

When recorded return to:

Town Clerk
Town of Florence
P.O. Box 2670
Florence, Arizona 85232

PRE-ANNEXATION AND DEVELOPMENT AGREEMENT MONTERRA

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the "Town"); RIGGINS-PINAL, LTD PARTNERSHIP, LLP, and/or its assigns ("Owner") and MONTERRA HEIGHTS, LLC, an Arizona limited liability company and/or its assigns (the "Developer") (Hereinafter, Developer and Owner shall be referred to as Developer unless otherwise provided.).

RECITALS

A. The property is located within Pinal County, Arizona and the Town and consists of approximately 900 acres as legally described and depicted on Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The Property comprises two parcels which is made up of 869 acres which shall be zoned PUD as described in this Agreement and 31 acres which shall receive comparable zoning as currently existing in the County. The two properties shall hereinafter collectively be referred to as Property.

B. Developer and the Town desire that the portions of the Property not already within the corporate limits of the Town be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Master Plan ("Plan"), which is attached as Exhibit B, is acknowledged by the parties hereto to be consistent with the Town's General Plan, and to operate to the benefit of the Town, the Developer and the general public. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Developer and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the unincorporated portions of the Property by the Town; (ii) conditions, terms, restrictions and requirements for the construction and installation of public services/infrastructure improvements; (iii) conditions, terms, restrictions, policies and procedures for the formation of one or more Facilities Districts; (iv) the permitted uses for the Property; (v) the density and intensity of such uses; and (vi) other matters related directly or indirectly to the development of the Property.