanding Parity Obligations any Additional Revenue Obligations.

So long as any amounts due under the Purchase Agreement remain unpaid or unprovided for, the Town may not further encumber Excise Tax Revenues and State Shared Revenues on a basis equal to the pledge for the Purchase Agreement unless certain requirements are satisfied. See "Additional Revenue Obligations; No Prior Lien Obligations" below. For detail about amounts due pursuant to the Purchase Agreement, see APPENDIX B – "TOWN OF MARANA, ARIZONA – FINANCIAL DATA."

If at any time the moneys in the funds held for payment of amounts due under the Purchase Agreement or the Trust Agreement are not sufficient to make the deposits and transfers required, any such deficiency will be made up from the first moneys thereafter received and available for such transfers under the terms of the Purchase Agreement and, with respect to payment from Excise Tax Revenues and State Shared Revenues, *pro rata*, as applicable, with amounts due with respect to the Purchase Agreement, the Outstanding Parity Obligations and any Additional Revenue Obligations. Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by the Trustee for payments due under the Purchase Agreement and the Trust Agreement will constitute surplus revenues and may be used by the Town for any lawful purpose for the benefit of the Town. The Town may make such payments from its other funds as permitted by law and as the Town determines from time to time, but the Trustee will thereafter have no claim to such other funds. The Purchase Agreement will not terminate so long as any of the Payments are due and owing pursuant to the terms of the Obligations.

Payment of the principal represented by the Obligations will not be secured by the Projects, and neither the Trustee nor the Owners of the Obligations have any claim or lien on the Projects or any part thereof.

THE PAYMENTS WILL NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE TOWN NOR WILL THE TOWN BE LIABLE FOR THE PAYMENTS FROM AD VALOREM PROPERTY TAXES. PURSUANT TO THE TRUST AGREEMENT, THE OBLIGATIONS WILL BE SPECIAL, LIMITED REVENUE OBLIGATIONS, PAYABLE SOLELY FROM THE PAYMENTS MADE PURSUANT TO THE AGREEMENT. THE OBLIGATIONS WILL NOT BE GENERAL OBLIGATIONS OF THE TOWN, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND WILL NOT REPRESENT OR CONSTITUTE A DEBT OR A DIRECT OR INDIRECT PLEDGE OF THE FULL FAITH AND CREDIT OF THE TOWN, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF.

Coverage Requirements

To the extent permitted by applicable law, Excise Tax Revenues will be retained and maintained so that the amounts received from Excise Tax Revenues and State Shared Revenues, all within and for the most recently completed fiscal year of the Town, will be equal to at least two (2) times the Annual Debt Service for the current fiscal year of the Town. If Excise Tax Revenues and State Shared Revenues for any such fiscal year shall not have been equal to at least one and one-quarter (1.25) times the Annual Debt Service for the current fiscal year of the Town or if at any time it appears that Excise Tax Revenues and State Shared Revenues will not be sufficient to meet such requirements, the Town will, to the extent permitted by applicable law, impose new exactions of the type of the excise taxes which will be part of the excise taxes or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year of the Town in order that (i) Excise Tax Revenues and State Shared Revenues will be sufficient to meet all such requirements and (ii) Excise Tax Revenues and State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

Additional Revenue Obligations; No Prior Lien Obligations

Additional Revenue Obligations may be incurred but only if Excise Tax Revenues and State Shared Revenues in the most recently completed fiscal year of the Town have amounted to at least two (2) times the Maximum Annual Debt Service.

EXCISE TAX REVENUES AND STATE SHARED REVENUES

Excise Tax Revenues and State Shared Revenues will be pledged as security for the Payments due pursuant to the Purchase Agreement, which will be used to pay debt service on the Obligations. The major categories of such revenues are discussed more fully under this heading.

NO ASSURANCES CAN BE GIVEN THAT THE AMOUNT OF STATE SHARED SALES TAXES OR STATE SHARED INCOME TAXES DESCRIBED HEREINBELOW WILL NOT BE REDUCED OR ELIMINATED BY THE STATE LEGISLATURE IN THE FUTURE.

Excise Tax Revenues

Town Transaction Privilege (Sales) Tax. The Town collects a transaction privilege (sales) tax on a variety of categories of business activity. The Town's transaction privilege (sales) tax is levied by the Town upon persons on account of their business activities within the Town. The amount of taxes due is calculated by applying the tax rate against the gross proceeds of sales or gross income derived from the business activities shown in TABLE 1.

TABLE 1

Town Transaction Privilege (Sales) Tax Rates by Category
Town of Marana, Arizona

Category	Town Privilege Tax Rate
Amusements	2.50%
Contracting – Prime	4.00
Contracting – Speculative Builders	4.00
Contracting – Owner Builder	4.00
Job Printing	2.50
Manufactured Buildings	2.00
Timbering and Other Extraction	2.50
Severance – Metal Mining	0.10
Publication	2.50
Hotels	2.50
Hotel/Motel (Additional Tax) *(a)*	6.00
Commercial Rental, Leasing, & Licensing for Use	2.50
Rental Occupancy	2.50
Rental, Leasing, & Licensing for Use of TPP	2.50
Restaurant and Bars	2.50
Retail Sales	2.50
Retail Sales (Single Item over $5,000)	2.00
Maintenance, Repair, Replace and Alteration (MRRA) Amount	2.50
Communications	4.00
Transporting	2.50
Utilities	4.00
Use Tax Purchases	2.50
Use Tax Purchases (Single Item over $5,000)	2.00
Use Tax From Inventory	2.50

(a) Currently, the Town levies a 2.5% transaction privilege (sales) tax (except for utilities, communications, contracting, mining activities and retail sales and use tax purchase over $5,000). Note: 0.5% of the transaction privilege (sales) tax, adopted in January 2022, is restricted as to use and sunsets when sufficient funds have been collected by the Town from such 0.5% increment to substantially complete the design, construction, and financing of the multi-generational Community Center and Aquatic Center. Such amounts are not included as part of the Excise Tax Revenues pledged to the payments due with respect to the Outstanding Parity Obligations and the Purchase Agreement.

(b) The Town levies an additional 6.00% transient lodging tax on any hotel, motel, apartment or individual charging for lodging space to any person for less than 30 consecutive days. 3.50% of this tax is restricted by State law to use for visitor and hospitality services. Such amounts are not part of the Excise Tax Revenues.

Source: Arizona Department of Revenue.

The following table shows actual collections of the Town's unrestricted transaction privilege (sales) tax by industry classification for fiscal years 2018/19 through and including 2022/23 and budgeted collections for fiscal year 2023/24.

TABLE 2

Transaction Privilege (Sales) Tax Collections by Industry Classification *(a)(b)*
Town of Marana, Arizona

	Actual					Budgeted
Industry Classification	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 *(c)*
Construction	$10,817,479	$ 11,599,116	$ 9,869,708	$ 11,299,816	$ 21,154,863	$ 5,720,948
Transportation, communications & utilities	3,987,389	3,835,802	4,071,000	4,373,856	4,804,649	4,426,688
Retail trade	14,571,707	16,210,073	19,308,702	21,243,723	23,223,744	20,939,384
Restaurants and bars	3,142,591	3,146,078	3,489,065	4,267,676	4,647,828	3,881,250
Fire, insurance & real estate	1,473,636	1,436,817	1,515,124	1,524,034	1,493,746	1,490,561
Hotels and other lodging	1,418,529	1,277,155	1,250,615	1,916,240	1,933,010	1,450,000
All others	2,150,831	1,910,780	2,096,172	1,976,729	2,306,212	1,821,500
Total	$ 37,562,162	$ 39,415,820	$ 41,600,386	$ 46,602,074	$ 59,564,053	$ 39,730,331

(a) Due to the Town's participation in the Arizona Department of Revenue ("ADOR") sales tax collection program and ADOR's reporting of collections on a cash basis, the totals represented here may differ from the amounts shown in TABLE 4.

(b) See footnotes (a) and (b) to TABLE 1 for a description of certain amounts that are not part of the Excise Tax Revenues pledged to payment of the Payments.

(c) Budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution.

Source: Finance Department of the Town.

Franchise Fees. The Town imposes and collects franchise fees to engage in certain activities within the Town and the right to utilize certain Town property.

Business Licenses. The Town imposes and collects fees for licenses to engage in certain activities within the Town and the right to utilize certain Town property. Those entities transacting more than one type of business are required to have separate business license for each activity they engage. The Town has the authority and ability to set the charge for the business license at whatever rate it determines.

Permits. The Town imposes and collects fees for permits to engage in certain activities within the Town the right to utilize certain Town property.

Parks and Recreation Fees. The Town imposes and collects fees for parks and recreation to engage in certain activities within the Town and the right to utilize certain Town property.

Fines and Forfeitures. The Town imposes and collects fines and forfeitures for violations of State laws or Town ordinances relating to traffic, parking, animal control and other offenses.

State Shared Revenues

State Shared Sales Taxes. Pursuant to statutory formula, cities and towns in Arizona receive a portion of revenues from the State-levied transaction privilege (sales) tax. As TABLE 4 indicates, the rate of taxation on such tax varies among the different types of business activities taxed, with the most common rate being 5.0% of the amount or volume of business transacted.

Currently, the aggregate amount distributed to all Arizona cities and towns is equal to 25% of the "distribution share" of revenues attributable to each category of taxable activity. Each city's or town's allocation of the revenues available to all cities and towns is based on its population relative to the aggregate population of all cities and towns as shown by the latest census. State-levied transaction privilege (sales) taxes are collected by the State and are distributed monthly to cities and towns.

TABLE 3

State Transaction Privilege (Sales) Tax Rates
Taxable Activities and Distribution Base

Taxable Activities	State Tax Rate	Distribution Base	0.60% Education Tax Rate (*a*)	Combined Tax Rate
Transporting	5.000%	20.00%	0.60%	5.600%
Utilities	5.000	20.00	0.60	5.600
Telecommunications	5.000	20.00	0.60	5.600
Pipeline	5.000	20.00	0.60	5.600
Private car line	5.000	20.00	0.60	5.600
Publication	5.000	20.00	0.60	5.600
Job printing	5.000	20.00	0.60	5.600
Prime contracting	5.000	20.00	0.60	5.600
Owner builder sales	5.000	20.00	0.60	5.600
Amusement	5.000	40.00	0.60	5.600
Restaurant	5.000	40.00	0.60	5.600
Personal property rental	5.000	40.00	0.60	5.600
Retail (excluding food sales)	5.000	40.00	0.60	5.600
Transient lodging	5.500	50.00	N/A	5.500
Mining – non-metal, oil/gas	3.125	32.00	N/A	3.125
Commercial lease	0.000	N/A	N/A	0.000
Severance – metalliferous mining	2.500	80.00	N/A	2.500
Use tax utilities	5.000	20.00	0.60	5.600
Jet fuel use tax	*(b)*	N/A	N/A	*(b)*

N/A = Not applicable.

(a) *Represents the State transaction privilege (sales) tax rate approved by voters of the State in November 2000 (the "Education Tax") on certain of the categories of business activity at six-tenths of one percent (0.6%).* ***The Education Tax collections are dedicated exclusively to education and are not distributed to the Town or pledged to the payment of debt service with respect to the Obligations.***

(b) *Does not include $0.0305 per gallon State tax on the retail sale of jet fuel, which tax is only levied on the first ten million gallons sold to each purchaser in each calendar year.*

Source: Arizona Revised Statutes, Arizona Department of Revenue and the Arizona Secretary of State.

State Shared Income Taxes. Under current State law, Arizona cities and towns are preempted from imposing a local income tax. Cities and towns are, however, entitled by statutory formula to receive typically 15% (18% beginning with fiscal year 2023/24) of the net proceeds of the State's personal and corporate income tax collections for the fiscal year which is two fiscal years prior to the current fiscal year. Distribution of such funds is made monthly based on the proportion of each city's or town's population to the total population of all incorporated cities and towns in the State as determined by the latest census. Reduced economic activity or reductions in the statutory formula share could adversely affect the Town's revenues.

Legislation Regarding Withholding of State Shared Revenues. Section 41-194.01, Arizona Revised Statutes, permits the State to withhold from a county, city or town ("Local Jurisdiction") State revenues that would otherwise be shared with Local Jurisdictions.

Under such statute, at the request of one or more members of the State Legislature, the State Attorney General must investigate any ordinance, regulation, order or other official action ("Local Action") adopted or taken by the governing body of a Local Jurisdiction that the legislator alleges violates State law or the State Constitution. The Attorney General must make a written report within 30 days after receipt of the request. The Local Jurisdiction then has 30 days to resolve the violation. If the Attorney General determines that the violation has not been resolved within 30 days, the Attorney General must notify the State Treasurer and the State Treasurer must withhold payment to the Local Jurisdiction of State shared excise taxes otherwise due to the Local Jurisdiction pursuant to Section 42-5029(L), Arizona Revised Statutes and all State shared income taxes otherwise due to the Local Jurisdiction pursuant to Section 43-206(F), Arizona Revised Statutes, until such time as the Attorney General determines that the violation has been resolved. However, the State Treasurer may not withhold any amount that the Local Jurisdiction certifies to the Attorney General and the State Treasurer as being necessary to make deposits or payments for debt service on bonds or other long-term obligations that were issued or incurred before the Local Action occurred.

The Town is not aware of any Local Action by the Town taken or currently under consideration that does or if taken would violate State law or the State Constitution. State Shared Revenues are pledged to payments due to the Purchase Agreement. The withholding of State Shared Revenues could have a material adverse effect on the payment of principal of and interest on the Obligations during any period of withholding.

Lack of Town's Control Over State Shared Sales Tax or State Shared Income Tax Levels; Recent Legislative Changes. From time to time, bills are introduced in, and legislation enacted by, the Arizona Legislature to change the formulas used to allocate State Shared Sales Taxes and State Shared Income Taxes, including proposed adjustments that would reduce the distribution to cities and towns. The possibility of changes in this respect are more likely to be adverse to the Town when the State is experiencing financial difficulties. The Town cannot determine whether any such measures will become law or how they might affect State Shared Sales Taxes and State Shared Income Taxes, which comprise State Shared Revenues. In addition, initiative measures are circulated from time to time seeking to place on the ballot changes in Arizona law, which would repeal or modify State Shared Sales Taxes and State Shared Income Taxes (a major source of funds for state revenue sharing). The Town cannot predict if any such initiative measures will ever actually be submitted to the electors, what form the measures might take or the outcome of any such election.

It should be noted that no assurances can be given that the amount of State Shared Sales Taxes and State Shared Income Taxes will not be reduced or eliminated by the State Legislature in the future. The State Legislature may from time to time eliminate State Shared Sales Taxes and State Shared Income Taxes or may change the amount and timing of payment of State Shared Sales Taxes and State Shared Income Taxes and is under no legal obligation to maintain the amount of State Shared Sales Taxes and State Shared Income Taxes payable to the Town at any amount or level. For example, addressing State budgetary deficiencies, adjustments that reduce the distribution of State Shared Sales Taxes could be enacted. Likewise, legislative reductions in State sales or income taxes generally could result in reductions in the amounts distributed to local governments, including the Town. Accordingly, the Town is unable to covenant to maintain State Shared Sales Taxes or State Shared Income Taxes at any certain level.

As part of the State's fiscal year 2021/22 budget, on June 30, 2021 the then-Governor of the State signed Senate Bill 1828 (SB1828), which will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports produced at the time SB1828 was signed indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona

cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%. The Town cannot predict what effect the passage of SB1828 will have on its revenues from State Shared Income Taxes.

Set forth in TABLE 4 below are actual collections of Excise Tax Revenues and State Shared Revenues for fiscal years 2018/19 through and including 2022/23 and budgeted collections for fiscal year 2023/24.

TABLE 4

Historical, Projected and Budgeted Excise Tax Revenues and State Shared Revenues Collections *(a)*
Town of Marana, Arizona

	Actual					Budgeted
Category	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 *(c)*
Town Sales Tax *(b)*	$ 37,562,162	$ 39,415,820	$ 41,600,386	$ 46,602,074	$ 59,564,053	$ 39,730,331
State-shared Sales Taxes	4,524,009	4,872,825	5,816,852	7,324,638	8,114,630	8,263,841
State-shared Income Taxes	5,424,305	6,078,686	7,007,072	6,771,044	10,413,667	14,720,978
Licenses and permits	5,774,930	6,021,017	7,248,432	11,190,222	7,776,633	4,617,500
Fines and forfeitures and	527,447	515,514	436,491	383,241	364,942	389,500
	$ 53,812,853	$ 56,903,862	$ 62,109,233	$ 72,271,219	$ 86,233,925	$ 67,722,150

(a) *The Obligations will be secured by a first lien on and pledge of Excise Tax Revenues and State Shared Revenues. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."*

(b) *See footnotes (a) and (b) to TABLE 1 for a description of certain amounts that are not part of the Excise Tax Revenues pledged to payment of the Payments.*

(c) *Budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution.*

(d) *As part of the State's fiscal year 2021/22 budget, Senate Bill 1828 (SB1828) will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023-24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%.*

Source: The Finance Department of the Town.

NEW MONEY PROJECT

Proceeds of the New Money Obligations will be used to the finance the costs of the New Money Project, comprised of the design and construction, and fixtures, furniture and equipment, for a new multi-generational community center and aquatic center.

PLAN OF REFUNDING

The proceeds from the sale of the Refunding Obligations remaining after payment of certain costs of sale and execution and delivery thereof will be used to pay the principal of and premium and interest on the following obligations being prepaid prior to payment as shown below (collectively, the "Obligations Being Refunded"). The Obligations Being Refunded were executed and delivered to finance or refinance the costs of the Refinanced Projects, consisting of the Marana Wastewater Reclamation Facility and improvements thereto, a new municipal complex, expansion of the wastewater system and construction of a recharge facility. See "SOURCES AND USES OF FUNDS."

Issue Series	Payment Date (July 1)	Coupon	Principal Amount Outstanding	Principal Being Refunded*	Redemption Date*	CUSIP®[1] No. 56574C
2013	2024	5.000 %	$ 2,115,000	$ 2,115,000	5/1/2024	AL5
	2025	5.000	2,225,000	2,225,000	5/1/2024	AM3
	2026	5.000	2,335,000	2,335,000	5/1/2024	AN1
	2027	5.000	2,450,000	2,450,000	5/1/2024	AP6
	2028	5.000	2,570,000	2,570,000	5/1/2024	AQ4
	2029	4.000	1,445,000	1,445,000	5/1/2024	AR2
	2030	4.000	1,505,000	1,505,000	5/1/2024	AS0
	2031	5.000 [2]	1,560,000	1,560,000	5/1/2024	AT8
	2032	5.000 [2]	1,640,000	1,640,000	5/1/2024	AT8
	2033	5.000	1,720,000	1,720,000	5/1/2024	AT8
2017C	2029	5.000 %[3]	$ 30,000	$ 30,000	5/1/2024	BL4
	2030	5.000 [3]	70,000	70,000	5/1/2024	BL4
	2031	5.000 [3]	135,000	135,000	5/1/2024	BL4
	2032	5.000 [3]	175,000	175,000	5/1/2024	BL4
	2033	5.000 [3]	175,000	175,000	5/1/2024	BL4
	2034	5.000	1,980,000	1,980,000	5/1/2024	BL4
			$22,130,000	$22,130,000		

* *Subject to change.*

[1] *See footnote [1] to the inside front cover page.*

[2] *Represents mandatory prepayments of a term bond with a final payment date of July 1, 2033.*

[3] *Represents mandatory prepayments of a term bond with a final payment date of July 1, 2034.*

See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. Upon delivery of the Refunding Obligations and deposit of the proceeds thereof with an escrow trustee for the prepayment of the Obligations Being Refunding, the Obligations Being Refunded will no longer be outstanding under the trust agreements pursuant to which they were issued and will not be secured by Excise Tax Revenues and State Shared Revenues.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

[Verification Agent Disclosure]

SOURCES AND USES OF FUNDS

	New Money Obligations	Refunding Obligations	Total
Principal Amount	$52,000,000.00*	$20,505,000.00*	$72,505,000.00*
[Net] Original Issue Premium / Discount *(a)*			
Total Sources of Funds			
Deposit to Acquisition Fund			
Prepayment of the Obligations Being Refunded			
Deposit to Costs of Issuance Fund *(a)*			
Total Uses of Funds			

* *Subject to change.*

(a) *[Net original issue premium consists of original issue premium on the Obligations less original issue discount on the Obligations.]*

(b) *Includes fees of the Special Counsel (as defined herein), the Trustee, rating agency fees and other costs related to the delivery of the Obligations.*

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ESTIMATED DEBT SERVICE REQUIREMENTS AND COVERAGE

TABLE 5

Schedule of Estimated Debt Service Requirements and Coverage *(a)*
Town of Marana, Arizona

Fiscal Year	Excise Tax Revenues and State Shared Revenues *(b)*	Outstanding Obligations *(c)*		The New Money Obligations		The Refunding Oblgiations		Total Annual Debt Service Requirements	Projected Maximum Annual Debt Service Coverage *(e)**
		Principal	Interest	Principal*	Interest *(d)*	Principal	Interest *(d)*		
2022/23	$ 86,233,925								
2023/24		$ 3,442,207	$ 2,169,865	$ 2,755,000	$ 866,667 *(f)*	$ 2,045,000	$ 427,188 *(f)*	$ 11,705,926	
2024/25		3,589,681	1,494,102	1,655,000	1,969,800	2,090,000	923,000	11,721,583	7.36x
2025/26		3,075,606	1,350,280	1,720,000	1,903,600	2,195,000	818,500	11,062,986	
2026/27		3,214,995	1,216,891	1,790,000	1,834,800	2,300,000	708,750	11,065,436	
2027/28		3,414,858	1,077,028	1,860,000	1,763,200	2,415,000	593,750	11,123,836	
2028/29		855,206	927,680	1,935,000	1,688,800	1,310,000	473,000	7,189,686	
2029/30		876,053	906,833	2,010,000	1,611,400	1,415,000	407,500	7,226,786	
2030/31		897,409	885,477	2,090,000	1,531,000	1,545,000	336,750	7,285,636	
2031/32		919,288	863,598	2,175,000	1,447,400	1,655,000	259,500	7,319,786	
2032/33		941,702	841,184	2,265,000	1,360,400	1,730,000	176,750	7,315,036	
2033/34		964,664	818,222	2,355,000	1,269,800	1,805,000	90,250	7,302,936	
2034/35		3,063,189	794,697	2,450,000	1,175,600			7,483,486	
2035/36		2,932,289	687,597	2,545,000	1,077,600			7,242,486	
2036/37		3,036,979	586,107	2,645,000	975,800			7,243,886	
2037/38		3,128,166	480,812	2,755,000	870,000			7,233,979	
2038/39		2,240,703	379,909	2,865,000	759,800			6,245,412	
2039/40		2,308,624	291,652	2,980,000	645,200			6,225,476	
2040/41		2,376,533	200,303	3,095,000	526,000			6,197,836	
2041/42		2,467,882	105,754	3,220,000	402,200			6,195,836	
2042/43		49,270	7,567	3,350,000	273,400			3,680,236	
2043/44		50,698	6,138	3,485,000	139,400			3,681,236	
2044/45		52,167	4,669					56,836	
2045/46		53,679	3,157					56,836	
2046/47		55,235	1,601					56,836	
		$ 44,007,082		$ 52,000,000		$ 20,505,000			

* *Subject to change.*

(a) Prepared by Stifel, Nicolaus & Company, Incorporated (the "Underwriter").

(b) The amount of Excise Tax Revenues and State Shared Revenues used to calculate the coverage requirements is the amount for fiscal year 2022/23. See TABLE 4 – "Historical, Projected and Budgeted Excise Tax Revenues and State Shared Revenues."

As part of the State's fiscal year 2021/22 budget, Senate Bill 1828 (SB1828) will consolidate the State's current four personal income tax rate categories into a single flat rate of 2.5% over a three-year period, beginning after December 31, 2021. Legislative reports indicate that such a rate consolidation will result in an estimated $1.3 billion or greater annual reduction in income tax receipts by the State, with a concurrent reduction in State Shared Income Taxes for Arizona cities and towns. In order to partially mitigate impacts of the expected loss in State Shared Income Taxes, SB1828 increases, beginning in fiscal year 2023/24, the percentage of Arizona State income taxes shared with cities and towns from 15% to 18%.

(c) Net of the Obligations Being Refunded.

(d) Interest on the Obligations is estimated.

(e) Debt service coverage is based on revenues available for debt service (see footnote (b)) compared to the highest combined total of the debt service requirements in any succeeding fiscal year for the Obligations.

(f) The first interest payment on the Obligations is due on July 1, 2024. Thereafter, interest payments will be made semiannually on January 1 and July 1, until the final payment or prepayment. See "THE OBLIGATIONS – Prepayment Dates".*

TAX EXEMPTION

In General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Town must continue to meet after the execution and delivery of the Obligations in order that the portion of each of the Payments made by the Town pursuant to the Purchase Agreement and denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations (the "Interest Portion") be and remain excludable from gross income for federal income tax purposes. The Town's failure to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactively to the date of execution and delivery of the Obligations. The Town has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion.

In the opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel ("Special Counsel"), assuming the accuracy of certain representations and certifications of the Town and continuing compliance by the Town with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the Interest Portion will be excludable from gross income of the owners thereof for federal income tax purposes and will be exempt from Arizona income taxation so long as the Interest Portion is excludable from gross income for federal income tax purposes. The Interest Portion will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion will not be excluded from the determination of adjusted financial statement income for tax years beginning after 2022. Special Counsel will express no opinion as to any other tax consequences regarding the Interest Portion or the Obligations. Prospective purchasers of the Obligations should consult with their own tax advisors as to the status of the Interest Portion under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Obligations will be based on and will assume the accuracy of certain representations and certifications of the Town, and compliance with certain covenants of the Town to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Obligations will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Special Counsel will not independently verify the accuracy of those certifications and representations. Special Counsel will express no opinion as to any other consequences regarding the Obligations.

Except as described above, Special Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the Interest Portion, or the ownership or disposition of the Obligations. Prospective purchasers of the Obligations should be aware that the ownership of the Obligations may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Obligations, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the Interest Portion, (iii) the inclusion of the Interest Portion in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the Interest Portion in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of the Interest Portion in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Obligations generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates, and (vii) receipt of certain investment income, including the Interest Portion, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Obligations. Prospective purchasers of the Obligations should consult their own tax advisors as to the impact of these and any other tax consequences.

Special Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Special Counsel as of the date thereof. Special Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Special Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Special Counsel's opinions

are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Special Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Original Issue Premium

Certain of the Obligations ("Discount Obligations") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Obligation determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Obligation over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Obligation (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Obligations, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Obligation.

Certain of the Obligations ("Premium Obligations") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Obligations callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Obligation, based on the yield to maturity of that Premium Obligation (or, in the case of a Premium Obligation callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Obligation), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Obligation. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Obligation, the owner's tax basis in the Premium Obligation is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Obligation for an amount equal to or less than the amount paid by the owner for that Premium Obligation.

Owners of Discount Obligations and Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount Obligations or Premium Obligations and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or State tax matters, respectively, described above including, without limitation, the excludability from gross income of the Interest Portion, adversely affect the market price or marketability of the Obligations, or otherwise prevent the holders from realizing the full current benefit of the status of the Interest Portion. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Obligations. Prospective purchasers of the Obligations should consult their tax advisors as to the impact of any proposed or pending legislation.

On August 16, 2022, President Biden signed the Inflation Reduction Act of 2022 (H.R. 5376) into law. For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the adjusted financial statement income of applicable corporations as defined in Section 59(k) of the Code (which is primarily designed to impose a minimum tax on certain large corporations). For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Obligations.

Information Reporting and Backup Withholding

Interest paid on tax-exempt Obligations such as the Obligations is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of the Interest Portion from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Obligations, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Obligations and proceeds from the sale of the Obligations. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Obligations. This withholding generally applies if the owner of the Obligations (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Obligations may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

LEGAL MATTERS

Legal matters incident to the authorization, sale and execution and delivery by the Town of the Obligations and with regard to the tax-exempt status of the Obligations will be passed upon by Greenberg Traurig, LLP, Phoenix, Arizona, Special Counsel. A signed copy of that opinion, dated and speaking only as of the date of delivery of the Obligations, will be delivered to the Town. A draft of the form of that opinion is included as APPENDIX E hereto.

While Special Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the Town or the Obligations that may be prepared or made available by the Town or others to the bidders for or holders of the Obligations or others.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the Town and could adversely affect the secondary market value of the Obligations. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Obligations) issued prior to enactment.

The legal opinion to be delivered concurrently with the delivery of the Obligations will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

To the knowledge of the Town, no litigation or administrative action or proceeding is pending, restraining or enjoining, or seeking to restrain or enjoin, the execution and delivery of the Obligations or the pledge of Excise Tax Revenues and State Shared Revenues to the payment of the Payments, contesting or questioning the proceedings and authority under which the Obligations have been authorized and are to be sold, executed or delivered, or the validity of the Obligations. An authorized Town representative will deliver a certificate to the same effect at the time of the original delivery of the Obligations.

FINANCIAL STATEMENTS

The financial statements of the Town for the period ended June 30, 2023, which are included as APPENDIX C – "TOWN OF MARANA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023" of this Official Statement, have been audited by Baker Tilly US, LLP. All financial information presented herein should be read in conjunction with the financial statements and accompanying Notes in APPENDIX C. **The Town neither requested nor obtained the consent of Baker Tilly US, LLP to include such financial statements and Baker Tilly US, LLP has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such financial statements.**

THE FINANCIAL STATEMENTS INCLUDED IN APPENDIX C OF THIS OFFICIAL STATEMENT ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE TOWN.

CONTINUING DISCLOSURE

The Town will covenant for the benefit of the owners of the Obligations to provide certain financial information and operating data relating to the Town by not later than February 1 in each year commencing February 1, 2025 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the Town as such will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access System, each as described in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the Town to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Obligations in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Obligations and their market price.

[To be updated]

UNDERWRITING

The Obligations are being purchased by the Underwriter. The Underwriter has agreed to purchase from the Town the Obligations at an aggregate purchase price of $_____ pursuant to an obligation purchase agreement between the Town and the Underwriter. The aggregate purchase price reflects compensation to the Underwriter of $_____. The Obligations may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Obligations into investment trusts) at prices lower than the public offering prices stated on the inside cover page hereof, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will be obligated to purchase all of the Obligations if any Obligations are purchased.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned the rating of "__" to the Obligations. An explanation of the significance of a rating assigned by S&P may be obtained at One California Street, 31st Floor, San Francisco, California 94111. Such rating, if assigned, may be revised or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price or marketability of the Obligations. The Town will covenant in its continuing disclosure undertaking with respect to the Obligations that it will file notice of any formal change in any rating relating to the Obligations. See "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" herein.

RELATIONSHIP AMONG PARTIES

Greenberg Traurig, LLP, Special Counsel, has acted as counsel to the Underwriter in other transactions underwritten by the Underwriter and as bond counsel in other transactions underwritten by the Underwriter. Ballard Spahr LLP, counsel to the Underwriter, has acted as bond counsel in other transactions underwritten by the Underwriter. Greenberg Traurig, LLP and Ballard Spahr LLP have also acted as bond counsel and/or counsel to the underwriter with respect to bonds issued by the Town and/or other overlapping political subdivisions.

The Underwriter has underwritten with respect to bonds issued by the Town and other overlapping political subdivisions. The Underwriter has underwritten on other transactions together and expect to do so in the future.

[Remainder of page intentionally left blank]

CONCLUDING STATEMENT

The summaries or descriptions of provisions in the Purchase Agreement and the Trust Agreement contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents.

All projections, forecasts and other information in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Obligations.

The attached APPENDICES A through G are integral parts of this Official Statement and must be read together with all of the foregoing statements.

This Official Statement has been prepared on direction of the Town and has been approved by and executed for and on behalf of the Town by its authorized representative indicated below.

THE TOWN OF MARANA, ARIZONA

By.....
Mayor

APPENDIX A

TOWN OF MARANA, ARIZONA – GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information regarding the Town is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Payments to be paid by the Town under the Purchase Agreement which are secured by a first lien pledge of Excise Tax Revenues and State Shared Revenues as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."

General

The Town adjoins the north border of Tucson and extends to the northern border of the County and includes about 440 acres located in Pinal County. The Town encompasses an approximate area of 122 square miles and sits at an elevation of 2,055 feet above sea level. The Town was incorporated in 1977.

TABLE A-1

POPULATION STATISTICS

Years	Town of Marana	Pima County	State of Arizona
2023 Estimate *(a)*	59,464	1,080,300	7,525,113
2020 Census	52,643	1,045,589	7,176,401
2010 Census	34,961	980,263	6,392,017
2000 Census	13,556	843,746	5,130,632
1990 Census	2,187	666,957	3,665,305
1980 Census	1,674	531,443	2,716,546

(a) Estimate as of July 2023 (data released in December 2023).

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

Municipal Government and Organization

The Town operates under the Council-Manager form of government. The Mayor and six council members are elected at large for staggered four-year terms. The Town Council appoints a Town Manager who has full responsibility for carrying out council policies and administering Town operations. Functions of government and operation are provided by a staff of approximately 350 full-time employees. The Town provides police, sewer, and water services to its residents.

Economy

The economy of the Town and the area surrounding the Town has historically been dominated by agricultural activities. Though agriculture is still a large part of the economy, commercial, retail and industrial elements are becoming large contributors. The Town's agricultural elements include a variety of irrigated crops.

The commercial elements of the economy have developed due to the growth of the Town and the growth of Tucson. The Town has become a retail trade center for suburban northern Tucson and the rural outlying areas surrounding the Town. Also, the Town's proximity to both the City of Phoenix, Arizona and Tucson has attracted business. Many residents commute from the Town to the Tucson metropolitan area for employment as well.

Public Health Emergencies Could Negatively Affect the City's Operations

Public health emergencies, such as the COVID-19 pandemic, could have materially adverse economic and social impacts causing, among other things, limitations on certain activities, fluctuations in financial markets, and negative impacts on economic conditions. Following the COVID-19 pandemic, government and business operations in the State and Town function without government-imposed restrictions relating to the pandemic. The Town cannot predict the effect any public health emergencies will have on the finances or operations of the Town or whether any such effects will have a material adverse effect on the ability to collect the Excise Tax Revenues and State Shared Revenues, which are pledged as security for the Payments.

The following is a partial list of major employers in the Town.

TABLE A-2

MAJOR EMPLOYERS
Town of Marana, Arizona

Employer	Description	Approximate Number of Employees
Marana Unified School District	Education	1,200
Fry's Food Stores	Grocery	438
Sargent Aerospace and Controls	Manufacturing	370
MHC Healthcare	Health Care	350
Town of Marana	Government	350
Walmart	Retail	330
Costco Wholesale	Retail	300
FLSmidth Krebs	Business Services	260
Swire Coca Cola	Manufacturing	250
Pima County	Government	202

Source: Maricopa Association of Governments Employer Database (accessed December 13, 2023).

The following table illustrates the unemployment rate averages for the Town, the County, the State and the United States of America.

TABLE A-3

UNEMPLOYMENT RATE AVERAGES *(a)*

Calendar Year	Town of Marana	Pima County	State of Arizona	United States of America
2023 *(b)*	3.1%	3.8%	3.9%	3.6%
2022	2.9	3.8	3.8	3.7
2021	3.5	5.1	5.1	5.4
2020	5.5	7.6	7.8	8.1
2019	3.5	4.5	4.9	3.7
2018	3.4	4.4	4.8	3.9

(a) Each year, historical estimates from the Local Area Unemployment Statistics (LAUS) program are revised to reflect new population controls from the Census Bureau, updated input data, and re-estimation. The data for model-based areas also incorporate new seasonal adjustment, and the unadjusted estimates are controlled to new census division and U.S. totals. Sub-state area data subsequently are revised to incorporate updated inputs, re-estimation, and controlling to new statewide totals.

(b) Data through October 2023.

Source: Arizona Office of Economic Opportunity, in collaboration with the U.S. Census Bureau.

APPENDIX B

TOWN OF MARANA, ARIZONA – FINANCIAL DATA

The following information regarding the Town is provided for background information only. No representation is made as to the relevance of the data to the repayment of the Obligations. The Obligations are payable solely from Payments to be paid by the Town under the Purchase Agreement which are secured by a first lien pledge of Excise Tax Revenues and State Shared Revenues as described under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS."

TABLE B-1

Current Year Statistics (For Fiscal Year 2023/24)
Town of Marana, Arizona

General Obligation Bonds Outstanding	None
Excise Tax Revenue and State Shared Revenue-Secured Obligations Outstanding and to be Outstanding	$ 96,007,082 * *(a)*
Improvement District Bonds Outstanding	3,778,000
Water Revenue-Secured Obligations Outstanding	2,210,731

* *Subject to change.*

(a) Includes the Obligations, net of the Obligation Being Refunded.

STATEMENTS OF BONDED INDEBTEDNESS

TABLE B-2

Excise Tax Revenue and State Shared Revenue Obligations Outstanding and to be Outstanding
Town of Marana, Arizona *(a)*

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding	Less: Obligations Being Refunded *	Balance Outstanding and to be Outstanding
2013	$ 34,780,000	Wastewater treatment plant acquisition	2033	$ 19,565,000	(19,565,000)	$ -
2014	6,493,000	Current refunding	2025	1,272,000	-	1,272,000
2017A	17,215,000	Wastewater system expansion	2042	17,215,000	-	17,215,000
2017B	19,865,000	Advance refunding	2028	11,485,000	-	11,485,000
2017C	2,565,000	Wastewater system expansion	2034	2,565,000	(2,565,000)	-
WIFA Loan #910176-19	1,481,990	Lift station and force main	2038	556,660	-	556,660
WIFA Loan #920293-19	15,000,000	Water treatment systems	2038	11,898,484	-	11,898,484
WIFA Loan #910183-20	475,000	Lift station and force main	2040	193,036	-	193,036
WIFA Loan #920303-20	1,100,000	Water treatment systems	2040	413,742	-	413,742
WIFA Loan #920362-23	4,455,413	Water main	2047	973,159	-	973,159
Total Excise Tax Revenue and State Shared Revenue Debt Outstanding						$ 44,007,082
Plus: The Obligations						52,000,000 *
Total Excise Tax Revenue and State Shared Revenue Debt Outstanding and to be Outstanding						$ 96,007,082 *

* *Subject to change.*

(a) [Footnote to come regarding incurrence of 2024 WIFA Loan.]

TABLE B-3

Total Tangerine Farms Road Improvement District Bonds Outstanding *(a)*

Issue Series	Original Amount	Purpose	Final Maturity Date (January 1)	Balance Outstanding
2006	$14,245,000	Current refunding	2026	$ 3,778,000
Total Improvement District Bonds Outstanding				$ 3,778,000

(a) Improvement district bonded debt is payable from special assessments levied on the property benefited by the financed improvements. Such bonds are a contingent liability of the Town to the extent of any delinquent assessments.

TABLE B-4

Total Water Revenue-Secured Obligations Outstanding
Town of Marana, Arizona

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2010	$5,250,000	Various Purposes *(a)*	2029	$ 1,741,000
2022	1,000,000	Storage reservoir *(a)*	2042	469,731
Total Water Revenue-Secured Obligations Outstanding				$ 2,210,731

(a) Represents funds borrowed under loan agreements with the Water Infrastructure Finance Authority of Arizona.

TABLE B-5

Other Indebtedness
Town of Marana, Arizona

[to be updated]

Item	Approximate Payment Amount	Periods Due

Source: Town Finance Department.

GENERAL FUND

Below are the Town general fund revenues, expenditures and changes in fund balance for the audited fiscal years 2018/19 through and including 2022/23, and budgeted Fiscal Year 2023/24. **See "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS" for a description of the source of payment for the Obligations. This information is not intended to indicate that the Obligations will be payable from any source other than described under such heading or to indicate future or continuing trends of the financial affairs of the Town.**

TABLE B-6

	Audited					Budgeted
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 *(a)*
FUND BALANCE AT BEGINNING OF YEAR	$ 29,587,923	$ 36,555,856	$ 46,110,854	$ 71,356,794	$ 98,574,822	$ 99,240,093
REVENUES						
Sales taxes	$ 28,972,724	$ 30,497,790	$ 34,001,109	$ 37,758,894	$ 43,388,307	$ 35,123,831
Property taxes	-	-	-	-	-	-
Intergovernmental	12,012,620	13,098,547	23,559,040	24,710,836	21,315,511	25,945,620
Licenses, fees & permits	5,774,930	5,933,644	7,248,433	11,190,988	7,776,633	4,617,500
Fines, forfeitures & penalties	527,447	515,514	436,491	382,476	364,942	389,500
Charges for services	717,709	534,495	541,107	988,782	822,976	678,000
Lease income	147,564	157,404	158,998	264,148	170,766	145,000
Special assessments	-	-	-	-	-	-
Contributions	22,342	37,505	12,636	500	101,590	146,100
Investment income	1,226,150	1,409,294	476,106	(180,161)	6,015,344	2,000,000
Miscellaneous	745,967	655,961	641,286	758,188	679,937	740,945
TOTAL REVENUES	$ 50,147,453	$ 52,840,154	$ 67,075,206	$ 75,874,651	$ 80,636,006	$ 69,786,496
ADJUSTMENTS						
Proceeds from sale of capital assets	$ 225,568	$ 135,361	$ 131,810	$ -	$ -	$ -
Leases and subscription technology arrangements	-	-	-	-	414,265	-
Transfers in/(out)	(3,730,916)	(1,017,693)	(1,825,966)	(4,082,153)	(19,825,223)	(4,516,981)
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	$ 76,230,028	$ 88,513,678	$ 111,491,904	$ 143,149,292	$ 159,799,870	$ 164,509,608
EXPENDITURES						
Current:						
General government	$ 12,440,607	$ 13,277,870	$ 12,238,056	$ 14,160,004	$ 15,973,231	$ 26,279,339
Public safety	14,543,987	15,664,323	15,375,855	16,341,432	25,032,319	22,917,280
Highways and streets	2,560,421	2,746,028	2,685,862	2,714,642	2,909,688	4,087,946
Health and welfare	290,168	283,891	350,436	318,004	417,916	424,152
Economic and community development	4,381,492	4,285,405	4,205,306	4,126,391	4,469,262	6,038,222
Culture and recreation	4,559,653	4,167,113	4,182,708	5,714,361	6,353,162	7,593,941
Capital outlay	897,844	1,978,194	1,096,887	1,183,638	4,914,974	9,625,675
Debt service:						
Principal retirement	-	-	-	5,020	112,353	-
Interest and fiscal charges	-	-	-	10,978	376,872	60,000
TOTAL EXPENDITURES	$ 39,674,172	$ 42,402,824	$ 40,135,110	$ 44,574,470	$ 60,559,777	$ 77,026,555
FUND BALANCE AT END OF YEAR	**$ 36,555,856**	**$ 46,110,854**	**$ 71,356,794**	**$ 98,574,822**	**$ 99,240,093**	**$ 87,483,053**

(a) Budgeted amounts are "forward looking" statements and should be considered with an abundance of caution.

RETIREMENT SYSTEM

Retirement Plans

The Town contributes to the retirement plans described below and as referenced in Note 10 in APPENDIX C – "TOWN OF MARANA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023." Benefits are established by State statute and, depending on the plan, provide retirement, death, long-term disability, survivor and health insurance premium benefits. Both the Town and each covered employee contribute to the plans.

Each of the plans has reported increases in its unfunded liabilities The increases in unfunded liabilities is expected to result in increased future annual contributions by the Town and its employees; however the specific impact on the Town's and its employees' future contributions cannot be determined at this time.

The Governmental Accounting Standards Board ("GASB") adopted Statement No. 68, Accounting and Financial Reporting for Pensions, which requires that cost-sharing employers report their "proportionate share" of a plan's net pension liability in their government-wide financial statements and that the cost-sharing employer's pension expense component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. GASB's Statement No. 67, Financial Reporting for Pensions, is designed to improve financial reporting by state and local governmental pension plans.

Starting on page 70 in APPENDIX C – "THE TOWN OF MARANA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023" is information about the plans based on GASB's Statements No.s 67 and 68. Please refer to APPENDIX C for more specific information about the plans. In the case of any difference between what is here versus what is in APPENDIX C, the latter supersedes the former.

The Arizona State Retirement System ("ASRS"). ASRS is a multiple-employer defined benefit pension plan, a multiple-employer defined benefit health insurance premium benefit plan, and a multiple-employer defined benefit long-term disability plan for approximately 600,000 Arizona public employees including qualified employees of the State, municipal governments, counties and K-12 education agencies. As of [June 30, 2022], the unfunded liability for ASRS was [$17.9 billion] with a funding ratio of 73.1% and an assumed earning rate of 7.0%. As of June 30, 2023, the Town reported a liability of $22,753,176 for its proportionate share of the net pension liability under ASRS. Pursuant to State statute, the contribution rate for the employer (the Town) and active members of ASRS are equal. For Fiscal Year 2024/25, the actuarially determined contribution rate for the Town and active members of ASRS is 12.27% (12.12% for retirement and health insurance and 0.15% for long-term disability).

The table below shows recent actuarially determined contribution rates that the active ASRS members and the Town are/were required to contribute, the plan's funded status and the pension contributions under ASRS for the current and past four fiscal years.

Fiscal year ended	Retirement and Health Insurance Premiums	Long-term Disability	Total Contribution Rate	Funded Status	Pension Contributions
June 30, 2025	12.12%	0.15%	12.27%	unavailable	unavailable
June 30, 2024	12.14	0.15	12.29	unavailable	unavailable
June 30, 2023	12.03	0.14	12.17	73.1%	$2,312,893
June 30, 2022	12.22	0.19	12.41	72.7	1,992,666
June 30, 2021	12.04	0.18	12.22	71.5	1,856,449

The Public Safety Personnel Retirement System ("PSPRS"). PSPRS is an agent multiple-employer defined benefit pension plan and an agent multiple employer defined benefit health insurance premium benefit plan that covers public safety personnel who are regularly assigned to hazardous duties for which the Arizona State Legislature establishes active plan members' contribution rates and member benefits. This is not a "pooled" system – a separate account exists for the police and fire employees of each participating political subdivision. In total, there are 258 individual plans in PSPRS. Each plan has its own financial condition, funding status, etc. which varies greatly across the system.

A 2016 amendment to the State constitution ("Prop 124") created an exception to the prohibition in the Constitution against diminishing or impairing public retirement system benefits by allowing for certain adjustments to PSPRS and preserved the State's legislative ability to modify public retirement benefits. Prop 124 allowed for, among other things, the replacement of permanent benefit increases then required by law with COLA (defined below) provisions tied to the regional consumer price indexes.

PSPRS active membership is comprised of three separate "tiers" based on date of hire which are shown in the following table.

"Tier 1" Members	"Tier 2" Members	"Tier 3" Members
Hired into PSPRS position before January 1, 2012	Hired into PSPRS position on or after January 1, 2012 and before July 1, 2017	Hired into PSPRS position on or after July 1, 2017

The different tiers have different types of plans. Tier 1 members have a defined benefit plan, Tier 2 members have a defined benefit or defined benefit hybrid plan and Tier 3 members have a defined contribution, defined benefit or defined benefit hybrid plan. (The hybrid plan is a pension with an additional defined contribution tax-deferred retirement savings account for Tier 2 and Tier 3 members who do not contribute to Social Security). For Tier 1 and Tier 2 members, the type of plan is determined automatically. For Tier 3 members the type of plan is an irrevocable career choice with a default to a defined benefit plan after 90 days. The actuarially determined employer contribution rate varies among the different tiers and the different types of plans as shown in the tables below.

As of June 30, 2022, the unfunded liability for Tiers 1 and 2 of PSPRS was $7.1 billion with a funding ratio of 65.3%. When calculating, an assumed earning rate of 7.2% was used and an assumed rate of 1.75% was used for increases in the cost of living allowance ("COLA").

The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for PSPRS.

Police

	Fiscal Year Ended				
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Contribution Rates*					
Tier 1 Defined Benefit Employer	29.25%	35.09%	36.80%	36.87%	35.49%
Tier 1 Defined Benefit Employee	7.65%	7.65%	7.65%	7.65%	7.65%
Tier 2 Defined Benefit Employer (a)	29.25%	35.09%	36.80%	36.87%	35.49%
Tier 2 Defined Benefit Employee (a)(b)	11.65%	11.65%	11.65%	11.65%	11.65%
Tier 3 Defined Benefit Employer (a)(c)	24.38%	31.69%	33.21%	33.58%	31.39%
Tier 3 Defined Benefit Employee (a)	8.89%	9.56%	9.94%	9.94%	9.94%
Tier 3 Defined Contribution Employer (c)	26.22%	32.73%	34.12%	33.52%	31.86%
Tier 3 Defined Contribution Employee	10.73%	10.60%	10.85%	9.88%	10.41%
Pension Funded Status	N/A	N/A	75.8%	65.6%	62.4%
Health Funded Status	N/A	N/A	136.3%	144.7%	137.3%
Total Town (Employer) Pension and Health Contribution	N/A	N/A	$3,021,179	$2,442,651	$2,228,298

* Sum of the Pension and Health insurance premium benefit contribution rates.

(a) Does not include additional contribution percentage of 3% associated with defined benefit ("DB") members additionally participating in the defined contribution ("DC") plan. Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.

(b) Tier 2 employees contribute a maximum of 11.65%, but statutory requirements dictate only 7.65% is applied toward employer costs.

The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

The Corrections Officers Retirement Plan. CORP is an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit plan that covers certain State, County and municipal employees whose primary duties require direct contact with inmates, for which the State Legislature establishes active plan members' contribution rates. The CORP also administers the Administrative Officers of the Courts ("AOC") cost-sharing plan.

As presented below, CORP active membership is comprised of three separate "tiers" based on date of hire which are shown in the following table.

Tier 1 Members	Tier 2 Members	Tier 3 Members
Hired into CORP position before January 1, 2012	Hired into CORP position on or after January 1, 2012 and before July 1, 2018	Hired into CORP position on or after July 1, 2018

Among other differences, the tiers vary in terms of employee contribution rate, retirement eligibility, and post retirement cost of living adjustment eligibility. Additionally, in lieu of the defined benefit program, most employees in Tier 3 are members of a defined contribution program.

For Tier 1 and Tier 2 members, for the fiscal year ended June 30, 2012 and each subsequent fiscal year, the employee contribution rate is set by statute and calculated at the lesser of 8.41%, or fifty percent of the sum of the member's contribution rate from the preceding fiscal year, plus the aggregate computed employer contribution rate, subject to a minimum employee contribution rate of 7.65%. Until the funded status of the Plan reaches 100 percent, the member

contribution rate for full-time dispatchers is 45 basis points less than the general member contribution rate. The employer contribution rates are based upon an actuarial valuation, and generally may not be less than 6%.

All correction members hired on or after July 1, 2018 (Tier 3), are required to participate in a DC plan; however, AOC probation and surveillance officers hired on or after this date have the option to choose between a DB plan and the DC retirement account managed by PSPRS. Generally, the defined contribution plan rate is 7% for employees and 5% for employers. The DB plan contribution rate for Tier 3 is 66.7%/33.3 employee/employer for the normal cost associated with the program and 50%/50% for the unfunded liability associated with the program. Additionally, the employer contribution rate (DB and DC) includes a legacy unfunded liability component associated with Tiers 1 and 2.

The following tables show the actuarially determined annual contribution rates, funded status and total audited contribution amounts for the CORP plan.

Dispatchers

	Fiscal Year Ended				
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Contribution Rates*					
Tier 1/2 Defined Benefit Employer (a)	216.13%	66.78%	28.18%	27.65%	25.44%
Tier 1/2 Defined Benefit Employee (a)	7.96%	7.96%	7.96%	7.96%	7.96%
Tier 3 Defined Contribution Employer (b)	218.62%	70.45%	30.83%	30.10%	27.00%
Tier 3 Defined Contribution Employee	7.67%	7.62%	7.61%	7.49%	7.65%
Pension Funded Status	N/A	N/A	61.1%	65.4%	67.2%
Health Funded Status	N/A	N/A	512.6%	235.4%	104.3%
Total Town (Employer) Pension Contribution	N/A	N/A	$27,625	$66,152	$91,436

* Sum of the Pension and Health insurance premium benefit contribution rates.

(a) Tier 2 applicable beginning fiscal year 2018.

(b) The amortization of unfunded liabilities for Tier 1 and Tier 2 is applied to the payroll for employees in all tiers, including Tier 3, on a level percent basis.

[The Elected Officials Retirement Plan. EORP is a multiple-employer defined benefit pension plan and a multiple-employer defined benefit health insurance premium plan that covers elected officials and judges of certain state and local governments. (EORP is governed by the same Board of Trustees that manages PSPRS.) As of January 1, 2014 EORP is closed to new members. Pursuant to Arizona statute, the annual contribution for active members of EORP is 13% of the members' annual covered payroll. Additionally, the amount of the members' contribution that exceeds 7% is not used to reduce the actuarially determined employer contribution. As of June 30, 2023, the Town reported a liability of $1,043,970 for its proportionate share of the net pension liability under EORP.

Participating EORP employers are required to annually contribute at an actuarially determined employer contribution rate. The basis for the employer rate is the covered payroll for all eligible elected officials and eligible judges employed by the employer. The actuarially determined rate for 2021/22 for ASRS is 61.62% and for EODCRS (defined below) is 61.55%. This amount is distributed to EORP, the Elected Officials Defined Contribution Retirement System ("EODCRS") and ASRS, depending on the retirement program in which each eligible employee participates. As a percent of covered payroll, the employer contribution, by statute, for EODCRS participating members is 6.00%; the employer contribution for ASRS participating members is 12.22% for fiscal year 2021/22; all remaining employer contributions, up to the actuarially determined contribution rate of the covered payroll of all elected officials and eligible judges, are remitted to EORP. EORP is additionally funded each year with designated state and municipal court fees and a $5,000,000 appropriation from the State general fund.]

Other Post-Employment Retirement Benefits

During the year ended June 30, 2018, the Town implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). The Town is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plan. Please refer to APPENDIX C of the Official Statement which includes the Town's audited financial statements and specifically "Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

The Town does not offer any OPEB. The Town's employees, their spouses and survivors may be eligible for certain retiree health care benefits under health care programs provided by the State. Employees on long-term disability and their spouses also may qualify for retiree health care benefits through the State. Such individuals may obtain the health care benefits offered by the State by paying 100% of the applicable health care insurance premium, net of any subsidy provided by the State. The benefits are available to all retired participants in the State's health care program. The Town does not make payments for OPEB costs for such retirees.

Governmental Accounting Standards ("GASB"):

The Governmental Accounting Standards Board adopted Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"), which, beginning with fiscal years starting after June 15, 2014, requires cost-sharing employers to report their "proportionate share" of the plan's net pension liability in their government-wide financial statements. GASB 68 also requires that the cost-sharing employer's pension expense component include its proportionate share of the system's pension expense, the net effect of annual changes in the employer's proportionate share and the annual differences between the employer's actual contributions and its proportionate share. The pension liability was measured as of [June 30, 2022]. See Note 8 in APPENDIX C – "TOWN OF MARANA, ARIZONA – AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023." for further discussion of the Town and its pension liability.

New Reporting Requirements - Governmental Accounting Standards Board ("GASB") Statement No. 67, Financial Reporting for Pension Plans, An Amendment of GASB Statement No. 25, is designed to improve financial reporting by state and local governmental pension plans. This statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

APPENDIX C

TOWN OF MARANA, ARIZONA –

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The following audited financial statements are for the fiscal year ended June 30, 2023. These are the most recent audited financial statements available to the Town. THESE FINANCIAL STATEMENTS ARE NOT CURRENT AND MAY NOT REPRESENT THE CURRENT FINANCIAL CONDITION OF THE TOWN.

The Town neither requested nor obtained the consent of Baker Tilly US, LLP to include such financial statements and Baker Tilly US, LLP has not reviewed this Official Statement nor performed any procedures subsequent to rendering its opinion on such financial statements.

APPENDIX D

SUMMARY OF SELECT PROVISIONS OF PRINCIPAL DOCUMENTS

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere herein, the following terms shall, for all purposes of the Trust Agreement and the Purchase Agreement have the following meanings:

"Acquisition Fund" means the fund of that name established pursuant to the Trust Agreement.

"Additional Revenue Obligations" means any additional obligations which may hereafter be issued or incurred by the Town (or any financing conduit acting on behalf of the Town) having a lien upon and payable from Excise Tax Revenues and State Shared Revenues on a parity with, and in compliance with the terms of, the Outstanding Parity Obligations and the Purchase Agreement.

"Annual Debt Service" means the amount to be paid in any fiscal year of the Town with respect to the Parity Obligations for payment of principal and interest requirements.

"Certificate of Completion" means the notice of completion, filed with the Trustee by the Town Representative, stating that the New Money Project has been substantially completed.

"Completion Date" means the date on which the Certificate of Completion is filed with the Trustee by the Town Representative.

"Costs of Issuance Fund" means the fund of that name established pursuant to the Trust Agreement.

"Defeasance Obligations" means, to the extent permitted by law (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, (5) securities eligible for "AAA" defeasance under then-existing criteria of S&P, or (6) any combination of the foregoing.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the Town or the Trustee relating to the sale and execution and delivery of the Purchase Agreement, this Trust Agreement, the Escrow Trust Agreement and the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

"Depository Trustee" means any bank or trust company, which may include the Trustee, designated by the Town, with a combined capital and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal or State authority.

"Event of Default" means an event of default under the Purchase Agreement as described under the subheading "THE PURCHASE AGREEMENT – Remedies Upon Default."

"Maximum Annual Debt Service" means, for any Fiscal Year, the greatest Annual Debt Service for the then-current or any succeeding Fiscal Year.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by notice to the Trustee.

"Outstanding" refers to Obligations issued in accordance with this Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory prepayment installment with respect to principal represented thereby; (ii) Obligations which have been paid; (iii) Obligations which have become due and for the payment of which moneys have been duly provided to the Trustee; and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted hereby and by the Purchase Agreement bearing interest at such rates and with such maturities as will provide sufficient funds to pay the principal and interest represented by such Obligations, provided, however, that if principal represented by any such Obligations is to be prepaid, the Town shall have taken all action necessary to prepay such Obligations and notice of such prepayment shall have been duly mailed in accordance with the proceedings under which such Obligations were issued or irrevocable instructions so to give such notice shall have been given to the Trustee.

"Owner" or any similar term, when used with respect to an Obligation means the person in whose name such Obligation shall be registered.

"Parity Obligations" means the Outstanding Parity Obligations, the Purchase Agreement and any Additional Revenue Obligations.

"Payment Fund" means the fund of that name established pursuant to the Trust Agreement.

"Permitted Investments" means any investment permitted by applicable law, including Section 35-323, Arizona Revised Statutes (or any successor provision thereto).

"Town Representative" means the Town Manager, the Town Finance Director or any other person authorized by the Town Manager or the Mayor and Common Council to act on behalf of the Town with respect to the Trust Agreement.

THE TRUST AGREEMENT

The following, in addition to the information under the headings "INTRODUCTORY STATEMENT" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS," is a summary of certain provisions of the Trust Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Acquisition Fund and Costs of Issuance Fund. The Acquisition Fund and the Costs of Issuance Fund will be established by the Trustee from which the Trustee will pay the costs to finance the New Money Project and pay Delivery Costs, respectively. On the earlier of June 1, 2024, or when all Delivery Costs have been paid, the Trustee will transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund. Amounts in the Acquisition Fund will be used to pay principal of and interest on the Obligations if insufficient funds are otherwise available to make such payments when due. On the Completion Date, all remaining moneys in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the Town on the next succeeding Interest Payment Date.

Payment Fund. The Payment Fund will also be established by the Trustee. The moneys in the Payment Fund will be applied by the Trustee solely to pay principal of and premium, if any, and interest with respect to on the Obligations.

Separate Funds. Moneys and investments properly paid into and held in the funds established under the Trust Agreement will not be subject to the claims of the owners of the Additional Revenue Obligations, and the Owners of the Obligations shall have no claim or lien upon any moneys or investments properly paid into and held in the funds and accounts established under the proceedings for the Additional Revenue Obligations.

Protection of Lien. The Trustee and the Town will agree not to make or create or suffer to be made or created any assignment or lien having priority or preference over the assignment and lien of the Trust Agreement and that no obligations the payment of which is secured by a superior or equal claim on or interest in property or revenues pledged will be issued or delivered by either except in lieu of, or upon transfer of registration or exchange of, any Obligation.

Investments Authorized; Allocation of Earnings. Upon order of the Town, moneys held by the Trustee will be invested and re-invested in Permitted Investments. The Trustee may purchase from, or sell to, itself or any affiliate, as principal or agent, investments and may invest in funds to which the Trustee or any of its affiliates provide services as an investment advisor. The Trustee may act as purchaser or agent in the making or disposing of any investment.

Any income, profit or loss on such investments will be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds will be deposited in the fund from which such deposit was made, except as otherwise provided. At the direction of the Town, any such income, profit or interest will be applied if necessary to pay any rebate due with respect to the Obligation pursuant to the Code.

Appointment of the Trustee. The Town will maintain as the Trustee a bank or trust company with a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or State authority so long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority, then the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Liability of the Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute the Trust Agreement, the recitals of facts, covenants and agreements in the Trust Agreement and the Obligations will be taken as statements, covenants and agreements of the Town, and the Trustee will assume no responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Trust Agreement or the Obligations or will incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Trust Agreement or in the Obligations assigned to or imposed upon it. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee will perform only such duties as are specifically set forth in this Trust Agreement. After the occurrence of an Event of Default, the Trustee will exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent indenture trustee would exercise under the circumstances in the conduct of the its own.

Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible as described hereinabove, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Protection and Rights of the Trustee. The Trustee will be protected and will incur no liability in acting or proceeding in good faith upon any document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Trust Agreement, and the Trustee will be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such document, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee will not be bound to recognize any person as an Owner of any Obligation or to take any action at the request thereof unless such Obligation will be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation will be furnished to the Trustee. The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it in good faith.

Whenever in the administration of its duties under the Trust Agreement, the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action thereunder, such matter (unless other evidence in respect thereof be specifically prescribed) will be deemed to be conclusively proved and established by the certificate of the appropriate representative of the Town and such certificate will be full warranty to the Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion

the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may become the Owner of the Obligations with the same rights it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the Town with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

The Trustee will not be answerable for the exercise of any discretion or power under the Trust Agreement or for anything whatever in connection with the funds established thereunder, except only for its own willful misconduct or negligence.

No provision in the Trust Agreement will require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The Trustee will not be required to take notice or be deemed to have notice of an Event of Default, except for nonpayment of amounts due under the Trust Agreement or the Purchase Agreement, unless the Trustee has actual notice thereof or is specifically notified in writing of such default by the Town or the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding.

The will from time to time, as agreed upon between the Town and the Trustee, pay to the Trustee reasonable compensation for its services, including an hourly rate based fee after an Event of Default and will reimburse the Trustee for all its advances and expenditures, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties.

Removal of the Trustee. The Trustee may be removed by the Town (if not in default) or by the Owners of a majority in aggregate principal amount of the Obligations.

The Trustee may also resign effective upon the appointment of a successor the Trustee by the Town.

Amendments Permitted. The Trust Agreement and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement which will become effective upon the written consent of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, exclusive of certain disqualified Obligations. No such modification or amendment will (1) extend or have the effect of extending the fixed payment date of any Obligation or reducing the interest rate represented thereby or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of the Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto.

The Trust Agreement and the Purchase Agreement may be modified or amended at any time by a supplemental or amending agreement, without the consent of any Owners, but only (1) to provide for additions or modifications to the Projects, (2) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved in the Trustee (for its own behalf) or the Town, (3) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (4) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (5) to provide for the appointment of a successor trustee pursuant to the terms hereof, (6) to preserve the exclusion of the interest on the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the Town to continue to issue bonds or other obligations the interest on which is likewise exempt from federal and State income taxes, (7) to cure, correct or supplement any ambiguous or defective provision in the Trust Agreement and Purchase Agreement, (8) to facilitate the incurrence of the Additional Revenue Obligations, (9) with respect to rating matters, or (10) in regard to questions arising thereunder, as the parties thereto may deem necessary or desirable and which will not adversely affect the

interests of the Owners of the Obligations. Any such supplemental or amending agreement will become effective upon execution and delivery by the parties thereto.

Procedure for Amendment With Written Consent of Obligation Owners. A copy of the proposed supplemental or amending agreement, together with a consent request, must be mailed to each Owner of an Obligation, but failure to mail copies of such supplemental or amending agreement and request does not affect the validity of the supplemental or amending agreement when assented to by a majority in principal amount of the Obligations then Outstanding (exclusive of Obligations then disqualified). The supplemental or amending agreement will not become effective until the required Owners have consented and the Trustee has mailed notice to the Owners of the Obligations stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will become effective (but failure to mail copies of said notice shall not affect the validity of such supplemental or amending agreement or consents thereto).

Disqualified Obligations. Obligations owned or held by or for the account of the Town or by any person directly or indirectly controlled by, or under direct or indirect common control with the Town (except any Obligations held in any pension or retirement fund) will not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for in the Trust Agreement, and will not be entitled to vote upon, consent to, or take any other action provided therein.

No Liability of the Town for the Trustee Performance. The Town will have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under the Trust Agreement

Remedies Upon Default; No Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything in the Trust Agreement or in the Purchase Agreement to the contrary, there will be no right under any circumstances to accelerate the payments of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of the Trust Agreement or the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the Obligations, upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee and then of the Obligation Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel and the creation of a reasonable reserve for anticipated fees, costs and expenses, and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations and, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained in the Trust Agreement.

Power of the Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, it will have full power, in the exercise of its discretion for the best

interests of the Owners of the Obligations, with respect to the continuance, or disposal of such action; provided, however, that the Trustee will not discontinue, or otherwise dispose of any litigation, without the consent of a majority in aggregate principal amount of the Obligations Outstanding.

Limitation on Obligation Owners' Right to Sue. No Owner of any Obligation will have the right to institute any action, for any remedy, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of at least a majority in aggregate principal amount of all the Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers granted or to institute such action, in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity; and (d) the Trustee shall have not complied with such request for a period of sixty (60) days.

No one or more Owners of Obligations will have any right in any manner whatever by their action to enforce any right under the Trust Agreement, except in the manner therein provided, and all proceedings with respect to an Event of Default will be pursued in the manner therein provided and for the equal benefit of all Owners of the Outstanding Obligations.

The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, will not be impaired or affected without the consent of such Owner.

Defeasance. If and when all Outstanding Obligations shall be paid and discharged in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest represented by such Obligations Outstanding, as and when the same become due and payable;

(b) by depositing with a Depository Trustee, in trust for such purpose, at or before the payment date, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all principal and interest due represented by such Outstanding Obligations; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable in such amount as shall be certified to the Trustee and the Town by a national firm of certified public accountants acceptable to the Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all principal interest represented by such Obligations at their respective payment or prepayment dates;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the Town with respect to all Outstanding Obligations will cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to paragraphs (b) or (c) above and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Obligations will continue to represent direct and proportionate interests of the Owners thereof in such funds.

Any Obligation or portion thereof in Authorized Denominations may be paid and discharged as provided in this Section; provided however, that if principal represented by any such Obligation is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions hereof or the Town shall have submitted to the Trustee instructions to be irrevocable as to the date upon which such Obligation or portion thereof is to be prepaid and as to the giving of notice of such prepayment; and provided further, that if any such Obligation or portion thereof will not be payable within sixty (60) days of the deposit referred to in subsections (b) or (c) above, the Trustee shall give notice of such deposit by first class mail to the Owners.

THE PURCHASE AGREEMENT

The following, in addition to the information under the headings "INTRODUCTORY STATEMENT" and "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS," is a summary of certain provisions

of the Purchase Agreement to which document, in its entirety, reference is hereby made for a more complete description of its terms.

Payments. The obligation of the Town to make the Payments will be limited to amounts from Excise Tax Revenues and State Shared Revenues. The Town will receive a credit against amounts due with respect to the Payments equal to any amounts held and available in the Payment Fund.

The obligation of the Town to make the Payments from the sources described and to perform and observe the other agreements contained in the Purchase Agreement will be absolute and unconditional and will not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of the Trustee of any obligation to the Town or otherwise, or out of indebtedness or liability at any time owing to the Town by the Trustee. Until such time as all of the Payments shall have been fully paid or provided for, the Town (i) will not suspend or discontinue the Payments, (ii) will perform and observe all other agreements contained in the Purchase Agreement, and (iii) will not terminate the Purchase Agreement for any cause.

Providing for Payment. The Town may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying such Payment as and when the same becomes due and payable at its scheduled due date or on a date on which it can be prepaid;

(b) by depositing the with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with the Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are non-callable, in such amount as shall be certified by a national firm of certified public accountants acceptable to the Town as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with the Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial prepayment of a Payment, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial prepayment so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts due pursuant to the Purchase Agreement (including the Payments) at the time when the same are to be paid as provided in the Purchase Agreement or the Trust Agreement, (B) the violation by the Town of any other covenant or provision of the Purchase Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Outstanding Parity Obligations or any Additional Revenue Obligations, or (D) the insolvency or bankruptcy of the Town as the same may be defined under any law of the United States of America or the State of Arizona, or any voluntary or involuntary action of the Town or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of such amounts as required under the Purchase Agreement or the Trust Agreement on the due date, or the nonpayment of principal or interest due with respect to the Outstanding Parity Obligations or any Additional Revenue Obligations on their due date, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or the Purchase Agreement not cured within sixty (60) days after notice in writing from the Trustee specifying such default; and (C) in the case of any default under the Outstanding Parity Obligations or any Additional Revenue Obligations, after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, the Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect

such amounts payable by the Town under the Trust Agreement or the Purchase Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement, or covenant of the Town under the Trust Agreement or the Purchase Agreement and with respect to Excise Tax Revenues and State Shared Revenues, without notice and without giving any bond or surety to the Town or anyone claiming under the Town, have a receiver appointed of the amounts of Excise Tax Revenues and State Shared Revenues which are pledged to the payment of amounts due thereunder, with such powers as the court making such appointment shall confer (and the Town will irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

The obligations of the Town under the Purchase Agreement, including, without limitation, its obligation to pay the Payments, will survive any action brought, and the Town will continue to pay the Payments and perform all other obligations provided in the Purchase Agreement; provided, however, that the Town will be credited with any amount received by the Trustee.

APPENDIX E

PROPOSED FORM OF APPROVING LEGAL OPINION

[Closing Date]

[Trustee]
Phoenix, Arizona

Re: Pledged Excise Tax Revenue Obligations, Series 2024 and Pledged Excise Tax Revenue Refunding Obligations, Series 2024 Evidencing Proportionate Interests of the Owners Thereof in Purchase Payments to be Made by the Town of Marana, Arizona to [Trustee], Dated the Date Hereof

We have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery by [Trustee] (the "Trustee") of the Pledged Excise Tax Revenue Obligations, Series 2024 and Pledged Excise Tax Revenue Refunding Obligations, Series 2024 (collectively, the "Obligations"), pursuant to a Fourth Trust Agreement, dated as of February 1, 2024* (the "Trust Agreement"), between the Trustee and the Town of Marana, Arizona (the "Town"). Each of the Obligations is an undivided, participating, proportionate interest in certain payments to be made by the Town pursuant to a Fourth Purchase Agreement, dated as of February 1, 2024* (the "Purchase Agreement"), between the Trustee and the Town to finance and refinance certain projects for the Town. In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered herein below.

In such an examination, we have examined originals (or copies certified or otherwise identified to our satisfaction) of the foregoing and have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as copies and the accuracy of the statements contained in such documents. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid documents contained in the Transcript. We have also relied upon the opinions of the Town Attorney delivered even date herewith as to the matters provided therein.

Based upon such examination, we are of the opinion that, under the law existing on the date of this opinion:

1. The Obligations, the Trust Agreement and the Purchase Agreement are legal, valid, binding and enforceable in accordance with their respective terms, except that the binding effect and enforceability thereof and the rights thereunder are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally; except to the extent that the enforceability thereof and the rights thereunder may be limited by the application of general principles of equity and, as to the Trust Agreement, except to the extent that the enforceability of the indemnification provisions thereof may be affected by applicable securities laws.

2. The obligations of the Town pursuant to the Purchase Agreement with respect to payment of principal and interest with respect to the Obligations are solely from the revenues and other moneys pledged and assigned pursuant to the Trust Agreement to secure such payments. Those revenues and other moneys include payments required to be made by the Town pursuant to the Purchase Agreement, and the obligation of the Town to make those payments is secured by a limited pledge of "Excise Tax Revenues" and "State Shared Revenues" as described in, and provided by, the Purchase Agreement. Such payments are not secured by an obligation or pledge of any moneys raised by taxation other than the specified taxes; the Obligations do not represent or constitute a debt or pledge of the general credit of the Town and the Purchase Agreement, including the obligation of the Town to make

* *Subject to change.*

the payments required thereunder, does not represent or constitute a debt or pledge of the general credit of the Town.

3. (a) Based on the representations and covenants of the Town and subject to the assumption stated in the last sentence of this paragraph, under existing statutes, regulations, rulings and court decisions, the portion of each payment made by the Town pursuant to the Purchase Agreement, denominated and comprising interest and received by the beneficial owners of the Obligations (the "Interest Portion"), is excludable from the gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), on applicable corporations (as defined in Section 59(k) of the Code), the Interest Portion is not excluded from the determination of adjusted financial statement income for tax years beginning after 2022. We express no opinion regarding other federal tax consequences resulting from the receipt or accrual of the Interest Portion on, or ownership or disposition of, the Obligations. The Code includes requirements which the Town must continue to meet after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal income tax purposes. The failure of the Town to meet these requirements may cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to their date of execution and delivery. The Town has covenanted in the Purchase Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. (Subject to the same limitations in the first numbered paragraph hereof as they would relate to such covenants, the Town has full legal power and authority to comply with such covenants.) In rendering the opinion expressed in this paragraph, we have assumed continuing compliance with the tax covenants referred to hereinabove that must be met after the execution and delivery of the Obligations in order that the Interest Portion not be included in gross income for federal tax purposes.

(b) Assuming the Interest Portion is so excludable for federal income tax purposes, the Interest Portion is exempt from income taxation under the laws of the State of Arizona. (We express no opinion regarding other State tax consequences resulting from the receipt or accrual of the Interest Portion on, or disposition or ownership of, the Obligations.)

Our opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

TOWN OF MARANA, ARIZONA

$52,000,000*	$20,505,000
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024	PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Undertaking") is executed and delivered by the Town of Marana, Arizona (the "Town"), in connection with the execution and delivery of $52,000,000* principal amount of Pledged Excise Tax Revenue Obligations, Series 2024 (the "New Money Obligations") and $2,370,000 principal amount of Pledged Excise Tax Revenue Refunding Obligations, Series 2024 (the "Refunding Obligations" and, collectively with the New Money Obligations, the "Obligations"). The Obligations are being executed and delivered pursuant to a Fourth Trust Agreement, dated as of February 1, 2024* (the "Trust Agreement"), by and between the Town and [Trustee] (the "Trustee"). The Town covenants and agrees as follows:

1. Definitions. In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

"Annual Financial Information" means the financial information and operating data set forth in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the Town prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Town and which has filed with the Town a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Final Official Statement" means the Final Official Statement relating to the Obligations, dated _____, 2024.

* *Subject to change.*

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"GAAP" means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

"Listed Event" means the occurrence of events set forth in ***Exhibit II***.

"Listed Events Disclosure" means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Obligations.

"Purchase Agreement" means the Fourth Purchase Agreement, dated as of February 1, 2024*, by and between the Town and the Trustee.

"Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

"State" means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the Town as of the date set forth below, for the benefit of the beneficial owners of the Obligations and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The Town represents that it will be the only obligated person with respect to the Obligations at the time the Obligations are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the Obligations.

3. CUSIP Number. The CUSIP Numbers of the Obligations are as follows:

CUSIP No. (Base_____)	Payment Date

4. Annual Financial Information Disclosure. Subject to Section 8 of this Undertaking, the Town shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

* *Subject to change.*

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Town will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the Town shall disseminate in a timely manner, but in not more than ten (10) business days after the occurrence of the event, its Listed Events Disclosure through EMMA. Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the Town to Provide Information. The Town shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Town to comply with any provision of this Undertaking, the beneficial owner of any Obligation may seek mandamus or specific performance by court order, to cause the Town to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Purchase Agreement or the Trust Agreement, and the sole remedy available to such owners of the Obligations under this Undertaking in the event of any failure of the Town to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the Town by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Town, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Obligations, as determined by parties unaffiliated with the Town (such as the Trustee) or by approving vote of the owners of the Obligations pursuant to the Trust Agreement at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying GAAP to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Town to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the Town change or the fiscal year of the Town changes, the Town shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Termination of Undertaking. This Undertaking shall be terminated hereunder if the Town shall no longer have liability for any obligation on or relating to repayment of the Obligations under the Trust Agreement.

9. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the Town chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the Town shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

11. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the Town, the Dissemination Agent, if any, and the beneficial owners of the Obligations, and shall create no rights in any other person or entity.

12. Recordkeeping. The Town shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. The Town shall not transfer obligations under the Purchase Agreement unless the transferee agrees to assume all obligations of the Town under this Undertaking or to execute an undertaking meeting the requirements of the Rule.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

Dated: [Closing Date]

TOWN OF MARANA, ARIZONA

By.....
Mayor

ATTEST:

.....
Town Clerk

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Final Official Statement in TABLE 4 – Historical, Projected and Budgeted Excise Tax Revenues and State Shared Revenues Collections (actual results for most recently completed fiscal year only).

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The Town shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2025. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the Town.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the Town will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

EXHIBIT II

EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the Town, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.
13. The consummation of a merger, consolidation or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Town, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Town, any of which reflect financial difficulties.

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to

the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Obligations and the redemption price of any Obligation will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Obligations and the redemption price of any Obligations will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the Town or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

FOURTH PURCHASE AGREEMENT

by and between

_____,
as Seller

and

THE TOWN OF MARANA, ARIZONA,
as Purchaser

Dated as of February 1, 2024

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FOURTH PURCHASE AGREEMENT

THIS FOURTH PURCHASE AGREEMENT, dated as of February 1, 2024 (this "Agreement"), by and between the TOWN OF MARANA, ARIZONA, a municipal corporation under the laws of the State of Arizona ("Town"), as purchaser hereunder, and _____, a national banking association ("Trustee"), in its capacity as trustee under the Fourth Trust Agreement, dated as of even date herewith (the "Trust Agreement"), by and between Trustee and Town, and in its separate capacity as seller hereunder,

W I T N E S S E T H:

WHEREAS, the Mayor and Common Council of Town have determined that it will be beneficial for the citizens of Town for Town to finance and refinance, as applicable, the costs of the Projects (as such term and all other undefined terms used herein are defined in the Trust Agreement); and

WHEREAS, for such purpose, the Mayor and Common Council of Town requested that Trustee execute and deliver the Obligations, and Trustee has, as provided in the Trust Agreement, caused deposits to be made to the Acquisition Fund and the Costs of Issuance Fund and amounts to be transferred to the Escrow Trustee; and

WHEREAS, Town is a municipal corporation duly incorporated and validly existing under the laws of the State; the Constitution and the laws of the State authorize Town to enter into this Agreement and the transactions contemplated by this Agreement; Town has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of Town, enforceable against Town in accordance with its terms; all required procedures for execution and performance of this Agreement have been or will be complied with in a timely manner; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Town is now a party or by which Town is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Town; and the Projects comply with all applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and with Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Projects; and

WHEREAS, Trustee has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Term and Payments.

(a) In order to finance and refinance, as applicable, the costs of the Projects (in the case of the Refinanced Projects, those costs which have not been paid to date), Town sells and conveys any interests it has in the Projects to Trustee, without recourse, representation or warranty, for the sum of $10.00 and other valuable consideration had and received. For the amounts payable pursuant hereto (including the Payments), Trustee in turn hereby sells and conveys back to Town, without recourse, representation or warranty, and Town hereby purchases from Trustee, any interests Trustee has in the Projects. (Town acknowledges that the right of Trustee to sell the Refinanced Projects arises out of the deposit for the benefit of Town with the Escrow Trustee and that Town is receiving good and valuable consideration from both such sales.)

(b) Trustee shall have no further obligation to provide funds for the Projects, and Town shall be entitled to sole and exclusive possession of the Projects.

(c) As the purchase price, Town shall pay the Payments to Trustee on the dates and in the amounts set forth in Schedule I and Schedule II hereto. (The Interest Portion is interest for purposes of the Code.) This Agreement shall be deemed and construed to be a "*net purchase agreement*," and the Payments shall be an absolute net return to Trustee, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein.

Town shall also pay all amounts necessary for compliance with the Continuing Disclosure Undertaking.

Town shall further also pay to Trustee its fees and expenses in accordance with the provisions of the Trust Agreement and to the United States of America any amounts required by Section 11(b)(ii).

Town shall receive a credit against amounts so due, equal to any amounts held in the Payment Fund in excess of the amount then required to be in the Payment Fund. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest due on the Obligations on the next date for payment thereof, Town shall pay any such deficiency in sufficient time to prevent default in the payment of principal of or interest on the Obligations falling due on such date.

(d) The obligation of Town to pay the amounts described in paragraph (c) hereof (including the Payments) from the sources described herein and to comply with the other provisions hereof shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach by Trustee of any obligation to Town or otherwise, or out of indebtedness or liability at any time owing to Town by Trustee. Until such time as all of the payments described in paragraph (c)

hereof (including the Payments) shall have been fully paid or provided for, Town (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof, and (iii) shall not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Projects or the taking by *eminent domain* of title to or temporary use of any or all of the Projects, commercial frustration of purpose, abandonment of the Projects by Town, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Agreement. Nothing contained in this Section shall be construed to release Trustee from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event Trustee shall fail to perform any such agreements on its part, Town may institute such action against Trustee as Town may deem necessary to compel performance so long as such action does not abrogate the obligations of Town contained in the first sentence of this paragraph.

(e) Any of the payments described in paragraph (c) hereof (including the Payments) due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

(f) Amounts payable to Trustee shall be paid by the means specified by Trustee in writing to Town.

Section 2. Pledge; Limited Obligations.

(a) Excise Tax Revenues and State Shared Revenues are hereby irrevocably pledged by Town to the payment of all amounts described in Section 1(c) hereof (including the Payments), and payment of such amounts shall be secured by a paramount and first lien on and pledge of Excise Tax Revenues and State Shared Revenues on parity with the pledge and lien hereby granted by Town for the payment and security of the Outstanding Parity Obligations and any Additional Revenue Obligations. Town shall make said payments from Excise Tax Revenues and State Shared Revenues (first making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on Excise Tax Revenues and State Shared Revenues and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenues and State Shared Revenues or security therefor.

(b) Town shall remit to Trustee from Excise Tax Revenues and State Shared Revenues all amounts due under this Agreement in the amounts and at the times and for the purposes as required herein. The obligation of Town to make payments of any amounts due under this Agreement, including amounts due after default or termination hereof, is limited to payment from Excise Tax Revenues and State Shared Revenues and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of Town, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

(c) Town may, at the sole option of Town, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as Town shall determine from time to time, but Trustee acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any *ad valorem* property taxes imposed by Town or from bonds or other obligations, the payment of which Town's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by Town according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State, and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

Section 3. Surplus and Deficiency of Excise Tax Revenues and State Shared Revenues. Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under this Agreement shall constitute surplus revenues and may be used by Town for any lawful purpose for the benefit of Town, including the payment of obligations to which Excise Tax Revenues and State Shared Revenues may from time to time be pledged on a basis subordinate hereto. If at any time the moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and, with respect to payment from Excise Tax Revenues and State Shared Revenues, *pro rata*, as applicable, with amounts due with respect to the Outstanding Parity Obligations, this Agreement and any Additional Revenue Obligations, and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant hereto.

Section 4. Additional Revenue Obligations. Additional Revenue Obligations may be incurred but only if Excise Tax Revenues plus State Shared Revenues, when combined mathematically for such purpose only, in the most recently completed Fiscal Year, shall have amounted to at least two (2) times the Maximum Annual Debt Service.

Section 5. Town Control over Revenue Collection.

(a) To the extent permitted by applicable law, Excise Tax Revenues shall be retained and maintained so that the amounts received from Excise Tax Revenues plus State Shared Revenues, when combined mathematically for such purpose only, all within and for the most recently completed Fiscal Year, shall have been equal to at least two (2) times the Annual Debt Service for the current Fiscal Year. If Excise Tax Revenues plus State Shared Revenues for any such Fiscal Year shall not have been equal to at least one and one-quarter (1.25) times the Annual Debt Service for the current Fiscal Year or if at any time it appears that Excise Tax Revenues plus State Shared Revenues will not be sufficient to meet such requirements, Town shall, to the extent permitted by applicable law, impose new exactions of the type of the excise taxes which will be part of the excise taxes or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each Fiscal Year in order that (i) Excise Tax Revenues plus State Shared Revenues will be sufficient to meet all current requirements hereunder, and (ii) Excise Tax Revenues plus

State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

(b) The Excise Tax Revenue Fund established in connection with the Prior Lease is hereby expanded to provide for the purposes of this Agreement and, after paying therefrom amounts for the purposes described herein, such Fund may be reduced to zero, including by transferring any such balance to the General Fund of Town.

Section 6. Certain Matters with Respect to Projects.

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Trustee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Projects for any particular purpose or the conformity of the Projects to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by Town. All such risks shall be borne by Town without in any way excusing Town from its obligations under this Agreement, and Trustee shall not be liable to Town for any damages on account of such risks. Except with respect to any acts by Trustee which are not undertaken at the request of Town or with the prior approval of Town, Town waives all claims against Trustee related to or arising from the acquisition of the Projects. Trustee shall have no liability to Town for any failure of any contractor to perform any contract or other undertaking with respect to the Projects in any respect. Trustee shall have no obligation to obtain or insure compliance with any required permits or approval procedures with respect to the Projects. In the event of any defect in any item of the Projects or other claim with respect to the Projects, recourse of Town shall be against the contractors, manufacturers, suppliers, etc. of the Projects and, where applicable, the person selling the property to Trustee, and not against Trustee. For such purpose, Trustee hereby assigns and transfers to Town the right, title and interest of Trustee in and to all representations, warranties, guarantees and service agreements relating to the Projects made or entered into by Trustee and by any contractor, manufacturers, suppliers, etc. of the Projects. Trustee further designates Town as its attorney-in-fact granting to Town the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements. Trustee is entering into this Agreement solely as Trustee, shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall Trustee be listed in the chain of title to the Projects.

(b) Trustee hereby irrevocably appoints Town as its sole and exclusive agent to act for and on behalf of Trustee in financing and refinancing, as applicable, the costs of the Projects. As such agent, Town shall have full authority to do all things necessary to accomplish such purposes. Trustee shall not be liable, responsible or accountable for the acts of Town as its agent hereunder, and Town hereby assumes all responsibility for the performance of such duties.

(c) Town, by keeping and performing the covenants and agreements

herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Projects, without suit, trouble or hindrance from Trustee. Town hereby grants and conveys to Trustee, and all persons claiming by, through or under Trustee, including its successors and assigns under the Trust Agreement and the Owners for whom it acts, a nonexclusive easement upon, in and to the Projects for the purpose of permitting the Projects to be maintained upon the premises.

(d) Notwithstanding any other terms or provisions of this Agreement, the interest of Trustee in the Projects is solely in its capacity as Trustee for the purpose of facilitating the financing and refinancing, as applicable, of the Projects, and Trustee shall not have the power, authority or obligation to assume any responsibility for the Projects.

Section 7. Providing for Payment. Town may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying such Payment as provided herein as and when the same becomes due and payable at its scheduled due date pursuant to Section 1 hereof or on a date on which it can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid; or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable, in such amount as shall be certified to Trustee and Town, by a national firm of certified public accountants acceptable to Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial prepayment of a Payment, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate or rates on the Obligations remaining outstanding after the partial prepayment so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on such outstanding Obligations when due.

Section 8. Term of Agreement. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligations. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Section 1(c) hereof (including the Payments) and provided that Town has performed all the covenants and agreements required by Town to be performed, this Agreement shall cease and expire. The obligations of Town under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and Town shall continue to pay the Payments and perform

all other obligations provided in this Agreement; provided, however, that Town shall be credited with any amount received by Trustee pursuant to actions brought under the next Section hereof.

Section 9. Default; Remedies Upon Default.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Section 1(c) hereof (including the Payments) at the time when the same are to be paid as provided herein or in the Trust Agreement, (B) the violation by Town of any other covenant or provision of this Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Outstanding Parity Obligations or any Additional Revenue Obligations, or (D) the insolvency or bankruptcy of Town as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of Town or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts described in Section 1(c) hereof (including the Payments) as required hereunder or under the Trust Agreement on the due date or the nonpayment of principal or interest due with respect to the Outstanding Parity Obligations or any Additional Revenue Obligations on their due dates, (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement not cured within sixty (60) days after notice in writing from Trustee specifying such default, and (C) in the case of any other default under any of the Outstanding Parity Obligations or any Additional Revenue Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by Town under the Trust Agreement or this Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of Town under the Trust Agreement or this Agreement, and with respect to Excise Tax Revenues and State Shared Revenues, without notice and without giving any bond or surety to Town or anyone claiming under Town, have a receiver appointed of Excise Tax Revenues and State Shared Revenues which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and Town does hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

Each right, power and remedy of Trustee provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Trustee of any one or more of the

rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of Trustee to insist upon a strict compliance by Trustee with all the covenants and conditions hereof. Town shall, upon not less than 10 days' prior request by Trustee, execute, acknowledge and deliver to Trustee a statement in writing certifying that this Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) Trustee shall in no event be in default in the performance of any of its obligations hereunder unless and until Trustee shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by Town properly specifying wherein Trustee has failed to perform any such obligation. No default by Trustee shall relieve Town of its obligations to make the various payments herein required, so long as any of the Obligations remain outstanding; however, Town may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to Trustee under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, Town shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein, and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest of City in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement.

Section 11. Federal Law Provisions.

(a) (i) As described in further detail in the Tax Certificate, no direction by City for the making of any investment or other use of the proceeds of the Obligations or of the Projects shall be made, permitted to be made or omitted from being made which would cause the Obligations to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligations. Particularly, Town shall be the owner of the Projects for federal income tax purposes. Town shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Projects unless the management or service contract complies with the requirements of such authority as may control

at the time, or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Projects. Also, the payment of principal and interest with respect to the Obligations shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligations, or amounts treated as proceeds of the Obligations, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligations are being executed and delivered, may be so used in making investments in a *bona fide* debt service fund or may be invested in obligations issued by the United States Treasury. Town shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligations (initially those in subsection (b) and the Tax Certificate) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligations by the owners from time to time thereof and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, Town shall, and the appropriate officials of Town are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(ii) (A) Town shall take all necessary and desirable steps, as determined by the Mayor and Common Council of Town, to comply with the requirements hereunder in order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event Town receives a Special Counsel's Opinion that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code relating to such exclusion. In the event Town receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, Town shall take all necessary and desirable steps, as determined by Town, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and Town shall pay any required interest or penalty under hereinafter described Regulations Section 1.148-3(h) with respect to the Code.

(C) Written procedures have been established for Town to ensure that all nonqualified obligations are remediated according to the requirements under the Code and related Regulations and to monitor the requirements of Section 148 of the Code relating to arbitrage, with which Town will comply.

(b) (i) Undefined terms used in this Subsection shall have the meanings given to them in the Code and the Regulations.

(ii) Unless an exception is available to the satisfaction of a Town Representative, within 60 days after the end of each Bond Year, Town shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous Rebate Payments with respect to the Obligations (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous Rebate Payments with respect to the Obligations (determined as of the last day of such Bond Year); and

(B) not later than 60 days after the retirement of the last Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Obligation).

Each Rebate Payment required to be made under this Section shall be filed on or before the date such payment is due, with the Internal Revenue Service at the appropriate location and with required forms and other materials, currently by addressing it to IRS Service Center, Ogden, Utah 84201, and accompanying it with IRS Form 8038-T.

(iii) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(iv) For purposes of paragraph (iii), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing purchaser would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(B) Except as provided in Subsections (v) or (vi), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code Section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(v) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(vi) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(A) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with Town or any other person (whether or not in connection with the Obligations), and that the bid is not being submitted solely as a courtesy to Town or any other person for purposes of satisfying the requirements in the Regulations that Town receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligations.

(B) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(C) At least three reasonably competitive providers (i.e., having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligations (e.g., a lead underwriter within 15 days of the issue date of the Obligations or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If Town uses an agent to conduct the bidding, the agent may not bid.

(D) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(E) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(F) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(G) The provider of the investment contract certifies the administrative costs (as defined in Regulations Section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(H) Town retains until three years after the last outstanding Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by Town and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (4) the bid solicitation form and, if the terms of the guaranteed investment contract deviate from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(vii) Such experts and consultants shall be employed by Town to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code with respect to the Obligations.

(c) Town shall comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, provided that such costs of compliance shall be payable solely from Excise Tax Revenues and State Shared Revenues. Notwithstanding any other provision of this Agreement, failure of Town to comply with the Continuing Disclosure Undertaking shall not be considered an event of default; however, Trustee may (and, at the request of the original purchaser of the Obligations or the owners of at least 25% aggregate principal amount in outstanding Obligations and receipt of indemnity to its satisfaction, shall) take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause Town to comply with its obligations under the Continuing Disclosure Undertaking.

(d) Trustee has no duty or obligations under this Section 11 and has no duty to monitor compliance by Town with this Section 11.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein and which provides that Town may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by Town if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Town is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Trustee within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by Town. No basis exists for Town to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by Trustee of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Trustee by Town. Town retains the legal right to randomly inspect the papers and records of Trustee to ensure that Trustee is complying with the above-mentioned warranty. Trustee shall keep such papers and records open for random inspection during normal business hours by Town. Trustee shall cooperate with the random inspections by Town including granting Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393 et seq., Arizona Revised Statutes, Trustee hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If Town determines that Trustee's certification above is false or that it has breached such agreement, Town may remove Trustee hereunder as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, Trustee hereby certifies it does not currently, and for the duration of this Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of Trustee without any current independent investigation or without any future independent investigation for the duration of this Agreement. If Trustee becomes aware during the duration of this Agreement that it is not in compliance with such certification, Trustee shall take such actions as provided by law, including providing the required notice to Town. If Town determines that Trustee is not in compliance with the foregoing certification and has not taken remedial action, Town shall terminate Trustee's role as Trustee hereunder pursuant to Article VII of the Trust Agreement.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by Town may be waived except by the written consent of Trustee, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Trustee from invoking such remedy at any later time prior to the cure by Town of the condition giving rise to such remedy.

(b) This Agreement shall be construed and governed in accordance with the laws of the State in effect from time to time.

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both Trustee and Town, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement found to be prohibited by law or unenforceable or which would cause this Agreement to be invalid, prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, causing the remainder of this Agreement to be invalid, prohibited by law or unenforceable.

(e) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(f) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and personal representatives, as the case may be. Any person or entity acquiring any interest in or to the right, title or interest of Trustee herein shall be and have the rights of a third-party beneficiary hereunder.

(g) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Trustee:

_____, as seller

By.....
Authorized Representative

Town:

TOWN OF MARANA, ARIZONA, a municipal corporation under the laws of the State of Arizona, as purchaser

By.....
Mayor

ATTEST:

.....
Town Clerk

[Signature page to Fourth Purchase Agreement]

SCHEDULE I

PAYMENTS WITH RESPECT TO NEW MONEY OBLIGATIONS

Payment Date	Principal	Interest	Total Payment
01/01/20__			
07/01/20__			
Total			

SCHEDULE II

PAYMENTS WITH RESPECT TO REFUNDING OBLIGATIONS

Payment Date	Principal	Interest	Total Payment
01/01/20__			
07/01/20__			
Total			

FOURTH TRUST AGREEMENT

by and between

_____,
as Trustee

and

THE TOWN OF MARANA, ARIZONA

Dated as of February 1, 2024

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* * *

FOURTH TRUST AGREEMENT

THIS FOURTH TRUST AGREEMENT, dated as of February 1, 2024 (together with any duly authorized, executed and delivered supplement hereto, this "Trust Agreement"), by and between _____, a national banking association authorized to exercise corporate trust powers in the State of Arizona, as trustee, or any successor thereto acting as trustee pursuant to this Trust Agreement and in its capacity as "Seller" pursuant to the hereinafter described Purchase Agreement (the "Trustee"), and the TOWN OF MARANA, ARIZONA, a municipal corporation under the laws of the State of Arizona (the "Town"),

W I T N E S S E T H:

WHEREAS, the Mayor and Common Council of the Town have determined that it will be beneficial to the citizens of the Town for the Town to finance and refinance, as applicable, the costs of the Projects (as such term and all other terms not otherwise defined hereinabove are hereinafter defined); and

WHEREAS, for such purpose, the Mayor and Common Council of the Town requested that the Trustee execute and deliver the Obligations, and the Trustee has, as described in this Trust Agreement, caused deposits to be made to the Acquisition Fund and the Costs of Issuance Fund and amounts to be transferred to the Escrow Trustee for the purposes of the Escrow Trust Agreement; and

WHEREAS, the Town and the Trustee will enter into this Trust Agreement to facilitate the administration of the financing and refinancing of the costs of the Projects, and the Trustee has full legal authority and is duly empowered to enter into this Trust Agreement and has taken all actions necessary to authorize the execution and delivery hereof; and

WHEREAS, for the purpose of obtaining the moneys to provide for such deposits and transfer, rights pursuant to the Purchase Agreement have been assigned and transferred to the Trustee for purposes hereof, and in consideration of such assignment and the execution hereof, the Trustee has executed and delivered the Obligations, each evidencing a proportionate interest in certain rights pursuant to the Purchase Agreement;

NOW, THEREFORE, in consideration for the Obligations executed, delivered and Outstanding under this Trust Agreement; the acceptance by the Trustee of the trusts created herein; the purchase and acceptance of the Obligations by the Owners, and to secure the payment of principal and interest (to the extent provided herein) represented by the Obligations, the rights of the Owners of the Obligations and the performance and the observance of the covenants and conditions contained in the Obligations, the Purchase Agreement and herein, and the performance and the observance of all of the covenants and conditions contained therein, the Town absolutely and irrevocably pledges and assigns to the Trustee, and the Trustee hereby declares an irrevocable trust and acknowledges its acceptance of, all right, title and interest in and to the following described trust estate, which shall be administered by the Trustee according to the provisions of this Trust Agreement and for the equal and proportionate benefit of the Owners of the Obligations:

A. All right, title and interest of Seller in, under and pursuant to the Purchase Agreement, the Payments and any other amounts payable by the Town under the Purchase Agreement and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all such revenues, receipts and other sums of money payable or receivable thereunder, (ii) bring actions and proceedings thereunder or for the enforcement of such rights, and (iii) do any and all other things which the Seller is or may become entitled to do thereunder;

B. Amounts on deposit from time to time in the funds created pursuant hereto, subject to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Obligations, by the Seller or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrance of this Trust Agreement, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the Town, its successors and assigns, under the Purchase Agreement;

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Obligations executed and delivered hereunder and Outstanding, none of the Obligations being entitled to priority or distinction one over the other in the application of Excise Tax Revenues and State Shared Revenues pledged by the Purchase Agreement to the Payments, regardless of the delivery of any of the Obligations prior to the delivery of any other of the Obligations, or regardless of the time or times principal represented by any Obligations are paid or are subject to prepayment with respect to principal represented thereby, all of the Obligations being co-equal as to the pledge of and lien on Excise Tax Revenues and State Shared Revenues pledged for the Payments thereof and sharing ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenues and State Shared Revenues or security therefor and conditioned, however, that if the Town shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereinafter set forth. For such purposes, the Town and the Trustee hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the first paragraph hereof and unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

"Acquisition Fund" means the fund of that name established pursuant to Article III and held by the Trustee.

"Additional Revenue Obligations" means any additional obligations which may hereafter be issued or incurred by the Town (or any financing conduit acting on behalf of the Town) having a lien upon and payable from Excise Tax Revenues and State Shared Revenues on a parity with, and in compliance with the terms of, the Outstanding Parity Obligations and the Purchase Agreement.

"Annual Debt Service" means the amount to be paid in any Fiscal Year with respect to the Parity Obligations for payment of principal and interest requirements.

"Authorized Denominations" means $5,000 of principal represented by the Obligations of a series due on a specific payment date or integral multiples thereof.

"Bond Year" means each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Obligations and shall end on the date selected by the Town, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Obligation.

"Bond Yield" means the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations Section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the applicable series of Obligations as determined under Regulations Section 1.148-4(b), recomputed if required by Regulations Section 1.148-4(b)(4) or 4(h)(3). The present value of all such payments shall be computed as of the date of issue of the Obligations and using semiannual compounding on the basis of a 360-day year.

"Business Day" means any day of the week other than a Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which the Trustee is authorized or obligated by law or executive order to close or a day on which the Federal Reserve is closed as modified by the effect of Section 9.6.

"Certificate of Completion" means the notice of completion, filed with the Trustee by the Town Representative, stating that the Project has been substantially completed.

"Closing Date" means February __. 2024.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and sections thereof include applicable regulations and temporary regulations thereunder and any successor provisions to those sections, regulations or temporary regulations and any applicable regulations or temporary regulations issued pursuant to the Internal Revenue Code of 1954, as amended.

"Completion Date" means the date on which the Certificate of Completion is filed with the Trustee by the Town Representative.

"Continuing Disclosure Undertaking" means the Continuing Disclosure Undertaking, dated the Closing Date, from the Town.

"Corporate Trust Office" means the office of the Trustee designated in Section 12.2 or any successor corporate trust office.

"Costs of Issuance Fund" means the fund of that name established pursuant to Article III and held by the Trustee.

"Defaulted Interest" has the meaning provided in Section 2.11(d).

"Defeasance Obligations" means, to the extent permitted by law, (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, (5) securities eligible for "AAA" defeasance under then-existing criteria of S&P, or (6) any combination of the foregoing.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the Town or the Trustee relating to the sale and execution and delivery of the Purchase Agreement, this Trust Agreement, the Escrow Trust Agreement and the Obligations, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligations and charges and fees in connection with the foregoing.

"Depository Trustee" means any bank or trust company, which may include the Trustee, designated by the Town, with a combined capital and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal or State authority.

"Designated Office" means the office designated as such by the Trustee in writing to the Town.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Electronically" means, with respect to notice, one transmitted through a timesharing terminal, computer network or facsimile machine, if operative as between any two parties, or if not operative, by telephone (promptly confirmed in writing).

"Escrow Trust Agreement" means the Escrow Trust Agreement, dated as of February 1, 2024, by and between the Town and the Escrow Trustee.

"Escrow Trustee" means _____, in its capacity as escrow trustee pursuant to the Escrow Trust Agreement.

"Event of Default" means an event of default under the Purchase Agreement as provided in Section 9 thereof.

"Excise Tax Revenues" means revenues from the Town sales taxes, license and permit fees and fines and forfeitures which the Town now collects; provided that the Mayor and Common Council of the Town may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council.

"Fiscal Year" means the fiscal year of the Town, currently the period July 1 through June 30.

"Gross Proceeds" means:

(i) any amounts actually or constructively received by the Town from the sale of the applicable series of the Obligations but excluding amounts used to pay accrued interest on the Obligations within one year of the date of issuance of the Obligations;

(ii) transferred proceeds of the applicable series of the Obligations under Regulations Section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii) and

(iv) replacement proceeds of the applicable series of the Obligations within the meaning of Regulations Section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the applicable series of the Obligations, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the applicable series of the Obligations in the event the Town encounters financial difficulties and other replacement proceeds within the meaning of Regulations Section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under this Trust Agreement.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is

not an employee of the Town or the Trustee and which may include the counsel giving a Special Counsel's Opinion.

"Interest Payment Date" means each January 1 and July 1, while principal represented by any Obligations is Outstanding provided that, pursuant to Section 9.6, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

"Interest Portion" means the amounts of each of the Payments in the column in the Schedule attached to the Purchase Agreement designated "Interest," denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owners of the Obligations.

"Investment Property" means any security, obligation (other than a tax-exempt bond within the meaning of Code Section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations Section 1.148-1(b).

"Issue Price" means the issue price of the Obligations determined as provided in the Regulations and as indicated in the Tax Certificate.

"Market Value" means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

"Maximum Annual Debt Service" means, for any Fiscal Year, the greatest Annual Debt Service for the then-current or any succeeding Fiscal Year.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by notice to the Trustee.

"New Money Obligations" means the Town of Marana, Arizona Pledged Excise Tax Revenue Obligations, Series 2024, executed and delivered pursuant hereto.

"Nonpurpose Investment" means any Investment Property acquired with Gross Proceeds and which is not acquired to carry out the governmental purposes of the Obligations.

"Notification" shall have the meaning provided in Section 10.3.

"Obligations" means, collectively, the New Money Obligations and the Refunding Obligations.

"Obligations Being Prepaid" means all remaining outstanding amounts of the Town of Marana, Arizona Pledged Excise Tax Revenue and Revenue Refunding Obligations, Series 2013 and the Town of Marana, Arizona Pledged Excise Tax Revenue Obligations, Series 2017C, which obligations financed and refinanced a portion of the costs of the Refinanced Projects.

"Outstanding" refers to Obligations issued in accordance with this Trust Agreement, excluding: (i) Obligations which have been exchanged or replaced, or delivered to the Trustee for credit against a mandatory prepayment installment with respect to principal represented thereby; (ii) Obligations which have been paid; (iii) Obligations which have become due and for the payment of which moneys have been duly provided to the Trustee; and (iv) Obligations for which there have been irrevocably set aside with a Depository Trustee sufficient moneys or obligations permitted hereby and by the Purchase Agreement bearing interest at such rates and with such maturities as will provide sufficient funds to pay the principal and interest represented by such Obligations, provided, however, that if principal represented by any such Obligations is to be prepaid, the Town shall have taken all action necessary to prepay such Obligations and notice of such prepayment shall have been duly mailed in accordance with the proceedings under which such Obligations were issued or irrevocable instructions so to give such notice shall have been given to the Trustee.

"Outstanding Parity Obligations" means, collectively, the Second Purchase Agreement, the Third Purchase Agreement and the WIFA Loan Agreements.

"Owner" or any similar term, when used with respect to an Obligation means the person in whose name such Obligation shall be registered.

"Parity Obligations" means the Outstanding Parity Obligations, the Purchase Agreement and any Additional Revenue Obligations.

"Payment Fund" means the fund of that name established pursuant to Article V and held by the Trustee.

"Payment Request Form" means the form set forth in Exhibit B attached hereto.

"Payments" means the "Payments" required to be paid by the Town pursuant to Section 1(c) of the Purchase Agreement and as set forth in Schedule I and Schedule II to the Purchase Agreement, subject to the provisions of Section 5.2(b).

"Permitted Investments" means any investment permitted by applicable law, including Section 35-323, Arizona Revised Statutes (or any successor provision thereto).

"Prior Lease" means the Amended and Restated Town Lease and Series 1992 Town Lease, dated as of October 1, 1997, as amended by the First Amendment to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of January 1, 2000, the Combined Operations Center Property Ground Lease and Second Amendment to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of April 1, 2002, and the Third

Amendment to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of September 1, 2003, and supplemented by the First Supplement to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of February 1, 2000, the Second Supplement to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of September 1, 2003, the Third Supplement to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of August 1, 2004, and the Fourth Supplement to Amended and Restated Town Lease and Series 1992 Town Lease, dated as of August 1, 2008 by and between the Town and the Town of Marana Municipal Property Corporation.

"Project" means, collectively, construction and equipping of a multi-generational community center and aquatic center and related capital improvements.

"Project Costs" means, with respect to the Project, all architectural, engineering, soils, survey, archaeology, demolition, construction management fees, development fees, contingencies and other related costs of installation, construction and other matters necessary for the Project and all costs incurred by the Trustee or the Town with respect to the transaction to which this Trust Agreement pertains.

"Projects" means, collectively, the Project and the Refinanced Projects.

"Purchase Agreement" means the Fourth Purchase Agreement, dated as of February 1, 2024, by and between the Trustee, as seller, and the Town, as purchaser.

"Rebate Payment" means any payment within the meaning of Regulations Section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

"Rebate Requirement" means, for each Bond Year and for the applicable series of the Obligations, at any time the excess of the future value of all Receipts over the future value of all Rebate Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Rebate Payments in accordance with Regulations Section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under Section 148(f)(4) of the Code or Regulations Section 1.148-7.

"Receipt" means any receipt within the meaning of Regulations Section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

"Refinanced Projects" means, collectively, the acquisition of certain wastewater treatment facilities for the Town and improvements thereto, refinancing the lease purchase of a portion of the new municipal complex (MPC Series 2003), financing the costs of the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater Recharge Facility, including design, permitting, construction and equipping, as applicable, of operational improvements to such facilities, and a facility maintenance building for such facilities.

"Refunding Obligations" means the Town of Marana, Arizona Pledged Excise Tax Revenue Refunding Obligations, Series 2024, executed and delivered pursuant hereto.

"Regular Record Date" means the close of business on the fifteenth day of the month preceding each Interest Payment Date.

"Regulations" means Sections 1.148-1 through 1.148-11 and Section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including and any amendments thereto or successor regulations.

"Reimbursement Request Form" means the form set forth in Exhibit C attached hereto.

"Responsible Officer" means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Corporate Trust Office customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

"S&P" means Standard & Poor's Financial Services, LLC, a limited liability company organized and existing under the laws of the State of New York, its successors and assigns, and, if such company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by notice to the Trustee.

"Second Purchase Agreement" means the Second Purchase Agreement, dated as of June 1, 2014, by and between Zions Bancorporation, National Association (successor in interest to Zions First National Bank), as seller, and the Town, as purchaser.

"Securities Depository" means a "clearing agency" (securities depository) registered under Section 17A of the Securities Exchange Act of 1934, as amended.

"Special Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the Town.

"Special Record Date" has the meaning provided in Section 2.11(d).

"State" means the State of Arizona.

"State Shared Revenues" means revenues from amounts allocated or apportioned to the Town by the State, any political subdivision thereof or any other governmental unit or agency, except the share of the Town of any taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

"Tax Certificate" means the Certificate Relating To Federal Tax Matters, executed and delivered by the Town on the Closing Date.

"Third Purchase Agreement" means the Third Purchase Agreement, dated as of April 1, 2017, by and between U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Bank), as seller, and the Town, as purchaser.

"Town Representative" means the Town Manager, the Town Finance Director or any other person authorized by the Town Manager or the Mayor and Common Council of the Town to act on behalf of the Town with respect to this Trust Agreement.

"WIFA" means the Water Infrastructure Finance Authority of Arizona.

"WIFA Loan Agreements" means, collectively, Loan Agreement No. 910176-19, dated as of August 10, 2018, by and between the Town and WIFA, Loan Agreement No. 920293-19, dated as of January 18, 2019, by and between the Town and WIFA, Loan Agreement No. 910183-20, dated as of May 15, 2020, by and between the Town and WIFA, Loan Agreement No. 920303-20, dated as of May 15, 2020, by and between the Town and WIFA, and Loan Agreement No. 920362-23, dated as of December 9, 2022, by and between the Town and WIFA.

Section 1.2. Interpretation.

(a) Any reference herein to the Mayor and Common Council of the Town or any officer of the Town shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. References to "Articles" and "Sections" are to those in this Trust Agreement.

Section 1.3. Obligations Not General Obligations of the Town. The Obligations shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness or general obligation of the Town within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Town or be a charge against the Town's general credit or a charge against the general credit or the taxing powers of the State or any political subdivision thereof.

ARTICLE II
SPECIAL REVENUE OBLIGATIONS

Section 2.1. Authorization of the Obligations. The Trustee is hereby authorized and directed to execute and deliver to the original purchaser thereof, the New Money

Obligations in the principal amount of $____,000 and the Refunding Obligations in the principal amount of $____,000, evidencing (notwithstanding the multiple series) proportionate ownership interests in the Payments. In no event shall the Obligations be deemed liabilities, debts or obligations of the Trustee.

Section 2.2. Date; Interest Accrual. Each Obligation shall be dated the Closing Date, and interest represented thereby shall be payable from such date or from the most recent Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Obligations.

Section 2.3. Payment Amounts and Dates and Interest Rates. The Obligations shall be in Authorized Denominations. Principal represented by the Obligations shall be payable on the dates and in the principal amounts, and interest represented thereby shall be computed at the rates, as shown below:

Payment Date (July 1)	Principal Amount	Interest Rates
New Money Obligations		
Refunding Obligations		

Section 2.4. Interest on Obligations. Interest represented by the Obligations shall be payable semiannually on January 1 and July 1 of each year commencing January 1, 2025, to and including the date of payment or prepayment of the amount of principal represented by the Obligations. Except for the initial period, said interest shall represent the portion of the Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Obligations. The proportionate share of the portion of the Payments designated as interest with respect to any Obligation shall be computed by multiplying the portion of Payments designated as principal with respect to such Obligation by the rate of interest applicable to such Obligation (on the basis of a 360-day year of twelve 30-day months), except that the first portion of the Payments designated as interest shall be for interest from the Closing Date to January 1, 2025.

Section 2.5. Form. The Obligations shall be in fully registered, certificated form, substantially in the form set forth in Exhibit A-1 and Exhibit A-2 hereto.

Section 2.6. Execution. The Obligations shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If any representative whose signature appears on any Obligation ceases to be such representative before the Closing Date, such signature shall nevertheless be as effective as if the representative had remained in office until the Closing Date. Any Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of such Obligation shall be the proper authorized representative of the Trustee although at the nominal date of such Obligation such person shall not have been such authorized representative of the Trustee. No Obligation shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Trust Agreement unless and until executed and delivered by the Trustee. The execution by the Trustee of any Obligation shall be conclusive evidence that the Obligation so executed has been duly authorized and delivered hereunder and is entitled to the security and benefit of this Trust Agreement.

Section 2.7. Book-Entry Only System. The Trustee and the Town may from time to time enter into, and discontinue, an agreement with a Securities Depository as the Owner of the Obligations, to establish procedures with respect to the Obligations not inconsistent with the provisions of this Trust Agreement; provided, that, notwithstanding any other provisions of this Trust Agreement, any such agreement may provide that different provisions for notice to the Securities Depository may be set forth herein and that a legend shall appear on each Obligation so long as the Obligations are subject to such agreement. With respect to Obligations registered in the name of a Securities Depository (or its nominee), neither the Trustee nor the Town shall have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Obligations. It is hereby acknowledged that the Town intends to enter into an agreement with DTC in connection with the execution and delivery of the Obligations, and while such agreement is in effect, the procedures established therein shall apply to the Obligations notwithstanding any other provisions of this Trust Agreement to the contrary. As long as DTC is the Securities Depository with respect to the Obligations, the Trustee shall be a "DTC Direct Participant." The Trustee shall not have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Obligations regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal or interest represented by the Obligations, any notice which is permitted or required to be given to or by Owners hereunder (except such notice as is required to be given by the Town to the Trustee or to DTC), or any consent given or any other action taken by DTC as Owner.

Section 2.8. Application of Proceeds. The proceeds received by the Trustee from the sale of the Obligations ($_____) shall forthwith be applied by the Trustee as follows:

(1) $_____ shall be deposited in the Costs of Issuance Fund,

(2) $_____ shall be deposited in the Acquisition Fund, and

(3) $_____ shall be held in a temporary fund and transferred on the Closing Date immediately, without requisition or other documentation, to the Escrow Trustee for the purposes of the Escrow Trust Agreement.

Section 2.9. Transfer and Exchange.

(a) Any Obligation may, in accordance with its terms, be transferred upon the registration books for the Obligations required to be kept pursuant to the provisions of Section 2.13 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Obligation for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Obligation or Obligations shall be surrendered for transfer, the Trustee shall execute and deliver a new Obligation or Obligations in fully registered form of the same series, payment date and interest rate and for a like aggregate payment amount.

(b) Obligations may be exchanged at the Designated Office for a like aggregate payment amount of Obligations of Authorized Denominations of the same series, payment date and interest rate. In connection with any such exchange or transfer of Obligations, the Owner requesting such exchange or transfer shall, as a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid, other than one imposed by the Town (which will not be payable by the Trustee), or any fee or expense of the Trustee or the Town with respect to such exchange or transfer.

(c) The Trustee may, but shall not be obligated to, exchange or register the transfer of an Obligation (i) if principal represented by the Obligation is to be prepaid, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If an Obligation subject to such prepayment is to be transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

Section 2.10. Obligations Mutilated, Lost, Destroyed or Stolen. If any Obligation shall become mutilated, the Trustee, at the expense of the Owner of said Obligation, shall execute and deliver a new Obligation of like series, tenor, payment date and amount in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee of the Obligation so mutilated. Any mutilated Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to, or upon the order of, the Owner of such Obligation. If any Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner of such Obligation, shall execute and deliver a new Obligation of like series, tenor and payment date and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. Any Obligation issued under the provisions of this Section in lieu of any Obligation alleged to be lost, destroyed or stolen shall be

equally and proportionately entitled to the benefits of this Trust Agreement with all other Obligations secured by this Trust Agreement. The Trustee shall not be required to treat both the original Obligation and any replacement Obligation as being Outstanding for the purpose of determining the principal amount of Obligations which may be executed and delivered hereunder or for the purpose of determining any percentage of Obligations Outstanding hereunder, but both the original and replacement Obligation shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Obligation for an Obligation which has been mutilated, lost, destroyed or stolen, and which has become due, the Trustee may make payment with respect to such Obligation upon receipt of the aforementioned indemnity.

Section 2.11. Payment.

(a) Payment of interest due represented by any Obligation on any Interest Payment Date shall be made to the persons appearing on the registration books for the Obligations maintained by the Trustee as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the date due by first class mail to such Owners at the addresses thereof as they appear on such registration books, payable in lawful money of the United States of America.

(b) The principal represented by any of the Obligations shall be payable in lawful money of the United States of America upon surrender when due at the Designated Office.

(c) Interest and, if satisfactory arrangements for surrender are made with the Trustee, principal payable to any Securities Depository or to any Owner of $1,000,000 or more in principal amount of Obligations shall be paid by wire transfer in immediately available funds to an account in the United States of America if the Owner makes a written request of the Trustee at least twenty (20) days before the Interest Payment Date specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

(d) Any interest represented by any Obligation which is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date ("Defaulted Interest") shall forthwith cease to be payable to the Owners on the relevant Regular Record Date solely by virtue of such Owners having been such Owners. Such Defaulted Interest shall thereupon be paid, together with interest thereon at the same rate per annum as such Defaulted Interest, by the Trustee (out of funds provided to it by the Town) to the persons in whose names such Obligations are registered at the close of business on a special record date for the payment of such portion of Defaulted Interest as may then be paid from the sources herein provided (the "Special Record Date"). When the Trustee has funds available to pay the Defaulted Interest and interest thereon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest and interest thereon which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment by the Trustee. The Trustee shall promptly cause notice of the proposed payment of such Defaulted Interest and interest thereon and the Special Record Date therefor to be mailed, first class postage prepaid, to each Owner of an Obligation at his address as it appears in the registration books by the Trustee for the Obligations not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such

Defaulted Interest and interest thereon and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest and interest thereon shall be paid to the persons in whose names the Obligations are registered on such Special Record Date.

Section 2.12. Execution of Documents and Proof of Ownership.

(a) Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by the Obligation Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Obligations. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of the Obligations shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(1) The fact and date of the execution by any Owner or the attorney or agent thereof of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(2) The fact of the ownership of the Obligations by any person and the amount, the payment date and the numbers of such Obligations and the date of his holding the same be proved on the registration books maintained pursuant to Section 2.13.

(b) Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Obligation shall bind every future Owner of the same Obligation in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.13. Obligation Register. The Trustee will keep or cause to be kept, at the Designated Office, sufficient books for the registration and transfer of each series of the Obligations which shall at all times during regular business hours on any Business Day be open to inspection by the Town and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Obligations as hereinbefore provided.

Section 2.14. Payment of Unclaimed Amounts. In the event any check for payment of interest represented by an Obligation is returned to the Trustee unendorsed or is not

presented for payment within two (2) years from its payment date or any Obligation is not presented for payment of principal when due, including because of prepayment, if funds sufficient to pay such interest or principal due upon such Obligation shall have been made available to the Trustee for the benefit of the Owner thereof, it shall be the duty of the Trustee to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Obligation who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Obligation or amounts due thereunder. The obligation of the Trustee to hold such funds shall continue for two years and six months (subject to applicable escheat laws) following the date on which such interest or principal payment became due, whether on the date due or the date fixed for prepayment, or otherwise, at which time the Trustee shall surrender such unclaimed funds so held to the Town, whereupon any claim of whatever nature by the Owner of such Obligation arising under such Obligation shall be made upon the Town.

ARTICLE III
ACQUISITION FUND; COSTS OF ISSUANCE FUND

Section 3.1. Establishment and Application of Acquisition Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Marana Series 2024 Acquisition Fund" (herein referred to as the "Acquisition Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) (1) Upon receipt of a duly executed, applicable Payment Request Form, the Trustee shall remit to the payee designated in the Payment Request Form, the amount requested to be paid in such Payment Request Form for Project Costs within three (3) Business Days following submission of such Payment Request Form. Notwithstanding the foregoing, the Trustee shall apply moneys on deposit in the Acquisition Fund to reimburse the Town for any Project Costs with respect to the Projects incurred or advanced by the Town within three (3) Business Days of receipt of a duly executed Reimbursement Request Form. The Trustee has no duty or obligation to confirm that such disbursements constitute Project Costs.

(2) On the Completion Date, the Trustee shall transfer any remaining amounts in the Acquisition Fund to the Payment Fund to be applied only to the Payments due from the Town on the next succeeding Interest Payment Date, and the Acquisition Fund shall be closed.

(3) Any amount remaining in the Acquisition Fund upon the occurrence of an Event of Default shall not be disbursed as provided in this Section, but shall be immediately transferred to the Payment Fund and used only to pay principal and interest represented by the Obligations.

Section 3.2. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Marana Series 2024 Costs of Issuance Fund" (herein referred to as the "Costs of Issuance Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) Amounts in the Costs of Issuance Fund shall be disbursed for the payment of Delivery Costs. Disbursements from the Costs of Issuance Fund shall be made by the Trustee upon receipt of a requisition for disbursement (on which the Trustee is entitled to rely) executed or approved by the Town Representative. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed. The Trustee has no duty or obligation to confirm that such disbursements constitute Delivery Costs.

(c) On the earlier of June 1, 2024, or when all Delivery Costs associated with the Obligations have been paid (as shown by a certificate of a Town Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund, and the Costs of Issuance Fund shall be closed.

ARTICLE IV
PREPAYMENT OF OBLIGATIONS

Section 4.1. Prepayment Provisions.

(a) Principal represented by the New Money Obligations is subject to prepayment in such order and from such principal amount payable selected by the Town and by lot within such principal amount by such methods as may be selected by the Trustee (or if held in book-entry form in any manner acceptable to DTC) from prepayments made by the Town pursuant to Section 7 of the Purchase Agreement, in whole or in part on any date on or after July 1, 20__, at a price equal to the principal amount thereof to be prepaid, together with accrued interest to the date fixed for prepayment, but without premium.

(b) Principal represented by the Refunding Obligations is not subject to optional prepayment.

(c) Principal represented by the New Money Obligations payable on July 1, 20__, shall be prepaid on July 1 of the years indicated and in the amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid	Principal Amount Prepaid

A remaining principal amount of $____,000 of such New Money Obligations shall be paid on July 1, 20__.

Whenever Obligations subject to mandatory prepayment are purchased, prepaid (other than pursuant to mandatory prepayment) or delivered by the Town to the Trustee for cancellation, the principal amount of the Obligations represented thereby so retired shall satisfy and be credited against the mandatory prepayment requirements for such Obligations for such years as the Town may direct.

Section 4.2. Selection of Obligations for Prepayment. Principal represented by the New Money Obligations shall be prepaid only in the amounts of $5,000 of principal represented by each or integral multiples thereof. The Town shall, at least forty-five (45) days prior to the prepayment date, notify the Trustee of such prepayment date and of the payment dates of the New Money Obligations and the payment amount of principal represented by the New Money Obligations due on any such payment date to be prepaid on such date. For the purposes of any prepayment of less than all of the New Money Obligations payable on a single payment date, if the New Money Obligations are not held in a book-entry-only system as described in Section 2.7, the particular Obligations or portions of New Money Obligations payable on the date(s) selected to be prepaid shall be selected by the Trustee by lot in accordance with its standard procedures not more than forty-five (45) nor less than thirty (30) days prior to the prepayment date by such selection methods as the Trustee shall in its sole discretion deem appropriate and fair; provided, however, that such selection methods shall provide for the selection of New Money Obligations or portions thereof for prepayment in principal amounts of $5,000 or integral multiples thereof such that any $5,000 New Money Obligation or $5,000 portion of a New Money Obligation payable on the date selected shall be as likely to be called for prepayment as any other such $5,000 New Money Obligation or $5,000 portion thereof. The Trustee shall promptly notify the Town in writing of the New Money Obligations so selected for prepayment, and the Town will provide the Trustee within thirty (30) days a recomputed payment schedule for the Purchase Agreement. Notwithstanding the foregoing, the Securities Depository for New Money Obligations held in a book-entry-only system shall select the New Money Obligations for prepayment from New Money Obligations payable in a given year according to its stated procedures. While the Town intends that allocations be made in accordance with the foregoing proportional provisions, the selection of New Money Obligations for prepayment shall be subject to practices and procedures of the Securities Depository as in effect from time to time.

Section 4.3. Notice of Prepayment; Effect.

(a) The Trustee shall cause notice of any optional prepayment hereunder to be mailed to the Owners of all of the New Money Obligations to be prepaid at the addresses appearing in the Register kept for such purpose pursuant to Section 2.13. Each such notice shall (1) be sent no more than 60 nor less than 30 calendar days prior to the prepayment date, (2) identify the New Money Obligations to be prepaid (specifying the CUSIP numbers, if any, assigned to the New Money Obligations), (3) specify with respect to the New Money Obligations being prepaid their series, their date of issue, their final payment date, their prepayment date and their prepayment price, (4) set forth the name, address and telephone

number of the person from whom information pertaining to the prepayment may be obtained, and (5) state that on the prepayment date the New Money Obligations to be prepaid will be payable at the Designated Office, that from that date interest will cease to accrue and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the New Money Obligations. No defect affecting any New Money Obligation, whether in the notice of prepayment or the delivery thereof (including any failure to mail such notice), shall affect the validity of the prepayment proceedings for any other New Money Obligations.

(b) If at the time of mailing of notice of an optional prepayment of principal represented by New Money Obligations, there has not been deposited with the Trustee moneys or Defeasance Obligations sufficient to prepay all New Money Obligations subject to such prepayment and the requirements of (e) below are not satisfied, then such notice shall state that the prepayment is conditional upon the deposit of moneys or Defeasance Obligations sufficient for the prepayment with the Trustee and satisfaction of such requirements not later than the opening of business on the prepayment date, and such notice will be of no effect and such New Money Obligations shall not be prepaid unless such moneys or Defeasance Obligations are so deposited and such requirements in (e) below are met.

(c) Any notice of prepayment shall be mailed by first class mail, postage prepaid; provided that any notice of prepayment given to any Owner of $1,000,000 or more in aggregate principal amount of New Money Obligations also shall be transmitted electronically. A certificate of the Trustee shall conclusively establish the mailing or delivery of any such notice for all purposes.

(d) Notice having been mailed in the manner provided in (b) above, the New Money Obligations and portions thereof, principal which is represented thereby, shall become due and payable on the prepayment date, and upon presentation and surrender of such Obligation at the place or places specified in that notice, shall be paid at the prepayment price, plus interest accrued to the prepayment date.

(e) If the money or Defeasance Obligations for the prepayment of all of the portion of principal represented by the New Money Obligations to be prepaid, together with interest accrued thereon to the prepayment date, is held by the Trustee on the prepayment date, so as to be available therefor on that date, then from and after the prepayment date such principal thereof to be prepaid shall cease to bear interest, and, the New Money Obligations or portion thereof represented thereby no longer shall be considered to be Outstanding hereunder. If those moneys shall not be so available on the prepayment date, such principal shall continue to bear interest, until paid, at the same rate as they would have borne otherwise.

(f) All moneys deposited in the Payment Fund and held by the Trustee for the prepayment of such portions of principal represented by particular New Money Obligations shall be held in trust for the account of the Owners of such New Money Obligations and shall be paid to them, respectively, upon presentation and surrender of those New Money Obligations.

Section 4.4. Partial Prepayment of Obligation. Upon surrender of any New Money Obligation, the principal portion of which has been prepaid in part only, the Trustee shall

execute and deliver to the Owner thereof, at the expense of the Town, a new New Money Obligation or New Money Obligations of Authorized Denominations equal in aggregate payment amount to the unpaid portion of the Obligation surrendered and of the same series and payment date.

ARTICLE V
PAYMENT FUND

Section 5.1. Trustee's Rights in Purchase Agreement. The Trustee holds in trust hereunder all of its rights and duties in the Purchase Agreement, including but not limited to all of the rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the Purchase Agreement or pursuant hereto. All of the Payments and such other amounts to which the Seller may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder in the Payment Fund for the benefit of the Owners.

Section 5.2. Establishment and Application of Payment Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Marana Series 2024 Payment Fund" (herein referred to as the "Payment Fund"). So long as any Obligations are Outstanding, the Town shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

(b) Not less than ten (10) Business Days prior to each Interest Payment Date, the Trustee shall notify the Town of the amount required to be paid, after taking into account amounts which will be transferred to the Payment Fund in accordance herewith, on or before such Interest Payment Date, so that a sufficient amount will then be on deposit for both principal and interest represented by the Obligations then due. All amounts received by the Trustee as Payments pursuant to the Purchase Agreement or as transfers pursuant hereto shall be deposited in the Payment Fund.

(c) All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest represented by the Obligations as the same shall become due and payable, in accordance with the provisions of Articles II and IV.

Section 5.3. [Reserved to Preserve Section Numbering.]

Section 5.4. Transfers of Investment Earnings to Payment Fund. With the same limitation described in Section 3.1(b)(3), except as otherwise directed by the Town, the Trustee shall, on or before the next Interest Payment Date occurring on July 1, transfer any income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.5. Surplus. Any surplus remaining in any of the funds created hereunder, after prepayment and payment or provision for prepayment and payment of all

Obligations, including accrued interest and payment of any applicable fees, expenses or indemnities to the Trustee, or provision for such prepayment and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Town.

ARTICLE VI
MONEYS IN FUNDS; INVESTMENT; CERTAIN TAX COVENANTS

Section 6.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Obligations and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Town or any Owner of the Obligations.

Section 6.2. Investments Authorized. Upon written order of the Town Representative and subject to the limitations provided herein, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee, to the maximum extent practicable in Permitted Investments. The Town Representative shall direct such investment in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written direction from the Town Representative. In no event shall the Trustee be liable for the selection of investments. The Trustee may conclusively rely upon such written direction from the Town Representative as to both the suitability and legality of the directed investments. The Town acknowledges that regulations of the Comptroller of the Currency grant the Town the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Town specifically waives compliance with 12 Code of Federal Regulations 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur. The Trustee may elect, but shall not be obligated, to credit the funds and accounts held by it with moneys representing income or principal payments due on, or sales proceeds due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. The Town acknowledges that the legal obligation to pay the purchase price of any Permitted Investment arises immediately at the time of the purchase. Notwithstanding anything else in this Trust Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Trust Agreement shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206.

Section 6.3. Accounting. The Trustee shall furnish to the Town, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.2.

Section 6.4. Allocation of Earnings. Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein. At the direction of the Town Representative, any such income, profit or interest shall be transferred and applied if necessary to pay amounts due pursuant to Section 148 of the Code.

Section 6.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Section 6.6. Limitation of Investment Yield. In the event the Town is of the opinion that it is necessary to restrict or limit the yield on the investment of any amounts paid to or held by the Trustee hereunder in order to avoid the Obligations, or any of them, being considered "arbitrage bonds" within the meaning of Section 148 of the Code, the Town Representative may issue to the Trustee a written certificate to such effect (along with appropriate instructions), in which event the Trustee will take such action as is instructed so to restrict or limit the yield on such investment in accordance with the specific instructions contained in such certificate.

Section 6.7. Other Tax Covenants. In consideration of the acceptance and execution of the Purchase Agreement by the Trustee and the purchase by the Owners of the Obligations, from time to time, and in consideration of retaining the exclusion of the Interest Portion for federal income tax purposes, the Town shall, from time to time, neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in the Interest Portion becoming subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Purchase Agreement or such laws as they may be modified or amended or tax laws later adopted. The Town shall comply with such requirement(s) and will take any such action(s) as are necessary to prevent the Interest Portion from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements required by any Special Counsel's Opinion; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Obligations; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys held pursuant to this Trust

Agreement and limiting the use of the proceeds of the Obligations and property financed or refinanced thereby.

ARTICLE VII
THE TRUSTEE

Section 7.1. Appointment of Trustee. The Town hereby authorizes and directs the Trustee to, and the Trustee shall, execute and deliver the Purchase Agreement, as Seller, and receive all moneys required to be deposited with the Trustee hereunder and shall allocate, use and apply the same as provided in this Trust Agreement. The Town shall maintain as the Trustee a bank or trust company with a combined capital and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or State authority, so long as any of the Obligations are Outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 7.2. Liability of Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute this Trust Agreement, the recitals of facts, covenants and agreements herein, in the Purchase Agreement and in the Obligations shall be taken as statements, covenants and agreements of the Town, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity hereof or sufficiency of this Trust Agreement, the Purchase Agreement or the Obligations or shall incur any responsibility in respect hereof or thereof, other than in connection with the duties or obligations herein or in the Obligations assigned to or imposed upon it. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in this Trust Agreement and no implied obligations or covenants should be read into this Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent person would exercise under the circumstances in the conduct of its own affairs.

Section 7.3. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 7.1, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.4. Protection and Rights of the Trustee.

(a) The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it

shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Obligation or to take any action at his request unless such Obligation shall be deposited with the Trustee and satisfactory evidence of the ownership of such Obligation shall be furnished to the Trustee. The Trustee may consult with counsel with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(b) Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the Town Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(c) The Trustee may become the Owner of the Obligations with the same rights it would have if it were not Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the Town with the same rights it would have if it were not the Trustee and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Obligations, whether or not such committee shall represent the Owners of the majority in principal amount of the Obligations then Outstanding.

(d) The recitals, statements and representations by the Town contained in this Trust Agreement, the Purchase Agreement or the Obligations shall be taken and construed as made by and on the part of the Town and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

(e) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

(f) No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder

or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(g) The Trustee shall not be accountable for the use or application by the Town or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(h) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Town of the Projects. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Purchase Agreement or this Trust Agreement for the Projects.

(i) Notwithstanding any provision in this Trust Agreement or the Purchase Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under Section 9(a)(i)(A) of the Purchase Agreement, unless a Responsible Officer of the Trustee has actual notice thereof or is specifically notified in writing of such default by the Town or the Owners of at least twenty-five percent (25%) in aggregate principal amount of all Obligations then Outstanding.

(j) The Trustee shall accept and act upon instructions of directions pursuant to this Trust Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Town shall assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(l) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the execution and delivery of the Obligations.

(m) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the Projects.

(n) Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal and interest represented by the Obligations as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated, to have resulted from its negligence or willful default in connection with any action so taken.

(o) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Obligations then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Section 7.5. Compensation of Trustee. The Town shall from time to time, pursuant to a fee schedule agreed to between the Town and the Trustee (which fee schedule may be amended in writing), pay to the Trustee reasonable compensation for its services, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.6. Removal and Resignation of Trustee.

(a) The Town (but only if no Event of Default has occurred and is continuing) or the Owners of a majority in aggregate principal amount of all Obligations Outstanding, at any time upon thirty (30) days' prior written notice, and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to,

then, for the purposes of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Trustee may at any time resign by giving written notice to the Town. Upon receiving such notice of resignation, the Town shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the Town does not appoint a successor trustee within thirty (30) days following receipt of such notice of resignation or its giving notice of removal, the retiring Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. The Trustee and the Town shall execute any documents reasonably required to effect the transfer of rights and obligations of the Trustee to the successor trustee subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its reasonable charges and expenses (including reasonable fees and expenses of its counsel) and the indemnification under Sections 7.4 and 10.3. Upon such acceptance, the successor trustee shall mail notice thereof to the Owners of the Obligations at their respective addresses set forth on the registration books for the Obligations maintained pursuant to Section 2.13.

Section 7.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee under this Trust Agreement and to hold title to property or to take any other action which may be desirable or necessary.

Section 7.8. Commingling. The Trustee may commingle any of the funds held by it pursuant to this Trust Agreement in a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 7.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the Town, or any of its agents, at any time, upon reasonable prior notice, during regular business hours. The Trustee shall provide the Town Representative with semiannual reports of funds transactions and balances.

ARTICLE VIII
MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 8.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owners of the Obligations and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement which shall become effective when the written consent of the Owners of a majority in aggregate principal amount of all Obligations then Outstanding, exclusive of Obligations disqualified as

provided in Section 8.3, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the final payment of principal represented by any Obligation or reducing the interest represented thereby or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Obligation, or (2) reduce or have the effect of reducing the percentage of Obligations required for the affirmative vote or written consent to an amendment or modification of this Trust Agreement or the Purchase Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental or amending agreement shall become effective as provided in Section 8.2.

(b) This Trust Agreement and the rights and obligations of the Owners of the Obligations, and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement, without the consent of any such Owners, but only (1) to provide for additions or modifications to the Projects, (2) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Trustee (for its own behalf) or the Town, (3) to secure additional revenues or provide additional security or reserves for payment of the Obligations, (4) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (5) to provide for the appointment of a successor trustee pursuant to the terms hereof, (6) to preserve the exclusion of interest represented by the Obligations from gross income for purposes of federal or State income taxes and to preserve the power of the Town to continue to issue bonds or incur other obligations the interest on which is likewise exempt from federal and State income taxes, (7) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, (8) to facilitate the incurrence of Additional Revenue Obligations, (9) with respect to rating matters or (10) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owners of the Obligations as evidenced by a Special Counsel's Opinion delivered by the Town to the Trustee. Any such supplemental or amending agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely upon a Special Counsel's Opinion as conclusive evidence that any such supplemental or amending agreement complies with this Section.

Section 8.2. Procedure for Amendment With Written Consent of Obligation Owners.

(a) This Trust Agreement and the Purchase Agreement may be amended by supplemental or amending agreement as provided in this Section in the event the consent of the Owners of the Obligations is required pursuant to Section 8.1. A copy of such supplemental or amending agreement, together with a request to the Owners of the Obligations for their consent thereto, shall be mailed by the Trustee to each Owner of an Obligation at the address thereof as set forth on the registration books for the Obligations maintained pursuant to Section 2.13, but failure to mail copies of such supplemental or amending agreement and request shall not affect the validity of the supplemental or amending agreement when assented to as provided in this Section.

(b) Such supplemental or amending agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of a majority in principal amount of all Obligations then Outstanding (exclusive of Obligations disqualified as provided in Section 8.3) and a notice shall have been mailed as hereinafter in this Section provided. The consent of an Owner of an Obligation shall be effective only if accompanied by proof of ownership of the Obligations for which such consent is given, which proof shall be such as is permitted by Section 2.12. Any such consent shall be binding upon the Owner of the Obligation giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Obligations shall have filed their consents to such supplemental or amending agreement, the Trustee shall mail a notice to the Owners of the Obligations in the manner hereinbefore provided in this Section for the mailing of such supplemental or amending agreement of the notice of adoption thereof, stating in substance that such supplemental or amending agreement has been consented to by the Owners of the required percentage of Obligations and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental or amending agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental or amending agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Obligations after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within sixty (60) days.

Section 8.3. Disqualified Obligations. Obligations owned or held by or for the account of the Town or by any person directly or indirectly controlled by, or under direct or indirect common control with the Town (except any Obligations held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Obligations provided for in this Trust Agreement and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; provided, however, that in determining whether the Trustee shall be protected in relying upon any such approval or consent of an Owner, only Obligations which a Responsible Officer of the Trustee actually knows to be owned or held by the Town, or by any person directly or indirectly controlled by, or under direct or indirect common control with the Town (except any Obligations held in any pension or retirement fund) shall be deemed not to be Outstanding unless all Obligations are so owned, in which case such Obligations shall be considered Outstanding for the purpose of such determination.

Section 8.4. Effect of Supplemental Trust Agreement. From and after the time any supplemental or amending agreement becomes effective pursuant to this Article VIII, this Trust Agreement or the Purchase Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Obligations Outstanding, as the case may be, shall

thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental or amending agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Purchase Agreement, as the case may be, for any and all purposes. The Trustee may require each Owner, before his consent provided for in this Article VIII shall be deemed effective, to reveal whether the Obligations as to which such consent is given are disqualified as provided in Section 8.3.

Section 8.5. Endorsement or Replacement of Obligations Delivered After Amendments. The Trustee may determine that Obligations delivered after the effective date of any action taken as provided in this Article shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner of any Obligation Outstanding at such effective date and presentation of his Obligation for the purpose at the office of the Trustee, a suitable notation shall be made on such Obligation. The Trustee may determine that the delivery of substitute Obligations, so modified as in the opinion of the Trustee is necessary to conform to such Obligation Owners' action, which substitute Obligations shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Obligation then Outstanding, such substitute Obligation shall be exchanged at the Designated Office of the Trustee, without cost to such Owner, for an Obligation of the same character then Outstanding, upon surrender of such Outstanding Obligation.

Section 8.6. Amendatory Endorsement of Obligations. The provisions of this Article shall not prevent any Obligation Owner from accepting any amendment or supplement as to the particular Obligations held thereby, provided that proper notation thereof is made on such Obligations.

ARTICLE IX
COVENANTS, NOTICES

Section 9.1. Compliance With and Enforcement of Purchase Agreement. The Town shall perform all obligations and duties imposed on it under the Purchase Agreement and shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default. The Town, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting any such action will deliver the same, or a copy thereof, to the Trustee.

Section 9.2. Observance of Laws and Regulations. The Town shall well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Town, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 9.3. Recordation and Filing. The Town shall file this Trust Agreement (or a memorandum thereof or a financing statement with respect thereto), and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Owners. The Trustee shall have no duty or obligation to determine the sufficiency of any such filings.

Section 9.4. Further Assurances. The Trustee (at the reasonable request of the Town) and the Town shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Purchase Agreement and for the better assuring and confirming unto the Owners the rights and benefits provided herein.

Section 9.5. Notification to the Town of Failure to Make Payments. The Trustee shall notify the Town of any failure by the Town to make any Payment or other payment required under the Purchase Agreement to be made to the Trustee, in writing and within one (1) Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default.

Section 9.6. Business Days. Except as otherwise required herein, if this Trust Agreement or the Purchase Agreement requires any party to act on a specific day and such day is not a Business Day, such party need not perform such act until the next succeeding Business Day, and such act shall be deemed to have been performed on the day required.

ARTICLE X
LIMITATION OF LIABILITY

Section 10.1. Limited Liability of the Town. Except for the payment of Payments from Excise Tax Revenues and State Shared Revenues when due in accordance with the Purchase Agreement and the performance of the other covenants and agreements of the Town contained in the Purchase Agreement and herein, the Town shall have no pecuniary obligation or liability to any of the other parties or to the Owners with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Obligations or the distribution of Payments to the Owners by the Trustee.

Section 10.2. No Liability of the Town for Trustee Performance. The Town shall have no obligation or liability to any of the other parties or to the Owners with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 10.3. Indemnification of the Trustee.

(a) To the extent permitted by law, the Town shall indemnify and save the Trustee and its officers, directors, agents and employees, harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (1) the use, maintenance, condition or management of, or from any work or thing done

on, the Projects or any portion thereof or interest therein by the Town; (2) any breach or default on the part of the Town in the performance of any of its obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Projects or any interest therein; (3) any act of negligence of the Town or of any of its agents, contractors, servants, employees or licensees with respect to the Projects; (4) any act of negligence of any assignee of, or purchaser from, the Town or of any of its or their agents, contractors, servants, employees or licensees with respect to the Projects; (5) the acquisition of the Projects or any interest therein; (6) the actions of any other party, including but not limited to the operation or use of the Projects or interest therein by the Town; (7) the ownership of the Projects or interest therein; (8) the exercise and performance by the Trustee of its powers and duties hereunder, under the Purchase Agreement or the Obligations or in connection with any document or transaction contemplated herewith or therewith, or (9) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Obligations, including the costs and expenses of defending itself against any claim of liability arising under this Trust Agreement. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, negligence or breach of duty under this Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. As security for the payment of amounts due under Section 7.5 and this Section, the Trustee shall be secured under this Trust Agreement by a lien prior to that for the Obligations. The obligations of the Town hereunder for indemnification under this Section shall remain valid and binding notwithstanding, and shall survive, the payment or prepayment of principal represented by the Obligations or resignation or removal of the Trustee or the termination of this Trust Agreement.

(b) Promptly after determining that any event or condition which requires or may require indemnification by the Town hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, the Trustee shall notify the Town in writing of such circumstances or action (the "Notification"). Failure to give such notification shall not affect the right of the Trustee to receive the indemnification provided for herewith. Upon giving of the Notification, the Trustee shall cooperate fully with the Town in order that the Town may defend, compromise or settle any such matters or actions which may result in payment by the Town hereunder. The Town shall give the Trustee notice of its election within fifteen (15) days after receiving the Notification whether the Town, at its sole cost and expense, shall represent and defend the Trustee in any claim or action which may result in a request for indemnification hereunder. If the Town timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or undertakings of the Town hereunder; provided, however, the Trustee may retain its own counsel and still be indemnified against the cost of employing counsel and all other reasonable expenses despite an assumption of the defense by the Town if the Trustee believes in good faith that there are defenses available to it which are adverse to or in conflict with those available to the Town and which the Trustee believes in good faith cannot be effectively asserted by common counsel. The Trustee always has the right to employ separate legal counsel but, subject to the preceding sentence, the fees and expenses of its separate legal counsel must be paid by the Trustee unless the Town and the Trustee have mutually agreed to the employment of the Trustee's separate legal counsel. The

Town shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the Town shall pay all losses and the Trustee shall be fully released from such claim or action. If the Town either fails to timely give its notice or notifies the Trustee that the Town will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion, at the expense of the Town. In the event the Town is required to and does indemnify the Trustee as herein provided, the rights of the Town shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Section 10.4. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

ARTICLE XI
EVENTS OF DEFAULT AND REMEDIES OF OBLIGATION OWNERS

Section 11.1. Seller's Rights Held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Seller's rights in and to the Purchase Agreement, including without limitation all of the Seller's rights to exercise such rights and remedies conferred on the Seller pursuant to the Purchase Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of Excise Tax Revenues and State Shared Revenues for the payment of the Obligations.

Section 11.2. Remedies Upon Default; No Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything herein or in the Purchase Agreement to the contrary, there shall be no right under any circumstances to accelerate the payment dates of the Obligations or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Section 11.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of this Article XI or Section 9 of the Purchase Agreement shall be applied by the Trustee in the order following, in the case of the Obligations, upon presentation of the several Obligations, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

> First, to the payment of the fees, costs and expenses of the Trustee and then of the Obligation Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel and the creation of a reasonable reserve for anticipated fees, costs and expenses, and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligations, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligations, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 11.4. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of all Obligations then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of the Obligations by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 11.5. Non-waiver. Except as otherwise provided in this Article, the Obligation Owners have the right to institute suit to enforce and collect the Payments as provided in the Purchase Agreement. No delay or omission of the Trustee or of any Owner of any of the Obligations to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or the Owners of the Obligations may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Obligation Owners.

Section 11.6. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Obligations then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Obligations, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owners of a majority in aggregate principal amount of the Obligations Outstanding.

Section 11.7. Limitation on Obligation Owners' Right to Sue.

(a) No Owner of any Obligation issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (1) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (2) the Owners of at least a majority in aggregate principal amount of all Obligations then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) said Owners shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred in compliance with such request and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

(b) Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Obligations of any remedy hereunder; it being understood and intended that no one or more Owners of Obligations shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal and proportionate benefit of all Owners of the Outstanding Obligations.

(c) The right of any Owner of any Obligation to receive payment of said Owner's proportionate interest in the Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Trust Agreement.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Defeasance.

(a) If and when any Outstanding Obligation or portion thereof shall be paid and discharged in any one or more of the following ways:

(1) By paying or causing to be paid the principal and interest represented by such Obligations Outstanding, as and when the same become due and payable;

(2) By depositing with a Depository Trustee, in trust for such purpose, at or before the payment date therefor, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid all principal and interest due represented by such Outstanding Obligations; or

(3) By depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable in such amount as shall be certified to the Trustee and the Town in a report by an independent firm of nationally recognized certified public accountants acceptable to the Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all principal and interest represented by such Obligations at their respective payment or prepayment dates, which deposit may be made in accordance with the provisions of Section 7 of the Purchase Agreement;

notwithstanding that any Obligations shall not have been surrendered for payment, all obligations of the Trustee and the Town with respect to such Outstanding Obligations shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to subsections (2) or (3) of this Section and paid to the Trustee by the Depository Trustee, to the Owners of the Obligations not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to subsections (2) or (3) of this Section,

the Obligations shall continue to represent direct and proportionate interests of the Owners thereof in such funds.

(b) Any funds held by the Trustee, at the time of one of the events described in paragraph (a) of this Section, which are not required for the payment to be made to Owners or for the payment of any other amounts due and payable by the Town hereunder or under the Purchase Agreement, shall be paid over to the Town.

(c) Any Obligation or portion thereof in Authorized Denominations may be paid and discharged as provided in this Section; provided however, that if principal represented by any such Obligation is to be prepaid, notice of such prepayment shall have been given in accordance with the provisions hereof or the Town shall have submitted to the Trustee instructions to be irrevocable as to the date upon which such Obligation or portion thereof is to be prepaid and as to the giving of notice of such prepayment; and provided further, that if any such Obligation or portion thereof will not be payable within sixty (60) days of the deposit referred to in subsections (2) or (3) of this Section, the Trustee shall give notice of such deposit by first class mail to the Owners.

(d) No Obligation may be provided for as described in this Section if, as a result thereof, or of any other action in connection with which the provisions for payment of such Obligation is made, the interest payable on any Obligation is thereby made includable in gross income for federal income tax purposes. The Trustee, the Depository Trustee, and the Town may rely upon a Special Counsel's Opinion to the effect that the provisions of this subsection will not be breached by so providing for the payment of any Obligations.

Section 12.2. Notices. All written notices to be given under this Trust Agreement shall be given by overnight delivery or courier or by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States of America mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Town: Town of Marana, Arizona
11555 West Civic Center Drive
Marana, Arizona 85653
Attention: Finance Director

If to the Trustee: _____
_____
_____
Attention: Corporate Trust Services

Section 12.3. Incorporation of State Statutes.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the Town may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Town if any person significantly

involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Trust Agreement on behalf of the Town within three years from the execution of this Trust Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, is provided by the Town. No basis exists for the Town to cancel this Trust Agreement pursuant to Section 38-511, Arizona Revised Statutes, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee. The Town retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Trustee. The Trustee shall cooperate with the random inspections by the Town including granting the Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393 et. seq., Arizona Revised Statutes, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Trust Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the Town determines that the Trustee's certification above is false or that it has breached such agreement, the Town may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, the Trustee hereby certifies it does not currently, and for the duration of this Trust Agreement shall not use: (i) the forced labor of ethnic Uyghurs in the People's Republic of China, (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. The foregoing certification is made to the best knowledge of the Trustee without any current independent investigation or without any future independent investigation for the duration of this Trust Agreement. If the Trustee becomes aware during the duration of this Trust Agreement that it is not in compliance with such certification, the Trustee shall provide the required notice to the Town and resign as Trustee hereunder in accordance with the provisions of Article VII. If the Town determines that the Trustee is not in compliance with the foregoing certification and has not taken remedial action, the Town shall terminate the Trustee's role as the Trustee hereunder pursuant to Article VII.

Section 12.4. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 12.5. Binding Effect and Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Town or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Town or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 12.6. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Trust Agreement.

Section 12.7. Destruction of Cancelled Obligations. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the Town of any Obligations, the Trustee may destroy such Obligations and deliver a certificate of such destruction to the Town instead.

Section 12.8. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 12.9. Parties Interested Herein. Nothing in this Trust Agreement or the Obligations, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Town, the Trustee and the Owners, any legal or equitable right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements in this Trust Agreement contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, the Trustee and the Owners of the Obligations.

Section 12.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.11. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Obligations pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the day and year first above written.

_____, as Trustee

By.....
Authorized Representative

TOWN OF MARANA, ARIZONA

By.....
Mayor

ATTEST:

.....
Town Clerk

[Signature page to Fourth Trust Agreement]

EXHIBIT A-1

(Form of New Money Obligation)

Number: R-..... Principal Amount: $.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any Obligation issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

PLEDGED EXCISE TAX REVENUE OBLIGATION, SERIES 2024
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE TOWN OF MARANA, ARIZONA

to

……,
as Trustee

Interest Rate:	Payment Date:	Dated Date:	CUSIP:
.....%	July 1, 20....	February __. 2024	56574C .....

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Excise Tax Revenue Obligation, Series 2024 (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain Fourth Purchase Agreement, dated as of February 1, 2024 (the "Purchase Agreement"), by and between ……. (the "Trustee"), and the Town of Marana, Arizona, a municipal corporation under the laws of the State of Arizona (the "Town"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain Fourth Trust Agreement, dated as of February 1, 2024 (the "Trust Agreement"), by and between the Town and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

* Included only while DTC is the Securities Depository.

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing January 1, 2025 (the "Interest Payment Dates"), until payment in full of said portion of principal or prepayment prior thereto, the registered owner's proportionate share of the payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Said amounts representing the registered owner's share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner's share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of $1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (collectively with the Pledged Excise Tax Revenue Refunding Obligations, Series 2024, executed and delivered on the date hereof, the "Obligations") may be paid by wire transfer in immediately available funds to an account in the United States of America if the owner makes a written request of the Trustee at least twenty (20) days before the date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the Town, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The Town is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by a resolution of the Mayor and Common Council of the Town adopted on January 16, 2024. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the Town under the Purchase Agreement

(including with respect to certain obligations secured and to be secured on a parity with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal represented by all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the Town to make the Payments does not represent or constitute a general obligation of the Town for which the Town is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the Town, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the Town (as described herein), and no member of the Mayor and Common Council, officer or agent, as such, past, present or future, of the Town shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of $5,000 of principal represented by the Obligations due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate payment amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The Town and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the Town and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The Trustee may, but shall not be obligated to, exchange or register the transfer of this Obligation (i) if this Obligation has been selected for prepayment, in whole or in part, or (ii) during a period of fifteen (15) days preceding the giving of a notice of prepayment. If this Obligation is transferred after having been selected for prepayment, any notice of prepayment which has been given to the transferor shall be binding on the transferee, and a copy of the notice of prepayment shall be delivered by the Trustee to the transferee along with the duly registered Obligation or Obligations.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Principal represented by the Obligations of the series of which this is a part is subject to prepayment in such order and from such principal amounts payable as may be selected by the Town, in whole or in part on any date on or after July 1, 20__, at a price equal to the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment but without premium.

Principal represented by the Obligations of the series of which this is a part payable on July 1, 20__, shall be prepaid on July 1 of the years indicated and in the principal amounts indicated at a price equal to the amount thereof plus interest accrued to the date of prepayment, but without premium:

Year Prepaid	Principal Amount Prepaid

A remaining principal amount of $____,000 of such Obligations shall be paid on July 1, 20__.

Whenever Obligations subject to mandatory prepayment are purchased, prepaid (other than pursuant to mandatory prepayment) or delivered by the Town to the Trustee for cancellation, the principal amount of the Obligations represented thereby so retired shall satisfy and be credited against the mandatory prepayment requirements for such Obligations for such years as the Town may direct.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened, have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution: .....

……,
as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned ..... (the "Transferor"), hereby sells, assigns and transfers unto ..... (the "Transferee"), whose address is ..... and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE
.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ..... as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: .....

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

The following abbreviations when used in the inscription on the face of the within certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common
TEN ENT -	as tenants by the entireties
JT TEN -	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT - ..... Custodian for .....
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of .....
(State)

Additional abbreviations may also be used though not in list above.

A-1-6

EXHIBIT A-2

(Form of Refunding Obligation)

Number: R-..... Principal Amount: $.....

Unless this Obligation is presented by an authorized representative of The Depository Trust Company of New York, a New York corporation ("DTC"), to the Trustee (or any successor registrar) for registration of transfer, exchange, or payment, and any Obligation issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATION, SERIES 2024
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE TOWN OF MARANA, ARIZONA

to

……,
as Trustee

Interest Rate:	Payment Date:	Dated Date:	CUSIP:
.....%	July 1, 20....	February __. 2024	56574C .....

REGISTERED OWNER: CEDE & CO.*

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns, as the registered owner of this Pledged Excise Tax Revenue Refunding Obligation, Series 2024B (this "Obligation") is the owner of an undivided, participatory, proportionate interest in the right to receive certain "Payments" under and defined in that certain Fourth Purchase Agreement, dated as of February 1, 2024 (the "Purchase Agreement"), by and between ……. (the "Trustee"), and the Town of Marana, Arizona, a municipal corporation under the laws of the State of Arizona (the "Town"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain Fourth Trust Agreement, dated as of February 1, 2024 (the "Trust Agreement"), by and between the Town and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

* Included only while DTC is the Securities Depository.

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the payment date set forth above, the principal amount set forth above, representing a portion of the payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing January 1, 2025 (the "Interest Payment Dates"), until payment in full of said portion of principal, the registered owner's proportionate share of the payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Said amounts representing the registered owner's share of the Payments designated as interest are payable in lawful money of the United States of America by check mailed when due by first class mail by the Trustee to the registered owner in whose name this Obligation is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding the Interest Payment Date at the address thereof as it appears on the registration books for the Obligations maintained by the Trustee. Said amounts representing the registered owner's share of the Payments designated as principal are payable when due upon surrender of this Obligation at the Designated Office. Principal and interest payable to any owner of $1,000,000 or more in principal amount of the series of obligations of which this Obligation is a part (collectively with the Pledged Excise Tax Revenue Obligations, Series 2024, executed and delivered on the date hereof, the "Obligations") may be paid by wire transfer in immediately available funds to an account in the United States of America if the owner makes a written request of the Trustee at least twenty (20) days before the date of payment specifying the account address. The notice may provide that it shall remain in effect for subsequent payments until otherwise requested in a subsequent written notice.

The Trustee has no obligation or liability to the registered owners of the Obligations for the payment of interest or principal represented by the Obligations. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Obligations, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the Town, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The Town is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by a resolution of the Mayor and Common Council of the Town adopted on January 16, 2024. Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which the Obligations are delivered, the rights thereunder of the registered owners of the Obligations, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the Town under the Purchase Agreement

(including with respect to certain obligations secured and to be secured on a parity with the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owners of a majority in aggregate principal represented by all Obligations then outstanding, and may be amended without such consent under certain circumstances but in no event such that the interests of the owners of the Obligations are adversely affected, provided that no such amendment shall impair the right of any owner to receive in any case such owner's proportionate share of any Payment thereof in accordance with such owner's Obligation.)

The obligation of the Town to make the Payments does not represent or constitute a general obligation of the Town for which the Town is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the Town, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owners of the Obligations shall have any right under any circumstances to accelerate the payment dates of the Obligations or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the Town (as described herein), and no member of the Mayor and Common Council, officer or agent, as such, past, present or future, of the Town shall be personally liable for the payment hereof.)

The Obligations are executed and delivered only in fully registered form in denominations of $5,000 of principal represented by the Obligations due on a specific payment date or integral multiples thereof. The Obligations shall not be transferable or exchangeable, except as provided in the Trust Agreement.

This Obligation may be exchanged for an Obligation or Obligations of like series and aggregate payment amount in authorized denominations having the same payment date and interest rate.

This Obligation is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement and upon surrender and cancellation of this Obligation. Upon such transfer a new Obligation or Obligations, of authorized denomination or denominations, for the same series and aggregate principal amount will be delivered to the transferee in exchange therefor. The Town and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Obligation shall be overdue, and the Town and the Trustee shall not be affected by any notice to the contrary.

The Trustee may require a registered owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes or governmental charges required by law in connection with the exchange or transfer.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

Principal represented by the Obligations of the series of which this is a part is not subject to prepayment.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the execution and delivery of this Obligation have happened, have been done, do exist and have been performed in regular and due form and time as required by law.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution: .....

…….,
as Trustee

By.....
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned ..... (the "Transferor"), hereby sells, assigns and transfers unto ..... (the "Transferee"), whose address is ..... and whose social security number (or other federal tax identification number) is

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE
.....
.....

the within certificate and all rights thereunder, and hereby irrevocably constitutes and appoints ..... as attorney to register the transfer of the within certificate on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: .....

.....
NOTICE: No transfer will be registered and no new certificate will be issued in the name of the Transferee, unless that signature(s) to this assignment correspond(s) with the name as it appears on the face of the within certificate in every particular, without alteration or enlargement or any change whatever and name, address and the Social Security Number or federal employee identification number of the Transferee is supplied

The following abbreviations when used in the inscription on the face of the within certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common
TEN ENT -	as tenants by the entireties
JT TEN -	as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT - ..... Custodian for .....
(Cust.) (Minor)

under Uniform Gifts/Transfers to Minors Act of .....
(State)

Additional abbreviations may also be used though not in list above.

A-2-5

EXHIBIT B

Payment Request Form

Application No. .....

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the Fourth Trust Agreement, dated as of February 1, 2024 (the "Trust Agreement"), between the Town of Marana, Arizona (the "Town"), and ……..……, as trustee (the "Trustee") to the person or corporation designated below as "Payee," the sum set forth below such designation, in payment of the Project Costs (as such term is defined in the Trust Agreement) described below. The amount shown below is due and payable under a purchase order or contract with respect to such costs described below and has not formed the basis of any prior request for payment.

Payee: .....

Address or Wiring Instructions: .....

Amount: .....

Description of costs or portion thereof authorized to be paid to the Payee: .....

The Town acknowledges that it has received and inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the Town's specifications and satisfactory for the Town's purposes and in accordance with the applicable purchase order or contract. Notwithstanding anything herein to the contrary, the Town shall not be deemed to have waived or released the Payee from any liability or obligation to the Town in the event the Town's acknowledgment herein is discovered to be inaccurate in any respect as to any item described above.

By execution of this Payment Request Form, the Town requests and approves the payment of the amount stated above to Payee set forth above.

DATED: ....., 20....

.....
Town Representative

Please forward payment to Payee at the following address:

EXHIBIT C

Reimbursement Request Form

Application No. .....

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the Fourth Trust Agreement, dated as of February 1, 2024 (the "Trust Agreement"), between the Town of Marana, Arizona (the "Town"), and ……....……..., as trustee (the "Trustee"), to the Town, the sum set forth below as reimbursement of (all/a portion) of the Project Costs (as such term is defined in the Trust Agreement) described below. Payment of the amount, shown below was made by the Town on …….., 20……., as evidenced by …….……. attached hereto, as full/partial payment of …….……., also attached hereto. The amount shown below was paid by the Town and has not formed the basis of any prior request for payment.

The Town acknowledges that it has received and has inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the Town's specifications and satisfactory for the Town's purposes. Notwithstanding anything herein to the contrary, the Town shall not be deemed to have waived or released any entity named on the attached documentation, from any liability or obligation to the Town in the event the Town's acknowledgment herein is discovered to be inaccurate in any respect as to any item described below.

Amount: .....

Description of costs or portion thereof for which reimbursement is hereby requested:

DATED: ....., 20....

.....
Town Representative

Dated Received: ....., 20....

TOWN OF MARANA, ARIZONA

PROCEDURES FOR COMPLIANCE WITH CONTINUING DISCLOSURE UNDERTAKINGS

IMPLEMENTED JANUARY 16, 2024

These Procedures for Compliance with Continuing Disclosure Undertakings (these "Procedures") set forth procedures of the Town of Marana, Arizona (the "Issuer") to assist in compliance with the continuing disclosure undertakings ("Continuing Disclosure Undertakings") entered into by the Issuer in connection with the offering of obligations of the Issuer subject to the continuing disclosure requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

These Procedures document practices and describe various procedures for preparing and disseminating annual financial information and reporting "listed events" for the benefit of the holders of the Issuer's obligations and to assist Participating Underwriters (within the meaning of the Rule) in complying with the Rule.

Compliance with pertinent law is an ongoing process; necessary during the entire term of any obligations issued by the Issuer, and is an integral component of the Issuer's debt management. Implementation of these Procedures will require ongoing monitoring and consultation with bond/disclosure counsel and the Issuer's accountants and advisors.

General Policies and Procedures

1. The Finance Director of the Issuer (the "Compliance Officer") will be responsible for monitoring post-issuance compliance.

2. The Compliance Officer will coordinate procedures for record retention and review of such records.

3. All documents and other records relating to obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer.

4. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

5. The Compliance Officer will review the annual information required to be filed pursuant to each Continuing Disclosure Undertaking.

6. The Compliance Officer will train at least one other employee of the Issuer with respect to the matters contained in these Procedures to facilitate compliance with the Continuing Disclosure Undertakings in the event the Compliance Officer is no longer employed by the Issuer.

Continuing Disclosure

In order to monitor compliance by the Issuer with its Continuing Disclosure Undertakings, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Undertakings. The Compliance Officer may coordinate with staff, and may engage a dissemination

agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Undertakings

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Undertakings of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective obligation issue. Continuing Disclosure Undertakings are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Undertakings) for so long as the obligations to which they relate are outstanding. As obligations are completely repaid or redeemed, the Compliance Officer shall remove the related Continuing Disclosure Undertakings from the set of Currently Effective Continuing Disclosure Undertakings.

B. Compilation of Currently Effective Financial Obligations

The Compliance Officer shall compile and maintain a list of all currently effective Financial Obligations of the Issuer. "Financial Obligations" means, for purposes of the Rule, a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, and existing or planned debt obligation, or (iii) a guarantee of (i) or (ii). For purposes of the Rule, Financial Obligation shall not include municipal securities of the Issuer as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule and as to which a continuing disclosure undertaking has been executed and delivered by the Issuer consistent with the Rule.

Such list shall include key terms of each Financial Obligation, such as date of incurrence, principal amount, maturity, amortization, interest rate, default rates, security and source of payment and key covenants.

C. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Undertakings annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Undertaking may differ from the financial information and operating data required to be reported under another Continuing Disclosure Undertaking; and

- The timing requirements for reporting under a particular Continuing Disclosure Undertaking may differ from the timing requirements for filing under another Continuing Disclosure Undertaking.

D. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Undertakings. The Compliance Officer shall also subscribe to notification services made available through the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

E. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) shall file the missing information.

F. Monitoring of Listed Events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Undertakings and shall provide notice of the same in the required manner and by the relevant reporting deadline (generally within 10 days of the occurrence):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations;
7. Modification to rights of holders of the Issuer's obligations, if material;
8. Calls of the Issuer's obligations, if material, and tender offers;
9. Defeasances of the Issuer's obligations;
10. Release, substitution or sale of property securing repayment of the Issuer's obligations, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The list of Currently Effective Financial Obligations compiled pursuant to B. above will assist in making determinations with respect to Listed Events 15 and 16.

G. Review of Official Statements

The Compliance Officer shall review drafts of any offering document for a new offering of obligations, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the offering document accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its offering documents.

H. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer's annual reviews and its reviews of offering documents in connection with new offerings as set forth above. This Issuer shall retain this documentation, for each Continuing Disclosure Undertaking, for the period that the related obligations are outstanding.

I. Annual Review Checklist

The Compliance Officer may use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. Fiscal Year Ending: _____

2. Compliance Officer: _____

3. Checklist Completion Date: _____

4. Obligations for which there are Currently Effective Continuing Disclosure Undertakings

- <u>Attach Agreements</u>:

$_____, _____, dated _____, 20____

$_____, _____, dated _____, 20____

$_____, _____, dated _____, 20____

$_____, _____, dated _____, 20____

$_____, _____, dated _____, 20____

$_____, _____, dated _____, 20____

$_____, _____, dated _____, 20____

5. Have any new Obligations subject to Continuing Disclosure Been Issued this Year?

_____ No

_____ Yes (Add Agreement to Currently Effective Continuing Disclosure Undertakings)

If Yes, did the Compliance Officer review the Offering Document's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years?

Circle: Y/ N (If N, review and discuss any issues with counsel.)

6. Have any Obligations subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Currently Effective Continuing Disclosure Undertakings)

7. (a) Has the Compliance Officer Reviewed the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

	Checked?
Different Continuing Disclosure Undertakings may require different information to be file (so check each one).	Y / N
Different Continuing Disclosure Undertakings may have different filing timing requirements (so check each one).	Y / N

8. Have any of the Following Listed Events Occurred this Year?

	Event	**Circle**
1.	Principal and interest payment delinquencies.	Y / N
2.	Non-payment related defaults, if material.	Y / N
3.	Unscheduled draws on debt service reserves reflecting financial difficulties.	Y / N
4.	Unscheduled draws on credit enhancements reflecting financial difficulties.	Y / N
5.	Substitution of credit or liquidity providers, or their failure to perform.	Y / N
6.	Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's obligations, or other material events affecting the tax status of the Issuer's obligations.	Y / N
7.	Modification to rights of holders of the Issuer's obligations, if material.	Y / N
8.	Calls of the Issuer's obligations, if material, and tender offers.	Y / N
9.	Defeasances of the Issuer's obligations.	Y / N
10.	Release, substitution or sale of property securing repayment of the Issuer's obligations, if material.	Y / N

11.	Rating changes.	Y / N
12.	Bankruptcy, insolvency, receivership or similar event of the Issuer.	Y / N
13.	The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.	Y / N
14.	Appointment of a successor or additional trustee or the change of name of a trustee, if material.	Y / N
15.	Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.	Y / N
16.	Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.	Y / N

9. If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

10. Has the Issuer Retained a Dissemination Agent?

_____ Yes: Name/Contact: _____

_____ No

$_____
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024
AND
$_____
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

OBLIGATION PURCHASE AGREEMENT

January __, 2024

Town of Marana, Arizona
Marana Municipal Compex
11555 W. Civic Center Drive
Marana, Arizona 85653

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated (the "Underwriter") hereby offers to enter into this Obligation Purchase Agreement (this "Obligation Purchase Agreement") with the Town of Marana, Arizona (the "Issuer"), a municipal corporation duly organized and validly existing under and pursuant to the laws of the State of Arizona (the "State" or "Arizona"), whereby the Underwriter will purchase and the Issuer will sell the Obligations (as defined herein). The Underwriter is making this offer subject to the acceptance by the Issuer at or before 11:59 P.M., Arizona Time, on the date hereof. If the Issuer accepts this Obligation Purchase Agreement, this Obligation Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind both the Issuer and the Underwriter. The Underwriter may withdraw this Obligation Purchase Agreement upon written notice delivered by the Underwriter to the Issuer at any time before the Issuer accepts this Obligation Purchase Agreement.

1. PURCHASE AND SALE.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to cause _____, as trustee (the "Trustee"), to execute, sell and deliver to the Underwriter, all (but not less than all) of (I) the $_____ aggregate principal amount of "Town of Marana, Arizona Pledged Excise Tax Revenue Obligations, Series 2024" (the "New Money Obligations") and (II) the $_____ aggregate principal amount of "Town of Marana, Arizona Pledged Excise Tax Revenue Refunding Obligations, Series 2024"

(the "Refunding Obligations" and, collectively with the New Money Obligations, the "Obligations"), at the purchase price of $_____ (the "Purchase Price"). The Purchase Price represents a purchase price of $_____ for the New Money Obligations (which represents the aggregate of (1) the principal amount of the New Money Obligations of $_____, (2) [plus net original issue premium of $_____] [less net original issue discount of $_____] and (3) less an Underwriter's discount of $_____), and a purchase price of $_____ for the Refunding Obligations (which represents the aggregate of (1) the principal amount of the Refunding Obligations of $_____, (2) [plus net original issue premium of $_____] [less net original issue discount of $_____] and (3) less an Underwriter's discount of $_____). The Underwriter intends to make an initial bona fide public offering of the Obligations at a price or prices (or at a yield or yields) described in the Schedule attached hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices (or yields) as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Obligations (but in all cases subject to the requirements of Section 4 hereof), and may offer and sell the Obligations to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at prices lower than the public offering prices (or yields greater than the yields) set forth therein (but in all cases subject to the requirements of Section 4 hereof).

(b) The Issuer acknowledges and agrees that with respect to the transaction contemplated hereby: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer expressly are set forth in this Obligation Purchase Agreement; and (v) the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

2. DESCRIPTION AND PURPOSE OF THE OBLIGATIONS.

(a) The Obligations have been authorized pursuant to a resolution adopted by the Mayor and Common Council of the Issuer on January 16, 2024 (the "Resolution"). The Obligations shall be dated the date of delivery and executed and delivered and secured under and pursuant to the Fourth Trust Agreement, to be dated as of February 1, 2024 (the "Trust Agreement"), by and between the Issuer and the Trustee. The Obligations represent undivided proportionate interests in the payments (each a "Payment," and collectively, the "Payments") to be made by the Issuer pursuant to the Fourth Purchase Agreement, to be dated as of February 1, 2024 (the "Purchase Agreement"), by and between the Issuer, as purchaser, and the Trustee, as seller, as the purchase price for the Projects. The Payments will be secured by Excise Tax Revenues and State Shared Revenues (each as defined in the Trust Agreement) as described in the Purchase Agreement

(b) The proceeds of the sale of the New Money Obligations will be used to (i) pay the costs of the Project (as defined in the Trust Agreement) and (ii) pay certain costs of execution and delivery of the New Money Obligations. The proceeds of the sale of the Refunding Obligations will be used to (i) pay all remaining outstanding amounts of the Town's Pledged Excise Tax Revenue and Revenue Refunding Obligations, Series 2013 and the Town's Pledged Excise Tax Revenue Obligations, Series 2017C and (ii) pay certain costs of execution and delivery of the Refunding Obligations.

(c) The Obligations shall become payable in the years, bear interest, produce the yields or prices and be subject to prepayment at the times and in the amounts, all as set forth in the Schedule attached hereto. The terms of the Obligations shall be otherwise as described in the Trust Agreement.

3. DELIVERY OF THE OFFICIAL STATEMENT AND OTHER DOCUMENTS.

(a) The Issuer has approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated January __, 2024, which, including the cover page, the inside front cover page and all appendices thereto, is herein referred to as the "Preliminary Official Statement." It is acknowledged by the Issuer that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as defined herein) electronically over the internet and in printed paper form. The Issuer deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than the Closing Date (as defined herein), the Issuer shall deliver to the Underwriter a final Official Statement relating to the Obligations dated the date hereof (such Official Statement, including the cover page, the inside front cover page and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, Special Counsel (as defined herein) and the Underwriter, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (the "MSRB") and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer, with the MSRB on its Electronic Municipal Market Access system, if required by MSRB Rule G-32. The Official Statement shall be executed by and on behalf of the Issuer by an authorized officer of the Issuer. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and

Exchange Commission (the "SEC") including in a word-searchable pdf format including any amendments thereto. The Issuer hereby ratifies, confirms and consents to and approves the use and distribution by the Underwriter before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriter of the Official Statement in connection with the public offering and sale of the Obligations.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will undertake, pursuant to the Continuing Disclosure Undertaking, to be dated the Closing Date (the "Undertaking"), of the Issuer, to provide annual financial information and notices of the occurrence of specified events. A description of the Undertaking is set forth in, and a form of such undertaking is attached as APPENDIX F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to, the Preliminary Official Statement and the Official Statement.

4. ESTABLISHMENT OF ISSUE PRICE.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Obligations and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, substantially in the form of Exhibit A attached hereto, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Obligations.

(b) [Except for the maturities set forth in the Schedule attached hereto,] the Issuer represents that it will treat the first price at which 10% of each maturity of the Obligations (the "10% Test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Obligation Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which the Underwriter has sold to the public each maturity of Obligations. [If at that time the 10% test has not been satisfied as to any maturity of the Obligations, the Underwriter agrees to promptly report to the Issuer the prices at which Obligations of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Obligations of that maturity have been sold or (ii) the 10% test has been satisfied as to the Obligations of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, the Issuer or Special Counsel.] For purposes of this Section, if Obligations mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Obligations.

[(c) The Underwriter confirms that the Underwriter has offered the Obligations to the public on or before the date of this Obligation Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the Schedule attached hereto, except as otherwise set forth therein. The Schedule attached hereto also sets forth, as of the date of this Obligation Purchase Agreement, the maturities, if any, of the Obligations for which the 10% Test has not been satisfied and for which the Issuer and the Underwriter agrees that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains

applicable to any maturity of the Obligations, the Underwriter will neither offer nor sell unsold Obligations of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.]

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Obligations to the public at a price that is no higher than the initial offering price to the public.

[(c)][(d)] The Underwriter confirms that:

(i) any selling group agreement and each third-party distribution agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it until either all Obligations of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Obligations that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Obligations to the public, together with the related pricing wires,

contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Obligations to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Obligations of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Obligations of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Obligations of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

[(d)][(e)] The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Obligations to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Obligations to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Obligations, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Obligations.

[(e)][(f)] The Underwriter acknowledges that sales of any Obligations to any person that is a related party to an underwriter participating in the initial sale of the Obligations to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party to an underwriter,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in

clause (A) to participate in the initial sale of the Obligations to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Obligations to the public),

(iii) a purchaser of any of the Obligations is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Obligation Purchase Agreement by all parties.

[[(f)/(g)] Notwithstanding anything herein to the contrary, any reporting obligation with respect to maturities subject to the hold-the-offering-price rule will terminate at the end of the Holding Period (as defined in the form of Issue Price Certificate attached as Exhibit A hereto) even if such date is prior to the Closing Date.]

5. ISSUER'S REPRESENTATIONS. The Issuer represents to and agrees with the Underwriter that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to cause the sale, execution and delivery of the Obligations to the Underwriter pursuant to the Resolution and the Trust Agreement, to pledge the Excise Tax Revenues and the State Shared Revenues pursuant to the Purchase Agreement and to execute, deliver and perform its obligations, as the case may be, under this Obligation Purchase Agreement, the Purchase Agreement, the Trust Agreement, the Undertaking (collectively, the "Issuer Documents"), and the Obligations, and to perform and consummate all obligations and transactions required or contemplated by each of the Issuer Documents and the Official Statement.

(b) The Resolution approving and authorizing the execution and delivery by the Issuer of the Issuer Documents and the offering, sale, execution and delivery of the Obligations upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Mayor and Common Council of the Issuer called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Issuer Documents and the Obligations conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the Obligations, when duly executed and authenticated in accordance with the Trust Agreement and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Purchase Agreement and the Trust Agreement and secured by a legally valid and binding pledge and lien on, and payable from, the Excise Tax Revenues and the State Shared Revenues as described in the Purchase Agreement, subject to applicable Creditors' Rights Laws (as defined herein).

(d) The Issuer has executed and delivered or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, except as the enforceability of thereof may be limited by application of bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution (collectively, "Creditors' Rights Laws"). Each of the Issuer Documents has been executed and delivered or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The Issuer is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined herein), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Resolution, the sale and execution and delivery of the Obligations and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Issuer Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used herein, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Resolution and the Issuer Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction (including with respect to the requirements of Section 35-501(B), Arizona Revised Statutes) which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained; provided,

that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Obligations for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made and as to the authority of the representative to deliver such certificates and make such representation.

(h) Between the date hereof and the time of the Closing and to the extent it may legally agree to do so pursuant to applicable law, the Issuer shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Issuer or except for such borrowings as may be described in or contemplated by the Official Statement.

(i) The financial statements of the Issuer as of June 30, 2023, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Issuer or in its operations since June 30, 2023, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(j) Except for information which is permitted to be omitted pursuant to Rule 15c2-12, the information contained in the Preliminary Official Statement (excluding therefrom any information regarding DTC and the information under the heading "UNDERWRITING," as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom any information regarding DTC and the information under the heading "UNDERWRITING," as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" as defined in Rule 15c2-12 (unless the Underwriter notifies the Issuer by the Closing Date of an unsold balance, in which case the "underwriting period" shall be deemed to end on the Closing Date), the Official Statement as so supplemented or amended will be true and

correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(m) If between the date of the Official Statement and the Closing any event shall occur which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter thereof, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Issuer) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter.

(n) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer: (i) seeking to restrain or enjoin the sale or execution and delivery of any of the Obligations, or the levy, collection, pledge and/or payment, as applicable, of the Excise Tax Revenues and the State Shared Revenues as described in the Purchase Agreement; (ii) in any way contesting or affecting any authority for the execution and delivery of the Obligations or the validity or binding effect of any of the Issuer Documents; (iii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Resolution or any provision thereof or the application of the proceeds of the Obligations; (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (v) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement and Official Statement or any of the Issuer Documents. The Issuer shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Obligations.

(o) Except as described in the Official Statement, during the last five years, the Issuer has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(p) Except as described in the Official Statement, the Issuer, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

(q) The Issuer has not granted a lien on, made a pledge of or agreed to apply the Excise Tax Revenues and the State Shared Revenues and other moneys payable pursuant to

the Purchase Agreement except as provided or permitted in the Purchase Agreement or as described in the Official Statement.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter's behalf, and shall survive the delivery of the Obligations.

6. UNDERWRITER'S REPRESENTATIONS. The Underwriter represents to and agrees with the Issuer that:

(a) The Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(b) This Obligation Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the Issuer, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Obligation Purchase Agreement may be limited by application of Creditors' Rights Laws.

(c) The Underwriter is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

(d) The Underwriter and its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, are not currently engaged in, or for the duration of this Obligation Purchase Agreement will not engage in, a boycott of goods or services from the State of Israel; companies doing business in or with the State of Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel. The Underwriter understands that "boycott" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations, but does not include an action made for ordinary business purposes.

7. Closing.

The date of the payment for and delivery of the Obligations (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery of the Obligations herein sometimes called the "Closing") shall be at 8:00 A.M., Arizona Time, on February __, 2024, or at such other time or date as the Underwriter and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will cause to be delivered to the Underwriter, at the offices of Greenberg Traurig, LLP ("Special Counsel"), or at such other place as the Underwriter and the Issuer may mutually agree upon, the Obligations, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 8. At the Closing, (i) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Obligations, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer, and (ii) the Issuer shall deliver or cause to be delivered the

Obligations to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Obligations shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

8. CONDITIONS PRECEDENT.

The Underwriter has entered into this Obligation Purchase Agreement in reliance upon the representations and agreements of the Issuer contained herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Obligation Purchase Agreement are and shall be subject to the following additional conditions:

(a) The representations and agreements of the Issuer contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Resolution, the Obligations and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) The Issuer shall perform or have performed all of its obligations required under or specified in the Resolution, the Obligations, the Issuer Documents and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer shall have delivered to the Underwriter the Official Statement by the time, and in the numbers, required by Section 3 of this Obligation Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer relating to the Obligations, the Issuer Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer, the Resolution, the Obligations, the Issuer Documents, the Excise Tax Revenues or the State Shared Revenues as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Obligations.

(g) At or prior to the Closing, the Underwriter shall receive the transcript of proceedings of the Issuer relating to the execution and delivery of the Obligations, including, but not limited to, the following documents (in each case with only such changes as the Underwriter shall approve):

(i) The approving opinion of Special Counsel relating to the Obligations, dated the Closing Date, substantially in the form attached as Appendix E to the Official Statement, and, if not otherwise directly addressed to the Underwriter, a reliance letter with respect thereto addressed to the Underwriter;

(ii) The supplemental opinion of Special Counsel, addressed to the Underwriter, dated the Closing Date, and substantially in the form of Exhibit B attached hereto;

(iii) The opinion of counsel to the Issuer, addressed to the Underwriter and Special Counsel, dated the Closing Date, and substantially in the form of Exhibit C attached hereto;

(iv) The opinion of Ballard Spahr LLP, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;

(v) A certificate, dated the Closing Date, signed by an authorized officer of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Obligations and the Issuer Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the execution and delivery of the Obligations, (ii) in any way contesting or affecting any authority for the execution and delivery of the Obligations, the validity of the Obligations, the Resolution or any Issuer Document or the levy, collection and pledge, as applicable, of the Excise Tax Revenues and the State Shared Revenues imposed and levied or to be imposed and levied to pay all the Payments, or the imposition thereof, (iii) in any way contesting the creation, existence or powers of the Issuer or the application of the proceeds of the Obligations, or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Issuer or the transactions contemplated by the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, or the Obligations or any Issuer Document; (d) no authority or proceedings for the execution and delivery of the Obligations has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Obligations has been filed with or received by such authorized officer; (e) the Preliminary Official Statement, as of its

date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of any information in the Preliminary Official Statement or the Official Statement regarding DTC and the information under the heading "UNDERWRITING"; (f) the financial statements of the Issuer as of June 30, 2023, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Issuer as of the dates and for the periods therein set forth; (g) except as disclosed in the Preliminary Official Statement and the Official Statement, since June 30, 2023, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Issuer and the Issuer has not incurred since June 30, 2023, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Preliminary Official Statement and the Official Statement; and (h) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(vi) A certificate, dated the Closing Date, signed by an authorized officer of the Trustee to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Purchase Agreement and the Trust Agreement (together for purposes of this paragraph, the "Trustee Documents") and to authenticate, execute and deliver the Obligations to the Underwriter; (b) the Trustee is duly authorized to enter into the Trustee Documents and to authenticate, execute and deliver the Obligations to the Underwriter pursuant to the Trust Agreement; (c) when delivered to and paid for by the Underwriter at the Closing, the Obligations will have been duly authenticated, executed and delivered by the Trustee; (d) the execution and delivery of the Trustee Documents and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or Blue Sky laws or regulations), which conflict, breach or default would materially impair the ability of the

Trustee to perform its obligations under the Trustee Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Trustee Documents under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Trustee Documents; and (e) to the best knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the execution and delivery of the Obligations or the collection of revenues to be applied to pay the principal and interest with respect to the Obligations, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trustee Documents, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trustee Documents or the power and authority of the Trustee to enter into and perform its duties under the Trustee Documents and to authenticate, execute and deliver the Obligations to or upon the order of the Underwriter;

(vii) Executed or certified copies of each of the Issuer Documents;

(viii) A tax certificate of the Issuer, in form satisfactory to Special Counsel, executed by such officials of the Issuer as shall be satisfactory to the Underwriter;

(ix) A certified copy of the Resolution;

(x) Specimen Obligations;

(xi) A counterpart original of the Official Statement manually executed on behalf of the Issuer by an authorized officer of the Issuer;

(xii) Evidence satisfactory to the Underwriter that Standard & Poor's Financial Services LLC has issued a rating for the Obligations of "__" (the "Rating"), and that the Rating is then in effect;

(xiii) Evidence that the Issuer has caused or will cause to be filed the Report of Bond and Security Issuance Pursuant to Section 35-501(B), Arizona Revised Statutes;

(xiv) Evidence that a Form 8038-G relating to the Obligations has been executed by the Issuer and will be filed with the Internal Revenue Service within the applicable time limit;

(xv) a verification report from _____ (the "Verification Agent") with respect to the matters described in the Official Statement under the heading "VERIFICATION OF MATHEMATICAL COMPUTATIONS";

(xvi) A copy of the Issuer's executed Blanket Letter of Representation to DTC; and

(xvii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel to the Underwriter or Special Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

9. TERMINATION.

If the Issuer shall be unable to satisfy the conditions of the Underwriter's obligations contained in this Obligation Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Obligation Purchase Agreement, this Obligation Purchase Agreement may be cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer in writing, or by telephone confirmed in writing. The performance by the Issuer of any and all conditions contained in this Obligation Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligations to purchase the Obligations, by written notice (or by telephone confirmed in writing) by the Underwriter to the Issuer, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur:

(i) the market price or marketability of the Obligations, or the ability of the Underwriter to enforce contracts for the sale of the Obligations, shall be materially adversely affected by any of the following events:

(A) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been

favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Obligations; or

(B) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(C) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(D) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Obligations, the Resolution or the Issuer Documents, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act") or Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") or otherwise, or would

be in violation of any provision of the federal securities laws; or

(E) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Issuer shall have occurred; or

(F) any rating on securities of the Issuer secured by a pledge of the Excise Tax Revenues and the State Shared Revenues on a parity with the pledge of such amounts to be made for the Payments is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Obligations or the ability of the Underwriter to enforce contracts for the sale of the Obligations; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Obligations shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the offering, sale or execution and delivery of the Obligations, including the underlying obligations as contemplated by this Obligation Purchase Agreement or by the Official Statement, or any document relating to the offering, sale or execution and delivery of the Obligations, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Obligation Purchase Agreement by the Underwriter, all obligations of the Issuer and the Underwriter under this Obligation Purchase Agreement shall terminate, without further liability.

10. AMENDMENTS TO OFFICIAL STATEMENT.

During the period commencing on the date of the Official Statement and ending twenty-five (25) days from the "end of the underwriting period" (as defined in Rule 15c2-12) the Issuer shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the underwriting period, the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and shall amend or supplement the Official Statement (in form and substance satisfactory to counsel to the Underwriter) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The expenses of preparing such amendment or supplement shall be borne by the Issuer. For the purpose of this Section, the Issuer will furnish to the Underwriter such information with respect to itself as the Underwriter may from time to time reasonably request.

11. EXPENSES.

(a) Whether or not the Obligations are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Issuer's obligations hereunder. If the Obligations are delivered by the Issuer to the Underwriter, the Issuer shall pay, from the proceeds of the Obligations or from other funds of the Issuer, the following expenses: (i) the cost of preparing, duplicating or printing, mailing and delivering the Issuer Documents, including the cost of electronically distributing the Preliminary Official Statement and the Official Statement and any amendment or supplement of either; (ii) the cost of preparation and printing of the definitive Obligations; (iii) the fees and expenses of the Issuer, the Trustee, the Verification Agent, Special Counsel, counsel to the Underwriter, and any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Issuer; (iv) the charges of any rating agency with respect to the Obligations; (v) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Obligations, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Issuer and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of Issuer personnel, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section 11, and (vi) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Issuer Documents and/or the initial offering, sale and delivery of the Obligations. The Issuer has authorized, and does hereby authorize, the Underwriter to pay certain of such expenses on behalf of the Issuer from

proceeds of the Obligations at Closing as further described in the closing memorandum relating to the Obligations.

(b) If the Obligations are sold to the Underwriter by the Issuer, the Issuer shall pay out of the proceeds of the Obligations the discount of the Underwriter or the purchase price paid for the Obligations shall reflect such discount.

(c) Except as otherwise provided in this Section 11, the Underwriter shall pay the cost, if any, of qualifying the Obligations for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Obligations and all other expenses incurred by it in connection with its public offering and distribution of the Obligations, not described above.

12. USE OF DOCUMENTS.

The Issuer hereby authorizes the Underwriter to use, in connection with the public offering and sale of the Obligations, this Obligation Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Issuer Documents, and the information contained herein and therein.

13. QUALIFICATION OF SECURITIES.

The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Obligations for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided*, *however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

14. NOTICES.

Any notice or other communication to be given to the Issuer under this Obligation Purchase Agreement may be given by delivering the same in writing to Town of Marana, Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona 85653, Attention: Town Manager, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the following address:

Stifel, Nicolaus & Company, Incorporated
Suite 300
2801 East Camelback Road
Phoenix, Arizona 85016
Attention: Mark Reader, Managing Director

15. BENEFIT.

This Obligation Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including their successors or assigns), and no other person, partnership, association

or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer contained in this Obligation Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Obligations hereunder; or (iii) any termination of this Obligation Purchase Agreement, other than pursuant to Section 9 (and in all events the agreements of the Issuer pursuant to Section 11 hereof shall remain in full force and effect notwithstanding the termination of this Obligation Purchase Agreement under Section 9 hereof).

16. GOVERNING LAW. THIS OBLIGATION PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ARIZONA.

17. WAIVER OF JURY TRIAL. THE ISSUER HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS OBLIGATION PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. MISCELLANEOUS.

(a) This Obligation Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

(b) If any section, paragraph, subdivision, sentence, clause or phrase of this Obligation Purchase Agreement shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions of this Obligation Purchase Agreement. The parties to this Obligation Purchase Agreement declared they would have executed this Obligation Purchase Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase of this Obligation Purchase Agreement, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Obligation Purchase Agreement may be held to be illegal, invalid, or unenforceable. If any provision of this Obligation Purchase Agreement contains any ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

(c) This Obligation Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

(d) To the extent applicable by provision of law, this Obligation Purchase Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, the provisions of which are incorporated herein by this reference.

(e) The electronic signature of a party to this Obligation Purchase Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to

this Obligation Purchase Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means, electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Underwriter; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an electronic mail or internet message.

[Signature page follows.]

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

.....
Mark Reader, Managing Director

Approved and Agreed to: January __, 2024

TOWN OF MARANA, ARIZONA

By.....

Printed Name: .....

Title: .....

[Signature page to Obligation Purchase Agreement]

SCHEDULE

$_____
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024

Payment Dates (July 1)	Principal Amounts	Interest Rates	Yields

---

* Yield calculated to first optional prepayment date: July 1, 20__.

Optional Prepayment. The New Money Obligations payable before or on July 1, 20__, will not be subject to prepayment prior to their stated payment dates. The New Money Obligations payable on or after July 1, 20__, will be subject to prepayment prior to their stated payment dates, at the option of the Issuer, in whole or in part on July 1, 20__, or on any date thereafter, by the payment of a prepayment price equal to the principal amount of each New Money Obligation prepaid plus interest accrued to the date fixed for prepayment, without premium.

Mandatory Prepayment. The New Money Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for prepayment, without premium:

Obligations Paying July 1, 204_

Prepayment Date (July 1)	Principal Amount
20__ (stated payment date)	

$_____
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

Payment Dates (July 1)	Principal Amounts	Interest Rates	Yields

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Optional Prepayment. The Refunding Obligations will not be subject to prepayment prior to their stated payment dates.

Mandatory Prepayment. The Refunding Obligations payable on July 1, 20__, will be prepaid on July 1 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date fixed for prepayment, without premium:

Obligations Paying July 1, 20__

Prepayment Date (July 1)	Principal Amount
20__ (stated payment date)	

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

$_____
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Obligations").

1. Obligation Purchase Agreement. On January __, 2024 (the "Sale Date"), Stifel and Town of Marana, Arizona (the "Issuer") executed an Obligation Purchase Agreement (the "Purchase Contract") in connection with the sale of the Obligations. Stifel has not modified the Purchase Contract since its execution on the Sale Date.

2. Price.

(a) As of the date of this Certificate, for each [Maturity] [of the _____ Maturities] of the Obligations, the first price or prices at which at least 10% of [each] such Maturity of the Obligations was sold to the Public (the "10% Test") are the respective prices listed in Schedule A attached hereto.

(b) [**To be used if not using Hold-the-Offering-Price Rule and 10% was not sold for all Maturities]** [** With respect to each of the _____ Maturities of the Obligations:

(i) As of the date of this Certificate, Stifel has not sold at least 10% of the Obligations of these Maturities at any price or prices.

(ii) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Obligations of these Maturities will be at or below the respective price or prices listed on the attached Schedule A as the "Reasonably Expected Sale Prices for Undersold Maturities."

(iii) Stifel will provide actual sales information (substantially similar to the information contained on Schedule B) as to the price or prices at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.

(iv) On the date the 10% Test is satisfied with respect to all Maturities of the Obligations, Stifel will execute a supplemental certificate substantially in the form attached hereto as Schedule C with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

(b) [**To be used if using Hold-the-Offering-Price Rule]** [**Alternative 1 - All Maturities Use Hold-the-Offering-Price Rule**: Stifel offered the Obligations to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Obligations is attached to this certificate as Schedule B.] [**Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule**: Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Obligations is attached to this certificate as Schedule B.]

[**Alternative 1 - All Maturities use Hold-the-Offering-Price Rule**: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Obligations, it would neither offer nor sell any of the Obligations of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Obligations at a price that is higher than the respective Initial Offering Price for that Maturity of the Obligations during the Holding Period. [**Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule**: As set forth in the Purchase Contract, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Obligations of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Obligations during the Holding Period.]

3. Defined Terms.

(a) [*Hold-the-Offering-Price Maturities* means those Maturities of the Obligations listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."]

(b) [*Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(c) *Issuer* means Town of Marana, Arizona.

(d) *Maturity* means Obligations with the same credit and payment terms. Obligations with different maturity dates, or Obligations with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Obligations. The Sale Date of the Obligations is January __, 2024.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Obligations to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Obligations, and by Special Counsel, in connection with rendering its opinion that the interest on the Obligations is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Obligations.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By: _____
Mark Reader

By: _____
[underwriter]

Dated: February __, 2024

SCHEDULE A

Actual Sales Information as of Closing Date

Maturity/CUSIP (July 1)	Coupon	Date Sold	Time Sold	Par Amount	Sale Price

The aggregate issue price of all maturities of the Obligations is $_____.

[Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date**

Maturity/CUSIP	Coupon	Par Amount	Offering Prices

**]

SCHEDULE B

[**Actual Sales for Undersold Maturities as of the Closing Date**

Maturity/CUSIP	**Date Sold**	**Time Sold**	**Par Amount**	**Sale Price**

**]

[**PRICING WIRE OR EQUIVALENT COMMUNICATION**]

(Attached)

SCHEDULE C

SUPPLEMENTAL ISSUE PRICE CERTIFICATE

$____,000
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE OBLIGATIONS, SERIES 2024
AND
$____,000
TOWN OF MARANA, ARIZONA
PLEDGED EXCISE TAX REVENUE REFUNDING OBLIGATIONS, SERIES 2024

The undersigned, Stifel, Nicolaus & Company, Incorporated ("Stifel"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Obligations").

1. Issue Price.

(a) Stifel sold at least 10% of the _____ Maturities of the Obligations to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the "10% Test"). With respect to each of the _____ Maturities of the Obligations, Stifel had not satisfied the 10% Test as of the Closing Date (the "Undersold Maturities").

(b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on Exhibit A attached hereto.

2. Defined Terms.

(a) *Issuer* means Town of Marana, Arizona.

(b) *Maturity* means Obligations with the same credit and payment terms. Obligations with different maturity dates, or Obligations with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Obligations to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Obligations to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Obligations to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [closing date] and with respect to compliance with the federal income tax rules affecting the Obligations, and by Special Counsel, in connection with rendering its opinion that the interest on the Obligations is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Obligations.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By:_____
Mark Reader

By:_____
[underwriter]

Dated: February __, 2024

EXHIBIT A
TO
SUPPLEMENTAL ISSUE PRICE CERTIFICATE**

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF SPECIAL COUNSEL

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

February __, 2024

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Re: Pledged Excise Tax Revenue Obligations, Series 2024 and Pledged Excise Tax Revenue Refunding Obligations, Series 2024, Representing Proportionate Interests of the Owners Thereof in Payments to be made by the Town of Marana, Arizona to _____, as Trustee, Dated the Date Hereof

Pursuant to an Obligation Purchase Agreement, dated January __, 2024 (the "Purchase Contract"), between the Town of Marana, Arizona and Stifel, Nicolaus & Company, Incorporated, we have delivered to you our approving opinion of even date herewith (the "Approving Opinion") relating to the captioned Obligations. All terms used herein shall have the same meaning assigned in the Purchase Contract.

We hereby supplement the Approving Opinion and further advise you as follows:

1. The Issuer has all requisite power and authority pursuant to the Constitution and laws of the State (a) to execute and deliver, as applicable, the Issuer Documents, (b) to approve, execute and authorize the use and distribution of the Preliminary Official Statement and the Final Official Statement and (c) to carry out and consummate the transactions contemplated by the Final Official Statement, the Issuer Documents and the Obligations (including performing the applicable obligations pursuant thereto).

2. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the Final Official Statement, the Issuer Documents and the Obligations.

3. The Issuer Documents have been duly authorized, executed and delivered, as applicable, by the Issuer, are in full force and effect and, assuming due and valid authorization, execution and delivery by, and enforceability against, if any, the other party thereto, constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms. The foregoing is subject to applicable bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the enforcement of creditors' rights and the principles of equity in the event equitable remedies are sought.

4. Adoption of the Resolution, authorization, execution and delivery, as applicable, of, and the due performance by the Issuer of the Issuer Documents and the approval, execution and authorization of the use and distribution of, the Final Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby and each of such instruments, do not and will not conflict with, or constitute on the part of the Issuer a material breach of or default under, any federal or State constitutional or statutory provision.

5. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Obligations and other than approvals that may be required under "blue sky" laws of any jurisdiction) is required in connection with the adoption by the Mayor and Common Council of the Issuer of the Resolution or the authorization, execution, delivery and performance, as applicable, by the Issuer of the Issuer Documents and the consummation of the transactions contemplated by the Final Official Statement.

6. The information contained (but not incorporated by reference) in the Preliminary Official Statement and the Final Official Statement in the tax caption on the cover thereof, under the headings "INTRODUCTORY STATEMENT," "THE OBLIGATIONS," "SECURITY FOR AND SOURCES OF PAYMENT OF THE OBLIGATIONS"), "TAX EXEMPTION" and "CONTINUING DISCLOSURE" (except as it relates to compliance with prior undertakings as to which we express no opinion) therein, and in Appendix D – "SUMMARY OF SELECT PROVISIONS OF THE PRINCIPAL DOCUMENTS," Appendix E – "PROPOSED FORM OF APPROVING LEGAL OPINION," and Appendix F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," thereto, insofar as such information purports to summarize certain provisions of the laws of the State and the United States of America, the Obligations, the Trust Agreement, the Purchase Agreement and the Undertaking fairly present the information purported to be shown; provided, however, that such information does not purport to summarize all the provisions of, and is qualified in its entirety by, the complete laws and documents that are summarized, and, based solely on our participation in the transaction as Special Counsel, nothing has come to our attention that would lead us to believe that the information and statements in the Preliminary Official Statement, as of its date and as of January __, 2024, and the Official Statement, as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that we express no view as to the financial statements of the Issuer, any other financial forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement regarding DTC. We have not undertaken to review or determine independently, and assume no responsibility for, the accuracy or completeness of the information in the Preliminary Official Statement or the Official Statement except to the extent indicated hereinabove.

7. It is not necessary in connection with the sale and execution of the Obligations to the public to register the Obligations pursuant to the Securities Act of 1933, as amended, or to qualify the Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended.

You may rely upon the Approving Opinion as though it were specifically addressed to you.

This letter is provided pursuant to Section 8(g)(ii) of the Purchase Contract and is being given solely for the information of and assistance to the addressee of this letter in its capacity as the underwriter of the Obligations. In giving this opinion to such underwriter, it is expressly understood that no attorney-client relationship is being created thereby. Without our express prior written permission, this opinion may not be relied upon by any person other than such underwriter and is not to be used, circulated, quoted, or otherwise referred to in connection with the offering of the Obligations, except that reference may be made to this opinion in any list of closing documents pertaining to the execution and delivery of the Obligations.

Respectfully submitted,

EXHIBIT C

FORM OF OPINION OF COUNSEL TO THE ISSUER

[LETTERHEAD OF TOWN ATTORNEY]

February __, 2024

Stifel, Nicolaus & Company, Incorporated
Phoenix, Arizona

Greenberg Traurig, LLP
Phoenix, Arizona

Re: Pledged Excise Tax Revenue Obligations, Series 2024 and Pledged Excise Tax Revenue Refunding Obligations, Series 2024, Representing Proportionate Interests of the Owners Thereof in Purchase Payments to be Made by the Town of Marana, Arizona to _____, as Trustee, Dated the Date Hereof

I hold the office of Town Attorney of the Town of Marana, Arizona (the "Town"), and in that capacity render this opinion pursuant to the Obligation Purchase Agreement, dated January __, 2024 (the "Purchase Contract"), with respect to the captioned Obligations. (The capitalized terms used in this opinion and not otherwise defined herein have the meaning ascribed to them in the Purchase Contract.)

I have examined the transcript of proceedings (the "Transcript") relating to the execution and delivery of the Obligations, including originals or copies, certified or otherwise identified to our satisfaction, of the included documents, resolutions, instruments, records, certificates and opinions, and have reviewed laws and information and have made investigations, as I have considered necessary or appropriate for the purpose of rendering this opinion. In such examination of the Transcript, I have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to me as copies. As to any facts material to this opinion, I have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

Based upon such examination, I am of the opinion that, pursuant to the law existing on the date of this opinion:

1. The Town is duly organized and validly incorporated as a municipal corporation in accordance with the Constitution and laws of the State of Arizona and has all

requisite power and authority thereunder to enter into and perform its agreements in accordance with the Resolution and its covenants and agreements pursuant to the Issuer Documents.

2. The Resolution has been duly adopted and approved by the Mayor and Common Council of the Town in conformance with the applicable open meeting and other laws and ordinances of the Town and the State of Arizona.

3. The Issuer Documents have been duly authorized and validly executed and delivered by the Town, and the distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the Town.

4. The adoption and approval of the Resolution, the authorization, execution and delivery of the Issuer Documents and compliance with the respective provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Town a breach of or default under any agreement or other instrument to which the Town is a party or of any existing law, administrative regulation, court order or consent decree to which the Town, or any of its property, is subject.

5. There are no lawsuits or proceedings by or before any court, governmental agency, public board or body, pending or, to the best of my knowledge, threatened against the Town (a) that in any way question (i) the validity and the proper authorization, approval and execution of any of the Issuer Documents, (ii) the validity and proper approval and adoption of the Resolution, (iii) the authority of the Town or its officials to enter into any of the Issuer Documents, to make the Payments or to perform its obligations under such documents or the Resolution or the pledge of Excise Tax Revenues and State Shared Revenues (each as defined in the Issuer Documents) and to carry out the transactions contemplated thereby, or (b) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Resolution, the Obligations, any of the Issuer Documents or the Official Statement, or would in any way adversely affect the validity or enforceability of the Obligations, the Resolution, any of the Issuer Documents or of any other instruments required or contemplated for use in consummating the transactions contemplated thereby or by the Official Statement, or that, individually or collectively, would have a material adverse effect on the financial condition of the Town or impair the Town's ability to comply with all of its duties under the Resolution, or (c) contesting in any way the completeness or accuracy of the Official Statement.

6. The statements in the Preliminary Official Statement and the Official Statement under the heading "LITIGATION" are true and correct in all material respects and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

TOWN OF MARANA, ARIZONA

By_____

MARANA AZ

Town of Marana, Arizona

Pledged Excise Tax Revenue Obligations, Series 2024

Pledged Excise Tax Revenue Refunding Obligations, Series 2024

Information in Connection with the Issuance of Pledged Excise Tax Revenue Obligations

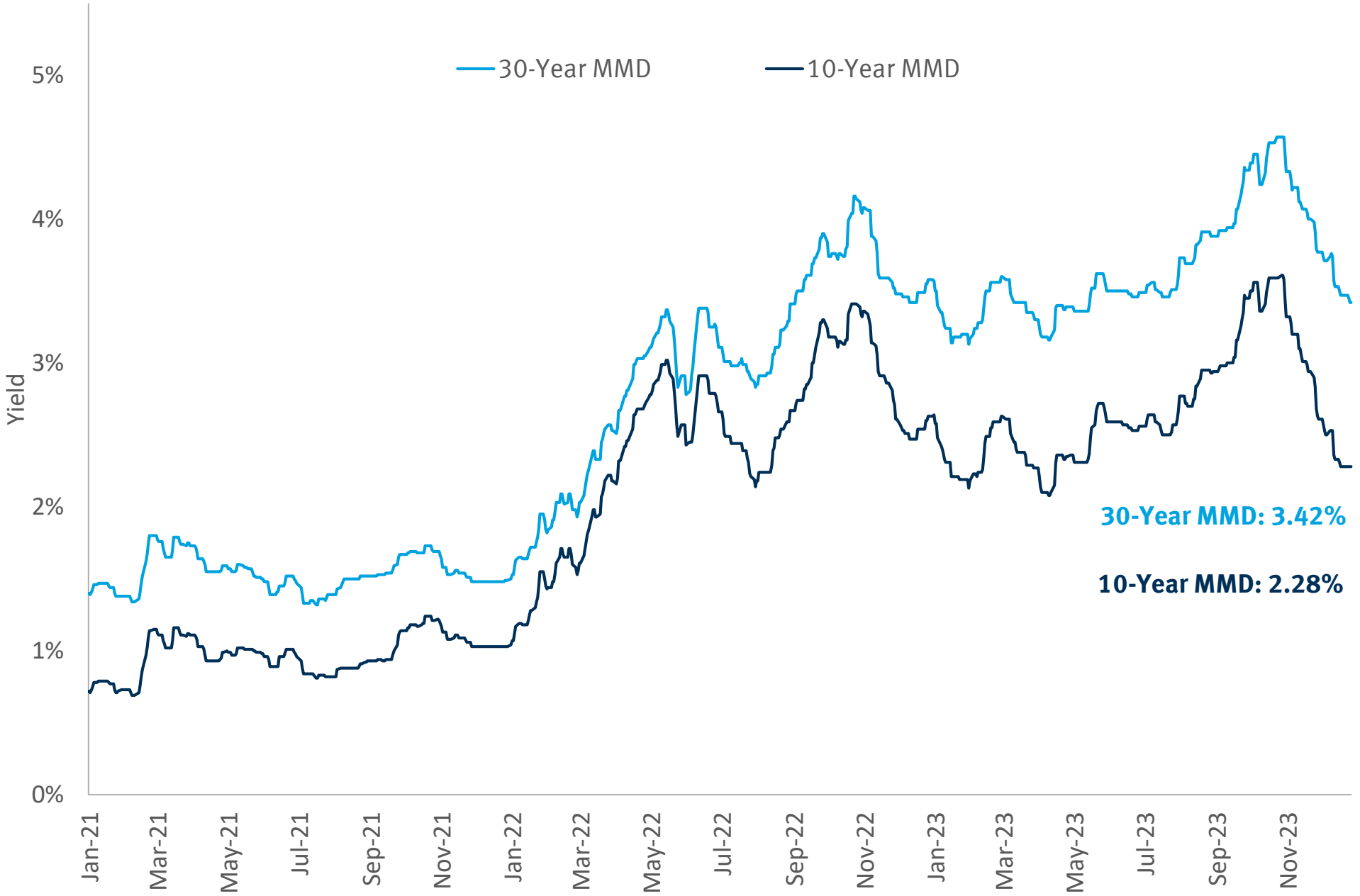
Tuesday, January 16, 2024

STIFEL | Public Finance

2801 E. Camelback Road, Suite 300
Phoenix, Arizona 85016

Mark Reader, Managing Director
(602) 794-4011
mreader@stifel.com

Tax-Exempt Interest Rate Movement



Sources: TM3. As of December 29, 2023.

Municipal Market Update – Week of January 2, 2024

STIFEL | Public Finance

RATE DATA				
	TODAY	WEEK PRIOR	MONTH PRIOR	YEAR PRIOR
AAA GO				
2 YEAR	2.52	2.54	2.83	2.60
5 YEAR	2.28	2.28	2.57	2.52
10 YEAR	2.28	2.28	2.61	2.63
15 YEAR	2.77	2.79	3.13	3.15
20 YEAR	3.08	3.11	3.44	3.37
30 YEAR	3.42	3.47	3.77	3.58
US TREASURY				
2 YEAR	4.25	4.30	4.61	4.43
5 YEAR	3.85	3.89	4.19	4.00
10 YEAR	3.88	3.90	4.25	3.88
30 YEAR	4.03	4.05	4.42	3.96
FED FUNDS	5.25-5.50	5.25-5.50	5.25-5.50	4.25-4.50
PRIME RATE	8.50	8.50	8.50	7.50

Public Policy Objectives

New Money Obligations

1. Issue Revenue Bonds to fund $51.15 million (total project costs of $64 million) for the Community Center and Aquatic Center
2. Manage interest costs by investing any unspent bond proceeds until draws are needed
3. Pay debt service with the special 0.50% TPT tax
4. Pay off bonds early with any excess collections from the 0.50% special TPT tax
    - Estimated actual payback period using Town's project would be approximately 6 years from the closing date of the issue

Refunding Obligations

1. Issue Refunding Bonds to refinance the Town's outstanding 2013 and 2017C bonds for debt service savings
2. Estimated savings are currently $210,000 per year / $2 million on a net present value basis / 9.0% net present value savings as a percent of refinanced principal

Preliminary Bond Market Update and Interest Rates

STIFEL | Public Finance

Town of Marana Credit Ratings:	The Town currently has a very strong credit rating of AA from S&P
Type of Bonds to be Issued:	Pledged Excise Tax Revenue Obligations
Source of Repayment:	0.50% special TPT tax
Amortization Period:	20 years
Estimated Tax-Exempt Interest Rates:	2.55% - 3.98% (new money series / 5-year prepayment feature) 2.55% - 2.85% (refunding series)
Estimated Debt Service Structure and Alternatives:	See Pages 7 and 8 herein

Pledged Excise Tax Revenues

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Category	Actual 2018/19	2019/20	2020/21	2021/22	2022/23
Town Sales Tax *(a)*	$ 37,562,162	$ 39,415,820	$ 41,600,386	$ 46,602,074	$ 59,564,053
State-shared Sales Taxes	4,524,009	4,872,825	5,816,852	7,324,638	8,114,630
State-shared Income Taxes	5,424,305	6,078,686	7,007,072	6,771,044	10,413,667
Licenses and permits	5,774,930	6,021,017	7,248,432	11,190,222	7,776,633
Fines and forfeitures and	527,447	515,514	436,491	383,241	364,942
	$ 53,812,853	$ 56,903,862	$ 62,109,233	$ 72,271,219	$ 86,233,925

(a) *Does not include any restricted use sales tax collections (for example, the 0.50% sales tax dedicated to Marana Community Center and Aquatic Center and amounts that are restricted for tourism purposes from the Additional Bed Tax). Amounts collected from the 0.50% sales tax are available to pay debt service on the Obligations issued for the Marana Community Center and Aquatic Center, but are not pledged as legal security for the Obligations.*

Estimated Debt Service Requirements and Coverage*
20-Year Amortization

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			5-year call feature The Obligations*				
Fiscal Year	Pledged Revenues	Outstanding Debt Service	Principal	Estimated Interest	Debt Service	Total Estimated Annual Debt Service Requirements*	Projected Maximum Annual Debt Service Coverage
2022/23	$86,233,925						
2023/24		$8,265,572	$2,650,000	$1,004,167	$3,654,167	$11,919,739	
2024/25		8,280,033	1,380,000	2,277,500	3,657,500	11,937,533	7.22x
2025/26		7,620,886	1,445,000	2,208,500	3,653,500	11,274,386	
2026/27		7,625,136	1,520,000	2,136,250	3,656,250	11,281,386	
2027/28		7,682,636	1,595,000	2,060,250	3,655,250	11,337,886	
2028/29		3,750,136	1,675,000	1,980,500	3,655,500	7,405,636	
2029/30		3,790,836	1,760,000	1,896,750	3,656,750	7,447,586	
2030/31		3,847,136	1,845,000	1,808,750	3,653,750	7,500,886	
2031/32		3,882,386	1,940,000	1,716,500	3,656,500	7,538,886	
2032/33		3,871,636	2,035,000	1,619,500	3,654,500	7,526,136	
2033/34		3,861,886	2,135,000	1,517,750	3,652,750	7,514,636	
2034/35		3,857,886	2,245,000	1,411,000	3,656,000	7,513,886	
2035/36		3,619,886	2,355,000	1,298,750	3,653,750	7,273,636	
2036/37		3,623,086	2,475,000	1,181,000	3,656,000	7,279,086	
2037/38		3,608,979	2,600,000	1,057,250	3,657,250	7,266,229	
2038/39		2,620,612	2,725,000	927,250	3,652,250	6,272,862	
2039/40		2,600,276	2,865,000	791,000	3,656,000	6,256,276	
2040/41		2,576,836	3,005,000	647,750	3,652,750	6,229,586	
2041/42		2,573,636	3,155,000	497,500	3,652,500	6,226,136	
2042/43		56,836	3,315,000	339,750	3,654,750	3,711,586	
2043/44		56,836	3,480,000	174,000	3,654,000	3,710,836	
2044/45		56,836				56,836	
2045/46		56,836				56,836	
2046/47		56,836				56,836	
			$48,200,000	$28,551,667	$76,751,667	$164,424,814	

* *Subject to change. Outstanding debt service shown is not inclusive of the savings to be achieved through the Refunding Bonds.*

Estimated Debt Service Requirements and Coverage*
Projected Early Payoff Schedule

STIFEL | Public Finance

(1)	(2)	(3)	(4)
	5-year call feature		
	The Obligations*		
Fiscal Year	Principal	Estimated Interest	Debt Service
2022/23			
2023/24	$2,660,000	$1,004,167	$3,664,167
2024/25	1,380,000	2,277,000	3,657,000
2025/26	1,450,000	2,208,000	3,658,000
2026/27	1,525,000	2,135,500	3,660,500
2027/28	1,600,000	2,059,250	3,659,250
2028/29	31,565,000	1,979,250	33,544,250
2029/30	8,020,000	401,000	8,421,000
	$48,200,000	$12,064,167	$60,264,167

Projected excess collections used to prepay bonds after year 5

* *Subject to change. Assumes the Bonds are sold with a 5-year prepayment option.*

Refunding Bonds*
Current Projected Savings

STIFEL | Public Finance

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Estimated Savings				
Maturity Year	Obligations Being Refunded* Debt Service	Refunding Bonds Principal	Refunding Bonds Interest	Refunding Bonds Debt Service	Gross Savings	PV Savings
2024	$ 2,653,500	$ 2,005,000	$ 421,563	$ 2,426,563	$ 226,937	$ 224,030
2025	3,196,250	2,060,000	911,500	2,971,500	224,750	215,554
2026	3,195,000	2,165,000	808,500	2,973,500	221,500	205,909
2027	3,193,250	2,270,000	700,250	2,970,250	223,000	200,923
2028	3,190,750	2,385,000	586,750	2,971,750	219,000	191,250
2029	1,967,250	1,300,000	467,500	1,767,500	199,750	169,081
2030	2,007,950	1,375,000	402,500	1,777,500	230,450	189,135
2031	2,064,250	1,495,000	333,750	1,828,750	235,500	187,416
2032	2,099,500	1,605,000	259,000	1,864,000	235,500	181,644
2033	2,088,750	1,675,000	178,750	1,853,750	235,000	175,673
2034	2,079,000	1,900,000	95,000	1,995,000	84,000	60,872
Totals	**$ 27,735,450**	**$ 20,235,000**	**$ 5,165,063**	**$ 25,400,063**	**$2,335,387**	**$ 2,001,486**

Net PV Savings:	**$ 2,001,486**
Net PV Savings as a Percent of Refunded Bonds:	**9.04%**

Refunding Statistics	
Tax Status	Tax-Exempt
Issuance Date	2/1/2024
Par Amount	$20,235,000
Refunded Par	$22,130,000
Avg. Ref. Coupon	4.85%
All-In TIC	2.89%
Escrow Yield	5.42%
Positive Arbitrage	$125,135
Avg. Life (Years)	5.11
NPV Savings ($)	$2,001,486
NPV Savings (%)	9.04%
Avg Annual Savings	$212,308
Total Savings	$2,335,387

- ✓ Replace 2013 and 2017C Bonds with an average interest rate of **4.85%** with Refunding Bonds at a **2.89%** interest rate
- ✓ Average of **$210,000** per year in cash flow savings
- ✓ **$2.0 million** of net present value savings
- ✓ **9.0%** net present value savings as a percent of refinanced principal ($22,130,000)
- ✓ 3.0% is generally considered an efficient refinancing

* *Subject to change.*

Tentative Financing Calendar*

STIFEL | Public Finance

Date	Event
January 16th	**Town Council considers a Resolution, that among other things, gives authority to the Town Manager, Deputy Town Manager and Finance Director to effectuate the transaction (assumes emergency clause adoption).**
January 17th	Receive credit rating and distribute bond offering document (Preliminary Official Statement) to prospective investors.
Week of January 22nd or 29th	Price the Town's Obligations in the market, subject to market conditions.
Week of February 12th or 19th	Closing. Funds wired to the Town's Bond Trustee. Net Obligation Proceeds are then available for the Project.

** Preliminary, subject to change.*

Disclosure

Stifel, Nicolaus & Company, Incorporated (“Stifel”) has been engaged or appointed to serve as an underwriter or placement agent with respect to a particular issuance of municipal securities to which the attached material relates and Stifel is providing all information and advice contained in the attached material in its capacity as underwriter or placement agent for that particular issuance. As outlined in the SEC’s Municipal Advisor Rule, Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the engagement.

Stifel is providing information and is declaring to the proposed municipal issuer that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm’s-length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not be relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and/or counsel as you deem appropriate.

Council-Regular Meeting **D2**

Meeting Date: 01/16/2024

To: Mayor and Council

From: Jane Fairall, Town Attorney

Date: January 16, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-010: Relating to Administration; approving and authorizing the Mayor to execute the Town Manager's Employment Agreement between the Town of Marana and Terry S. Rozema (Jane Fairall)

Discussion:

On October 20, 2020, the Town Council appointed Terry Rozema to serve as Interim Town Manager. Mr. Rozema previously served as the Chief of the Marana Police Department. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing Mr. Rozema to the position of Town Manager, and entering into an employment agreement with him for an initial term of one year, from February 2, 2021 through February 1, 2022. On February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing Mr. Rozema for a one-year term as Town Manager, beginning February 2, 2022, and continuing until February 1, 2023. On January 17, 2023, the Town Council adopted Resolution No. 2023-009, reappointing Mr. Rozema for a one-year term as Town Manager, beginning February 2, 2023, and continuing until February 1, 2024, with an annual base salary of $212,000, benefits consistent with those enjoyed by other Town employees, and the following additional benefits:

- The Town pays 5% of the Manager's annual income into his deferred compensation account.
- The Manager receives six months' salary as severance pay (plus accrued unused vacation leave and 5% of annual income paid into deferred compensation) if the Town Manager is terminated for convenience within the first 180 days of the term of the Agreement.
- If the Town Manager is terminated for convenience after the first 180 days of the

term of this Agreement, the Manager receives severance pay equal to his salary for the remaining number of months in the term of the agreement (plus accrued unused vacation leave and 5% of annual income paid into deferred compensation)
- The Town Manager's maximum vacation leave accrual is 350 hours (previously, other employees could accrue a maximum of 240 hours; policy changes adopted by Council on May 16, 2023, increased this cap to 320 hours).
- The Manager is given use of a Town vehicle.
- The Town Manager may request that the Town purchase up to a cumulative total of 125 hours of the Town Manager's accrued vacation leave from the Town Manager.

A copy of the 2023-2024 Town Manager's Employment Agreement is attached to this agenda item for the Council's information.

A proposed new agreement is included within the Council packet for consideration. The agreement proposes to maintain the same benefits and terms and conditions as the 2023-2024 agreement (with two exceptions, explained below), and another one-year term through February 1, 2025.

The two proposed changes to the Town Manager's agreement are related to the Town Manager's vacation accrual rate and payout of managed time off (MTO) leave upon termination of employment. Section 3.9 of the 2023-2024 agreement provides that the Town Manager shall accrue vacation leave at the rate of 6.15 hours per pay period. At the time that this agreement was entered into, 6.15 hours per pay period was the Town's maximum vacation accrual rate. However, on May 16, 2023, the Council adopted Resolution No. 2023-046, adopting revisions to the Town's Personnel Policies and Procedures, which, among other items, increased the maximum vacation accrual rate for Town employees to 7.6923 hours per pay period. In the proposed new agreement, section 3.9 is revised to state that the Town Manager's vacation accrual rate shall be set at the maximum accrual rate established in the Town's policies. The May 16, 2023 Personnel Policies revisions also established that accrued unused MTO leave hours will be paid out to employees upon termination of employment in certain circumstances, where previously there had been no MTO payout. The proposed new Town Manager employment agreement adds a sentence to section 3.8 which states that upon termination of employment, the Town Manager will receive pay for accrued but unused MTO as provided in the Town's Personnel Policies and Procedures.

A redline comparison of the 2023-2024 agreement and the new proposed agreement is included within the Council packet.

An executive session is also scheduled on tonight's agenda to discuss Mr. Rozema's employment and contract if needed.

Financial Impact:

The Town Manager's Office department budget has adequate existing budgetary capacity to pay for the Town Manager's salary and benefits.

Staff Recommendation:
Council's pleasure.

Suggested Motion:
I move to adopt Resolution No. 2024-010, approving and authorizing the Mayor to execute an employment agreement between the Town of Marana and Town Manager Terry S. Rozema.

Attachments

Resolution No. 2024-010
Exhibit A - Employment Agreeement
Redline comparison of last year's agreement to proposed new agreement
Terry Rozema employment agreement 2023-2024

MARANA RESOLUTION NO. 2024-010

RELATING TO ADMINISTRATION; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

WHEREAS the Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1; and

WHEREAS by motion adopted on October 20, 2020, the Town Council appointed Terry S. Rozema to the position of interim town manager effective immediately; and

WHEREAS on February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing Mr. Rozema to the position of town manager, and entering into an employment agreement with Mr. Rozema for an initial term of one year, from February 2, 2021 through February 1, 2022; and

WHEREAS on February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing Mr. Rozema to the position of town manager, and entering into an employment agreement with Mr. Rozema for a term of one year, from February 2, 2022 through February 1, 2023; and

WHEREAS on January 17, 2023, the Town Council adopted Resolution No. 2023-009, reappointing Mr. Rozema to the position of town manager, and entering into an employment agreement with Mr. Rozema for a term of one year, from February 2, 2023, through February 1, 2024; and

WHEREAS the Town Council now desires to enter into a new employment agreement with Mr. Rozema to set the terms and conditions of his continued employment as town manager.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, that the employment agreement attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved and the Mayor is hereby authorized and directed to execute it for and on behalf of the Town of Marana.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 16th day of January, 2024.

Mayor Ed Honea

ATTEST:

David L. Udall, Town Clerk

APPROVED AS TO FORM:

Jane Fairall, Town Attorney

TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

This Employment Agreement (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town") and TERRY S. ROZEMA (the "Town Manager"). The Town and the Town Manager are collectively referred to in this Agreement as the "Parties," and each is sometimes individually referred to as a "Party."

RECITALS

A. The Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1.

B. The Town Manager's education, training, and experience qualify him to provide the professional services sought by the Town.

C. By motion adopted on October 20, 2020, the Town Council appointed the Town Manager to the position of interim town manager of the Town effective immediately.

D. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for an initial term of one year, from February 2, 2021 through February 1, 2022.

E. On February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2022 through February 1, 2023.

F. On January 17, 2023, the Town Council adopted Resolution No. 2023-009, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2023, through February 1, 2024.

G. The Parties now desire to enter into a new employment agreement to set the terms and conditions of the Town Manager's employment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the Parties agree as follows:

Article 1. Term

1.1. Term. This Agreement shall be effective on February 2, 2024, and shall continue in full force and effect until February 1, 2025, unless it is sooner terminated by either Party pursuant to Article 4 below. If this Agreement expires at the end of this term with no Town Council action to renew or extend it, the Town Manager's employment shall terminate and the Town Manager shall be entitled to no further salary or benefits from the Town, except that all earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager.

1.2. Severance Provision Term. The provisions of paragraph 4.1 below relating to the payment of severance benefits shall remain in full force and effect throughout the term of this Agreement to the extent permitted by Arizona law.

Article 2. Duties and Performance

2.1. Standards of Performance. The Town Manager shall render professional Town management services to the Town. The Town Manager shall be under the administrative supervision and control of the Town Council, subject to his compliance at all times with federal, state and local law, and the International City/County Management Association Code of Ethics.

2.2. Full-Time Work. The Town Manager shall devote his full working professional time and attention to the management of the Town of Marana. During his employment by the Town, the Town Manager shall not, without written consent of the Town, directly or indirectly render services of a professional nature to or for any person or firm for compensation, or engage in any practice or professional endeavor that compromises the interests of the Town. However, the expenditure of reasonable time and resources for civic, community, non-municipal political or professional activities shall not be deemed a breach of this provision.

2.3. Annual Goals and Objectives. Annually, the Town Council and the Town Manager shall define such goals and performance objectives that they determine necessary for the proper operation of the Town and in the attainment of the Town Council's policy objectives and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing. The goals shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations.

Article 3. Compensation and Benefits

3.1. Salary. The Town shall pay the Town Manager an annual salary of $212,000.00, beginning on the effective date of this Agreement, which is February 2, 2024.

3.2. Deferred Compensation. The Town shall execute all necessary documentation allowing the Town Manager to enroll in a qualified deferred compensation plan and the Town shall contribute an amount equal to 5% of the Town Manager's annual salary.

3.3. Expenses. The Town shall reimburse the Town Manager for all reasonable travel and business expenses incurred by the Town Manager in the performance of his duties, in accordance with the general policies of the Town. Reasonable business expenses shall include, but are not limited to, costs incurred to meet and dine with individuals and groups involved in or sought out to be involved in Town development or economic development activities. The Town shall pay for the Town Manager's attendance at a reasonable number of professional or municipal conferences, specifically including reimbursement for professional association dues and one annual International City/County Management Association (ICMA) conference and appropriate State professional conferences. The Manager is encouraged to participate in civic activities. The Town shall sponsor and pay for membership dues and fees for the Manager's involvement in local service organizations.

3.4. Indemnification. The Town shall indemnify, defend, and hold the Town Manager harmless from all liability for damages, court costs, litigation expenses, and attorney fees which arise out of acts or omissions of the Town Manager committed within the course and scope of the Town Manager's employment. The Town Manager shall have the rights set forth under Town Code Section 2-10-2 as it currently exists, and any amendment that limits or reduces the protection of the Town Manager during the duration of this Agreement shall not apply.

3.5. Liability Coverage. The Town shall maintain comprehensive liability coverage effectively covering the Town Manager against any and all claims associated with the reasonable performance of the Town Manager's responsibilities within the scope of his employment.

3.6. Fidelity Bond. The Town shall bear the full cost of any fidelity or other bonds required of the Town Manager.

3.7. Holidays. The Town Manager shall be entitled to the same paid holidays to which other employees of the Town are entitled, as provided in the Personnel Policies and Procedures.

3.8. Managed Time Off (MTO) Leave. The Town Manager shall be entitled to the same managed time off (MTO) leave allocations as are afforded to department directors of the Town, including an additional 40 hours of MTO leave per calendar year, as provided in the Town's Personnel Policies and Procedures. Upon termination of employment, the Town Manager shall receive pay for accrued but unused MTO as provided in the Town's Personnel Policies and Procedures.

3.9. Vacation Leave. The Town Manager shall accrue vacation leave at the maximum accrual rate established in the Town's Personnel Policies and Procedures, currently 7.6923 hours per pay period. Upon termination of employment, the Town Manager shall receive pay for accrued but unused vacation leave as provided in the Town's Personnel Policies and Procedures. The cap on vacation leave established by the Town's

Personnel Policies and Procedures shall not apply to the Town Manager and is hereby replaced with a total vacation leave accrual cap of 350 hours.

3.9.1. At any time during the term of this Agreement, the Town Manager may request that the Town purchase, at the applicable salary rate set forth in paragraph 3.1 above, up to a cumulative total of 125 hours of the Town Manager's accrued vacation leave from the Town Manager.

3.10. Tuition Reimbursement. The Town shall provide the same tuition reimbursement to the Town Manager as is available generally to Town employees under Policy 6-2 of the Town's Personnel Policies and Procedures. The Mayor shall perform all functions normally undertaken by the department head, human resources director or town manager under Policy 6-2 for purposes of reviewing and approving tuition reimbursement requests by the Town Manager.

3.11. Use of Town Vehicle. The Town Manager's duties require that he shall at all times during his employment with the Town have use of an automobile provided to him by the Town for Town business. The Town Manager may transport guests of the Town Manager within or outside the Town's corporate limits. The Town Manager is permitted to make incidental personal use of the Town Vehicle, including by way of example stopping for personal business on the way to or from official Town business.

3.12. Health and Other Insurance; Retirement Plan; Other Benefits. Except as otherwise amended or expanded by this Agreement, the Town Manager shall receive all insurance, retirement, and other benefits afforded to all other Town employees.

3.13. Work Hours. The Town recognizes that the Town Manager must devote a great deal of time outside normal office hours to the business of the Town. The Town Manager may adjust his office hours as he shall deem appropriate so long as he is reasonably available and the management of the Town is not harmed.

Article 4. Termination.

4.1. Termination by the Town for Convenience. The Town may terminate the Town Manager's employment for convenience. For purposes of this Agreement, termination for "convenience" means termination for any reason other than for "cause" (see paragraph 4.2 below). If the Town terminates the Town Manager's employment for convenience, then this Agreement shall terminate, and the Town shall pay the Town Manager severance benefits as set forth in this paragraph 4.1.

4.1.1. If the Town terminates the Town Manager's employment for convenience within the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.1.1. A lump sum severance payment equal to six months of the Town Manager's salary; and

4.1.1.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town

Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.1.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.1.2. If the Town terminates the Town Manager's employment for convenience after the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.2.1. A lump sum severance payment equal to the Town Manager's salary for the number of months remaining in the term of the Agreement. By way of illustration and not limitation, if the Town Manager is terminated with three months remaining in the term of this Agreement, the Town will pay the Town Manager a lump sum severance payment equal to three months of the Town Manager's salary; and

4.1.2.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.2.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.2. Termination by the Town for Cause. The Town may terminate the Town Manager's employment for cause. For purposes of this Agreement, termination for "cause" is defined as (i) the commission of a criminal offense; (ii) the commission of an immoral act or other behavior, whether on or off duty, which brings the Town into disrepute, embarrasses the Town publicly, or raises questions about the Town Manager's fitness to serve in his role as Town Manager; (iii) non-performance of a required duty; or (iv) any similarly serious reason for termination. If the Town terminates the Town Manager's employment for "cause," then this Agreement shall terminate. All salary payable to the Town Manager under this Agreement shall

immediately cease, except that all earned but unpaid salary and benefits, and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

4.3. Termination by the Town Manager. The Town Manager may terminate his employment at any time, for any reason or for no reason, by delivering to the Mayor and Council a written notice at least 30 days in advance of his requested termination date. If the Town Manager terminates his employment, this Agreement shall terminate upon the termination date, and the following terms shall apply:

4.3.1. All salary payable to the Town Manager under this Agreement shall cease upon the date of termination of employment. All earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town may, in its sole discretion, elect to accelerate the Town Manager's departure date from the Town upon receipt of the Town Manager's notice. In that event, the Town Manager shall be paid through the accelerated termination date chosen by the Town. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

4.3.2. In the Town's sole discretion, the Town may request that the Town Manager make himself reasonably available, as needed by the Town, for consulting purposes for a period of three months after termination of employment. In that event, the Town and the Town Manager shall enter into a separate agreement for the purpose of compensating the Town Manager on an hourly basis for his services, at a rate equivalent to his compensation and benefits earned with the Town pursuant to this Agreement.

Article 5. General Terms and Conditions.

5.1. Recitals. The recitals set forth at the beginning of this Agreement are hereby acknowledged, confirmed to be accurate and incorporated here by reference.

5.2. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement. All prior and contemporaneous agreements, representation and understanding of the Parties, oral or written, are hereby superseded and merged in this Agreement.

5.3. Severability. If any provision of this Agreement is declared illegal, invalid or unenforceable, in whole or in part, under present or future laws, it shall be severed from the remainder of this Agreement, which shall otherwise remain in full force and effect. In lieu of the illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to the illegal, invalid, or unenforceable provisions as may be possible and still be legal, valid, and enforceable, and this Agreement shall be deemed reformed accordingly.

5.4. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

5.5. Interpretation. This Agreement has been negotiated by the Town and the Town Manager, and neither Party shall be deemed to have drafted this Agreement for purposes of construing any portion of this Agreement for or against any Party.

5.6. Conflict of Interest. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

TOWN:	TOWN MANAGER:
THE TOWN OF MARANA, an Arizona municipal corporation	TERRY S. ROZEMA
By:_____ Ed Honea, Mayor	By:_____ Terry S. Rozema
Date:_____	Date:_____

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

This Employment Agreement (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town") and TERRY S. ROZEMA (the "Town Manager"). The Town and the Town Manager are collectively referred to in this Agreement as the "Parties," and each is sometimes individually referred to as a "Party."

RECITALS

A. The Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1.

B. The Town Manager's education, training, and experience qualify him to provide the professional services sought by the Town.

C. By motion adopted on October 20, 2020, the Town Council appointed the Town Manager to the position of interim town manager of the Town effective immediately.

D. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for an initial term of one year, from February 2, 2021 through February 1, 2022.

E. On February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing ~~Mr. Rozema~~the Town Manager to the position of town manager, and entering into an employment agreement with ~~Mr. Rozema~~the Town Manager for a term of one year, from February 2, 2022 through February 1, 2023.

F. On January 17, 2023, the Town Council adopted Resolution No. 2023-009, reappointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for a term of one year, from February 2, 2023, through February 1, 2024,

~~F.~~G. The Parties now desire to enter into a new employment agreement to set the terms and conditions of the Town Manager's employment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the Parties agree as follows:

Article 1. Term

1.1. Term. This Agreement shall be effective on February 2, 2023~~3~~4, and shall continue in full force and effect until February 1, 2024~~4~~5, unless it is sooner terminated by either Party pursuant to Article 4 below. If this Agreement expires at the end of this term with no Town Council action to renew or extend it, the Town Manager's employment shall terminate and the Town Manager shall be entitled to no further salary or benefits from the Town, except that all earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager.

1.2. Severance Provision Term. The provisions of paragraph 4.1 below relating to the payment of severance benefits shall remain in full force and effect throughout the term of this Agreement to the extent permitted by Arizona law.

Article 2. Duties and Performance

2.1. Standards of Performance. The Town Manager shall render professional Town management services to the Town. The Town Manager shall be under the administrative supervision and control of the Town Council, subject to his compliance at all times with federal, state and local law, and the International City/County Management Association Code of Ethics.

2.2. Full-Time Work. The Town Manager shall devote his full working professional time and attention to the management of the Town of Marana. During his employment by the Town, the Town Manager shall not, without written consent of the Town, directly or indirectly render services of a professional nature to or for any person or firm for compensation, or engage in any practice or professional endeavor that compromises the interests of the Town. However, the expenditure of reasonable time and resources for civic, community, non-municipal political or professional activities shall not be deemed a breach of this provision.

2.3. Annual Goals and Objectives. Annually, the Town Council and the Town Manager shall define such goals and performance objectives that they determine necessary for the proper operation of the Town and in the attainment of the Town Council's policy objectives and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing. The goals shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations.

Article 3. Compensation and Benefits

3.1. Salary. The Town shall pay the Town Manager an annual salary of $212,000.00, beginning on the effective date of this Agreement, which is February 2, 2023~~3~~4.

3.2. Deferred Compensation. The Town shall execute all necessary documentation allowing the Town Manager to enroll in a qualified deferred compensation plan and the Town shall contribute an amount equal to 5% of the Town Manager's annual salary.

3.3. Expenses. The Town shall reimburse the Town Manager for all reasonable travel and business expenses incurred by the Town Manager in the performance of his duties, in accordance with the general policies of the Town. Reasonable business expenses shall include, but are not limited to, costs incurred to meet and dine with individuals and groups involved in or sought out to be involved in Town development or economic development activities. The Town shall pay for the Town Manager's attendance at a reasonable number of professional or municipal conferences, specifically including reimbursement for professional association dues and one annual International City/County Management Association (ICMA) conference and appropriate State professional conferences. The Manager is encouraged to participate in civic activities. The Town shall sponsor and pay for membership dues and fees for the Manager's involvement in local service organizations.

3.4. Indemnification. The Town shall indemnify, defend, and hold the Town Manager harmless from all liability for damages, court costs, litigation expenses, and attorney fees which arise out of acts or omissions of the Town Manager committed within the course and scope of the Town Manager's employment. The Town Manager shall have the rights set forth under Town Code Section 2-10-2 as it currently exists, and any amendment that limits or reduces the protection of the Town Manager during the duration of this Agreement shall not apply.

3.5. Liability Coverage. The Town shall maintain comprehensive liability coverage effectively covering the Town Manager against any and all claims associated with the reasonable performance of the Town Manager's responsibilities within the scope of his employment.

3.6. Fidelity Bond. The Town shall bear the full cost of any fidelity or other bonds required of the Town Manager.

3.7. Holidays. The Town Manager shall be entitled to the same paid holidays to which other employees of the Town are entitled, as provided in the Personnel Policies and Procedures.

3.8. Managed Time Off (MTO) Leave. The Town Manager shall be entitled to the same managed time off (MTO) leave allocations as are afforded to department directors of the Town, including an additional 40 hours of MTO leave per calendar year, as provided in the Town's Personnel Policies and Procedures. Upon termination of employment, the Town Manager shall receive pay for accrued but unused MTO as provided in the Town's Personnel Policies and Procedures.

3.9. Vacation Leave. The Town Manager shall accrue vacation leave at the maximum accrual rate ~~of 6.15~~established in the Town's Personnel Policies and Procedures, currently 7.6923 hours per pay period~~, and upon~~. Upon termination of employment, the Town Manager shall receive pay for accrued but unused vacation leave ~~in the same manner and amount~~ as provided ~~for all other Town employees under~~in the Town's Personnel Policies and Procedures. The ~~240-hour~~ cap on vacation leave established by the Town's Personnel

Policies and Procedures shall not apply to the Town Manager, and is hereby replaced with a total vacation leave accrual cap of 350 hours.

3.9.1. At any time during the term of this Agreement, the Town Manager may request that the Town purchase, at the applicable salary rate set forth in paragraph 3.1 above, up to a cumulative total of 125 hours of the Town Manager's accrued vacation leave from the Town Manager.

3.10. Tuition Reimbursement. The Town shall provide the same tuition reimbursement to the Town Manager as is available generally to Town employees under Policy 6-2 of the Town's Personnel Policies and Procedures. The Mayor shall perform all functions normally undertaken by the department head, human resources director or town manager under Policy 6-2 for purposes of reviewing and approving tuition reimbursement requests by the Town Manager.

3.11. Use of Town Vehicle. The Town Manager's duties require that he shall at all times during his employment with the Town have use of an automobile provided to him by the Town for Town business. The Town Manager may transport guests of the Town Manager within or outside the Town's corporate limits. The Town Manager is permitted to make incidental personal use of the Town Vehicle, including by way of example stopping for personal business on the way to or from official Town business.

3.12. Health and Other Insurance; Retirement Plan; Other Benefits. Except as otherwise amended or expanded by this Agreement, the Town Manager shall receive all insurance, retirement, and other benefits afforded to all other Town employees.

3.13. Work Hours. The Town recognizes that the Town Manager must devote a great deal of time outside normal office hours to the business of the Town. The Town Manager may adjust his office hours as he shall deem appropriate so long as he is reasonably available and the management of the Town is not harmed.

Article 4. Termination.

4.1. Termination by the Town for Convenience. The Town may terminate the Town Manager's employment for convenience. For purposes of this Agreement, termination for "convenience" means termination for any reason other than for "cause" (see paragraph 4.2 below). If the Town terminates the Town Manager's employment for convenience, then this Agreement shall terminate, and the Town shall pay the Town Manager severance benefits as set forth in this paragraph 4.1.

4.1.1. If the Town terminates the Town Manager's employment for convenience within the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.1.1. A lump sum severance payment equal to six months of the Town Manager's salary; and

4.1.1.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town

Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.1.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.1.2. If the Town terminates the Town Manager's employment for convenience after the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.2.1. A lump sum severance payment equal to the Town Manager's salary for the number of months remaining in the term of the Agreement. By way of illustration and not limitation, if the Town Manager is terminated with three months remaining in the term of this Agreement, the Town will pay the Town Manager a lump sum severance payment equal to three months of the Town Manager's salary; and

4.1.2.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.2.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

4.2. Termination by the Town for Cause. The Town may terminate the Town Manager's employment for cause. For purposes of this Agreement, termination for "cause" is defined as (i) the commission of a criminal offense; (ii) the commission of an immoral act or other behavior, whether on or off duty, which brings the Town into disrepute, embarrasses the Town publicly, or raises questions about the Town Manager's fitness to serve in his role as Town Manager; (iii) non-performance of a required duty; or (iv) any similarly serious reason for termination. If the Town terminates the Town Manager's employment for "cause," then this Agreement shall terminate. All salary payable to the Town Manager under this Agreement shall immediately cease, except that

all earned but unpaid salary and benefits, and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

4.3. Termination by the Town Manager. The Town Manager may terminate his employment at any time, for any reason or for no reason, by delivering to the Mayor and Council a written notice at least 30 days in advance of his requested termination date. If the Town Manager terminates his employment, this Agreement shall terminate upon the termination date, and the following terms shall apply:

4.3.1. All salary payable to the Town Manager under this Agreement shall cease upon the date of termination of employment. All earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager. The Town may, in its sole discretion, elect to accelerate the Town Manager's departure date from the Town upon receipt of the Town Manager's notice. In that event, the Town Manager shall be paid through the accelerated termination date chosen by the Town. The Town Manager shall not be eligible for any severance payment or benefits payable under paragraph 4.1 above.

4.3.2. In the Town's sole discretion, the Town may request that the Town Manager make himself reasonably available, as needed by the Town, for consulting purposes for a period of three months after termination of employment. In that event, the Town and the Town Manager shall enter into a separate agreement for the purpose of compensating the Town Manager on an hourly basis for his services, at a rate equivalent to his compensation and benefits earned with the Town pursuant to this Agreement.

Article 5. General Terms and Conditions.

5.1. Recitals. The recitals set forth at the beginning of this Agreement are hereby acknowledged, confirmed to be accurate and incorporated here by reference.

5.2. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement. All prior and contemporaneous agreements, representation and understanding of the Parties, oral or written, are hereby superseded and merged in this Agreement.

5.3. Severability. If any provision of this Agreement is declared illegal, invalid or unenforceable, in whole or in part, under present or future laws, it shall be severed from the remainder of this Agreement, which shall otherwise remain in full force and effect. In lieu of the illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to the illegal, invalid, or unenforceable provisions as may be possible and still be legal, valid, and enforceable, and this Agreement shall be deemed reformed accordingly.

5.4. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

5.5. Interpretation. This Agreement has been negotiated by the Town and the Town Manager, and neither Party shall be deemed to have drafted this Agreement for purposes of construing any portion of this Agreement for or against any Party.

5.6. Conflict of Interest. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

TOWN:

THE TOWN OF MARANA,
an Arizona municipal corporation

By:_____
Ed Honea, Mayor

Date:_____

TOWN MANAGER:

TERRY S. ROZEMA

By:_____
Terry S. Rozema

Date:_____

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

TOWN MANAGER'S EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF MARANA AND TERRY S. ROZEMA

This Employment Agreement (this "Agreement") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation (the "Town") and TERRY S. ROZEMA (the "Town Manager"). The Town and the Town Manager are collectively referred to in this Agreement as the "Parties," and each is sometimes individually referred to as a "Party."

RECITALS

A. The Town Council is authorized to appoint a town manager pursuant to A.R.S. § 9-239 and Marana Town Code sections 3-1-2 (A) and 3-2-1.

B. The Town Manager's education, training, and experience qualify him to provide the professional services sought by the Town.

C. By motion adopted on October 20, 2020, the Town Council appointed the Town Manager to the position of interim town manager of the Town effective immediately.

D. On February 2, 2021, the Town Council adopted Resolution No. 2021-015, appointing the Town Manager to the position of town manager, and entering into an employment agreement with the Town Manager for an initial term of one year, from February 2, 2021 through February 1, 2022.

E. On February 1, 2022, the Town Council adopted Resolution No. 2022-011, reappointing Mr. Rozema to the position of town manager, and entering into an employment agreement with Mr. Rozema for a term of one year, from February 2, 2022 through February 1, 2023.

F. The Parties now desire to enter into a new employment agreement to set the terms and conditions of the Town Manager's employment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made in this Agreement, the Parties agree as follows:

Article 1. Term

1.1. Term. This Agreement shall be effective on February 2, 2023, and shall continue in full force and effect until February 1, 2024, unless it is sooner terminated by either Party pursuant to Article 4 below. If this Agreement expires at the end of this term with no Town Council action to renew or extend it, the Town Manager's employment shall terminate and the Town Manager shall be entitled to no further salary or benefits from

the Town, except that all earned and unpaid salary and benefits and any other earned benefits required to be paid pursuant to this Agreement and the Town's Personnel Policies and Procedures shall be paid to the Town Manager.

1.2. Severance Provision Term. The provisions of paragraph 4.1 below relating to the payment of severance benefits shall remain in full force and effect throughout the term of this Agreement to the extent permitted by Arizona law.

Article 2. Duties and Performance

2.1. Standards of Performance. The Town Manager shall render professional Town management services to the Town. The Town Manager shall be under the administrative supervision and control of the Town Council, subject to his compliance at all times with federal, state and local law, and the International City/County Management Association Code of Ethics.

2.2. Full-Time Work. The Town Manager shall devote his full working professional time and attention to the management of the Town of Marana. During his employment by the Town, the Town Manager shall not, without written consent of the Town, directly or indirectly render services of a professional nature to or for any person or firm for compensation, or engage in any practice or professional endeavor that compromises the interests of the Town. However, the expenditure of reasonable time and resources for civic, community, non-municipal political or professional activities shall not be deemed a breach of this provision.

2.3. Annual Goals and Objectives. Annually, the Town Council and the Town Manager shall define such goals and performance objectives that they determine necessary for the proper operation of the Town and in the attainment of the Town Council's policy objectives and shall further establish a relative priority among those various goals and objectives. The goals and objectives shall be reduced to writing. The goals shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations.

Article 3. Compensation and Benefits

3.1. Salary. The Town shall pay the Town Manager an annual salary of $212,000.00, beginning on the effective date of this Agreement, which is February 2, 2023.

3.2. Deferred Compensation. The Town shall execute all necessary documentation allowing the Town Manager to enroll in a qualified deferred compensation plan and the Town shall contribute an amount equal to 5% of the Town Manager's annual salary.

3.3. Expenses. The Town shall reimburse the Town Manager for all reasonable travel and business expenses incurred by the Town Manager in the performance of his duties, in accordance with the general policies of the Town. Reasonable business expenses shall include, but are not limited to, costs incurred to meet and dine with individuals and groups involved in or sought out to be involved in Town development or economic development activities. The Town shall pay for the Town Manager's attendance at a

reasonable number of professional or municipal conferences, specifically including reimbursement for professional association dues and one annual International City/County Management Association (ICMA) conference and appropriate State professional conferences. The Manager is encouraged to participate in civic activities. The Town shall sponsor and pay for membership dues and fees for the Manager's involvement in local service organizations.

3.4. Indemnification. The Town shall indemnify, defend, and hold the Town Manager harmless from all liability for damages, court costs, litigation expenses, and attorney fees which arise out of acts or omissions of the Town Manager committed within the course and scope of the Town Manager's employment. The Town Manager shall have the rights set forth under Town Code Section 2-10-2 as it currently exists, and any amendment that limits or reduces the protection of the Town Manager during the duration of this Agreement shall not apply.

3.5. Liability Coverage. The Town shall maintain comprehensive liability coverage effectively covering the Town Manager against any and all claims associated with the reasonable performance of the Town Manager's responsibilities within the scope of his employment.

3.6. Fidelity Bond. The Town shall bear the full cost of any fidelity or other bonds required of the Town Manager.

3.7. Holidays. The Town Manager shall be entitled to the same paid holidays to which other employees of the Town are entitled, as provided in the Personnel Policies and Procedures.

3.8. Managed Time Off (MTO) Leave. The Town Manager shall be entitled to the same managed time off (MTO) leave allocations as are afforded to department directors of the Town, including an additional 40 hours of MTO leave per calendar year, as provided in the Town's Personnel Policies and Procedures.

3.9. Vacation Leave. The Town Manager shall accrue vacation leave at the rate of 6.15 hours per pay period, and upon termination of employment shall receive pay for accrued but unused vacation leave in the same manner and amount as provided for all other Town employees under the Town's Personnel Policies and Procedures. The 240-hour cap on vacation leave established by the Town's Personnel Policies and Procedures shall not apply to the Town Manager, and is hereby replaced with a total vacation leave accrual cap of 350 hours.

3.9.1. At any time during the term of this Agreement, the Town Manager may request that the Town purchase, at the applicable salary rate set forth in paragraph 3.1 above, up to a cumulative total of 125 hours of the Town Manager's accrued vacation leave from the Town Manager.

3.10. Tuition Reimbursement. The Town shall provide the same tuition reimbursement to the Town Manager as is available generally to Town employees under Policy 6-2 of the Town's Personnel Policies and Procedures. The Mayor shall

perform all functions normally undertaken by the department head, human resources director or town manager under Policy 6-2 for purposes of reviewing and approving tuition reimbursement requests by the Town Manager.

3.11. Use of Town Vehicle. The Town Manager's duties require that he shall at all times during his employment with the Town have use of an automobile provided to him by the Town for Town business. The Town Manager may transport guests of the Town Manager within or outside the Town's corporate limits. The Town Manager is permitted to make incidental personal use of the Town Vehicle, including by way of example stopping for personal business on the way to or from official Town business.

3.12. Health and Other Insurance; Retirement Plan; Other Benefits. Except as otherwise amended or expanded by this Agreement, the Town Manager shall receive all insurance, retirement, and other benefits afforded to all other Town employees.

3.13. Work Hours. The Town recognizes that the Town Manager must devote a great deal of time outside normal office hours to the business of the Town. The Town Manager may adjust his office hours as he shall deem appropriate so long as he is reasonably available and the management of the Town is not harmed.

Article 4. Termination.

4.1. Termination by the Town for Convenience. The Town may terminate the Town Manager's employment for convenience. For purposes of this Agreement, termination for "convenience" means termination for any reason other than for "cause" (see paragraph 4.2 below). If the Town terminates the Town Manager's employment for convenience, then this Agreement shall terminate, and the Town shall pay the Town Manager severance benefits as set forth in this paragraph 4.1.

4.1.1. If the Town terminates the Town Manager's employment for convenience within the first 180 days of the term of this Agreement, the Town shall pay the Town Manager:

4.1.1.1. A lump sum severance payment equal to six months of the Town Manager's salary; and

4.1.1.2. A lump sum contribution to the Town Manager's deferred compensation plan (see paragraph 3.2 above) in the amount of 5% of the Town Manager's then-existing annual salary. If the Town is unable to make the lump sum contribution, or any portion of the lump sum contribution, to the Town Manager's deferred compensation plan because the contribution would exceed the maximum contribution allowable by law for the calendar year for the Town Manager's deferred compensation plan, the Town shall make a payment in the amount set forth in this paragraph, or in the remaining portion of that amount not able to be contributed to the deferred compensation plan, directly to the Town Manager; and

4.1.1.3. A lump sum payment for the Town Manager's accrued unused vacation leave (see paragraph 3.9 above).

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5.5. Interpretation. This Agreement has been negotiated by the Town and the Town Manager, and neither Party shall be deemed to have drafted this Agreement for purposes of construing any portion of this Agreement for or against any Party.

5.6. Conflict of Interest. This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date set forth below their respective signatures.

TOWN:

THE TOWN OF MARANA,
an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: 1-20-23

TOWN MANAGER:

TERRY S. ROZEMA

By: _____
Terry S. Rozema

Date: 1-25-23

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney