

I. The Town acknowledges that portions of such public services/infrastructure improvements will be provided as part of the early phases of development of the Property, prior to the time when such public services/infrastructure improvements would otherwise be required to serve completed phases of the development within the Property, and therefore prior to the time Developer might otherwise be required to provide or contribute to the cost of same and prior to the time that the expense of such public services/infrastructure improvements otherwise would be justified by the phasing of development of the Property. Developer is willing to provide such public services/infrastructure improvements earlier than otherwise required for its private development of the Property only with the assurances that it will be able to complete development of the Property as provided in this Agreement. In this respect, the public services/infrastructure improvements and dedications provided for herein, together with the development contemplated by this Agreement, are interdependent and together comprise an indivisible project.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.
2. Annexation. Concurrently with its approval of this Agreement, the City, having held public meetings thereon, has duly considered and approved the annexation of the Property into the City. Concurrently with the execution of this Agreement by the City and Developer, Developer will deliver to the City an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). Upon receipt of the Annexation Petition, the City shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the City, adopt a final ordinance annexing the Property into the corporate limits of the City (the "Annexation Ordinance"). The Annexation Ordinance shall contain a provision requiring, upon Developer's written request, the immediate rescission and termination of the Annexation Ordinance by the City if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including, but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Ordinance; (b) the City does not, at the same City meeting in which the Annexation Ordinance is adopted, approve the PUD designation and the Development Plan; (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD designation or the Development Plan; (d) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement; or (e) the City does not, at the same City meeting in which the Annexation Ordinance is adopted, approve a form of the Intergovernmental Financing, Participation and Development Agreement which is in compliance with the tenants and intent of Section 8 of this Agreement (the "IFPDA"). The City and Developer hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or