MARANA AZ
ESTABLISHED 1977

MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
NOTICE AND AGENDA
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, August 20, 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 August 20, 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 Drowning Impact Prevention Month (David L. Udall)

PR2 Proclamation Recognizing Child Support Awareness Month (David L. Udall)

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

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. 2024-076: Relating to Development; approving the final block plat for Mandarina Blocks 14-20 generally located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South and Range 11 East and Section 31, Township 11 South and Range 12 East (Scott Radden)

C2 Resolution No. 2024-077: Relating to Development; approving a final plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3 located approximately one mile north of the north terminus of Thornydale Road within a portion of Section 20, Township 11 South and Range 13 East (Brian D. Varney)

C3 Resolution No. 2024-078: Relating to Development; approving a final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1 (Future Residential), and Common Areas "A" (Private Streets, Drainage, Public Utilities, Access, and Maintenance) and "B" (Natural Undisturbed Open Space, Drainage, Landscape, Public Utilities, and Public Trail) located east of Camino de Manana approximately 1/8th mile south of the Desert Falcon Lane alignment within a portion of Section 12, Township 12 South, Range 12 East

(Brian D. Varney)

C4 Resolution No. 2024-079: Relating to Marana Regional Airport; approving and authorizing the Mayor to sign the Fourth Amendment to the Master Development Lease Agreement for the lease of real property located at the Marana Regional Airport, 11700 West Avra Valley Road (David L. Udall)

C5 Resolution No. 2024-080: Relating to Public Works; approving and authorizing the Mayor to sign a Utility Relocation Reimbursement Agreement with Tucson Electric Power Company for the relocation of certain TEP facilities as part of the Tangerine Road widening phase 2A road project (George Cardieri)

C6 Relating to Procurement; approving a change order to the contract with Psomas, Inc. in the amount of $282,242.50 for the Tangerine Road Widening Phase 2A Project (ST098); authorizing the transfer of appropriations if necessary for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order (Fausto Burruel)

C7 Approval of Regular Council Meeting Summary Minutes of August 6, 2024 (David L. Udall)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 Resolution No. 2024-081: Relating to Community Facility Districts; Consideration and possible adoption of a resolution approving and authorizing the execution and delivery of a district development, financing participation and intergovernmental agreement (Mandarina Community Facilities District) (Yiannis Kalaitzidis)

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).

ADJOURNMENT

Council-Regular Meeting **PR1**

Meeting Date: 08/20/2024

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

Date: August 20, 2024

Subject: Proclamation Recognizing Drowning Impact Prevention Month (David L. Udall)

Attachments

Proclamation

MARANA AZ
ESTABLISHED 1977

PROCLAMATION

Recognizing August as Drowning Impact Awareness Month

WHEREAS, Arizona's future prosperity depends upon the long-term health, safety, and well-being of the nearly two million children and teens in our state; and

WHEREAS, drowning is a top cause of injury and death for children and teens in Arizona, affecting not only the victims, but also families, emergency personnel, and our society as a whole; and

WHEREAS, child drownings are nearly 100 percent preventable; and

WHEREAS, research-proven strategies can save lives, including constant and capable supervision, restricting access to water, use of life jackets, swimming lessons for adults and children at the appropriate age, and rapid emergency response, including CPR; and

WHEREAS, awareness of the problem is just the first step; evidence-based programs to bring these strategies to families is the best way to save lives; and

WHEREAS, during the month of August, Drowning Prevention Coalition of Arizona, in collaboration with state and local governments, the Town of Marana, community organizations, and private citizens, will be engaging communities throughout Arizona in a coordinated and comprehensive response

NOW, THEREFORE, I, Ed Honea, Mayor of the Town of Marana, do hereby proclaim August 2024 as Drowning Impact Awareness Month and urge all communities and citizens of Arizona to participate in efforts to reduce drowning risk, strengthen families, and protect children and teens.

Dated this 20th day of August, 2024.

ATTEST:

David L. Udall, Town Clerk

Ed Honea

Ed Honea, Mayor

Council-Regular Meeting **PR2**

Meeting Date: 08/20/2024

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

Date: August 20, 2024

Subject: Proclamation Recognizing Child Support Awareness Month (David L. Udall)

Attachments

Proclamation

MARANA AZ
ESTABLISHED 1977

PROCLAMATION

Recognizing Child Support Awareness Month

WHEREAS, the Town of Marana joins the nation in recognizing August as Child Support Awareness Month, and reaffirms its commitment to strengthening Arizona's families by providing child support services to improve the economic stability and well-being of children; and

WHEREAS, the State of Arizona is a committed advocate for our children, whose safety and security remains top of mind; and

WHEREAS, a child who receives emotional and financial support is more likely to feel safe and secure and is better equipped with the courage to be their very best in life; and

WHEREAS, the Department of Economic Security Division of Child Support Services (DCSS), is robustly committed to putting Arizona's children first and to humbly serve Arizonans with excellence, respect, integrity, and kindness, in addition to being an overall champion for economic growth and opportunity; and

WHEREAS, DCSS is a strong advocate for shared parenting responsibilities because parents and children benefit when both parents are engaged with their child at every stage, regardless of marital status; and

WHEREAS, strengthening individuals and families with an emphasis on fiscal responsibility promotes the safety and well-being of children, provides stability, improves the lives of children, and provides opportunities for families to be able to enhance their children's future; and

WHEREAS, Child Support Awareness Month salutes diligent parents who spend time with their child and who make regular child support payments to safeguard their children's future.

NOW, THEREFORE, I, Ed Honea, Mayor of the Town of Marana, do hereby proclaim August 2024 as Child Support Awareness Month.

Dated this 20th day of August, 2024.

ATTEST:

David L. Udall, Town Clerk

Ed Honea

Ed Honea, Mayor

Council-Regular Meeting **C1**

Meeting Date: 08/20/2024

To: Mayor and Council

Submitted For: Scott Radden, Senior Planner

From: Scott Radden, Senior Planner

Date: August 20, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-076: Relating to Development; approving the final block plat for Mandarina Blocks 14-20 generally located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South and Range 11 East and Section 31, Township 11 South and Range 12 East (Scott Radden)

Discussion:

Request
EPS Group, Inc., representing the owners, Mandarina Holdings, LLC and KB Home Tucson, Inc., is requesting approval of a final block plat consisting of seven blocks on approximately 104 acres of land generally located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South and Range 11 East and Section 31, Township 11 South and Range 12 East.

Zoning
The zoning of the property is SP - Mandarina Specific Plan, created by Ordinance 2009.02, adopted by the Marana Town Council on February 17, 2009, and administratively amended on October 30, 2019, and again on November 2, 2022.

Land Use
The proposed final block plat is a resubdivision of Block 1 of the Final Block Plat for Mandarina Blocks 1-2, 4-5 & 8-13, approved by the Mayor and Town Council on November 21, 2023, via adoption of Resolution No. 2023-111.

The size of the proposed seven blocks, totaling 104 acres, are as follows:

Block 14	22.98 acres
Block 15	12.30 acres
Block 16	18.79 acres
Block 17	9.01 acres
Block 18	21.36 acres
Block 19	13.39 acres
Block 20	6.19 acres

Access and Traffic
Access to the blocks is provided by Adonis Road and Mandarina Boulevard, which connects to Tangerine Road. One mile of new public right-of-way for internal access to blocks located within the overall platted area will be dedicated by this plat.

Utilities
Water and sewer service for all the blocks will be provided by Marana Water. TRICO Electric and Southwest Gas will provide the electric and natural gas services.

Staff Recommendation:

Staff Recommendation
Staff has reviewed the proposed final block plat against the requirements of Ordinance No. 2009.02, the Mandarina Specific Plan, the Marana Town Code, and the Marana General Plan. The final block plat is in substantial conformance with all required development regulations and staff recommends approval.

Suggested Motion:
I move to adopt Resolution No. 2024-076, approving the final block plat for Mandarina Blocks 14-20.

Attachments

Resolution No. 2024-076
Final Plat
Location Map
Application

MARANA RESOLUTION NO. 2024-076

RELATING TO DEVELOPMENT; APPROVING THE FINAL BLOCK PLAT FOR MANDARINA BLOCKS 14-20 GENERALLY LOCATED NORTH OF TANGERINE ROAD AND EAST OF INTERSTATE 10 WITHIN PORTIONS OF SECTION 36, TOWNSHIP 11 SOUTH AND RANGE 11 EAST AND SECTION 31, TOWNSHIP 11 SOUTH AND RANGE 12 EAST

WHEREAS, on February 17, 2009, the Mayor and Town Council adopted Ordinance No. 2009.02, approving a rezoning of approximately 342 acres, generally located north of Tangerine Road and east of Interstate 10, from Zones "E" (Transportation Corridor), "C" (Large Lot), and "AG" (Agricultural) to Zone "F" (Specific Plan), creating the Mandarina Specific Plan; and

WHEREAS, on October 30, 2019, Marana Town staff administratively approved an amendment to the Mandarina Specific Plan; and

WHEREAS, on December 1, 2020, the Mayor and Town Council adopted Resolution No. 2020-130, approving the Mandarina development agreement, recorded in the Pima County Recorder's Office at Sequence No. 20203390091; and

WHEREAS, on November 2, 2022, Marana Town staff administratively approved an amendment to the Mandarina Specific Plan; and

WHEREAS, on May 17, 2022, the Mayor and Town Council adopted Resolution No. 2022-047, approving the final block plat for Mandarina Blocks 1-7 and Parcels A, B & C, recorded in the Pima County Recorder's Office at Sequence No. 20231590262; and

WHEREAS, on November 21, 2023, the Mayor and Town Council adopted Resolution 2023-111, approving a final block plat for Mandarina Blocks 1-2, 4-5 & 8-13, recorded in the Pima County Recorder's Office at Sequence No. 20233320095; and

WHEREAS EPS Group, Inc., on behalf of Mandarina Holdings, LLC and KB Home Tucson, Inc. has applied for approval of a final block plat for Mandarina Blocks 14-20, being a resubdivision of Block 1 of the final block plat for Mandarina Blocks 1-2, 4-5 & 8-13, as recorded in the Pima County Recorder's Office at Sequence No. 20233320095; and

WHEREAS, the Marana Town Council, at the regularly scheduled meeting on August 20, 2024, determined that the final block plat for the Final Block Plat for Mandarina Blocks 14-20 should be approved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Marana, Arizona, that the final block plat for Mandarina Blocks 14-20, is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of August, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

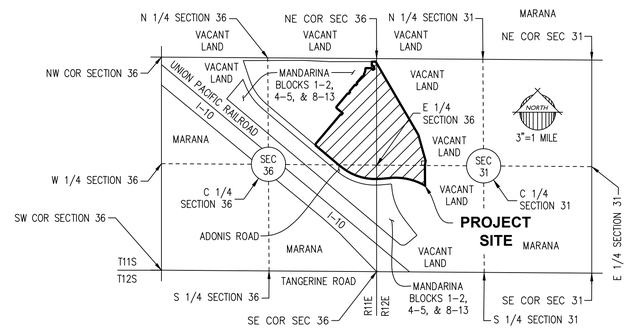
_____
Jane Fairall, Town Attorney

FINAL BLOCK PLAT

FOR

Mandarina Blocks 14-20

BEING A RESUBDIVISION OF BLOCK 1 OF THE FINAL BLOCK PLAT FOR MANDARINA BLOCKS 1–2, 4–5, & 8–13, AS RECORDED AT SEQUENCE NUMBER 20233320095, P.C.R., AND A PORTION OF SECTION 31, TOWNSHIP 11 SOUTH, RANGE 12 EAST OF THE GILA AND SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA



VICINITY MAP

SCALE: 3"=1 MILE

SITUATED IN A PORTION OF THE EAST HALF OF SECTION 36, TOWNSHIP 11 SOUTH, RANGE 11 EAST OF THE GILA AND SALT RIVER MERIDIAN AND A PORTION OF THE WEST HALF OF SECTION 31, TOWNSHIP 11 SOUTH, RANGE 12 EAST OF THE GILA AND SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA

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 HEREBY DEDICATE TO THE TOWN OF MARANA ALL RIGHTS–OF–WAY SHOWN ON THIS PLAT, INCLUDING ALL STREETS, ALLEYS, AND DRAINAGEWAYS, AND EASEMENTS, INCLUDING NO ACCESS EASEMENTS. 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. NO ACCESS EASEMENTS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA FOR THE PURPOSE OF ACCESS CONTROL TO ADJACENT RIGHTS–OF–WAY. OTHER EASEMENTS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA FOR THE PURPOSE OR PURPOSES NOTED 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.

NOTWITHSTANDING THE FOREGOING, KB HOME TUCSON, INC., AN ARIZONA CORPORATION AND MANDARINA HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, (THE "OWNERS"), HEREBY RESERVES AN INTEREST IN ANY OF THE FOREGOING REAL PROPERTY UPON WHICH WHAT WOULD BE "INFRASTRUCTURE" AS SUCH TERM IS DEFINED IN SECTION 48–6801, ARIZONA REVISED STATUTES, AS AMENDED, OR "PUBLIC INFRASTRUCTURE" AS SUCH TERM IS DEFINED IN SECTION 48–701, ARIZONA REVISED STATUTES, AS AMENDED, HAS BEEN OR IS TO BE CONSTRUCTED. EXCEPT IF RELEASED PRIOR THERETO AS HEREINAFTER DESCRIBED, SUCH INTEREST IS TO BE ACQUIRED BY A REVITALIZATION DISTRICT OR COMMUNITY FACILITIES DISTRICT TO BE ESTABLISHED BY THE OWNER AND THE TOWN OF MARANA, ARIZONA (THE "MUNICIPALITY"). (SUCH INTEREST IS LIMITED TO ONE NECESSARY TO ACCOMMODATE THE FINANCING OF THE ACQUISITION OF SUCH INFRASTRUCTURE OR PUBLIC INFRASTRUCTURE (INCLUDING OF SUCH INTEREST IN SUCH REAL PROPERTY) PURSUANT TO A SUBSEQUENT OPERATING AGREEMENT TO BE ENTERED INTO AMONG THE OWNER AND SUCH DISTRICT.) SUCH INTEREST IS TO BE RELEASED UPON THE EARLIER OF THE ACQUISITION OF SUCH INFRASTRUCTURE OR PUBLIC INFRASTRUCTURE ONLY BY SUCH DISTRICT PURSUANT TO SUCH SUBSEQUENT OPERATING AGREEMENT AND JUNE 30, 2030.

TITLE SECURITY AGENCY, LLC, A DELAWARE LIMITED LIABILITY COMPANY AS TRUSTEE OF TRUST NO. 202308 AND NOT IN ITS CORPORATE CAPACITY AS TO BLOCKS 16–20.

_____ DATE _____
TRUST OFFICER

TITLE SECURITY AGENCY, LLC, A DELAWARE LIMITED LIABILITY COMPANY AS TRUSTEE OF TRUST NO. 201665–T AND NOT IN ITS CORPORATE CAPACITY AS TO BLOCKS 14–15.

_____ _____ DATE _____
TRUST OFFICER

ACKNOWLEDGMENT

STATE OF ARIZONA)
} SS
COUNTY OF _____)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ___ DAY OF _____, 2024, BY _____, TRUST OFFICER OF TITLE SECURITY AGENCY, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TRUSTEE UNDER TRUST NUMBER 202308, AND NOT IN ITS CORPORATE CAPACITY AS TO BLOCKS 16–20 (THE "TRUSTEE").

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

_____
NOTARY PUBLIC DATE

_____
MY COMMISSION EXPIRES:

ACKNOWLEDGMENT

STATE OF ARIZONA)
} SS
COUNTY OF _____)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ___ DAY OF _____, 2024, BY _____, TRUST OFFICER OF TITLE SECURITY AGENCY, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TRUSTEE UNDER TRUST NUMBER 201665–T, AND NOT IN ITS CORPORATE CAPACITY AS TO BLOCKS 14–15 (THE "TRUSTEE").

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND OFFICIAL SEAL.

_____
NOTARY PUBLIC DATE

_____
MY COMMISSION EXPIRES:

100 YEAR ASSURED WATER SUPPLY

A CERTIFICATE OF 100 YEAR ASSURED WATER SUPPLY HAS BEEN RECEIVED FROM THE DIRECTOR OF WATER RESOURCES.

BY: _____ _____
MARANA WATER DIRECTOR DATE

BASIS OF BEARING

THE BASIS OF BEARINGS FOR THIS PLAT IS THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 11 SOUTH, RANGE 11 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, FROM A BRASS CAP SURVEY MONUMENT STAMPED "LS 31591" LOCATED AT THE SOUTH QUARTER CORNER OF SECTION 36, TO A 2.5 INCH ALUMINUM CAP SURVEY MONUMENT STAMPED "PSOMAS RLS 18557" LOCATED AT THE SOUTHEAST CORNER OF SECTION 36, SAID BEARINGS BEING NORTH 89°44'11" EAST PER FINAL BLOCK PLAT FOR MANDARINA BLOCKS 1–7 AND PARCELS A, B & C, AS RECORDED IN SEQUENCE NO. 20231590262, P.C.R.

ASSURANCES

ASSURANCES IN THE FORM OF A THIRD PARTY TRUST AGREEMENT FROM TITLE SECURITY AGENCY LLC AS TRUSTEE OF TRUST NO. 202308 AS TO BLOCKS 16–20 AS RECORDED IN SEQUENCE NUMBER _____ IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA 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

ASSURANCES IN THE FORM OF A THIRD PARTY TRUST AGREEMENT FROM TITLE SECURITY AGENCY LLC AS TRUSTEE OF TRUST NO. 201665–T AS TO BLOCKS 14–15 AS RECORDED IN SEQUENCE NUMBER _____ IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA 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

BENEFICIARY

PURSUANT TO A.R.S. SECTION 33–404(B), THE NAME AND ADDRESS OF THE SOLE BENEFICIARY OF TRUST NO. 202308, DESCRIBED ABOVE AS DISCLOSED BY THE RECORDS OF SAID TRUST IS:

MANDARINA HOLDINGS, LLC
1635 NORTH GREENFIELD ROAD, SUITE 115
MESA, ARIZONA 85205

BY: KDL INVESTMENTS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY (TRUST OFFICER)

PURSUANT TO A.R.S. SECTION 33–404(B), THE NAME AND ADDRESS OF THE SOLE BENEFICIARY OF TRUST NO. 201665–T, DESCRIBED ABOVE AS DISCLOSED BY THE RECORDS OF SAID TRUST IS:

KB HOME TUCSON, INC., AN ARIZONA CORPORATION
3501 EAST SPEEDWAY BOULEVARD, SUITE 101
TUCSON, ARIZONA 85716

RECORDING

STATE OF ARIZONA)
} SS
COUNTY OF PIMA)

FEE $ _____
SEQUENCE NO. _____

THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF EPS GROUP, INC., ON THIS _____ DAY OF _____, 2024, AT __M. IN SEQUENCE NUMBER _____ THEREOF.

GABRIELLA CAZARES–KELLY _____
PIMA COUNTY RECORDER BY DEPUTY

SHEET INDEX

1 COVER SHEET
2 INDEX MAP
3 – 4 PLAT PLAN SHEETS, BLOCK AREA TABLE, LINE DATA TABLE & CURVE DATA TABLE

AREA SUMMARY TABLE

DESCRIPTION	AREA (SF)	AREA (ACRES)
BLOCKS 14–20 (7 RESIDENTIAL BLOCKS)	4,531,363	104.0259
RIGHT OF WAY	162,028	3.7197
NET AREA	4,531,363	104.0259
GROSS AREA	4,693,391	107.7454

GENERAL NOTES

1. EXISTING ZONING IS SP (SPECIFIC PLAN) ZONE PER TOWN OF MARANA ORDINANCE NO. 2009.02, APPROVED FEBRUARY 17, 2009, AMENDED OCTOBER 30, 2019 AND AMENDED NOVEMBER 2, 2022. EXISTING ZONING FOR APN 218–49–001H IS AG – AGRICULTURAL
2. NO FURTHER LOT SPLITTING SHALL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.
3. 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.
4. 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.
5. 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 THE CLOSEOUT PACKAGE FOR THIS PROJECT.
6. 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.
7. 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.
8. 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.
9. TOTAL MILES OF NEW PUBLIC OR PRIVATE STREETS IS 0.6
10. NOTWITHSTANDING THE FOREGOING, KDL INVESTMENTS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, THE SOLE MEMBER OF MANDARINA HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, ON BEHALF OF THE MANDARINA HOLDINGS, LLC, (COLLECTIVELY WITH ANY SUCCESSORS OR ASSIGNS PURSUANT TO THE HEREINAFTER DESCRIBED DEVELOPMENT AGREEMENT, THE "OWNER"), HEREBY RESERVES AN INTEREST IN ANY OF THE FOREGOING REAL PROPERTY UPON WHICH WHAT WOULD BE "PUBLIC INFRASTRUCTURE" AS SUCH TERM IS DEFINED IN SECTION 48–701, ARIZONA REVISED STATUTES, AS AMENDED, HAS BEEN OR IS TO BE CONSTRUCTED. EXCEPT IF RELEASED PRIOR THERETO AS HEREINAFTER DESCRIBED, SUCH INTEREST IS TO BE ACQUIRED BY A COMMUNITY FACILITIES DISTRICT TO BE ESTABLISHED PURSUANT TO A DEVELOPMENT AGREEMENT AMONG SUCH DISTRICT, THE OWNER AND THE TOWN OF MARANA, ARIZONA. (SUCH INTEREST IS LIMITED TO ONE NECESSARY TO ACCOMMODATE THE FINANCING OF THE ACQUISITION OF SUCH PUBLIC INFRASTRUCTURE (INCLUDING OF SUCH INTEREST IN SUCH REAL PROPERTY) PURSUANT TO SUCH DEVELOPMENT AGREEMENT.) SUCH INTEREST IS TO BE RELEASED UPON THE EARLIER OF THE ACQUISITION OF SUCH INFRASTRUCTURE ONLY BY SUCH DISTRICT PURSUANT TO SUCH AGREEMENT AND JUNE 30, 2030.
11. THE PROPERTY SUBJECT TO THIS FINAL BLOCK PLAT WAS INCLUDED WITH LOMR CASE #22–09–1156P, ACCEPTED BY FEMA AND BECOMING EFFECTIVE FEBRUARY 2024, MODIFYING THE SPECIAL FLOOD HAZARD AREA (SFHA) ON THE PROPERTY.
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" AND 72" ABOVE FINISH GRADE OF THE ROADWAY SURFACE, AND SHALL CONFORM TO THE TOWN OF MARANA SUBDIVISION STREET STANDARDS.

OWNERS

MANDARINA HOLDINGS, LLC
C/O BELA FLOR
1635 N. GREENFIELD ROAD,
SUITE 115
MESA, AZ 85205–4010
TEL: (480) 553–7236
CONTACT: HUDD HASSELL

KB HOME TUCSON, INC.
3501 EAST SPEEDWAY BOULEVARD,
SUITE 101
TUCSON, ARIZONA 85716
TEL: ( ) ___–____
CONTACT:

ENGINEER

EPS GROUP, INC.
1130 N. ALMA SCHOOL ROAD,
SUITE 120
MESA, ARIZONA 85201
TEL: (480)–503–2250
FAX: (480)–503–2258
CONTACT: BRIAN NICHOLLS, P.E.

TOWN OF MARANA CERTIFICATION

I, DAVID UDALL, 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 _____, 2024.

BY: _____ _____
CLERK OF THE TOWN OF MARANA DATE

TOWN OF MARANA APPROVALS

BY: _____ _____
MARANA TOWN ENGINEER P.E./DEVELOPMENT ENGINEER DATE

BY: _____ _____
MARANA PLANNING MANAGER DATE

BY: _____ _____
MARANA WATER DIRECTOR DATE

SURVEYOR CERTIFICATION

I, ROBERT A. JOHNSTON, HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THIS PLAT CORRECTLY REPRESENTS A SURVEY MADE UNDER MY DIRECTION DURING THE MONTH OF JANUARY, 2024; THAT THE SURVEY IS TRUE AND CORRECT AS SHOWN; THAT ALL MONUMENTS ACTUALLY EXIST OR WILL BE SET AS SHOWN; THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

ROBERT A. JOHNSTON, RLS 37495
EPS GROUP, INC.
1130 N. ALMA SCHOOL ROAD, STE. 120
MESA, ARIZONA 85201
PHONE: (480) 503–2250
FAX: (480) 503–2258

DATE OF PREPARATION: 1/18/24 (REVISED 4/01/24, 4/12/24, 4/30/24, 5/23/24, 6/11/24, 6/21/24 & 7/23/24)

NOTE:
A.R.S. 32–151 STATES THAT THE USE OF THE WORD "CERTIFY" OR "CERTIFICATION" BY A PERSON OR FIRM THAT IS REGISTERED OR CERTIFIED BY THE BOARD IS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING FACTS OR FINDINGS THAT ARE SUBJECT OF THE CERTIFICATION AND DOES NOT CONSTITUTE AN EXPRESS OR IMPLIED WARRANTY OR GUARANTEE.

ENGINEER CERTIFICATION

I HEREBY CERTIFY THAT THE FLOODPLAIN LIMITS AND EROSION HAZARD SETBACKS AS SHOWN ON THIS PLAT WERE PREPARED UNDER MY DIRECTION.

BY _____ 7–23–24
BRIAN NICHOLLS DATE
PE 54652

Registered Professional Engineer (Civil) CERTIFICATE NO. 54652 BRIAN NICHOLLS Date Signed 7-23-24
EXPIRES 06/30/25

PRV2210–003
PRV2211–004
PCZ1910–001
PCZ08048

ADMINISTRATIVE ADDRESS
12350 N. ADONIS ROAD,
MARANA, ARIZONA 85658

Final Block Plat for
Mandarina Blocks 14-20
BEING A RESUBDIVISION OF BLOCK 1 OF THE FINAL BLOCK PLAT FOR MANDARINA BLOCKS 1-2, 4-5, & 8-13, AS RECORDED AT SEQUENCE NUMBER 20233320095, P.C.R., AND A PORTION OF SECTION 31, TOWNSHIP 11 SOUTH, RANGE 12 EAST OF THE GILA AND SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA
Being a portion of Section 36, T11S, R11E, and Section 31, T11S, R12E, G&SRM
Town of Marana, Pima County, Arizona

1130 N Alma School Rd., Suite 120
Mesa, AZ 85201
T:480.503.2250 | F:480.503.2258
www.epsgroupinc.com
EPS GROUP

Project: Mandarina Blocks 14-20
Being a portion of Section 36, T11S, R11E, and Section 31, T11S, R12E, G&SRM, Town of Marana, Pima County, Arizona

FINAL BLOCK PLAT

Revisions:

Designer: RAJ
Drawn by: TJP

REGISTERED LAND SURVEYOR CERTIFICATE NO. 37495 ROBERT A. JOHNSTON Date Signed 7-23-24

Job No. 20-0522.02
FP01
Sheet No. 1 of 4

Sequence Number:

tprotonentis Jul 23, 2024 3:44pm S:\Projects\2020\20-0522.02\Land Survey\Dwgs\Final Plats\Block 1 Block Replat\20-0522.02 Plat – Block 1 Block Replat.dwg

NW COR SECTION 36
3-1/2" AC
"PSOMAS 26|25-
35|36 RLS 18557"

N89°48'10"E 2646.92'

N 1/4 SECTION 36
1-1/2" LC ON PIPE
UNREADABLE

N89°47'09"E 2646.58'

2598.32'

NE COR SEC 36
CALCULATED POSITION

S30°19'19"E 96.10'

80.91'
83.14'
48.26'
15.19'

S89°55'16"W 2521.96'

N 1/4 SECTION 31
CALCULATED POSITION

N89°47'15"E 98.31'

S20°09'26"E 1022.89'

S30°10'08"E 1059.45'

S15°53'47"E 672.06'

S00°20'45"E 511.34'

N89°43'16"E 2526.17'

C 1/4 SECTION 31
CALCULATED POSITION

S84°59'00"W 255.19'

N0°21'36"W 2645.03'

N0°21'45"W 2645.01'

N0°16'19"W 2631.77'

N0°16'46"W 1319.63'

N0°15'44"W 1319.61'

N0°16'43"W 5287.09'
2644.67'

N0°15'49"W 2618.60'

N0°26'18"W 2644.23'

N0°10'49"W 2640.59'
2557.45'

N89°44'46"W 5285.20'
2644.70'

C 1/4 SECTION 36
CALCULATED POSITION

2640.50'

W 1/4 COR SECTION 36
POSITION DETERMINED
USING PIMA COUNTY
REFERENCE TIES

N89°44'20"E 2642.36'

1754.43'
N89°44'11"E 2646.34'
(BASIS OF BEARINGS)

891.91'

N89°36'28"E 2518.45'

SW COR. SEC. 36
FND. BCSM IN HANDWELL
MKD. "TOWN OF MARANA"

POINT OF COMMENCEMENT
S 1/4 COR. SEC. 36
FND. 4" BCSM MKD.
"RLS 31591" 0.4' BELOW NG

SE COR. SEC. 36
FND. 3" AC MKD.
"PSOMAS T11S
R12S RLS 18657"

S 1/4 SECTION 31
CALCULATED POSITION

E 1/4 COR SECTION 36
1/2" IP

POINT OF BEGINNING

N49°55'31"W 783.94'

N40°04'29"E 334.00'

N40°04'29"E 410.00'

N49°55'31"W 201.50'

W. GALVESTON ROAD

W. McDOWELL ROAD

W. GILDED STREET

N. WILDCREST DRIVE

N. MERIDIAN WAY

N. WELCH STREET

W. PONTIAC STREET

N. MARCO POLO DRIVE

W. PRAIRIE DRIVE

W. WAKESTONE STREET

W. SHEEPSHEAD STREET

N. BELLA ENCANTA ROAD

W. RUMBLE WAY

N. ADONIS ROAD

N. HOUSTON BOULEVARD

W. HAWES ROAD
(PUBLIC STREET)

W. GILDED STREET
(PUBLIC STREET)

UNION PACIFIC RAILROAD

N. MANDARINA BOULEVARD

W. TANGERINE ROAD

"1" "2" "3" "4" "5" "6" "7" "8" "9" "10" "11" "12" "13" "14" "15" "A" "B" "C" "D" "E" "F"

BLOCK 16
BLOCK 15
BLOCK 14
BLOCK 20
BLOCK 19
BLOCK 18
BLOCK 17

SHEET 3
SHEET 4

W Adonis Rd
(EXISTING PUBLIC STREET)
SEQ 20193400150

W Adonis Rd
(EXISTING PUBLIC STREET)
SEQ 20193400150
SEQ 20210150765
SEQ 20213260210

W Tangerine Rd
(EXISTING PUBLIC STREET)
DKT 11487, PG 2029

W Tangerine Rd
(EXISTING PUBLIC STREET)
DKT 11487, PG 2029

4" BCSM "US DEPARTMENT OF THE INTERIOR
BM STA 706+00 100' RT R-3"

MANDARINA PARCEL A
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

MANDARINA PARCEL C
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 8
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 9
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 5
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 4
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 10
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 2
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

MANDARINA BLOCKS 1-2, 4-5 & 8-11, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)
BLOCK 11

BLOCK 12
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 13
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

MANDARINA BLOCK 3
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

MANDARINA PARCEL B
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

MANDARINA BLOCK 7
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

MANDARINA BLOCK 6
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

(ROAD NAME)
S30°09'32"W

2607.50'

C1 C2 C3 C4 C5 C6 C7 C8 C9 C10 C11 C12 C13 C14 C15 C16

L1 L2 L3 L4 L5 L6 L7 L8 L9 L10 L11

DIMENSION NOTE

PLEASE REFER TO SHEET 3 FOR
LINE DATA AND CURVE DATA TABLES.

"1"-"15"
(EXISTING PUBLIC STREETS)
SEQ 20233320095

"A" N. McCLINTOCK ROAD
(PUBLIC STREET)
"B" N. SOAPSTONE ROAD
(PUBLIC STREET)
"C" N. QUEST ROAD
(PUBLIC STREET)
"D" N. TUFF ROAD
(PUBLIC STREET)
"E" N. MINER LANE
(PUBLIC STREET)
"F" N. MANDARINA BOULEVARD
(PUBLIC STREET)

LEGEND

- ∘ FOUND MONUMENT, AS NOTED
- o CORNER OF SUBDIVISION
- ⊙ BRASS CAP TO BE SET AT CONSTRUCTION
- R/W RIGHT-OF-WAY
- P.C.R. PIMA COUNTY RECORDER
- PE PEDESTRIAN EASEMENT
- PUE PUBLIC UTILITY EASEMENT
- SE SEWER EASEMENT

BOUNDARY LINE
PARCEL LINE
LOT LINE
SECTION LINE
MID-SECTION LINE
CENTER LINE ROAD
EXISTING R/W
EASEMENT LINE (SCHEDULE B)
QUARTER-SECTION LINE

EASEMENT LINE – DEDICATED TO THE TOWN BY THIS PLAT

KEY MAP (NTS)

NORTH

PRV2401-002

Sequence Number: _____

EPS GROUP
1130 N Alma School Rd., Suite 120
Mesa, AZ 85201
T:480.503.2250 | F:480.503.2258
w w w . e p s g r o u p i n c . c o m

Project:
Being a portion of Section 36, T11S, R12E, and Section 31, T11S, R12E, G&SRM, Town of Marana, Pima County, Arizona

FINAL BLOCK PLAT

Mandarina Blocks 14-20

Revisions:

Designer: RAJ
Drawn by: TJP

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
37495
ROBERT A.
JOHNSTON JR.
Date Signed 7-23-24

Job No.
20-0522.02

FP02

Sheet No.
2
of 4

Iprotonentis Jul 23, 2024 3:44pm S:\Projects\2020\20-0522.02\Land Survey\Dwgs\Final Plats\Block 1 Block Replat\20-0522.02 Plat - Block 1 Block Replat.dwg

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD	CHORD BRG
C1	62.83'	40.00'	90°00'00"	56.57'	S04°55'31"E
C2	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C3	39.27'	25.00'	90°00'00"	35.36'	S04°55'31"E
C4	26.70'	17.00'	90°00'00"	24.04'	S85°04'29"W
C5	39.27'	25.00'	90°00'00"	35.36'	S04°55'31"E
C6	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C7	39.27'	25.00'	90°00'00"	35.36'	S04°55'31"E
C8	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C9	35.54'	25.00'	81°26'34"	32.62'	S09°12'14"E
C10	124.67'	222.00'	32°10'35"	123.04'	N15°25'45"E
C11	39.47'	25.00'	90°27'50"	35.50'	S44°34'22"W
C12	26.20'	25.00'	60°03'19"	25.02'	N60°11'05"W
C13	25.81'	45.00'	32°51'36"	25.46'	S13°43'38"E
C14	92.19'	55.00'	96°02'25"	81.77'	N45°19'03"W
C15	901.69'	1475.00'	35°01'32"	887.71'	N77°30'14"W
C16	1042.77'	1325.00'	45°05'29"	1016.06'	S72°28'16"E
C17	140.63'	200.00'	40°17'14"	137.75'	N19°55'52"E
C18	900.00'	1400.00'	36°49'59"	884.58'	N76°36'01"W
C19	1101.79'	1400.00'	45°05'29"	1073.58'	S72°28'16"E
C20	108.43'	55.00'	112°57'40"	91.71'	N63°41'44"E
C21	25.81'	45.00'	32°51'36"	25.46'	S23°38'41"W
C22	39.27'	25.00'	90°00'00"	35.36'	N04°55'31"W
C23	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C24	39.27'	25.00'	90°00'00"	35.36'	N85°04'29"E
C25	26.70'	17.00'	90°00'00"	24.04'	S04°55'31"E
C26	44.08'	30.00'	84°10'41"	40.22'	N07°50'11"W
C27	34.72'	25.00'	79°34'44"	32.00'	S74°38'34"W
C28	61.43'	225.00'	15°38'33"	61.24'	S57°44'48"E
C29	53.24'	195.00'	15°38'33"	53.07'	S57°44'48"E
C30	120.20'	186.50'	36°55'36"	118.13'	S16°23'23"W
C31	157.31'	225.00'	40°03'31"	154.13'	S17°57'21"W
C32	167.06'	263.50'	36°19'35"	164.28'	S16°05'23"W
C33	60.76'	40.00'	87°01'48"	55.08'	S45°35'19"E
C34	60.78'	40.00'	87°03'25"	55.10'	N41°27'18"E
C35	39.27'	25.00'	90°00'00"	35.36'	N04°55'31"W

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD	CHORD BRG
C36	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C37	39.27'	25.00'	90°00'00"	35.36'	N04°55'31"W
C38	26.70'	17.00'	90°00'00"	24.04'	N85°04'29"E
C39	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C40	39.27'	25.00'	90°00'00"	35.36'	S04°55'31"E
C41	39.27'	25.00'	90°00'00"	35.36'	N04°55'31"W
C42	39.27'	25.00'	90°00'00"	35.36'	S85°04'29"W
C43	39.27'	25.00'	90°00'00"	35.36'	N85°04'29"E
C44	39.27'	25.00'	90°00'00"	35.36'	S04°55'31"E
C45	10.90'	4287.00'	0°08'44"	10.90'	S28°16'47"E
C46	38.48'	25.00'	88°11'02"	34.79'	N15°44'21"E
C47	35.42'	25.00'	81°10'24"	32.53'	S79°34'56"E
C48	44.57'	25.00'	102°08'57"	38.90'	N08°45'23"E
C49	100.87'	755.00'	7°39'19"	100.80'	S56°00'13"W
C50	25.55'	25.00'	58°33'32"	24.45'	N81°27'19"E
C51	26.70'	17.00'	90°00'00"	24.04'	N04°55'31"W
C52	118.56'	4243.00'	1°36'03"	118.55'	N29°00'27"W

LINE TABLE		
LINE	BEARING	LENGTH
L1	S40°04'29"W	52.00'
L2	S40°04'29"W	52.00'
L3	S40°04'29"W	182.00'
L4	N40°04'29"E	44.00'
L5	S40°04'29"W	182.00'
L6	N36°29'55"E	44.09'
L7	S89°47'15"W	120.83'
L8	N30°09'26"W	36.92'
L9	S59°50'34"W	44.00'
L10	N00°12'45"W	100.08'
L11	S08°32'27"W	104.93'
L12	S49°55'31"E	47.00'
L13	S49°55'31"E	47.00'
L14	S49°55'31"E	45.63'
L15	N00°12'45"W	48.93'
L16	S89°47'15"W	195.00'
L17	S30°09'26"E	64.08'
L18	N00°12'51"W	69.99'
L19	N89°47'09"E	57.72'
L20	S89°47'09"W	48.26'
L21	S30°19'19"E	96.10'
L22	N15°28'53"E	145.17'
L23	S49°55'31"E	44.00'
L24	N40°04'29"E	51.62'
L25	N40°04'29"E	47.00'
L26	S41°10'45"E	52.61'
L27	S49°55'31"E	161.16'
L28	S49°55'31"E	208.16'
L29	S49°55'31"E	103.34'
L30	N24°25'56"E	52.00'
L31	S37°59'06"W	30.60'
L32	S49°55'31"E	77.50'
L33	S49°55'31"E	44.00'
L34	N40°04'29"E	47.00'
L35	S49°55'31"E	182.00'
L36	N40°04'29"E	47.00'
L37	S49°55'31"E	44.00'
L38	N40°04'29"E	216.00'

LINE TABLE		
LINE	BEARING	LENGTH
L39	N40°04'29"E	263.00'
L40	N40°04'29"E	55.00'
L41	S49°55'31"E	52.00'
L42	S49°55'31"E	180.00'
L43	S49°55'31"E	44.00'
L44	N40°04'29"E	47.00'
L45	S49°55'31"E	623.00'
L46	S49°55'31"E	52.00'
L47	S40°04'29"W	55.00'
L48	N40°04'29"E	114.77'
L49	N40°30'27"E	50.40'
L50	N46°09'13"E	49.43'
L51	N57°18'29"E	49.56'
L52	N59°49'52"E	116.08'
L53	N60°11'31"E	44.00'
L54	S87°54'07"W	38.50'
L55	N59°49'52"E	126.21'
L56	N70°55'17"E	47.30'
L57	N59°49'52"E	84.62'
L58	S40°04'29"W	114.59'
L59	N40°04'29"E	168.00'
L60	S02°04'25"E	75.00'

LEGEND

- ◦ FOUND MONUMENT, AS NOTED
- ○ CORNER OF SUBDIVISION
- ⊙ BRASS CAP TO BE SET AT CONSTRUCTION
- R/W RIGHT-OF-WAY
- P.C.R. PIMA COUNTY RECORDER
- PE PEDESTRIAN EASEMENT
- PUE PUBLIC UTILITY EASEMENT
- SE SEWER EASEMENT

BOUNDARY LINE

PARCEL LINE

LOT LINE

SECTION LINE

MID-SECTION LINE

CENTER LINE ROAD

EXISTING R/W

EASEMENT LINE (SCHEDULE B)

QUARTER-SECTION LINE

EASEMENT LINE – DEDICATED TO THE TOWN BY THIS PLAT

FEMA FLOODPRONE LIMITS

BLOCK AREA TABLE		
BLOCK	AREA (SF)	AREA (AC)
14	1,000,981	22.9794
15	535,940	12.3035
16	818,448	18.7890
17	392,551	9.0117

BLOCK AREA TABLE		
BLOCK	AREA (SF)	AREA (AC)
18	930,356	21.3580
19	583,564	13.3968
20	269,524	6.1874

EPS GROUP
1130 N Alma School Rd., Suite 120
Mesa, AZ 85201
T:480.503.2250 | F:480.503.2258
www.epsgroupinc.com

Project:
Mandarina Blocks 14-20
Being a portion of Section 36, T11S, R11E, and Section 31, T11S, R12E, G&SRM, Town of Marana, Pima County, Arizona

FINAL BLOCK PLAT

Sequence Number:

Revisions:

Designer: RAJ
Drawn by: TJP

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
37495
ROBERT A. JOHNSTON
Date Signed 7-23-24

Job No.
20-0522.02

FP04

Sheet No.
3
of 4

Sequence Number: _____

torotonentis Jul 23, 2024 3:43pm S:\Projects\2020\20-0522.02\Land Survey\Dwgs\Final Plats\Block 1 Block Replat\20-0522.02 Plat - Block 1 Block Replat.dwg

MATCH LINE SEE SHEET 3

MATCH LINE SEE SHEET 3

BLOCK 19
583,564 SF
13.3968 AC

BLOCK 18
930,356 SF
21.3580 Ac

BLOCK 14
1,000,981 SF
22.9794 Ac

BLOCK 17
392,551 SF
9.0117 Ac

W Adonis Rd
(EXISTING PUBLIC STREET)
SEQ 20193400150

W. ADONIS ROAD

W. HAWES ROAD
(PUBLIC STREET)

N. MINER LANE
(PUBLIC STREET)

N. MANDARINA BOULEVARD
(PUBLIC STREET)

N Mandarina Bl
(EXISTING PUBLIC STREET)
SEQ 20193400150
SEQ 20210150765
SEQ 20213260210

W Tangerine Rd
(EXISTING PUBLIC STREET)
DKT 11487, PG 2029

W. TANGERINE ROAD

POINT OF BEGINNING

POINT OF COMMENCEMENT
S 1/4 COR. SEC. 36
FND. 4" BCSM MKD.
"RLS 31591"
0.4' BELOW NG

SE COR. SEC. 36
FND. 3" AC MKD.
"PSOMAS T11S
R12S RLS 18657"

4" BCSM "US DEPARTMENT OF THE INTERIOR
BM STA 716+59.42 100' RT R-3"

A PORTION OF 218-49-001G
UNITED STATES OF AMERICA
DKT 7789 PG 666
ZONE: AG

218-49-001H
MANDARINA HOLDINGS, LLC, AN
ARIZONA LIMITED LIABILITY COMPANY
SEQUENCE NUMBER 20232280692
ZONE: AG

218-49-003C
MANDARINA SOUTH, LLC
SEQUENCE NUMBER
20213540910, P.C.R.
ZONE: E

218-49-0050
UNION PACIFIC RAILROAD
ZONE: LI

BLOCK 11
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 12
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

BLOCK 13
MANDARINA BLOCKS 1-2, 4-5 & 8-13, AS RECORDED
IN SEQUENCE NUMBER 20233320095, P.C.R.
(NOT A PART OF THIS FINAL PLAT)

MANDARINA PARCEL A
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

MANDARINA BLOCK 3
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

MANDARINA PARCEL B
SEQUENCE NO. 20231590262, P.C.R.
(NOT A PART OF THIS PLAT)

T11S R11E
T11S R12E

C 1/4 COR SECTION 36
CALCULATED POSITION

E 1/4 COR SECTION 36
1/2" IP

C 1/4 SECTION 31
CALCULATED POSITION

S 1/4 SECTION 31
CALCULATED POSITION

1-1/2" AC IN 2" OP
"PE 2368"

4" BCSM

FEMA FLOODPRONE LIMITS
FEMA ZONE X
FEMA ZONE AH
FEMA ZONE AO

20' TRICO ESMT
SEQUENCE NUMBER
20233320095, P.C.R.

20' ELEC ESMT
DKT 8546 PG 1223
DKT 12758 PG 1281

20' ELEC ESMT PER DKT 4766 PG 372
ABANDONED PER SEQ 20213540832

75' ROW DEDICATION
SEQ 20193400150

70' SE
SEQ 20233320095

100' TEMPORARY CONSTRUCTION
EASEMENT SEQ 20202900059

90' PRIVATE DRAINAGE EASEMENT
SEQ 20233320095

200' UPRR ROW

10' PUE

38.5' R/W

75' R/W

45' R/W

123.9'	
72.89'	
522.50'	
N49°55'31"W 862.44'	
N49°55'51"W 862.44'	
261.44'	
914.20'	
1726.30'	
S89°44'46"W 5285.20'	
408.85'	
N40°04'29"E 1215.00'	
N40°04'29"E 829.36'	
N0°10'49"W 2640.59'	
N0°15'49"W 2618.60'	
N0°26'18"W 2644.23'	
1202.99'	
N89°43'16"E 2526.17'	
1323.19'	
S0°20'45"E 511.34'	
S15°33'42"E 672.06'	
S30°10'34"W (RADIAL)	
L=568.74'	
L=474.03'	
S84°59'00"W 255.19'	
254.47'	
0.72'	
L=71.91'	
1.47'	
S84°59'00"W 255.19'	
L=749.46'	
L=828.09'	
1754.43'	
891.91'	
N89°44'11"E 2646.34'	
(BASIS OF BEARINGS)	
N89°36'28"E 2518.45'	
S0°20'45"E 87.73'	
S58°11'01"E 0.18'	
S20°00'32"W (RADIAL)	
238.67'	
238.69'	
N2°04'25"W 670.10'	
N2°04'25"W 557.13'	
356.42'	
318.44'	
N2°04'25"W 557.13'	
L=75.76'	
L=76.46'	
0.72'	
254.47'	
S84°59'00"W 255.19'	
1.47'	
L=71.91'	
L=53.22'	
N24°25'56"E (RADIAL)	
L=8.21'	
S24°25'56"W (RADIAL)	
22.00'	
30.00'	
52.61'	
52.61'	
N49°55'31"W (RADIAL)	
S49°55'31"E (RADIAL)	

LEGEND

- FOUND MONUMENT, AS NOTED
- CORNER OF SUBDIVISION
- BRASS CAP TO BE SET AT CONSTRUCTION
- R/W RIGHT-OF-WAY
- P.C.R. PIMA COUNTY RECORDER
- PE PEDESTRIAN EASEMENT
- PUE PUBLIC UTILITY EASEMENT
- SE SEWER EASEMENT

BOUNDARY LINE
PARCEL LINE
LOT LINE
SECTION LINE
MID-SECTION LINE
CENTER LINE ROAD
EXISTING R/W
EASEMENT LINE (SCHEDULE B)
QUARTER-SECTION LINE
EASEMENT LINE – DEDICATED TO THE TOWN BY THIS PLAT
FEMA FLOODPRONE LIMITS

NORTH

100 0 100 200
scale feet

EPS GROUP
1130 N Alma School Rd., Suite 120
Mesa, Az 85201
T:480.503.2250 | F:480.503.2258
www.epsgroupinc.com

Project:
Being a portion of Section 36, T11S, R11E, and Section 31, T11S, R12E, G&SRM, Town of Marana, Pima County, Arizona

FINAL BLOCK PLAT

Revisions:

Designer: RAJ
Drawn by: TJP

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
37495
ROBERT A.
JOHNSTON, JR.
Date Signed 7-23-24

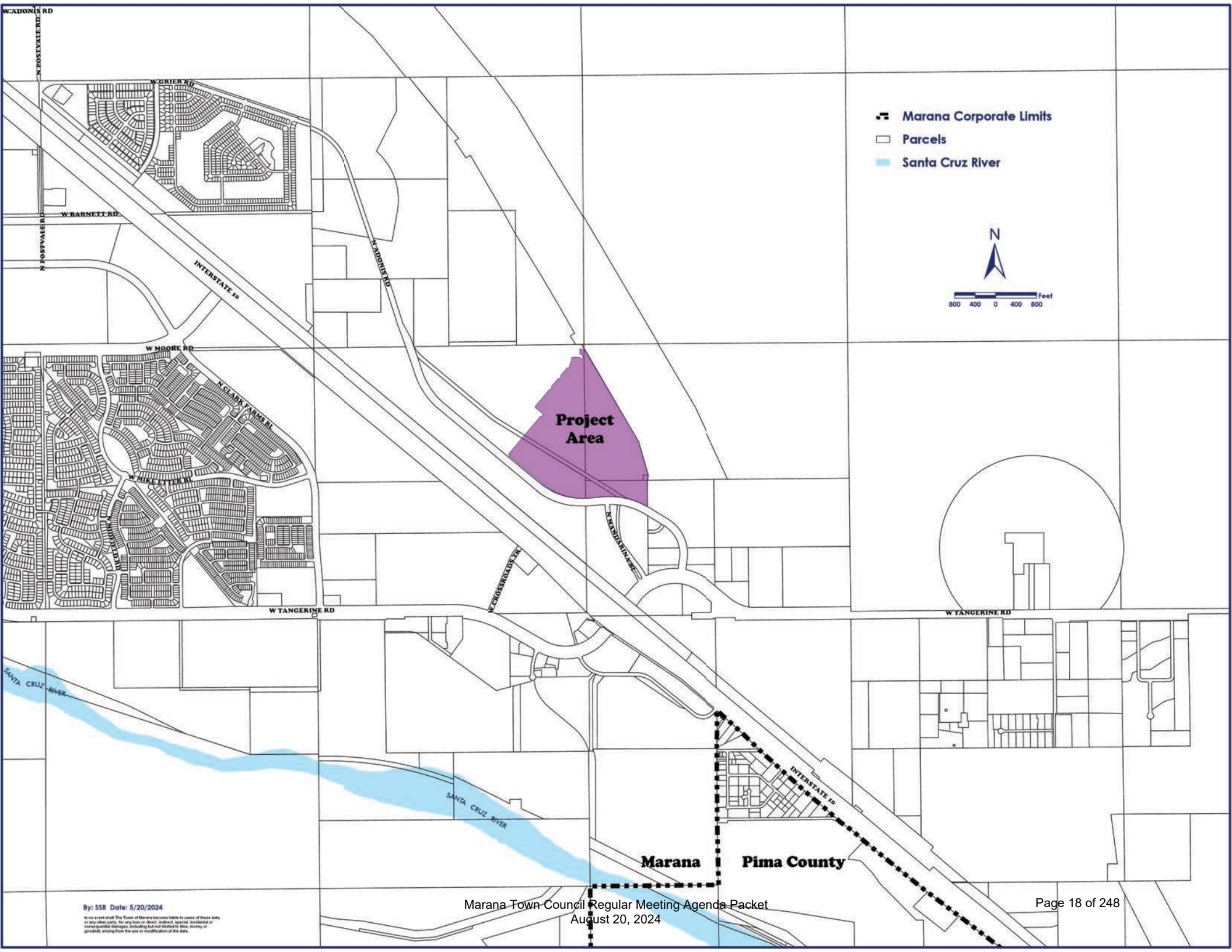
Job No.
20-0522.02

FP05

Sheet No.
4
of 4

Sequence Number: _____

tprotonentis Jul 23, 2024 3:40pm S:\Projects\2020\20-0522.02\Land Survey\Dwgs\Final Plats\Block 1 Block Replat\20-0522.02 Plat - Block 1 Block Replat.dwg


W ADONIS RD
N POSTVALE RD
W GRIER RD
W BARNETT RD
INTERSTATE 10
N ADONIS RD
W MOORE RD
N CLARK FARMS RD
W MILLETTER RD
N SHOFFNER RD
W TANGERINE RD
N CROSSROADS TR
N MERIDIAN LANE
Project Area
Marana Corporate Limits
Parcels
Santa Cruz River
N
Feet
800 400 0 400 800
SANTA CRUZ RIVER
SANTA CRUZ RIVER
Marana
Pima County
By: SSR Date: 5/20/2024

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: Mandarina - Parcel 1 - Final Plat			
Description of Project: Block 14 of the Block 1 Re-Plat, named			Number of Lots: 122
Parcel No.(s): A portion of Block 1 from Seq No. 20233320095			Gross Area (Acres): 22.9767
Project Address: Northwest of Adonis Road and Mandarina Road			
Ref. Project No.: PRV2401-002			

CONTACT INFORMATION

Owner: Mandarina Holdings LLC	Contact Name: Hudd Hassell		
Address: 1635 N Greenfield Road, #115	City: Mesa	State: AZ	Zip: 85205
Email: hudd@belaflor.com	Phone No.: (602) 525-0000		
Applicant: EPS Group, Inc.	Contact Name: Meikle Garrett		
Address: 1130 N Alma School Road, #120	City: Mesa	State: AZ	Zip: 85201
Email: meikle.garrett@epsgroupinc.com	Phone No.: (480) 355-0628		
Consultant/Engineer: EPS Group, Inc.	Contact Name: Brian Nicholls		
Address: 1130 N Alma School Road, # 120	City: Mesa	State: AZ	Zip: 85201
Email: brian.nicholls@epsgroupinc.com	Phone No.: (480) 355-1537		

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.)

G. Meikle Garrett		2/7/2024
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY
Revision Date 03/29/2019

Project No._____ **Date Received**_____

Council-Regular Meeting **C2**

Meeting Date: 08/20/2024

To: Mayor and Council

From: Brian Varney, Senior Planner

Date: August 20, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-077: Relating to Development; approving a final plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3 located approximately one mile north of the north terminus of Thornydale Road within a portion of Section 20, Township 11 South and Range 13 East (Brian D. Varney)

Discussion:

Request
Rick Engineering Company, Inc., representing the property owners, is requesting approval of a final plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3. The plat proposes to re-subdivide Lots 2 and 3 of Moonlight Canyon at Saguaro Ranch Phase 2, Lots 1-38, Block 1 & Common Areas "A" and "C-1" and "C-2" to reconfigure the common property line of the two adjacent lots in order to facilitate construction of single-family residences. The existing plat was approved by the Mayor and Council by the adoption of Resolution No. 2020-047 on May 19, 2020.

Zoning and Land Use
The zoning of the subdivision is 'SP' Saguaro Ranch Specific Plan, and the land use designation is Estate Lots per Marana Ordinance No. 2015.016. A minimum lot size of 36,000 square feet is required. The reconfigured Lots 2 and 3 measure 53,175 square feet and 43,606 square feet, respectively.

Access and Traffic Circulation
Access to the subdivision is provided directly from N. Moon Gaze Drive off of W. Conrad's Way. All streets are private and maintained by the homeowner's association.

Staff Recommendation:

Staff has reviewed the proposed final plat against all applicable requirements. The proposed final plat is in substantial conformance with all required development regulations, and staff recommends approval.

Suggested Motion:

I move to adopt Resolution No. 2024-077, approving a final plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3.

Attachments

Resolution No. 2024-077

PRV2405-002 Moonlight Canyon Ph. 2. Lots 2-3

PRV2405-002 Moonlight Canyon Ph. 2. Lots 2-3 Map

PRV2405-002 Moonlight Canyon Ph. 2. Lots 2-3 App

MARANA RESOLUTION NO. 2024-077

RELATING TO DEVELOPMENT; APPROVING A FINAL PLAT FOR MOONLIGHT CANYON AT SAGUARO RANCH PHASE 2, LOTS 2 AND 3 LOCATED APPROXIMATELY ONE MILE NORTH OF THE NORTH TERMINUS OF THORNYDALE ROAD WITHIN A PORTION OF SECTION 20, TOWNSHIP 11 SOUTH AND RANGE 13 EAST

WHEREAS the Final Plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 1-38, Block 1, and Common Areas "A" and "C-1" and "C-2" was approved by the Marana Town Council on May 19, 2020 by the adoption of Resolution No. 2020-047; and

WHEREAS Rick Engineering Company, Inc., representing the property owners, has applied for approval of a final plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3, consisting of 2.22 acres, and being a resubdivision of Lots 2 and 3 of Moonlight Canyon at Saguaro Ranch Phase 2, Lots 1-38, Block 1 and Common Areas "A" and "C-1" and "C-2"; and

WHEREAS the Mayor and Town Council, at its August 20, 2024 meeting, determined that the final plat for Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 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 Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3 is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of August 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

FINAL PLAT FOR
MOONLIGHT CANYON AT SAGUARO RANCH PHASE 2 LOTS 2 & 3

BASIS OF BEARINGS

THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 20, T11S, R13E AS SHOWN ON THE FINAL PLAT FOR SAGUARO RANCH II, BOOK 61 PAGE 89 M&P, AS MONUMENTED BY A 3" GLO BRASS DISC AT THE WEST QUARTER OF SAID SECTION AND A 3" GLO BRASS DISC AT THE NORTHWEST CORNER OF SAID SECTION. SAID BEARING BEING N00°03'11"E

GENERAL NOTES

1. THE GROSS AREA OF THIS DEVELOPMENT IS 2.22 AC, 96,781 SF.

2. THE EXISTING ZONING IS SP - SPECIFIC PLAN (SAGUARO RANCH SPECIFIC PLAN) PER ORDINANCE NO. 2015.016

3. THE TOTAL NUMBER OF RESIDENTIAL LOTS IS 2; DENSITY IS 0.9 RAC.

4. THE MINIMUM ALLOWABLE LOT SIZE: 36,000 SF.
   THE MINIMUM LOT SIZE IS 43,606 SF.
   THE MAXIMUM LOT SIZE IS 53,175 SF.
   THE AVERAGE LOT SIZE IS 48,390.5 SF.

5. MAXIMUM BUILDING HEIGHT ALLOWED IS 30 FEET.

6. DEVELOPMENT STANDARDS: ESTATE LOTS (EL)
   MINIMUM SITE SETBACKS:
   FRONT: 30'
   SIDE ENTRY GARAGE 15'
   AND/OR LIVABLE &
   ARCHITECTURAL COMPONENTS
   SIDE: 10'
   STREET SIDE: 20'
   REAR: 20'

8. ALL REQUIRED PARKING WILL BE OFF STREET, ON-SITE:
   PARKING SPACES REQUIRED: 2 WITHIN FULLY ENCLOSED GARAGE = 4 SPACES.
   PARKING SPACES PROVIDED: 2 PER GARAGE = 4 SPACES.

9. LAND USES:
   LOTS 2 & 3 (RESIDENTIAL) 2.22 AC, 96,781 SF

10. NO FURTHER LOT SPLITTING WILL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.

11. 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.

12. 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.

13. 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.

14. THE AREA WITHIN THE 100-YEAR FLOOD LIMITS REPRESENTS AN AREA THAT MAY BE SUBJECT TO FLOODING DURING A 100-YEAR FLOOD. ALL LAND USE IN THIS AREA SHALL BE RESTRICTED TO USES THAT HAVE BEEN APPROVED BY THE FLOODPLAIN ADMINISTRATOR.

15. THE PROFESSIONAL ENGINEER OF RECORD SHALL CERTIFY AS TO THE FORM, LINE AND FUNCTION OF ALL PUBLIC AND PRIVATE ROADWAY AND DRAINAGE STRUCTURES PRIOR TO THE RELEASE OF ASSURANCES.

16. THE TOTAL MILES OF NEW PRIVATE STREETS 0.0.

17. THIS SUBDIVISION IS LOCATED WITHIN THE CITY OF TUCSON SERVICE AREA, WHICH HAS BEEN DESIGNATED AS HAVING AN ASSURED WATER SUPPLY UNDER ARS 45-576

18. SEWAGE DISPOSAL FOR ALL LOTS SHALL BE BY A PRIVATE INDIVIDUAL ON-SITE DISPOSAL SYSTEM, AND PRIOR TO CONSTRUCTION EACH LOT MUST HAVE A SITE EVALUATION THAT MEETS THE REQUIREMENTS OF R18-9-A310 AND THAT IS PERFORMED BY AN ARIZONA REGISTERED PROFESSIONAL ENGINEER. THE COST OF AN ALTERNATIVE SYSTEM MAY BE SUBSTANTIALLY HIGHER THAN A CONVENTIONAL DISPOSAL SYSTEM.

19. ALL HOMES WILL BE PROVIDED WITH A FIRE SPRINKLER SYSTEM.

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 HEREBY DEDICATE TO THE TOWN OF MARANA ALL PUBLIC EASEMENTS, 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.

WE, THE UNDERSIGNED, OUR SUCCESSORS AND ASSIGNS, DO HEREBY HOLD THE TOWN OF MARANA, ITS EMPLOYEES, OFFICERS, AND AGENTS HARMLESS FROM 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.

THIS PLAT IS SUBJECT TO THE ASSOCIATION OF INDIVIDUAL LOT OWNERS AS ESTABLISHED BY COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED AT SEQ #20142170119 BY SUPPLEMENTAL DECLARATION RECORDED AT SEQ #20201130756, IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA. EACH AND EVERY LOT OWNER WITHIN THE SUBDIVISION SHALL BE MEMBER OF THE ASSOCIATION, WHICH IS RESPONSIBLE FOR THE CONTROL, MAINTENANCE, SAFETY, AND LIABILITY OF THE PRIVATE DRAINAGEWAYS AND COMMON AREAS WITHIN THIS SUBDIVISION.

SAGUARO PROPERTY DEVELOPMENT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY (LOT 2)

BY: _____
PRESIDENT DATE

MIRAMONTE MOONLIGHT, LLC, AN ARIZONA LIMITED LIABILITY COMPANY (LOT 3)

BY: MIRAMONTE HOLDINGS, LLC
AN ARIZONA LIMITED LIABILITY COMPANY

BY: KEMMERLY MIRAMONTE, LLC
AN ARIZONA LIMITED LIABILITY COMPANY, ITS SOLE MEMBER

BY: _____
CHRISTOPER KEMMERLY, ITS SOLE MEMBER DATE

ACKNOWLEDGEMENT

STATE OF WASHINGTON)
) SS.
COUNTY OF KING)

ON THIS___ DAY OF_____, 2024, BEFORE ME PERSONALLY APPEARED _____WHO ACKNOWLEDGED TO BE THE PRESIDENT OF SAGUARO PROPERTY DEVELOPMENT LLC, AND BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN.

_____
MY COMMISSION EXPIRES NOTARY PUBLIC

ACKNOWLEDGEMENT

STATE OF ARIZONA)
) SS.
COUNTY OF PIMA)

ON THIS___ DAY OF_____, 2024, BEFORE ME PERSONALLY APPEARED _____OF KEMMERLY MIRAMONTE, LLC AND BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN.

_____
MY COMMISSION EXPIRES NOTARY PUBLIC

OWNERS

LOT 2:
SAGUARO PROPERTY DEVELOPMENT LLC
2601 4TH AVENUE SUITE F16
SEATTLE, WA 98121-3208

LOT 3:
MIRAMONTE MOONLIGHT LLC
2502 EAST RIVER ROAD
TUCSON, AZ 85718-6509

ASSURANCES

THE TOWN OF MARANA DOES NOT REQUIRE THE SUBDIVIER 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

RECORDING

SEQ: #2024_____

FEE: _____

STATE OF ARIZONA)
) SS.
COUNTY OF PIMA)

I HEREBY CERTIFY THAT THE INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF RICK ENGINEERING COMPANY, INC.
DATE_____
TIME_____
WITNESS MY HAND AND OFFICIAL SEAL DAY AND YEAR ABOVE WRITTEN
GABRIELLA CAZARES-KELLY, COUNTY RECORDER
BY: _____
DEPUTY

TOWN OF MARANA APPROVALS

_____,P.E.
MARANA TOWN ENGINEER/DEVELOPMENT ENGINEER DATE

_____
MARANA PLANNING MANAGER DATE

CERTIFICATION

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 _____, 2024.

_____
CLERK OF THE TOWN OF MARANA DATE

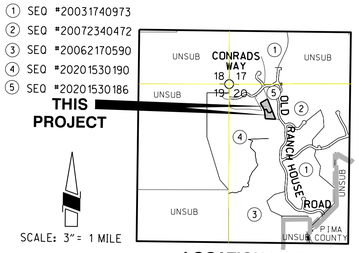
SHEET INDEX

1. COVER SHEET
2. PLAT SHEET

ADDRESSES:

14320 NORTH MOON GAZE DRIVE (LOT 2)
14300 NORTH MOON GAZE DRIVE (LOT 3)

① SEQ #20031740973
② SEQ #20072340472
③ SEQ #20062170590
④ SEQ #20201530190
⑤ SEQ #20201530186



SCALE: 3"= 1 MILE

LOCATION MAP
SECTION 20, T 11 S, R 13 E
G & SRM, TOWN OF MARANA
PIMA COUNTY, ARIZONA

LEGEND

SYMBOL	ITEM
⊿	FOUND SURVEY MONUMENT PER FINAL PLAT BK 57, PG 57 (OR AS NOTED)
○	FOUND 1/2" REBAR, RLS 17479
●	SET 1/2" REBAR, RLS 71039
▲	SET SCREW W/TAG, RLS 71039
⊡	FOUND 2" BRASS DISC SURVEY MONUMENT, RLS 17479
14 13 / 24 23	SECTION CORNER
14 13	QUARTER SECTION CORNER
23	LOT NUMBER
———	SUBDIVISION BOUNDARY
———	LOT LINE
——— - ———	CENTERLINE
— — — — —	EASEMENT BOUNDARY

ASSURED WATER SUPPLY

THE UNDERSIGNED CERTIFIES THAT IT IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY AND WILL PROVIDE WATER SERVICES TO THIS SUBDIVISION.

BY: _____

ITS: _____
CITY OF TUCSON WATER DEPARTMENT DATE

CERTIFICATIONS

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.
71039
GREGG
POPP
Date Signed 2/1/24
ARIZONA U.S.A.

MOONLIGHT CANYON AT SAGUARO RANCH PHASE 2 LOTS 2 & 3

BEING A RESUBDVISION OF LOTS 2 AND 3 OF MOONLIGHT CANYON AT SAGUARO RANCH PHASE 2 SEQ #20201530190, BEING A PORTION OF SECTION 20, TOWNSHIP 11 SOUTH, RANGE 13 EAST GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

RELATED CASES:
PRV1910-002
PCZ1409-001

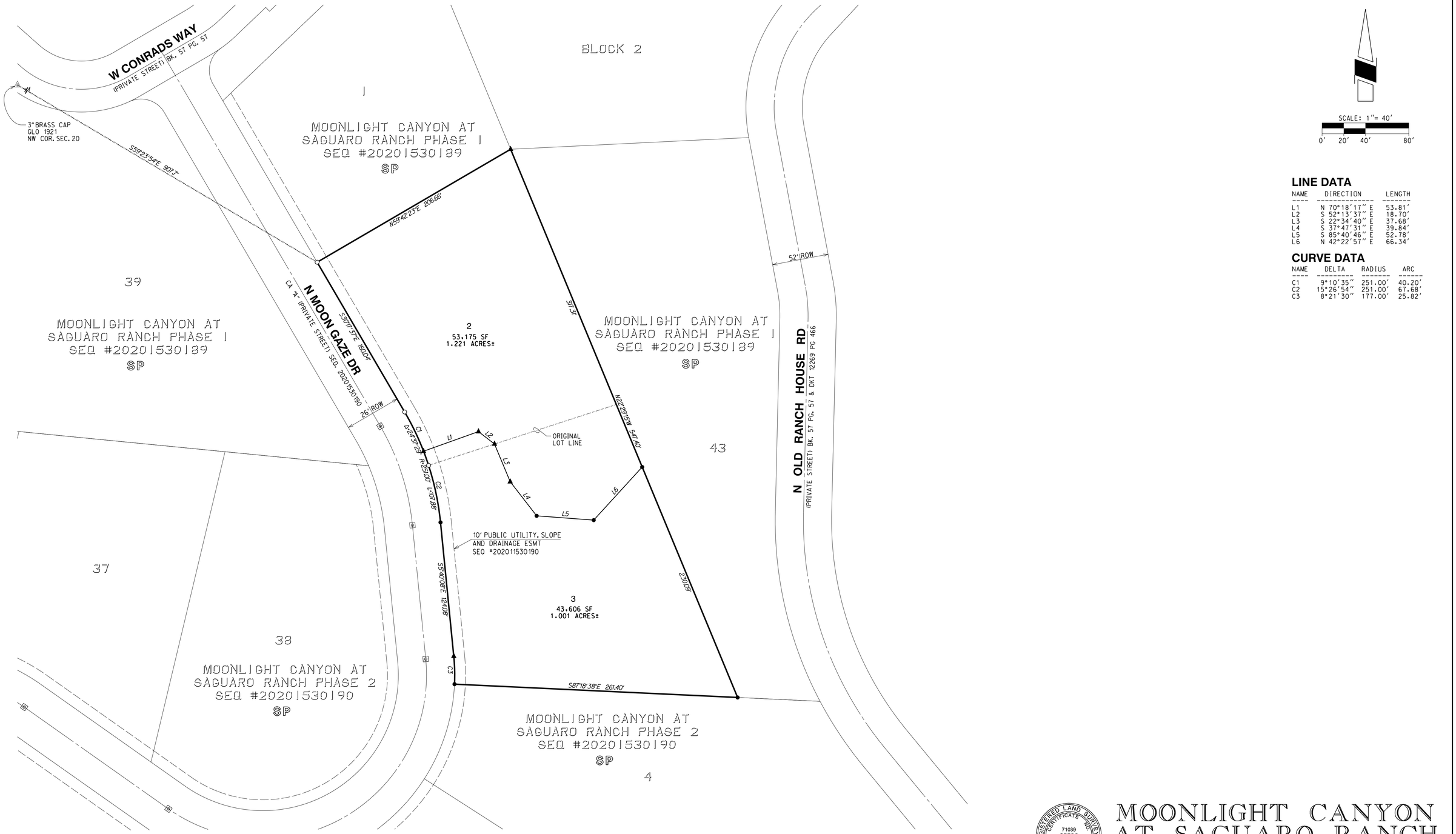
PRV2405-002
SHEET 1 OF 2

SEQUENCE #2024

520-795-1000 rickengineering.com
3945 E FORT LOWELL RD #111 TUCSON, AZ 85712
J-5508
RICK
SAN DIEGO ORANGE RIVERSIDE SACRAMENTO SAN LUIS OBISPO SANTA CLARITA PHOENIX TUCSON LAS VEGAS DENVER

© 2024 Rick Engineering Company

\\cp.rickeng.com\projects\T_TUC_F\3169\4407_Wildcat_Canyon\5508_Moonlight_Lot2_3_Reconfig\Civil\PlanSets\TUC CorpStds 2005.dscript \\cp.rickeng.com\projects\T_TUC_F\3169\4407_Wildcat_Canyon\5508_Moonlight_Lot2_3_Reconfig\Civil\5508fp01.dgn 01-JUL-2024 10:47



SCALE: 1"= 40'

0' 20' 40' 80'

LINE DATA

NAME	DIRECTION	LENGTH
L1	N 70°18'17" E	53.81'
L2	S 52°13'37" E	18.70'
L3	S 22°34'40" E	37.68'
L4	S 37°47'31" E	39.84'
L5	S 85°40'46" E	52.78'
L6	N 42°22'57" E	66.34'

CURVE DATA

NAME	DELTA	RADIUS	ARC
C1	9°10'35"	251.00'	40.20'
C2	15°26'54"	251.00'	67.68'
C3	8°21'30"	177.00'	25.82'

SEQUENCE #2024

520-795-1000
rickengineering.com
3945 E FORT LOWELL RD #111
TUCSON, AZ 85712
J-5508
RICK
SAN DIEGO ORANGE RIVERSIDE SACRAMENTO SAN LUIS OBISPO
SANTA CLARITA PHOENIX TUCSON LAS VEGAS DENVER

© 2024 Rick Engineering Company

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
71039
GREGG
POPP
Date Signed 7/1/24
ARIZONA U.S.A.

MOONLIGHT CANYON AT SAGUARO RANCH PHASE 2 LOTS 2 & 3

BEING A RESUBDVISION OF LOTS 2 AND 3 OF MOONLIGHT CANYON AT SAGUARO RANCH PHASE 2 SEQ #20201530190, BEING A PORTION OF SECTION 20, TOWNSHIP 11 SOUTH, RANGE 13 EAST GILA & SALT RIVER MERIDIAN, TOWN OF MARANA, PIMA COUNTY, ARIZONA.

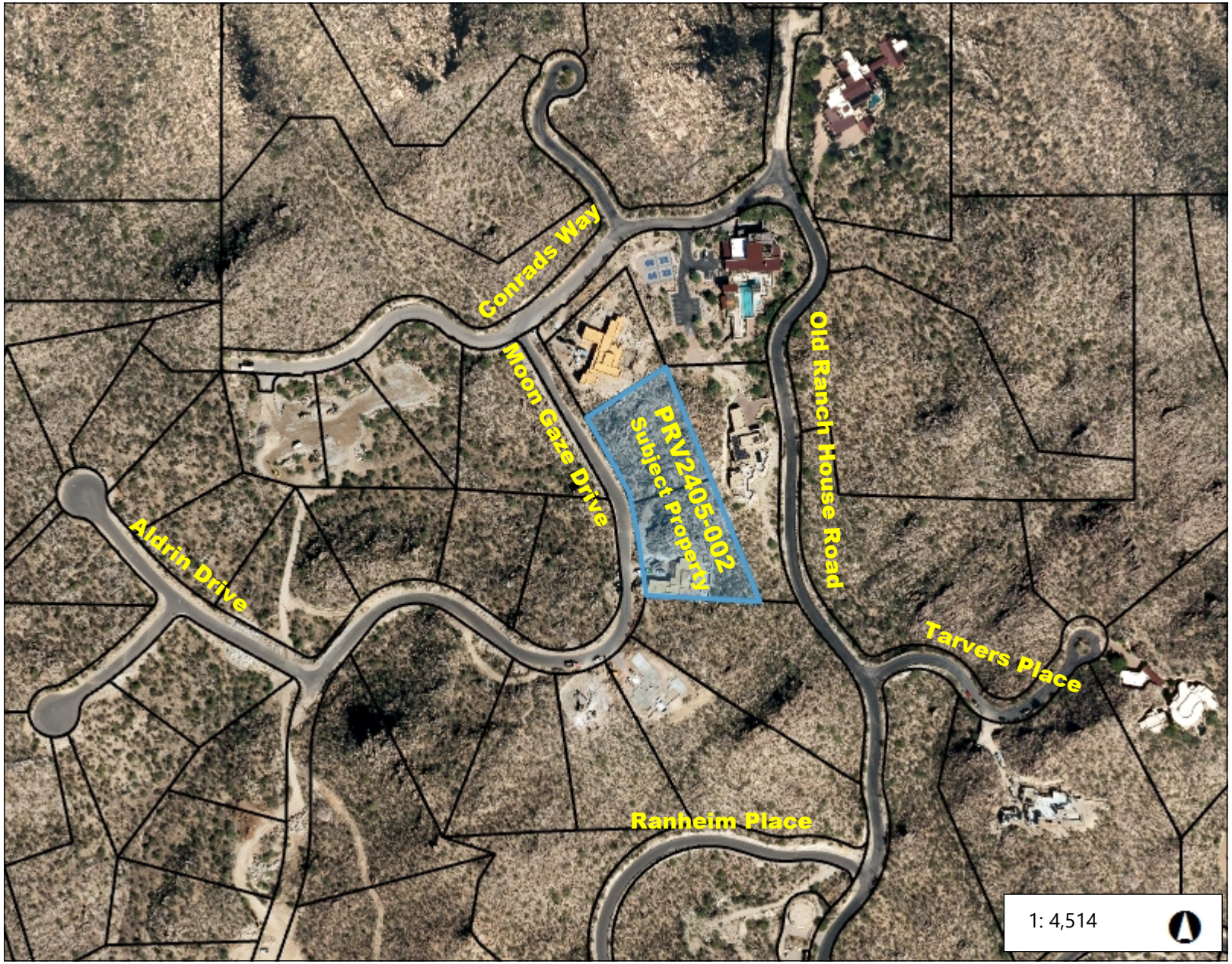
RELATED CASES:
PRV1910-002
PCZ1409-001

PRV2405-002
SHEET 2 OF 2

\\cp.rickeng.com\projects\T_TUC_F\3169\4407_Wildcat_Canyon\5508_Moonlight_Lot2_3_Reconfig\Civil\PlanSets\TUC CorpStds 2005.dscript
\\cp.rickeng.com\projects\T_TUC_F\3169\4407_Wildcat_Canyon\5508_Moonlight_Lot2_3_Reconfig\Civil\5508fp02.dgn 01-JUL-2024 10:47

SEQUENCE #2024

Town of Marana Planning **PRV2405-002: Moonlight Canyon at Saguaro Ranch Phase 2, Lots 2 and 3**





Legend

- Marana Town Limits
- Parcel Labels
- Parcels (Black)

Notes

0.1 0 0.07 0.1 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: Moonlight Canyon at Saguaro Ranch Phase 2 Lots 2 & 3 Final Plat	
Description of Project: Single Family Detached Residential Subdivision	Number of Lots: 2
Parcel No.(s): 219-10-18780 & 219-10-1880	Gross Area (Acres): 2.22
Project Address: 14320 North Moon Gaze Drive & 14300 North Moon Gaze Drive	
Ref. Project No.: PRV1910-002	

CONTACT INFORMATION

Owner: Saguaro Property Development L.L.C.	Contact Name: Scott Lundberg		
Address: 2601 4th Avenue Suite F16	City: Seattle	State: WA	Zip: 98121
Email: slundberg@glpattorneys.com	Phone No.: (206) 448-1992		
Applicant: Rick Engineering Company, Inc.	Contact Name: Steven Vasquez		
Address: 3945 East Fort Lowell Road, Suite 111	City: Tucson	State: AZ	Zip: 85712
Email: svasquez@rickengineering.com	Phone No.: (520) 795-1000		
Consultant/Engineer: Rick Engineering Company, Inc	Contact Name: Gregg Popp		
Address: 3945 East Fort Lowell Road, Suite 111	City: Tucson	State: AZ	Zip: 85712
Email: gpopp@rickengineering.com	Phone No.: (520) 795-1000		

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.)

Steven Vasquez	Steven E. Vasquez	5/16/2024
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY **Project No.**_____ **Date Received**_____

Revision Date 03/29/2019

Council-Regular Meeting **C3**

Meeting Date: 08/20/2024

To: Mayor and Council

From: Brian Varney, Senior Planner

Date: August 20, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-078: Relating to Development; approving a final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1 (Future Residential), and Common Areas "A" (Private Streets, Drainage, Public Utilities, Access, and Maintenance) and "B" (Natural Undisturbed Open Space, Drainage, Landscape, Public Utilities, and Public Trail) located east of Camino de Manana approximately 1/8th mile south of the Desert Falcon Lane alignment within a portion of Section 12, Township 12 South, Range 12 East (Brian D. Varney)

Discussion:

Request
Arizona Realty Design, representing the property owner, is requesting approval of a final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1 (Future Residential), and Common Areas "A" (Private Streets, Drainage, Public Utilities, Access, and Maintenance) and "B" (Natural Undisturbed Open Space, Drainage, Landscape, Public Utilities, and Public Trail) on approximately 44.94 acres.

Zoning and Land Use
The zoning of the property is R-6 Single-Family Residential. The final plat proposes 45 residential lots, one block for future residential development, private streets, natural undisturbed open space and a public trail easement. A minimum lot size of 7,200 square feet and a maximum of 12,181 square feet are proposed. The plat proposes an average lot size of 8,285 square feet. The plat yields a density of 2.00 residences per acre for Phase 1.

Access and Traffic Circulation
The subdivision will be accessed directly from Camino de Manana and proposes 0.31 miles of new private streets.

Infrastructure and Utilities
Water service will be provided to the subdivision by Marana Water. Wastewater service will be provided by Pima County Regional Wastewater.

Staff Recommendation:

Staff has reviewed the proposed final plat against all applicable requirements. The proposed plat is in substantial conformance with all required development regulations, and staff recommends approval.

Suggested Motion:

I move to adopt Resolution No. 2024-078,approving a final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1, Common Areas "A" and "B"

Attachments

Resolution No. 2024-078

PRV2209-001 Final Plat for Tavira Phase 1, Lots 1-45

PRV2209-001 Final Plat for Tavira Phase 1, Lots 1-45 Map

PRV2209-001 Final Plat for Tabvira Phase 1, Lots 1-45 App

MARANA RESOLUTION NO. 2024-078

RELATING TO DEVELOPMENT; APPROVING A FINAL PLAT FOR TAVIRA AT TWIN PEAKS PHASE 1, LOTS 1-45, BLOCK 1 (FUTURE RESIDENTIAL), AND COMMON AREAS "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS, AND MAINTENANCE) AND "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, AND PUBLIC TRAIL) LOCATED EAST OF CAMINO DE MANANA APPROXIMATELY 1/8TH MILE SOUTH OF THE DESERT FALCON LANE ALIGNMENT WITHIN A PORTION OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST

WHEREAS on December 6, 2016, the Town Council adopted Ordinance No. 2016.023 approving a rezoning of approximately 45 acres of land from R-36 (Single-Family Residential) to R-6 (Single-Family Residential; and

WHEREAS on May 26, 2022, Town staff approved a preliminary plat for Tavira at Twin Peaks Phases 1 and 2, Lots 1-75 and Common Areas "A", "B", and "C"; and

WHEREAS Arizona Realty Design, representing the property owners, has applied for approval of a final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1 (Future Residential), and Common Areas "A" (Private Streets, Drainage, Public Utilities, Access, and Maintenance) and "B" (Natural Undisturbed Open Space, Drainage, Landscape, Public Utilities, and Public Trail) consisting of 44.94 acres; and

WHEREAS the Mayor and Town Council, at its August 20, 2024 meeting, determined that the final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1, and Common Areas "A" and "B" should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA that the final plat for Tavira at Twin Peaks Phase 1, Lots 1-45, Block 1, and Common Areas "A" and "B" is hereby approved.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of August 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), AND COMMON AREAS "A" AND "B"

GENERAL NOTES

1. THE GROSS AREA OF THIS SUBDIVISION (PHASE 1 & PHASE 2) IS 1,957,718.3 SQUARE FEET (44.94 ACRES). THE AREA OF PHASE 1 IS 980,727.21 SQUARE FEET (22.51 ACRES). THE AREA OF PHASE 2 IS 976,991.10 SQUARE FEET (22.43 ACRES).
2. EXISTING ZONING:
   THE ZONING DESIGNATION IS "R-6", SINGLE FAMILY RESIDENTIAL, ESTABLISHED BY TOWN OF MARANA ORDINANCE #2016.023.
3. THE PROJECT SHALL COMPLY WITH THE CONDITIONS SET FORTH IN MARANA ORDINANCE NO. 2016.023.
4. THIS SUBDIVISION INCLUDES A TOTAL OF 45 LOTS AND 1 BLOCK.
5. THE GROSS DENSITY FOR THIS SUBDIVISION (PHASE 1 & PHASE 2) IS 1.00 RAC. THE DENSITY FOR PHASE 1 IS 2.00 RAC.
6. THE MINIMUM ALLOWABLE LOT SIZE IS 6,000 SF.
   THE MINIMUM LOT SIZE PROVIDED IS 7,200 SF (LOTS 39 - 45).
   THE AVERAGE LOT SIZE PROVIDED IS 8,285 SF.
   THE MAXIMUM LOT SIZE PROVIDED IS 12,181 SF.
7. THE MAXIMUM ALLOWABLE BUILDING HEIGHT IS 30' FOR MAIN BUILDINGS AND 25' FOR ACCESSORY BUILDINGS FOR LOTS 2-20 & 23-44. BLOCK 1 BUILDING HEIGHT RESTRICTIONS FOR CERTAIN FUTURE SUBDIVIDED LOTS PER TOWN OF MARANA ORDINANCE #2016.023 WILL APPLY.
8. THE FOLLOWING LOTS FOR PHASE 1, THIS PLAT, SHALL BE SINGLE STORY PER THE CONCEPTUAL DEVELOPMENT PLAN FOR TWIN PEAKS ESTATES R-36 TO R-6 REZONING (PCZ1512-001): 1, 21, 22, 45.
9. ALL STRUCTURES CONSTRUCTED ALONG CAMINO DE MANANA SHALL BE CONSTRUCTED AS SINGLE -STORY.
10. BUILDING SETBACKS (PER R-6 ZONING):

FRONT	16'
FRONT-LOADING GARAGE	20'
SIDE	5'*
SIDE ABUTTING STREET	10'
REAR	15'
REAR & SIDE (COVERED PATIO)	5'*

   *SIDE SETBACKS OF INDIVIDUAL LOTS MAY BE REDUCED SO LONG AS THE TOTAL SEPARATION BETWEEN BUILDINGS ON ADJACENT LOTS IS NOT LESS THAN TEN FEET.
   NOTE: CORNER LOTS SHALL BE AT LEAST FIVE FEET WIDER THAN THE MINIMUM LOT WIDTH OF THE ZONE TO PERMIT CONFORMANCE WITH THE REQUIRED STREET SIDE YARD REQUIREMENTS AND SIGHT VISIBILITY TRIANGLES.
11. REQUIRED PARKING PROVISIONS INCLUDE 2 PARKING SPACES FOR EACH LOT (45 LOTS x 2 = 90). PROVIDED PARKING = 90 SPACES ALL REQUIRED PARKING WILL BE OFFSTREET, ON-LOT.
12. LAND USE:

PHASE 1 (LOTS 1 - 45)	= 980,727.21 SF (22.51 ACRES)
BLOCK 1 (PHASE 2)	= 976,991.09 SF (22.43 AC)
GROSS ACREAGE	= 1,957,718.3 SF (44.94 ACRES)

13. COMMON AREA INFORMATION:
    COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) = 88,385 SF TOTAL (PHASE 1)
    COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL) = 525,962 SF TOTAL (PHASE 1)
14. THE BASIS OF BEARINGS FOR THIS PROJECT IS THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 12, T.12S., R.12E., G.&S.R.M., PIMA COUNTY, ARIZONA, AS SHOWN ON THIS MAP AND ON THE PLAT RECORDED AT SEQUENCE NO. 20191300073, RECORDS OF PIMA COUNTY.THE BEARING OF SAID LINE IS N 89°58'17" E.
15. NO FURTHER LOT SPLITTING SHALL BE DONE WITHOUT THE WRITTEN APPROVAL OF THE TOWN OF MARANA.
16. 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.
17. ALL NEW AND EXISTING UTILITIES WITHIN OR CONTIGUOUS TO THE SITE SHALL BE PLACED UNDERGROUND EXCEPT ELECTRICAL TRANSMISSION LINES CARRYING 46KV OR GREATER, AND THOSE LINES WHICH CAN BE SHOWN TO EXIST IN CURRENT OR FUTURE ELECTRICAL TRANSMISSION CORRIDORS.
18. 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" AND 72" ABOVE FINISHED GRADE OF THE ROADWAY SURFACE, AND SHALL CONFORM TO THE TOWN OF MARANA SUBDIVISION STREET STANDARDS.
19. 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.
20. 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.
21. TOTAL MILES OF NEW PRIVATE STREETS IS 0.31 MILES.
22. 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 THE CLOSEOUT PACKAGE FOR THIS PROJECT.
23. 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. SECTION 45-576.
24. ALL HOMES WILL BE PROVIDED WITH A FIRE SPRINKLER SYSTEM.

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.

REGISTERED LAND SURVEYOR CERTIFICATE NO. 50761 PAUL M. COTE 07/19/24 DATE SIGNED ARIZONA, U.S.A.

PAUL M. COTE - RLS NO. 50761 (AZ)

CERTIFICATION OF ENGINEER (FLOODPLAIN)

I, CHRISTOPHER ROD, AS THE DRAINAGE ENGINEER AND ARIZONA REGISTRANT FOR THE PROJECT, CERTIFY THAT THE FLOODPLAIN AND EROSION HAZARD SETBACK LIMITS PRESENTED ON THIS FINAL PLAT WERE PREPARED UNDER MY DIRECTION. ALL OTHER INFORMATION PRESENTED ON THE FINAL PLAT IS NOT COVERED UNDER THIS SEAL.

REGISTERED PROFESSIONAL ENGINEER CERTIFICATE NO. 36672 CHRISTOPHER B. ROD DATE SIGNED 07/19/2024 ARIZONA, USA

CHRISTOPHER B. ROD - PE NO. 36672 (AZ)

CERTIFICATION OF ENGINEER

I HEREBY CERTIFY THAT THE INTERIOR LOT LINE GEOMETRY AND NEW EASEMENTS SHOWN ON THIS PLAT WERE PREPARED BY ME OR UNDER MY DIRECTION. I FURTHER CERTIFY THAT THIS PLAT WAS PREPARED UNDER MY DIRECTION.

Registered Professional Engineer, Civil CERTIFICATE NO. 37307 RICHARD G. MACIAS DATE SIGNED 07-18-2024

RICHARD G. MACIAS - PE NO. 37307 (AZ)

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.

UTILITY EASEMENTS AS SHOWN ON THIS PLAT, ARE DEDICATED TO THE TOWN OF MARANA, PIMA COUNTY, MARANA WATER 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.

NO ACCESS EASEMENTS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA FOR THE PURPOSE OF ACCESS CONTROL TO ADJACENT RIGHTS-OF-WAY. OTHER EASEMENTS SHOWN ON THIS PLAT ARE DEDICATED TO THE TOWN OF MARANA FOR THE PURPOSE OR PURPOSES NOTED ON THIS PLAT.

OWNER HEREBY DEDICATES A PERMANENT, NON-MOTORIZED PEDESTRIAN TRAIL EASEMENT TO AND FOR THE BENEFIT OF THE PUBLIC OVER THOSE PORTIONS OF COMMON AREA "B" GENERALLY DESIGNATED AS TRAILS HEREON. THE TRAILS ESTABLISHED PURSUANT TO THIS EASEMENT SHALL BE CONSTRUCTED AND MAINTAINED BY THE TOWN OF MARANA. THE TOWN OF MARANA IS HEREBY ALSO GRANTED AN EASEMENT SUFFICIENT TO ACCESS AND MAINTAIN THE TRAIL SURFACE, PRUNE AND TRIM VEGETATION, AND PLACE AND MAINTAIN SIGNAGE WITHIN THE EASEMENT, IN ITS DISCRETION AND FOR THE PUBLIC BENEFIT.

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.

PRIVATE DRAINAGEWAYS AND COMMON AREA AS SHOWN ON THIS PLAT ARE RESERVED FOR THE PRIVATE USE AND CONVENIENCE OF ALL OWNERS OF PROPERTY WITHIN THIS SUBDIVISION AND THEIR GUESTS AND INVITEES. COMMON AREA, BUT NOT PRIVATE DRAINAGEWAYS, ARE GRANTED AS EASEMENTS TO THE TOWN OF MARANA, PIMA COUNTY, MARANA WATER AND ALL PUBLIC AND PRIVATE UTILITY COMPANIES FOR THE PURPOSE OF INSTALLATION AND MAINTENANCE OF, AND ACCESS TO, UNDERGROUND PUBLIC AND PRIVATE UTILITIES AND SEWERS. PRIVATE DRAINAGEWAYS ARE ALSO RESERVED FOR THE FLOW OF WATER, WHETHER SURFACE, FLOOD, OR RAINFALL, FROM THIS SUBDIVISIONS AND OTHER LANDS AS APPROVED BY THE TOWN ENGINEER.

TITLE TO ALL PRIVATE DRAINAGEWAYS AND COMMON AREA SHALL BE VESTED IN AN ASSOCIATION OF INDIVIDUAL LOT OWNERS AS ESTABLISHED BY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TAVIRA AT TWIN PEAKS RECORDED IN SEQUENCE NUMBER _____ IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA. EACH AND EVERY LOT OWNER WITHIN THE SUBDIVISION SHALL BE A MEMBER OF THE ASSOCIATION, WHICH IS RESPONSIBLE OF THE CONTROL, MAINTENANCE, SAFETY, AND LIABILITY OF THE PRIVATE DRAINAGEWAYS AND COMMON AREA WITHIN THIS SUBDIVISION.

TITLE SECURITY AGENCY LLC. A DELAWARE LIMITED LIABILITY COMPANY, FKA TITLE SECURITY AGENCY OF ARIZONA, LLC, AS TRUSTEE UNDER TRUST NO. 202413, ONLY AND NOT OTHERWISE.

BY: _____ DATE: _____
TRUST OFFICER

ACKNOWLEDGEMENT

STATE OF ARIZONA
} S.S.
COUNTY OF PIMA

ON THIS, THE ____ DAY OF _____, 20__ BEFORE ME PERSONALLY APPEARED _____ WHO ACKNOWLEDGED HIMSELF/HERSELF TO BE THE TRUST OFFICIAL OF TITLE SECURITY AGENCY, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FKA TITLE SECURITY AGENCY OF ARIZONA, LLC, AS TRUSTEE UNDER TRUST NO. 202413 AND NOT IN ITS CORPORATE CAPACITY, AND ACKNOWLEDGED THAT HE/SHE AS THE TRUST OFFICIAL, BEING AUTHORIZED TO DO SO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE(S) HEREIN CONTAINED.

IN WITNESS WHEREOF: I HEREBY SET MY NAME AND OFFICIAL SEAL.

_____
NOTARY PUBLIC

OWNER

MANANA PROPERTY LLC
ATTN: STEVE RUSSO
3505 N CAMPBELL AVE, STE 504
TUCSON, AZ 85719
PH: (520) 529-1515

DEVELOPER

MATTAMY TUCSON LLC, A DELAWARE LIMITED LIABILITY COMPANY
ATTN: JUSTIN SMITH
3561 E SUNRISE DR, STE 247
TUCSON, AZ 85718
PH: (520) 277-5418

ASSURANCES

ASSURANCES IN THE FORM OF THIRD PARTY TRUST FROM TITLE SECURITY AGENCY LLC, A DELAWARE LIMITED LIABILITY COMPANY, FKA TITLE SECURITY AGENCY OF ARIZONA, LLC, AS TRUSTEE UNDER TRUST NO. 202413, ONLY AND NOT OTHERWISE, AS RECORDED IN SEQUENCE NUMBER _____ IN THE OFFICE OF THE RECORDER OF PIMA COUNTY, ARIZONA 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

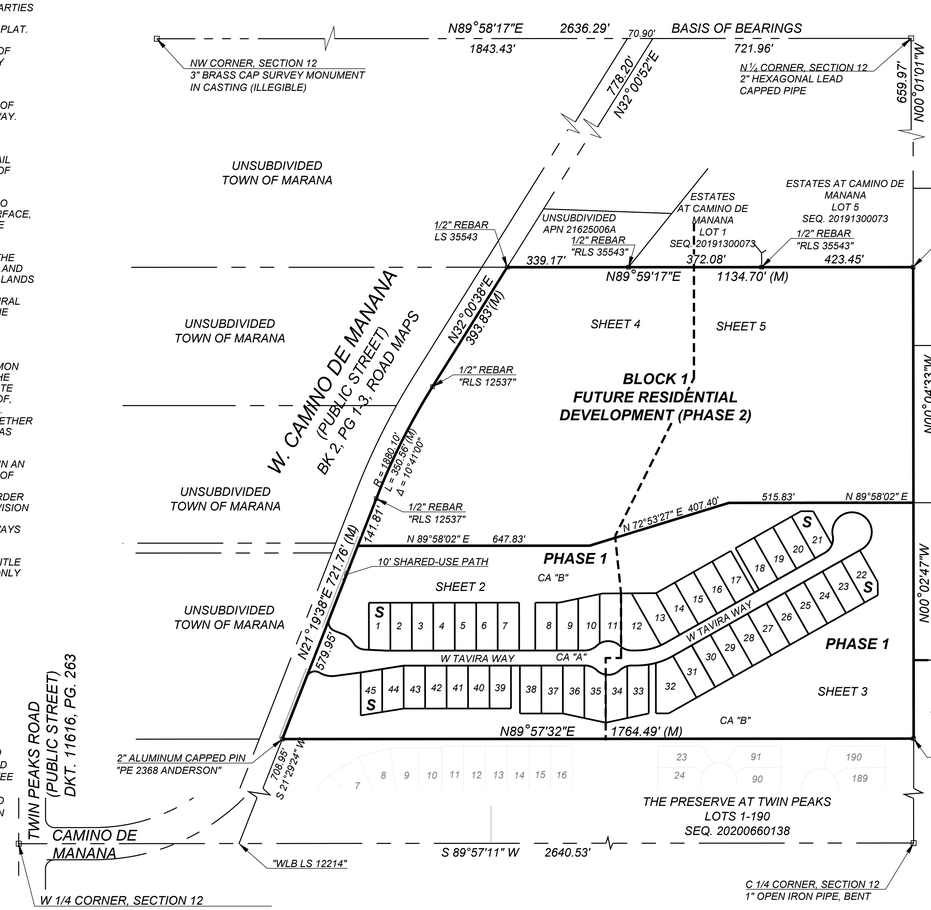
RECORDING

STATE OF ARIZONA } S.S. FEE: _____
COUNTY OF PIMA SEQUENCE NO.: _____

THIS INSTRUMENT WAS FILED FOR RECORD AT THE REQUEST OF ARIZONA REALTY DESIGN, LLC., ON THIS ____DAY OF _____, 20__, AT _____M. IN SEQUENCE NO._____ THEREOF.

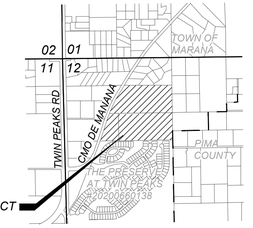
GABRIELLA CÁZARES-KELLY, PIMA COUNTY RECORDER

BY: _____



PROJECT OVERVIEW PLAN

SCALE: 1" = 200'
0' 200' 400' 600'



LOCATION MAP
PORTION OF THE NW 1/4 OF SECTION 12, T 12S, R 12E, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

LEGEND

EXISTING SUBJECT PROPERTY LINE	
PROPOSED RIGHT OF WAY	
PROPOSED SUBJECT PROPERTY LINE	
EXISTING RIGHT OF WAY	
EXISTING ROW MONUMENT LINE	
PROPOSED EASEMENT LINE AS SHOWN (SEE ALSO "EASEMENT KEYNOTES")	
OTHER PARCEL LINES	
ROADWAY CENTERLINE	
SURVEY MONUMENT TO BE SET (BY REGISTERED LAND SURVEYOR PER TOM STD DTL M-103B)	△
FOUND SURVEY MONUMENT AS NOTED	□
1/2" REBAR TO BE SET BY A REGISTERED LAND SURVEYOR	⊥
MEASURED DIMENSION PER SURVEY	(M)
CURVE DATA	C18
LINE DATA	L18
DEVELOPED 100-YEAR FLOODPLAIN	
MATCHLINE	
TOWN BOUNDARY	
100-YEAR FLOOD LINE	FL
100-YEAR FLOOD CURVE	FC
EROSION HAZARD SETBACK LINE	ES107
LIMITED TO SINGLE STORY	S
PAVED PATH	

TOWN OF MARANA APPROVALS

BY:

_____P.E. _____
MARANA TOWN ENGINEER/DEVELOPMENT ENGINEER DATE

_____ _____
MARANA PLANNING MANAGER DATE

TOWN OF MARANA CERTIFICATION

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

ASSURED WATER SUPPLY

A CERTIFICATE OF ASSURED WATER SUPPLY HAS BEEN RECEIVED FROM THE DIRECTOR OF WATER RESOURCES.

BY: _____ _____
MARANA WATER DIRECTOR DATE

PIMA COUNTY APPROVAL

BY: _____ _____
PIMA COUNTY REGIONAL WASTEWATER RECLAMATION DEPARTMENT DATE

SHEET INDEX

1. COVER SHEET
2. LOTS 1 - 11 & 35 - 45 & LINE + CURVE TABLE
3. LOTS 12 - 34
4. BLOCK 1
5. BLOCK 1
6. ANNOTATION TABLES

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) AND COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

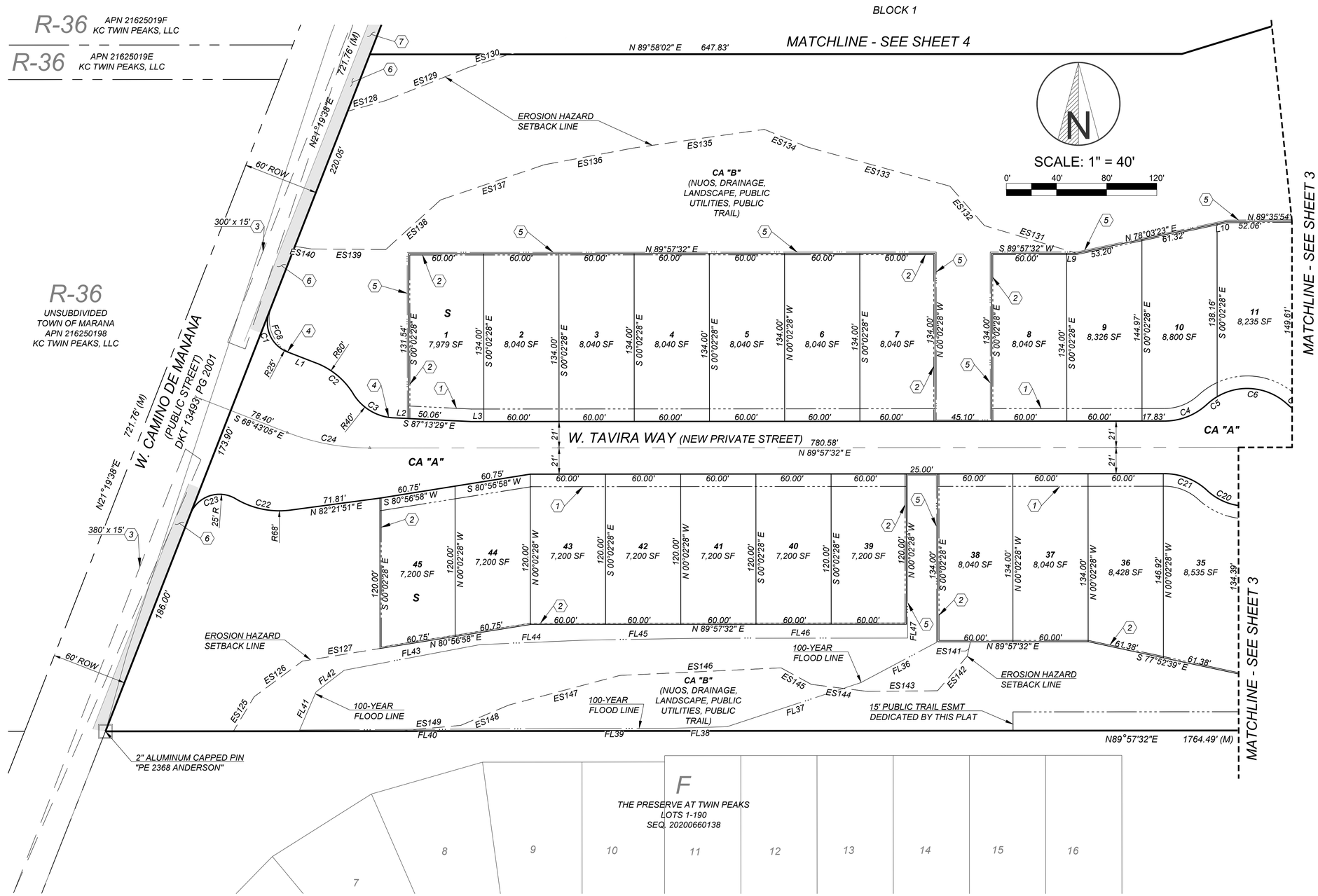
ARIZONA REALTY DESIGN
2934 E 23rd St. Tucson, AZ 85713 520-390-7519 richard@azrealtydesign.com Project No. 21.001

PRV2209-001
REF: PCZ1512-001, PRV2109-004 DATE: 07-18-24

SHEET 1 OF 6

SEQUENCE #_____

SEQUENCE #



KEYNOTES

1 10' PUBLIC UTILITY, ROADWAY MAINTENANCE AND SIGNAGE EASEMENT DEDICATED BY THIS PLAT.

2 1' NO VEHICULAR ACCESS EASEMENT DEDICATED BY THIS PLAT.

3 SIGHT VISIBILITY TRIANGLE FOR PROPOSED DEVELOPMENT. SEE KEYNOTE FOR DIMENSIONS.

4 100-YEAR FLOOD LINE AND EROSION HAZARD SETBACK LINE COINCIDES WITH COMMON AREA PROPERTY LINE, UNLESS OTHERWISE SHOWN.

5 100-YEAR FLOOD LINE AND EROSION HAZARD SETBACK LINE LOCATED 1' OFFSET PROPERTY LINE, UNLESS OTHERWISE SHOWN.

6 10' SHARED-USE PATH ALONG CAMINO DE MANANA FRONTAGE, CONSTRUCTED OF ASPHALT AND TO THE TOWN OF MARANA STANDARDS (PER SEPARATE IMPROVEMENT PLAN). THE PORTION ADJACENT TO PHASE 1 TO BE CONSTRUCTED WITH THE PAVING OF PHASE 1.

7 10' SHARED-USE PATH ALONG CAMINO DE MANANA FRONTAGE TO BE CONSTRUCTED DURING PHASE 2.

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) AND COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

ARIZONA REALTY DESIGN

2934 E 23rd St. Tucson, AZ 85713 520-390-7519 richard@azrealtydesign.com Project No. 21.001

PRV2209-001

REF: PCZ1512-001, PRV2109-004 DATE: 07-18-24

SEQUENCE #_____

SEQUENCE #

BLOCK 1

MATCHLINE - SEE SHEET 5

MATCHLINE - SEE SHEET 2

MATCHLINE - SEE SHEET 2

SCALE: 1" = 40'

0' 40' 80' 120'

SEQUENCE #

CA "B"
(NUOS, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

CA "A"

W. TAVIRA WAY (NEW PRIVATE STREET)

12 11,390 SF
13 9,039 SF
14 8,040 SF
15 8,040 SF
16 8,040 SF
17 8,040 SF
18 8,040 SF
19 8,040 SF
20 8,040 SF
21 7,688 SF
22 7,749 SF
23 8,040 SF
24 8,040 SF
25 8,040 SF
26 8,040 SF
27 8,040 SF
28 8,040 SF
29 8,040 SF
30 8,040 SF
31 8,040 SF
32 12,181 SF
33 8,449 SF
34 8,182 SF
S

N 72°53'27" E 407.40'
515.83' N 89°58'02" E
N 89°45'15" W 34.56'
N 89°35'54" E 29.13'
N 77°47'44" E 61.38'
N 89°57'32" E 35.88'
N89°57'32"E 1764.49' (M)
N00°02'47"W 659.49' (C)

EROSION HAZARD SETBACK LINE
100-YEAR FLOOD LINE
15' PUBLIC TRAIL ESMT DEDICATED BY THIS PLAT
100' SETBACK AND OPEN SPACE BUFFER 20' LANDSCAPE BUFFER WITHIN WEST 20'
25' SEWER ESMT PER SEQ. 20200660130
15' PUBLIC TRAIL ESMT PER SEQ. 20200660138
1-1/2" LEAD CAPPED PIPE ILLEGIBLE

R-36
VACANT
UNSUBDIVIDED
APN 216240110
RADIN MARC S & RADIN LYNNETTE JT/RS

SR
UNSUBDIVIDED
PIMA COUNTY
APN 21624012B
DENEKE SAMUEL J TR

F
THE PRESERVE AT TWIN PEAKS
LOTS 1-190
SEQ. 20200660138

KEYNOTES

1 10' PUBLIC UTILITY, ROADWAY MAINTENANCE AND SIGNAGE EASEMENT DEDICATED BY THIS PLAT.

2 1' NO VEHICULAR ACCESS EASEMENT DEDICATED BY THIS PLAT.

3 SIGHT VISIBILITY TRIANGLE FOR PROPOSED DEVELOPMENT. SEE KEYNOTE FOR DIMENSIONS.

4 100-YEAR FLOOD LINE AND EROSION HAZARD SETBACK LINE COINCIDES WITH COMMON AREA PROPERTY LINE, UNLESS OTHERWISE SHOWN.

5 100-YEAR FLOOD LINE AND EROSION HAZARD SETBACK LINE LOCATED 1' OFFSET PROPERTY LINE, UNLESS OTHERWISE SHOWN.

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) AND COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

ARIZONA REALTY DESIGN

2934 E 23rd St. Tucson, AZ 85713 520-390-7519 richard@azrealtydesign.com Project No. 21.001

PRV2209-001

REF: PCZ1512-001, PRV2109-004 DATE: 07-18-24

SEQUENCE #_____

R-36
UNSUBDIVIDED
TOWN OF MARANA
APN 21625014D
CABIN BRIAN & AIVAZIAN MARY JT/RS

R-36
SINGLE FAMILY RESIDENTIAL
UNSUBDIVIDED
APN 21625006A
CORBIN JEFFREY A & ANGELA S CP/RS

R-36
ESTATES AT CAMINO DE MANANA
LOT 1
SEQ. 20191300073
PRARIE HOLDINGS LLC

1/2" REBAR, LS 35543

339.17'

1/2" REBAR
"RLS 35543"

372.08'

N89°59'17"E 1134.70' (M)

N

SCALE: 1" = 40'

0' 40' 80' 120'

SEQUENCE #

MATCHLINE - SEE SHEET 5

R-36
UNSUBDIVIDED
TOWN OF MARANA
APN 21625015L
KC TWIN PEAKS, LLC

W. CAMINO DE MANANA
(PUBLIC STREET)
DKT 13493, PG 2001

N32°00'38"E 393.83'(M)

1/2" REBAR
"RLS 12537"

10' SHARED-USE PATH ALONG
CAMINO DE MANANA FRONTAGE
ADJACENT TO PHASE 2 TO BE
CONSTRUCTED DURING PHASE 2

R-36
APN 21625019F
KC TWIN PEAKS, LLC

BLOCK 1
FUTURE RESIDENTIAL
DEVELOPMENT (PHASE 2)
976,991.10 SF (22.43 AC)

R = 1680.10'
L = 300.58' (M)
Δ = 10°41'00"

1/2" REBAR
"RLS 12537"

141.81'

10' SHARED-USE PATH ALONG
CAMINO DE MANANA FRONTAGE
ADJACENT TO PHASE 2 TO BE
CONSTRUCTED DURING PHASE 2

N 89°58'02" E 647.83'

MATCHLINE - SEE SHEET 2

MATCHLINE - SEE SHEET 5

N 72°53'27" E 407.40'

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) AND COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

ARIZONA REALTY DESIGN

2934 E 23rd St. Tucson, AZ 85713 520-390-7519 richard@azrealtydesign.com Project No. 21.001

PRV2209-001

REF: PCZ1512-001, PRV2109-004 DATE: 07-18-24

SEQUENCE #_____



SCALE: 1" = 40'

0' 40' 80' 120'

R-36
ESTATES AT CAMINO DE MANANA
LOT 1
SEQ. 20191300073
PRARIE HOLDINGS LLC

R-36
ESTATES AT CAMINO DE MANANA
LOT 5
SEQ. 20191300073
CAMINO DE MANANA INVESTMENTS LLC

1/2" REBAR
"RLS 35543"

1-1/2" ALUMINUM CAP
"LS 1052 1/64"

372.08'

N89°59'17"E 1134.70' (M)

423.45'

R-144
SINGLE FAMILY
RESIDENTIAL
UNSUBDIVIDED
APN 21624010F
MANSUR REVOC LIVING TR

MATCHLINE - SEE SHEET 4

BLOCK 1
FUTURE RESIDENTIAL
DEVELOPMENT (PHASE 2)
976,991.10 SF (22.43 AC)

R-144
VACANT
UNSUBDIVIDED
APN 21624010G
MANSUR REVOC LIVING TR

N00°04'33"W
658.58' (C)

MATCHLINE - SEE SHEET 4

N 72°53'27" E 407.40'

515.83' N 89°58'02" E

MATCHLINE - SEE SHEET 3

SEQUENCE #

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) AND COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

ARIZONA REALTY DESIGN

2934 E 23rd St. Tucson, AZ 85713 520-390-7519 richard@azrealtydesign.com Project No. 21.001

PRV2209-001

REF: PCZ1512-001, PRV2109-004 DATE: 07-18-24

SEQUENCE #_____

LINE + CURVE TABLE

LINE #/CURVE #	BEARING/DELTA	RADIUS	LENGTH
C1	90°06'22"	25.00'	39.32'
C2	37°16'49"	60.00'	39.04'
C3	55°43'34"	40.00'	38.90'
C4	42°56'57"	50.00'	37.48'
C5	12°21'30"	47.00'	10.14'
C6	73°32'24"	47.00'	60.33'
C7	6°03'57"	50.00'	5.29'
C8	36°52'59"	50.00'	32.19'
C9	24°37'17"	160.00'	68.76'
C10	4°49'54"	160.00'	13.49'
C11	40°12'34"	45.00'	31.58'
C12	31°07'40"	45.00'	24.45'
C13	251°20'13"	55.00'	241.27'
C14	14°24'32"	202.00'	50.80'
C15	5°48'18"	202.00'	20.47'
C16	9°14'21"	202.00'	32.57'
C17	15°10'02"	50.00'	13.24'
C18	27°46'55"	50.00'	24.24'
C19	51°30'12"	47.00'	42.25'
C20	34°23'42"	47.00'	28.21'
C21	43°58'51"	50.00'	38.38'
C22	38°32'51"	68.00'	45.75'
C23	99°35'04"	25.00'	43.45'
C24	21°19'23"	181.00'	67.36'
C25	29°27'12"	181.00'	93.04'
L1	N 68° 46' 44" W		24.84'
L2	S 87° 13' 29" E		11.98'
L3	N 89° 57' 32" E		10.00'
L4	N 89° 57' 32" E		14.49'
L5	N 60° 30' 20" E		15.00'
L6	N 60° 30' 20" E		6.16'
L8	S 89° 57' 32" W		14.49'
L9	S 89° 57' 32" W		7.94'
L10	S 78° 03' 23" W		8.11'

EHS LINE TABLE

LINE #	DIRECTION	LENGTH
ES125	N 31° 06' 53" E	32.21'
ES126	N 53° 32' 42" E	47.74'
ES127	N 80° 43' 30" E	62.75'
ES128	N 74° 15' 55" E	31.71'
ES129	N 68° 13' 29" E	71.25'
ES130	N 71° 58' 48" E	33.72'
ES131	N 73° 17' 59" W	76.79'
ES132	N 41° 13' 07" W	41.81'
ES133	N 74° 37' 35" W	117.70'
ES134	N 67° 47' 01" W	37.40'
ES135	S 81° 53' 03" W	105.33'
ES136	S 79° 22' 27" W	72.52'
ES137	S 71° 15' 34" W	87.30'
ES138	S 47° 48' 03" W	58.98'
ES139	N 89° 35' 06" W	59.03'
ES140	N 81° 05' 59" W	13.69'
ES141	S 12° 30' 35" W	11.79'
ES142	S 40° 34' 16" W	36.34'
ES143	S 89° 32' 01" W	56.43'
ES144	N 82° 52' 31" W	44.58'

EHS LINE TABLE

LINE #	DIRECTION	LENGTH
ES145	N 61° 24' 23" W	27.57'
ES146	S 87° 19' 15" W	128.66'
ES147	S 75° 03' 54" W	91.82'
ES148	S 67° 03' 34" W	41.60'
ES149	S 84° 47' 58" W	50.59'
ES150	N 0° 18' 41" W	7.98'
ES151	N 30° 24' 54" E	8.68'
ES152	N 48° 34' 12" E	7.09'
ES153	N 56° 43' 30" E	26.66'
ES154	N 52° 40' 06" E	26.34'
ES155	N 56° 32' 30" E	3.38'
ES156	N 65° 08' 13" E	4.12'
ES157	N 65° 04' 25" E	39.66'
ES158	N 86° 40' 23" W	38.99'
ES159	S 81° 21' 26" W	42.72'
ES160	S 66° 54' 59" W	38.70'
ES161	S 21° 48' 13" W	79.11'
ES162	S 31° 06' 34" W	8.09'
ES163	S 48° 40' 37" W	7.18'
ES164	S 57° 37' 31" W	57.45'

EHS LINE TABLE

LINE #	DIRECTION	LENGTH
ES165	S 78° 10' 22" W	6.75'
ES166	S 85° 55' 49" W	34.11'
ES167	S 79° 27' 39" W	33.49'
ES168	S 40° 26' 06" W	64.09'
ES169	S 59° 30' 52" W	7.91'
ES170	S 68° 36' 49" W	33.66'
ES171	S 77° 57' 12" W	8.11'
ES172	S 87° 17' 34" W	32.10'
ES173	S 59° 39' 54" W	54.56'
ES174	S 45° 24' 54" W	71.51'
ES175	S 52° 25' 59" W	6.11'
ES176	S 59° 27' 16" W	32.60'
ES177	S 65° 09' 47" W	4.57'
ES178	S 79° 41' 56" W	8.07'
ES179	S 88° 58' 59" W	76.30'
ES180	S 57° 25' 35" W	40.13'
ES181	S 63° 55' 15" W	5.66'
ES182	S 75° 24' 54" W	4.36'
ES183	S 87° 40' 19" W	6.32'
ES184	N 85° 04' 16" W	18.61'

EHS LINE TABLE

LINE #	DIRECTION	LENGTH
ES185	S 60° 02' 09" W	4.88'
ES186	S 6° 02' 20" W	7.26'
ES187	S 57° 37' 05" E	16.65'
ES188	N 78° 14' 37" E	23.85'
ES189	N 65° 52' 38" E	63.48'
ES190	N 47° 30' 19" E	63.28'
ES191	N 53° 57' 36" E	5.62'
ES192	N 62° 52' 24" E	20.67'
ES193	N 71° 40' 40" E	7.60'
ES194	N 89° 54' 56" E	43.56'
ES195	N 33° 28' 15" E	38.64'
ES196	N 38° 37' 04" E	51.50'
ES197	N 27° 58' 04" E	17.62'
ES198	N 58° 59' 08" E	36.62'
ES199	N 88° 04' 40" E	85.14'
ES200	N 54° 21' 17" E	110.60'
ES201	N 21° 36' 33" E	45.62'
ES202	N 32° 53' 10" E	33.95'
ES203	N 57° 35' 11" E	32.02'
ES204	S 89° 35' 06" E	7.27'

EHS LINE TABLE

LINE #	DIRECTION	LENGTH
ES205	S 32° 53' 10" W	31.56'
ES206	S 44° 28' 33" W	37.45'
ES207	S 8° 01' 30" W	13.20'
ES209	N 82° 34' 35" W	81.77'
ES210	S 85° 33' 02" W	36.33'
ES211	N 80° 31' 07" W	82.63'
ES212	N 89° 35' 06" W	4.07'
ES213	S 75° 43' 26" E	17.24'
ES214	S 64° 35' 06" E	4.36'
ES215	S 54° 35' 06" E	4.36'
ES216	S 44° 35' 06" E	4.36'
ES217	S 34° 35' 06" E	4.36'
ES218	S 24° 51' 47" E	4.12'
ES219	S 20° 08' 25" E	53.56'
ES220	S 15° 02' 18" E	3.79'
ES221	S 12° 59' 10" E	0.65'
ES222	S 11° 05' 49" E	15.61'
ES223	N 60° 09' 31" E	39.08'
ES224	N 52° 03' 19" E	38.62'

FLOODPLAIN LINE TABLE

LINE #/CURVE #	BEARING/DELTA	RADIUS	LENGTH
FC1	91°00'27"	30.00'	47.65'
FC2	72°56'11"	25.00'	31.82'
FC3	5°14'00"	379.00'	34.62'
FC8	90°02'09"	30.00'	47.14'
FL1	N 25° 35' 52" E		181.92'
FL2	N 44° 56' 00" E		70.42'
FL3	N 55° 33' 06" E		67.10'
FL4	N 36° 36' 25" E		4.01'
FL5	N 78° 30' 45" E		104.55'
FL6	N 23° 50' 24" E		6.37'
FL7	S 89° 51' 58" E		130.43'
FL8	S 0° 00' 38" E		42.00'
FL9	S 89° 59' 22" W		30.35'
FL11	S 10° 39' 01" W		90.43'
FL12	S 53° 33' 42" W		39.73'
FL13	S 53° 33' 42" W		16.29'
FL14	S 43° 32' 03" W		45.65'
FL15	N 31° 52' 07" E		20.68'
FL16	N 1° 34' 23" E		24.31'
FL17	N 71° 29' 21" W		18.91'
FL18	N 88° 30' 06" W		30.73'
FL19	N 37° 56' 37" E		28.70'
FL20	N 24° 05' 50" E		70.44'
FL21	N 50° 56' 45" E		65.87'
FL22	N 44° 49' 20" E		14.63'
FL23	N 5° 41' 34" W		15.72'
FL24	N 68° 27' 51" E		110.54'
FL25	N 38° 36' 06" E		40.07'
FL26	N 21° 39' 16" E		41.26'
FL27	N 14° 16' 02" W		66.85'
FL28	N 37° 38' 11" E		41.90'

FLOODPLAIN LINE TABLE

LINE #/CURVE #	BEARING/DELTA	RADIUS	LENGTH
FL29	N 22° 17' 43" W		9.69'
FL30	N 89° 27' 03" W		41.41'
FL31	S 46° 20' 44" W		34.45'
FL32	N 26° 04' 34" W		53.85'
FL33	N 42° 42' 13" E		43.35'
FL34	S 51° 03' 55" W		109.20'
FL35	S 13° 25' 45" W		60.25'
FL36	S 62° 01' 56" W		68.51'
FL37	S 71° 45' 29" W		112.28'
FL38	S 88° 22' 23" W		43.09'
FL39	S 89° 47' 24" W		93.96'
FL40	S 89° 42' 44" W		203.94'
FL41	N 23° 21' 00" E		33.10'
FL42	N 52° 30' 18" E		28.36'
FL43	N 79° 18' 06" E		110.14'
FL44	N 87° 33' 35" E		82.36'
FL45	N 89° 00' 21" E		88.13'
FL46	N 89° 56' 06" E		170.87'
FL47	N 0° 02' 28" W		11.03'
FL48	S 75° 51' 25" W		49.98'
FL49	S 49° 56' 41" W		51.91'
FL50	S 44° 10' 06" W		34.28'
FL51	N 43° 36' 39" E		140.52'
FL52	N 29° 23' 40" E		183.72'
FL53	N 89° 38' 00" E		74.25'
FL54	S 82° 51' 48" E		114.66'
FL55	N 68° 08' 44" E		106.18'
FL56	N 55° 32' 39" E		42.03'
FL57	N 82° 27' 01" E		45.59'
FL58	N 47° 41' 51" E		166.45'

SEQUENCE #

FINAL PLAT for TAVIRA AT TWIN PEAKS

PHASE 1 - LOTS 1 THRU 45, BLOCK 1 - FUTURE RESIDENTIAL DEVELOPMENT (PHASE 2), COMMON AREA "A" (PRIVATE STREETS, DRAINAGE, PUBLIC UTILITIES, ACCESS AND MAINTENANCE) AND COMMON AREA "B" (NATURAL UNDISTURBED OPEN SPACE, DRAINAGE, LANDSCAPE, PUBLIC UTILITIES, PUBLIC TRAIL)

BEING A SUBDIVISION OF A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 12 EAST, G&SRM, TOWN OF MARANA, PIMA COUNTY, ARIZONA

ARIZONA REALTY DESIGN

2934 E 23rd St. Tucson, AZ 85713 520-390-7519 richard@azrealtydesign.com Project No. 21.001

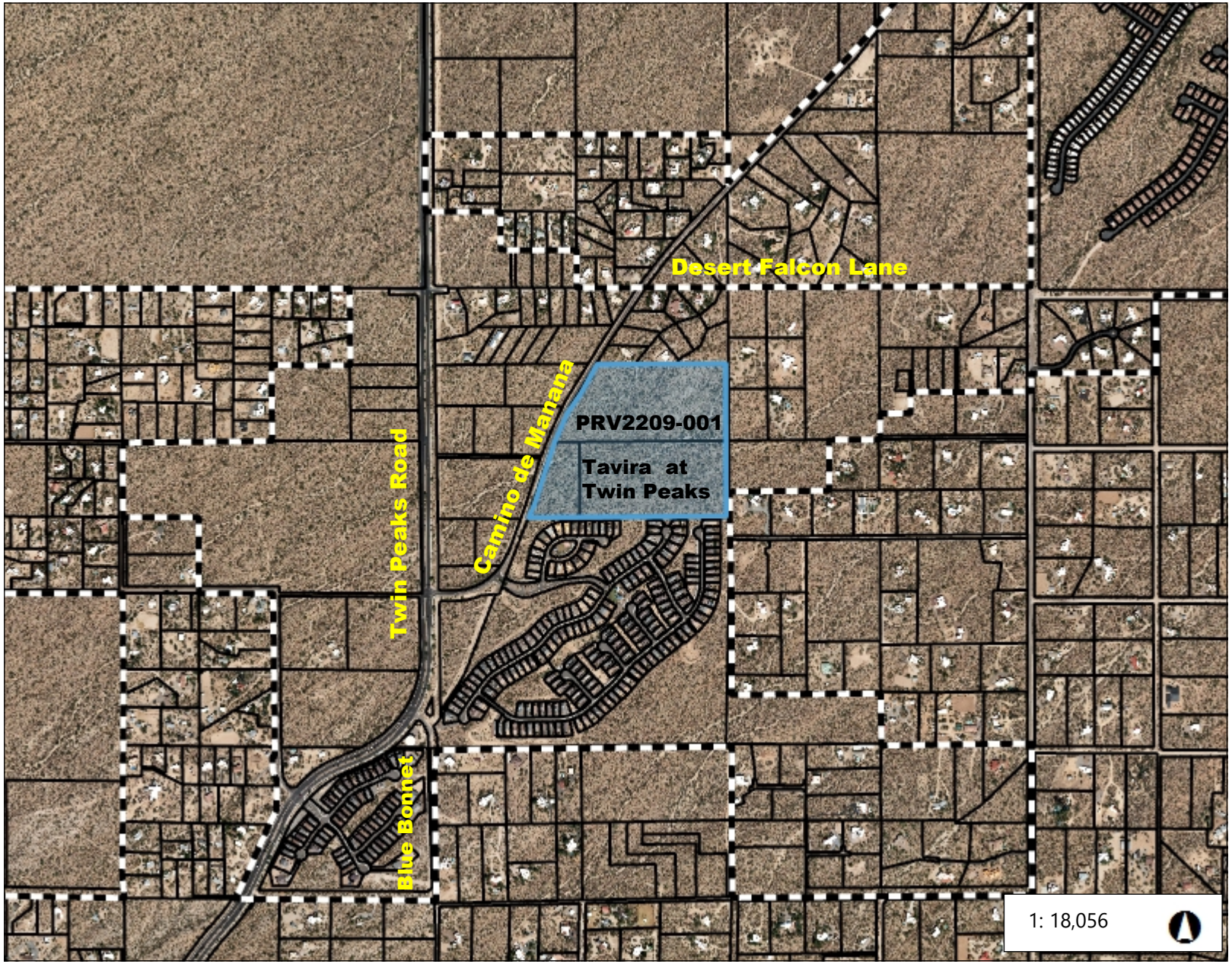
PRV2209-001

REF: PCZ1512-001, PRV2109-004 DATE: 07-18-24

SEQUENCE #_____

Town of Marana Planning

PRV2209-001: Tavira at Twin Peaks Phase 1, Lots 1-45





Legend

- Marana Town Limits
- Parcel Labels
- Parcels (Black)

Notes

0.6 0 0.28 0.6 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

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

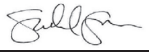
Project Name: TAVIRA AT TWIN PEAKS, Phase 1, Lots 1-45			
Description of Project: Residential Subdivision		Number of Lots: 45	
Parcel No.(s): 216-25-0160, 216-25-0170, 216-25-0180		Gross Area (Acres): 44.96	
Project Address: 5181 WEST CAMINO DE MANANA. MARANA, ARIZONA 85742			
Ref. Project No.: PCZ1512-001, PRV2109-004			

CONTACT INFORMATION

Owner: Marana Property, LLC	Contact Name: Steven Russo		
Address: 6700 N. Oracle Rd., Suite 100	City: Tucson	State: AZ	Zip: 85704
Email: stever@rrlaw.com	Phone No.: (520) 529-1515		
Applicant: Arizona Realty Design	Contact Name: Richard Macias		
Address: 2934 E. 23rd St.	City: Tucson	State: AZ	Zip: 85713
Email: richard@azrealtydesign.com	Phone No.: (520) 390-7519		
Consultant/Engineer: same as above	Contact Name:		
Address:	City:	State:	Zip:
Email:	Phone No.:		

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.)

Richard Macias		6/17/2024
Applicant Name (PRINT)	Signature	Date

FOR OFFICIAL USE ONLY

Project No._____ **Date Received**_____

Revision Date 03/29/2019

Council-Regular Meeting **C4**

Meeting Date: 08/20/2024

To: Mayor and Council

From: David L. Udall, Town Clerk/Assistant Town Attorney

Date: August 20, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-079: Relating to Marana Regional Airport; approving and authorizing the Mayor to sign the Fourth Amendment to the Master Development Lease Agreement for the lease of real property located at the Marana Regional Airport, 11700 West Avra Valley Road (David L. Udall)

Discussion:

The Town, as successor in interest to Pima County, and Pima Aviation, Inc. are parties to the Master Development Lease Agreement, also known as the "73-Acre Lease," (the Lease) by which the Town leases to Pima Aviation a certain portion of real property located at the Marana Regional Airport. This 25-year Lease commenced on June 1,1999, and has been amended thrice before - once in 2001 to revise the lease premises area, once in 2018 to further revise the lease premises area and amend other provisions, and once in June 2024 to extend the Lease until August 31, 2024 while the parties negotiated a new lease or other resolution. The lease premises area involves land denoted with black hatching in the Marana Regional Airport Lease Areas map included in the agenda materials. The original Lease and its previous amendments are also included for reference.

Article 2 of the third amendment to the Lease provides that the parties may extend the Lease beyond August 31, 2024 for the purpose of continued negotiations so long as the Town agrees to do so in writing. Since the Lease was amended in June 2024, Town staff and Pima Aviation have continued to negotiate regarding the terms of a new lease or other resolution. Additional time is needed to negotiate and finalize and agreed-upon path forward.

If approved, the proposed amendment will extend the Lease from August 31, 2024, until March 1, 2024, or until the date a new lease is entered into or other resolution reached.

Staff Recommendation:

Staff recommends approval of Resolution No. 2024-079.

Suggested Motion:

I move to adopt Resolution No. 2024-079, approving and authorizing the Mayor to sign the Fourth Amendment to the Master Development Lease Agreement.

Attachments

Resolution No. 2024-079
Exhibit A - Fourth Amendment to Master Development Lease Agreement
Master Development Lease Agreement
First Amendment
Second Amendment
Third Amendment
Marana Regional Airport Lease Areas Map

MARANA RESOLUTION NO. 2024-079

RELATING TO MARANA REGIONAL AIRPORT; APPROVING AND AUTHORIZING THE MAYOR TO SIGN THE FOURTH AMENDMENT TO THE MASTER DEVELOPMENT LEASE AGREEMENT FOR THE LEASE OF REAL PROPERTY LOCATED AT THE MARANA REGIONAL AIRPORT, 11700 WEST AVRA VALLEY ROAD

WHEREAS the Town of Marana and Pima Aviation, Inc. are parties to that certain lease agreement entitled, Master Development Lease Agreement (also known as the "73-Acre Lease") with a Commencement Date of June 1, 1999 (the "Lease"), as amended by (1) the First Amendment to the 73-Acre Lease recorded in the office of the Pima County Recorder on December 28, 2001 at Sequence No. 20012501214, (2) the Second Amendment to the Master Development Lease Agreement recorded in the office of the Pima County Recorder on June 12, 2018 at Sequence No. 20181630107, and (3) the Third Amendment to the Master Development Lease Agreement, recorded in the office of the Pima County Recorder on June 21, 2024, at Sequence No. 20241730160, by which Lessor leases to Lessee a certain portion of real property located at the Marana Regional Airport (formerly the Avra Valley Airport), 11700 West Avra Valley Road, Town of Marana; and

WHEREAS the Town and Pima Aviation now desire to amend the Lease further to extend it while the parties continue to negotiate the terms and conditions of a new lease or other negotiated resolution; and

WHEREAS the Mayor and Council find this resolution 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: the Fourth Amendment to Master Development Lease Agreement, substantially in the same form attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved, the Mayor is hereby authorized and directed to sign it for and on behalf of the Town of Marana, and 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 the agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 20th day of August, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

FOURTH AMENDMENT TO MASTER DEVELOPMENT LEASE AGREEMENT

THIS FOURTH AMENDMENT TO MASTER DEVELOPMENT LEASE AGREEMENT (this "Fourth Amendment") is made and entered by and between the TOWN OF MARANA, an Arizona municipal corporation, successor in interest to Pima County, ("Lessor") and PIMA AVIATION, INC., an Arizona corporation ("Lessee"). Lessor and Lessee are collectively referred to in this Fourth Amendment as the "Parties" and are sometimes referred to individually as a "Party."

RECITALS

A. Lessor and Lessee are parties to that certain lease agreement entitled, "Master Development Lease Agreement" (also known as the "73-Acre Lease") with a Commencement Date of June 1, 1999 (the "Original Lease") by which Lessor leases to Lessee a certain portion of real property located at the Marana Regional Airport (formerly the Avra Valley Airport), 11700 West Avra Valley Road, Town of Marana, County of Pima, State of Arizona (the "Premises").

B. On September 4, 2001, the Parties entered into the "First Amendment to the 73-Acre Lease," recorded in the office of the Pima County Recorder on December 28, 2001, at Docket 11705, Page 5244 (Sequence No. 20012501214), (the "First Amendment") by which the Parties amended the Original Lease to revise the legal descriptions of the Premises.

C. On June 5, 2018, the Parties entered into the "Second Amendment to the Master Development Lease Agreement," recorded in the office of the Pima County Recorder on June 12, 2018, at Sequence No. 20181630107, (the "Second Amendment"), by which the Parties amended the Original Lease to (1) again revise the legal descriptions of the Premises, (2) revise Articles 12 ("Rules and Regulations"), 14 ("Reservation of Easement"), and 20 ("General Provisions") of the Original Lease, and (3) clarify that the effective date of the Original Lease for all purposes is the same as the Commencement Date of June 1, 1999.

D. For reference purposes, a true and correct copy of the Original Lease was attached to the Second Amendment and recorded in the office of the Recorder of Pima County, Arizona with the Second Amendment.

E. The Premises are more particularly described as follows:

1. Parcel One as described in the legal description and map attached as Exhibit B to the First Amendment to 73-Acre Lease dated September 4, 2001, recorded in the office of the Recorder of Pima County, Arizona, on December 28, 2001, at Docket 11705, Page 5244 (Sequence No. 20012501214)

2. Parcel Two as described in the legal description and map attached as Exhibit 2 to the Second Amendment to Master Development Lease Agreement, dated June 5, 2018, recorded in the office of the Recorder of Pima County, Arizona, on June 12, 2018, at Sequence No. 20181630107

3. Parcel Three as described in the legal description and map attached as Exhibit 1 to the Second Amendment to Master Development Lease Agreement, dated June 5, 2018, recorded in the office of the Recorder of Pima County, Arizona, on June 12, 2018, at Sequence No. 20181630107

F. On June 18, 2024, the Parties entered into the "Third Amendment to the Master Development Lease Agreement," recorded in the office of the Pima County Recorder on June 21, 2024, at Sequence No. 20241730160, (the "Third Amendment"), by which the Parties amended the Original Lease to (1) retroactively extend the term of the Original Lease from June 1, 2024, until August 31, 2024, while the Parties continued to negotiate the terms of a new lease or other resolution of issues between the Parties, and (2) revise Paragraph 21.1 of the Original Lease to update the Parties' contact information.

G. Article 2 of the Third Amendment provides that the Parties may extend the Original Lease beyond August 31, 2024, for the purpose of continued negotiations so long as Lessor agrees to do so in writing.

H. The Parties are still negotiating regarding the terms of a new lease or other resolution, and Lessee has continued to occupy the Premises and pay rent on the Premises as Lessee did prior to the expiration of the Original Lease.

I. Paragraph 20.5 of the Original Lease provides that the Original Lease may not be enlarged, modified, or altered except in writing by the Parties.

J. The Parties desire now to amend the Original Lease to extend the term of the Original Lease to provide the Parties additional time to negotiate and finalize a resolution of the issues between the Parties.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants, conditions, and agreements set forth in the Original Lease, the First Amendment,

the Second Amendment, the Third Amendment, and this Fourth Amendment, the Parties agree as follows:

1. Extension of Term. Pursuant to Article 2 of the Third Amendment, Lessor hereby agrees to extend the Original Lease from August 31, 2024, until March 1, 2025, unless sooner terminated pursuant to the provisions set forth in Article 3 of the Third Amendment (the "Second Extension Period"). The terms and provisions of the Original Lease, as amended, shall apply during the Second Extension Period.

2. Effective Date of the Fourth Amendment. This Fourth Amendment shall be effective as of the signature date of the last Party to sign this Fourth Amendment.

3. Recordation. Lessor shall at its expense record this Fourth Amendment in the office of the Recorder of Pima County, Arizona within ten days of execution of this Fourth Amendment by all Parties.

4. Other Terms and Provisions. All other terms and provisions of the Original Lease and its exhibits, as amended by the First Amendment, the Second Amendment, and the Third Amendment, not specifically changed by this Fourth Amendment, shall remain in effect and be binding upon the Parties as provided for in the Original Lease. Words and phrases having a defined meaning in the Original Lease have the same respective meanings when used in this Fourth Amendment unless otherwise expressly stated.

5. Recitals. The recitals set forth at the beginning of this Fourth Amendment are hereby acknowledged, confirmed to be accurate, and incorporated here by reference.

6. Entire Agreement. This Fourth Amendment constitutes the entire agreement between the Parties pertaining to the subject matter of this Fourth Amendment. All prior and contemporaneous agreements, representation, and understanding of the Parties, oral or written, pertaining to the subject matter of this Fourth Amendment are hereby superseded and merged in this Fourth Amendment.

7. Severability. If any provision of this Fourth Amendment 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 Fourth Amendment, 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 Fourth Amendment 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 Fourth Amendment shall be deemed reformed accordingly.

8. Governing Law. This Fourth Amendment is entered into in Arizona and shall be construed and interpreted under the laws of Arizona, and any actions to enforce or

interpret the terms and provisions of this Fourth Amendment shall be brought and maintained in Pima County, Arizona.

9. Interpretation. This Fourth Amendment has been negotiated by Lessor and Lessee, and neither Party shall be deemed to have drafted this Fourth Amendment for purposes of construing any portion of this Fourth Amendment for or against any Party.

[Signature Page Follows.]

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as of the last date set forth below their respective signatures.

LESSOR:

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: _____

LESSEE:

PIMA AVIATION, INC., an Arizona corporation

By: _____
Gary L. Abrams, President

Date: _____

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

STATE OF ARIZONA)
)ss:
County of Pima)

The foregoing instrument was acknowledged before me this ____ day of June, 2024, by Gary Abrams, the President of Pima Aviation, Inc., an Arizona corporation, on behalf of the corporation.

_____
Notary Public

My Commission Expires: _____

MASTER DEVELOPMENT LEASE AGREEMENT

PIMA AVIATION, INC.
&
PIMA COUNTY

Exhibits to be included in Lease Agreement

Exhibit	Description	Supplied by
A	Legal & map of 73 acre parcel	PAI
B	Rent Schedule	Marana/Gear

TABLE OF CONTENTS

1 **DESCRIPTION OF PREMISES.** 1
- 1.1 Premises. 1
- 1.2 LESSOR's Right to Remove Land from Premises. 1
- 1.3 Removal of Land from Premises. 2

2 **TERM.** 2
- 2.1 Initial Term. 2
- 2.2 Extension Term. 2
- 2.3 Appraisal for Extension Term. 3

3 **COMPENSATION.** 4
- 3.1 Fixed Rent. 4
- 3.2 Percentage Rent. 4
- 3.3 Fuel Flowage Fee. 4
- 3.4 Amendment of Compensation by Mutual Agreement. 5
- 3.5 Record Keeping. 5

4 **USE OF PREMISES.** 5
- 4.1 Aeronautical and Aviation Related Uses. 5
- 4.2 Non-Airport Activities. 5
- 4.3 Report of Leasing Activity. 5
- 4.4 Approval of Subleases. 6
- 4.5 Lawful Use and Condition of Premises. 7
- 4.6 Other Rights of LESSEE. 7
- 4.7 Public Funding for Improvements. 7
- 4.8 Water Delivery for Fire Protection System. 8
- 4.9 Financing of Improvements. 8

5 **INSURANCE.** 9
- 5.1 LESSEE's Insurance. 9
- 5.2 Sublessees' Insurance. 9
- 5.3 Additional Insured. 9
- 5.4 Unavailability of Insurance. 9

6 **INDEMNIFICATION.** 10
- 6.1 By LESSEE. 10
- 6.2 By LESSOR. 10
- 6.3 Duty of Care. 10

7 **CONSTRUCTION OF STRUCTURES & IMPROVEMENTS.** 10
- 7.1 LESSEE's Improvements. 10
- 7.2 LESSOR's Approval. 10
- 7.3 No Obligation for Leasehold Improvements. 11
- 7.4 No Liens. 11

7.5 Consent to Removal. . . . 12
7.6 No Obligation for Public Airport Facilities. . . . 12

8 ENVIRONMENTAL PROVISIONS. . . . 12
8.1 LESSEE's Obligation. . . . 12
8.2 Definitions. . . . 12
8.3 Compliance. . . . 13
8.4 Remedies. . . . 15

9 PUBLIC UTILITIES. . . . 15
9.1 Payment. . . . 15
9.2 Repair. . . . 15
9.3 Provision of Utilities. . . . 15
9.4 Rights of Way. . . . 16

10 MAINTENANCE. . . . 16
10.1 LESSEE's Obligations. . . . 16
10.2 LESSOR's Obligations. . . . 16
10.3 Notice by LESSEE. . . . 16
10.4 Inspection by LESSOR. . . . 16

11 TAXES. . . . 16
11.1 LESSEE's Payment. . . . 16

12 RULES AND REGULATIONS. . . . 17
12.1 LESSOR's Regulations. . . . 17
12.2 Department of Transportation Regulations. . . . 17
12.3 Non-Discrimination. . . . 17
12.4 Fairness. . . . 17
12.5 Applicable to Other Agreements. . . . 17
12.6 Affirmative Action. . . . 17
12.7 Non-Compliance. . . . 18
12.8 Future Development. . . . 18
12.9 Future Construction. . . . 18
12.10 Elevation Restriction. . . . 18
12.11 Subordination to Federal Agreements. . . . 18
12.12 No Exclusive Right. . . . 18
12.13 Applicable to Subleases. . . . 18
12.14 Compliance with Aviation Regulations. . . . 18

13 SUPERIOR RIGHTS. . . . 19
13.1 Preemption by U.S. . . . 19
13.2 Disclaimer. . . . 19

14 RESERVATION OF EASEMENT. . . . 19
14.1 LESSOR's Reservation of Rights. . . . 19
14.2 No Obstruction. . . . 19

15 **ASSIGNMENT.** 19
15.1 LESSOR's Consent. 19
15.2 Compliance with Requirements. 20

16 **TERMINATION BY LESSOR.** 20
16.1 Default by LESSEE. 20
16.2 Additional Defaults. 20
16.3 No Waiver. 20
16.4 Remedies Cumulative. 21

17 **TERMINATION BY LESSEE.** 21
17.1 Causes. 21
17.2 Expiration of Cause. 21
17.3 Non-Waiver. 21
17.4 Remedies Cumulative. 21

18 **SURRENDER OF POSSESSION; CONDITION OF PREMISES.** 21
18.1 Surrender. 21
18.2 Condition. 21
18.3 Removal of Personal Property. 22
18.4 Transfer to LESSOR. 22

19 **AIRPORT TRANSFER.** 22
19.1 Transfer of Lease to Marana. 22
19.2 Subsequent Transfer to Pima County. 22

20 **GENERAL PROVISIONS.** 23
20.1 Cumulative. 23
20.2 Non-Waiver. 23
20.3 Time of Essence. 23
20.4 Entire Agreement. 23
20.5 Modification. 23
20.6 Abandonment. 23
20.7 Successors and Assigns Bound. 23
20.8 Article Headings. 23
20.9 Severability. 23
20.10 Applicable Law. 23
20.11 Authority. 24
20.12 Recording and Effective Date. 24
20.13 Approvals. 24

21 **NOTICES.** 24
21.1 Addresses. 24
21.2 Service. 25
21.3 Change of Address. 25

MASTER DEVELOPMENT LEASE AGREEMENT

THIS LEASE is made and entered into this 15th day of June, 1999, by and between PIMA COUNTY, a political subdivision of the State of Arizona ("LESSOR") and PIMA AVIATION, INC., an Arizona corporation ("LESSEE"). LESSOR and LESSEE may be referred to collectively in this Lease as the "parties."

RECITALS

1. LESSOR is the owner of the Airport known as AVRA VALLEY AIRPORT, located in Pima County, Arizona (the "Airport").

2. In the interest of promoting economic development and achieving other public benefits, LESSOR is desirous of encouraging various aeronautical and/or aviation related private businesses, airport support businesses, and appropriate aviation related governmental agencies, to locate their aviation related facilities on presently undeveloped Airport land.

3. The parties believe that the foregoing goal can be achieved most efficiently by leasing certain undeveloped portions of the Airport to LESSEE, who will in turn function as master developer, in cooperation with LESSOR, for the purpose of developing such property and marketing and subleasing it to end users.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual agreement to the terms and conditions set forth below, LESSOR does hereby lease to LESSEE a portion of Airport, as follows:

1 DESCRIPTION OF PREMISES.

1.1 Premises. LESSOR hereby leases to LESSEE a portion of Airport, which portion consists of approximately 73 acres, as particularly described on Exhibit "A" (the "Premises"). LESSEE shall have, subject to the terms and provisions of this Lease and any subleases, the use, occupancy and control of the Premises with all improvements constructed thereon.

1.2 LESSOR's Right to Remove Land from Premises. LESSEE acknowledges that the Airport is in its infancy, and the Airport Master Plan provides for significant and ongoing expansion and improvement of the Airport. As such, LESSEE acknowledges that loss of leased property due to Airport development requirements is likely. Such loss of leased property may come about as a result of LESSOR's need to use such property for airport improvement or expansion, or may come about as a result of governmental regulation, including but not limited to Federal Aviation Administration (FAA) regulations regarding setbacks, clear zones, and restricted visibility zones at the intersection of runways (hereinafter referred to as a "Restriction"). By entering into this Lease, LESSEE acknowledges that it has

reviewed the Airport Master Plan and other necessary documentation, and has made an independent determination regarding this risk and the land to be leased.

1.2.1 If the Restriction appears on the existing Airport Master Plan, the deletion and substitution shall be implemented as soon as possible after the Commencement Date.

1.2.2 If the Restriction is set forth in a subsequent amendment to the Airport Master Plan, the deletion and substitution shall be implemented as soon as possible after the FAA has accepted such amendment.

1.2.3 If any portion of the Premises is or becomes unavailable for development due to governmental regulation not shown on the Airport Master Plan, the deletion and substitution shall be implemented as soon as possible after such regulation becomes effective.

1.3 Removal of Land from Premises. In the event that it becomes necessary for LESSOR to delete any property from the Premises as provided above, LESSEE agrees to cooperate in such transaction as set forth hereinafter.

1.3.1 During the Initial Term and Extension Term, LESSOR may require that certain portions of the Premises must be deleted from the Premises, but such may occur only for the purpose of being utilized for additional aeronautical and aviation purposes.

1.3.2 In the event that such deletion takes place, LESSOR shall use its best efforts to provide in substitution for the parcel deleted another parcel of equivalent size and fair rental value located within the Airport. If such substituted parcel is accepted by LESSEE, the Premises shall be redefined to include the substituted parcel in lieu of the deleted parcel and the "Fixed Rent" (defined below) shall be adjusted to reflect any difference in the size of the Premises.

1.3.3 If no such parcel is mutually agreed upon, LESSOR shall be required to reduce the Fixed Rent (as hereinafter defined) in a proportionate amount. Any such substitution shall not affect the Fixed Rent, unless the substituted parcel is different in size from the deleted parcel.

1.3.4 Nothing in this Lease shall be interpreted to remove the LESSOR'S legal right of eminent domain.

2 TERM.

2.1 Initial Term. The Initial Term of this Lease shall be for a period of twenty-five Lease Years beginning on the 1st day of June 1999 (the "Commencement Date"). As used herein the term "Lease Year" means a one year period beginning on the first day of the Initial Term or on any subsequent anniversary of such date and ending on the day preceding the next following anniversary of such date.

2.2 Extension Term. If LESSEE is not in default in the performance of any of the terms of this Lease when the initial twenty-five year term expires, LESSOR shall extend this Lease at the option of LESSEE for a single additional twenty-five year period

(the "Extension Term"). LESSEE shall exercise the option to extend this Lease by notifying LESSOR in writing that LESSEE is exercising its option to extend the Lease. Such notification shall be made at least one (1) year and no more than three (3) years prior to the expiration of the Initial Term. Except for the Fixed Rent (see below), which shall be redetermined in accordance with this Article upon receipt of LESSEE's written notice to exercise its option to extend this Lease, the terms and provisions of this Lease shall apply to the Extension Term.

2.3 Appraisal for Extension Term. During the thirty (30) days following LESSEE's exercise of its option to extend this Lease, the parties shall meet and attempt to agree on the Fixed Rent for the first Lease Year of the Extension Term. If they are unable to do so, LESSOR shall, within thirty (30) days thereafter, provide LESSEE with a list of four (4) independent MAI appraisers who meet the Competency Provision of the Uniform Standards of Professional Practice, particularly those who are experienced with valuing similar airport type properties. Within twenty (20) days after receiving such list, LESSEE shall give notice to LESSOR of its choice of Qualified Appraiser from among those named. LESSOR shall promptly engage the chosen Qualified Appraiser to determine the Fixed Rent for the first Lease Year of the Extension Term based on the then prevailing market rate for unimproved land at other similar airport facilities in Arizona, and if none in Arizona can be used, then in other comparable localities the appraiser believes are relevant. LESSOR shall promptly notify LESSEE of the results of such appraisal. The determination of the chosen Qualified Appraiser shall be conclusive and binding on the parties.

2.3.1 In determining the Fixed Rent for the Extension Term, the Qualified Appraiser shall use a "land value" basis, i.e., shall take into consideration only the unimproved land value of the Premises, and shall not include the value of any improvements made thereon by LESSEE or its sublessees during the Initial Term. However, the appraisal shall take into consideration any improvements made to the Airport by LESSOR which in the appraiser's professional opinion increase the land value of the Premises.

2.3.2 Notwithstanding the foregoing, the Fixed Rent per acre per year for the first Lease Year of the Extension Term shall in no event be less than such Fixed Rent for the last Lease Year of the Initial Term. Fixed Rent for the third through twenty-fifth Lease Years of the Extension Term shall be determined as follows. Commencing upon the expiration of the first two (2) Lease Years of the Extension Term and every two (2) Lease Years thereafter (the "CPI-U Adjustment Dates"), the Fixed Rent for the next two (2) Lease Years shall be increased by the amount of any percentage increase in the CPI-U during the most recent two (2) calendar year period over the calendar year preceding that two (2) calendar year period, applying the Consumer Price Index for all Urban Consumers (CPI-U), as published by the U.S. Department of Labor, Bureau of Statistics. In the event publication of the CPI-U is terminated, then such periodic adjustment shall be made by application of the index published by the U.S. Department of Labor which most closely resembles the CPI-U.

3 COMPENSATION.

3.1 Fixed Rent. Notwithstanding any additional rent, fees, taxes, or other monies paid to LESSOR pursuant to this Lease or otherwise, LESSEE agrees to pay to LESSOR an amount of rent per acre of the Premises for each Lease Year determined in accordance with the rent schedule attached hereto as Exhibit "B" (the "Fixed Rent"), plus rental tax. The Fixed Rent shall be payable quarterly in advance. The Fixed Rent for partial acres shall be prorated. Fixed Rent for land which is deleted from the Premises or taken by eminent domain shall cease as of the first day of the calendar month following the month in which such land ceases to be a part of the Premises.

3.2 Percentage Rent.

3.2.1 In addition to the fixed rent set forth above, LESSEE agrees to pay to LESSOR a sum equal to five (5%) of LESSEE's actual gross receipts from the sublease of any portion of the Premises to a sublessee (the "Percentage Rent").

3.2.2 As used in this Lease, "actual gross receipts" shall mean the total rents received by LESSEE from sublessees pursuant to subleases of portions of the Premises, excluding rental tax. If LESSEE utilizes any portion of the Premises for its own use, then the fair market rental value of those portions shall be added to actual gross receipts.

3.2.3 The actual gross receipts and Percentage Rent shall be computed on a quarterly basis. Percentage Rent for a quarter shall be due and payable no later than thirty (30) days following the end of such quarter. A report indicating the method of computation in reasonable detail shall accompany each remittance.

3.3 Fuel Flowage Fee. During the Initial Term and Extension Term, LESSEE shall pay to LESSOR, in addition to rent, sales taxes and other taxes, and all other fees, a fee (the "Fuel Flowage Fee") for every gallon of all aviation fuel and other fuel dispensed on the Premises, whether dispensed directly into an airplane or other vehicle, dispensed into a fuel pumping truck, or dispensed into any other container (but excluding any fuel which has already been subject to payment of a Fuel Flowage Fee when it was previously dispensed at the Airport). LESSEE may assign the obligation to pay the Fuel Flowage Fee to subtenants, and to the extent such Fees are actually paid by the subtenant, LESSEE's obligation for such fees is satisfied. The Fuel Flowage Fee shall be in the amount of three cents ($0.03) per gallon. On a quarterly basis, by the tenth (10^{th}) day of each quarter, LESSEE shall report to LESSOR the number of gallons of fuel dispensed during the previous month and shall remit the Fuel Flowage Fee based thereon. LESSEE shall submit a statement of fuel flowage for the preceding calendar year not later than March 1 of each year. The statement shall show in reasonable detail the amount of actual gross receipts during the preceding calendar year for fuel sales and amount paid to LESSOR for Fuel Flowage Fees during the same period. Such annual statement shall be accompanied by the signed opinion of the person certifying such statement specifically stating that he has examined the report of fuel sales for such year, that

he has examined LESSEE's books and records as he considered necessary under the circumstances, and that such statement accurately presents the total fuel sales of such year. An adjustment shall be made with the furnishing of each annual statement with respect to Fuel Flowage Fees if LESSEE shall have paid an amount different than was required to be so paid. The amount of any increase shall be paid and delivered with the annual statement and the amount of any decrease shall be deducted from subsequent payments. Each sublease shall include a section imposing the same payment and reporting obligations upon the sublessee with regard to fuel it dispenses at the Airport.

3.4 Amendment of Compensation by Mutual Agreement. During the Initial Term and Extension Term, at the request of either party to this Lease, LESSEE and LESSOR shall meet to discuss whether there should be a change in the Fixed Rent referred to in paragraph 3.1, the Percentage Rent referred to in paragraph 3.2 or the Fuel Flowage Fee referred to in paragraph 3.3. Any such change shall be made prospectively only and shall require the mutual written agreement of LESSOR and LESSEE.

3.5 Record Keeping. LESSEE shall keep true and accurate account records, books and data in accordance with generally accepted accounting principles which shall show all rents billed to and receipts collected from third parties for any part of the Premises. LESSEE shall maintain annual corporate income tax returns and corporate financial statements certified by a Certified Public Accountant. LESSOR shall have the right to examine all financial books and records pertaining to this Lease or to the use of the Premises upon three (3) business days advance written notice to LESSEE. LESSOR shall have the right to annually conduct an audit of the airport records and financial statements.

4 USE OF PREMISES.

4.1 Aeronautical and Aviation Related Uses. LESSEE shall develop the Premises only for businesses associated with aeronautical and/or aviation related private businesses, airport support businesses, appropriate aviation related governmental agencies, and related structures, so long as they are consistent with FAA regulations and do not interfere with the LESSOR's ability to receive grant funding. LESSEE's development of the Premises shall be in a manner to maximize the overall value of the Premises in a reasonable fashion. Any development of the Premises shall, to the greatest extent possible, avoid the creation of unusable or unmarketable areas of the Premises.

4.2 Non-Airport Activities. LESSEE shall not permit its sublessees, agents, customers, patrons or others to engage in activities which are not reasonably related to aeronautical and/or aviation related private businesses, airport support businesses, appropriate aviation related governmental agencies, and related purposes without first obtaining the prior written consent of F.A.A. (where applicable) and LESSOR.

4.3 Report of Leasing Activity.

4.3.1 On a periodic basis, but not less than annually, LESSEE shall submit a written report to LESSOR describing LESSEE's efforts to develop the

Premises, the names of persons or entities which have inquired about subleasing a portion of the Premises, and a description of the status of planned development.

4.3.2 If any person or entity requests to sublease a portion of the Premises (a "Prospect") and LESSEE does not enter into a sublease with such Prospect, LESSEE shall provide LESSOR with written justification for LESSEE's decision not to sublease to such Prospect. Further, LESSEE shall, if requested by LESSOR or the Federal Aviation Administration ("FAA"), provide economic data to support LESSEE's action.

4.3.3 The parties acknowledge that LESSEE does not have exclusive use of the Airport, nor the exclusive right to provide fixed base operation services at the Airport. In order to assure this, the parties agree to certain conditions which will allow LESSOR to negotiate with prospective fixed base operators with whom LESSEE is unwilling to enter into a lease. To this end, if any person or entity is interested in subleasing a part of the Premises for use as a general aviation, full-service fixed base operation providing substantially the same services as the existing fixed base operator at the Airport, and LESSEE does not reach agreement with such Prospect within six (6) months after receipt from such Prospect of a formal written proposal, LESSEE shall promptly refer such Prospect to LESSOR's Airport Manager for all further negotiations (which negotiations shall relate only to property other than the Premises) and shall confirm such referral by written notice to the Airport Manager accompanied by all information in LESSEE's possession pertaining to such Prospect. LESSEE shall thenceforth refrain from any further contact with such Prospect except to the extent specifically requested by LESSOR.

4.4 Approval of Subleases. LESSEE is permitted to sublet portions of the Premises only for aeronautical and/or aviation related private businesses, airport support businesses, and appropriate aviation related governmental agencies, subject to prior written approval of LESSOR. Such approval shall not be unreasonably withheld. When requesting LESSOR's approval of a sublease, LESSEE shall accompany its request with a copy of the actual sublease documents it plans to submit for execution by the sublessee, including a specific description of the activities to be conducted by the sublessee at the Airport. Within thirty (30) days after submission of the proposed sublease documents by LESSEE, LESSOR shall notify LESSEE in writing of approval or rejection thereof. In the event LESSOR deems such thirty (30) day period to be inadequate for its review of a proposed sublease, LESSOR may extend such period for an additional thirty (30) days by giving written notice thereof to LESSEE prior to the expiration of the initial period. Thereafter, such period may be extended only for good cause or by mutual agreement of the parties. If LESSOR rejects the sublease, it shall give detailed reasons therefor and use its best efforts to provide recommended revisions or other conditions for acceptance. All subleases, amendments, and other lease documents shall be approved as to form by LESSOR, as evidenced by the signature of LESSOR's designated representative on the original of such document. Any such sublease shall only be for a portion of the Premises reasonably necessary for the authorized activity of the sublessee, shall be subject to

the terms of this Lease, and shall contain, as a minimum, the provisions required by this Lease. In lieu of initially submitting the actual sublease documents, LESSEE may submit to LESSOR for approval a memorandum of understanding or letter of intent (a "Proposal") between LESSEE and the proposed sublessee. A Proposal shall cover all of the essential business terms of the deal in sufficient detail for LESSOR to evaluate them as provided above. In the event a Proposal is so approved, LESSEE and the sublessee shall proceed to finalize the sublease documents, which shall remain subject, however, to LESSOR's final review and approval, which approval will not be unreasonably withheld or delayed.

4.5 Lawful Use and Condition of Premises. LESSEE shall comply with all County, state and federal laws, including without limitation FAA Regulations and any and all applicable zoning laws that may apply to LESSEE's use of the Premises. LESSEE shall obtain, at its own cost, any licenses that may be required by law for its operation. LESSOR will assist and cooperate to the extent possible to obtain required licenses and permits.

4.6 Other Rights of LESSEE. LESSOR hereby grants LESSEE and its sublessees and their agents, employees, contractors, and invitees the following additional privileges, uses and rights, all of which are subject to the terms, conditions, and covenants contained in this Lease and all of which shall be nonexclusive with respect to the Airport:

a. The use of all public airport facilities and improvements which are now or may hereafter be constructed and are appurtenant to the Airport.

b. The right of ingress and egress from the Premises to all runways, taxiways and facilities enumerated in the preceding paragraph, and over and across the public roadways serving the Airport, subject to any and all ordinances, rules and regulations which are now or may hereafter apply at Airport.

4.7 Public Funding for Improvements.

4.7.1 LESSOR acknowledges that LESSEE's ability to sublease various portions of the Premises may depend upon the availability of certain improvements, whether on or off the Premises. LESSOR therefore agrees that in the event the Airport Master Plan (as it now exists or may hereafter be amended) contemplates the construction or improvement of airport facilities or infrastructure or a prospective sublessee of the Premises requires such construction or improvement as a condition of entering into a sublease and LESSOR approves such project, LESSOR shall (a) take all actions which are prudent and within their means to obtain as promptly as possible whatever state, federal or other governmental funding may be available to pay for such project, and (b) in the event such funding is granted, pay for any portion of the cost of the project which is not paid by such funding, but in no event more than ten percent (10%) of the cost. In the event that LESSEE believes that other airport improvements would be desirable, LESSOR and LESSEE will meet and endeavor to reach agreement on the need for such improvements. If they both agree, LESSOR shall use its best efforts to obtain governmental funding to construct such other airport improvements as

LESSEE may deem desirable, provided that such improvements are set forth in the Airport Master Plan, and that such funding covers at least ninety percent (90%) of the cost thereof. This section shall not obligate LESSOR to construct or improve any airport facilities or infrastructure unless state and/or federal funding is available for such purpose.

4.7.2 LESSOR makes no representation that governmental funding for Public Airport Facilities will be made available or as to the amount thereof.

4.7.3 Nothing contained in this Paragraph 4 shall be deemed to obligate LESSOR to pay for or seek other governmental funding for any project or improvement which is located entirely within a subleased portion of the Premises or which benefits only one sublessee.

4.8 Water Delivery for Fire Protection System. LESSOR acknowledges that as of the Commencement Date, LESSEE may be unable to sublease any part of the Premises by reason of the lack of a water delivery system at the Airport sufficient to provide the fire protection required by the relevant governmental authorities. LESSOR therefore agrees to use due diligence and take all actions reasonably necessary to ensure that, within twenty-four (24) months following the Commencement Date, a suitable water delivery system is designed and either constructed or will imminently be constructed, to the extent necessary to allow LESSEE to sublease the Premises without the use thereof by sublessees violating applicable legal, regulatory or insurance requirements. After the completion of such construction, LESSEE or its sublessees, as the case may be, shall be responsible for paying the cost of installing fire protection systems as required by applicable fire codes in any buildings or other improvements owned or occupied by LESSEE or its sublessees at the Airport.

4.8.1 In the event the lack of a water delivery system prevents LESSEE from subleasing the premises within such twenty-four (24) month period, the LESSEE will have the option to cancel this Lease. If LESSEE desires to cancel this Lease pursuant to this subsection, LESSEE must deliver written notice to LESSOR within thirty-six (36) months from the date of this Lease, and if not exercised within that period, this right shall forever terminate.

4.9 Financing of Improvements. LESSOR acknowledges that LESSEE intends to borrow money from time to time in order to finance the construction of improvements to the Premises for use by sublessees, and that the lender (the "Leasehold Mortgagee") will require a mortgage or deed of trust encumbering LESSEE's interests under this Lease and the subleases (a "Leasehold Mortgage") as collateral for any such loan. The exact terms that a Leasehold Mortgagee will require to protect the security for its loan will not be known until LESSEE negotiates for a specific loan, but LESSOR acknowledges that such terms will, at a minimum, include the agreement by LESSOR to: send the Leasehold Mortgagee a copy of any notice which it sends to LESSEE under this Lease; allow the Leasehold Mortgagee additional time to cure any defaults by LESSEE; obtain the Leasehold Mortgagee's consent to any amendment, modification, cancellation, or surrender of this Lease; and allow the Leasehold Mortgagee to foreclose and otherwise enforce its Leasehold Mortgage (by, for example, collecting rent directly from sublessees or having a court

appoint a receiver) in the event of a default by LESSEE under the terms of the loan. These terms may be contained in an amendment to this Lease or in a separate agreement. LESSOR agrees that it will not unreasonably withhold or delay its approval of such an amendment or agreement, provided that LESSOR's legitimate interests are reasonably protected, including its right to approve any receiver to be appointed by a court during the foreclosure of the Leasehold Mortgage and the ultimate purchaser of LESSEE's interest at the foreclosure sale.

5 INSURANCE.

5.1 LESSEE's Insurance. LESSEE shall keep and maintain at its sole cost fire and extended damage coverage insurance for all structures and facilities constructed on the Premises in an amount reasonably comparable to that of similar insurance carried by other Airport lessees in the State of Arizona. LESSEE shall also keep and maintain at its sole cost and expense a Three Million Dollar ($3,000,000.00) single limit comprehensive public or commercial general liability insurance policy with specific provisions covering bodily injuries, property damage, premises liability, contractual liability, completed operations, if any, products liability, if any, and Hangar Keepers Liability. In addition, LESSEE shall provide such additional insurance, for example jump and special events coverage, as may be reasonable and appropriate to cover liability arising out of activities authorized by LESSEE or its sublessees to be conducted on the Premises.

5.2 Sublessees' Insurance. In lieu of providing such insurance itself, LESSEE may require a sublessee to maintain (i) property damage and/or liability insurance with respect to any improvements which such sublessee is occupying and (ii) additional insurance with respect to the activities such sublessee is conducting at the Airport. Such sublessees and any insurance policies which they provide shall be subject to all of the requirements this Article imposes with regard to LESSEE's insurance, including but not limited to those in the following paragraph.

5.3 Additional Insured. LESSEE shall name LESSOR as additional insured on all liability policies and shall provide LESSOR with copies of certificates of insurance and the endorsement of additional insured each year as the policies are renewed. LESSEE shall also require the insurer to provide LESSOR with a written notice of cancellation a minimum of thirty (30) days before cancellation. LESSOR shall name LESSEE as an additional insured on all liability policies, and shall provide LESSEE with a copy of the certificate of insurance and the endorsement of additional insured each year as the policy is renewed.

5.4 Unavailability of Insurance. LESSEE cannot obtain any insurance required pursuant to this Lease because of its unavailability or unreasonably prohibitive cost, LESSEE shall be entitled to be relieved of the requirement to maintain such insurance provided it discontinues the activity which would otherwise be covered thereby. The parties may renegotiate the terms of this Lease with respect to insurance requirements in the event LESSEE encounters difficulty in fulfilling such requirements.

6 INDEMNIFICATION.

6.1 By LESSEE. LESSEE shall indemnify, defend and hold harmless LESSOR, its officers, departments, employees and agents from, for and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature arising out of this Lease which are the result of any act or omission of LESSEE, its agents, employees, or anyone acting under the direction or control or on behalf of LESSEE, its agents or employees.

6.2 By LESSOR. LESSOR shall indemnify, defend and hold harmless LESSEE, its owners, affiliates, officers, employees and agents from, for and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any nature arising out of this Lease which are the result of any act or omission of LESSOR, its officers, departments, employees and agents or anyone acting under their direction or control or on their behalf.

6.3 Duty of Care. LESSEE shall exercise reasonable care on the Premises and Airport and shall advise LESSOR when conditions which may pose an unreasonable risk of harm to members of the general public are discovered. When LESSEE is advised by its employees or the LESSOR that an unsafe or dangerous condition exists on the Premises, LESSEE shall take reasonable steps to correct the condition and shall be responsible that members of the general public are not exposed to danger. LESSOR shall take reasonable steps to correct any such condition with regard to portions of the Airport which are outside the Premises and not otherwise leased.

7 CONSTRUCTION OF STRUCTURES & IMPROVEMENTS.

7.1 LESSEE's Improvements. LESSEE may construct improvements related to the subleasing and development of the Premises as contemplated by this Lease, provided:

a. All proposed construction shall conform to the scheme contained in the Airport master plan; and

b. LESSEE is not in default in the performance of any of the terms of this Lease.

7.2 LESSOR's Approval. LESSEE shall notify LESSOR in writing of its intention to construct improvements on the Premises. The written notice shall specify the location of the improvements together with a detailed site plan and (if available) architectural plans, specifications and other relevant documentation. Additionally, the written notice will set forth the particular infrastructure needs of the improvements, including but not limited to water, electric, fire protection, transportation, wastewater, and other utilities. These documents shall be submitted to the Airport Manager and such other officials as LESSOR may designate. LESSOR acknowledges the necessity for expedited review of all plans submitted by LESSEE to LESSOR pertaining to the development of the Premises in order to avoid LESSEE losing potential subleases due to time delay, and agrees to use its best efforts to accomplish such expedited review of the plans. If LESSOR rejects the proposed improvements, LESSOR shall give detailed reasons therefor and will use its best efforts to provide recommended revisions for acceptance. If LESSOR gives

its acceptance, such acceptance shall be subject to LESSEE's compliance with Part 77 of the FAA Regulations, as they may be amended. LESSOR may refuse to permit the construction or installation of any improvement if the type of construction or installation or the location of such improvement (1) does not meet LESSOR's reasonable and lawful requirements for safe use of the Airport, (2) does not comply with the LESSOR's building codes, laws or other regulations, (3) does not conform to the applicable laws of the United States or the State of Arizona, or (4) does not conform to applicable Federal Aviation Regulations (FARs), Advisory Circulars, FAA Orders, and other FAA directives as they exist and as they may be amended or added from time to time. Following approval of such improvements, LESSEE shall obtain the necessary permits and proceed with approval and construction as set forth in the LESSOR's applicable development codes. LESSEE shall have the right to make major alterations and modifications in any buildings, structures or other improvements now or hereafter constructed or installed in or on the Premises, subject to the provisions of this paragraph. Items of normal repair and maintenance and minor alterations and modifications constructed at a cost under ten thousand dollars ($10,000.00) need not be submitted to LESSOR for approval unless required by applicable development or building codes.

7.2.1 In the event LESSOR is unable to provide sufficient personnel (either in-house staff or outside consultants to LESSOR) to review the plans within the time desired by LESSEE, LESSEE may elect to pay the reasonable costs incurred by LESSOR to retain such consultants or other experts as LESSOR may reasonably deem necessary to review the plans on behalf of LESSOR. Because of LESSEE's liability for the consultant's fees, any consultants under this paragraph shall be selected by the agreement of both LESSOR and LESSEE. LESSOR and LESSEE shall diligently select consultants following a request by LESSEE hereunder. LESSEE acknowledges that the consultants' recommendations will be subject to review and revision by LESSOR's staff and that LESSOR shall not be bound by any of the consultants' recommendations unless approved by LESSOR's governing body or other board or person having final approval rights with respect to the plans. LESSOR's non-liability for a consultant's fees hereunder shall be unconditional and LESSEE shall indemnify and hold LESSOR harmless from any claims relating to such fees.

7.3 No Obligation for Leasehold Improvements. LESSOR shall have no obligation to pay for the cost of construction of leasehold improvements in connection with subleases of the Premises.

7.4 No Liens. LESSEE shall not permit any mechanic's lien to be filed against the Premises or the improvements located on the Premises by reason of work, labor, services, or materials supplied or claimed to have been supplied, whether before or after the commencement of this Lease. If any mechanic's lien is at any time filed against the Premises or any improvement on the Premises, LESSEE shall, as soon as possible after notice of the filing of the lien, cause such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or otherwise. If LESSEE fails to discharge the lien in a reasonable time, LESSOR may

discharge such lien with LESSEE's approval or after a final judgment is rendered either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. If a foreclosure action initiated by a lienor results in a final judgment in its favor, the LESSOR may, at its sole option, pay the full amount of such final judgment. Any amount paid or expended by LESSOR, including but not limited to costs and reasonable attorneys' fees for any of such purposes, with interest at twelve percent (12%) per annum from the date of payment, shall be repaid by LESSEE to LESSOR on demand. LESSOR's options under this paragraph shall be in addition to any other right or remedy LESSOR may have.

7.5 Consent to Removal. No building, structure or other improvement installed, constructed, erected or placed by LESSEE on the Premises shall be removed from the Premises without the prior written consent of LESSOR, which shall not be unreasonably withheld.

7.6 No Obligation for Public Airport Facilities. Notwithstanding anything in this Lease to the contrary, neither LESSEE nor its permitted sublessees shall have any responsibility or obligation for the construction, installation or maintenance of the Public Airport Facilities.

8 ENVIRONMENTAL PROVISIONS.

8.1 LESSEE's Obligation. LESSEE shall, at LESSEE's own expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, applicable to LESSEE's operation on the Premises.

8.2 Definitions.

8.2.1 "Environmental Laws" means anyone or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. Section 300h *et seq.*; the Clean Water Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq*; the Arizona Environmental Quality Act, A.R.S. Section 49-201 *et seq.*; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921 *et seq.*; and the Arizona Underground Storage Tank Regulation statute, A.R.S. Section 49-1001 *et seq.*; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land.

8.2.2 The term "hazardous material" includes:

a. Those substances included within the definitions of hazardous substance, hazardous material, toxic substance, regulated substance, or solid waste in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, the

Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; and the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 *et seq.* and the regulations promulgated thereto;

b. Those substances included within the definitions of hazardous substance, pollutant, toxic pollutant, regulated substance, hazardous or solid waste in the Arizona Environmental Quality Act, A.R.S. Section 49-201 *et seq.*; including, but not limited to, the Water Quality Assurance Revolving Fund statute, A.R.S. Section 49-701 *et seq.*, and the Underground Storage Tank Regulation statute, A.R.S. Section 49-1001 *et seq.*;

c. Those substances listed in the United States Department of Transportation Table (49 D.F.R. Section 172.101 and amendments thereto) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. part 302 and amendments thereto); and,

d. All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any environmental law.

8.2.3 The term "release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

8.3 Compliance.

8.3.1 LESSEE shall not cause any hazardous material to be used, generated, manufactured, produced, stored, brought upon, or released, on, under, or about the Premises, or transported to and from the Premises, by LESSEE, its affiliated entities, owners, agents, employees, contractors, invitees, sublessees or a third party in violation of any Environmental Law, and shall use its reasonable best efforts to prevent any such occurrence. LESSEE shall indemnify, defend and hold harmless LESSOR, its successors and assigns, its employees, agents and attorneys from, for and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation or damage to persons or property and any other claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result (whether in part or in whole) of any activity or operation on or discharge from the Premises during the term of this Lease by LESSEE or its owners or related entities. This obligation includes but is not limited to all costs and expenses related to cleaning up the Premises, land, soil, underground or surface water as required under the law. LESSEE's obligations and liabilities under this Paragraph shall continue so long as LESSOR bears any liability or responsibility under the Environmental Laws for any action that occurred on the Premises during

the term of this Lease. This indemnification of LESSOR by LESSEE includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. The parties agree that LESSOR's right to enforce LESSEE's promise to indemnify is not LESSOR's sole remedy for LESSEE's violation of any provision of this Paragraph; LESSOR shall also have the rights set forth in Paragraph 8.3 in addition to all other rights and remedies provided by law or otherwise provided in this Lease. Notwithstanding the foregoing, nothing contained in this Paragraph 8.2 shall obligate LESSEE to indemnify, defend or hold LESSOR harmless from the results of any negligence or wilful misconduct by LESSOR or its agents, nor to waive any legal right or remedy LESSEE might have against LESSOR by reason thereof.

8.3.2 Without limiting the foregoing, if the presence of any hazardous material on, under or about the Premises caused or permitted by LESSEE in violation of this Lease results in any contamination of the Premises, LESSEE shall promptly take all actions at its sole cost and expense as are necessary to return the Premises to the condition existing prior to the introduction of any such hazardous material to the Premises; provided that LESSOR's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises.

8.3.3 LESSEE shall, at LESSEE's own cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the Environmental Laws pertaining to LESSEE's operation on the Premises. Should the Government determine that a site characterization, site assessment and/or a cleanup plan be prepared or that a cleanup should be undertaken because of any spills or discharges of hazardous materials at the Premises during the term of this Lease which are caused by LESSEE or a sublessee, licensee or invitee, then LESSEE shall, at LESSEE's own cost and expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no cost or expense to LESSOR, LESSEE shall promptly provide all information reasonably requested by LESSOR to determine the applicability of the Environmental Laws to the Premises, or to respond to any governmental investigation or to respond to any claim of liability by third parties which relates to environmental contamination.

8.3.4 LESSEE shall immediately notify LESSOR of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of Environmental Laws to the Premises or LESSEE's operation on the Premises, and (b) any change in LESSEE's operation on the Premises that will change or has the potential to change LESSEE's or LESSOR's obligations or liabilities under the Environmental Laws.

8.3.5 LESSEE shall make the provisions of this Paragraph 8.2 binding upon the other party in any sublease agreement or contract by which it grants a right or privilege to any person, firm, or corporation under this Lease.

8.4 Remedies. LESSEE's material failure to comply with any of the requirements and obligations of Paragraph 8.2 or applicable Environmental Law shall constitute a default of this Lease and shall permit LESSOR to pursue the following remedies, in addition to all other rights and remedies provided by law or otherwise provided in the Lease, to which LESSOR may resort cumulatively, or in the alternative:

a. LESSOR may, at LESSOR's election, and upon ten (10) days written notice to LESSEE, make payments required of LESSEE under this Paragraph 8 or perform LESSEE's obligations under this Paragraph and be reimbursed by LESSEE for the cost thereof, unless such payment is made or obligation performed by LESSEE within such ten (10) day period.

b. LESSOR may, at LESSOR's election, and upon ten (10) days written notice to LESSEE, terminate this Lease, unless, within such ten (10) day period, LESSEE cures the default or, if the default is one which cannot reasonably be cured in that time, commences such cure and thereafter diligently pursues it. Upon LESSOR's termination, LESSOR shall be entitled to recover from LESSEE damages equal to the present value of the total amount by which all Rent and Fuel Flowage Fees during the balance of the Lease term exceeds the amount of loss of such items that LESSEE proves could have been reasonably avoided by LESSOR.

c. Notwithstanding any other provision in this Lease to the contrary, LESSOR shall have the right of "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Law on, under or about the Premises.

9 PUBLIC UTILITIES.

9.1 Payment. LESSEE shall pay or cause its permitted sublessees to pay for all public utility services supplied to it on the Premises, including electricity, gas, water and sewage service.

9.2 Repair. LESSOR retains the right to use any utility lines currently located on the Premises and shall have the right and duty to repair the same when necessary. LESSEE shall not be required to pay the cost of repairing currently existing utilities. Utility repairs shall be done on a priority basis and shall not unreasonably interfere with LESSEE's operations.

9.3 Provision of Utilities. LESSOR shall take all actions necessary to obtain as promptly as possible whatever outside funding may be available to pay for the cost of creating all utility corridors necessary to maximize the value of the Premises and cover the cost of bringing utilities to the Premises. Without limiting the foregoing, LESSOR shall pay the cost of extending electricity and water lines along the western side of the existing taxiway along the 20-foot utility corridor identified in the legal description of the Premises and shall provide a water supply to LESSEE and to other water users on the Premises sufficient to allow fulfillment of the development and

subleasing purposes contemplated by this Lease. LESSOR shall bear the cost of the maintenance of the water supply system. LESSOR may, at its sole option and expense, install a water meter and charge LESSEE for the water at commercial rates prevailing in the community for similarly situated water users. Unless governmental funding for such purpose is available as provided in Paragraph 4.7, LESSEE shall, at no cost or expense to LESSOR, provide all public utility and sewage connections within the Premises which are needed for buildings, structures and other improvements constructed on the Premises by LESSEE or its sublessees.

9.4 Rights of Way. If requested to do so by LESSEE, LESSOR shall grant reasonable rights-of-way on or across the Airport to public utility companies for the purpose of supplying LESSEE with utilities, but LESSOR reserves the right to designate the location of such rights-of-way.

10 MAINTENANCE.

10.1 LESSEE's Obligations. LESSEE shall retain the title to all improvements made by LESSEE on the Premises until such time as the title thereto transfers to LESSOR pursuant to Paragraph 18.4 below. LESSEE shall keep and maintain all improvements on the Premises to which LESSEE has title in a clean, good, safe and usable condition, and shall promptly commence and continue with reasonable due diligence to repair any damage or defects. LESSEE shall be responsible for coordinating and notifying the LESSOR of any construction alteration on the airport that will fall under the requirements of FAA Form 7460-1, Notice of Proposed Construction or Alteration; FAA Form 7480-1, Notice of Landing Area Proposal; or the Airport Master Record, FAA Form 5010-1. A copy of any of these forms, when initiated, should be forwarded to the ADOT Aeronautics Division.

10.2 LESSOR's Obligations. LESSOR shall keep and maintain in good condition and repair in compliance with FAA Regulations, other applicable Federal and State law and regulations and LESSOR's approved maintenance plan, all Public Airport Facilities as well as any non-public improvements to which LESSOR has title.

10.3 Notice by LESSEE. Upon discovery, LESSEE shall immediately notify LESSOR of any Airport property in need of maintenance and repair. Airport property owned by LESSOR shall be repaired on a priority basis if it adversely affects LESSEE's operation; otherwise, such repairs and maintenance shall be done within a reasonable time.

10.4 Inspection by LESSOR. The condition of the Airport, LESSEE's operation, and the Premises shall be subject to inspection at any time by LESSOR with reasonable frequency and at reasonable times on no less than twenty-four (24) hours advance notice unless such notice is not feasible due to an emergency.

11 TAXES.

11.1 LESSEE's Payment. LESSEE shall pay before delinquent any and all applicable taxes levied or assessed by any government body as a result of LESSEE's operations and including but not limited to all rental taxes which may be levied or assessed against LESSOR and/or LESSEE, as provided by the Marana Tax Code.

12 RULES AND REGULATIONS.

12.1 LESSOR's Regulations. LESSEE shall observe and obey all applicable rules and regulations which have been or may in the future be adopted by LESSOR; provided, however, that such rules and regulations shall be consistent with rules, regulations and orders of the FAA and with the provisions of this Lease. In addition LESSEE shall comply with the following standard FAA lease provisions listed in Paragraphs 12.2 through 12.17 below.

12.2 Department of Transportation Regulations. If facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as may be amended from time to time.

12.3 Non-Discrimination. LESSEE, its successors in interest and assigns, do hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Airport facilities on the Premises, (2) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, physical disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as may be amended from time to time.

12.4 Fairness. LESSEE shall furnish its accommodations and services on a fair, equal and not unjustly discriminatory basis to all users thereof.

12.5 Applicable to Other Agreements. LESSEE shall insert Paragraphs 12.2, 12.3, and 12.4 in any rental agreement, Sub-operator's agreement and the like, by which LESSEE grants a right or privilege to any person, firm, or corporation to render accommodations or services to the public on the Premises.

12.6 Affirmative Action. LESSEE shall undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. LESSEE covenants that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this provision. LESSEE shall require its suborganizations, sublessees, agents, and employees provide assurances to LESSEE that they similarly shall undertake

affirmative action programs and that they shall require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

12.7 Non-Compliance. If a complaint is lodged alleging noncompliance by LESSEE with Paragraphs 12.2, 12.3, or 12.4 of this Article and an investigation and determination of noncompliance is made by a proper authority, LESSEE shall have a reasonable time but not less than thirty (30) days to comply after receipt of written notice of such noncompliance from LESSOR. Failure by LESSEE to cure the noncompliance shall constitute a material breach of this Lease and LESSOR shall have the right to terminate this Lease and the estate hereby created in accordance with ARTICLE XVI, at the election of LESSOR. LESSOR may enforce Paragraphs 12.2, 12.3, and 12.4 of this Article through court action or any other legal remedy in lieu of termination.

12.8 Future Development. LESSOR reserves the right to further develop or improve the air navigation facility and the landing and apron areas for the Airport in coordination with ADOT Aeronautics and the FAA for further growth and development. LESSOR shall use its best efforts to do so without interfering with or hindering LESSEE's operation. LESSEE shall not be required to bear any of the cost or expense of construction and maintenance of such improvements.

12.9 Future Construction. LESSEE agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situation on the leased premises.

12.10 Elevation Restriction. LESSEE, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land leased hereunder above the permitted mean sea level elevation. In the event the aforesaid covenant is breached, the LESSOR reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the LESSEE.

12.11 Subordination to Federal Agreements. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between LESSOR and the United States or its agencies and departments relative to the development, operation or maintenance of the Airport.

12.12 No Exclusive Right. Nothing in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. § 1349), as amended.

12.13 Applicable to Subleases. LESSEE shall insert the relevant provisions of this Article 12 in any agreement or contract by which it grants a right or privilege to any person, firm, or corporation under a sublease.

12.14 Compliance with Aviation Regulations. LESSEE shall conduct its operations and activities on the Airport in compliance with all applicable regulations of the FAA and the Arizona Department of Aeronautics.

13 SUPERIOR RIGHTS.

13.1 Preemption by U.S. During time of war or national emergency, LESSOR may enter into agreements with the United States Government for use of part or all of the Airport. LESSOR will coordinate any such agreement which affects LESSEE's operation with LESSEE in advance to the extent feasible. If any such agreement is executed by LESSOR, the provisions of this Lease, insofar as they are inconsistent with the provisions of any agreement made by LESSOR with the United States Government shall be superceded, and LESSEE shall have no claim against LESSOR for any loss or damage sustained by LESSEE because of the making of such agreement by LESSOR.

13.2 Disclaimer. The parties shall not be required to repair, replace, rebuild or construct any building or portion of any building so long as the obligated party is prevented from so doing by action of the United States Government.

14 RESERVATION OF EASEMENT.

14.1 LESSOR's Reservation of Rights. LESSOR hereby reserves for the use and benefit of aircraft using the Airport a right of flight for the passage of aircraft in the airspace above the uppermost level of the construction on the Premises, together with the right to cause such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air using said airspace, or landing at, or taking off from, or operating on, the Airport.

14.2 No Obstruction. LESSEE shall not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. If this provision is violated, LESSEE shall immediately remedy the situation upon reasonable notice by LESSOR. If LESSEE does not immediately remedy the hazard, LESSOR may at its option enter upon the Premises and abate the hazard at the expense of LESSEE. This paragraph shall not apply to improvements constructed with LESSOR's approval under Paragraph 7.2.

15 ASSIGNMENT.

15.1 LESSOR's Consent. LESSEE shall not assign, sell, transfer, mortgage or pledge this Lease or any interest in it without first obtaining written consent from LESSOR, which consent shall not be unreasonably withheld. LESSEE granting to a lender a security interest in the proceeds of a sublease or in buildings or other improvements constructed for a sublessee in order to finance the cost of such construction shall not constitute an assignment prohibited hereby. Any change in principal ownership or control of LESSEE, except if due to the death or disability of a shareholder or made for estate planning or testamentary purposes, shall be considered an assignment of rights under this Lease. Any assignment of this Lease by LESSEE shall be upon the following conditions.

15.1.1 Any assignment of this lease shall be in writing, signed by all Parties to this Lease, and signed by the assignee.

15.1.2 Any assignment of this Lease shall provide that the assignee assumes and agrees to perform all of the terms, covenants and agreements which LESSEE

has agreed to perform under this Lease. Provided LESSOR approves the assignee's financial and operative capabilities, LESSOR shall enter into a new agreement (novation) with LESSEE's assignee. LESSOR's approval for such novation shall not be unreasonably withheld or delayed. LESSOR shall thereafter rely solely on the assignee, and LESSEE shall have no further liability to LESSOR under this Lease except with respect to environmental indemnifications for releases which occurred prior to the assignment. Absent a novation, the assignee shall become jointly and severally liable with LESSEE or any successor in interest of LESSEE for the performance of the terms and covenants of this Lease.

15.2 Compliance with Requirements. Any assignment or transfer whatsoever or pledge or mortgage made contrary to the terms of this Article shall be void.

16 TERMINATION BY LESSOR.

16.1 Default by LESSEE. If LESSEE defaults in the payment of any sums due LESSOR under this Lease, defaults by the nonperformance of some other obligation set forth in this Lease, or if one of the events of default set forth in Paragraph 16.2 below takes place, LESSEE shall have thirty (30) days after written notice is served in accordance with Article XX to cure or remedy the default. If LESSEE fails to cure or remedy the default within thirty (30) days after such notice has been served, or, in the event such default cannot reasonably be remedied within such thirty (30) day period, to commence such remedy within such period and diligently pursue it thereafter, LESSOR may, at its option, and without prejudice to any other right or remedy, terminate this Lease and recover possession of the Premises by summary proceedings.

16.2 Additional Defaults. In addition to the events of default mentioned above, any of the following shall also constitute an event of default hereunder:

a. The making by LESSEE of any general assignment, or general arrangement for the benefit of creditors;

b. The filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless the same is dismissed within sixty (60) days;

c. The appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises, or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or

d. The attachment, execution, or other judicial seizure of substantially all of LESSEE's assets located at the Premises, or of LESSEE's interest in this Lease, where such seizure is not discharged within thirty (30) days.

16.3 No Waiver. No waiver by LESSOR of a default in any of the terms, covenants or conditions of this Lease shall be construed to be or act as a waiver of any subsequent default.

16.4 Remedies Cumulative. All remedies granted to LESSOR under this Article are cumulative and are in addition to any other rights LESSOR may have as a matter of law.

17 TERMINATION BY LESSEE.

17.1 Causes. Without prejudice to any of its other remedies under law, or this Lease, LESSEE may terminate this Agreement upon thirty (30) days written notice given in accordance with ARTICLE XX, upon or after the happening of or during the continuation of any of the following events:

a. The inability of LESSEE or its sublessees to use, for a period of ninety (90) days, any material portion of the Premises or improvements thereon, because of any law, rule, regulation or other action or failure to act on the part of any governmental authority having jurisdiction thereof.

b. The material default by LESSOR under this Lease and the failure of LESSOR to remedy such default for a period of thirty (30) days after receipt of written request or demand from LESSEE to remedy the same, or; in the event such default is incapable of being remedied within such thirty (30) day period, to commence such remedy within such period and diligently pursue it thereafter.

c. The assumption by the United States Government or any authorized agency thereof of the operation or control of Airport or any part of it in a way that substantially restricts LESSEE for a period of thirty days from conducting its operations on the Premises.

d. Discovery of a defect or condition in the Premises, including but not limited to the presence of hazardous waste or other soil problems, which could be reasonably expected to have a material adverse effect on LESSEE's ability to use the Premises for the purposes contemplated by this Lease.

17.2 Expiration of Cause. If the basis for termination by LESSEE ceases to exist prior to a termination, the right to terminate on such basis shall cease.

17.3 Non-Waiver. No waiver by LESSEE of a default in any of the terms, covenants or conditions of this Lease shall be construed to be or act as a waiver of any subsequent default.

17.4 Remedies Cumulative. All remedies granted to LESSEE under this article are cumulative and are in addition to any other rights LESSEE may have as a matter of law.

18 SURRENDER OF POSSESSION; CONDITION OF PREMISES.

18.1 Surrender. Upon the expiration or earlier termination of this Lease, LESSEE shall immediately surrender the Premises to LESSOR.

18.2 Condition. The Premises shall be returned to LESSOR in the same condition as maintained by LESSEE during its operation prior to surrender.

18.3 Removal of Personal Property. All buildings, structures and improvements shall be delivered to LESSOR in good condition, ordinary wear and tear excepted. Not later than thirty (30) days after the expiration or termination of this Lease, LESSEE shall remove any and all signs, trade fixtures, machinery and equipment from the Premises. LESSEE shall repair any damage caused by such removal. Upon failure of LESSEE to remove such personal property within the thirty-day period, LESSOR may at its option cause the personal property to be removed and charge LESSEE the actual costs of such removal or take title to the personal property.

18.4 Transfer to LESSOR. All permanent buildings, structures and improvements constructed, installed, erected or placed on the Premises by LESSEE or its sublessees to which LESSOR does not already have title shall automatically become the property of the LESSOR upon the expiration or earlier termination of this Lease without further action on the part of either party, without cost or charge to LESSOR, and without further conveyance or transfer to LESSOR; provided, however, that LESSEE shall, if requested by LESSOR, execute any instruments or documents reasonably required by LESSOR to evidence the vesting of title to such improvements and property.

19 AIRPORT TRANSFER.

19.1 Transfer of Lease to Marana. The undersigned parties enter into this Lease solely on the condition that the Airport will be transferred from Pima County to the Town of Marana. This Lease shall be null and void in the event each and every one of the following conditions is not fulfilled within ninety (90) days after the execution of this Lease:

a. The Town of Marana shall obtain legal title to those portions of the Airport presently owned by Pima County.

b. The rights and obligations of the LESSOR under this Lease shall be transferred to the Town of Marana and both the LESSEE and the Town of Marana shall release Pima County from any obligation hereunder; and

c. The Town of Marana shall obtain FAA approval to assume sponsorship of the Airport and shall actually assume such sponsorship in substitution for Pima County.

19.1.1 The ninety (90) day time period may be extended by mutual agreement of LESSEE, Pima County and the Town of Marana for good cause.

19.2 Subsequent Transfer to Pima County. In the event that the Town of Marana transfers or returns the Airport to Pima County during the term of this Lease, the Lease shall be effective as to developed parcels only. Undeveloped portions of the Premises shall be deleted from the Premises and the provisions of Section 1.2 shall not apply. As used herein, the term "developed" shall mean leased to a sublessee. Any and all subleases entered into between LESSEE and sublessees prior to Pima County resuming ownership of the Airport shall remain in effect for the term of this Lease, provided, however, that notwithstanding such transfer of ownership, the Town of

Marana and Lessee shall remain financially responsible for the fulfillment of, and shall hold Pima County harmless from, any "Extraordinary Obligation" imposed on either of such parties under a pre-existing sublease. As used herein, the term "Extraordinary Obligation" means the obligation to expend monies for the exclusive benefit of a sublessee for a purpose which is not eligible for funding under either the State of Arizona airport grant program or the federal AIP grant program.

20 **GENERAL PROVISIONS.**

20.1 Cumulative. Unless specifically indicated otherwise, no remedy, right, option or election set forth in any provisions of this Lease shall be deemed exclusive; rather, each shall be cumulative with other remedies in law or equity. This Lease shall be deemed both a contract between the Parties and a declaration of conditions, covenants and restrictions running with the land for the duration of the Lease term or any extensions of it.

20.2 Non-Waiver. No circumstance in which LESSOR or LESSEE expressly or impliedly consents to, suffers, or permits the doing by the other of any act or omission under this Lease shall be construed to be or shall be a waiver of any provision or condition of this Lease or shall be construed to condone any future breaches, unless the provision or condition in question is expressly waived in writing by the waiving party.

20.3 Time of Essence. Time is of the essence in the performance of all terms and conditions of this Lease.

20.4 Entire Agreement. This instrument contains the entire agreement between the parties, and no statement, promise, or inducements made by either party or agent of either party that is not contained in this instrument shall be valid or binding.

20.5 Modification. This Lease may not be enlarged, modified or altered except in writing by the parties.

20.6 Abandonment. If the Premises are abandoned, deserted or vacated by LESSEE for thirty (30) days or more, and remain so for an additional thirty (30) days after LESSOR gives LESSEE notice thereof, LESSOR may, at its option, terminate this Lease and reenter and repossess the Premises without liability to LESSEE.

20.7 Successors and Assigns Bound. All the terms, covenants and conditions of this Lease shall inure to and bind the successors and assigns of the parties to this Lease.

20.8 Article Headings. The article headings in this Lease are for convenience and reference only and are not intended to define or limit the scope of any provision of this Lease.

20.9 Severability. If any term or condition of this Lease is invalid or unenforceable, all other terms and conditions shall remain in full force and effect.

20.10 Applicable Law. This Lease shall be governed by the laws of the State of Arizona, and any actions to enforce or interpret the terms and provisions of this Lease shall be brought and maintained in Pima County, Arizona.

20.11 Authority. Each of the respective undersigned signatories for LESSEE and LESSOR warrant that they have authority to enter into this Lease for and on behalf of the party for whom they are signing and to legally bind such party.

20.12 Recording and Effective Date. Upon execution by all parties, this Lease shall be recorded in the office of the Pima County Recorder, and the Lease shall be effective on the date recorded.

20.13 Approvals. Whenever this Lease requires the approval or consent of a party, such approval or consent shall not be unreasonably withheld or delayed.

21 **NOTICES.**

21.1 Addresses. All notices under this Lease shall be in writing, and shall be deemed sufficiently served if hand delivered or sent by certified mail, postage prepaid, to the recipient at the following address:

If to LESSOR:

Airport Manager
TOWN OF MARANA
13251 N. Lon Adams Road
Marana, Arizona 85653

Town Manager
TOWN OF MARANA
13251 N. Lon Adams Road
Marana, Arizona 85653

and with a copy to:

Daniel J. Hochuli
Daniel J. Hochuli & Associates, P.C.
Town Attorney
220 E. Wetmore Road, Suite 110
Tucson, AZ 85705

If to LESSEE:

PIMA AVIATION, INC., c/o Gary Abrams
Avra Valley Airport
Leased Premises Office
11700 W. Avra Valley Road, #86
Marana, Arizona 85653

and with copies to:

PIMA AVIATION, INC.
P.O. Box 5367
Tucson, Arizona 85703

MARK B. RAVEN, Esq.
Law Offices of Raven & Kirschner, P.C.
1600 Norwest Tower
One South Church Avenue
Tucson, Arizona 85701-1612

21.2 Service. Service of any notice or demand by hand delivery shall be deemed complete upon the date of delivery. Service of any notice or demand by certified mail shall be deemed complete upon receipt.

21.3 Change of Address. Either party may change its address to such other addresses as such party may designate to the other in writing from time to time.

IN WITNESS WHEREOF, the Parties have affixed their signatures below.

LESSOR:
PIMA COUNTY

By: Sharon Bronson
Sharon Bronson, Chairman

ATTEST:

Lori Godoshian
Board Clerk

APPROVED AS TO FORM:

Assistant County Attorney

LESSEE:
PIMA AVIATION, INC., an Arizona corporation,

By: _____
Gary Abrams, President

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 28th day of June, 1999 by Gary Abrams, as President of Pima Aviation, Inc.

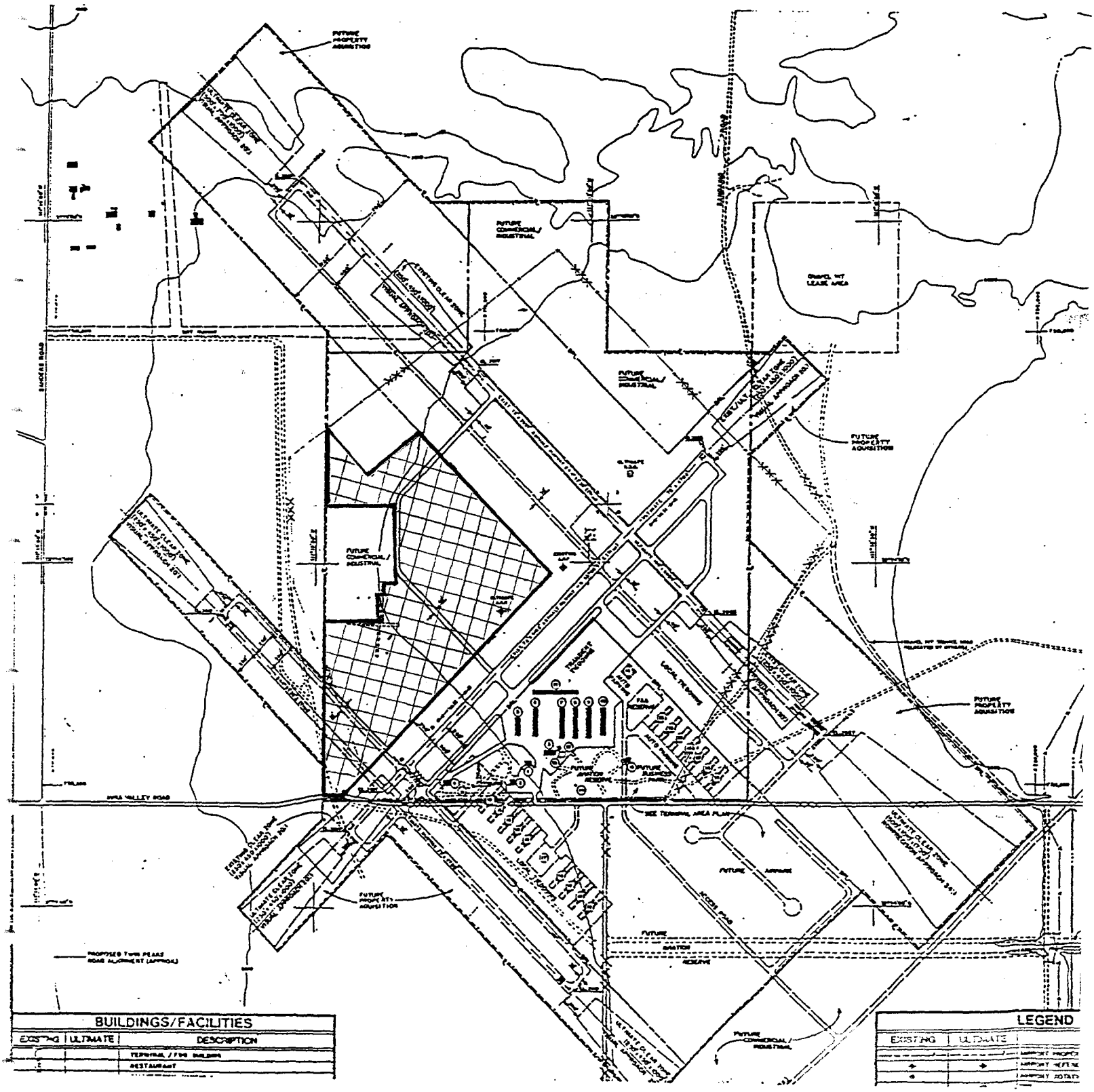
_____
Notary Public

My Commission Expires:

ANNE C. GRAHAM-BERGIN
Notary Public-Arizona
Pima County
My Commission Expires
Nov. 30, 1999

ANNE C. GRAHAM-BERGIN
Notary Public-Arizona
Pima County
My Commission Expires
Nov. 30, 1999

EXHIBIT A



73 ACRE LEASE

EXHIBIT B

AVRA VALLEY AIRPORT REVENUE SCHEDULE

73 ACRE PARCEL

YEAR	ACREAGE	RATE/ACRE	REVENUES TO LESSOR	TOTAL ANNUAL PMT **
1	73	$ 250.00	$ 18,250.00	$ 18,250.00
2	73	$ 250.00	$ 18,250.00	$ 18,250.00
3	73	$ 500.00	$ 36,500.00	$ 36,500.00
4	73	$ 500.00	$ 36,500.00	$ 36,500.00
5	73	$ 750.00	$ 54,750.00	$ 54,750.00
6	73	$ 750.00	$ 54,750.00	$ 54,750.00
7	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
8	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
9	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
10	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
11	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
12	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
13	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
14	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
15	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
16	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
17	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
18	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
19	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
20	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
21	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
22	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
23	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
24	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
25	73	$ 1,500.00	$ 109,500.00	$ 109,500.00

** PLUS 5% ON REVENUES RESULTING FROM SUBLEASED ACREAGE

F. ANN RODRIGUEZ, RECORDER
RECORDED BY: D_K
DEPUTY RECORDER
7864 ROOC

SMARA
TOWN OF MARANA
ATTN: TOWN CLERK
13251 N LON ADAMS RD
MARANA AZ 85653

DOCKET: 11705
PAGE: 5244
NO. OF PAGES: 10
SEQUENCE: 20012501214
12/28/2001
ALEASE 17:01

MAIL

AMOUNT PAID $ 10.50

FIRST AMENDMENT TO 73-ACRE LEASE

This First Amendment to 73-Acre Lease ("Agreement") is entered into by and between the Town of Marana a political subdivision of the State of Arizona ("LESSOR"), and Pima Aviation, Inc., an Arizona Corporation ("LESSEE").

RECITALS

WHEREAS, LESSOR and LESSEE are parties to that certain Lease dated June 15, 1999, regarding a portion of the property located at the Marana Northwest Regional Airport (the "Airport"), titled the Master Development Lease Agreement and commonly known as the 73-Acre Lease (the "73-Acre Lease").

WHEREAS, LESSEE purchased the Airport from Pima County, and as part of that purchase became the successor to Pima County.

WHEREAS, it has been determined that the legal description attached to the 73-Acre Lease as Exhibit "A" thereto is erroneous, resulting in a portion of the airport infrastructure, to wit taxiway C, being included in the Leased Premises.

WHEREAS, the parties further desire to decrease the size of the Leased Premises in order to offset other premises leased to Lessee.

WHEREAS, the parties desire to amend the 73-Acre Lease for the sole purpose of amending the legal description setting forth the Leased Premises.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual provisions herein contained, the receipt and sufficiency of which is acknowledged by the parties, the parties hereto agree as hereinafter set forth.

1. Survey of Leased Premises.

LESSOR and LESSEE mutually agree that, under the direction and at LESSOR's expense, a firm having sufficient capability and knowledge, shall be retained to perform the duties of surveying the Leased Premises, thereby establishing new and corrected parcel boundaries for the Leased Premises under the 73-Acre Lease. The new survey of the Leased Premises shall describe the premises set forth on the map attached hereto as Exhibit "A." Upon completion of the new legal description of the Leased Premises, said revised legal description shall be accepted and signed by both parties, and thereafter shall be affixed hereto as Exhibit "B" to this Agreement.

20012501214 5244

2. **Recording of Lease and First Amendment.**
Upon completion, acceptance, and attachment of the legal description as Exhibit "B" to this Agreement, the 73-Acre Lease and this Agreement shall be recorded in the offices of the Pima County Recorder at the expense of the LESSOR.

3. **Changes in Acreage of Leased Premises.**
LESSOR and LESSEE further agree that any changes in actual amount of acreage shall be used to compute the sums due and owing to LESSOR by LESSEE pursuant to the 73-Acre Lease, and that said sums shall be computed, using the adjusted acreage, from the first day following the previous payment period in which payment has been remitted, and for every payment period thereafter for the term of this Lease.

4. **Remaining Provisions of 73-Acre Lease.**
Except as specifically modified herein, all other terms, covenants and conditions of the 73-Acre Lease will continue in full force and effect. In the event of any conflict between the provisions of the 73-Acre Lease and this Amendment, the provisions of this Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal 4th day of September, 2001.

TOWN OF MARANA
LESSOR

Mayor Bobby Sutton

TOWN OF MARANA CORPORATE SEAL ARIZ. 1977

ATTEST:

Jocelyn Bntz, Town Clerk

APPROVED AS TO FORM:

Daniel J. Hochuli
As Town Attorney and not personally

11705 5245

PIMA AVIATION, INC.
LESSEE

Gary Abrams
President, Pima Aviation, Inc.

Notary Public State of Arizona
Pima County
Robin Crowe
Expires July 26, 2006

State of Arizona)
) ss
County of Pima)

The foregoing instrument was acknowledged before me this 4th day of ~~August,~~ September 2001, by Gary Abrams, the President of Pima Aviation, Inc.,

NOTARY PUBLIC

11705 5246

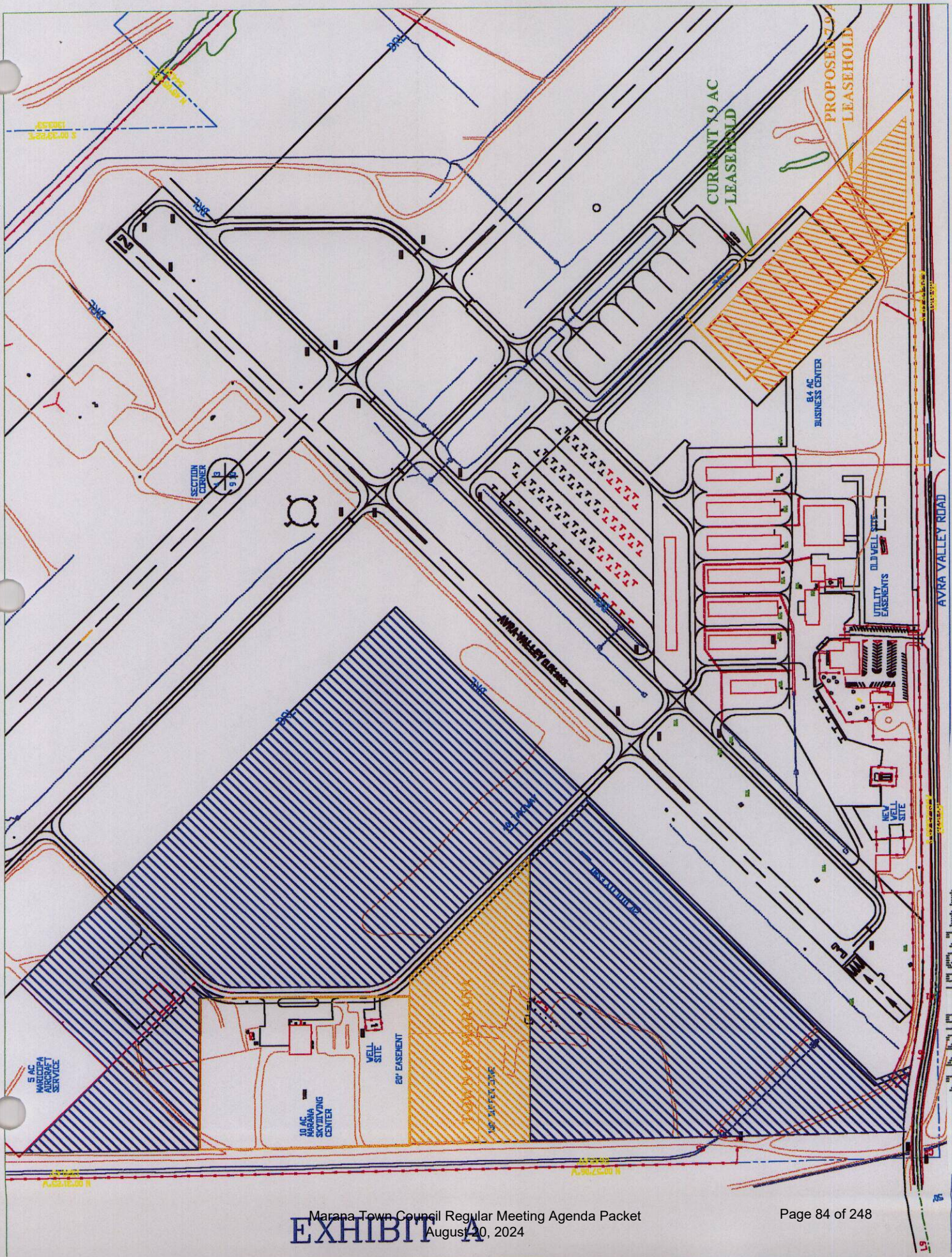

CURRENT 7.9 AC LEASEHOLD
PROPOSED 17.9 AC LEASEHOLD
84 AC BUSINESS CENTER
AVRA VALLEY ROAD
OLD WELL SITE
UTILITY EASEMENTS
NEW WELL SITE
AVRA VALLEY ROAD
INTERMITTENT
5 AC MARICOPA AIRCRAFT SERVICE
10 AC MARANA SKYDIVING CENTER
WELL SITE
20' EASEMENT
100' SAFETY ZONE
TOWN OF MARANA
INTERMITTENT
SECTION CORNER
N 89°
S 89°

EXHIBIT A

EXHIBIT B

PARCELS ONE, TWO AND THREE

WESTERN DEVELOPMENT AREA DESCRIPTION

PARCELS ONE, TWO AND THREE
(WESTERN DEVELOPMENT AREA DESCRIPTION)

Prepared by
CARLSON-PUTT SURVEYORS, INC.
2251 N. Indian Ruins Road, Suite A
Tucson, Arizona 85715
Job No. 178-98A
Page 1 of 3 Pages
November 27, 2001

PARCEL ONE

That portion of the Southeast Quarter of Section 4 and the Northeast Quarter of Section 9, Township 12 South, Range 11 East, Gila & Salt River Meridian, Pima County, Arizona more particularly described as follows:

COMMENCING at the Center Quarter corner of said Section 9; **THENCE** along the center of section line of said Section 9, North 89°27'13" East, 120.00 feet; **THENCE** North 00°57'18" West, along a line being 120.00 feet East of and parallel with the West line of said Northeast Quarter of Section 9, a distance of 2642.70 feet to the North line of said Section 9; **THENCE** North 00°31'12" West, along a line being 120.00 feet East of and parallel with the West line of said Southeast Quarter of Section 4, a distance of 122.56 feet to the **POINT OF BEGINNING**;

THENCE continuing North 00°31'12" West, along said parallel line, 641.93;

THENCE South 44°53'38" East, 416.24 feet;

THENCE North 45°17'30" East, 466.80 feet;

THENCE South 44°53'52" East, 466.78 feet;

THENCE South 45°19'45" West, 469.78 feet to the beginning of a tangent curve to the left having a radius of 205.00 feet;

THENCE 160.98 along the arc of said curve to the left, through a central angle of 44°59'30" (the chord of which bears South 22°50'00" West a distance of 156.87 feet) to a point of cusp;

THENCE North 00°20'15" East, 126.81 feet;

THENCE North 89°39'45" West, 554.97 feet to the **POINT OF BEGINNING**.

Said Parcel One contains an approximate area of 423,776 square feet or 9.73 acres, more or less.

Jul 7 2015 15:29:49

PARCEL TWO

That portion of the Southeast Quarter of Section 4 and the Northeast Quarter of Section 9, Township 12 South, Range 11 East, Gila & Salt River Meridian, Pima County, Arizona more particularly described as follows:

COMMENCING at the Center Quarter corner of said Section 9; **THENCE** along the center of section line of said Section 9, North 89°27'13" East, 120.00 feet; **THENCE** North 00°57'18" West, along a line being 120.00 feet East of and parallel with the West line of said Northeast Quarter of Section 9, a distance of 2642.70 feet to the North line of said Section 9; **THENCE** North 00°31'12" West, along a line being 120.00 feet East of and parallel with the West line of said Southeast Quarter of Section 4, a distance of 430.12 feet; **THENCE** North 89°28'48" East, 980.24 feet to the **POINT OF BEGINNING**;

THENCE South 44°53'52" East, 1482.54 feet;

THENCE South 45°05'45" West, 978.67 feet;

THENCE North 44°52'15" West, 979.77 feet to the beginning of a tangent curve to the right having a radius of 165.00 feet;

THENCE 130.19 feet along said curve to the right, through a central angle of 45°12'30" (the chord of which bears North 22°16'00" West a distance of 126.84 feet) to a point of tangency;

THENCE North 00°20'15" East, 482.56 feet to the beginning of tangent curve to the right having a radius of 165.00 feet;

THENCE 129.57 feet along the arc of said curve to the right, through a central angle of 44°59'30" (the chord of which bears North 22°50'00" East a distance of 126.26 feet) to a point of tangency;

THENCE, North 45°19'45" East, 469.94 feet to the **POINT OF BEGINNING**.

Said Parcel Two contains an approximate area of 1,354,855 square feet or 31.10 acres, more or less.

20173150 5/8/17

PARCEL THREE

That portion of the Northeast Quarter of Section 9, Township 12 South, Range 11 East, Gila & Salt River Meridian, Pima County, Arizona more particularly described as follows:

COMMENCING at the Center Quarter corner of said Section 9; **THENCE** along the center of section line of said Section 9, North 89°27'13" East, 120.00 feet; **THENCE** North 00°57'18" West, along a line being 120.00 feet East of and parallel with the West line of said Northeast Quarter of Section 9, a distance of 132.36 feet to the **POINT OF BEGINNING**;

THENCE continuing North 00°57'18" West, along said parallel line, 1428.91 feet;

THENCE South 89°39'45" East, 1041.44 feet;

THENCE South 44°52'15" East, 342.70 feet;

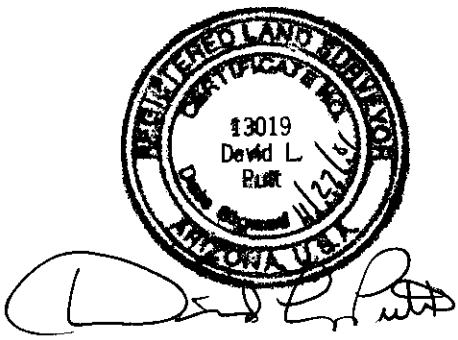
THENCE South 45°05'45" West, 1526.15 feet;

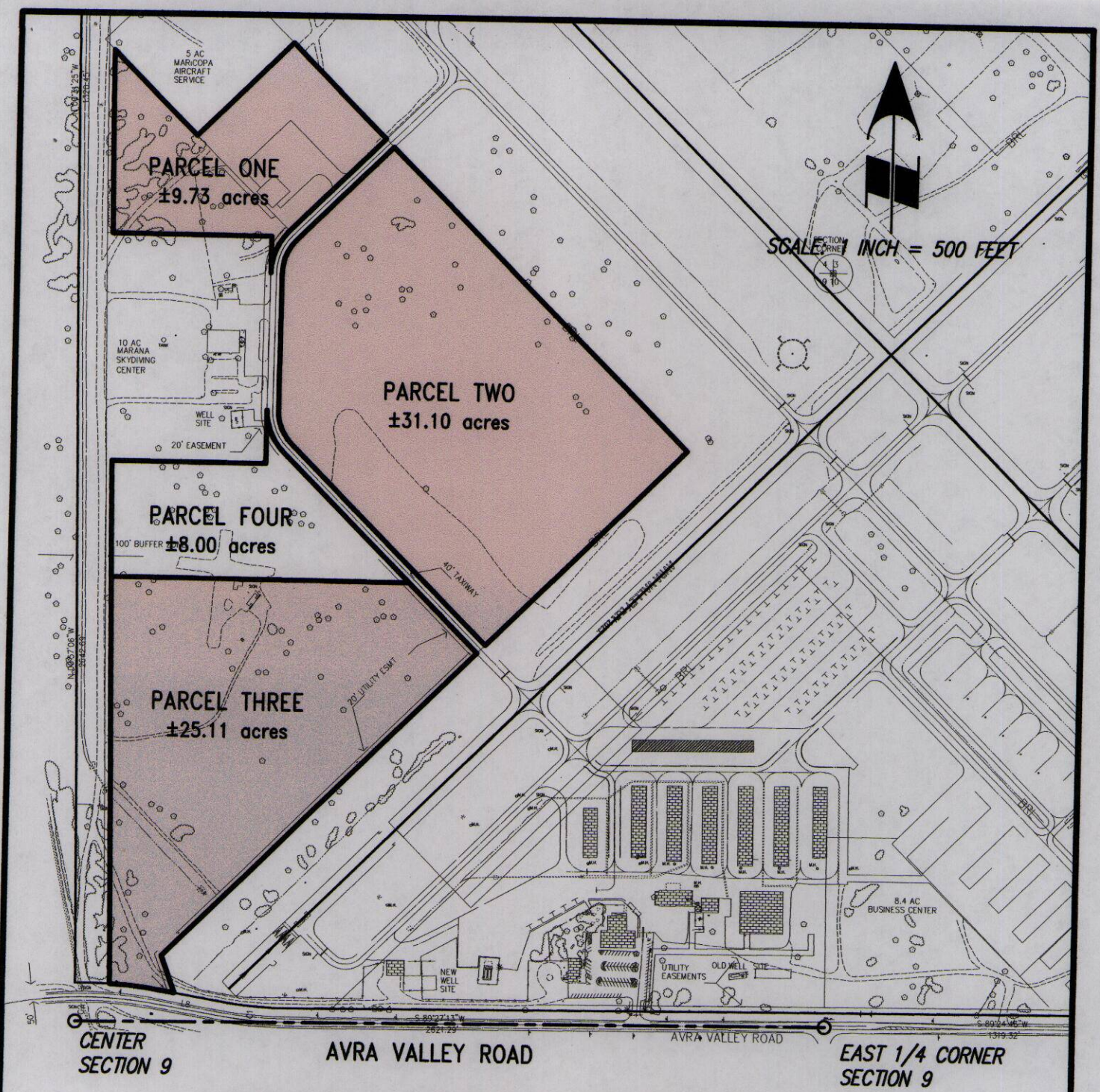
THENCE South 20°25'55" East, 139.68 feet to the North right-of-way line of Avra Valley Road;

THENCE North 79°59'49" West, along said North right-of-way line 45.48 feet to the beginning a tangent curve to the left having a radius of 1482.40 feet;

THENCE 183.69 feet along the arc of said curve to the left, continuing along said North right-of-way line, through a central angle of 7°05'59" (the chord of which bears North 83°32'49" West a distance of 183.58 feet) to the **POINT OF BEGINNING**.

Said Parcel Three contains an approximate area of 1,093,790 square feet or 25.11 acres, more or less.





MARANA NORTHWEST REGIONAL AIRPORT
WESTERN DEVELOPMENT AREA
TOTAL AREA ±65.94 ACRES
(P-1 ±9.73 acres, P-2 ±31.10 acres, P-3 ±25.11 acres)

DRAWN	PMC
DATE	NOVEMBER 26, 2001
JOB No.	178-98
SHT. 1	OF 1

CARLSON-PUTT SURVEYORS
2251 N. INDIAN RUINS RD., SUITE A, TUCSON, AZ 85715
TELEPHONE: (520) 298-3878 FAX: (520)722-1122

2157335 5697 1 of 1

APPROVAL OF LEGAL DESCRIPTION BASED UPON SURVEY PREPARED BY CARLSON-PUTT SURVEYORS, INC. DATED NOVEMBER 27, 2001

TOWN OF MARANA
LESSOR

Mike Hein
Town Manager

PIMA AVIATION, INC.
an Arizona corporation
LESSEE

Gary Abrams
President

F. ANN RODRIGUEZ, RECORDER
Recorded By: VJG
DEPUTY RECORDER
4967

SMARA
TOWN OF MARANA
PICKUP

SEQUENCE: 20181630107
NO. PAGES: 48
06/12/2018
10:09:43

SECOND AMENDMENT TO MASTER DEVELOPMENT LEASE AGREEMENT

THIS SECOND AMENDMENT TO MASTER DEVELOPMENT LEASE AGREEMENT (this "Second Amendment") is entered into by and between the TOWN OF MARANA, an Arizona municipal corporation, successor in interest to Pima County, ("Lessor") and PIMA AVIATION, INC., an Arizona corporation ("Lessee"). Lessor and Lessee are collectively referred to in this Second Amendment as the "Parties," and each is sometimes individually referred to as a "Party."

RECITALS

A. Lessor and Lessee are parties to that certain lease agreement entitled "Master Development Lease Agreement" (also known as the "73-Acre Lease") with a Commencement Date of June 1, 1999, (the "Lease") by which Lessor leases to Lessee a certain portion of real property located at the Marana Regional Airport (formerly the Avra Valley Airport), 11700 West Avra Valley Road, Town of Marana, County of Pima, State of Arizona (the "Premises").

B. Paragraph 20.12 of the Lease provided that upon execution by all Parties, the Lease was to be recorded in the office of the Recorder of Pima County, Arizona, and that the Lease would be effective as of the date of recordation. It appears that the Lease was not recorded.

C. On September 4, 2001, the Parties entered into the "First Amendment to 73-Acre Lease" recorded in the office of the Recorder of Pima County, Arizona, on December 28, 2001, at Docket 11705, Page 5244 (Sequence 20012501214) (the "First Amendment") by which the Parties amended the Lease to revise the legal descriptions of the Premises.

D. Paragraph 2 of the First Amendment provided that upon completion and acceptance of the revised legal descriptions of the Premises, the Lease and the First Amendment were to be recorded in the office of the Recorder of Pima County, Arizona. The First Amendment was recorded as noted in recital C above; however, it appears that the Lease was again not recorded.

E. The Premises are more particularly described in Exhibit B attached to the First Amendment and incorporated by reference within the Lease.

F. Paragraph 20.5 of the Lease provides that the Lease may not be enlarged, modified or altered except in writing by the Parties.

G. The Parties desire to amend the Lease as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants, conditions and agreements set forth in the Lease, the First Amendment, and this Second Amendment, the Parties agree as follows:

1. Description of Premises. Article 1 ("Description of Premises") of the Lease, as previously amended, is hereby amended to revise the description of the Premises that are the subject of the Lease as follows:

a. The parcel of land identified in Exhibit B to the First Amendment as "Parcel Three," consisting of approximately 25.11 acres, is hereby defined and described as set forth in the revised legal description and map attached to this Second Amendment as Exhibit 1, and incorporated by this reference within the Lease. The revised legal description and map attached as Exhibit 1 to this Second Amendment hereby replaces and supersedes the legal description and map attached as Exhibit B to the First Amendment with regard to "Parcel Three" only.

b. The parcel of land identified in Exhibit B to the First Amendment as "Parcel Two," is hereby defined and described as set forth in the revised legal description and map attached to this Second Amendment as Exhibit 2, and incorporated by this reference within the Lease. The revised legal description and map of Parcel Two reduce Parcel Two from approximately 31.10 acres to approximately 26.10 acres. The revised legal description and map attached as Exhibit 2 to this Second Amendment hereby replaces and supersedes the legal description and map attached as Exhibit B to the First Amendment with regard to "Parcel Two" only.

2. Rules and Regulations. Article 12 ("Rules and Regulations") of the Lease, as previously amended, is hereby deleted in its entirety and replaced with the following:

12.1 Lessee shall at all times comply with all federal, state or local government agreements, laws, ordinances, rules, regulations, and grant assurances applicable to the Airport, and with the orders of any and all governmental authorities and agencies concerning the Airport or the Premises or the use thereof, including, without limitation, order of the United States Department of Transportation ("DOT"), FAA, the United States Department of Homeland Security ("DHS") and the United States Environmental Protection Agency ("EPA") (collectively "Laws, Rules and Regulations") which are applicable to its operations, the Premises (including the Americans with Disabilities Act), or the operation, management, maintenance or administration of the Airport, including all Laws, Rules and Regulations adopted after the Effective Date of this Lease. Lessee shall display to Lessor, upon request, any permits, licenses, or other evidence of compliance with such laws. All rules and regulations and minimum operating standards for the Airport, as currently existing or as may be amended or adopted, are hereby incorporated in this Lease.

12.2 Lessee for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that, in the event facilities are constructed, maintained or otherwise operated on the Premises for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, to maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations ("CFR"), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and any amendments thereto.

12.3. Lessee for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national

origin shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the Premises; (2) in the construction of any improvements on, over or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of or otherwise be subject to discrimination; and (3) Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and any amendments thereto.

12.4. In the event of breach of any of the above nondiscrimination covenants (paragraphs 12.2 and 12.3), Lessor may terminate this Lease and reenter and repossess the Premises and hold the Premises as if this Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

12.5. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or device; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

12.6. Noncompliance with paragraph 12.5 above constitutes a material breach of this Lease and in the event of noncompliance, Lessor may terminate this Lease without liability, or, at the election of Lessor or the United States, either may judicially enforce paragraph 12.5.

12.7. Lessee shall insert the provisions set forth in paragraphs 12.2 through 12.6 above, and any others required that may be required by the FAA or other governmental entity, in any sublease or other document by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Premises.

12.8. Lessee shall undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this paragraph. Lessee shall require its covered suborganizations to provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E. to the same effect.

12.9. Lessor reserves the right to further develop, improve, or otherwise change the Airport as it sees fit, regardless of the desires or view of Lessee, and Lessee shall not interfere with, or hinder, Lessor in this regard. Lessor shall use its best efforts to do so without interfering with or hindering Lessee's operation. Lessee shall not be required to bear any of the cost or expense of construction and maintenance of such improvements.

12.10. Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

12.11. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States relative to the development, operation or maintenance of the Airport. Lessee shall do nothing in its performance of its obligations under the Lease that would cause any noncompliance with such obligations of the sponsor. The Parties agree that, to the extent any provisions of the Lease are in noncompliance with such obligations, the Parties shall take any necessary corrective action in order to bring the Lease into compliance with such obligations.

12.12. Lessee shall comply with the notification and review requirements covered in Federal Aviation Regulations ("FAR") Part 77 in the event future construction of a building is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

12.13. Lessee shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises that exceeds the mean sea level elevations contained in FAR Part 77 or amendments thereto, or interferes with the runway and/or taxiway "line of sight" of the control tower. If these covenants are breached, Lessor reserves the right to enter upon the Premises and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.

12.14. Lessee specifically understands and agrees that nothing contained in the Lease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of 49 U.S.C. § 40103(e) and § 47107(a)(4).

3. Reservation of Easement. Article 14 ("Reservation of Easement") of the Lease, as previously amended, is hereby deleted in its entirety and replaced with the following:

14.1 There is hereby reserved to Lessor, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said air-space or landing at, taking off from or operation on the Airport.

14.2 Lessee shall not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. If this covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

4. General Provisions. Article 20 ("General Provisions") of the Lease is hereby amended to delete paragraph 20.12 entitled "Recording and Effective Date." The effective date of the Lease for all purposes shall be the same as the Commencement Date of June 1, 1999, as set forth in paragraph 2.1 of the Lease.

5. Effective Date of Second Amendment. This Second Amendment shall be effective as of the signature date of the last Party to sign this Second Amendment.

6. Recordation. Lessor shall at its expense record this Second Amendment in the office of the Recorder of Pima County, Arizona within ten days of execution of this Second Amendment by all Parties.

7. Attachment of Lease. For reference purposes, the Parties agree and acknowledge that a true and correct copy of the Lease is hereby attached to this Second Amendment as Exhibit 3, and shall be recorded in the office of the Recorder of Pima County, Arizona with this Second Amendment.

8. Other Terms and Provisions. All other terms and provisions of the Lease and its exhibits, as amended by the First Amendment, not specifically changed by this Second Amendment, shall remain in effect and be binding upon the Parties as provided for in the Lease. Words and phrases having a defined meaning in the Lease have the same respective meanings when used in this Second Amendment unless otherwise expressly stated.

9. Recitals. The recitals set forth at the beginning of this Second Amendment are hereby acknowledged, confirmed to be accurate and incorporated here by reference.

10. Entire Agreement. This Second Amendment constitutes the entire agreement between the Parties pertaining to the subject matter of this Second Amendment. All prior and contemporaneous agreements, representation and understanding of the Parties, oral or written, are hereby superseded and merged in this Second Amendment.

11. Severability. If any provision of this Second Amendment 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 Second Amendment, 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 Second Amendment 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 Second Amendment shall be deemed reformed accordingly.

12. Governing Law. This Second Amendment is entered into in Arizona and shall be construed and interpreted under the laws of Arizona, and any actions to enforce or interpret the terms and provisions of this Second Amendment shall be brought and maintained in Pima County, Arizona.

13. Interpretation. This Second Amendment has been negotiated by Lessor and Lessee, and neither Party shall be deemed to have drafted this Second Amendment for purposes of construing any portion of this Second Amendment for or against any Party.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the last date set forth below their respective signatures.

LESSOR:	LESSEE:
TOWN OF MARANA, an Arizona municipal corporation	PIMA AVIATION, INC., an Arizona corporation
By: Ed Honea	By:
Ed Honea, Mayor	Gary L. Abrams, President
Date: 6/5/2018	Date: 5/24/18

ATTEST:

Jocelyn C. Bronson, Town Clerk

APPROVED AS TO FORM:

for Frank Cassidy, Town Attorney

STATE OF AZ) ss.

County of PIMA)

The foregoing instrument was acknowledged before me this 22nd day of MAY, 2018, by Gary L. Abrams, President of PIMA AVIATION, INC., an Arizona corporation on behalf of the corporation.

(Seal)

CRYSTAL LEE BREEDING
Notary Public - Arizona
Pima County
My Comm. Expires Aug 31, 2020

Notary Public

LIST OF EXHIBITS

Exhibit 1: Legal Description of Lease Parcel Three, as revised

Exhibit 2: Legal Description of Lease Parcel Two, as revised

Exhibit 3: Copy of Master Development Lease Agreement (also known as the "73-Acre Lease")

EXHIBIT 1

Stantec Consulting Services Inc.
5151 E Broadway Boulevard Suite 400 Tucson AZ 85711-3712

DESCRIPTION OF LEASE PARCEL 3, AS REVISED

Description of a Lease Parcel across a portion of the Northeast Quarter of Section 9, Township 12 South, Range 11 East, Gila and Salt River Meridian, Pima County, Arizona. Said parcel being more fully described as follows:

COMMENCING at a ½-inch rebar with tag "PCDOT" marking the internal corner of said Section 9, from which a ¾-inch rebar, marking the North Quarter corner of said Section bears North 00°57'22" West (the Basis of Bearings for this description), a distance of 2642.72 feet;

THENCE along the West line of said Northeast Quarter, North 00°57'22" West, a distance of 131.56 feet;

THENCE departing said line, North 89°02'38" East a distance of 120.00 feet to a point on the North right-of-way of W. Avra Valley Road as shown in Establishment Proceedings No. 760-"B" (Book 6 of Road Maps, Page 30), Pima County Records said point being the **POINT OF BEGINNING**;

THENCE along a line parallel with and 120.00 feet offset from said West line, North 00°57'22" West, a distance of 1342.71 feet;

THENCE departing said line, South 89°39'49" East a distance of 515.07 feet;

THENCE North 45°07'08" East a distance of 430.64 feet;

THENCE South 44°52'19" East a distance of 654.22 feet;

THENCE South 45°05'41" West a distance of 1526.15 feet;

THENCE South 20°25'59" East a distance of 139.66 feet to a point on the North right-of-way of said W. Avra Valley Road;

THENCE along said right-of-way, North 79°59'49" West, a distance of 45.25 feet to the start of a tangent curve;

THENCE along said curve, concave to the South, with a radius of 1482.40 feet, through a central angle of 07°06'28" (the chord of which bears North 83°33'03" West a distance of 183.78), for an arc length of 183.90 feet to the **POINT OF BEGINNING;**

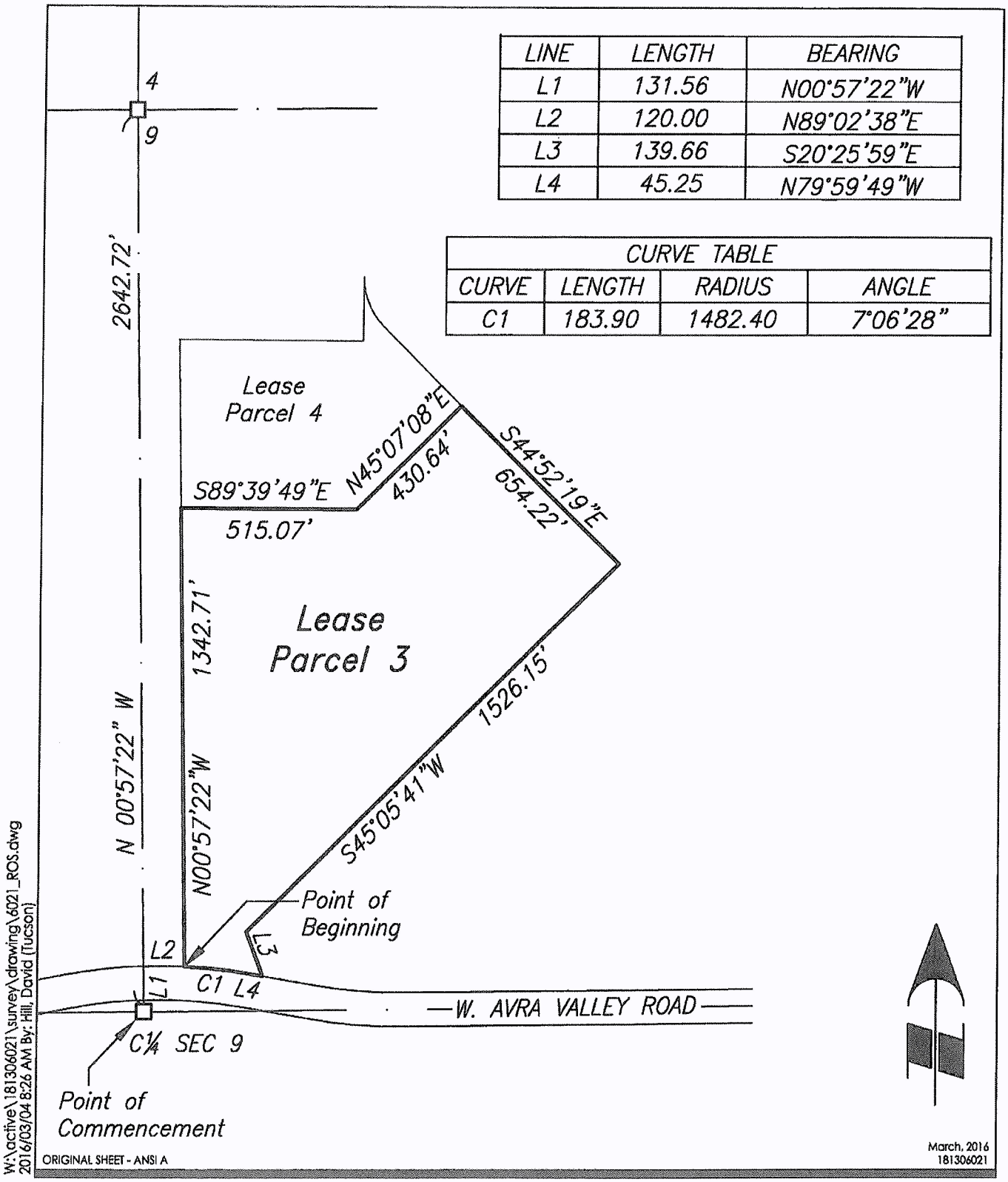
Said Parcel contains 1,093,778 square feet or 25.110 acres of land, more or less.

Disclaimer: Stantec Consulting accepts no liability for this description if it has been modified or reformatted in any way from its original format and content, or used for any purpose other than that for which it was originally intended.

Prepared by Warren D Thompson, RLS
Prepared on march 3, 2016
Prepared for and on behalf of Stantec Consulting Services Inc.
Project Number: 181306021



EXPIRES 9-30-2016



LINE	LENGTH	BEARING
L1	131.56	N00°57'22"W
L2	120.00	N89°02'38"E
L3	139.66	S20°25'59"E
L4	45.25	N79°59'49"W

CURVE TABLE			
CURVE	LENGTH	RADIUS	ANGLE
C1	183.90	1482.40	7°06'28"

W:\active\181306021\survey\drawing\6021_ROS.dwg
2016/03/04 8:26 AM By: Hill, David (Tucson)

ORIGINAL SHEET - ANSI A

March, 2016
181306021

Stantec

5151 E. Broadway Blvd., Suite 400
Tucson, AZ 85711

Client/Project
TOWN OF MARANA
AIRPORT LEASE PARCEL 3
NE¼, S9, T12S, R11E, G&SRM

Figure No.
1.0

Title
LEASE PARCEL 3
Description Exhibit

EXHIBIT 2

DOWL

INSPIRATION - INNOVATION - INTEGRITY

LEGAL DESCRIPTION
(PARCEL TWO LEASE OF WESTERN DEVELOPMENT AREA)

PARCEL TWO

A parcel of land lying within a portion of the Southeast Quarter of Section 4 and the Northeast Quarter of Section 9, Township 12 South, Range 11 East, Gila & Salt River Meridian, Pima County, Arizona, more particularly described as follows:

COMMENCING at a found 2" brass capped survey monument being at the Northeast Section corner of Section 9, from which a found 3" brass capped survey monument with marking not legible, being at the East ¼ corner of Section 9 bears, South 00°31'56" East a distance of 2643.57 feet;

THENCE from **COMMENCEMENT POINT**, along the East Section line of said Section 9, South 00°31'56" East a distance of 1005.70 feet to a point;

THENCE South 89°28'04" West a distance of 886.30 feet to a point the **TRUE POINT OF BEGINNING**;

THENCE South 45°05'45" West a distance of 443.58 feet to a point;

THENCE North 44°52'15" West a distance of 979.77 feet to a point on a tangent curve to the right;

THENCE along said tangent curve to the right with a radius of 165.00 feet, an arc length of 130.19 feet, a central angle of 45°12'30", with a chord bearing of North 22°16'00" West, and a chord distance of 126.84 feet to a point;

THENCE North 00°20'15" East a distance of 482.56 feet to a point on a tangent curve to the right;

THENCE along said tangent curve to the right with a radius of 165.00 feet, an arc length of 129.57 feet, a central angle of 44°59'30", with a chord bearing of North 22°50'00" East, and a chord distance of 126.26 feet to a point;

THENCE North 45°19'45" East a distance of 469.94 feet to a point;

THENCE South 44°53'52" East a distance of 668.03 feet to a point;

THENCE South 11°35'50" East a distance of 974.60 feet to a point to the said **TRUE POINT OF BEGINNING.**

520-882-8696 ■ 520-624-0384 (fax) ■ 1101 West Grant Road, Suite 208 ■ Tucson, Arizona 85705 ■ www.dowl.com

The above described parcel contains approximately 1,136,942 square feet or 26.101 acres more or less.

NOTE:
RVZ line calculated using record latitude - longitude positions (NAD83) for runway ends taken from "AIRPORT LAYOUT PLAN- EXHIBIT A AIRPORT PROPERTY INVENTORY" Sheet # 18 of 19 – Armstrong Project No 156295 Dated 01/2016.

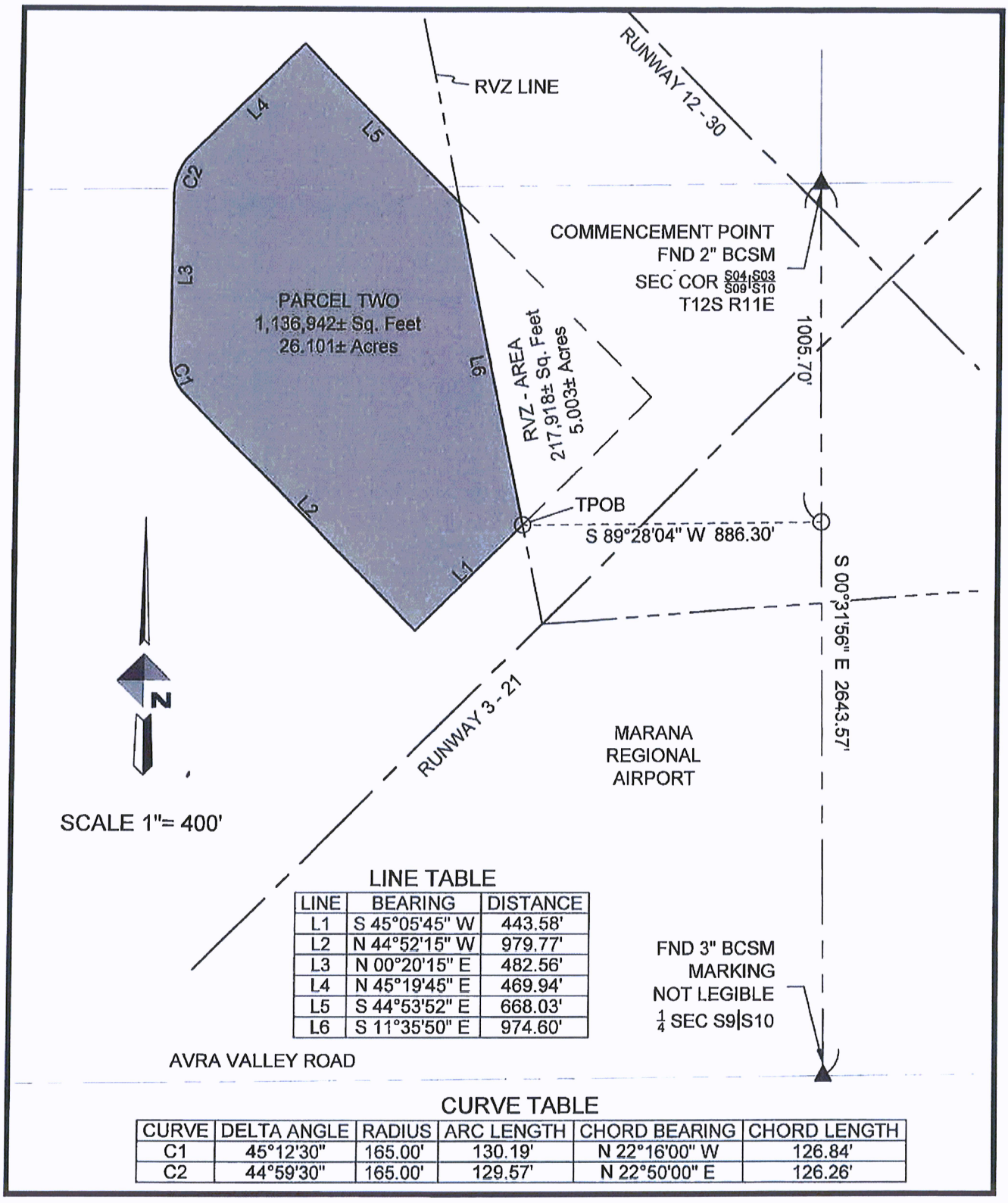
Record positions were converted to State Plane Coordinates, Arizona Central Zone. An average combined grid correction factor of 0.999861155 was applied to inverse distances to obtain ground distances. Runway centerlines were overlaid upon existing monumented/survey centerline at runway intersection point from which half way marks were determined.

Prepared for purpose of:	*Lease Parcel Description*
Prepared for :	*Marana Regional Airport*
Prepared by:	*Michael F. York, RLS*
Prepared on behalf of:	*DOWL*
Prepared on:	*9/11/2017*



DOWL accepts no liability for this legal description if it has been modified or reformatted in any way, for any reason, from its original format and content or used for any purpose other than that for which it was prepared.

520-882-8696 ■ 520-624-0384 (fax) ■ 1101 West Grant Road, Suite 208 ■ Tucson, Arizona 85705 ■ www.dowl.com



LINE TABLE

LINE	BEARING	DISTANCE
L1	S 45°05'45" W	443.58'
L2	N 44°52'15" W	979.77'
L3	N 00°20'15" E	482.56'
L4	N 45°19'45" E	469.94'
L5	S 44°53'52" E	668.03'
L6	S 11°35'50" E	974.60'

CURVE TABLE

CURVE	DELTA ANGLE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	45°12'30"	165.00'	130.19'	N 22°16'00" W	126.84'
C2	44°59'30"	165.00'	129.57'	N 22°50'00" E	126.26'

DOWL

EXHIBIT FOR LEGAL DESCRIPTION

41284-02
9/11/2017
PAGE 1 OF 1

520-882-8696 (TEL) ■ 520-624-0384 (FAX) ■ 1101 West Grant Road, Suite 208 ■ Tucson, Arizona 85705

EXHIBIT 3

MASTER DEVELOPMENT LEASE AGREEMENT

PIMA AVIATION, INC.
&
PIMA COUNTY

Exhibits to be included in Lease Agreement

Exhibit	Description	Supplied by
A	Legal & map of 73 acre parcel	PAI
B	Rent Schedule	Marana/Gear

TABLE OF CONTENTS

1 **DESCRIPTION OF PREMISES.** 1
- 1.1 Premises. 1
- 1.2 LESSOR's Right to Remove Land from Premises. 1
- 1.3 Removal of Land from Premises. 2

2 **TERM.** 2
- 2.1 Initial Term. 2
- 2.2 Extension Term. 2
- 2.3 Appraisal for Extension Term. 3

3 **COMPENSATION.** 4
- 3.1 Fixed Rent. 4
- 3.2 Percentage Rent. 4
- 3.3 Fuel Flowage Fee. 4
- 3.4 Amendment of Compensation by Mutual Agreement. 5
- 3.5 Record Keeping. 5

4 **USE OF PREMISES.** 5
- 4.1 Aeronautical and Aviation Related Uses. 5
- 4.2 Non-Airport Activities. 5
- 4.3 Report of Leasing Activity. 5
- 4.4 Approval of Subleases. 6
- 4.5 Lawful Use and Condition of Premises. 7
- 4.6 Other Rights of LESSEE. 7
- 4.7 Public Funding for Improvements. 7
- 4.8 Water Delivery for Fire Protection System. 8
- 4.9 Financing of Improvements. 8

5 **INSURANCE.** 9
- 5.1 LESSEE's Insurance. 9
- 5.2 Sublessees' Insurance. 9
- 5.3 Additional Insured. 9
- 5.4 Unavailability of Insurance. 9

6 **INDEMNIFICATION.** 10
- 6.1 By LESSEE. 10
- 6.2 By LESSOR. 10
- 6.3 Duty of Care. 10

7 **CONSTRUCTION OF STRUCTURES & IMPROVEMENTS.** 10
- 7.1 LESSEE's Improvements. 10
- 7.2 LESSOR's Approval. 10
- 7.3 No Obligation for Leasehold Improvements. 11
- 7.4 No Liens. 11

7.5 Consent to Removal. . . . 12
7.6 No Obligation for Public Airport Facilities. . . . 12

8 ENVIRONMENTAL PROVISIONS. . . . 12
8.1 LESSEE's Obligation. . . . 12
8.2 Definitions. . . . 12
8.3 Compliance. . . . 13
8.4 Remedies. . . . 15

9 PUBLIC UTILITIES. . . . 15
9.1 Payment. . . . 15
9.2 Repair. . . . 15
9.3 Provision of Utilities. . . . 15
9.4 Rights of Way. . . . 16

10 MAINTENANCE. . . . 16
10.1 LESSEE's Obligations. . . . 16
10.2 LESSOR's Obligations. . . . 16
10.3 Notice by LESSEE. . . . 16
10.4 Inspection by LESSOR. . . . 16

11 TAXES. . . . 16
11.1 LESSEE's Payment. . . . 16

12 RULES AND REGULATIONS. . . . 17
12.1 LESSOR's Regulations. . . . 17
12.2 Department of Transportation Regulations. . . . 17
12.3 Non-Discrimination. . . . 17
12.4 Fairness. . . . 17
12.5 Applicable to Other Agreements. . . . 17
12.6 Affirmative Action. . . . 17
12.7 Non-Compliance. . . . 18
12.8 Future Development. . . . 18
12.9 Future Construction. . . . 18
12.10 Elevation Restriction. . . . 18
12.11 Subordination to Federal Agreements. . . . 18
12.12 No Exclusive Right. . . . 18
12.13 Applicable to Subleases. . . . 18
12.14 Compliance with Aviation Regulations. . . . 18

13 SUPERIOR RIGHTS. . . . 19
13.1 Preemption by U.S. . . . 19
13.2 Disclaimer. . . . 19

14 RESERVATION OF EASEMENT. . . . 19
14.1 LESSOR's Reservation of Rights. . . . 19
14.2 No Obstruction. . . . 19

15 **ASSIGNMENT.** 19
15.1 LESSOR's Consent. 19
15.2 Compliance with Requirements. 20

16 **TERMINATION BY LESSOR.** 20
16.1 Default by LESSEE. 20
16.2 Additional Defaults. 20
16.3 No Waiver. 20
16.4 Remedies Cumulative. 21

17 **TERMINATION BY LESSEE.** 21
17.1 Causes. 21
17.2 Expiration of Cause. 21
17.3 Non-Waiver. 21
17.4 Remedies Cumulative. 21

18 **SURRENDER OF POSSESSION; CONDITION OF PREMISES.** 21
18.1 Surrender. 21
18.2 Condition. 21
18.3 Removal of Personal Property. 22
18.4 Transfer to LESSOR. 22

19 **AIRPORT TRANSFER.** 22
19.1 Transfer of Lease to Marana. 22
19.2 Subsequent Transfer to Pima County. 22

20 **GENERAL PROVISIONS.** 23
20.1 Cumulative. 23
20.2 Non-Waiver. 23
20.3 Time of Essence. 23
20.4 Entire Agreement. 23
20.5 Modification. 23
20.6 Abandonment. 23
20.7 Successors and Assigns Bound. 23
20.8 Article Headings. 23
20.9 Severability. 23
20.10 Applicable Law. 23
20.11 Authority. 24
20.12 Recording and Effective Date. 24
20.13 Approvals. 24

21 **NOTICES.** 24
21.1 Addresses. 24
21.2 Service. 25
21.3 Change of Address. 25

MASTER DEVELOPMENT LEASE AGREEMENT

THIS LEASE is made and entered into this 15th day of June, 1999, by and between PIMA COUNTY, a political subdivision of the State of Arizona ("LESSOR") and PIMA AVIATION, INC., an Arizona corporation ("LESSEE"). LESSOR and LESSEE may be referred to collectively in this Lease as the "parties."

RECITALS

1. LESSOR is the owner of the Airport known as AVRA VALLEY AIRPORT, located in Pima County, Arizona (the "Airport").

2. In the interest of promoting economic development and achieving other public benefits, LESSOR is desirous of encouraging various aeronautical and/or aviation related private businesses, airport support businesses, and appropriate aviation related governmental agencies, to locate their aviation related facilities on presently undeveloped Airport land.

3. The parties believe that the foregoing goal can be achieved most efficiently by leasing certain undeveloped portions of the Airport to LESSEE, who will in turn function as master developer, in cooperation with LESSOR, for the purpose of developing such property and marketing and subleasing it to end users.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual agreement to the terms and conditions set forth below, LESSOR does hereby lease to LESSEE a portion of Airport, as follows:

1 DESCRIPTION OF PREMISES.

1.1 Premises. LESSOR hereby leases to LESSEE a portion of Airport, which portion consists of approximately 73 acres, as particularly described on Exhibit "A" (the "Premises"). LESSEE shall have, subject to the terms and provisions of this Lease and any subleases, the use, occupancy and control of the Premises with all improvements constructed thereon.

1.2 LESSOR's Right to Remove Land from Premises. LESSEE acknowledges that the Airport is in its infancy, and the Airport Master Plan provides for significant and ongoing expansion and improvement of the Airport. As such, LESSEE acknowledges that loss of leased property due to Airport development requirements is likely. Such loss of leased property may come about as a result of LESSOR's need to use such property for airport improvement or expansion, or may come about as a result of governmental regulation, including but not limited to Federal Aviation Administration (FAA) regulations regarding setbacks, clear zones, and restricted visibility zones at the intersection of runways (hereinafter referred to as a "Restriction"). By entering into this Lease, LESSEE acknowledges that it has

reviewed the Airport Master Plan and other necessary documentation, and has made an independent determination regarding this risk and the land to be leased.

1.2.1 If the Restriction appears on the existing Airport Master Plan, the deletion and substitution shall be implemented as soon as possible after the Commencement Date.

1.2.2 If the Restriction is set forth in a subsequent amendment to the Airport Master Plan, the deletion and substitution shall be implemented as soon as possible after the FAA has accepted such amendment.

1.2.3 If any portion of the Premises is or becomes unavailable for development due to governmental regulation not shown on the Airport Master Plan, the deletion and substitution shall be implemented as soon as possible after such regulation becomes effective.

1.3 Removal of Land from Premises. In the event that it becomes necessary for LESSOR to delete any property from the Premises as provided above, LESSEE agrees to cooperate in such transaction as set forth hereinafter.

1.3.1 During the Initial Term and Extension Term, LESSOR may require that certain portions of the Premises must be deleted from the Premises, but such may occur only for the purpose of being utilized for additional aeronautical and aviation purposes.

1.3.2 In the event that such deletion takes place, LESSOR shall use its best efforts to provide in substitution for the parcel deleted another parcel of equivalent size and fair rental value located within the Airport. If such substituted parcel is accepted by LESSEE, the Premises shall be redefined to include the substituted parcel in lieu of the deleted parcel and the "Fixed Rent" (defined below) shall be adjusted to reflect any difference in the size of the Premises.

1.3.3 If no such parcel is mutually agreed upon, LESSOR shall be required to reduce the Fixed Rent (as hereinafter defined) in a proportionate amount. Any such substitution shall not affect the Fixed Rent, unless the substituted parcel is different in size from the deleted parcel.

1.3.4 Nothing in this Lease shall be interpreted to remove the LESSOR'S legal right of eminent domain.

2 TERM.

2.1 Initial Term. The Initial Term of this Lease shall be for a period of twenty-five Lease Years beginning on the 1st day of June 1999 (the "Commencement Date"). As used herein the term "Lease Year" means a one year period beginning on the first day of the Initial Term or on any subsequent anniversary of such date and ending on the day preceding the next following anniversary of such date.

2.2 Extension Term. If LESSEE is not in default in the performance of any of the terms of this Lease when the initial twenty-five year term expires, LESSOR shall extend this Lease at the option of LESSEE for a single additional twenty-five year period

(the "Extension Term"). LESSEE shall exercise the option to extend this Lease by notifying LESSOR in writing that LESSEE is exercising its option to extend the Lease. Such notification shall be made at least one (1) year and no more than three (3) years prior to the expiration of the Initial Term. Except for the Fixed Rent (see below), which shall be redetermined in accordance with this Article upon receipt of LESSEE's written notice to exercise its option to extend this Lease, the terms and provisions of this Lease shall apply to the Extension Term.

2.3 Appraisal for Extension Term. During the thirty (30) days following LESSEE's exercise of its option to extend this Lease, the parties shall meet and attempt to agree on the Fixed Rent for the first Lease Year of the Extension Term. If they are unable to do so, LESSOR shall, within thirty (30) days thereafter, provide LESSEE with a list of four (4) independent MAI appraisers who meet the Competency Provision of the Uniform Standards of Professional Practice, particularly those who are experienced with valuing similar airport type properties. Within twenty (20) days after receiving such list, LESSEE shall give notice to LESSOR of its choice of Qualified Appraiser from among those named. LESSOR shall promptly engage the chosen Qualified Appraiser to determine the Fixed Rent for the first Lease Year of the Extension Term based on the then prevailing market rate for unimproved land at other similar airport facilities in Arizona, and if none in Arizona can be used, then in other comparable localities the appraiser believes are relevant. LESSOR shall promptly notify LESSEE of the results of such appraisal. The determination of the chosen Qualified Appraiser shall be conclusive and binding on the parties.

2.3.1 In determining the Fixed Rent for the Extension Term, the Qualified Appraiser shall use a "land value" basis, i.e., shall take into consideration only the unimproved land value of the Premises, and shall not include the value of any improvements made thereon by LESSEE or its sublessees during the Initial Term. However, the appraisal shall take into consideration any improvements made to the Airport by LESSOR which in the appraiser's professional opinion increase the land value of the Premises.

2.3.2 Notwithstanding the foregoing, the Fixed Rent per acre per year for the first Lease Year of the Extension Term shall in no event be less than such Fixed Rent for the last Lease Year of the Initial Term. Fixed Rent for the third through twenty-fifth Lease Years of the Extension Term shall be determined as follows. Commencing upon the expiration of the first two (2) Lease Years of the Extension Term and every two (2) Lease Years thereafter (the "CPI-U Adjustment Dates"), the Fixed Rent for the next two (2) Lease Years shall be increased by the amount of any percentage increase in the CPI-U during the most recent two (2) calendar year period over the calendar year preceding that two (2) calendar year period, applying the Consumer Price Index for all Urban Consumers (CPI-U), as published by the U.S. Department of Labor, Bureau of Statistics. In the event publication of the CPI-U is terminated, then such periodic adjustment shall be made by application of the index published by the U.S. Department of Labor which most closely resembles the CPI-U.

3 COMPENSATION.

3.1 Fixed Rent. Notwithstanding any additional rent, fees, taxes, or other monies paid to LESSOR pursuant to this Lease or otherwise, LESSEE agrees to pay to LESSOR an amount of rent per acre of the Premises for each Lease Year determined in accordance with the rent schedule attached hereto as Exhibit "B" (the "Fixed Rent"), plus rental tax. The Fixed Rent shall be payable quarterly in advance. The Fixed Rent for partial acres shall be prorated. Fixed Rent for land which is deleted from the Premises or taken by eminent domain shall cease as of the first day of the calendar month following the month in which such land ceases to be a part of the Premises.

3.2 Percentage Rent.

3.2.1 In addition to the fixed rent set forth above, LESSEE agrees to pay to LESSOR a sum equal to five (5%) of LESSEE's actual gross receipts from the sublease of any portion of the Premises to a sublessee (the "Percentage Rent").

3.2.2 As used in this Lease, "actual gross receipts" shall mean the total rents received by LESSEE from sublessees pursuant to subleases of portions of the Premises, excluding rental tax. If LESSEE utilizes any portion of the Premises for its own use, then the fair market rental value of those portions shall be added to actual gross receipts.

3.2.3 The actual gross receipts and Percentage Rent shall be computed on a quarterly basis. Percentage Rent for a quarter shall be due and payable no later than thirty (30) days following the end of such quarter. A report indicating the method of computation in reasonable detail shall accompany each remittance.

3.3 Fuel Flowage Fee. During the Initial Term and Extension Term, LESSEE shall pay to LESSOR, in addition to rent, sales taxes and other taxes, and all other fees, a fee (the "Fuel Flowage Fee") for every gallon of all aviation fuel and other fuel dispensed on the Premises, whether dispensed directly into an airplane or other vehicle, dispensed into a fuel pumping truck, or dispensed into any other container (but excluding any fuel which has already been subject to payment of a Fuel Flowage Fee when it was previously dispensed at the Airport). LESSEE may assign the obligation to pay the Fuel Flowage Fee to subtenants, and to the extent such Fees are actually paid by the subtenant, LESSEE's obligation for such fees is satisfied. The Fuel Flowage Fee shall be in the amount of three cents ($0.03) per gallon. On a quarterly basis, by the tenth (10^{th}) day of each quarter, LESSEE shall report to LESSOR the number of gallons of fuel dispensed during the previous month and shall remit the Fuel Flowage Fee based thereon. LESSEE shall submit a statement of fuel flowage for the preceding calendar year not later than March 1 of each year. The statement shall show in reasonable detail the amount of actual gross receipts during the preceding calendar year for fuel sales and amount paid to LESSOR for Fuel Flowage Fees during the same period. Such annual statement shall be accompanied by the signed opinion of the person certifying such statement specifically stating that he has examined the report of fuel sales for such year, that

he has examined LESSEE's books and records as he considered necessary under the circumstances, and that such statement accurately presents the total fuel sales of such year. An adjustment shall be made with the furnishing of each annual statement with respect to Fuel Flowage Fees if LESSEE shall have paid an amount different than was required to be so paid. The amount of any increase shall be paid and delivered with the annual statement and the amount of any decrease shall be deducted from subsequent payments. Each sublease shall include a section imposing the same payment and reporting obligations upon the sublessee with regard to fuel it dispenses at the Airport.

3.4 Amendment of Compensation by Mutual Agreement. During the Initial Term and Extension Term, at the request of either party to this Lease, LESSEE and LESSOR shall meet to discuss whether there should be a change in the Fixed Rent referred to in paragraph 3.1, the Percentage Rent referred to in paragraph 3.2 or the Fuel Flowage Fee referred to in paragraph 3.3. Any such change shall be made prospectively only and shall require the mutual written agreement of LESSOR and LESSEE.

3.5 Record Keeping. LESSEE shall keep true and accurate account records, books and data in accordance with generally accepted accounting principles which shall show all rents billed to and receipts collected from third parties for any part of the Premises. LESSEE shall maintain annual corporate income tax returns and corporate financial statements certified by a Certified Public Accountant. LESSOR shall have the right to examine all financial books and records pertaining to this Lease or to the use of the Premises upon three (3) business days advance written notice to LESSEE. LESSOR shall have the right to annually conduct an audit of the airport records and financial statements.

4 USE OF PREMISES.

4.1 Aeronautical and Aviation Related Uses. LESSEE shall develop the Premises only for businesses associated with aeronautical and/or aviation related private businesses, airport support businesses, appropriate aviation related governmental agencies, and related structures, so long as they are consistent with FAA regulations and do not interfere with the LESSOR's ability to receive grant funding. LESSEE's development of the Premises shall be in a manner to maximize the overall value of the Premises in a reasonable fashion. Any development of the Premises shall, to the greatest extent possible, avoid the creation of unusable or unmarketable areas of the Premises.

4.2 Non-Airport Activities. LESSEE shall not permit its sublessees, agents, customers, patrons or others to engage in activities which are not reasonably related to aeronautical and/or aviation related private businesses, airport support businesses, appropriate aviation related governmental agencies, and related purposes without first obtaining the prior written consent of F.A.A. (where applicable) and LESSOR.

4.3 Report of Leasing Activity.

4.3.1 On a periodic basis, but not less than annually, LESSEE shall submit a written report to LESSOR describing LESSEE's efforts to develop the

Premises, the names of persons or entities which have inquired about subleasing a portion of the Premises, and a description of the status of planned development.

4.3.2 If any person or entity requests to sublease a portion of the Premises (a "Prospect") and LESSEE does not enter into a sublease with such Prospect, LESSEE shall provide LESSOR with written justification for LESSEE's decision not to sublease to such Prospect. Further, LESSEE shall, if requested by LESSOR or the Federal Aviation Administration ("FAA"), provide economic data to support LESSEE's action.

4.3.3 The parties acknowledge that LESSEE does not have exclusive use of the Airport, nor the exclusive right to provide fixed base operation services at the Airport. In order to assure this, the parties agree to certain conditions which will allow LESSOR to negotiate with prospective fixed base operators with whom LESSEE is unwilling to enter into a lease. To this end, if any person or entity is interested in subleasing a part of the Premises for use as a general aviation, full-service fixed base operation providing substantially the same services as the existing fixed base operator at the Airport, and LESSEE does not reach agreement with such Prospect within six (6) months after receipt from such Prospect of a formal written proposal, LESSEE shall promptly refer such Prospect to LESSOR's Airport Manager for all further negotiations (which negotiations shall relate only to property other than the Premises) and shall confirm such referral by written notice to the Airport Manager accompanied by all information in LESSEE's possession pertaining to such Prospect. LESSEE shall thenceforth refrain from any further contact with such Prospect except to the extent specifically requested by LESSOR.

4.4 Approval of Subleases. LESSEE is permitted to sublet portions of the Premises only for aeronautical and/or aviation related private businesses, airport support businesses, and appropriate aviation related governmental agencies, subject to prior written approval of LESSOR. Such approval shall not be unreasonably withheld. When requesting LESSOR's approval of a sublease, LESSEE shall accompany its request with a copy of the actual sublease documents it plans to submit for execution by the sublessee, including a specific description of the activities to be conducted by the sublessee at the Airport. Within thirty (30) days after submission of the proposed sublease documents by LESSEE, LESSOR shall notify LESSEE in writing of approval or rejection thereof. In the event LESSOR deems such thirty (30) day period to be inadequate for its review of a proposed sublease, LESSOR may extend such period for an additional thirty (30) days by giving written notice thereof to LESSEE prior to the expiration of the initial period. Thereafter, such period may be extended only for good cause or by mutual agreement of the parties. If LESSOR rejects the sublease, it shall give detailed reasons therefor and use its best efforts to provide recommended revisions or other conditions for acceptance. All subleases, amendments, and other lease documents shall be approved as to form by LESSOR, as evidenced by the signature of LESSOR's designated representative on the original of such document. Any such sublease shall only be for a portion of the Premises reasonably necessary for the authorized activity of the sublessee, shall be subject to

the terms of this Lease, and shall contain, as a minimum, the provisions required by this Lease. In lieu of initially submitting the actual sublease documents, LESSEE may submit to LESSOR for approval a memorandum of understanding or letter of intent (a "Proposal") between LESSEE and the proposed sublessee. A Proposal shall cover all of the essential business terms of the deal in sufficient detail for LESSOR to evaluate them as provided above. In the event a Proposal is so approved, LESSEE and the sublessee shall proceed to finalize the sublease documents, which shall remain subject, however, to LESSOR's final review and approval, which approval will not be unreasonably withheld or delayed.

4.5 Lawful Use and Condition of Premises. LESSEE shall comply with all County, state and federal laws, including without limitation FAA Regulations and any and all applicable zoning laws that may apply to LESSEE's use of the Premises. LESSEE shall obtain, at its own cost, any licenses that may be required by law for its operation. LESSOR will assist and cooperate to the extent possible to obtain required licenses and permits.

4.6 Other Rights of LESSEE. LESSOR hereby grants LESSEE and its sublessees and their agents, employees, contractors, and invitees the following additional privileges, uses and rights, all of which are subject to the terms, conditions, and covenants contained in this Lease and all of which shall be nonexclusive with respect to the Airport:

a. The use of all public airport facilities and improvements which are now or may hereafter be constructed and are appurtenant to the Airport.

b. The right of ingress and egress from the Premises to all runways, taxiways and facilities enumerated in the preceding paragraph, and over and across the public roadways serving the Airport, subject to any and all ordinances, rules and regulations which are now or may hereafter apply at Airport.

4.7 Public Funding for Improvements.

4.7.1 LESSOR acknowledges that LESSEE's ability to sublease various portions of the Premises may depend upon the availability of certain improvements, whether on or off the Premises. LESSOR therefore agrees that in the event the Airport Master Plan (as it now exists or may hereafter be amended) contemplates the construction or improvement of airport facilities or infrastructure or a prospective sublessee of the Premises requires such construction or improvement as a condition of entering into a sublease and LESSOR approves such project, LESSOR shall (a) take all actions which are prudent and within their means to obtain as promptly as possible whatever state, federal or other governmental funding may be available to pay for such project, and (b) in the event such funding is granted, pay for any portion of the cost of the project which is not paid by such funding, but in no event more than ten percent (10%) of the cost. In the event that LESSEE believes that other airport improvements would be desirable, LESSOR and LESSEE will meet and endeavor to reach agreement on the need for such improvements. If they both agree, LESSOR shall use its best efforts to obtain governmental funding to construct such other airport improvements as

LESSEE may deem desirable, provided that such improvements are set forth in the Airport Master Plan, and that such funding covers at least ninety percent (90%) of the cost thereof. This section shall not obligate LESSOR to construct or improve any airport facilities or infrastructure unless state and/or federal funding is available for such purpose.

4.7.2 LESSOR makes no representation that governmental funding for Public Airport Facilities will be made available or as to the amount thereof.

4.7.3 Nothing contained in this Paragraph 4 shall be deemed to obligate LESSOR to pay for or seek other governmental funding for any project or improvement which is located entirely within a subleased portion of the Premises or which benefits only one sublessee.

4.8 Water Delivery for Fire Protection System. LESSOR acknowledges that as of the Commencement Date, LESSEE may be unable to sublease any part of the Premises by reason of the lack of a water delivery system at the Airport sufficient to provide the fire protection required by the relevant governmental authorities. LESSOR therefore agrees to use due diligence and take all actions reasonably necessary to ensure that, within twenty-four (24) months following the Commencement Date, a suitable water delivery system is designed and either constructed or will imminently be constructed, to the extent necessary to allow LESSEE to sublease the Premises without the use thereof by sublessees violating applicable legal, regulatory or insurance requirements. After the completion of such construction, LESSEE or its sublessees, as the case may be, shall be responsible for paying the cost of installing fire protection systems as required by applicable fire codes in any buildings or other improvements owned or occupied by LESSEE or its sublessees at the Airport.

4.8.1 In the event the lack of a water delivery system prevents LESSEE from subleasing the premises within such twenty-four (24) month period, the LESSEE will have the option to cancel this Lease. If LESSEE desires to cancel this Lease pursuant to this subsection, LESSEE must deliver written notice to LESSOR within thirty-six (36) months from the date of this Lease, and if not exercised within that period, this right shall forever terminate.

4.9 Financing of Improvements. LESSOR acknowledges that LESSEE intends to borrow money from time to time in order to finance the construction of improvements to the Premises for use by sublessees, and that the lender (the "Leasehold Mortgagee") will require a mortgage or deed of trust encumbering LESSEE's interests under this Lease and the subleases (a "Leasehold Mortgage") as collateral for any such loan. The exact terms that a Leasehold Mortgagee will require to protect the security for its loan will not be known until LESSEE negotiates for a specific loan, but LESSOR acknowledges that such terms will, at a minimum, include the agreement by LESSOR to: send the Leasehold Mortgagee a copy of any notice which it sends to LESSEE under this Lease; allow the Leasehold Mortgagee additional time to cure any defaults by LESSEE; obtain the Leasehold Mortgagee's consent to any amendment, modification, cancellation, or surrender of this Lease; and allow the Leasehold Mortgagee to foreclose and otherwise enforce its Leasehold Mortgage (by, for example, collecting rent directly from sublessees or having a court

appoint a receiver) in the event of a default by LESSEE under the terms of the loan. These terms may be contained in an amendment to this Lease or in a separate agreement. LESSOR agrees that it will not unreasonably withhold or delay its approval of such an amendment or agreement, provided that LESSOR's legitimate interests are reasonably protected, including its right to approve any receiver to be appointed by a court during the foreclosure of the Leasehold Mortgage and the ultimate purchaser of LESSEE's interest at the foreclosure sale.

5 **INSURANCE.**

5.1 LESSEE's Insurance. LESSEE shall keep and maintain at its sole cost fire and extended damage coverage insurance for all structures and facilities constructed on the Premises in an amount reasonably comparable to that of similar insurance carried by other Airport lessees in the State of Arizona. LESSEE shall also keep and maintain at its sole cost and expense a Three Million Dollar ($3,000,000.00) single limit comprehensive public or commercial general liability insurance policy with specific provisions covering bodily injuries, property damage, premises liability, contractual liability, completed operations, if any, products liability, if any, and Hangar Keepers Liability. In addition, LESSEE shall provide such additional insurance, for example jump and special events coverage, as may be reasonable and appropriate to cover liability arising out of activities authorized by LESSEE or its sublessees to be conducted on the Premises.

5.2 Sublessees' Insurance. In lieu of providing such insurance itself, LESSEE may require a sublessee to maintain (i) property damage and/or liability insurance with respect to any improvements which such sublessee is occupying and (ii) additional insurance with respect to the activities such sublessee is conducting at the Airport. Such sublessees and any insurance policies which they provide shall be subject to all of the requirements this Article imposes with regard to LESSEE's insurance, including but not limited to those in the following paragraph.

5.3 Additional Insured. LESSEE shall name LESSOR as additional insured on all liability policies and shall provide LESSOR with copies of certificates of insurance and the endorsement of additional insured each year as the policies are renewed. LESSEE shall also require the insurer to provide LESSOR with a written notice of cancellation a minimum of thirty (30) days before cancellation. LESSOR shall name LESSEE as an additional insured on all liability policies, and shall provide LESSEE with a copy of the certificate of insurance and the endorsement of additional insured each year as the policy is renewed.

5.4 Unavailability of Insurance. LESSEE cannot obtain any insurance required pursuant to this Lease because of its unavailability or unreasonably prohibitive cost, LESSEE shall be entitled to be relieved of the requirement to maintain such insurance provided it discontinues the activity which would otherwise be covered hereby. The parties may renegotiate the terms of this Lease with respect to insurance requirements in the event LESSEE encounters difficulty in fulfilling such requirements.

6 INDEMNIFICATION.

6.1 By LESSEE. LESSEE shall indemnify, defend and hold harmless LESSOR, its officers, departments, employees and agents from, for and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any kind or nature arising out of this Lease which are the result of any act or omission of LESSEE, its agents, employees, or anyone acting under the direction or control or on behalf of LESSEE, its agents or employees.

6.2 By LESSOR. LESSOR shall indemnify, defend and hold harmless LESSEE, its owners, affiliates, officers, employees and agents from, for and against any and all suits, actions, legal or administrative proceedings, claims, demands or damages of any nature arising out of this Lease which are the result of any act or omission of LESSOR, its officers, departments, employees and agents or anyone acting under their direction or control or on their behalf.

6.3 Duty of Care. LESSEE shall exercise reasonable care on the Premises and Airport and shall advise LESSOR when conditions which may pose an unreasonable risk of harm to members of the general public are discovered. When LESSEE is advised by its employees or the LESSOR that an unsafe or dangerous condition exists on the Premises, LESSEE shall take reasonable steps to correct the condition and shall be responsible that members of the general public are not exposed to danger. LESSOR shall take reasonable steps to correct any such condition with regard to portions of the Airport which are outside the Premises and not otherwise leased.

7 CONSTRUCTION OF STRUCTURES & IMPROVEMENTS.

7.1 LESSEE's Improvements. LESSEE may construct improvements related to the subleasing and development of the Premises as contemplated by this Lease, provided:

a. All proposed construction shall conform to the scheme contained in the Airport master plan; and

b. LESSEE is not in default in the performance of any of the terms of this Lease.

7.2 LESSOR's Approval. LESSEE shall notify LESSOR in writing of its intention to construct improvements on the Premises. The written notice shall specify the location of the improvements together with a detailed site plan and (if available) architectural plans, specifications and other relevant documentation. Additionally, the written notice will set forth the particular infrastructure needs of the improvements, including but not limited to water, electric, fire protection, transportation, wastewater, and other utilities. These documents shall be submitted to the Airport Manager and such other officials as LESSOR may designate. LESSOR acknowledges the necessity for expedited review of all plans submitted by LESSEE to LESSOR pertaining to the development of the Premises in order to avoid LESSEE losing potential subleases due to time delay, and agrees to use its best efforts to accomplish such expedited review of the plans. If LESSOR rejects the proposed improvements, LESSOR shall give detailed reasons therefor and will use its best efforts to provide recommended revisions for acceptance. If LESSOR gives

its acceptance, such acceptance shall be subject to LESSEE's compliance with Part 77 of the FAA Regulations, as they may be amended. LESSOR may refuse to permit the construction or installation of any improvement if the type of construction or installation or the location of such improvement (1) does not meet LESSOR's reasonable and lawful requirements for safe use of the Airport, (2) does not comply with the LESSOR's building codes, laws or other regulations, (3) does not conform to the applicable laws of the United States or the State of Arizona, or (4) does not conform to applicable Federal Aviation Regulations (FARs), Advisory Circulars, FAA Orders, and other FAA directives as they exist and as they may be amended or added from time to time. Following approval of such improvements, LESSEE shall obtain the necessary permits and proceed with approval and construction as set forth in the LESSOR's applicable development codes. LESSEE shall have the right to make major alterations and modifications in any buildings, structures or other improvements now or hereafter constructed or installed in or on the Premises, subject to the provisions of this paragraph. Items of normal repair and maintenance and minor alterations and modifications constructed at a cost under ten thousand dollars ($10,000.00) need not be submitted to LESSOR for approval unless required by applicable development or building codes.

7.2.1 In the event LESSOR is unable to provide sufficient personnel (either in-house staff or outside consultants to LESSOR) to review the plans within the time desired by LESSEE, LESSEE may elect to pay the reasonable costs incurred by LESSOR to retain such consultants or other experts as LESSOR may reasonably deem necessary to review the plans on behalf of LESSOR. Because of LESSEE's liability for the consultant's fees, any consultants under this paragraph shall be selected by the agreement of both LESSOR and LESSEE. LESSOR and LESSEE shall diligently select consultants following a request by LESSEE hereunder. LESSEE acknowledges that the consultants' recommendations will be subject to review and revision by LESSOR's staff and that LESSOR shall not be bound by any of the consultants' recommendations unless approved by LESSOR's governing body or other board or person having final approval rights with respect to the plans. LESSOR's non-liability for a consultant's fees hereunder shall be unconditional and LESSEE shall indemnify and hold LESSOR harmless from any claims relating to such fees.

7.3 No Obligation for Leasehold Improvements. LESSOR shall have no obligation to pay for the cost of construction of leasehold improvements in connection with subleases of the Premises.

7.4 No Liens. LESSEE shall not permit any mechanic's lien to be filed against the Premises or the improvements located on the Premises by reason of work, labor, services, or materials supplied or claimed to have been supplied, whether before or after the commencement of this Lease. If any mechanic's lien is at any time filed against the Premises or any improvement on the Premises, LESSEE shall, as soon as possible after notice of the filing of the lien, cause such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or otherwise. If LESSEE fails to discharge the lien in a reasonable time, LESSOR may

discharge such lien with LESSEE's approval or after a final judgment is rendered either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. If a foreclosure action initiated by a lienor results in a final judgment in its favor, the LESSOR may, at its sole option, pay the full amount of such final judgment. Any amount paid or expended by LESSOR, including but not limited to costs and reasonable attorneys' fees for any of such purposes, with interest at twelve percent (12%) per annum from the date of payment, shall be repaid by LESSEE to LESSOR on demand. LESSOR's options under this paragraph shall be in addition to any other right or remedy LESSOR may have.

7.5 Consent to Removal. No building, structure or other improvement installed, constructed, erected or placed by LESSEE on the Premises shall be removed from the Premises without the prior written consent of LESSOR, which shall not be unreasonably withheld.

7.6 No Obligation for Public Airport Facilities. Notwithstanding anything in this Lease to the contrary, neither LESSEE nor its permitted sublessees shall have any responsibility or obligation for the construction, installation or maintenance of the Public Airport Facilities.

8 ENVIRONMENTAL PROVISIONS.

8.1 LESSEE's Obligation. LESSEE shall, at LESSEE's own expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, applicable to LESSEE's operation on the Premises.

8.2 Definitions.

8.2.1 "Environmental Laws" means anyone or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. Section 2601 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. Section 300h *et seq.*; the Clean Water Act, 33 U.S.C. Section 1251 *et seq.*; the Clean Air Act, 42 U.S.C. Section 7401 *et seq*; the Arizona Environmental Quality Act, A.R.S. Section 49-201 *et seq.*; the Arizona Hazardous Waste Management Act, A.R.S. Section 49-921 *et seq.*; and the Arizona Underground Storage Tank Regulation statute, A.R.S. Section 49-1001 *et seq.*; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land.

8.2.2 The term "hazardous material" includes:

a. Those substances included within the definitions of hazardous substance, hazardous material, toxic substance, regulated substance, or solid waste in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, the

Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; and the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 *et seq.* and the regulations promulgated thereto;

b. Those substances included within the definitions of hazardous substance, pollutant, toxic pollutant, regulated substance, hazardous or solid waste in the Arizona Environmental Quality Act, A.R.S. Section 49-201 *et seq.*; including, but not limited to, the Water Quality Assurance Revolving Fund statute, A.R.S. Section 49-701 *et seq.*, and the Underground Storage Tank Regulation statute, A.R.S. Section 49-1001 *et seq.*;

c. Those substances listed in the United States Department of Transportation Table (49 D.F.R. Section 172.101 and amendments thereto) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. part 302 and amendments thereto); and,

d. All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any environmental law.

8.2.3 The term "release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

8.3 Compliance.

8.3.1 LESSEE shall not cause any hazardous material to be used, generated, manufactured, produced, stored, brought upon, or released, on, under, or about the Premises, or transported to and from the Premises, by LESSEE, its affiliated entities, owners, agents, employees, contractors, invitees, sublessees or a third party in violation of any Environmental Law, and shall use its reasonable best efforts to prevent any such occurrence. LESSEE shall indemnify, defend and hold harmless LESSOR, its successors and assigns, its employees, agents and attorneys from, for and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation or damage to persons or property and any other claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result (whether in part or in whole) of any activity or operation on or discharge from the Premises during the term of this Lease by LESSEE or its owners or related entities. This obligation includes but is not limited to all costs and expenses related to cleaning up the Premises, land, soil, underground or surface water as required under the law. LESSEE's obligations and liabilities under this Paragraph shall continue so long as LESSOR bears any liability or responsibility under the Environmental Laws for any action that occurred on the Premises during

the term of this Lease. This indemnification of LESSOR by LESSEE includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision. The parties agree that LESSOR's right to enforce LESSEE's promise to indemnify is not LESSOR's sole remedy for LESSEE's violation of any provision of this Paragraph; LESSOR shall also have the rights set forth in Paragraph 8.3 in addition to all other rights and remedies provided by law or otherwise provided in this Lease. Notwithstanding the foregoing, nothing contained in this Paragraph 8.2 shall obligate LESSEE to indemnify, defend or hold LESSOR harmless from the results of any negligence or wilful misconduct by LESSOR or its agents, nor to waive any legal right or remedy LESSEE might have against LESSOR by reason thereof.

8.3.2 Without limiting the foregoing, if the presence of any hazardous material on, under or about the Premises caused or permitted by LESSEE in violation of this Lease results in any contamination of the Premises, LESSEE shall promptly take all actions at its sole cost and expense as are necessary to return the Premises to the condition existing prior to the introduction of any such hazardous material to the Premises; provided that LESSOR's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises.

8.3.3 LESSEE shall, at LESSEE's own cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the Environmental Laws pertaining to LESSEE's operation on the Premises. Should the Government determine that a site characterization, site assessment and/or a cleanup plan be prepared or that a cleanup should be undertaken because of any spills or discharges of hazardous materials at the Premises during the term of this Lease which are caused by LESSEE or a sublessee, licensee or invitee, then LESSEE shall, at LESSEE's own cost and expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no cost or expense to LESSOR, LESSEE shall promptly provide all information reasonably requested by LESSOR to determine the applicability of the Environmental Laws to the Premises, or to respond to any governmental investigation or to respond to any claim of liability by third parties which relates to environmental contamination.

8.3.4 LESSEE shall immediately notify LESSOR of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of Environmental Laws to the Premises or LESSEE's operation on the Premises, and (b) any change in LESSEE's operation on the Premises that will change or has the potential to change LESSEE's or LESSOR's obligations or liabilities under the Environmental Laws.

8.3.5 LESSEE shall make the provisions of this Paragraph 8.2 binding upon the other party in any sublease agreement or contract by which it grants a right or privilege to any person, firm, or corporation under this Lease.

8.4 Remedies. LESSEE's material failure to comply with any of the requirements and obligations of Paragraph 8.2 or applicable Environmental Law shall constitute a default of this Lease and shall permit LESSOR to pursue the following remedies, in addition to all other rights and remedies provided by law or otherwise provided in the Lease, to which LESSOR may resort cumulatively, or in the alternative:

a. LESSOR may, at LESSOR's election, and upon ten (10) days written notice to LESSEE, make payments required of LESSEE under this Paragraph 8 or perform LESSEE's obligations under this Paragraph and be reimbursed by LESSEE for the cost thereof, unless such payment is made or obligation performed by LESSEE within such ten (10) day period.

b. LESSOR may, at LESSOR's election, and upon ten (10) days written notice to LESSEE, terminate this Lease, unless, within such ten (10) day period, LESSEE cures the default or, if the default is one which cannot reasonably be cured in that time, commences such cure and thereafter diligently pursues it. Upon LESSOR's termination, LESSOR shall be entitled to recover from LESSEE damages equal to the present value of the total amount by which all Rent and Fuel Flowage Fees during the balance of the Lease term exceeds the amount of loss of such items that LESSEE proves could have been reasonably avoided by LESSOR.

c. Notwithstanding any other provision in this Lease to the contrary, LESSOR shall have the right of "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of Environmental Law on, under or about the Premises.

9 PUBLIC UTILITIES.

9.1 Payment. LESSEE shall pay or cause its permitted sublessees to pay for all public utility services supplied to it on the Premises, including electricity, gas, water and sewage service.

9.2 Repair. LESSOR retains the right to use any utility lines currently located on the Premises and shall have the right and duty to repair the same when necessary. LESSEE shall not be required to pay the cost of repairing currently existing utilities. Utility repairs shall be done on a priority basis and shall not unreasonably interfere with LESSEE's operations.

9.3 Provision of Utilities. LESSOR shall take all actions necessary to obtain as promptly as possible whatever outside funding may be available to pay for the cost of creating all utility corridors necessary to maximize the value of the Premises and cover the cost of bringing utilities to the Premises. Without limiting the foregoing, LESSOR shall pay the cost of extending electricity and water lines along the western side of the existing taxiway along the 20-foot utility corridor identified in the legal description of the Premises and shall provide a water supply to LESSEE and to other water users on the Premises sufficient to allow fulfillment of the development and

subleasing purposes contemplated by this Lease. LESSOR shall bear the cost of the maintenance of the water supply system. LESSOR may, at its sole option and expense, install a water meter and charge LESSEE for the water at commercial rates prevailing in the community for similarly situated water users. Unless governmental funding for such purpose is available as provided in Paragraph 4.7, LESSEE shall, at no cost or expense to LESSOR, provide all public utility and sewage connections within the Premises which are needed for buildings, structures and other improvements constructed on the Premises by LESSEE or its sublessees.

9.4 Rights of Way. If requested to do so by LESSEE, LESSOR shall grant reasonable rights-of-way on or across the Airport to public utility companies for the purpose of supplying LESSEE with utilities, but LESSOR reserves the right to designate the location of such rights-of-way.

10 MAINTENANCE.

10.1 LESSEE's Obligations. LESSEE shall retain the title to all improvements made by LESSEE on the Premises until such time as the title thereto transfers to LESSOR pursuant to Paragraph 18.4 below. LESSEE shall keep and maintain all improvements on the Premises to which LESSEE has title in a clean, good, safe and usable condition, and shall promptly commence and continue with reasonable due diligence to repair any damage or defects. LESSEE shall be responsible for coordinating and notifying the LESSOR of any construction alteration on the airport that will fall under the requirements of FAA Form 7460-1, Notice of Proposed Construction or Alteration; FAA Form 7480-1, Notice of Landing Area Proposal; or the Airport Master Record, FAA Form 5010-1. A copy of any of these forms, when initiated, should be forwarded to the ADOT Aeronautics Division.

10.2 LESSOR's Obligations. LESSOR shall keep and maintain in good condition and repair in compliance with FAA Regulations, other applicable Federal and State law and regulations and LESSOR's approved maintenance plan, all Public Airport Facilities as well as any non-public improvements to which LESSOR has title.

10.3 Notice by LESSEE. Upon discovery, LESSEE shall immediately notify LESSOR of any Airport property in need of maintenance and repair. Airport property owned by LESSOR shall be repaired on a priority basis if it adversely affects LESSEE's operation; otherwise, such repairs and maintenance shall be done within a reasonable time.

10.4 Inspection by LESSOR. The condition of the Airport, LESSEE's operation, and the Premises shall be subject to inspection at any time by LESSOR with reasonable frequency and at reasonable times on no less than twenty-four (24) hours advance notice unless such notice is not feasible due to an emergency.

11 TAXES.

11.1 LESSEE's Payment. LESSEE shall pay before delinquent any and all applicable taxes levied or assessed by any government body as a result of LESSEE's operations and including but not limited to all rental taxes which may be levied or assessed against LESSOR and/or LESSEE, as provided by the Marana Tax Code.

12 RULES AND REGULATIONS.

12.1 LESSOR's Regulations. LESSEE shall observe and obey all applicable rules and regulations which have been or may in the future be adopted by LESSOR; provided, however, that such rules and regulations shall be consistent with rules, regulations and orders of the FAA and with the provisions of this Lease. In addition LESSEE shall comply with the following standard FAA lease provisions listed in Paragraphs 12.2 through 12.17 below.

12.2 Department of Transportation Regulations. If facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as may be amended from time to time.

12.3 Non-Discrimination. LESSEE, its successors in interest and assigns, do hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Airport facilities on the Premises, (2) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, physical disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, as may be amended from time to time.

12.4 Fairness. LESSEE shall furnish its accommodations and services on a fair, equal and not unjustly discriminatory basis to all users thereof.

12.5 Applicable to Other Agreements. LESSEE shall insert Paragraphs 12.2, 12.3, and 12.4 in any rental agreement, Sub-operator's agreement and the like, by which LESSEE grants a right or privilege to any person, firm, or corporation to render accommodations or services to the public on the Premises.

12.6 Affirmative Action. LESSEE shall undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. LESSEE covenants that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this provision. LESSEE shall require its suborganizations, sublessees, agents, and employees provide assurances to LESSEE that they similarly shall undertake

affirmative action programs and that they shall require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

12.7 Non-Compliance. If a complaint is lodged alleging noncompliance by LESSEE with Paragraphs 12.2, 12.3, or 12.4 of this Article and an investigation and determination of noncompliance is made by a proper authority, LESSEE shall have a reasonable time but not less than thirty (30) days to comply after receipt of written notice of such noncompliance from LESSOR. Failure by LESSEE to cure the noncompliance shall constitute a material breach of this Lease and LESSOR shall have the right to terminate this Lease and the estate hereby created in accordance with ARTICLE XVI, at the election of LESSOR. LESSOR may enforce Paragraphs 12.2, 12.3, and 12.4 of this Article through court action or any other legal remedy in lieu of termination.

12.8 Future Development. LESSOR reserves the right to further develop or improve the air navigation facility and the landing and apron areas for the Airport in coordination with ADOT Aeronautics and the FAA for further growth and development. LESSOR shall use its best efforts to do so without interfering with or hindering LESSEE's operation. LESSEE shall not be required to bear any of the cost or expense of construction and maintenance of such improvements.

12.9 Future Construction. LESSEE agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situation on the leased premises.

12.10 Elevation Restriction. LESSEE, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land leased hereunder above the permitted mean sea level elevation. In the event the aforesaid covenant is breached, the LESSOR reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the LESSEE.

12.11 Subordination to Federal Agreements. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between LESSOR and the United States or its agencies and departments relative to the development, operation or maintenance of the Airport.

12.12 No Exclusive Right. Nothing in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. § 1349), as amended.

12.13 Applicable to Subleases. LESSEE shall insert the relevant provisions of this Article 12 in any agreement or contract by which it grants a right or privilege to any person, firm, or corporation under a sublease.

12.14 Compliance with Aviation Regulations. LESSEE shall conduct its operations and activities on the Airport in compliance with all applicable regulations of the FAA and the Arizona Department of Aeronautics.

13 **SUPERIOR RIGHTS.**

13.1 Preemption by U.S. During time of war or national emergency, LESSOR may enter into agreements with the United States Government for use of part or all of the Airport. LESSOR will coordinate any such agreement which affects LESSEE's operation with LESSEE in advance to the extent feasible. If any such agreement is executed by LESSOR, the provisions of this Lease, insofar as they are inconsistent with the provisions of any agreement made by LESSOR with the United States Government shall be superceded, and LESSEE shall have no claim against LESSOR for any loss or damage sustained by LESSEE because of the making of such agreement by LESSOR.

13.2 Disclaimer. The parties shall not be required to repair, replace, rebuild or construct any building or portion of any building so long as the obligated party is prevented from so doing by action of the United States Government.

14 **RESERVATION OF EASEMENT.**

14.1 LESSOR's Reservation of Rights. LESSOR hereby reserves for the use and benefit of aircraft using the Airport a right of flight for the passage of aircraft in the airspace above the uppermost level of the construction on the Premises, together with the right to cause such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of or flight in the air using said airspace, or landing at, or taking off from, or operating on, the Airport.

14.2 No Obstruction. LESSEE shall not make use of the Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. If this provision is violated, LESSEE shall immediately remedy the situation upon reasonable notice by LESSOR. If LESSEE does not immediately remedy the hazard, LESSOR may at its option enter upon the Premises and abate the hazard at the expense of LESSEE. This paragraph shall not apply to improvements constructed with LESSOR's approval under Paragraph 7.2.

15 **ASSIGNMENT.**

15.1 LESSOR's Consent. LESSEE shall not assign, sell, transfer, mortgage or pledge this Lease or any interest in it without first obtaining written consent from LESSOR, which consent shall not be unreasonably withheld. LESSEE granting to a lender a security interest in the proceeds of a sublease or in buildings or other improvements constructed for a sublessee in order to finance the cost of such construction shall not constitute an assignment prohibited hereby. Any change in principal ownership or control of LESSEE, except if due to the death or disability of a shareholder or made for estate planning or testamentary purposes, shall be considered an assignment of rights under this Lease. Any assignment of this Lease by LESSEE shall be upon the following conditions.

15.1.1 Any assignment of this lease shall be in writing, signed by all Parties to this Lease, and signed by the assignee.

15.1.2 Any assignment of this Lease shall provide that the assignee assumes and agrees to perform all of the terms, covenants and agreements which LESSEE

has agreed to perform under this Lease. Provided LESSOR approves the assignee's financial and operative capabilities, LESSOR shall enter into a new agreement (novation) with LESSEE's assignee. LESSOR's approval for such novation shall not be unreasonably withheld or delayed. LESSOR shall thereafter rely solely on the assignee, and LESSEE shall have no further liability to LESSOR under this Lease except with respect to environmental indemnifications for releases which occurred prior to the assignment. Absent a novation, the assignee shall become jointly and severally liable with LESSEE or any successor in interest of LESSEE for the performance of the terms and covenants of this Lease.

15.2 Compliance with Requirements. Any assignment or transfer whatsoever or pledge or mortgage made contrary to the terms of this Article shall be void.

16 TERMINATION BY LESSOR.

16.1 Default by LESSEE. If LESSEE defaults in the payment of any sums due LESSOR under this Lease, defaults by the nonperformance of some other obligation set forth in this Lease, or if one of the events of default set forth in Paragraph 16.2 below takes place, LESSEE shall have thirty (30) days after written notice is served in accordance with Article XX to cure or remedy the default. If LESSEE fails to cure or remedy the default within thirty (30) days after such notice has been served, or, in the event such default cannot reasonably be remedied within such thirty (30) day period, to commence such remedy within such period and diligently pursue it thereafter, LESSOR may, at its option, and without prejudice to any other right or remedy, terminate this Lease and recover possession of the Premises by summary proceedings.

16.2 Additional Defaults. In addition to the events of default mentioned above, any of the following shall also constitute an event of default hereunder:

a. The making by LESSEE of any general assignment, or general arrangement for the benefit of creditors;

b. The filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless the same is dismissed within sixty (60) days;

c. The appointment of a trustee or receiver to take possession of substantially all of LESSEE's assets located at the Premises, or of LESSEE's interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or

d. The attachment, execution, or other judicial seizure of substantially all of LESSEE's assets located at the Premises, or of LESSEE's interest in this Lease, where such seizure is not discharged within thirty (30) days.

16.3 No Waiver. No waiver by LESSOR of a default in any of the terms, covenants or conditions of this Lease shall be construed to be or act as a waiver of any subsequent default.

16.4 Remedies Cumulative. All remedies granted to LESSOR under this Article are cumulative and are in addition to any other rights LESSOR may have as a matter of law.

17 TERMINATION BY LESSEE.

17.1 Causes. Without prejudice to any of its other remedies under law, or this Lease, LESSEE may terminate this Agreement upon thirty (30) days written notice given in accordance with ARTICLE XX, upon or after the happening of or during the continuation of any of the following events:

a. The inability of LESSEE or its sublessees to use, for a period of ninety (90) days, any material portion of the Premises or improvements thereon, because of any law, rule, regulation or other action or failure to act on the part of any governmental authority having jurisdiction thereof.

b. The material default by LESSOR under this Lease and the failure of LESSOR to remedy such default for a period of thirty (30) days after receipt of written request or demand from LESSEE to remedy the same, or; in the event such default is incapable of being remedied within such thirty (30) day period, to commence such remedy within such period and diligently pursue it thereafter.

c. The assumption by the United States Government or any authorized agency thereof of the operation or control of Airport or any part of it in a way that substantially restricts LESSEE for a period of thirty days from conducting its operations on the Premises.

d. Discovery of a defect or condition in the Premises, including but not limited to the presence of hazardous waste or other soil problems, which could be reasonably expected to have a material adverse effect on LESSEE's ability to use the Premises for the purposes contemplated by this Lease.

17.2 Expiration of Cause. If the basis for termination by LESSEE ceases to exist prior to a termination, the right to terminate on such basis shall cease.

17.3 Non-Waiver. No waiver by LESSEE of a default in any of the terms, covenants or conditions of this Lease shall be construed to be or act as a waiver of any subsequent default.

17.4 Remedies Cumulative. All remedies granted to LESSEE under this article are cumulative and are in addition to any other rights LESSEE may have as a matter of law.

18 SURRENDER OF POSSESSION; CONDITION OF PREMISES.

18.1 Surrender. Upon the expiration or earlier termination of this Lease, LESSEE shall immediately surrender the Premises to LESSOR.

18.2 Condition. The Premises shall be returned to LESSOR in the same condition as maintained by LESSEE during its operation prior to surrender.

18.3 Removal of Personal Property. All buildings, structures and improvements shall be delivered to LESSOR in good condition, ordinary wear and tear excepted. Not later than thirty (30) days after the expiration or termination of this Lease, LESSEE shall remove any and all signs, trade fixtures, machinery and equipment from the Premises. LESSEE shall repair any damage caused by such removal. Upon failure of LESSEE to remove such personal property within the thirty-day period, LESSOR may at its option cause the personal property to be removed and charge LESSEE the actual costs of such removal or take title to the personal property.

18.4 Transfer to LESSOR. All permanent buildings, structures and improvements constructed, installed, erected or placed on the Premises by LESSEE or its sublessees to which LESSOR does not already have title shall automatically become the property of the LESSOR upon the expiration or earlier termination of this Lease without further action on the part of either party, without cost or charge to LESSOR, and without further conveyance or transfer to LESSOR; provided, however, that LESSEE shall, if requested by LESSOR, execute any instruments or documents reasonably required by LESSOR to evidence the vesting of title to such improvements and property.

19 AIRPORT TRANSFER.

19.1 Transfer of Lease to Marana. The undersigned parties enter into this Lease solely on the condition that the Airport will be transferred from Pima County to the Town of Marana. This Lease shall be null and void in the event each and every one of the following conditions is not fulfilled within ninety (90) days after the execution of this Lease:

a. The Town of Marana shall obtain legal title to those portions of the Airport presently owned by Pima County.

b. The rights and obligations of the LESSOR under this Lease shall be transferred to the Town of Marana and both the LESSEE and the Town of Marana shall release Pima County from any obligation hereunder; and

c. The Town of Marana shall obtain FAA approval to assume sponsorship of the Airport and shall actually assume such sponsorship in substitution for Pima County.

19.1.1 The ninety (90) day time period may be extended by mutual agreement of LESSEE, Pima County and the Town of Marana for good cause.

19.2 Subsequent Transfer to Pima County. In the event that the Town of Marana transfers or returns the Airport to Pima County during the term of this Lease, the Lease shall be effective as to developed parcels only. Undeveloped portions of the Premises shall be deleted from the Premises and the provisions of Section 1.2 shall not apply. As used herein, the term "developed" shall mean leased to a sublessee. Any and all subleases entered into between LESSEE and sublessees prior to Pima County resuming ownership of the Airport shall remain in effect for the term of this Lease, provided, however, that notwithstanding such transfer of ownership, the Town of

Marana and Lessee shall remain financially responsible for the fulfillment of, and shall hold Pima County harmless from, any "Extraordinary Obligation" imposed on either of such parties under a pre-existing sublease. As used herein, the term "Extraordinary Obligation" means the obligation to expend monies for the exclusive benefit of a sublessee for a purpose which is not eligible for funding under either the State of Arizona airport grant program or the federal AIP grant program.

20 **GENERAL PROVISIONS.**

20.1 Cumulative. Unless specifically indicated otherwise, no remedy, right, option or election set forth in any provisions of this Lease shall be deemed exclusive; rather, each shall be cumulative with other remedies in law or equity. This Lease shall be deemed both a contract between the Parties and a declaration of conditions, covenants and restrictions running with the land for the duration of the Lease term or any extensions of it.

20.2 Non-Waiver. No circumstance in which LESSOR or LESSEE expressly or impliedly consents to, suffers, or permits the doing by the other of any act or omission under this Lease shall be construed to be or shall be a waiver of any provision or condition of this Lease or shall be construed to condone any future breaches, unless the provision or condition in question is expressly waived in writing by the waiving party.

20.3 Time of Essence. Time is of the essence in the performance of all terms and conditions of this Lease.

20.4 Entire Agreement. This instrument contains the entire agreement between the parties, and no statement, promise, or inducements made by either party or agent of either party that is not contained in this instrument shall be valid or binding.

20.5 Modification. This Lease may not be enlarged, modified or altered except in writing by the parties.

20.6 Abandonment. If the Premises are abandoned, deserted or vacated by LESSEE for thirty (30) days or more, and remain so for an additional thirty (30) days after LESSOR gives LESSEE notice thereof, LESSOR may, at its option, terminate this Lease and reenter and repossess the Premises without liability to LESSEE.

20.7 Successors and Assigns Bound. All the terms, covenants and conditions of this Lease shall inure to and bind the successors and assigns of the parties to this Lease.

20.8 Article Headings. The article headings in this Lease are for convenience and reference only and are not intended to define or limit the scope of any provision of this Lease.

20.9 Severability. If any term or condition of this Lease is invalid or unenforceable, all other terms and conditions shall remain in full force and effect.

20.10 Applicable Law. This Lease shall be governed by the laws of the State of Arizona, and any actions to enforce or interpret the terms and provisions of this Lease shall be brought and maintained in Pima County, Arizona.

20.11 Authority. Each of the respective undersigned signatories for LESSEE and LESSOR warrant that they have authority to enter into this Lease for and on behalf of the party for whom they are signing and to legally bind such party.

20.12 Recording and Effective Date. Upon execution by all parties, this Lease shall be recorded in the office of the Pima County Recorder, and the Lease shall be effective on the date recorded.

20.13 Approvals. Whenever this Lease requires the approval or consent of a party, such approval or consent shall not be unreasonably withheld or delayed.

21 **NOTICES.**

21.1 Addresses. All notices under this Lease shall be in writing, and shall be deemed sufficiently served if hand delivered or sent by certified mail, postage prepaid, to the recipient at the following address:

If to LESSOR:

Airport Manager
TOWN OF MARANA
13251 N. Lon Adams Road
Marana, Arizona 85653

Town Manager
TOWN OF MARANA
13251 N. Lon Adams Road
Marana, Arizona 85653

and with a copy to:

Daniel J. Hochuli
Daniel J. Hochuli & Associates, P.C.
Town Attorney
220 E. Wetmore Road, Suite 110
Tucson, AZ 85705

If to LESSEE:

PIMA AVIATION, INC., c/o Gary Abrams
Avra Valley Airport
Leased Premises Office
11700 W. Avra Valley Road, #86
Marana, Arizona 85653

and with copies to:

PIMA AVIATION, INC.
P.O. Box 5367
Tucson, Arizona 85703

MARK B. RAVEN, Esq.
Law Offices of Raven & Kirschner, P.C.
1600 Norwest Tower
One South Church Avenue
Tucson, Arizona 85701-1612

21.2 Service. Service of any notice or demand by hand delivery shall be deemed complete upon the date of delivery. Service of any notice or demand by certified mail shall be deemed complete upon receipt.

21.3 Change of Address. Either party may change its address to such other addresses as such party may designate to the other in writing from time to time.

IN WITNESS WHEREOF, the Parties have affixed their signatures below.

LESSOR:
PIMA COUNTY

By: Sharon Bronson
Sharon Bronson, Chairman

ATTEST:

Lori Godoshian
Board Clerk

APPROVED AS TO FORM:

Assistant County Attorney

LESSEE:
PIMA AVIATION, INC., an Arizona corporation,

By: _____
Gary Abrams, President

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 28th day of June, 1999 by Gary Abrams, as President of Pima Aviation, Inc.

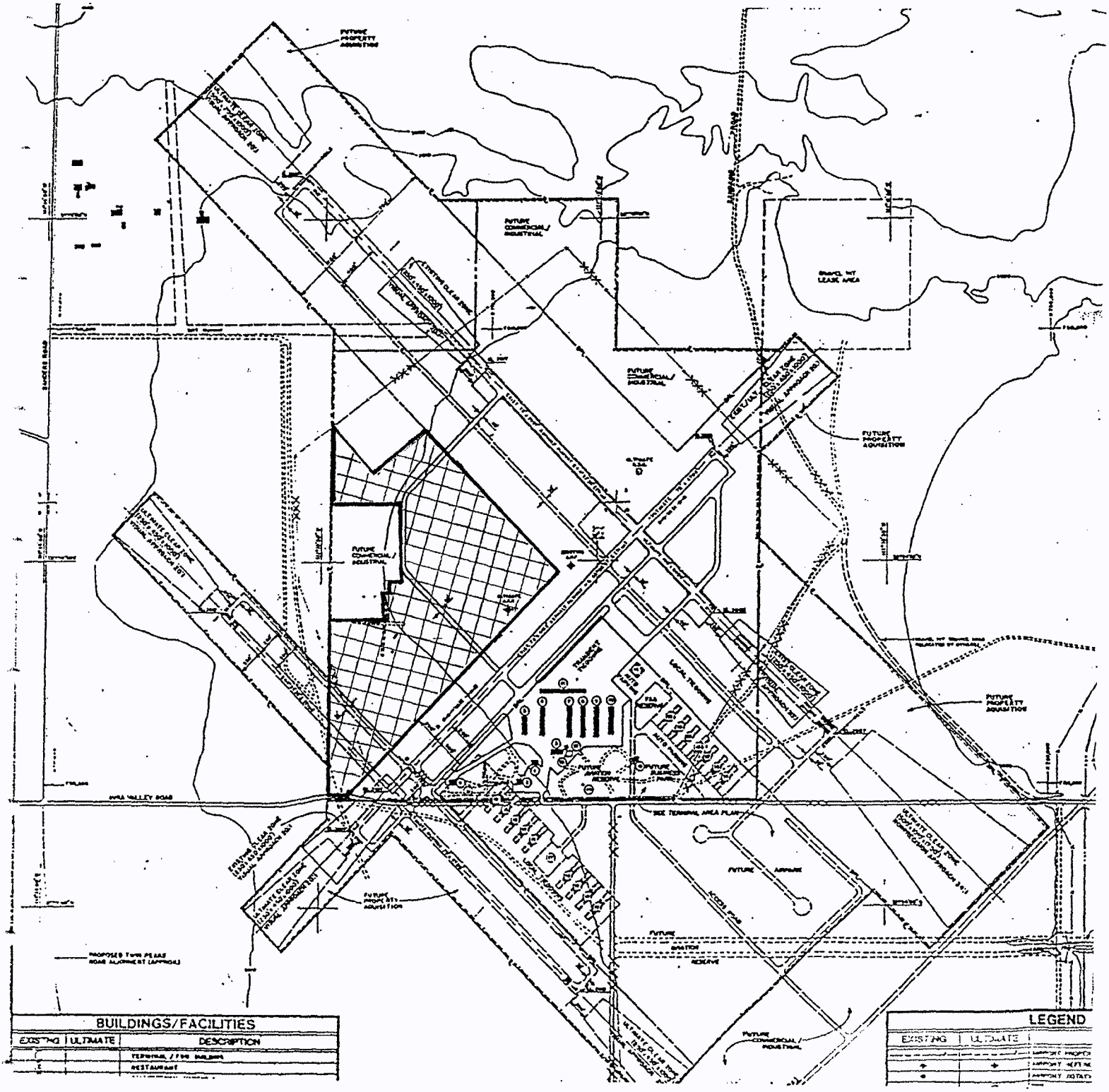
_____
Notary Public

My Commission Expires:

ANNE C. GRAHAM-BERGIN
Notary Public-Arizona
Pima County
My Commission Expires
Nov. 30, 1999

ANNE C. GRAHAM-BERGIN
Notary Public-Arizona
Pima County
My Commission Expires
Nov. 30, 1999

EXHIBIT A



73 ACRE LEASE

EXHIBIT B

AVRA VALLEY AIRPORT REVENUE SCHEDULE

73 ACRE PARCEL

YEAR	ACREAGE	RATE/ACRE	REVENUES TO LESSOR	TOTAL ANNUAL PMT **
1	73	$ 250.00	$ 18,250.00	$ 18,250.00
2	73	$ 250.00	$ 18,250.00	$ 18,250.00
3	73	$ 500.00	$ 36,500.00	$ 36,500.00
4	73	$ 500.00	$ 36,500.00	$ 36,500.00
5	73	$ 750.00	$ 54,750.00	$ 54,750.00
6	73	$ 750.00	$ 54,750.00	$ 54,750.00
7	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
8	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
9	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
10	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
11	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
12	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
13	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
14	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
15	73	$ 1,000.00	$ 73,000.00	$ 73,000.00
16	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
17	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
18	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
19	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
20	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
21	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
22	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
23	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
24	73	$ 1,500.00	$ 109,500.00	$ 109,500.00
25	73	$ 1,500.00	$ 109,500.00	$ 109,500.00

** PLUS 5% ON REVENUES RESULTING FROM SUBLEASED ACREAGE

20241730160
ALEASE
06/21/2024 10:11:26 AM Page: 1 of 6
Gabriella Cázares-Kelly Recorder
OFFICIAL RECORDS OF PIMA COUNTY, AZ

THIRD AMENDMENT TO MASTER DEVELOPMENT LEASE AGREEMENT

THIS THIRD AMENDMENT TO MASTER DEVELOPMENT LEASE AGREEMENT (this "Third Amendment") is made and entered by and between the TOWN OF MARANA, an Arizona municipal corporation, successor in interest to Pima County, ("Lessor") and PIMA AVIATION, INC., an Arizona corporation ("Lessee"). Lessor and Lessee are collectively referred to in this Third Amendment as the "Parties" and are sometimes referred to individually as a "Party."

RECITALS

A. Lessor and Lessee are parties to that certain lease agreement entitled, "Master Development Lease Agreement" (also known as the "73-Acre Lease") with a Commencement Date of June 1, 1999 (the "Original Lease") by which Lessor leases to Lessee a certain portion of real property located at the Marana Regional Airport (formerly the Avra Valley Airport), 11700 West Avra Valley Road, Town of Marana, County of Pima, State of Arizona (the "Premises").

B. On September 4, 2001, the Parties entered into the "First Amendment to the 73-Acre Lease," recorded in the office of the Pima County Recorder on December 28, 2001, at Docket 11705, Page 5244 (Sequence No. 20012501214), (the "First Amendment") by which the Parties amended the Original Lease to revise the legal descriptions of the Premises.

C. On June 5, 2018, the Parties entered into the "Second Amendment to the Master Development Lease Agreement," recorded in the office of the Pima County Recorder on June 12, 2018, at Sequence No. 20181630107, (the "Second Amendment"), by which the Parties amended the Original Lease to again revise the legal descriptions of the Premises, revised Articles 12 ("Rules and Regulations"), 14 ("Reservation of Easement"), and 20 ("General Provisions") of the Original Lease, and clarified that the effective date of the Original Lease for all purposes is the same as the Commencement Date of June 1, 1999.

D. For reference purposes, a true and correct copy of the Original Lease was attached to the Second Amendment and recorded in the office of the Recorder of Pima County, Arizona with the Second Amendment.

E. The Premises are more particularly described as follows:

1. Parcel One as described in the legal description and map attached as Exhibit B to the First Amendment to 73-Acre Lease dated September 4, 2001, recorded in the office of the Recorder of Pima County, Arizona, on December 28, 2001, at Docket 11705, Page 5244 (Sequence 20012501214)

2. Parcel Two as described in the legal description and map attached as Exhibit 2 to the Second Amendment to Master Development Lease Agreement, dated June 5, 2018 recorded in the office of the Recorder of Pima County, Arizona, on June 12, 2018, at Sequence 20181630107

3. Parcel Three as described in the legal description and map attached as Exhibit 1 to the Second Amendment to Master Development Lease Agreement, dated June 5, 2018 recorded in the office of the Recorder of Pima County, Arizona, on June 12, 2018, at Sequence 20181630107

F. Paragraph 2.1 of the Original Lease provided that the Original Lease was for an Initial Term of 25 Lease Years beginning on June 1, 1999. "Lease Years" was defined as "a one year period beginning on the first day of the Initial Term or on any subsequent anniversary of such date and ending on the day preceding the next following anniversary of such date." The Parties agree that based on this language, the Original Lease commenced on June 1, 1999, and expired on May 31, 2024.

G. Paragraph 2.2 of the Original Lease provided that if Lessee was not in default in the performance of any of the terms of the Original Lease when the initial 25-year term expired, Lessor shall extend the Original Lease at the option of Lessee for a single additional 25-year period. The Original Lease provided further that Lessee was to exercise the option to extend the Original Lease by notifying Lessor in writing at least one year and no more than three years prior to the expiration of the Initial Term of the Original Lease.

H. Lessee provided written notice to Lessor of Lessee's desire to exercise its option to extend the lease on May 31, 2024, less than one year prior to the expiration of the Original Lease; thus, the Original Lease expired on its own terms at the end of the initial 25-year term.

I. The Parties have been negotiating regarding the terms of a new lease or other resolution of issues between the Parties, and Lessee has continued to occupy the Premises and pay rent on the Premises as Lessee did prior to the expiration of the Original Lease.

J. Paragraph 20.5 of the Original Lease provided that the Original Lease may not be enlarged, modified, or altered except in writing by the Parties.

K. The Parties desire now to amend the Original Lease to retroactively extend the term of the Original Lease while the Parties continue to negotiate the terms of a new lease or other resolution of issues between the Parties and to make other miscellaneous revisions to the Original Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants, conditions, and agreements set forth in the Original Lease, the First Amendment, the Second Amendment, and this Third Amendment, the Parties agree as follows:

1. Extension of Term. The term of the Original Lease is retroactively extended for a period beginning June 1, 2024, and ending August 31, 2024, (the "Extension Period") unless sooner terminated pursuant to the provisions of this Third Amendment. The terms and provisions of the Original Lease shall apply during the Extension Period.

2. Ongoing Negotiations. The Parties shall continue to negotiate regarding the terms and conditions of a new lease for the Premises, or any portion of the Premises, or other resolution of issues between the Parties in good faith during the Extension Period. The Parties agree that they intend to reach final agreement on the new lease or other resolution before August 31, 2024. Failure to reach final agreement by that date shall provide grounds for the Lessor to terminate the Original Lease pursuant to paragraph 3.2 below, unless Lessor agrees in writing to negotiate beyond that date.

3. Termination of Original Lease. In addition to the termination provisions set forth in Articles 16 and 17 of the Original Lease, the following termination provisions shall apply during the Extension Period.

3.1. The Original Lease shall automatically terminate upon the effective date of any new lease for the Premises or any portion of the Premises, or upon written confirmation between the Parties regarding another negotiated resolution.

3.2. If Lessee defaults on the terms of this Third Amendment by failing to negotiate the terms and conditions of a new lease for the Premises, or any portion of the Premises, or other resolution in good faith, Lessor shall provide written notice to Lessee in accordance with Article 21 of the Original Lease of Lessor's default. Lessee shall have 30 days after receipt of the written notice to cure or remedy the default. If Lessee fails to cure or remedy the default, Lessor may, at its option, terminate the Original Lease, without further notice to Lessee, re-enter the Premises and recover damages, including, but not limited to, all costs of repossession and reletting and brokerage commissions for services performed by or for the Town.

4. Addresses. Paragraph 21.1 of the Original Lease is hereby deleted in its entirety and replaced with the following:

21.1 Addresses. All notices under this Lease shall be in writing, and shall be deemed sufficiently served if hand delivered or sent by certified mail, postage prepaid, to the recipient at the following addresses:

If to LESSOR:

Galen Beem, Airport Superintendent
Marana Regional Airport
11700 W. Avra Valley Rd., #91
Marana, AZ 85653

Terry Rozema, Town Manager
Town of Marana
11555 W. Civic Center Dr.
Marana, AZ 85653

and with a copy to:

Jane Fairall, Town Attorney
Town of Marana
11555 W. Civic Center Dr.
Marana, AZ 85653

If to LESSEE:

Gary Abrams, President
Pima Aviation, Inc.
11700 W. Avra Valley Rd., #86
Marana, AZ 85653

and with copies to:

Pima Aviation, Inc.
P.O. Box 5367
Tucson, AZ 85703

Wright Law PLLC
Attention: Nathan C. Wright, Esq.
1785 East Skyline Drive, Suite 131

Tucson, Arizona 85718

5. Effective Date of the Third Amendment. This Third Amendment shall be effective as of the signature date of the last Party to sign this Third Amendment.

6. Recordation. Lessor shall at its expense record this Third Amendment in the office of the Recorder of Pima County, Arizona within ten days of execution of this Third Amendment by all Parties.

7. Other Terms and Provisions. All other terms and provisions of the Original Lease and its exhibits, as amended by the First Amendment and the Second Amendment, not specifically changed by this Third Amendment, shall remain in effect and be binding upon the Parties as provided for in the Original Lease. Words and phrases having a defined meaning in the Original Lease have the same respective meanings when used in this Third Amendment unless otherwise expressly stated.

8. Recitals. The recitals set forth at the beginning of this Third Amendment are hereby acknowledged, confirmed to be accurate, and incorporated here by reference.

9. Entire Agreement. This Third Amendment constitutes the entire agreement between the Parties pertaining to the subject matter of this Third Amendment. All prior and contemporaneous agreements, representation and understanding of the Parties, oral or written, pertaining to the subject matter of this Third Amendment are hereby superseded and merged in this Third Amendment.

10. Severability. If any provision of this Third Amendment 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 Third Amendment, 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 Third Amendment 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 Third Amendment shall be deemed reformed accordingly.

11. Governing Law. This Third Amendment is entered into in Arizona and shall be construed and interpreted under the laws of Arizona, and any actions to enforce or interpret the terms and provisions of this Third Amendment shall be brought and maintained in Pima County, Arizona.

12. Interpretation. This Third Amendment has been negotiated by Lessor and Lessee, and neither Party shall be deemed to have drafted this Third Amendment for purposes of construing any portion of this Third Amendment for or against any Party.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the last date set forth below their respective signatures.

LESSOR:

TOWN OF MARANA, an Arizona municipal corporation

By: _____
Ed Honea, Mayor

Date: 6/18/2024

LESSEE:

PIMA AVIATION, INC., an Arizona corporation

By: _____
Gary L. Abrams, President

Date: 6/14/24

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____ for
Jane Fairall, Town Attorney

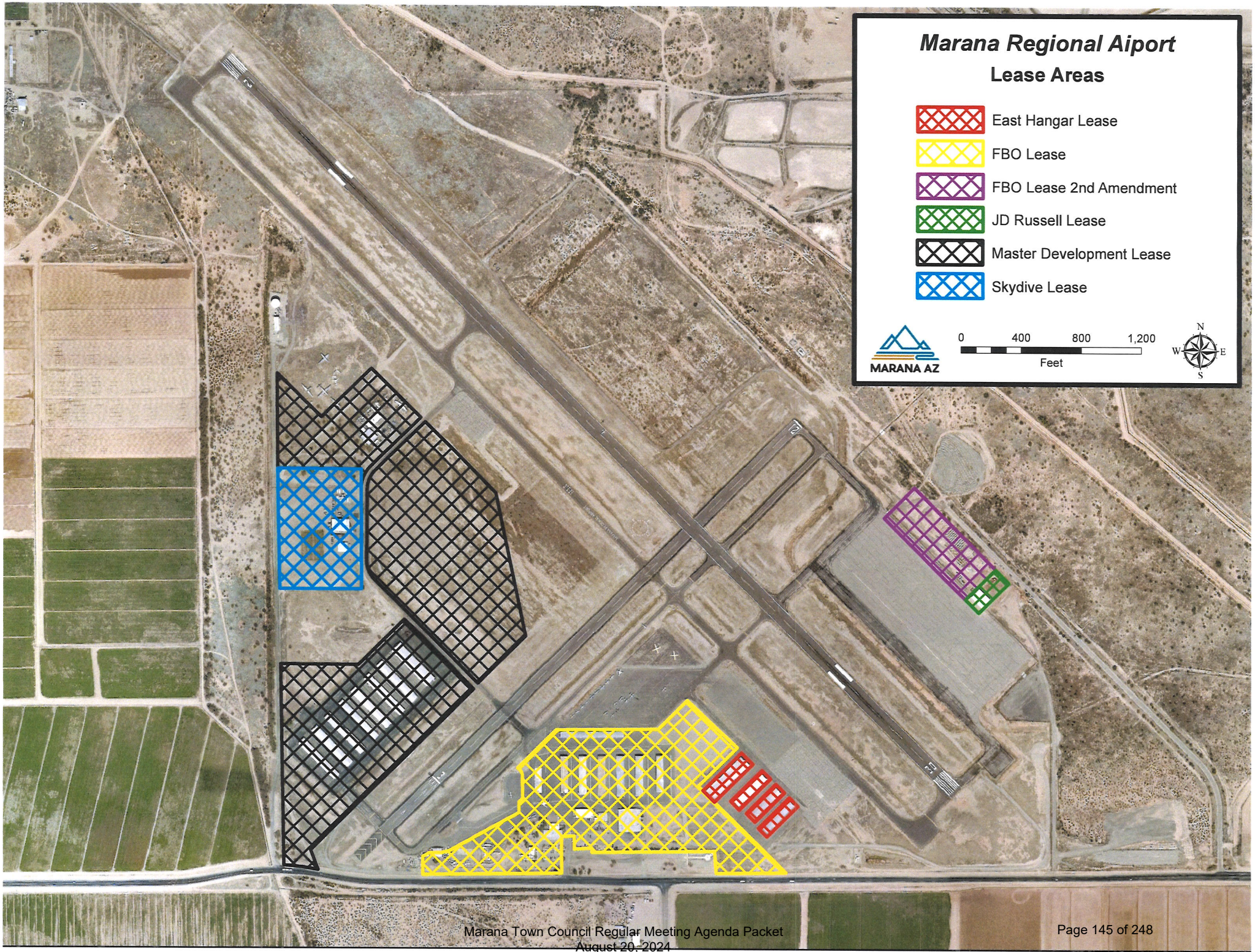
STATE OF ARIZONA)
)ss:
County of Pima)

The foregoing instrument was acknowledged before me this 14TH day of June, 2024, by Gary Abrams, the President of Pima Aviation, Inc., an Arizona corporation, on behalf of the corporation.

_____
Notary Public

My Commission Expires: 8/31/24

CRYSTAL LEE BREEDING
Notary Public - Arizona
Pima County
Commission # 585908
My Comm. Expires Aug 31, 2024



Printed by: bcanale Path: U:\Airport\2023\MRA_Lease_Areas_2023.mxd © Town of Marana 5/22/2023

Council-Regular Meeting **C5**

Meeting Date: 08/20/2024

To: Mayor and Council

Submitted For: George Cardieri, Real Property Manager

From: George Cardieri, Real Property Manager

Date: August 20, 2024

Strategic Plan Focus Area:
Proactive Public Services

Strategic Plan Focus Area Additional Info:
GOAL: PRIORITIZE INFRASTRUCTURE AND MAINTENANCE THAT SUPPORT NEW GROWTH AND DEVELOPMENT IN A PROACTIVE AND SUSTAINABLE MANNER

Subject: Resolution No. 2024-080: Relating to Public Works; approving and authorizing the Mayor to sign a Utility Relocation Reimbursement Agreement with Tucson Electric Power Company for the relocation of certain TEP facilities as part of the Tangerine Road widening phase 2A road project (George Cardieri)

Discussion:
The Town is currently in the process of designing and will soon begin construction of the Tangerine Road widening project, Phase 2A. Based on the design of the project, the Town notified Tucson Electric Power Company that certain TEP facilities require relocation to avoid conflicts with the road project and requested that TEP begin the process of design and relocation of the facilities identified as being in conflict. TEP acknowledged that it will pursue relocation of the TEP facilities in question and also advised the Town that it is asserting a claim to prior rights within the project area for the road project, based on various land rights.

The Town has researched TEP's prior rights claim and has accepted portions of the prior rights claim for reimbursement by Marana with regard to removal and relocation of the TEP facilities. TEP provided an estimate for the removal and relocation of the

accepted TEP facilities of $288,400.00. The proposed Utility Relocation Reimbursement Agreement will facilitate TEP's removal and relocation of the TEP facilities with reimbursement for the work by the Town. Specifically, the Town will make a cash deposit for the estimated amount of the work to TEP within 30 days of the effective date of the proposed agreement. Within 60 days of substantial completion of the relocation of the TEP facilities, TEP will provide the Town an itemized statement of TEP's costs for the removal and relocation of the facilities (along with reasonable documentation of the costs if requested by the Town) and a check or invoice representing the difference between TEP's costs and the Town's cash deposit. If the deposit was insufficient to cover Town's obligations under this agreement, the Town will pay TEP the balance of the costs for removal and relocation of the TEP facilities, within 30 days after the itemized statement and invoice are provided to the Town.

Financial Impact:

The Tangerine Road widening project, Phase 2A, a multi-year project approved by Council in the fiscal year 2023-2024 budget, and continued in fiscal year 2024-2025, includes adequate budget capacity to satisfy the terms of this agreement.

Staff Recommendation:

Staff recommends approval of the Utility Relocation Reimbursement Agreement.

Suggested Motion:

I moved to adopt Resolution No. 2024-080, approving and authorizing the Mayor to sign a Utility Relocation Reimbursement Agreement with Tucson Electric Power Company for the relocation of certain TEP facilities as part of the Tangerine Road widening phase 2A road project.

Attachments

Resolution No. 2024-080

TEP Agreement

MARANA RESOLUTION NO. 2024-080

RELATING TO PUBLIC WORKS; APPROVING AND AUTHORIZING THE MAYOR TO SIGN A UTILITY RELOCATION REIMBURSEMENT AGREEMENT WITH TUCSON ELECTRIC POWER COMPANY FOR THE RELOCATION OF CERTAIN TEP FACILITIES AS PART OF THE TANGERINE ROAD WIDENING PHASE 2A ROAD PROJECT

WHEREAS the Town has entered into a design contract with Psomas, Inc. ("Psomas") for the design of the Tangerine Road widening project Phase 2A, Town of Marana Project No. ST098 (the "Road Project"); and

WHEREAS based on Psomas' design of the Road Project, the Town notified Tucson Electric Power Company ("TEP") that certain TEP facilities require relocation to avoid conflicts with the Road Project and requested that TEP begin the process of design and relocation of the facilities identified as being in conflict (the "TEP Facilities"); and

WHEREAS TEP advised the Town that it is asserting a claim to prior rights within the project area for the Road Project, based on various land rights; and

WHEREAS the Town has researched TEP' s prior rights claim and has accepted portions of the prior rights claim for reimbursement by Marana with regard to removal and relocation of the TEP facilities; and

WHEREAS the Mayor and Council of the Town of Marana feel it is in the best interests of the citizens of Marana to enter into the Utility Relocation Reimbursement Agreement to facilitate TEP's removal and relocation of the accepted TEP Facilities with reimbursement for the work by the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, that the Utility Relocation Reimbursement Agreement with Tucson Electric Power Company, in the form provided in the agenda materials associated with this Council agenda item, is hereby approved, and the Mayor is authorized to sign it for and on behalf of the Town of Marana.

IT IS FURTHER RESOLVED that the Town Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, conditions and objectives of the agreement.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, ARIZONA, this 20th day of August, 2024.

_____
Mayor Ed Honea

ATTEST:

_____
David Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

UTILITY RELOCATION REIMBURSEMENT AGREEMENT
TOWN OF MARANA, ARIZONA

This Utility Relocation Reimbursement Agreement (this "Agreement") is made and entered into by and between TUCSON ELECTRIC POWER COMPANY, an Arizona corporation ("TEP"), and the TOWN OF MARANA, an Arizona municipal corporation ("Marana"). TEP and Marana are sometimes collectively referred to in this Agreement as the "Parties," either of which is sometimes referred to as a "Party."

RECITALS

A. Marana has entered into a design contract with PSOMAS, INC. ("Psomas") for the design of the Tangerine Road widening project Phase 2A, Town of Marana Project No. ST098 (the "Road Project").

B. In December 2022, based on Psomas' design of the Road Project, Marana notified TEP that certain TEP facilities require relocation to avoid conflicts with the Road Project and requested that TEP begin the process of design and relocation of impacted facilities as being in conflict (the "TEP Facilities").

C. On November 8, 2023, TEP acknowledged to Marana that it will pursue relocation of the TEP Facilities. TEP also advised Marana that it is asserting a claim to prior rights within the project area for the Road Project, based on various land rights.

D. Marana has researched TEP's prior rights claim and has accepted portions of the prior rights claim for reimbursement by Marana with regard to removal and relocation (the "Payment Eligible TEP Facilities"), as documented on Marana's review and response letter, dated December 19, 2023, attached to and incorporated in this Agreement as Exhibit A.

E. TEP has provided Marana with an estimate for the removal and relocation of the Payment Eligible TEP Facilities of $288,400.00 (the "Relocation Cost"). A true and correct copy of TEP's estimate is attached to and incorporated in this Agreement as Exhibit B.

F. The purpose of this Agreement is to facilitate TEP's removal and relocation of the TEP Facilities with reimbursement by Marana for the Payment Eligible TEP Facilities.

AGREEMENT

NOW, THEREFORE, based on the foregoing recitals, which are incorporated here as the intention of the Parties in entering into this Agreement, the Parties agree as follows:

1. **Depiction of the TEP Facilities.** The depiction attached as Exhibit C shows the TEP Facilities to be removed and relocated pursuant to this Agreement.

2. **Marana's obligation to pay Relocation Costs.** Marana shall pay TEP all costs associated with the removal and relocation of the Payment Eligible TEP Facilities. Marana and TEP agree that the Relocation Costs are anticipated to be $288,400.00, as itemized and attached to this Agreement

as Exhibit B. Marana and TEP anticipate that the removal and relocation of the TEP Facilities will be completed at approximately the same time that the Town's contractor for the Road Project completes work on joint utility trenching.

3. **Cash deposit to secure Marana's obligations under this Agreement.** Marana's obligations under this Agreement, including without limitation Marana's obligations under paragraph 2 above, shall be secured by a cash deposit to TEP in the amount of $288,400.00, referred to in this Agreement as "Marana's Cash Deposit." Marana shall provide Marana's Cash Deposit to TEP within 30 calendar days after the Effective Date of this Agreement.

4. **Reconciliation and final payment.** During design and relocation, TEP will provide Marana with timely (within 5 business days of receipt by TEP) written notice of any change orders, updated cost estimates, updated project schedules, or other documentation of changes in cost or schedule. No later than 60 days after substantial completion of the removal and relocation of the Payment Eligible TEP Facilities, TEP shall provide to Marana an itemized statement of TEP's costs for the removal and relocation of the Payment Eligible TEP Facilities (along with such reasonable documentation of such costs as may be requested by Marana) and a check or invoice representing the difference between TEP's costs and Marana's Cash Deposit. If Marana's Cash Deposit was insufficient to cover Marana's obligations under this Agreement, Marana shall pay TEP the balance of the costs for removal and relocation of the Payment Eligible TEP Facilities, as set forth in the invoice within 30 days after the itemized statement and invoice are provided to Marana.

5. **Recording.** This Agreement shall not be recorded.

6. **Notices.** All notices shall be in writing and shall be sufficiently given and served upon the other Party by electronic mail, receipt of which has been acknowledged by the other Party, or by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

TEP: TUCSON ELECTRIC POWER COMPANY
c/o Miranda Jackson, Public Improvement Project Manager
4350 East Irvington Road, Mailstop OH204
Tucson, AZ 85714
Copy to: MJackson@tep.com

Marana: TOWN OF MARANA
c/o Marana Legal Department
11555 West Civic Center Drive
Marana, AZ 85653

7. **Governing law.** 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.

8. **Court costs and reasonable attorneys' fees to prevailing Party in dispute.** If a 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 determined pursuant to A.R.S. § 12-341.01.

9. **Exhibits.** Any exhibit attached to this Agreement shall be deemed to have been incorporated in this Agreement by reference with the same force and effect as if fully set forth in the body of this Agreement.

10. **Cancellation for conflicts.** This Agreement is subject to A.R.S. § 38-511, which provides for cancellation of contracts in certain instances involving conflicts of interest.

11. **Counterparts.** This Agreement may be executed in any number of counterparts. Each counterpart shall be deemed an original, but all counterparts shall constitute but one agreement.

12. **Effective Date of Agreement.** The date of this Agreement (the "Effective Date") shall for all purposes be the date of the Mayor's signature on this Agreement.

TEP:

TUCSON ELECTRIC POWER COMPANY, an Arizona corporation

By:_____

As:_____

Date:_____

Marana:

TOWN OF MARANA, an Arizona municipal corporation

By:_____
Ed Honea, Mayor

Date:_____

ATTEST:

_____
David L. Udall, Town Clerk

APPROVED AS TO FORM:

_____
Jane Fairall, Town Attorney

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by _____ as _____of TUCSON ELECTRIC POWER COMPANY, an Arizona corporation, on behalf of the corporation.

(Seal)

_____
Notary Public

Exhibit A

MARANA AZ
DEVELOPMENT SERVICES

December 19, 2023

Tucson Electric Power Company
Attn: Laura Marshall, Sr. Right of Way Agent
Land Resources – Mailstop OH131
P.O. Box 711, Tucson, AZ 85702

Projects: Tangerine Road Widening Phase 2A Project (ST098)
Subject: **Responses to TEP's Prior Rights Summary, Dated Nov. 8, 2023**

Dear Ms. Marshall:

The Town of Marana (Town) has reviewed Tucson Electric Power's (TEP) Prior Rights Summary, dated November 8, 2023, and offers the following responses:

T12S-R12E-5-2	**Marana Response**
Pole NO. (Install date) Land Right (year)	
Pole 1 & 9 (1963) 10" TEP easement (1973) Bk 4664-873	**Split Decision.** Pole 1 is located within the existing R/W, conveyed to Pima County per Dkt 4781-268 (conveyance was signed/notarized in 1956, and recorded in 1974). Pole 9 is located outside the R/W and has a valid prior right if impacted.
Pole 2-8 (1963) AT&T easement (1946) Bk 103-225	**Claim Denied.** The 1946 easement granted rights to AT&T for underground communication systems, and was subsequently released per Dkt. 10957-843. Poles 2-8 are located within the existing R/W conveyed to Pima County per Dkt 4781-268 (conveyance was signed/notarized in 1956, and recorded in 1974).
Poles 5-8 (1963) MST&T Easement (1950) Bk 233-540 E/2 of the NW/4 section 5	**Claim Accepted.**

MARANA AZ
DEVELOPMENT SERVICES

T12S-R12E-5-1	
Pole NO. (Install date) Land Right (year)	
Pole 1-6 (1963) AT&T easement (1946) Bk 103-225	**Claim Denied.** The 1946 easement granted rights to AT&T for underground communication systems, and was subsequently released per Dkt. 10957-843. Poles 1-6 are located within the existing R/W conveyed to Pima County per Dkt 4781-248, and Dkt. 4781-269 (conveyances were signed/ notarized in 1955-1956, and recorded in 1974).
T12S-R12E-4-2	
Pole NO. (Install date) Land Right (year)	
Poles 1-4 (1963)	**Claim Denied**. Poles 1-4 are located within the existing R/W conveyed to Pima County per Dkt 4781-247 (conveyance was signed/notarized in 1955, and recorded in 1974).
Poles 5-8 (1963)	**Concur No Claim**. Poles 5-8 are located within ASLD Road R/W 09-1507, granted to Pima County in 1956.
Pole 9 (1963) 200' ASLD 16-003830 (1966)	**Claim Denied.** Pole 9 is located within ASLD Road R/W 09-1507, granted to Pima County in 1956.
T12S-R12E-4-1	
Pole NO. (Install date) Land Right (year)	
Pole 1 (1963) 200' ASLD 16-003830 (1966)	Phase 2B - To be reviewed at a later date
Pole 32 (1964) 160' ASLD Judgement Bk 6259-966 (1980)	Phase 2B - To be reviewed at a later date

MARANA AZ
DEVELOPMENT SERVICES

The Town acknowledges TEP's right to claim any additional prior rights and to provide any additional prior right documentation for reimbursement if there are any additional prior rights discovered, design changes and/or changes occur during construction. Additionally, the Town agrees to maintain all legal and physical access to TEP facilities both during and post construction.

If you have any questions, please contact me at 11155 W. Civic Center Drive, Marana, AZ 85653, or call me at 520-382-2611, or you may send me an email at: GCardieri@maranaaz.gov.

Sincerely,

George Cardieri, SR/WA
Real Property Manager

4350 East Irvington Road, Mailstop OH204
Tucson, AZ 85714

Miranda Jackson, PM
Resource Management Team
Tucson Electric Power
Mobile: (520) 449-4309

June 6, 2024

Tom Houle
Public Works Department
Town of Marana
11555 West Civic Center Drive
Marana, AZ 85653

SUBJECT: **Tangerine Public Improvement Cost Estimate**

Dear Mr. Houle:

The purpose of this letter is to confirm the understanding between TEP and the Town of Marana regarding the Tangerine Public Improvement project. The relocation of TEP facilities influences the existing 46kv transmission line that runs along Tangerine Road. Due to the public improvement project, 26 poles are to be relocated. Per the Town of Marana Prior Rights Response letter dated December 19, 2023, 4 of the 26 poles (Pole 9 and Poles 5-8) have been accepted as prior right claims. Below are the estimated billable costs for this relocation project:

Cost of existing pole removals: $10,000
Cost of Installation of Tangents (includes conductor, hardware, insulators, poles, etc) for Poles 5-8: $147,000
Cost of Installation Priority 2 pole due to waterline installation and prior right claim (Pole 27 is TEP GIS map): $81,500
WO: T91657
Cost of Re-framing Pole 1 (Pole 27 in TEP GIS map): $8,000
Cost of Design and Engineering: $13,500
Cost of Land Services (Prior Right Investigations, permitting, etc.): $2,200
10% contingency: $26,200

Total estimated cost for project: **$288,400**

The Town of Marana has agreed to pay to TEP the costs of such work which are estimated to be a total of $288,400. The cost represented is an estimate only and is based upon the information available at the time. Actual project costs may be higher or lower and are dependent upon many attributes some of which may be unknown. Construction billable will be based on actual costs.

For any relocation/removals of additional TEP facilities to accommodate the Project, The Town of Marana will assume any costs associated with said relocation/removals.

The Town of Marana and or its contractor will continue to be responsible for any overhead protection costs as per standard protocol.

Please evidence The Town of Marana's agreement to these terms by signing below and returning a copy to me at your earliest convenience.

If you have any questions, please contact me at 520-449-4309.

Sincerely,

Miranda Jackson

Public Improvement Project Manager

Resource Management Team

Town of Marana

By: _____

Title: _____

Its: _____

Date: _____

From: Jackson, Miranda
To: Tom Houle; George Cardieri
Cc: Shaw, Adam
Subject: RE: [EXTERNAL E-Mail] FW: Tucson Electric Power Cost Estimate Tangerine PI Project Fall 2024
Date: Friday, June 28, 2024 3:06:25 PM
Attachments: image001.png
Work Order Sketch_WRT91657.pdf
Tangerine_Rd_PI__Prior_Rights_10022023.pdf

PLEASE BE CAUTIOUS

THIS MESSAGE AND SENDER COME FROM OUTSIDE THE TOWN OF MARANA. IF YOU DID NOT EXPECT THIS MESSAGE, PROCEED WITH CAUTION. VERIFY THE SENDER'S IDENTITY BEFORE PERFORMING ANY ACTION, SUCH AS CLICKING ON A LINK OR OPENING AN ATTACHMENT.

Good afternoon Tom and George,

Below is an itemized list that equates to the $81,500 cost. If you need the individual line items broken one, I can share.
$7,269.17 Labor Costs
$25,695.88 Loading & Overhead Costs (engineering, transportation costs, administrative costs)
$45,411.25 Material Costs (wire, crossarms, poles, insulators, washers, bolts, anchors, deadends, connectors, clamps, etc.)
$3,000 Crane & Contractor Cost
$81,376.30 Total Cost

The pole (12120529) that replaces Pole 9 on the prior rights package was the P2 for the waterline installation. Due to the timeline to get the waterline installed, we needed to install the pole last year to accommodate the construction schedule. The pole is sized for the future turning angle/alignment, but the pole line is still energized in its existing alignment, so there is a need to reframe once the new line is installed.

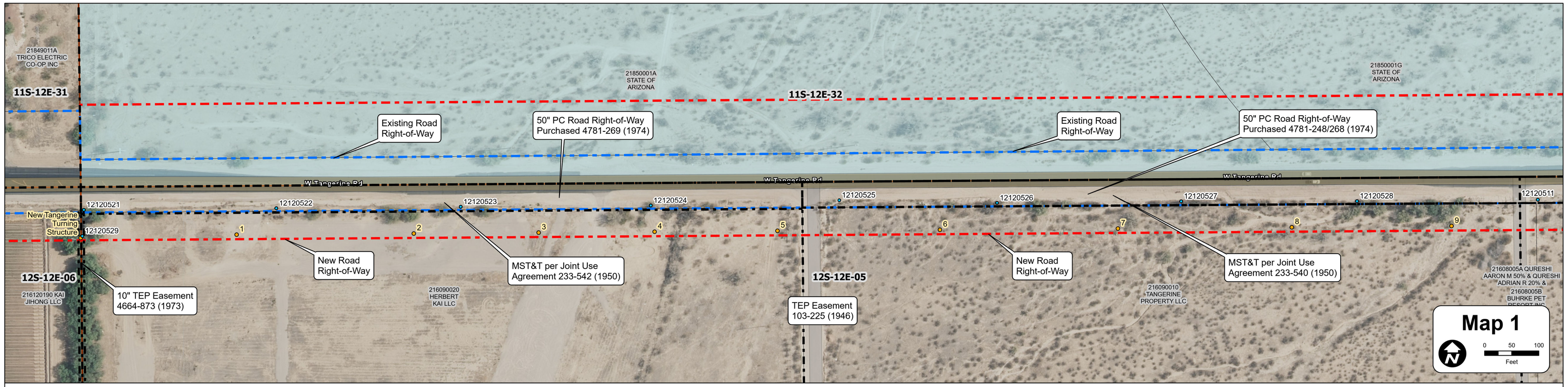
Attached is the work order sketch for Pole 9 that addresses the scope.

I believe the prior rights letter states that Pole 9 has a valid claim and Pole 1 is in the ROW. We are replacing Pole 9 to accommodate the PI design.

Thank you,
Miranda Jackson, MBA
Public Improvement Project Manager
Resource Management Team
Tucson Electric Power
520-884-3989 desk
520-449-4309 cell
mjackson@tep.com

From: Tom Houle <thoule@MARANAAZ.GOV>
Sent: Tuesday, June 25, 2024 11:45 AM
To: Jackson, Miranda <MJackson@tep.com>
Cc: George Cardieri <gcardieri@MARANAAZ.GOV>

Exhibit C



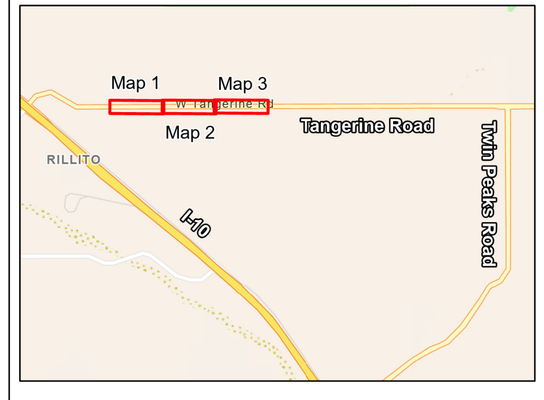
Tucson Electric Power
Land Resources

Tangerine Road PI: I-10 to Twin Peaks

TEP Prior Rights

- Existing Poles
- New Poles
- Existing Road ROW
- New Road ROW
- Land Rights
- Parcels
- Section

Surface Management
- Private (No Color)
- State



Sources: Esri, UNS, TEP, BLM,
and Pima County GIS
Projection: NAD 1983 UTM Zone 12N
Basemap: PAG Imagery 2021 and Esri World Navigation Map

This map is for planning purposes only. TEP and
UNS Energy make no warranty of its accuracy.

Marana Town Council Regular Meeting Agenda Packet
August 20, 2024

Council-Regular Meeting **C6**

Meeting Date: 08/20/2024

To: Mayor and Council

Submitted For: Fausto Burruel, Public Works Director

From: Dan Grossman, CIP Process Analyst

Date: August 20, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Relating to Procurement; approving a change order to the contract with Psomas, Inc. in the amount of $282,242.50 for the Tangerine Road Widening Phase 2A Project (ST098); authorizing the transfer of appropriations if necessary for the change order; and authorizing the Town Manager or designee to execute the necessary documents to effectuate the change order (Fausto Burruel)

Discussion:

Marana Town Code Section 3-4-7(B)(3) provides that Town Council approval is necessary for change orders that individually or cumulatively exceed the amounts set forth in section 3-4-8(A)(3) of the town code.

The budget for fiscal year 2024-2025 was adopted on June 18, 2024 and included the Town's 5 year CIP program. The Tangerine Road Widening Phase 2A, Project No. ST098 ("Tangerine 2A") was properly included within the Town of Marana's FY2025 Capital Improvement Plan.

Effective January 31, 2022, the Town entered into a professional services agreement with Psomas, Inc. ("Consultant") for the design of Tangerine 2A in the amount of $3,500,548 ("Agreement"). The total budget amount for Tangerine Rd Widening Phase 2A project is $50,144,032.00.

Effective February 8, 2024, the Town executed an amendment to the Agreement adding Phase II data recovery to the scope of work and increasing the Consultant's fee in the

amount of $349,695.00 to account for the added work.

Effective June 6, 2024, the Town executed an amendment to the Agreement adding Phase II data recovery to the scope of work and increasing the Consultant's fee in the amount of $381,786.75 to account for the added work.

While performing the Phase II data recovery the consultant has continued to encounter cultural resources and funeral remains that require additional data recovery efforts. A change order is required in the amount of $282,242.50. The total fee for the Consultant for Phase II data recovery will increase to $1,013,590.35.

Financial Impact:

Fiscal Year:	2025
Budgeted Y/N:	Yes
Amount:	$ 282,242.50

This change order will be funded with Northeast Impact Fees, GL Account # 36643000-8025-ST098.

Staff Recommendation:

Staff recommends approval of the change order to the Psomas Inc. Professional Service Agreement for the Tangerine Rd Widening Phase 2A, ST098 project in the amount of $282,242.50

Suggested Motion:

I move to approve the change order to the contract with Psomas, Inc. in the amount of $282,242.50 for the Tangerine Road Widening Phase 2A Project (ST098); to authorize the transfer of appropriations if necessary for the change order; and to authorize the Town Manager or designee to execute the necessary documents to effectuate the change order.

Attachments

No file(s) attached.

Council-Regular Meeting **C7**

Meeting Date: 08/20/2024

To: Mayor and Council

From: David L. Udall, Town Clerk/Assistant Town Attorney

Date: August 20, 2024

Subject: Approval of Regular Council Meeting Summary Minutes of August 6, 2024 (David L. Udall)

Attachments

Regular Council Meeting Summary Minutes, 08/06/2024

MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, August 6, 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

SUMMARY MINUTES

CALL TO ORDER AND ROLL CALL

Mayor Honea called the meeting to order at 6:02 PM and directed the Town Clerk to call the roll. **Council Member Comerford** was absent. All other Council Members were present, constituting a quorum.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by **Mayor Honea.**

APPROVAL OF AGENDA

Council Member Kai moved to approve the agenda. Council Member Ziegler seconded the motion. Mayor Honea requested that Item D1 be moved to the next Council Meeting and that the motion be approved with that caveat. The vote was taken, and the motion passed, 6-0.

CALL TO THE PUBLIC

Ms. Isabell Gray addressed the Council. She introduced herself as one of the lifeguards for the Marana Pool. She asked what the plans were for future development at Ora Mae

Harn Park and asked to know what would become of the pool, and she said that patrons of the pool would like to start a petition to keep the pool open. **Mayor Honea** said the pool would probably be closed once the Community Center and Aquatics Facility opened, but that it was open for discussion. **Town Manager Terry Rozema** invited **Ms. Gray** to meet with **Deputy Parks and Recreation Director Wayne Barnett** to discuss further.

Mr. David Morales addressed the Council. He said it had been eight months since he addressed the Council asking the Town to pay the rent for the local DAV. He implored that the Town pay the rent and said the DAV would close without the Town's intervention. He asked the Town to at least provide a written yes-or-no answer as to whether it will pay the rent, and that if it is not willing to pay the rent, to state the reason why.

Council Member Ziegler said providing an answer was not a big ask, but that **Mr. Morales** knew what he was asking for was a big ask. She commented that if the Town paid the rent for the DAV it would set a precedent. She asked **Mr. Rozema** to look into it and provide **Mr. Morales** with a definitive answer. **Mr. Rozema** said he would.

PROCLAMATIONS

PR1 Proclamation Recognizing National Purple Heart Day (David L. Udall)

Town Clerk / Assistant Town Attorney David Udall read the proclamation as Mayor Honea presented it to its recipients. **Mr. Mike Dyer** presented **Mayor Honea**, the Council, and **Mr. Rozema** with a certificate of appreciation on behalf of the Fort Lowell Chapter 442 of The Military Order of the Purple Heart. Wrist bands, challenge coins, and honorary Badges of Merit were also presented to the Council, and a large photo of one of the Town's "Purple Heart Town" signs was presented to the proclamation recipients.

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

Mayor Honea said there was a lot that went on during the month of July even though the Council did not hold any meetings that month. He said there are talks in the works for an organization to operate at the Marana prison to help eliminate recidivism. He said the RTA project is still on a bumpy road. He said he and other mayors are making an effort to make it work, but is not sure if it will. He attended a breakfast at the Ritz Carlton with a group of new teachers and attended an Arizona League of Cities and Towns meeting. He mentioned he recently met with **Mr. Gary Abrams** of Pima Aviation. **Mayor Honea** also congratulated **Council Member Ziegler** and **Mr. Patrick Cavanaugh** on the results of the July 30, 2024, Town Council election.

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Mr. Rozema said the Town issued 108 single-family residential permits in July. Last July, there were 74 permits issued. He complemented the Town's Star Spangled Spectacular event. He said the CalPortland project ribbon cutting has been delayed and will now take place in September. He highlighted the significant number of storms and storm-related damage this year and complemented Town staff in their clean-up efforts, and highlighted the Town's Dine and Discover summer challenge. **Mr. Rozema** also noted the Town did a recent Real Talk with the Town podcast on the Transportation Master Plan.

Council Member Ziegler asked for reports summarizing for her and other Council Members what is happening in the RTA meetings.

PRESENTATIONS

CONSENT AGENDA

C1 Resolution No. 2024-070: Relating to Budget; approving the transfer of up to $100,000 in budgeted expenditure authority from the General Fund contingency line item to the Mayor and Council Community Relations budget in the fiscal year 2024-2025 budget for a donation to the Marana Food Bank and Community Resource Center (Terry Rozema)

C2 Resolution No. 2024-071: Relating to Budget; approving the transfer of up to $2,628,167 in budgeted expense authority from the Other Agency Funds (Fund #3045) Moore Road - Interstate 10, Traffic Interchange Project (ST115), transferring amounts of up to $1,232,526 to the Tangerine Road Widening, Phase 2A Project (ST098) and up to $1,395,641 to the Santa Cruz SUP at Calportland Project (PK023) in the fiscal year 2024-2025 budget (Fausto Burruel)

C3 Resolution No. 2024-072: Relating to Development; approving the Final Plat for Mandarina - Phase 1B - Parcel A, Lots 733-884 & Tracts A-K, generally located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South and Range 11 East (Scott Radden)

C4 Resolution No. 2024-073: Relating to Development; approving the Final Plat for Mandarina - Phase 1B - Parcel D, Lots 885-998 & Tracts A-J, generally located north of Tangerine Road and east of Interstate 10 within portions of Section 36, Township 11 South and Range 11 East (Scott Radden)

C5 Approval of Regular Town Council Meeting Summary Minutes of June 18, 2024, approval of Special Town Council Meeting Summary Minutes of June 18, 2024, and

approval of Special Town Council Meeting Summary Minutes of June 25, 2024 (David L. Udall)

Council Member Ziegler moved to approve the consent agenda. Vice Mayor Post seconded the motion. Motion passed, 6-0.

Mayor Honea took a point of privilege and asked representatives of the Marana Food Bank and Community Resource Center to come to the podium. He said the Town just approved a $100,000.00 donation to the Marana Food Bank and Community Resource Center. **Mayor Honea** said he had money left over from his election campaign and that he intended to purchase an electric forklift for the Marana Food Bank. The Marana Food Bank and Community Resource Center representatives thanked the Town and **Mayor Honea** for the donations.

LIQUOR LICENSES

L1 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding an application for a location transfer series #009 Liquor Store liquor license and sampling privileges submitted by Jeffrey Craig Miller on behalf of Fry's Food & Drug #677, located at 11350 West Tangerine Road, Marana, Arizona, 85653 (David L. Udall)

Mr. Udall informed the Council that Town staff reviewed the liquor license application and that it was posted for the required 20-day notice period. He said Town staff recommended an order of approval be submitted to the Arizona Department of Liquor Licenses and Control.

Vice Mayor Post moved to submit to the Arizona Department of Liquor Licenses and Control an order recommending approval of an application for a location transfer of a series #009 Liquor Store liquor license and sampling privileges submitted by Jeffrey Craig Miller on behalf of Fry's Food & Drug #677, located at 11350 West Tangerine Road, Marana, Arizona, 85653. Council Member Ziegler seconded the motion. Motion passed, 6-0.

L2 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding an application for a new series #012 Restaurant liquor license submitted by Jose Gabriel Contreras on behalf of Humo Cocina Mexicana, located at 6671 North Thornydale Road, Tucson, Arizona, 85741 (David L. Udall)

Mr. Udall informed the Council that Town staff reviewed the liquor license application and that it was posted for the required 20-day notice period. He said Town staff

recommended an order of approval be submitted to the Arizona Department of Liquor Licenses and Control.

Council Member Ziegler moved to submit to the Arizona Department of Liquor Licenses and Control an order recommending approval of an application for a new series #012 Restaurant liquor license submitted by Jose Gabriel Contreras on behalf of Humo Cocina Mexicana, located at 6671 North Thornydale Road, Tucson, Arizona, 85741. Vice Mayor Post seconded the motion. Motion passed, 6-0.

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 Resolution No. 2024-074: Relating to Development; approving and authorizing the Mayor to execute the First Amendment to Development Agreement for the Saguaro Bloom Development Project (Jane Fairall)

Town Attorney Jane Fairall presented on this item. She said this item involves approval of the First Amendment to the Saguaro Bloom development agreement (the "DA"), which was originally entered into in 2011. **Ms. Fairall** said that under the original DA, the developer Saguaro Bloom has several obligations related to transportation improvements, but it also allows the parties to enter into a payment-in-lieu agreement at a future date in which the Town could construct some of the improvements and the developer would pay for their own costs.

This First Amendment addresses the construction and design of Twin Peaks Road. Under the original DA, the developer was required to design and reconstruct Twin Peaks Road to one half of its four-lane arterial road cross-sectional along the entire boundary of Saguaro Bloom and to design and construct a three-legged traffic signal at the intersection of Twin Peaks Road and Saguaro Peaks Boulevard.

Ms. Fairall said that a couple of years ago, the Town determined it was ready to proceed with the whole project and wanted to construct it instead of having the developer construct as well and have multiple contractors engaged in the project. As a result, the Town approached the developer regarding payment in-lieu provisions. This First Amendment sets forth those provisions as follows:

- The Town will construct the entire project. Design is complete and was paid for by the developer.

- The developer will pay for its portion of the project, which is currently estimated to be at $14.1 million. The payment terms are structured as follows:

- The developer may provide a cash deposit of half of their project cost.
    - When the project reaches 50% completion, the developer would be required to provide a second cash deposit for the remaining half.

- Alternatively, the developer may provide a letter of credit for the full amount.
    - The Town will hold the letter of credit and issue monthly invoices for the developer's portion of the project as it proceeds. The Town would be able to draw on the letter of credit if the developer did not pay their monthly invoices.

- The developer will be entitled to approximately $631,000.00 in development impact fee reimbursement for the design work already completed and for the right-of-way dedicated to the Town by the developer for the project.

- If the developer fulfills its obligations in making its payment in lieu for the construction of the road, the developer will be entitled to approximately $2.7 million in development impact fee credits, structured as follows:
    - The Town would pay approximately $1.3 million to the developer at the time of 50% completion. When the project is complete the Town would pay the remainder.

Council Member Ziegler said that D.R. Horton (the developer) should pay all of the money now because she does not trust D.R. Horton. She said D.R. Horton has treated the residents of Saguaro Bloom poorly and doesn't do business very well. She expressed concern that it would take forever to receive the money from D.R. Horton. Notwithstanding, she said that after speaking with **Ms. Fairall**, she is in favor of the amendment. She asked **Ms. Fairall** to clarify the changes in scope provision in the amendment, and **Ms. Fairall** provided a clarifying answer.

Vice Mayor Post moved to adopt Resolution No. 2024-074. Council Member Kai seconded the motion. Motion passed, 6-0.

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Relating to Development and Public Works; update, discussion, and possible direction regarding public and private projects and development applications on the Town's Marana Current and Proposed Projects internet site (Jason Angell)

[This item was removed from the agenda during Approval of Agenda.]

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.

Mayor Honea asked for a motion to go into executive session on Items E2 through E5.

Vice Mayor Post so moved. Council Member Officer seconded the motion. Motion passed, 6-0.

[An executive session was held on Items E2 through E5, beginning at 6:53 PM.]

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)(3) and (4) for discussion or consultation with the Town's attorneys and to instruct the Town's representatives concerning the litigation entitled *Southern Arizona Home Builders Association v. Town of Marana*, Pima County Superior Court Case No. C20184411.

E3 Executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town's attorneys in order to consider the Town's position and instruct its attorneys regarding the Town's position regarding possible litigation and/or settlement negotiations related to the One Arizona Opioid Settlement Memorandum of Understanding.

E4 Executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town's attorneys in order to consider the Town's position and instruct its attorneys regarding the Town's position regarding possible litigation and/or settlement negotiations related to *Jacobs-Sluger v. Town of Marana*, Pima County Superior Court No. C20242463.

E5 Executive session pursuant to A.R.S. § 38-431.03(A)(4) & (7) for discussion or consultation with the Town's attorneys in order to consider the Town's position and instruct its attorneys regarding the Town's position regarding ongoing negotiations and options related to the Master Development Lease Agreement between the Town and Pima Aviation for the lease of real property located at the Marana Regional Airport.

[The executive session concluded at 8:28 PM.]

In open session, **Mayor Honea** asked for the following motions:

- Item E2: ***Vice Mayor Post moved to proceed as directed in executive session. Council Member Kai seconded the motion. Motion passed, 6-0.***

- Item E5: ***Vice Mayor Post moved to proceed as directed in executive session. Council Member Officer seconded the motion. Motion passed, 6-0.***

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).

Vice Mayor Post asked that a discussion regarding raising the Town's construction sales tax be added as a future agenda item.

ADJOURNMENT

Mayor Honea asked for a motion to adjourn the meeting.

Vice Mayor Post moved to adjourn the meeting. Council Member Officer seconded the motion. Motion passed, 6-0. Meeting adjourned at 8:32 PM.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the regular Town Council meeting held on August 6, 2024. I further certify that a quorum was present.

_____

David L. Udall, Town Clerk

DRAFT

Council-Regular Meeting **A1**

Meeting Date: 08/20/2024

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: August 20, 2024

Strategic Plan Focus Area:
Not Applicable

Subject: Resolution No. 2024-081: Relating to Community Facility Districts; Consideration and possible adoption of a resolution approving and authorizing the execution and delivery of a district development, financing participation and intergovernmental agreement (Mandarina Community Facilities District) (Yiannis Kalaitzidis)

Discussion:

After several months of discussion with principals of, and consultants to, Mandarina Holdings, LLC (Developer), Town Staff have received from the Developer a draft application for the creation of the Mandarina Community Facilities District (District). As described in greater detail below, formal submission of such application by the Developer will take place prior to a future Council meeting at which formation of the District is to be considered.

The first formal Council action regarding potential formation of the District is adoption of the proposed resolution provided in this agenda item. This resolution authorizes the execution of a District Development, Financing Participation and Intergovernmental Agreement (the CFD Agreement) concerning matters related to, among other things, conditions, terms, restrictions and requirements for public infrastructure and the financing of public infrastructure and subsequent reimbursements or repayments over time from funds derived from the District's bond sales.

After adoption of the resolution, Town staff anticipates the Developer's submission of the final application for formation of the District, as well as other documents required

by law for formation of the District. The Council would, at a future council meeting, adopt a resolution declaring formation of the District and authorizing the taking of certain actions with respect to such formation. As is the case with the Town's existing community facilities districts, the members of the Council would serve, ex officio, as the members of the Board of Directors of the District (the CFD Board). At such Council meeting, the Council would convene as the CFD Board and hold the organizational meeting of the CFD Board, at which a resolution would be adopted by the CFD Board that would, among other things, call an election to authorize the sale of a total of $150,000,000 in bonds over the life of the District.

The CFD Agreement allows control by the Developer until the first $50,000,000 in bonds are issued or 25 years pass, whichever occurs first. It is anticipated that this first $50,000,000 in bonds, if the CFD Board decides to issue them, will be used to acquire from the Developer public infrastructure constructed by it, in and for the benefit of the District, including certain infrastructure addressed in Exhibit B to the CFD Agreement, which must be provided by the Developer. The remaining bond authorization will be available to fund later public infrastructure projects to the extent that such projects benefit the District. Issuance of any such bonds would be at the sole discretion of the CFD Board.

The Developer has constructed a large portion of the possible eligible infrastructure to be financed by the District and, per the CFD Agreement, would only be able to request that the CFD Board issue General Obligation Bonds (i.e., bonds payable from a property tax levy) to acquire such infrastructure.

The CFD Agreement includes a target secondary tax rate of $3.80 per $100 of limited assessed valuation, which includes $0.30 per $100 for operation and maintenance expenses. The actual rate for payment of debt service on bonds could go higher, if for some reason the total assessed valuation within the District falls or some other unforeseen event makes it necessary to raise the tax rate to cover the bond obligations, though staff will continue to recommend issuance of bonds conservatively in an effort to avoid such a result.

The Developer's financial obligations under this document include: (a) a letter of credit in the amount of $350,000, due upon formation of the District, with release provisions upon meeting certain funding conditions in the future, the purpose of which is to collateralize the Developer's obligations to the District to provide for indemnification and payment of District expenses; (b) an annual obligation to pay up to $50,000 in CFD operation and maintenance costs, to the extent such costs are not covered by the $0.30 per $100 operation and maintenance tax; (c) a deposit of $50,000 with the Town to cover initial costs of the CFD prior to the levy of the $0.30 per $100 operation and maintenance tax which is to be replenished when $25,000 of the $50,000 deposit is expended.

As described above, adoption of Resolution No. 2024-081 does not form the District, it only provides authority to the Town to execute the CFD Agreement in the future if all steps for formation of the District are completed to the satisfaction of staff. Upon approval of this resolution, Staff will return in a separate meeting, at least 30 days after

this evening's meeting, to ask Council to approve the formation of the District.

Financial Impact:
No significant financial impact associated with this agreement and the future possible formation of this CFD.

Staff Recommendation:
Staff recommends approval of Resolution No. 2024-081.

Suggested Motion:
I move to approve Resolution No. 2024-081 approving and authorizing the execution and delivery of a District Development, Financing Participation and Intergovernmental Agreement for the proposed Mandarina Community Facilities District.

Attachments

Resolution No. 2024-081
Draft Agreement

RESOLUTION NO. 2024-081

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF MARANA, ARIZONA, A MUNICIPAL CORPORATION OF ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (MANDARINA COMMUNITY FACILITIES DISTRICT)

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

1. Findings.

a. It is expected that there will be presented to us, the governing body of the Town of Marana, Arizona, an incorporated municipality of the State of Arizona (hereinafter called the "Municipality"), a Petition for Adoption of a Resolution Declaring Formation of Mandarina Community Facilities District (hereinafter referred to as the "Petition"), to be signed by the entities which, on the date thereof, are the owners of all real property as shown on the assessment roll for State and county taxes for Maricopa County, Arizona, or, if such persons shown on such assessment roll are no longer the owners of land in the proposed community facilities district are the entities which are the successor owners which became known and are verified by recorded deed or similar evidence of transfer of ownership to be the owners of such real property (hereinafter referred to as, collectively, the "Petitioner") to be described in the Petition by metes and bounds to be in the community facilities district (hereinafter referred to as the "Property"), the formation of which will be prayed for by the Petitioner in the Petition, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act").

b. It is expected that the name of the community facilities district of which formation will be prayed pursuant to the Petition will be "Mandarina Community Facilities District" (hereinafter called the "District").

c. Pursuant to a resolution that may be adopted by the governing body of the Municipality at a future meeting, the Petition may be granted, and the District may be formed as a community facilities district pursuant to the terms and provisions of, and with the powers and authority established by, the Act, subject to the restrictions and modifications to be set forth in the Petition, with jurisdiction over the Property.

d. Pursuant to the Act and Section 9500.05, Arizona Revised Statutes, as amended, the Municipality, the District (if formed) and the Petitioner (being Mandarina Holdings, LLC) will enter into, if the District is formed, a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

e. With regard to the Property, the Municipality, the District (if formed) and the Petitioner will determine to specify some of such matters in such an agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District (if formed), the acceptance thereof by the Municipality and the reimbursement or repayment of Petitioner with respect thereto, all pursuant to the Act.

f. Pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District (if formed), and the Municipality may enter into an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure.

g. Pursuant to the Act, the District (if formed) may also enter into an agreement with the Petitioner with respect to the advance of moneys for public infrastructure purposes and the repayment of such advances and to obtain credit enhancement for, and process disbursement and investment of proceeds of, general obligation bonds of the District to be hereafter issued if the District is formed.

h. There has been presented to us in connection with the purposes described herein a District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District), to be dated as of the first day of the month of formation of the District (hereinafter referred to as the "Development Agreement"), by and among the Municipality, the District (if formed) and the Petitioner.

2. Authorization and Approval of Development Agreement. The Development Agreement is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Mayor of the Municipality, with the advice of the Town Manager of the Municipality and the Town Attorney of the Municipality, shall authorize, the execution and delivery of the Development Agreement to be conclusive evidence of the propriety of such documents and the authority of the persons or persons executing the same. The Mayor of the Municipality, with the advice of the Town Manager of the Municipality and the Town Attorney of the Municipality, is hereby authorized and directed to execute, and the Town Clerk of the Municipality to attest and deliver, the Development Agreement on behalf of the Municipality.

3. No Liability of or for the Municipality. Neither the Municipality nor the State of Arizona or any political subdivision of either (other than the District if formed) shall be directly, indirectly or morally liable or obligated for the costs of the public infrastructure contemplated by the General Plan and the Development Agreement nor for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District (if formed), and neither the credit nor the taxing power of the Municipality, the State of Arizona or any political subdivision of either (other than the District if formed) shall be pledged therefor.

4. Effect of Resolution.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of

such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

PASSED AND ADOPTED by the Common Council and approved by the Mayor of the Town of Marana, Arizona, this 20th day of August 2024.

….....
Mayor

ATTEST:

.....
Town Clerk

APPROVED AS TO FORM:

.....
Town Attorney

* * *

When recorded, please return to:

Paul Gales, Esq.
Greenberg Traurig, LLP
Suite 800
2375 East Camelback Road
Phoenix, Arizona 85016

DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT
(MANDARINA COMMUNITY FACILITIES DISTRICT)

ARTICLE I DEFINED TERMS; MISCELLANEOUS MATTERS RELATING TO USE THEREOF....4
ARTICLE II CONSTRUCTION OF PROJECTS BY THE DISTRICT; ACQUISITION OF PLANS AND SPECIFICATIONS....10
ARTICLE III CONSTRUCTION OF ACQUISITION PROJECTS BY THE OWNER; CERTAIN MATTERS RELATED TO PLANS AND SPECIFICATIONS....12
ARTICLE IV ACQUISITION OF ACQUISITION PROJECTS FROM THE OWNER....16
ARTICLE V FINANCING OF COSTS OF PROJECTS AND PLANS AND SPECIFICATIONS....17
ARTICLE VI MATTERS RELATING TO THE BONDS AND OTHER OBLIGATIONS OF THE DISTRICT....21
ARTICLE VII ACCEPTANCE BY THE MUNICIPALITY....23
ARTICLE VIII INDEMNIFICATION....24
ARTICLE IX PAYMENT OF CERTAIN EXPENSES AND COSTS....29
ARTICLE X MISCELLANEOUS....31

SIGNATURES....55

ATTACHMENTS:

EXHIBIT A LEGAL DESCRIPTION OF THE PROPERTY....A-1
EXHIBIT B DESCRIPTION OF THE INFRASTRUCTURE....B-1
EXHIBIT C FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT....B-1
EXHIBIT D FORM OF CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT....C-1
EXHIBIT E FORM OF DISCLOSURE STATEMENT....D-1

692488149

THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (MANDARINA COMMUNITY FACILITIES DISTRICT), dated as of _____ 1, 2024 (hereinafter referred to as this "*Agreement*"), by and among the Town of Marana, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"); Mandarina Community Facilities District, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"); and Mandarina Holdings, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Arizona and having an interest in certain property within the boundaries of the District (hereinafter referred to as the "*Owner*"),

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, this Agreement has been entered into as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time from funds derived from the District's sale of the hereinafter defined Owner Bonds; and

WHEREAS, with regard to the real property described in Exhibit "A" hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District, some of such matters are specified in this Agreement, particularly matters relating to the construction or acquisition of certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of the Owner with respect thereto, from the Owner Bonds, all pursuant to the Act, such public infrastructure being necessary for the Owner

to develop the Property prior to the time at which the District will have the necessary funds to itself pay for the construction or acquisition thereof; and

WHEREAS, this Agreement as a "development agreement" is consistent with the "general plan" of the Municipality (as defined in Section 9-461, Arizona Revised Statutes) applicable to the Property on the date this Agreement is executed; and

WHEREAS, pursuant to an election to hereafter be held in and for the District (hereinafter referred to as the "*Election*"), questions authorizing the board of directors of the District (hereinafter referred to as the "*District Board*") (i) to issue certain general obligation bonds of the District pursuant to the Act and as described in this Agreement to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District in the principal amount of $150,000,000 (hereinafter referred to as the "*Bonds*"), including the levy, assessment and collection of a secondary *ad valorem* (debt service) tax against all real and personal property in the District, unlimited as to rate or amount therefor, and (ii) to levy, assess and collect an operation and maintenance tax in an amount up to $0.30 per $100.00 of net limited assessed property valuation for all real and personal property in the District (hereinafter referred to as the "*O/M Tax*") to provide for amounts which become attributable to the operation and maintenance expenses of the District in the future are expected to be approved pursuant to the Act; and

WHEREAS, the use of the proceeds of the sale of the Owner Bonds and amounts which will be collected with respect to the O/M Tax in the future are, among other things, subjects of this Agreement; and

WHEREAS, the Owner is holding the portions of the Property it owns for investment purposes and has conveyed and currently intends to convey additional platted and engineered parcels of the Property to third parties; and

WHEREAS, the Owner has previously constructed and installed Infrastructure (as such term is hereinafter defined) and may hereafter construct and install Infrastructure that may be acquired by, and conveyed to, the District; and

WHEREAS, pursuant to the Act, the District enters into this Agreement with the Owner with respect to the advance of moneys for public infrastructure purposes by the Owner and the repayment by the District of such advances and to process disbursement and investment of disbursements from the proceeds derived from the sale of the Owner Bonds; and

WHEREAS, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes (hereinafter referred to as the "*Intergovernmental Agreement Act*"), the District and the Municipality entered into the specified Sections of this Agreement as an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of "public infrastructure," including particularly to provide for the acceptance by the Municipality of certain public infrastructure constructed or acquired by the District;

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein, the parties hereto agree that:

ARTICLE I

DEFINED TERMS; MISCELLANEOUS MATTERS RELATING TO USE THEREOF

Section 1.1. (a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined hereinabove and in this Section have the meanings assigned to them hereinabove and in this Section and include, as appropriate, the plural as well as the singular:

"*Acquisition Infrastructure*" means Infrastructure that has previously been constructed and installed by or on behalf of the Owner (or contracted by the Owner to be constructed by its land purchasers) or may hereafter be constructed and installed by or on behalf of the Owner (or contracted by the Owner to be constructed by its land purchasers) other than the Infrastructure which is the subject of a request of the Owner and approval of the District Manager described in Section 2.1 and which shall be indicated as such in the applicable Report.

"*Acquisition Project*" means each project which is a part of the Acquisition Infrastructure on a project-by-project basis.

"*Acquisition Project Construction Contract*" means a construction contract for an Acquisition Project.

"*Certificate of the Engineers*" means a certificate of the Owner Engineer and the District Engineer in substantially the form of Exhibit "C" hereto.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto.

"*Complete*" means, with respect to each Segment, that the items listed in Section 4.2(a) through (f) have been provided as set forth in Section 4.2.

"*Construction Contract*" means a construction contract for a Project as described in Section 2.1.

"*Conveyance*" means a conveyance for a Segment in substantially the form of Exhibit "D" hereto.

"*Court*" means the Pima County Superior Court.

"*Cure Period*" has the meaning provided in Section 10.20(b).

"*Disclosure Statement*" means the disclosure statement substantially in the form of Exhibit "E" hereto.

"*District Budget*" means the budget of the District required for each Fiscal Year by the Act.

"*District Engineer*" means the Town Engineer for the Municipality or his or her designee.

"*District Expenses*" means the reasonable expenses and costs of the operation and administration of the District including the reasonable expenses and costs incurred by the Municipality in connection with the formation of the District; its operations; its relationship with the Municipality; its issuance of the Owner Bonds other than as provided in Section 9.1 or any similar matters and reasonable fees and related actual costs and expenses of staff of the Municipality, financial advisors, engineers, appraisers, attorneys and other consultants and including any allocable overhead incurred by the Municipality with respect thereto.

"*District Indemnified Party*" means the Municipality and each legislator, director, trustee, member, officer, official or employee thereof or of the District.

"*District Manager*" means the Town Manager for the Municipality or his or her designee.

"*Engineers*" means, collectively, the Owner Engineer and the District Engineer; provided, however, that neither may be changed upon less than ten (10) days' prior written notice and, in the case of the Owner Engineer, without compliance with the other provisions hereof with respect to such change.

"*Fiscal Year*" means the twelve (12) month period beginning on July 1 of any year and ending on June 30 of the following year.

"*Force Majeure*" means any condition or event not reasonably within the control of a party obligated to perform hereunder, including, without limitation, "acts of God"; strikes, lock-outs, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any state thereof or any of their departments, agencies, or officials (including, without limitation, moratoria of any type and duration), or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; pandemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts;

floods; arrests; restraints of government and of people; explosion; supply chain disruptions; unavailability or delay in delivery of goods and/or materials; and partial or entire failure of utilities. Failure to settle strikes, lock-outs and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its good faith efforts to remedy such a condition or event.

"*Indemnified Party*" means the Municipality and the District and each legislator, director, trustee, partner, member, officer, official, independent contractor or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act.

"*Indemnity Letter of Credit*" means a standby letter of credit or substitute therefor held pursuant to the terms of Section 8.1(e), in an amount and in the form described in Section 8.3.

"*Indemnity Termination Date*" means, provided there are no indemnification claims against the Owner pending under Section 8.1, the earlier of (i) the date on which all of the Owner Bonds are paid in full or defeased to the fullest extent possible pursuant to the Act and (ii) the July 1 after the sum of (A) the projected amount generated by the levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation for the applicable tax year given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%) and (B) the fund balance in the fund maintained for deposit of proceeds of the O/M Tax at the time of such calculation is at least $350,000 in excess of the District Expenses shown in the District Budget for the Fiscal Year overlapping such tax year.

"*Infrastructure*" means the public infrastructure described in Exhibit "B" hereto.

"*Initial Expenses*" means the District Expenses prior to receipt of collections of the first levy of the O/M Tax.

"*Initiation Notice*" has the meaning provided in Section 10.20(d).

"*Landowners*" means, collectively, the undersigned entities executing the Landowner Consent, Authorization and Agreement hereto.

"*Mediation Agreement*" means the mediation agreement dated October 30, 2019, between the Municipality and Mandarina, LLC, settling two lawsuits (Pima County Superior Court No. C20184425 and 20161982) as amended on June 3, 2020, and again on September 2, 2020.

"*Minimum Tier 1 Leverage Ratio*" means, for the bank supplying the Indemnity Letter of Credit, a Tier 1 Leverage Ratio of eight percent (8%).

"*O/M Expenses*" means the reasonable expenses and actual costs of the operation and maintenance of the Projects (including after acceptance by the Municipality pursuant to Section 7.1) and for accumulating a Replacement Reserve Amount with respect to the Projects including any allocable overhead incurred by the Municipality with respect thereto.

"*Owner Bonds*" means the portion of the Bonds authorized to be sold and issued by the District for the purpose of acquiring Infrastructure from the Owner or otherwise providing for its construction as described in this Agreement.

"*Owner Engineer*" means any firm of professional engineers hired by the Owner after approval thereof by the District Manager to perform the services required therefrom for the purposes hereof.

"*Panel*" has the meaning provided in Section 10.20(d).

"*Plans and Specifications*" means the plans and specifications for a Project which shall be prepared and reviewed in accordance with the requirements for plans and specifications for construction projects of the Municipality similar to the Project or the Acquisition Project, as applicable.

"*Process*" has the meaning provided in Section 10.20(d).

"*Project*" means each discrete item of the Infrastructure that is subject to a separate procurement process pursuant to the terms of this Agreement, and, if constructed in phases, which is a Segment when Complete.

"*Project Development Agreement*" means the Mandarina Development Agreement, by and between the Municipality and Mandarina, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Colorado, recorded December 4, 2020, at Sequence 20203390091, official records of Pima County, Arizona, as further amended from time to time.

"*Public Lot*" means any lot which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to the purchaser or user thereof, or any lot or parcel conveyed or dedicated to any governmental authority, utility provider, school district or property owners' association.

"*Replacement Reserve Amount*" means an amount calculated using reasonable accounting practices based on the useful life of the various assets composing the Projects established by the Code to be used to replace such assets.

"*Report*" means the study of the feasibility and benefits required by the Act for the applicable Project or Acquisition Project.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Segment*" means a Complete, discrete portion of an Acquisition Project.

"*Segment Price*" means an amount equal to the sum of the amounts paid by the Owner for (1) design of the Segment (including the costs of the review of such design by the District Engineer), (2) construction of the Segment pursuant to the Acquisition Project Construction Contract for such Segment (such amount to be equal to the contract amount plus any increases to such contract amount approved as described in Section 3.5 less any change orders decreasing the contract amount), (3) inspection and supervision of performance under such Acquisition Project Construction Contract, and (4) other miscellaneous costs for such Segment attributable to construction of the Segment approved by the Engineers as certified in the Certificate of the Engineers for that Segment.

"*State*" means the State of Arizona.

"*Tier 1 Leverage Ratio*" means the ratio of that name established by the Federal Reserve Board in 12 C.F.R. Part 225, Appendix D, and any replacement thereof acceptable to the District Manager in his sole and absolute discretion.

(b) All references in this Agreement to designated "Exhibits," "Articles," "Sections" and other subdivisions are to the designated Exhibits, Articles, Sections and other subdivisions of this Agreement as originally executed. References to "subsections" are to subsections of the Section in which the subsections are included.

(c) The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or other subdivision.

ARTICLE II

CONSTRUCTION OF PROJECTS BY THE DISTRICT; ACQUISITION OF PLANS AND SPECIFICATIONS

Section 2.1. Upon a written request of the Owner and after approval by the District Manager, the District may and, if the Project which is the subject of such request is not on real property in which the Owner has an interest, shall, at the sole cost and expense of the Owner cause Infrastructure to be constructed pursuant to the Plans and Specifications in a fashion which, in the sole discretion of the District Board, allows for development of the Property to proceed in accordance with the terms of the Project Development Agreement. The Owner shall be solely liable for the cost and expense of such Infrastructure pursuant to a separate completion guaranty and indemnity in form acceptable to the District Manager provided with the request described in the first sentence of this Section. (Underlying ownership of real property shall be determined in the final plat or final development plan process of the Municipality.)

Section 2.2. (a) The construction of the Infrastructure which is the subject of this Article shall be procured, and such Infrastructure shall be constructed, in accordance with the

requirements for publicly procuring and constructing projects of the Municipality similar to the Projects.

(b) Such Infrastructure (or any Project which is a part thereof) shall be procured in one or more parts by and in the name of the District, and Construction Contracts shall be entered into with the contractors selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Construction Contracts as specified in Article 3-4 of the Marana Code and any procurement guidelines promulgated in connection therewith.

Section 2.3. The Owner (or any entity related to it) shall not be compensated more than once by the Municipality or the District for any costs of any Project. This section shall not prevent the Owner from reimbursement for any infrastructure not acquired by the District and eligible for reimbursement from another source.

Section 2.4. Construction of any Project which is the subject of this Article shall be financed (i) at any time before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (or after there are no available, unrestricted proceeds of the sale of such Owner Bonds remaining) only pursuant to Section 5.1(a), and (ii) at any time after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are remaining available, unrestricted proceeds of the sale of such Owner Bonds) only pursuant to Section 5.1(b).

Section 2.5. (a) Unless the financial assurances described in the next subsection are provided, any advertisement for bids for construction of any Project which is the subject of this Article pursuant to Section 2.1 shall include the following language: "**THE INFRASTRUCTURE WHICH IS THE SUBJECT OF THIS BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT AMONG OWNER, THE TOWN OF MARANA, ARIZONA, AND MANDARINA HOLDINGS, LLC. THE SUCCESSFUL**

CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH TOWN OR OWNER FOR ANY COSTS UNDER ANY CONSTRUCTION CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM. MANDARINA HOLDINGS, LLC SHALL HAVE SOLE LIABILITY THEREFOR." (The District is "OWNER" for purposes of the foregoing.)

(b) Each Construction Contract for such a Project shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Construction Contract or any liability, claim or expense arising therefrom and that the Owner shall have sole liability therefor. In lieu of the foregoing, the Owner may post financial assurances in a form and an amount determined acceptable in the sole and absolute discretion of the District Manager to provide for amounts due with respect to any of such Construction Contracts.

Section 2.6. Plans and Specifications for any such Projects shall be prepared by the Owner Engineer and shall be acquired by the District pursuant to Section 5.2(b) simultaneously with the financing of the construction of the related Project pursuant to Section 5.1(b). The District shall not be liable for any payment or repayment to the Owner with respect to such Plans and Specifications except as provided by this Agreement.

ARTICLE III

CONSTRUCTION OF ACQUISITION PROJECTS BY THE OWNER; CERTAIN MATTERS RELATED TO PLANS AND SPECIFICATIONS

Section 3.1. The construction of the Acquisition Infrastructure shall initially be at the sole cost and expense of the Owner at the location denoted on, and in accordance with, the Plans and Specifications. (Underlying ownership of real property in and on which the Acquisition Infrastructure is to be built shall be determined in the final plat or final development plan process of the Municipality.) Notwithstanding anything to the contrary in this Agreement, this Agreement

shall not obligate the Owner to construct any Infrastructure or to develop the Property in any particular manner or at all. Notwithstanding the foregoing, the Owner reserves an interest in any of the real property upon which Infrastructure has been or is to be constructed with the understanding that Owner intends to sell or convey such interest with the accompanying Infrastructure to the District. The interest described herein is limited to one necessary to accommodate the financing of the acquisition of the Infrastructure pursuant to this Agreement. This interest shall be released upon the earlier of the acquisition of the Infrastructure by the District and the termination of this Agreement.

Section 3.2. (a) The construction of the Acquisition Infrastructure and the preparation of the Plans and Specifications shall be procured pursuant to the provisions of Title 34, Arizona Revised Statutes, and in accordance with the requirements for construction projects and plans and specifications, respectively, of the Municipality similar to the Acquisition Projects and the Plans and Specifications as specified in Article 3-4 of the Marana Code and any procurement guidelines promulgated in connection therewith. Acquisition Project Construction Contracts shall be entered into with the contractors selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to the Acquisition Project Construction Contracts as specified by such Code and guidelines, and contracts for preparation of the Plans and Specifications shall be entered into with the contractor selected in accordance with the requirements for awarding contracts for preparing plans and specifications of the Municipality similar to the Plans and Specifications as specified by such Code and guidelines. (Compliance with such requirements with respect to the Acquisition Projects shall be evidenced by a Certificate of the Engineers.)

(b) The Municipality and the District shall not bear any risks, liabilities, obligations or responsibilities for any Acquisition Project Construction Contract and shall not be liable, obligated or responsible for any risk of loss of or damage to any Acquisition Project (or any

part thereof) occurring prior to the time of acquisition of such Acquisition Project (or part thereof) pursuant to Article IV.

(c) The Municipality and the District shall be named as additional insureds on any insurance policies required under a bid for an Acquisition Project and named as a third-party beneficiary with respect to all warranties, guarantees and bonds with respect thereto.

(d) An indication of final payment and contract closeout shall be provided to the District Manager before any acquisition pursuant to Article IV. If any liens are placed on any Segment of an Acquisition Project which is the subject of an Acquisition Project Construction Contract or if litigation ensues between the Owner and any contractor with respect to an Acquisition Project Construction Contract, the District shall not acquire such Segment until such liens are removed or such litigation is resolved or bonded.

Section 3.3. (a) Subsequent to the execution and delivery of this Agreement, any advertisement for bids for construction of any Acquisition Project or provision of any Plans and Specifications to be acquired shall clearly indicate that the Owner will be the "owner" for purposes of the Acquisition Project Construction Contract or contract for such Plans and Specifications and shall include the following language: "**THE WORK WHICH IS THE SUBJECT OF THE BID IS THE SUBJECT OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT AMONG OWNER, THE TOWN OF MARANA, ARIZONA, AND MANDARINA COMMUNITY FACILITIES DISTRICT PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED BY SUCH COMMUNITY FACILITIES DISTRICT. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO SUCH TOWN OR COMMUNITY FACILITIES DISTRICT FOR ANY COSTS UNDER ANY CONTRACT OR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM. OWNER SHALL HAVE SOLE LIABILITY THEREFOR."** (The Owner is "OWNER" for purposes of the foregoing.)

(b) Each Acquisition Project Construction Contract or contract for such Plans and Specifications shall provide that the respective contractors shall not have recourse, directly or indirectly, to the Municipality or the District for the payment of any costs pursuant to such Acquisition Project Construction Contract or contract for such Plans and Specifications or any liability, claim or expense arising therefrom and that the Owner shall have sole liability therefor. In lieu of the foregoing, the Owner may post financial assurances in a form and an amount determined acceptable in the sole and absolute discretion of the District Manager to provide for amounts due with respect to any of such Construction Contracts.

Section 3.4. The Owner shall provide for inspection by the Engineers of work performed under any Acquisition Project Construction Contract.

Section 3.5. Any change order to any Acquisition Project Construction Contract shall be subject to approval by the Engineers (which approval shall not be unreasonably withheld or delayed) and shall be certified to in the applicable Certificate of the Engineers; provided, however, that any change order expected to increase the amount of an Acquisition Project Construction Contract shall be the subject of the same approval requirements that a change order to increase the cost of a construction contract of the Municipality would be subject under Sections 3-4-7 and 3-4-8 of the Marana Town Code, as such sections may be amended, unless modified by action of the District Board and, specifically, the approval of the District Manager.

Section 3.6. This Agreement does not modify in any way (1) any rights, duties or obligations set forth in the Project Development Agreement or the Mediation Agreement, or (2) the zoning for the Property.

ARTICLE IV

ACQUISITION OF ACQUISITION PROJECTS FROM THE OWNER

Section 4.1. (a) Subject to the other terms of this Agreement, the Owner shall sell to the District, and the District shall acquire from the Owner, each Segment for the applicable Segment Price.

(b) Acquisition of a Segment shall be financed (i) at any time before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (or after there are no available, unrestricted proceeds of the sale of such Owner Bonds remaining) only pursuant to Section 5.2(a), and (ii) at any time after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are available, unrestricted remaining proceeds of the sale of such Owner Bonds) only pursuant to Section 5.2(b).

(c) The District shall not be liable for any payment or repayment to the Owner with respect to the Acquisition Infrastructure except as provided by this Agreement and applicable law.

(d) Without limiting any other provision of this Agreement, any infrastructure dedicated or conveyed to the District for which development impact fees were assessed shall be eligible for reimbursement to Owner through issuance of Bonds by the District.

Section 4.2. The District shall acquire from the Owner and, to the extent it has available funds, pay the Segment Price for each Segment as provided in Section 4.1, but no more than thirty (30) days after receipt by the District Manager of the below stated items (a through f) relating to each Segment, and the Owner shall accept the Segment Price for and sell to the District, each Segment as provided in Section 4.1 after the approval of the Report pursuant to Section 48-715, Arizona Revised Statutes, and within thirty (30) days after receipt by the District Manager of the following with respect to such Segment, in form and substance reasonably satisfactory to the District Manager:

(a) the Certificate of the Engineers;

(b) the Conveyance;

(c) evidence that public access to the Segment or the Acquisition Project, as applicable, has been or will be provided to the Municipality;

(d) the assignment of all contractors' and materialmen's warranties and guarantees as well as payment and performance bonds;

(e) an acceptance letter issued by the Municipality, which shall not be unreasonably withheld, conditioned or delayed, and by its terms subject specifically to recordation of the Conveyance which is the subject of such letter and

(f) such other documents, instruments, opinions and approvals as may reasonably be requested by the District Manager including, with respect to any real property related to the Acquisition Project, title reports, insurance and consultant reports that provide evidence satisfactory to the District Manager that such real property does not contain environmental contaminants which make such real property unsuitable for its intended use or, to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such real property will be made suitable for its intended use and the sources of funds necessary to accomplish such purpose.

ARTICLE V

FINANCING OF COSTS OF PROJECTS AND PLANS AND SPECIFICATIONS

Section 5.1 (a) (1) To provide for amounts due pursuant to any Construction Contract (including incidental costs relating thereto) before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI, such amounts shall be advanced by the Owner and the obligation to advance such amounts shall be the obligation of the Owner pursuant to the terms of this Agreement. Each such advance shall be evidenced by a written

acknowledgement of the District Manager included as part of the written approval of the Engineers with each pay request of the contractor for each Construction Contract.

(2) As soon as possible after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI, the total amounts so advanced by the Owner for such purpose prior to the sale and delivery of such Owner Bonds shall be paid to the Owner (without interest for the period during which it was unpaid) from, and only from, the available, unrestricted proceeds of the sale of such Owner Bonds, but only to the extent of the remaining amounts thereof. Neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds from the sale of such Owner Bonds are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient proceeds from the sale of the Owner Bonds shall be available to pay such amounts.

(3) Until the sale and delivery of future series of the Owner Bonds intended for such purpose pursuant to Article VI and during any time when there are no available, unrestricted remaining proceeds of the sale of such Owner Bonds, neither the District nor the Municipality shall have any obligation to repay the Owner for any advance made by the Owner to pay such amounts.

(b) (1) Any amounts due pursuant to any Construction Contract (including incidental costs relating thereto) after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are remaining, available, unrestricted proceeds of the sale of such Owner Bonds) shall be provided for by the payment of such amounts from, and only from, the available, unrestricted proceeds from the sale of current and future series of the Owner Bonds intended for such purpose pursuant to Article VI to the extent only of the remaining amounts thereof.

(2) If there are no available, unrestricted proceeds from the sale of current or prior series of the Owner Bonds intended for such purpose pursuant to Article VI, then until the sale and delivery of future series of the Owner Bonds intended for such purpose pursuant to Article VI, neither the District nor the Municipality shall have any obligation to pay such amounts. Furthermore, in such an event, neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Construction Contract) for payment of any such amount except to the extent available, unrestricted proceeds from the sale of future series of the Owner Bonds intended for such purpose pursuant to Article VI are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of such future series of the Owner Bonds shall be available to pay such amounts.

Section 5.2. (a) (1) To provide for any acquisition of a Segment occurring before the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI and after there are no remaining, available, unrestricted proceeds from the sale of such Owner Bonds, the Segment Price of that Segment shall be advanced by the Owner pursuant to the terms of this Agreement and the Conveyance for that Segment.

(2) As soon as possible after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI, the amount advanced by the Owner for the Segment Price of a Segment prior to the sale and delivery of such Owner Bonds shall, subject to the requirements of Section 4.2, be paid to the Owner (without interest for the period during which it was unpaid) from, and only from, the available, unrestricted proceeds of the sale of such Owner Bonds, but only to the extent of the remaining amounts thereof. Neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price except to the extent available, unrestricted proceeds from the sale of such Owner Bonds are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient available,

unrestricted proceeds from the sale of the Owner Bonds shall be available to pay any specific Segment Price.

(3) Until the sale and delivery of future series of the Owner Bonds intended for such purpose pursuant to Article VI and during any time when there are no available, unrestricted remaining proceeds of the sale of such Owner Bonds, neither the District nor the Municipality shall have any obligation to repay the Owner for any advance made by the Owner to pay a Segment Price.

(b) (1) Any acquisition of a Segment or of Plans and Specifications for a Project occurring after the sale and delivery of the Owner Bonds intended for such purpose pursuant to Article VI (and while there are remaining, available, unrestricted proceeds from the sale of such Owner Bonds) shall, subject to the requirements of Section 4.2, be provided for by the payment of the Segment Price for such Segment or the costs of such Plans and Specifications, whichever is applicable, as determined by the District Engineer and the District Manager based on actual amounts paid by the Owner to the Owner Engineer therefor from, and only from, the available, unrestricted proceeds from the sale of such Owner Bonds, but only to the extent of the remaining amounts thereof. The District shall pay the costs of such Plans and Specifications to the Owner as provided in Section 2.6 after approval of the Report and within thirty (30) days after receipt by the District Manager of evidence satisfactory to the District Manager of adequate ownership of, or a transferable license acceptable to the District Manager to use, the architectural materials (including memoranda, notes and preliminary and final drawings) and the related intellectual property rights (including copyright, if any) related to such Plans and Specifications, in all media, including electronic, for the limited purpose of operating and maintaining the Segment(s) that are the subject of the Plans and Specifications, and that the District shall be held harmless and be free to use such Plans and Specifications for the limited purpose of such operation and maintenance.

(2) Until the sale and delivery of a series of Owner Bonds intended for such purpose pursuant to Article VI, neither the District nor the Municipality shall have any obligation to pay such Segment Price or such costs of such Plans and Specifications. Neither the District nor the Municipality shall be liable to the Owner (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price or for the costs of such Plans and Specifications except to the extent available, unrestricted proceeds from the sale of the Owner Bonds are available for such purpose, and no representation or warranty is given that the Owner Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Owner Bonds shall be available to pay such Segment Price or such costs of such Plans and Specifications.

ARTICLE VI

MATTERS RELATING TO THE BONDS AND OTHER OBLIGATIONS OF THE DISTRICT

Section 6.1. (a) Subject to Section 6.3 below, to the extent the District is not otherwise prohibited from agreeing to do so pursuant to applicable law, at the request of the Owner, the District Board shall, from time to time, take all such reasonable action necessary for the District to sell and issue, pursuant to the provisions of the Act and this Agreement, an applicable amount of the Owner Bonds in an amount sufficient to repay advances for, or to pay directly from the available, unrestricted proceeds thereof, the total of all amounts due for the purposes of any Construction Contract for the Infrastructure and the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, established or reasonably expected to be established pursuant hereto plus all relevant issuance costs related thereto. To the extent the District is not otherwise prohibited from agreeing to do so pursuant to applicable law, except at the request of, or with the written consent of, the Owner, the District shall not undertake the issuance of any of the Bonds until the earlier of (i) twenty-five (25) years from the date hereof, and (ii) the issuance of all $50,000,000 in principal amount of the

Owner Bonds. Notwithstanding any provision of this Section 6.1, the District Board may cause the preparation of a Report and thereafter issue Bonds if the District Board determines that the issuance of such Bonds and the use of the proceeds thereof will mitigate or cure a health or safety issue located within or affecting property or residents within the District.

(b) If the Owner Bonds are not issued or if the available, unrestricted proceeds of the sale of the Owner Bonds intended for such purpose are insufficient to pay any or all of the amounts due described in Section 5.1(b) or all of the Segment Prices for the Acquisition Infrastructure and costs of the Plans and Specifications for the Infrastructure to be acquired, then there shall be no recourse against the District or the Municipality for, and neither the District nor the Municipality shall have liability with respect to, such amounts so due or the Segment Prices for the Acquisition Infrastructure, except from the available, unrestricted proceeds from the sale of the Owner Bonds, if any and as applicable.

Section 6.2. (a) The District shall, subject to the other conditions of this Agreement, issue, in one or more series in principal amounts to be determined by the District Board, the Owner Bonds at the sole discretion of the District Board.

(b) The total aggregate principal amount of all of the series of the Owner Bonds shall not exceed $50,000,000 in principal amount, leaving $100,000,000 in principal amount of all other series of the Bonds which are not controlled by the terms of this Agreement but subject to the provisions of Section 6.1(a) hereof.

(c) The Owner Bonds shall only be issued if the debt service therefor can be amortized with substantially equal amounts of annual debt service from amounts generated by a tax rate of not to exceed $3.50 per one hundred dollars of net limited assessed property valuation of property within the boundaries of the District as indicated on the tax roll for the current tax year. For purposes of the foregoing, a delinquency factor for tax collections equal to the greater of five percent (5%) and the historic, average, annual, percentage delinquency factor for the District as of such Fiscal Year shall be assumed; all property in the District owned by the Owner

or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), the Owner shall be assigned the last value such property had when categorized as "vacant" for purposes of net limited assessed property valuation, and the debt service for any outstanding series of the Owner Bonds theretofore issued shall be taken into account in determining whether such tax rate will produce adequate debt service tax collections; provided, however, that the first series of the Owner Bonds shall be issued as soon as practicable to accomplish the goal of having the debt service tax costs therefor appear on the earliest tax bill applicable to any single family residential dwelling unit to be located within the boundaries of the District to be owned by other than the Owner or any entity owned or controlled (as such term is used in the Securities Act) by the Owner or any homebuilder to whom the Owner or any entity owned or controlled (as such term is used in the Securities Act) by, or which owns or controls (as such term is used in the Securities Act), the Owner sells property to within the boundaries of the District.

(d) If necessary in the sole discretion of the District Board, the "sale proceeds" from the sale of each series of the Owner Bonds may include an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on that series of the Owner Bonds, in an amount not in excess of the maximum amount permitted by the Code.

Section 6.3. Other than (1) this Agreement, (2) the Bonds, and (3) any obligations necessary in connection with any of the foregoing, neither the District nor the Municipality shall incur or otherwise become obligated with respect to any other obligations.

ARTICLE VII

ACCEPTANCE BY THE MUNICIPALITY

Section 7.1. Simultaneously with the payment of the related Segment Price or completion of construction of a Project, the Segment of Acquisition Infrastructure, to the extent of the interest retained by the Owner therein, or the Project constructed is hereby accepted (including

for purposes of maintenance and operation thereof if not theretofore provided) by the Municipality, subject to the conditions pursuant to which facilities such as the Acquisition Projects and the Projects so constructed are typically accepted by the Municipality in accordance with Section 48-728, Arizona Revised Statutes, and thereafter shall be made available for use by the general public.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. (a) The Owner (1) shall indemnify, defend and hold harmless each Indemnified Party for, from and against any and all losses, claims, damages or liabilities, joint or several, arising from actions in connection with, or arising from, formation of the District or with respect to the Election and the actions of the Owner and the Landowners (but not of other third parties) or a failure of performance by the Owner (but not of third parties), relating to the activities or administration of the District, or the carrying out of the provisions of this Section, including particularly but not by way of limitation and as limited by the aforesaid for any losses, claims or damages or liabilities (A) related to any Acquisition Project Construction Contract or Project initiated upon a written request of the Owner constructed pursuant to a Construction Contract including claims of any contractor, vendor, subcontractor or supplier, (B) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in any offering document relating to the Owner Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Owner (which

consent shall not be unreasonably withheld) and (2) shall reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) Section 8.1(a) shall, however, not be applicable to any of the following:

(1) matters involving any gross negligence or willful misconduct of any Indemnified Party,

(2) any loss, claim, damage or liability for which insurance coverage is actually procured which names the District as an insured, in order to provide insurance against the errors and omissions of the District Board or the other representatives, agents or employees of the District and any loss, claim, damage or liability that is covered by any commercial general liability insurance policy actually procured which names the District as an insured (including those of the Owner under which the District is to be added as an additional named insured),

(3) any loss, claim, damage or liability arising from or relating to defects in any Infrastructure that are not known to the Owner and are discovered one (1) year or more following acceptance thereof by the Municipality pursuant to Section 7.1;

(4) matters arising from or involving any breach of this Agreement by the District or any other Indemnified Party; or

(5) Projects or Construction Contracts initiated by the District without a written request of Owner and any loss, claim, damage or liability arising from or relating to any Infrastructure constructed or installed in connection therewith.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Owner, notify the Owner in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified

Party. Failure of the Indemnified Party to give such notice shall reduce the liability of the Owner by the amount of damages attributable to the failure of the Indemnified Party to give such notice to the Owner, but the omission to notify the Owner of any such action shall not relieve the Owner from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Owner of the commencement thereof, the Owner may, or if so requested by such Indemnified Party shall, participate therein or defend the Indemnified Party therein, with counsel satisfactory to such Indemnified Party and the Owner (it being understood that, except as hereinafter provided, the Owner shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Owner to such Indemnified Party of an election so to assume the defense thereof, the Owner shall not be liable to such Indemnified Party under this section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that unless and until the Owner defends any such action at the request of such Indemnified Party, the Owner shall have the right to participate at its own expense in the defense of any such action. If the Owner shall not have employed counsel to defend any such action within a reasonable period of time after receipt of written notice of such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Owner (in which case the Owner shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, the legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Owner.

(d) The Owner shall not have any obligation to indemnify or hold harmless any Indemnified Party until such time that the Indemnified Party has exhausted all other insurance, risk retention or other indemnification options or remedies available to it. In the event that the insurance, risk retention or other indemnification options or remedies of the Indemnified

Party are insufficient to reimburse the Indemnified Party for its actual losses, claims, damages or liabilities, then, and only then, shall the Indemnified Party have a right to indemnification from the Owner, and even then only to the extent that indemnification by the Owner will be secondary to, and in excess of, the primary insurance, risk retention or other indemnification options or remedies of the Indemnified Party.

(e) To provide adequate assurances for payment of the indemnification obligations described in this Section 8.1, the Indemnity Letter of Credit shall be deposited with the District.

Section 8.2. To the extent permitted by applicable law, the District shall indemnify, defend and hold harmless each Indemnified Party for, from and against any and all liabilities, claims or demands for injury or death to persons or damage to property arising from in connection with, or relating to the performance of this Agreement. The District shall not, however, be obligated to indemnify the District Indemnified Parties with respect to damages caused by the negligence or willful misconduct of the District Indemnified Parties. The District shall not indemnify, defend and hold harmless the Municipality with respect to matters relating to public infrastructure owned by the Municipality.

Section 8.3. (a) The Indemnity Letter of Credit issued shall be in an amount equal to $350,000 upon formation of the District, in favor of the District, which is presentable for payment in the continental United States, and drawable as provided herein, which includes provisions requiring (i) immediate notice to the District for any quarter of a year of a reduction below the Minimum Tier 1 Leverage Ratio, and (ii) sixty (60) days' notice to the District of any cancellation, termination or nonrenewal thereof, and which otherwise shall be acceptable to the District Manager in the exercise of commercially reasonable standards. If the Indemnity Letter of Credit issuer does not permit draws on the Indemnity Letter of Credit in the metropolitan Phoenix area, the Owner will be responsible for all additional costs and expenses relating to a draw on the

Indemnity Letter of Credit outside of the metropolitan Phoenix area, including, without limitation, hiring local counsel, travel expenses, room and board.

(b) The Indemnity Letter of Credit shall be drawn to its full amount, payable to the Municipality, if any of the following occurs: (i) the nonpayment by or on behalf of the Owner of any amount due pursuant to this Article VIII or Article XI that is not cured within fifteen (15) days after written notice of such nonpayment from the District to the Owner; (ii) the cancellation, termination or non-renewal of the Indemnity Letter of Credit and a failure by the Owner to substitute the Indemnity Letter of Credit not less than thirty (30) days before its cancellation, termination or expiration date; or (iii) a reduction below the Minimum Tier 1 Leverage Ratio without the Municipality having received within sixty (60) days after the date of such reduction a substitute for the Indemnity Letter of Credit (which is in all respects the same as the Indemnity Letter of Credit but has a Minimum Tier 1 Leverage Ratio).

(c) After receipt of proof of satisfaction of following conditions satisfactory to the District Treasurer, the District Board shall approve in writing by affirmative action the reduction of the face amount of the Indemnity Letter of Credit as described in this subsection, such approval not to be withheld unreasonably:

(1) on the July 1 after the sum of (A) the projected amount generated by the levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation for the applicable tax year given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%) and (B) the fund balance in the fund maintained for deposit of proceeds of the O/M Tax at the time of such calculation is at least $150,000 in excess of the District Expenses shown in the District Budget for the Fiscal Year overlapping such tax year, the Owner shall be notified as such by the District Manager and the Owner shall cause the face amount of the Indemnity Letter of Credit to be reduced such that the face amount of the Letter of Credit is equal to $200,000, and

(2) on the July 1 after the sum of (A) the projected amount generated by the levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation for the applicable tax year given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%) and (B) the fund balance in the fund maintained for deposit of proceeds of the O/M Tax at the time of such calculation is at least $250,000 in excess of the District Expenses shown in the District Budget for the Fiscal Year overlapping such tax year, the Owner shall be notified as such by the District Manager and the Owner shall cause the face amount of the Indemnity Letter of Credit to be reduced such that the face amount of the Letter of Credit is equal to $100,000.

(d) The Indemnity Letter of Credit shall be released on the Indemnity Termination Date.

ARTICLE IX

PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 9.1. To provide for expenses and costs for agents or third parties required to administer the Owner Bonds and to levy and collect *ad valorem* taxes for payment of the Owner Bonds, prepare annual audits and budgets and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for such purposes and shall be paid from amounts available from the tax levy described in Section 6.2(c).

Section 9.2. To provide for the payment of the District Expenses and the O/M Expenses, the District Board shall levy all or a portion of the O/M Tax and shall apply the collections of the O/M Tax first to pay the District Expenses and second to pay the O/M Expenses; provided; however, that none of the Owner's deposit below shall be used to pay O/M Expenses. To the extent the collections (including any excess collection from previous years) of the O/M Tax are not sufficient to pay the District Expenses, the Owner shall, to the extent of reasonable amounts necessary therefor, be liable and obligated to pay or, on a reasonable basis acceptable to the District

Manager, obligate a homeowner's or similar association to pay, to the District on July 1 of each Fiscal Year of the District the amount of any shortfall indicated in the District Budget with respect to the District Expenses, assuming a levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation and assuming a delinquency factor of five percent (5%), including any amount required because of any shortfall for District Expenses in the prior Fiscal Year as provided in such District Budget and no matter how such shortfall was otherwise funded. The District shall levy the O/M Tax in an amount necessary for the District Expenses and the O/M Expenses reflected in the District Budget for the Fiscal Year of the District and only in reasonable amounts therefor. The obligation of the Owner pursuant to this Section shall not exceed $50,000 in total per Fiscal Year beginning with the first full Fiscal Year after the execution and delivery hereof by the District, provided, however, that for any period prior thereto such obligations shall not exceed $50,000 times the number of full months remaining in such Fiscal Year divided by twelve (12), and shall only be effective until the July 1 after the levy of the O/M Tax at $0.30 per $100.00 of net limited assessed property valuation could first result in collections of $50,000, given the tax base of the District for the applicable tax year and assuming a delinquency factor of five percent (5%).

Section 9.3. The Owner shall advance $50,000, as a deposit on account, to be applied by the Municipality to pay Initial Expenses. When $25,000 of the $50,000 deposit is expended, an accounting will be made to the Owner of all amounts incurred by the Municipality for the Initial Expenses to date, and the Owner shall be liable and obligated to provide additional funds as necessary for the Initial Expenses in an amount requested by the Municipality which must be paid forthwith and which shall thereafter be the subject of a similar accounting. Amounts paid pursuant to this Section by the Owner which may be reimbursed under applicable law to the Owner from the proceeds derived from the sale of the Owner Bonds shall, without the need for further request by the Owner, but subject to the extent of available amounts therefor, be included as part of the purpose of the Owner Bonds. The obligations of the Owner pursuant to this Section shall only be effective until the July 1 after the date that the first collections of the O/M Tax are received

by the District. To the extent any amounts remain on the date described in the immediately preceding sentence from the Owner advances made in accordance with this Section 9.3, such amounts shall be deposited with the District and credited toward the Owner's obligations described in Section 9.2.

ARTICLE X

MISCELLANEOUS

Section 10.1. None of the Municipality, the District or the Owner shall knowingly take, or cause to be taken, any action which would cause interest on any Bond to be includable in gross income for federal income tax purposes pursuant to Section 61 of the Code.

Section 10.2. (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Owner Bonds may be then or in the future, be outstanding, the Disclosure Statement shall be produced by the Owner, or, subsequent to a sale of land by the Owner, shall be produced by each homebuilder to whom the Owner has sold land; provided, however, that the Disclosure Statement may be modified as necessary in the future to adequately describe the District and the Owner Bonds and the source of payment for debt service therefor as agreed by the District Manager and the Owner.

(b) The Owner shall or shall require that each homebuilder to whom the Owner has sold land:

(1) cause any purchaser of land to sign the Disclosure Statement upon entering into a contract for purchasing such land;

(2) provide a copy of each fully executed Disclosure Statement to be filed with the District Manager; and

(3) provide such information and documents, including audited financial statements, if available, to any necessary repository or depository, but only to the

extent necessary for the underwriters of the Owner Bonds to comply with Rule 15c2-12 of the Securities Exchange Act of 1934.

Section 10.3. (a) This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns and the duties, obligations and liabilities under this Agreement are attached to and run with the Property. Upon the conveyance of all or any portion of the Property (other than a Public Lot), all of the Owner's (or its successor's) duties, obligations and liabilities under this Agreement with respect to the portion of the Property conveyed and first arising after the effective date of such conveyance shall, upon the written consent of the District Board, be assigned to, and assumed by, the purchaser of the Property. The assigning Owner (or its successor) shall thereafter be relieved of all duties, obligations and liabilities arising from and after the effective date of such conveyance with respect to the portion of the Property conveyed. The Owner's (or its successor's) right, title and interest under this Agreement may only be assigned by a written instrument executed by the Owner (or its successor) and the purchaser of all or any portion of the Property, expressly delineating the portion of the Owner's right, title and interest under this Agreement being assigned to the purchaser, and recorded in the Official Records of Pima County, Arizona.

(b) This Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on the language of this Section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. Nevertheless, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, this Agreement shall automatically terminate without the execution or recordation of any further document or instrument as to any Public Lot, and thereupon such Public Lot shall be released from and no longer be subject to or burdened by the provisions of this Agreement. Nothing herein shall limit or affect the validity of any document to be recorded other than this

Agreement nor of the tax for the Bonds or the O/M Tax which, when imposed upon the Property, shall run with the Property in accordance with applicable laws.

Section 10.4. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

Section 10.5. This Agreement sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and as such no rule of strict construction shall be applied against any party.

Section 10.6. This Agreement shall be governed by and interpreted in accordance with the laws of the State.

Section 10.7. The waiver by any party hereto of any right granted to it under this Agreement shall not be deemed to be a waiver of any other right granted in this Agreement nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Agreement.

Section 10.8. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 10.9. (a) To the extent applicable under Section 38-511, Arizona Revised Statutes, the Municipality and the District may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, is, at any time within three years after the execution of this Agreement, an employee or agent of the Owner in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement. The Owner has not taken and

shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Owner in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, the Owner 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 of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the Municipality or the District, as applicable. The Municipality and the District, as applicable, retain the legal right to randomly inspect the papers and records of the Owner to ensure that the Owner is complying with the foregoing. The Owner shall keep such papers and records open for random inspection during normal business hours by the Municipality or the District, as applicable. The Owner shall cooperate with the random inspections by the Municipality or the District, as applicable, including granting the Municipality or the District, as applicable, entry rights onto its property to perform such random inspections and waiving their rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393 et seq., Arizona Revised Statutes, the Owner hereby certifies that 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 the Municipality or the District determines that such certification is false or that the Owner has breached such agreement, the Municipality or the District, as applicable, may impose remedies as provided by law.

(d) To the extent applicable under Section 35-394, Arizona Revised Statutes, the Owner 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 the Owner without any current independent investigation or without any future independent investigation for the duration of this Agreement. If the Owner becomes aware during the duration of this Agreement that it is not in compliance with such certification, the Owner shall take such actions as provided by law, including providing the required notice to the Municipality and the District. If the Owner is not in compliance with the foregoing certification, the Owner shall take remedial action to comply with such certification.

Section 10.10. The term of this Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of (i) the agreement of the District, the Municipality and the Owner to the termination hereof, and (ii) the date on which all $50,000,000 in principal amount of the Owner Bonds is paid in full or defeased to the fullest extent possible pursuant to the Act.

Section 10.11. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:

11555 North Civic Center Drive
Marana, Arizona 85653
Attention: Manager

If to the District:

11555 North Civic Center Drive
Marana, Arizona 85653
Attention: District Manager

If to the Owner:

Mandarina Holdings, LLC
1635 North Greenfield Road, Suite 115
Mesa, Arizona 85205
Attention: Karl Huish

With a copy to:

Fennemore Craig, P.C.
2394 East Camelback Road, Suite 600
Phoenix, Arizona 85016
Attention: Jay S. Kramer

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.12. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof, and such ruling person or tribunal shall not deem the entire Agreement to be invalid or unenforceable.

Section 10.13. The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

Section 10.14. This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law or under the Project Development Agreement or the Mediation Agreement; provided, however, that if the provisions of this Agreement conflict in any particular with those of the Project Development Agreement relating to the District, the provisions of this Agreement shall supersede and control those of the Project Development Agreement, as amended, in all respects.

Section 10.15. No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Owner shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Pima County, Arizona.

Section 10.16. Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

Section 10.17. If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of *Force Majeure*, then the failure to observe or perform such covenant or condition shall not constitute a default hereunder so long as such party shall use its commercially reasonable, good faith efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time.

Section 10.18. Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed unless specifically otherwise limited as provided herein.

Section 10.19. Notwithstanding any other provision of this Agreement to the contrary, the provisions of Sections 7.1, 8.1, 8.2, 9.3, 10.1, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.17, 10.18, 10.19 and 10.20 are the only provisions that are effective against the Municipality for purposes of the Intergovernmental Agreement Act as the Intergovernmental Agreement Act is intended to be applied for purposes of this Agreement.

Section 10.20. (a) Notwithstanding any provision of this Agreement to the contrary, no act, requirement, payment, or other agreed upon action to be done or performed by the Municipality or the District which would, under any federal, state, or municipal constitution, statute, charter provision, ordinance or regulation, require formal action, approval or concurrence by the Town Council or the District Board, respectively, shall be required to be done or performed by the Municipality or the District, respectively, unless and until said formal action of the Town Council or the District Board, respectively, has been taken and completed. This Agreement in no way acquiesces to or obligates the Municipality or the District to perform a legislative act.

Furthermore, pursuant to Section 48-709(G), Arizona Revised Statutes, the Owner does not have the authority to compel the issuance or sale of the Bonds of the District or the exercise of any taxing power of the District to make repayment under any agreement. Notwithstanding any provision of this Agreement to the contrary, issuance or sale of the Bonds of the District and any other legislative act of the District or the Municipality shall be done in the sole and absolute discretion of the District Board or the Town Council, as applicable, and the Owner agrees that it shall not take any action against the District or the Municipality to compel any of the foregoing. The Owner retains its right to reimbursement pursuant to the Mediation Agreement, the Project Development Agreement, and any other agreements between the Municipality and the Owner.

(b) Failure or unreasonable delay by any party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (hereinafter referred to as the "Cure Period") after actual receipt of written notice thereof from any other party, shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, or there is existing a Force Majeure event, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within a reasonable period of time under the facts applicable to each situation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. In the event such default is not cured within the Cure Period, any non-defaulting party shall have all rights and remedies that are set forth in the next subsection.

(c) Except as provided in subsection (b), the parties shall be limited to the remedies and the dispute resolution procedure set forth in this subsection and subsection (d). Any decision rendered by the Panel pursuant to the provisions of subsection (d) shall be binding on the parties unless and until a court of competent jurisdiction renders a conflicting final decision on the disputed issue, and if any party does not abide by the decision rendered by the Panel during

the pendency of an action before the court of competent jurisdiction or otherwise (if no court action), any other party may institute an action for money damages on the issues that were the subject of the Panel's decision and/or any other relief as may be permitted by law.

(d) (1) If an event of default is not cured within the Cure Period, any non-defaulting party may institute the dispute resolution process set forth in this subsection (hereinafter referred to as the "Process") by providing written notice initiating the Process (hereinafter referred to as the "Initiation Notice") to the defaulting party.

(2) Within thirty (30) days after delivery of the Initiation Notice, each involved party shall appoint one person to serve on an arbitration panel (herein referred to as the "Panel"). Within twenty-five (25) days after delivery of the Initiation Notice, the persons appointed to serve on the Panel shall themselves jointly appoint one person to serve as a co-member of the Panel. Such jointly appointed person shall function as the chairperson of the Panel.

(3) The remedies available for award by the Panel shall be limited to specific performance, declaratory relief and injunctive relief, all other forms of relief being herein expressly waived by all parties.

(4) Any party can petition the Panel for an expedited hearing if circumstances justify it. Such circumstances shall be similar to what a court would view as appropriate for injunctive relief or temporary restraining orders. In any event, the hearing of any dispute not expedited shall commence as soon as practicable, but in no event later than forty-five (45) days after selection of the chairperson of the Panel. This deadline can be extended only with the consent of all parties to the dispute or by decision of the Panel upon a showing of emergency circumstances.

(5) The chairperson of the Panel shall conduct the hearing pursuant to the Center For Public Resources' Rules for Non-Administered Arbitration of Business Disputes then in effect. The chairperson of the Panel shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence, consistent with the

deadlines provided herein, and the parties' objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The chairperson of the Panel upon proper application shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any party may make application to the Court to have a protective order entered as may be appropriate to confirm such orders of the chairperson of the Panel.

(6) The hearing, once commenced, shall proceed from business day to business day until concluded, absent a showing of emergency circumstances. Except as otherwise provided herein, the Process shall be governed by the Revised Uniform Arbitration Act as enacted in the State.

(7) The Panel shall, within fifteen (15) days from the conclusion of any hearing, issue its written decision, including the rationale and support for its decision. The decision shall be rendered in accordance with this Agreement and the laws of the State.

(8) Any involved party may appeal the decision of the Panel to the Court for a *de novo* review of the issues decided by the Panel, so long as such appeal is made within thirty (30) days after the Panel's decision is actually received by such party. The remedies available for award by the Court shall be limited to specific performance, declaratory relief and injunctive relief, and payment of fees and costs pursuant to clause (9) below, with all other forms of relief being herein expressly waived by all parties. During any pendency of an appeal, the decision of the Panel shall be binding on both parties until the Court renders a binding decision. If a non-prevailing party in the Process fails to appeal to the Court within the time frame set forth herein, the decision of the Panel shall be final and binding. If one party does not comply with the decision of the Panel during the pendency of the action before the Court or otherwise, then another party shall be entitled to exercise all rights and remedies that may be available under law or equity, including without limitation the right to institute an action for money damages related to the default

that was the subject of the Panel's decision and the provisions of this subsection shall not apply to such an exercise of rights and remedies.

(9) All fees and costs associated with the Process before the Panel, including without limitation the fees of the Panel, other fees, and the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party or parties. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Panel. Similarly, all fees and costs associated with an appeal to the Court or any appellate court thereafter, including without limitation, the prevailing party's attorneys' fees, expert witness fees and costs, shall be paid by the non-prevailing party. The determination of prevailing and non-prevailing parties, and the appropriate allocation of fees and costs, shall be included in the decision by the Court.

Section 10.21. Pursuant to Section 48-727, Arizona Revised Statutes, the District Board shall establish and maintain an official website that is electronically searchable by the public and that contains a comprehensive database of district contracts, public notices, meeting minutes, resolutions and accounts showing all monies received and disbursed, the annual budget and other records required to be maintained by law. The database may not include: (i) tax payment or refund data that includes confidential taxpayer information; (ii) work product in anticipation of litigation or other information that is subject to attorney-client privilege; or (iii) any other information that is designated by law as confidential. The District Board shall provide a link to the database on the District's main website maintained by the District Board and shall provide a link to that database to the Arizona Department of Administration.

* * *

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the duly authorized officer(s) of the Owner have affixed their signatures, all as of the day and year first written above.

TOWN OF MARANA, ARIZONA

By.....
Ed Honea, Mayor

ATTEST:

.....
David Udall, Town Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the Municipality who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the Municipality.

.....
Jane Fairall, Town Attorney

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me on this ..... day of ..... 2024, by Ed Honea, as Mayor of the Town of Marana, Arizona, a municipal corporation under the laws of the State of Arizona.

.....
Notary Public

My commission expires:

.....

[Signature Page to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

MANDARINA COMMUNITY FACILITIES DISTRICT

By.....
Ed Honea, Chairman, District Board

ATTEST:

.....
David Udall, District Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the District, who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the District.

.....
Jane Fairall, District Counsel

STATE OF ARIZONA)
) ss
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me on this ..... day of ..... 2024, by Ed Honea, as Chairman of the District Board of Mandarina Community Facilities District, an Arizona community facilities district.

.....
Notary Public

My commission expires:

.....

[Signature Page to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

MANDARINA HOLDINGS, LLC, an Arizona limited liability company

By: KDL Investments, LLC, an Arizona limited liability company, its Managing Member

By.....
Karl Huish, Its Manager

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ..... day of ..... 2024, by Karl Huish, the Manager of KDL Investments, LLC, an Arizona limited liability company, Managing Member of Mandarina Holdings, LLC, an Arizona limited liability company, on behalf thereof.

.....
Notary Public

My commission expires:

.....

[Signature Page to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

Consent and Agreement

Reference is hereby made to that certain District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District), dated as of _____ 1, 2024, by and among the Town of Marana, Arizona, Mandarina Community Facilities District and Mandarina Holdings, LLC, to which this Consent and Agreement is attached (the "*Development Agreement*"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in the Development Agreement. The undersigned having an interest in real property within the District hereby consents to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an interest within the District, and authorizes the recordation of the Development Agreement with respect to all such real property. In no event, however, shall anything in this Consent and Agreement constitute a personal assumption by the undersigned of the obligations of the Owner under the Development Agreement.

ALERUS FINANCIAL NATIONAL ASSOCIATION

By.....
[Printed Name, Title]

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ..... 2024, by _____, as _____ of ALERUS FINANCIAL NATIONAL ASSOCIATION, a national banking association, as Beneficiary and Trustee under the Deed of Trust and Security Agreement recorded on June 26, 2024, at Sequence Number 20241780482, in the records of the Office of the Recorder of Pima County, Arizona, and not otherwise.

.....
Notary Public

My commission expires:

.....

[Signature Page to Consent and Agreement to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

Landowner Consent, Authorization and Agreement

Reference is hereby made to that certain District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District), dated as of _____ 1, 2024, by and among the Town of Marana, Arizona, Mandarina Community Facilities District and Mandarina Holdings, LLC, to which this Consent and Agreement is attached (the "*Development Agreement*"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in the Development Agreement. The undersigned having an interest in real property within the District hereby consents to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an interest within the District, authorizes the recordation of the Development Agreement with respect to all such real property, and, to the extent applicable, authorizes the encumbrance of its portion of the Property with the Development Agreement. In no event, however, shall anything in this Landowner Consent and Agreement constitute an assumption by Landowner of the obligations of the Owner under the Development Agreement.

[*signatures appear on following pages*]

Signature Page to Landowner Consent and Agreement

LENNAR ARIZONA, LLC, an Arizona limited liability company

By.....
[Printed Name, Title]

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ..... 2024, by _____, the _____ of LENNAR ARIZONA, LLC, an Arizona limited liability company.

.....
Notary Public

My commission expires:

.....

[Signature Page to Landowner Consent and Agreement to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

Signature Page to Landowner Consent and Agreement

MERITAGE HOMES OF ARIZONA, INC., an Arizona corporation

By.....
[Printed Name, Title]

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ..... 2024, by _____, the _____ of MERITAGE HOMES OF ARIZONA, INC., an Arizona corporation.

.....
Notary Public

My commission expires:

.....

[Signature Page to Landowner Consent and Agreement to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

Signature Page to Landowner Consent and Agreement

KB HOME TUCSON INC., an Arizona corporation

By.....
[Printed Name, Title]

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this ..... day of ..... 2024, by _____, the _____ of KB HOME TUCSON INC., an Arizona corporation.

.....
Notary Public

My commission expires:

.....

[Signature Page to Landowner Consent and Agreement to District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District)]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Parcel No. 1:

Blocks 3, 6 and 7, of MANDARINA, according to the plat of record in the office of the county recorder of Pima County, Arizona, recorded in Plat Sequence No. 2023-1590262 of Official Records.

Except therefrom all minerals, ores and metals of every kind and character and all coal asphaltum, oil, gasses, fertilizer and other like substances in or under said land and right of ingress and egress for the purpose of mining, together with enough of the surface of the land as may be necessary for the proper and convenient working and extraction of such minerals and substances as reserved in the Patent from the State of Arizona, recorded October 29, 1919 in Book of Deeds 71, Page 554, Office of the Pima County Recorder.

Except all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers, together with all uranium, thorium or any other material determined to be essential to the production of fissionable materials reserved in the Patent from the State of Arizona.

Parcel No. 2:

Blocks 1, 4, 5, 9 through 13, inclusive, of FINAL BLOCK PLAT FOR MANDARINA BLOCKS 1-2, 4-5 & 8-13, according to the plat of record in the office of the county recorder of Pima County, Arizona, recorded in Plat Sequence No. 2023-3320095 of Official Records.

Except therefrom all minerals, ores and metals of every kind and character and all coal asphaltum, oil, gasses, fertilizer and other like substances in or under said land and right of ingress and egress for the purpose of mining, together with enough of the surface of the land as may be necessary for the proper and convenient working and extraction of such minerals and substances as reserved in the Patent from the State of Arizona, recorded October 29, 1919 in Book of Deeds 71, Page 554, Office of the Pima County Recorder.

Except all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers, together with all uranium, thorium or any other material determined to be essential to the production of fissionable materials reserved in the Patent from the State of Arizona.

Further excepting therefrom that portion described in Parcel 1 of Special Warranty Deed recorded June 03, 2024 as 2024-1550132, of Official Records, more particularly described as follows:

Located in a portion of the West half of Section 31, Township 11 South, Range 12 East of the Gila and Salt River Base Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at a FND, 3" AC MKD. "PSOMAS T11S R12S RLS 18657" at the Southeast corner of Section 36, Township 11 South, Range 11 East of the Gila and Salt River Base Meridian, Pima County, Arizona, from which a 4" BCSM MKD. FNE. "RLS 31591" at the South quarter-corner of said Section 36 bears North 89 degrees 44 minutes 11 seconds West, 2646.34 feet (Basis of Bearings);

Thence along the south line of the Southwest quarter of Section 31, Township 11 South, Range 12 East of the Gila and Salt River Base Meridian, Pima County, Arizona, North 89 degrees 36 minutes 28 seconds East, 487.19 feet to a point on said South line;

Thence, departing said South line North 0 degrees 23 minutes 32 seconds West, 2332.94 feet to the beginning of a non-tangent curve, concave Northeast, from which the radius point bears North 0 degrees 53 minutes 47 seconds East a distance of 40.00 feet and the Point of Beginning;

Thence Northwesterly 60.76 feet along the arc of said curve through a central angle of 87 degrees 01 minutes 48 seconds;

Thence North 2 degrees 04 minutes 25 seconds West, 557.13 feet to the beginning of a curve, concave Southeast, having a radius of 186.50 feet;

Thence Northeasterly 120.20 feet along the arc of said curve through a central angle of 36 degrees 55 minutes 36 seconds to a point of compound curvature of a curve having a radius of 25.00 feet;

Thence Northeasterly 34.72 feet along the arc of said curve through a central angle of 79 degrees 34 minutes 44 seconds;

Thence on a non-tangent line North 24 degrees 25 minutes 56 seconds East, 52.00 feet to the beginning of a non-tangent curve, concave Northeast, from which the radius point bears North 24 degrees 25 minutes 56 seconds East a distance of 195.00 feet;

Thence Northwesterly 53.24 feet along the arc of said curve through a central angle of 15 degrees 38 minutes 33 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 161.16 feet to the beginning of a curve, concave Easterly, having a radius of 17.00 feet;

Thence Northerly 26.70 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence on a non-tangent line North 41 degrees 10 minutes 45 seconds west, 52.61 feet to the beginning of a non-tangent curve, concave Northerly, from which the radius point bears North 49 degrees 55 minutes 31 seconds West a distance of 25.00 feet;
Thence Westerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 91.00 feet;

Thence North 40 degrees 04 minutes 29 seconds East, 114.77 feet;

Thence North 40 degrees 30 minutes 27 seconds East, 50.40 feet;

Thence North 46 degrees 09 minutes 13 seconds East 49.43 feet;

Thence North 57 degrees 18 minutes 29 seconds East, 49.56 feet;

Thence North 59 degrees 49 minutes 52 seconds East, 489.60 feet;

Thence South 30 degrees 10 minutes 08 seconds East, 444.00 feet;

Thence South 15 degrees 33 minutes 42 seconds East, 672.06 feet;

Thence South 8 degrees 32 minutes 27 seconds West, 104.93 feet;

Thence South 0 degrees 20 minutes 45 seconds East, 511.34 feet to the beginning of a non-tangent curve, concave Southwest, from which the radius point bears South 30 degrees 00 minutes 32 seconds West a distance of 1475.00 feet;

Thence Northwesterly 749.46 feet along the arc of said curve through a central angle of 29 degrees 06 minutes 45 seconds to the Point of Beginning.

Further excepting therefrom that portion described in Parcel 2 of Special Warranty Deed recorded June 03, 2024 as 2024-1550132, of Official Records, more particularly described as follows:

Located in a portion of the Northeast quarter of Section 36, Township 11 South, Range 11 East of the Gila a Salt River Base Meridian and a portion of the Northwest quarter of Section 31, Township 11 South, Range 12 East of the Gila and Salt River Base Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at a 4" BCSM MKD. FNE. "RLS 31591" at the South quarter-corner of said Section 36, from which a FND. 3" AC MKD. "PSOMAS T11S R12S RLS 18657" at the Southeast corner of said Section 36 bears North 89 degrees 44 minutes 11 seconds East, 2646.34 feet (Basis of Bearings);

Thence along the South line of the Southeast quarter of said Section 36 North 89 degrees 44 minutes 11 seconds East, 2306.68 feet to a point on said South line;

Thence, departing said South line North 0 degrees 15 minutes 49 seconds West, 3811.83 feet to the beginning of a non-tangent curve, concave Easterly, from which the radius point bears North 40 degrees 04 minutes 29 seconds East a distance of 25.00 feet and the Point of Beginning;

Thence Northerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence on a non-tangent line North 49 degrees 55 minutes 31 seconds West, 52.00 feet;

Thence North 40 degrees 04 minutes 29 seconds East, 194.00 feet to the beginning of a curve, concave Westerly, having a radius of 17.00 feet;

Thence Northerly 26.70 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 29.43 feet;

Thence North 40 degrees 04 minutes 29 seconds East, 168.00 feet;

Thence South 49 degrees 55 minutes 31 seconds East, 400.00 feet;

Thence South 40 degrees 04 minutes 29 seconds West, 114.59 feet to the beginning of a non-tangent curve, concave Northwest, from which the radius point bears North 20 degrees 44 minutes 06 seconds East a distance of 25.00 feet;

Thence Northeasterly 25.55 feet along the arc of said curve through a central angle of 58 degrees 33 minutes 32 seconds to a point of reverse curvature of a curve having a radius of 755.00 feet;

Thence Northeasterly 100.87 feet along the arc of said curve through a central angle of 7 degrees 39 minutes 19 seconds;

Thence North 59 degrees 49 minutes 52 seconds East, 84.62 feet to the beginning of a curve, concave Northwest, having a radius of 25.00 feet;

Thence Northeasterly 44.57 feet along the arc of said curve through a central angle of 102 degrees 08 minutes 57 seconds;

Thence on a non-tangent line North 70 degrees 55 minutes 17 seconds East, 47.30 feet to the beginning

of a non-tangent curve, concave Northeast, from which the radius point bears North 51 degrees 00 minutes 16 seconds East a distance of 25.00 feet;

Thence Southeasterly 35.42 feet along the arc of said curve through a central angle of 81 degrees 10 minutes 24 seconds;
Thence North 59 degrees 49 minutes 52 seconds East, 126.21 feet to the beginning of a curve, concave Northwest, having a radius of 25.00 feet;

Thence Northeasterly 38.48 feet along the arc of said curve through a central angle of 88 degrees 11 minutes 02 seconds to a point of reverse curvature of a curve having a radius of 4287.00 feet;

Thence Northwesterly 10.90 feet along the arc of said curve through a central angle of 0 degrees 08 minutes 44 seconds to a point of reverse curvature of a curve having a radius of 4243.00 feet;

Thence Northwesterly 118.56 feet along the arc of said curve through a central angle of 1 degrees 36 minutes 03 seconds;

Thence on a non-tangent line North 60 degrees 11 minutes 31 seconds East, 44.00 feet; Thence North 59 degrees 49 minutes 52 seconds East, 116.08 feet;

Thence South 30 degrees 10 minutes 08 seconds East, 589.35 feet;

Thence South 59 degrees 49 minutes 52 seconds West, 489.60 feet;

Thence South 57 degrees 18 minutes 29 seconds West, 49.56 feet;

Thence South 46 degrees 09 minutes 13 seconds West, 49.43 feet;

Thence South 40 degrees 30 minutes 27 seconds West, 50.40 feet;

The South 40 degrees 04 minutes 29 seconds West, 114.77 feet;

Thence North 49 degrees 55 minutes 31 seconds West, 91.00 feet to the beginning of a curve, concave Easterly, having a radius of 25.00 feet;

Thence Northerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence on a non-tangent line North 49 degrees 55 minutes 31 seconds West, 52.00 feet to the beginning of a non-tangent curve, concave Northerly, from which the radius point bears North 49 degrees 55 minutes 31 seconds West a distance of 25.00 feet;

Thence Westerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 519.00 feet to the Point of Beginning. Parcel No. 3:

Blocks 2 and 8, of FINAL BLOCK PLAT FOR MANDARINA BLOCKS 1-2, 4-5 & 8-13, according to the plat of record in the office of the county recorder of Pima County, Arizona, recorded in Plat Sequence No. 2023- 3320095 of Official Records.

Except therefrom all minerals, ores and metals of every kind and character and all coal asphaltum, oil, gasses, fertilizer and other like substances in or under said land and right of ingress and egress for the purpose of mining, together with enough of the surface of the land as may be necessary for the proper and convenient working and extraction of such minerals and substances as reserved in

the Patent from the State of Arizona, recorded October 29, 1919 in Book 71 of Deeds, Page 554, Office of the Pima County Recorder.

Except all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers, together with all uranium, thorium or any other material determined to be essential to the production of fissionable materials reserved in the Patent from the State of Arizona.

Parcel No. 3A:

Storm Water and Drainage Easement as set forth in the Declaration and Agreement for Private Storm Water Drainage Easement, recorded April 09, 2024, 2024 as Sequence No. 2024-1000026 of Official Records.

Parcel No. 3B:

Temporary Construction Easement as set forth in the document recorded April 09, 2024 as Sequence No. 2024-1000029 of Official Records.

Parcel No. 4:

Parcels A, B and C, of MANDARINA, according to the plat of record in the office of the county recorder of Pima County, Arizona, recorded in Plat Sequence No. 2023-1590262 of Official Records.

Except therefrom all minerals, ores and metals of every kind and character and all coal asphaltum, oil, gasses, fertilizer and other like substances in or under said land and right of ingress and egress for the purpose of mining, together with enough of the surface of the land as may be necessary for the proper and convenient working and extraction of such minerals and substances as reserved in the Patent from the State of Arizona, recorded October 29, 1919 in Book of Deeds 71, Page 554, Office of the Pima County Recorder.

Except all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers, together with all uranium, thorium or any other material determined to be essential to the production of fissionable materials reserved in the Patent from the State of Arizona.

Parcel No. 5:

Located in a portion of the West half of Section 31, Township 11 South, Range 12 East of the Gila and Salt River Base Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at a FND, 3" AC MKD. "PSOMAS T11S R12S RLS 18657" at the Southeast corner of Section 36, Township 11 South, Range 11 East of the Gila and Salt River Base Meridian, Pima County, Arizona, from which a 4" BCSM MKD. FNE. "RLS 31591" at the South quarter-corner

of said Section 36 bears North 89 degrees 44 minutes 11 seconds West, 2646.34 feet (Basis of Bearings);

Thence along the south line of the Southwest quarter of Section 31, Township 11 South, Range 12 East of the Gila and Salt River Base Meridian, Pima County, Arizona, North 89 degrees 36 minutes 28 seconds East, 487.19 feet to a point on said South line;

Thence, departing said South line North 0 degrees 23 minutes 32 seconds West, 2332.94 feet to the beginning of a non-tangent curve, concave Northeast, from which the radius point bears North 0 degrees 53 minutes 47 seconds East a distance of 40.00 feet and the Point of Beginning;

Thence Northwesterly 60.76 feet along the arc of said curve through a central angle of 87 degrees 01 minutes 48 seconds;

Thence North 2 degrees 04 minutes 25 seconds West, 557.13 feet to the beginning of a curve, concave Southeast, having a radius of 186.50 feet;

Thence Northeasterly 120.20 feet along the arc of said curve through a central angle of 36 degrees 55 minutes 36 seconds to a point of compound curvature of a curve having a radius of 25.00 feet;

Thence Northeasterly 34.72 feet along the arc of said curve through a central angle of 79 degrees 34 minutes 44 seconds;

Thence on a non-tangent line North 24 degrees 25 minutes 56 seconds East, 52.00 feet to the beginning of a non-tangent curve, concave Northeast, from which the radius point bears North 24 degrees 25 minutes 56 seconds East a distance of 195.00 feet;

Thence Northwesterly 53.24 feet along the arc of said curve through a central angle of 15 degrees 38 minutes 33 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 161.16 feet to the beginning of a curve, concave Easterly, having a radius of 17.00 feet;

Thence Northerly 26.70 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;
Thence on a non-tangent line North 41 degrees 10 minutes 45 seconds west, 52.61 feet to the beginning of a non-tangent curve, concave Northerly, from which the radius point bears North 49 degrees 55 minutes 31 seconds West a distance of 25.00 feet;

Thence Westerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 91.00 feet;

Thence North 40 degrees 04 minutes 29 seconds East, 114.77 feet;

Thence North 40 degrees 30 minutes 27 seconds East, 50.40 feet;

Thence North 46 degrees 09 minutes 13 seconds East 49.43 feet;

Thence North 57 degrees 18 minutes 29 seconds East, 49.56 feet;

Thence North 59 degrees 49 minutes 52 seconds East, 489.60 feet;

Thence South 30 degrees 10 minutes 08 seconds East, 444.00 feet;

Thence South 15 degrees 33 minutes 42 seconds East, 672.06 feet;

Thence South 8 degrees 32 minutes 27 seconds West, 104.93 feet;

Thence South 0 degrees 20 minutes 45 seconds East, 511.34 feet to the beginning of a non-tangent curve, concave Southwest, from which the radius point bears South 30 degrees 00 minutes 32 seconds West a distance of 1475.00 feet;

Thence Northwesterly 749.46 feet along the arc of said curve through a central angle of 29 degrees 06 minutes 45 seconds to the Point of Beginning.

Except therefrom all minerals, ores and metals of every kind and character and all coal asphaltum, oil, gasses, fertilizer and other like substances in or under said land and right of ingress and egress for the purpose of mining, together with enough of the surface of the land as may be necessary for the proper and convenient working and extraction of such minerals and substances as reserved in the Patent from the State of Arizona, recorded October 29, 1919 in Book of Deeds 71, Page 554, Office of the Pima County Recorder.

Except all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers, together with all uranium, thorium or any other material determined to be essential to the production of fissionable materials reserved in the Patent from the State of Arizona.

Parcel No. 6:

Located in a portion of the Northeast quarter of Section 36, Township 11 South, Range 11 East of the Gila a Salt River Base Meridian and a portion of the Northwest quarter of Section 31, Township 11 South, Range 12 East of the Gila and Salt River Base Meridian, Pima County, Arizona, more particularly described as follows:

Commencing at a 4" BCSM MKD. FNE. "RLS 31591" at the South quarter-corner of said Section 36, from which a FND. 3" AC MKD. "PSOMAS T11S R12S RLS 18657" at the Southeast corner of said Section 36 bears North 89 degrees 44 minutes 11 seconds East, 2646.34 feet (Basis of Bearings);

Thence along the South line of the Southeast quarter of said Section 36 North 89 degrees 44 minutes 11 seconds East, 2306.68 feet to a point on said South line;

Thence, departing said South line North 0 degrees 15 minutes 49 seconds West, 3811.83 feet to the beginning of a non-tangent curve, concave Easterly, from which the radius point bears North 40 degrees 04 minutes 29 seconds East a distance of 25.00 feet and the Point of Beginning;

Thence Northerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence on a non-tangent line North 49 degrees 55 minutes 31 seconds West, 52.00 feet;

Thence North 40 degrees 04 minutes 29 seconds East, 194.00 feet to the beginning of a curve, concave Westerly, having a radius of 17.00 feet;

Thence Northerly 26.70 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 29.43 feet;

Thence North 40 degrees 04 minutes 29 seconds East, 168.00 feet;

Thence South 49 degrees 55 minutes 31 seconds East, 400.00 feet;

Thence South 40 degrees 04 minutes 29 seconds West, 114.59 feet to the beginning of a non-tangent curve, concave Northwest, from which the radius point bears North 20 degrees 44 minutes 06 seconds East a distance of 25.00 feet;

Thence Northeasterly 25.55 feet along the arc of said curve through a central angle of 58 degrees 33 minutes 32 seconds to a point of reverse curvature of a curve having a radius of 755.00 feet;

Thence Northeasterly 100.87 feet along the arc of said curve through a central angle of 7 degrees 39 minutes 19 seconds;

Thence North 59 degrees 49 minutes 52 seconds East, 84.62 feet to the beginning of a curve, concave Northwest, having a radius of 25.00 feet;

Thence Northeasterly 44.57 feet along the arc of said curve through a central angle of 102 degrees 08 minutes 57 seconds;

Thence on a non-tangent line North 70 degrees 55 minutes 17 seconds East, 47.30 feet to the beginning of a non-tangent curve, concave Northeast, from which the radius point bears North 51 degrees 00 minutes 16 seconds East a distance of 25.00 feet;

Thence Southeasterly 35.42 feet along the arc of said curve through a central angle of 81 degrees 10 minutes 24 seconds;

Thence North 59 degrees 49 minutes 52 seconds East, 126.21 feet to the beginning of a curve, concave Northwest, having a radius of 25.00 feet;

Thence Northeasterly 38.48 feet along the arc of said curve through a central angle of 88 degrees 11 minutes 02 seconds to a point of reverse curvature of a curve having a radius of 4287.00 feet;

Thence Northwesterly 10.90 feet along the arc of said curve through a central angle of 0 degrees 08 minutes 44 seconds to a point of reverse curvature of a curve having a radius of 4243.00 feet;

Thence Northwesterly 118.56 feet along the arc of said curve through a central angle of 1 degrees 36 minutes 03 seconds;

Thence on a non-tangent line North 60 degrees 11 minutes 31 seconds East, 44.00 feet; Thence North 59 degrees 49 minutes 52 seconds East, 116.08 feet;

Thence South 30 degrees 10 minutes 08 seconds East, 589.35 feet;

Thence South 59 degrees 49 minutes 52 seconds West, 489.60 feet;

Thence South 57 degrees 18 minutes 29 seconds West, 49.56 feet;

Thence South 46 degrees 09 minutes 13 seconds West, 49.43 feet;

Thence South 40 degrees 30 minutes 27 seconds West, 50.40 feet;

The South 40 degrees 04 minutes 29 seconds West, 114.77 feet;

Thence North 49 degrees 55 minutes 31 seconds West, 91.00 feet to the beginning of a curve, concave Easterly, having a radius of 25.00 feet;

Thence Northerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence on a non-tangent line North 49 degrees 55 minutes 31 seconds West, 52.00 feet to the beginning of a non-tangent curve, concave Northerly, from which the radius point bears North 49 degrees 55 minutes 31 seconds West a distance of 25.00 feet;

Thence Westerly 39.27 feet along the arc of said curve through a central angle of 90 degrees 00 minutes 00 seconds;

Thence North 49 degrees 55 minutes 31 seconds West, 519.00 feet to the Point of Beginning.

Except therefrom all minerals, ores and metals of every kind and character and all coal asphaltum, oil, gasses, fertilizer and other like substances in or under said land and right of ingress and egress for the purpose of mining, together with enough of the surface of the land as may be necessary for

the proper and convenient working and extraction of such minerals and substances as reserved in the Patent from the State of Arizona, recorded October 29, 1919 in Book of Deeds 71, Page 554, Office of the Pima County Recorder.

Except all oil, gas, other hydrocarbon substances, helium or other substances of a gaseous nature, coal, metals, minerals, fossils, fertilizers, together with all uranium, thorium or any other material determined to be essential to the production of fissionable materials reserved in the Patent from the State of Arizona.

EXHIBIT B

DESCRIPTION OF THE INFRASTRUCTURE

1) Mandarina LOMR Drainage Channels as referenced in the Improvement Plans prepared by Psomas, approved by the Town on May 28, 2021, with as-built plans dated April 21, 2022, ENG2103-015 including all associated costs.

2) Mandarina Regional Retention Basin as referenced in the Improvement Plans prepared by EPS Group, approved by the Town on January 19, 2022, under Job No. 20-0522, with as-built plan dated November 24, 2023, ENG2110-004 including all associated costs.

3) Mandarina Blvd Improvements as referenced in the Improvement Plans for Public Paving Plans for Mandarina Blvd Plans prepared by Psomas, approved by the Town on August 5, 2021, under Job No. 7BFC210101, with as-built plans dated July 31, 2023, ENG2104-012 including all associated costs.

4) Mandarina Offsite Sewer as referenced in the Improvement Plans for Public Sewer Improvement Plans for Mandarina Offsite Sewer prepared by Psomas, approved by the Town on 7/15/2020 under Job No. 7MAN190101, ENG2002-003 including all associated costs.

5) Mandarina Offsite Water as referenced in the Improvement Plans for Public Water Improvement Plans for Mandarina Offsite Water prepared by Psomas, permitted by the Town on 4/5/2021 under Job No. 7MAN190101, ENG2004-003 including all associated costs.

6) Mandarina Blvd Water Main as referenced in the Improvement Plans for Public Water Improvement Plans for Mandarina Blvd prepared by Psomas, approved by the Town on 8/16/21 under Job No. 7MAN190101, ENG2105-010 including all associated costs.

7) Mandarina Adonis Rd Sewer Main as referenced in the Improvement Plans prepared by EPS Group, approved by the Town on 7/22/2022, under Job No. 20-0522, ENG2112-009 including all associated costs.

8) Mandarina Adonis Rd Water Main as referenced in the Improvement Plans prepared by EPS Group, approved by the Town on 7/22/2022, under Job No. 20-0522, including all associated costs.

9) Mandarina Adonis Rd Spine as referenced in the Improvement Plans for Adonis Road Infrastructure Paving Plans prepared by EPS Group, approved by the Town on 7/13/2023, under Job No. 20-0522, ENG2111-014 including all associated costs

10) Mandarina Infrastructure Phase 1-2-3 as referenced in the Improvement Plans for Public Paving Plans prepared by EPS Group, approved by the Town on 8/8/2023, under Job No. 20-0522, ENG2208-012 including all associated costs.

11) Mandarina Infrastructure Phase 1-2-3 as referenced in the Improvement Plans for Grading and Drainage Plans prepared by EPS Group, approved by the Town on 8/23/23 under Job No. 20-0522, ENG2208-013 including all associated costs.

12) Mandarina Infrastructure Phase 1-2-3 Water Phase 1 as referenced in the Improvement Plans for Public Water Plans prepared by EPS Group, approved by the Town on 3/29/23, under Job No. 20-0522, ENG2209-004 including all associated costs.

13) Mandarina Infrastructure Phase 4 as referenced in the Improvement Plans for Public Water Plans prepared by EPS Group, approved by the Town on 5/18/23, under Job No. 20-0522, ENG2209-007 including all associated costs.

14) Mandarina Infrastructure Phase 4-5 as referenced in the Improvement Plans for Grading and Drainage Plans prepared by EPS Group, approved by the Town on 8/1/23, under Job No. 20-0522, ENG2209-005 including all associated costs.

15) Mandarina Infrastructure Phase 4 as referenced in the Improvement Plans for Public Sewer Plans prepared by EPS Group, approved by the Town on 8/18/23, under Job No. 20-0522, ENG2209-008 including all associated costs.

16) Mandarina Infrastructure Phase 4 as referenced in the Improvement Plans for Public Paving Plans prepared by EPS Group, approved by the Town on 8/1/23 under Job No. ENG2209-006 including all associated costs.

17) Mandarina Infrastructure Phase 6 as referenced in the Improvement Plans for Grading and Drainage Plans prepared by EPS Group, approved by the Town on 6/11/2024, under Job No. 20-0522, ENG2312-005 including all associated costs.

18) Mandarina Infrastructure Phase 6 as referenced in the Improvement Plans for Grading and Drainage Plans prepared by EPS Group, approved by the Town on 6/17/2024, under Job No. 20-0522, ENG2312-005 including all associated costs.

19) Adonis Road Landscape Plans prepared by EPS Group.

20) All other qualified public infrastructure as part of the Mandarina project.

EXHIBIT C

FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(insert description of Acquisition Project/Segment)

STATE OF ARIZONA	)
COUNTY OF PIMA	)
TOWN OF MARANA	) ss.
MANDARINA COMMUNITY	)
FACILITIES DISTRICT	)

We the undersigned, being Professional Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for Mandarina Community Facilities District (hereinafter referred to as the "District"), and the engineer employed by Mandarina Holdings, LLC (hereinafter referred to as the "Owner"), each hereby certify for purposes of the District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District), dated as of _____ 1, 2024 (hereinafter referred to as the "Agreement"), by and among the District, the Town of Marana, Arizona, and the Owner that:

1. The Segment indicated above has been constructed and performed in every detail pursuant to the Plans and Specifications (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) and the Acquisition Project Construction Contract (as modified by any change orders permitted by the Agreement) for such Segment.

2. The Segment Price as publicly bid and including the cost of approved change orders for such Segment is $.....

3. The Owner provided for compliance with the requirements for public procurement for such Segment as required by the Agreement (including, particularly but not by way of limitation, Title 34, Chapter 2, Article 1, Arizona Revised Statutes) in connection with award of the Acquisition Project Construction Contract for such Segment.

4. The Owner filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.

5. The Owner obtained good and sufficient performance and payment bonds in connection with such Contract.

DATED AND SEALED THIS ..... DAY OF ....., 20...

By.....
District Engineer

[P.E. SEAL]

[P.E. SEAL]

By.....
Engineer for the Owner

[Confirmed for purposes of Section 3.5 of the Development Agreement by

.....
District Manager for
Mandarina Community Facilities District*]

[THIS WILL BE <u>REQUIRED</u> FOR EVERY SEGMENT ACQUIRED WITH PROCEEDS OF THE SALE OF THE OWNER BONDS!!!]

---

* To be inserted if the provisions of Section 3.5 hereof are applicable to the respective Segment of the Project.

EXHIBIT D

FORM OF CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT
(Insert description of Acquisition Project/Segment)

STATE OF ARIZONA	)
COUNTY OF PIMA	)
TOWN OF MARANA	) ss.
MANDARINA COMMUNITY FACILITIES DISTRICT	)

KNOW ALL MEN BY THESE PRESENTS THAT:

..... ("....."), for good and valuable consideration received by ..... from Mandarina Community Facilities District, a community facilities district formed by the Town of Marana, Arizona (the "Municipality"), and duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), receipt of which is hereby acknowledged [, and the promise of the District to hereafter pay the amounts described in the hereinafter described Development Agreement],* does by these presents grant, bargain, sell and convey to the District, its successors and assigns, all right, title and interest in and to the following described property, being the subject of a District Development, Financing Participation and Intergovernmental Agreement (Mandarina Community Facilities District), dated as of _____ 1, 2024, by and among the Municipality, the District and Mandarina Holdings, LLC and more completely described in such Development Agreement:

[Insert description of Acquisition Project/Segment]

together with any and all benefits, including warranties and performance and payment bonds, under the Acquisition Project Construction Contract (as such term is defined in such Development Agreement) or relating thereto, all of which are or shall be located within utility or other public easements dedicated or to be dedicated by plat or otherwise free and clear of any and all liens, easements, restrictions, conditions, or encumbrances affecting the same [, such subsequent dedications not affecting the promise of the District to hereafter pay the amounts described in such Development Agreement],* but subject to all taxes and other assessments, reservations in patents, and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, leases, and liabilities or other matters as set forth on Exhibit I hereto.

TO HAVE AND TO HOLD the above-described property, together with all and singular the rights and appurtenances thereunto in anywise belonging, including all necessary rights of ingress, egress, and regress, subject, however, to the above-described exception(s) and

* Insert with respect to any acquisition financed pursuant to Section 5.2(a) hereof.

reservation(s), unto the District, its successors and assigns, forever; and ..... does hereby bind itself, its successors and assigns to warrant and forever defend, all and singular, the above-described property, subject to such exception(s) and reservation(s), unto the District, its successors and assigns, against the acts of ..... and no other.

..... binds and obligates itself, its successors and assigns, to execute and deliver at the request of the District any other or additional instruments of transfer, bills of sale, conveyances, or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the transfer to the District of the above-described property, subject to the exception(s) and reservation(s) hereinabove provided.

This conveyance is made pursuant to such Development Agreement, and ..... hereby agrees that the amounts specified above and paid [or promised to be paid*] to ..... hereunder satisfy in full the obligations of the District under such Development Agreement and hereby releases the District from any further responsibility to make payment to ..... under such Development Agreement except as above provided.

....., in addition to the other representations and warranties herein, specifically makes the following representations and warranties:

1. ..... has the full legal right and authority to make the sale, transfer, and assignment herein provided.

2. ..... is not a party to any written or oral contract which adversely affects this Conveyance.

3. ..... is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.

4. ..... is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of this Conveyance.

5. The person executing this Conveyance on behalf of ..... has full authority to do so, and no further official action need be taken by ..... to validate this Conveyance.

6. The facilities conveyed hereunder are all located within property owned by ..... or utility or other public easements dedicated or to be dedicated by plat or otherwise.

IN WITNESS WHEREOF, ... has caused this Conveyance to be executed and delivered this ..... day of ....., 20...

.....

By.....

By.....

Title:.....

STATE OF .....)
) ss.
COUNTY OF .....)

This instrument was acknowledged before me on ....., 20.. by ....., of ....., an Arizona limited liability company, on behalf of said corporation.

.....
Notary Public

.....
Typed/Printed Name of Notary

[NOTARY SEAL] My Commission Expires:.....

EXHIBIT I

TO

CONVEYANCE OF SEGMENT OF PROJECT

(Insert description of Project/Segment)

EXHIBIT E

FORM OF DISCLOSURE STATEMENT

MANDARINA COMMUNITY FACILITIES DISTRICT DISCLOSURE STATEMENT

A community facilities district ("CFD") has been established at the development known as "_____." The CFD has financed and, in the future will finance, certain public infrastructure improvements, which will result in a property tax liability for each property owner of _____ resulting from being in the CFD.

BACKGROUND

On September 30, 1988, the Arizona Community Facilities District Act became effective. This provision in State law was created to allow Arizona municipalities to form CFDs for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

HOW THE CFD WORKS

On _____, 2024, the Mayor and Council of the Town of Marana, Arizona (the "Town"), formed the CFD which includes all of the residential and commercial property in _____. An election was held on _____, 2024, at which time the owners of the property within the CFD voted to authorize up to $150,000,000 of *ad valorem* tax bonds to be issued over time by the CFD to finance the acquisition or construction of public infrastructure. Such improvements have been or will be dedicated to the Town after acquisition or construction of such public infrastructure by the CFD. The Town will operate and maintain such improvements.

WHAT WILL BE FINANCED?

The CFD has been established to finance up to $150,000,000 in public infrastructure improvements within or benefiting _____ including financing costs related to such improvements. The initial bond issue is expected to be approximately $.....,000. The proceeds of this bond issue are currently expected to be utilized to finance the engineering, design and construction of public infrastructure. In addition, it is anticipated that approximately $.....,000 in bonds will be issued over the next approximately ..... years for future phases of infrastructure at _____. Thereafter, any remaining bond authorization would be available for issuance to finance other improvements.

AD VALOREM TAXES OF THE CFD

General obligation bonds and the CFD's operation and maintenance expenses are paid from *ad valorem* taxes levied against all property within the CFD. Your share of general obligation bond

payments and expenses are included as part of your regular Pima County property tax statement and are separately shown in addition to taxes levied by the Town of Marana and other political subdivisions.

BENEFITS TO RESIDENTS

The bond issues by the CFD will benefit all residents within _____ by providing public improvements. This benefit was taken into account by the Owner in connection with establishing the price of the lot on which your home is to be located. Each resident of the CFD will participate in the repayment of the bonds in the form of an additional property tax to the current property taxes assessed by other governmental entities. This added tax may be deductible for purpose of calculating federal and state income taxes.

PROPERTY OWNERS' TAX LIABILITY

The obligation to retire the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Pima County Treasurer in addition to all other property tax payments. **(PLEASE NOTE THAT AT THIS TIME, OTHER THAN GLADDEN FARMS COMMUNITY FACILITIES DISTRICT, GLADDEN FARMS (PHASE II) COMMUNITY FACILITIES DISTRICT AND SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT, NO OTHER AREA WITHIN THE BOUNDARIES OF THE TOWN IS SUBJECT TO A PROPERTY TAX LEVIED BY ANY OTHER COMMUNITY FACILITIES DISTRICT.)** Beginning in fiscal year 20..., the CFD levied a tax rate of not to exceed $..... per $100.00 of net limited assessed property valuation to provide for repayment of the bonds and the payment of certain administrative expenses associated therewith and to provide for the expenses of the CFD and of operation and maintaining the infrastructure it finances.

Although the level of the tax rate is not limited by law, the tax rate of the CFD is not expected to exceed $..... per $100.00 of net limited assessed property valuation for as long as the bonds are outstanding. **(There can be no guarantee that tax rates will not be increased to provide for repayment in the future.)**

IMPACT OF ADDITIONAL CFD PROPERTY TAX

The following shows the total annual District taxes including the District operational and maintenance tax, for repayment of expected District general obligation bonds.

Market Value of Residence(1)	(A) Estimated Annual General Obligation and Expense Payment(2)	(A) + (B) Estimated Total Annual CFD Tax Payments(4)
$250,000	-	-
275,000	-	-
300,000	-	-
325,000	-	-
350,000	-	-
375,000	-	-
400,000	-	-

Footnotes

(1) Market value is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.

(2) General obligation bond debt service and operations and maintenance expenses assuming a $..... increase in the ad valorem property tax rate per $100 of net limited assessed property valuation. The estimated annual additional tax liability will vary depending upon the final terms of the General Obligation Bonds.

(3) All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the Town of Marana or other political subdivisions and are in addition to any assessments or fees imposed by any homeowners association.

---

*Assumptions:

A. Assumes residential property assessment ratio will remain at 10%.

B. Tax amount is computed by multiplying the tax rate per $100 of assessed value by net limited assessed property value times the assessment ratio.

Additional information regarding the description of infrastructure improvements to be financed by the CFD, bond issue public disclosure documents and other documents and agreements (including a copy of this Disclosure Statement) are available for review in the Town of Marana Town Clerk's office.

Your signature below acknowledges that you have read this disclosure document at the time you made your decision to purchase property at _____ and you signed your purchase contract and that you understand the property you are purchasing will be taxed to pay the CFD bonds described above.

.....	.....
Home Buyer(s) Signature/Date	Home Buyer(s) Printed Name(s)
.....	.....
Home Buyer(s) Signature/Date	..... Parcel No. ..... Lot No. .....