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DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (SADDLEBACK COMMUNITY FACILITIES DISTRICT NO. 3)

DISTRICT DEVELOPMENT, FINANCING PARTICIPATION
AND INTERGOVERNMENTAL AGREEMENT
(SADDLEBACK COMMUNITY FACILITIES DISTRICT NO. 3)

THIS DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (SADDLEBACK COMMUNITY FACILITIES DISTRICT NO. 3), dated as of June 1, 2025 (hereinafter referred to, as amended from time to time, as this "*Agreement*"), is entered into by and among the City of Peoria, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"); Saddleback Community Facilities District No. 3, 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 Saddleback Peoria Partners, LLC, a limited liability company, duly formed and validly existing pursuant to the laws of the State of Delaware and authorized to do business in the State of Arizona, which has an interest in certain property in the District (hereinafter referred to as the "*Developer*"),

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; 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 acquisition of certain public infrastructure by the District, the acceptance thereof and the reimbursement or repayment with respect thereto, all pursuant to the Act, such public infrastructure being necessary to develop the Property prior to the time at which the District can 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 sell and issue 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 and heretofore approved by the Municipality and the District in the principal amount of $70,000,000 (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 and in the future are expected to be approved pursuant to the Act; and

WHEREAS, the use of the proceeds from the sale of the Bonds and amounts which will be collected with respect to the O/M Tax are subjects of this Agreement; and

WHEREAS, pursuant to the Act, the District entered into this Agreement 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, the 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:

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 that portion of the Infrastructure which is the subject of Section 2.1.

"*Acquisition Project*" means each project which is a part of the Acquisition Infrastructure constructed pursuant to Section 2.1.

"*Acquisition Project Construction Contract*" means a construction contract for an Acquisition Project.

"*Cash Deposit (Bonds)*" means a deposit of cash in an amount described in Section 5.2(a) and held pursuant to a Depository Agreement, and which cash deposit shall be drawable as provided herein.

"*Certificate of the Engineers*" means a certificate of the Developer 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.

"*Conveyance*" means a conveyance of a Segment in substantially the form of

Exhibit "D" hereto.

"*Court*" means Maricopa County Superior Court.

"*Cure Period*" has the meaning provided in Section 9.20(b).

"*Depository Agreement*" means the depository agreement by and between the indenture trustee appointed with respect to each series of the Bonds, in its separate capacity as depository, and the District required to be executed and delivered with respect to each series of the Bonds.

"*Developer Engineer*" means any firm of Arizona registered professional engineers hired by the Developer to perform the services required therefrom for the purposes hereof.

"*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 Chief Financial Officer*" means the Chief Financial Officer of the Municipality or his or her designee.

"*District Counsel*" means the City Attorney at the Municipality or his or her designee.

"*District Engineer*" means the City Engineer of the Municipality or his or her designee.

"*District Indemnified Party*" means the Municipality and each legislator, director, trustee, member, officer, official or employee thereof or of the District.

"*Engineers*" means, collectively, the Developer Engineer and the District Engineer. Neither may be changed without at least thirty (30) days written notice.

"*Expenses*" means the expenses of operating, maintaining and administering the District, including legal expenses and expenses associated with insurance coverage obtained pursuant to Section 7.3 hereto, as set forth in a budget approved by the District.

"*Expenses Account*" means a deposit of cash paid by the Developer and held by the

District in an interest bearing account as described in Section 8.3.

"*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, 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; 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 commercially reasonable 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 Termination Date*" means the earlier of: (i) the date the final payment of principal and interest with respect to the last series of the Bonds or the last series of bonds issued to refund any series of the Bonds is paid or otherwise provided for, (ii) the date on which the Developer provides substitute security for the Letter of Credit (Indemnity) acceptable to the District Chief Financial Officer which is the subject of an amendment to this Agreement for such substitution, and (iii) the date the District is formally dissolved.

"*Infrastructure*" means the public infrastructure described in Exhibit "B" hereto.

"*Initial Bonds*" means one or more series of Bonds issued and sold to accomplish

the goal of having the debt service bond expense for the District appear on the first tax bills applicable to any single family residential dwelling units in the District.

"*Initiation Notice*" has the meaning provided in Section 9.20(d)(1).

"*Joint Project*" means an Acquisition Project undertaken pursuant to Section 2.2.

"*Letter of Credit (Bonds)*" means a standby letter of credit or substitute therefor, renewable annually and issued under the terms provided herein in favor of the District, which is presentable for payment in Phoenix, Arizona, 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 non-renewal thereof, and which otherwise shall be acceptable to the District Chief Financial Officer in the exercise of commercially reasonable standards.

"*Letter of Credit (Indemnity)*" means a standby letter of credit or substitute therefor held pursuant to the terms of Section 7.1(f), in an amount and in the form described in Section 7.4.

"*Maximum Annual Debt Service*" means, as of any date, the maximum annual debt service with respect to the Bonds (including, at the time of calculation, any of the Bonds then being issued) for any succeeding Fiscal Year plus the historical, annual, average of amounts necessary for payments of amounts described in Section 8.1 as of the Fiscal Year of calculation.

"*Minimum Tier 1 Leverage Ratio*" means, for the bank supplying the Letter of Credit (Bonds) or the Letter of Credit (Indemnity), as applicable, a Tier 1 Leverage Ratio of eight percent (8%).

"*O/M Tax*" means an operation and maintenance tax in the amount of up to $0.30 per $100 of net limited assessed property valuation of property within the boundaries of the District, levied to pay the Expenses of the District.

"*Other Saddleback CFD Development Agreements*" means, collectively, the District Development, Financing Participation and Intergovernmental Agreement (Saddleback Community Facilities District No. 1), dated as of June 1, 2025, by and among the Municipality, Saddleback Community Facilities District No. 1 and the Developer, the District Development,

Financing Participation and Intergovernmental Agreement (Saddleback Community Facilities District No. 2), dated as of June 1, 2025, by and among the Municipality, Saddleback Community Facilities District No. 2 and the Developer, the District Development, Financing Participation and Intergovernmental Agreement (Saddleback Community Facilities District No. 4), dated as of June 1, 2025, by and among the Municipality, Saddleback Community Facilities District No. 4 and the Developer, and the District Development, Financing Participation and Intergovernmental Agreement (Saddleback Community Facilities District No. 5), dated as of June 1, 2025, by and among the Municipality, Saddleback Community Facilities District No. 5 and the Developer.

"*Other Saddleback Districts*" means, collectively, Saddleback Community Facilities District No. 1, Saddleback Community Facilities District No. 2, Saddleback Community Facilities District No. 4 and Saddleback Community Facilities District No. 5.

"*Panel*" has the meaning provided in Section 9.20(d)(ii) for dispute resolution.

"*PCD*" means the Saddleback Heights Planned Community District, approved by the City Council of the Municipality as Case Z02-04A.1 on June 17, 2014, by Ordinance No. 2014-15.

"*Process*" has the meaning provided in Section 9.20(d)(i).

"*Report*" means the study of the feasibility and benefits required by the Act for the applicable Acquisition Project.

"*Securities Act*" means the Securities Act of 1933, as amended.

"*Segment*" means a completed, discrete portion of an Acquisition Project as determined by the District Engineer.

"*Segment Price*" means, for an Acquisition Project that is not a Joint Project, an amount equal to the sum of the amounts paid by the Developer for (1) design of the Segment (including the costs of the review of such design by the District Engineer), (2) construction of the Segment (such amount to be equal to the applicable contract amount plus any increases to such contract amount approved as described in Section 2.1(d) less any change orders decreasing the contract amount), (3) inspection and supervision of performance and (4) other miscellaneous costs

for such Segment attributable to construction of the Segment approved by the Engineers for that Segment, and, for a Joint Project, the amount determined based upon the proportionate share of cost allocated to the Developer (or its related entity that executes the related joint development or similar agreement described in Section 2.2) pursuant to the terms of such joint development or similar agreement. The Segment Price shall not include any amounts other than as provided in this definition.

"*Standby Contribution Agreement*" means the standby contribution agreement by and among the indenture trustee appointed with respect to each series of the Bonds, the District and the Developer to be executed and delivered with respect to each series of the Bonds.

"*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 Chief Financial Officer in his sole and absolute discretion.

"*Total Debt Service*" means debt service with respect to bonds for the next succeeding tax year plus the amounts described in Section 8.1 for such Fiscal Year for the Bonds in the case of the District.

(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.

II.

CONSTRUCTION OF PROJECTS; MATTERS RELATED TO JOINT PROJECTS

Section 2.1. (a)(i) Subject specifically to the obligation to pay the Segment Price for a Segment as hereinafter provided, the Developer, at its sole cost and expense, for which the Developer shall be liable, shall cause each Acquisition Project to be constructed, in a fashion which allows for development of the Property to proceed in accordance with the PCD on real property in which the Developer has an interest. (Underlying ownership of real property on which an Acquisition Project is to be built shall be determined in the final plat or final development plan process of the Municipality or as otherwise approved by the District Chief Financial Officer and documented to the satisfaction of District Counsel.)

(ii) Each element of the Segment Price and any change order with respect thereto shall be subject to the provisions of Title 34, Chapter 2, Article 1, Arizona Revised Statutes and done in accordance with the requirements for projects of the Municipality similar to Acquisition Projects as specified in Chapter 23 of the Peoria Code and any procurement guidelines promulgated in connection therewith. Acquisition Project Construction Contracts shall be entered into with the bidders selected in accordance with the requirements for awarding contracts for projects of the Municipality similar to Acquisition Project Construction Contracts as specified by such code and guidelines. (Compliance with such requirements with respect to an Acquisition Project shall be evidenced by a Certificate of the Engineers.)

(iii) Unless otherwise provided in the applicable joint development or similar agreement provided as described in Section 2.2(a), neither the Municipality nor the District shall bear any risks, liabilities, obligations or responsibilities for any Acquisition Project Construction Contract, nor 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 III.

(iv) The Municipality and the District shall be named as an additional insured by way of executed endorsement, on any liability insurance policies required

under a bid for an Acquisition Project and as a named third-party beneficiary with respect to all warranties, guarantees and bonds with respect thereto.

(v) All documentation provided in Section 3.2 shall be provided to the District Chief Financial Officer before any acquisition pursuant to Article III. If any liens are placed on any portion of an Acquisition Project which is the subject of an Acquisition Project Construction Contract or if litigation ensues between the Developer and any contractor with respect to an Acquisition Project Construction Contract, the District shall not acquire such Acquisition Project or any portion thereof until such liens are removed or such litigation is resolved.

(b) (i) Any advertisement for bids for construction of any Acquisition Project shall clearly indicate that the Developer will be the "owner" for purposes of Acquisition Project Construction Contract 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 SADDLEBACK PEORIA PARTNERS, LLC, THE CITY OF PEORIA, ARIZONA, AND SADDLEBACK COMMUNITY FACILITIES DISTRICT NO. 3 PURSUANT TO WHICH SUCH WORK MAY BE ACQUIRED FROM OWNER BY SUCH COMMUNITY FACILITIES DISTRICT. THE SUCCESSFUL CONTRACTOR WILL NOT HAVE RECOURSE, DIRECTLY OR INDIRECTLY, TO THE CITY OF PEORIA OR THE COMMUNITY FACILITIES DISTRICT FOR ANY COSTS UNDER ANY CONTRACT OR FOR ANY LIABILITY, CLAIM OR EXPENSE ARISING THEREFROM."** The Developer is "OWNER" specifically for the purposes of the foregoing.

(ii) Each Acquisition Project Construction Contract 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 any liability, claim or expense arising therefrom and that the Developer shall have sole liability therefor.

(c) The Developer shall provide for inspection by the Engineers of work performed under any Acquisition Project Construction Contract.

Section 2.2. (a) Upon the Developer's written election to commence a Joint Project, a Joint Project may be undertaken by the Municipality and the Developer (or a related entity) pursuant to a joint development or similar agreement entered into by the Municipality and the Developer (or such related entity) in a fashion which allows for development of the Property to proceed in accordance with the PCD. (Underlying ownership of the Joint Projects or necessary interests therein shall be defined and articulated in such joint development or similar agreement(s).)

(b) (i) The construction of the Joint Projects shall be bid pursuant to the provisions of Title 34, Chapter 2, Article 1, Arizona Revised Statutes. (Compliance with such requirements with respect to a Joint Project shall be evidenced by a Certificate of the Engineers.)

(ii) The District and the Municipality shall not bear any risks, liabilities, obligations or responsibilities under any construction contract for, or risk of loss of or damage to, any Joint Project (or any part thereof) occurring prior to the time of acquisition of such Joint Project (or part thereof) pursuant to Article III.

(iii) An indication of final payment and contract closeout shall be provided to the District Chief Financial Officer before any acquisition pursuant to Article III. If any liens are placed on any portion of a Joint Project or if litigation ensues with respect to a Joint Project, the District shall not acquire the Joint Project or any portion thereof until such liens are removed or such litigation is resolved.

(iv) The prior conveyance or dedication of easements, rights-of-way or public infrastructure shall not affect or proscribe rights to construct public infrastructure thereon or to be paid or reimbursed for such construction or such conveyance or dedication upon acquisition by the District.

III.

ACQUISITION OF ACQUISITION PROJECTS

Section 3.1. (a) At the request of the Developer, the Developer shall sell to the District, and the District shall acquire from the Developer, the Acquisition Projects, or Segments thereof, for the Segment Prices upon dates established and approved by the District Chief Financial Officer in his sole and absolute discretion at the request of the Developer.

(b) Acquisition of a Segment shall be financed at any time after the sale and delivery of the Bonds (and while there are available, unrestricted remaining proceeds of the sale of the Bonds) only pursuant to Section 4.1.

(c) The District shall not be liable for any payment or repayment with respect to the Acquisition Infrastructure except as provided by this Agreement.

Section 3.2. The District shall pay the Segment Price for and acquire from the Developer, and the Developer shall accept the Segment Price for and sell to the District, each Segment as provided in Section 3.1 after the approval of the Report and within thirty (30) days after receipt by the District Chief Financial Officer of the following with respect to such Segment, in form and substance reasonably satisfactory to the District Chief Financial Officer:

(a) the Certificate of the Engineers;

(b) the Conveyance;

(c) evidence that public access to the Segment has been provided;

(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 and by its terms subject specifically to recordation of the Conveyance which is the subject of such letter and

(f) such other documents, instruments, approvals or opinions as may reasonably be requested by the District Chief Financial Officer including, with respect to any real property related to the Acquisition Project, title reports, insurance and opinions and evidence

satisfactory to the District Chief Financial Officer 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 Chief Financial Officer 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.

IV.

FINANCING OF COSTS OF PROJECTS

Section 4.1. (a) Any acquisition of a Segment from the sale and delivery of the Bonds (which may occur only after sale and delivery of the Bonds (but not more than (i) 10 years after completion of construction of a Segment relating to Acquisition Infrastructure consisting of street or roadway infrastructure improvements, or (ii) 25 years after completion of construction of a Segment relating to Acquisition Infrastructure consisting of water, wastewater, drainage and related utility infrastructure improvements) and while there are remaining, available, unrestricted proceeds of the sale of the Bonds) shall, subject to the requirements of Section 3.2, be provided for by the payment of the Segment Price for such Segment from, and only from, the available, unrestricted proceeds of the sale of the Bonds to the extent only of the remaining amounts thereof.

(b) Until the sale and delivery of the Bonds, neither the District nor the Municipality shall have any obligation to pay such Segment Price. Neither the District nor the Municipality shall be liable to the Developer (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price and no representation or warranty is given that the Bonds can be sold or that sufficient, available, unrestricted proceeds from the sale of the Bonds shall be available to pay such Segment Price.

V.

MATTERS RELATING TO THE BONDS AND OTHER OBLIGATIONS OF THE DISTRICT

Section 5.1. (a) At the request of the Developer, upon dates, with terms and under conditions established and approved by the District Chief Financial Officer in his sole and absolute discretion, 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 hereof, the Bonds in one or more series, all of which shall mature no later than the July 15 that follows the twenty-fifth year after $5,000,000 aggregate principal amount of the Bonds is sold and issued (which may occur with the sale and issuance of the first series of the Bonds sold and issued after the sale and issuance of the Initial Bonds, in which case such series of the Bonds and all other series of the Bonds shall mature no later than the July 15 that follows the twenty-fifth year after the issuance date of such series of the Bonds issued after the sale and issuance of the Initial Bonds). The Developer shall request when such series of the Bonds shall be sold and issued. A series of the Bonds shall only be sold and issued if the Total Debt Service for all of the Bonds then outstanding and the Bonds then to be issued can be amortized with substantially equal annual amounts generated by a tax rate for the District when combined with any O/M Tax levy of not to exceed $2.65 per one hundred dollars of net limited assessed property valuation as indicated in the tax rolls for the current tax years, assuming, for purposes of the foregoing, a delinquency factor for tax collections equal to the greater of five percent (5%) and the historical, average, annual, percentage delinquency factor as of such tax year. One or more series of the Bonds may be sold and issued as the Initial Bonds as soon as practicable after execution of this Agreement.

(b) If the Bonds are not issued or if the available, unrestricted proceeds of the sale of the Bonds are insufficient to pay any or all of the amounts due described in Section 4.1(b) or all of the Segment Prices for Segments to be acquired, 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.

Section 5.2. (a) For each series of the Bonds, in consideration of the

obligations of the District as of the date of delivery of each series of Bonds and as a condition to the issuance of such series of Bonds, a Standby Contribution Agreement shall be executed and delivered. Each Standby Contribution Agreement shall have specific terms which provide, among the other matters provided for in this Section, that on the date of initial issuance and delivery of the applicable series of Bonds and in each Fiscal Year of the District thereafter, the Developer shall be liable and obligated to pay to the District an amount necessary to maintain the tax rate for the District such that the total tax rate based on all of the Bonds (and the Bonds then being issued) does not exceed $2.65 per one hundred dollars of net limited assessed property valuation under the conditions described above. To provide adequate assurances for payment of the amount due pursuant to the related Standby Contribution Agreement, at the election of the Developer, either the Cash Deposit (Bonds), but only if, at the time of issuance of the applicable series of Bonds, the net full cash assessed valuation of property within the boundaries of the District exceeds the net limited assessed valuation of property within the boundaries of the District by thirty percent (30%) or more as indicated in the tax rolls for the applicable tax year, or a Letter of Credit (Bonds) shall be deposited pursuant to a Depository Agreement. The Letter of Credit (Bonds) or Cash Deposit (Bonds) required for a particular series of Bonds from time to time shall be in an amount such that the total of the Letters of Credit (Bonds) and Cash Deposit (Bonds) is then equal to the Maximum Annual Debt Service, multiplied by two (2) for the Bonds. The Standby Contribution Agreements and the Depository Agreements shall have general terms reasonably acceptable to the District Chief Financial Officer in his sole and absolute discretion. Such agreements shall specifically provide that amounts shall be payable pursuant to the applicable Standby Contribution Agreement only if the District has for that tax year adopted a resolution authorizing the tax rate for the District such that the total tax rate for the District does not exceed $2.65 per one hundred dollars of net limited assessed property valuation under the conditions described above. Notwithstanding the foregoing sentence, a tax rate of less than such rate may be levied for such purpose without affecting the obligation that such amounts be so payable if there are tax collections which must be applied by applicable law to reduce such rate that cannot otherwise be applied legally before such

rate must be set.

(b) Each Standby Contribution Agreement shall have specific terms which provide that all obligations of the Developer thereunder shall terminate upon the earlier to occur of (i) the date of the payment in full of all of the outstanding Bonds that are the subject of the applicable Standby Contribution Agreement or provision for such payment related to such Standby Contribution Agreement, or (ii) the first day of the first Fiscal Year after all of the following are satisfied: (A) for three (3) consecutive tax years, a tax rate with respect to the Bonds of no more than $2.65 per $100 of net limited assessed valuation of property within the boundaries of the District was sufficient to pay the Maximum Annual Debt Service, based upon the application of such limited tax rate in light of the actual net limited assessed valuation of such property not including property owned by the Developer 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 Developer, assuming a delinquency factor equal to greater of five percent (5%) and the historical, average, annual percentage delinquency factor for the District as of such tax year, and (B) in the last of such years, a tax rate with respect to the Bonds of $2.65 per $100 of net limited assessed valuation of property within the boundaries of the District is sufficient to pay 130% of the Maximum Annual Debt Service, based upon the application of such limited tax rate in light of the actual net limited assessed valuation of such property not including property owned by the Developer 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 Developer, assuming a delinquency factor equal to the greater of five percent (5%) and the historical, average, annual percentage delinquency factor for the District as of such tax year. (After receipt of proof of satisfaction of clause (ii) satisfactory to the District Chief Financial Officer in his sole and absolute discretion, the District Board shall approve by appropriate action such termination, such approval not to be withheld unreasonably.)

(c) In addition, if a Letter of Credit (Bonds) is posted as security under Section 5.2(a), a Depository Agreement shall have specific terms which provide that the Letter of

Credit (Bonds) shall be drawn to the full amount, payable to the District, upon the written demand by the indenture trustee appointed with respect to each Series of Bonds, to the institution supplying the Letter of Credit (Bonds), if any of the following occurs: (i) the nonpayment by or on behalf of the Developer of any amount due pursuant to the Standby Contribution Agreement from the Developer (after expiration of any applicable notice and cure periods thereunder); (ii) the cancellation, termination or non-renewal of the Letter of Credit (Bonds) and a failure by the Developer to substitute the Letter of Credit (Bonds) 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 District having received within sixty (60) days after the date of such reduction a substitute for the Letter of Credit (Bonds) (which is in all respects the same as the Letter of Credit (Bonds) but has a Minimum Tier 1 Leverage Ratio). The Depository Agreements shall also have specific terms which provide that the Letter of Credit (Bonds) applicable thereto shall be released to the Developer concurrently with termination of the Standby Contribution Agreement.

(d) In addition, if a Cash Deposit (Bonds) is posted as security under Section 5.2(a), a Depository Agreement shall have specific terms which provide that, (i) the Cash Deposit shall be drawn to the full amount, payable to the District, upon the written demand by the indenture trustee appointed with respect to each Series of Bonds, to the District, upon the nonpayment by or on behalf of the Developer of any amount due pursuant to the Standby Contribution Agreement from the Developer (after expiration of any applicable notice and cure periods thereunder), and (ii) while held pursuant to such Depository Agreement, shall be invested in an interest-bearing account, and provided the Developer is not then in default beyond any applicable cure period, the accrued interest on the applicable Cash Deposit (Bonds) shall (1) be applied to reduce the payment to be made by the Developer in June and December of each year pursuant to the applicable Standby Contribution Agreement if any such payment is then due, (2) be applied towards the Cash Deposit (Bonds) on the date on which another series of Bonds is issued for which a Cash Deposit (Bonds) is posted as security under Section 5.2(a) if no payments from the Developer are then due pursuant to the applicable Standby Contribution Agreement, or

(3) be released to the Developer concurrently with termination of the applicable Standby Contribution Agreement if no payments from the Developer are then due pursuant to the applicable Standby Contribution Agreement, such application or release of funds to occur in the order presented in this sentence. The Depository Agreements shall also have specific terms which provide that the Cash Deposit (Bonds) applicable thereto shall be released to the Developer concurrently with termination of the Standby Contribution Agreement.

Section 5.3. 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.

VI.

ACCEPTANCE BY THE MUNICIPALITY

Section 6.1. Simultaneously with the payment of the related Segment Price, the Segment acquired is hereby accepted (including for purposes of maintenance and operation thereof) by the Municipality, conditioned upon compliance with the standards and conditions pursuant to which facilities such as the Acquisition Project of which the Segment is a part are typically accepted by the Municipality and thereafter shall be made available for use by the general public.

VII.

INDEMNIFICATION AND INSURANCE

Section 7.1. (a) The Developer (1) shall defend, indemnify and hold harmless each Indemnified Party for, from and against any and all losses, claims, damages or liabilities, joint or several, arising from any challenge or matter relating to the formation, activities or administration of the District in a manner not contrary to the terms hereof, or the proper carrying out of the provisions of this Agreement, including particularly but not by way of limitation for any losses,

claims or damages or liabilities (A) related to any Acquisition Project 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 by the Developer in any offering document relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission of the Developer to state therein a material fact required to be stated therein or which is necessary to make the statements by the Developer 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 made by the Developer if such settlement is effected with the written consent of the Developer (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; provided, however, that this Section 7.1 shall not apply to any loss, claim, damage or liability relating to or arising from any portion of the Infrastructure that has been accepted by the Municipality pursuant to Section 6.1.

(b) The indemnification under Section 7.1(a) shall, however, not be applicable to any of the following:

(i) matters involving any gross negligence or willful misconduct of any Indemnified Party,

(ii) any loss, claim, damage or liability arising from or relating to defects in any Infrastructure that are not known to the Developer and are discovered after any applicable warranty period or period applicable because of Section 6.1,

(iii) any indemnification or other obligation of the District under Section 7.2 herein, and/or

(iv) matters arising from or involving any breach of this Agreement by the District or any other Indemnified Party.

(c) Subject to Section 7.1(e) hereof, 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 Developer, notify the Developer 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 Developer by the amount of provable damages attributable to the failure of the Indemnified Party to give such notice to the Developer, but the omission to notify the Developer of any such action shall not relieve the Developer from any liability that it may have to such Indemnified Party otherwise than under this Section.

(d) Subject to Section 7.1(e) hereof, in case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Developer of the commencement thereof, the Developer shall defend the Indemnified Party therein, with counsel reasonably satisfactory to such Indemnified Party, the Developer and after notice from the Developer to such Indemnified Party of an election so to assume the defense thereof, the Developer 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. If the Developer shall not have employed counsel to defend any 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 Developer (in which case the Developer 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 Developer.

(e) Prior to providing notice under Section 7.1(c) or 7.1(d), the Indemnified Party shall tender the written threat or action for coverage under the insurance policy or policies required to be in effect pursuant to Section 7.3, and shall proceed with notice under

Section 7.1(c) or 7.1(d) only in the event such tender is rejected by the insurance carrier.

(f) To provide adequate assurances for payment of the indemnification obligations described in this Section 7.1, the Letter of Credit (Indemnity) shall be deposited with the District.

Section 7.2. 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 prior to this Agreement.

Section 7.3. Other than the Initial Bonds, no Bonds shall be sold and issued until the Developer provides insurance coverage for the District in a form acceptable to the District Chief Financial Officer, in his sole and absolute discretion, to include elected official, director and officer, property, liability, and securities coverage. Any costs of such coverage shall be paid from the Expenses Account or other legally available monies and demonstrated with certificates of insurances or proof of insurance in a form acceptable to the District Chief Financial Officer, in his sole and absolute discretion. The District shall assure payment of premiums, replenishment of deductibles and payment of any related expenses to ensure insurance coverage for the life of the District. The foregoing shall include requiring that the Developer or related entities add, as additional insureds, the District, the District Board members or additional insureds to policies they maintain. Such expenses may be paid from the Expenses Account or with the proceeds of the O/M Tax or as provided in Article VIII. The parties understand and confirm the ability of the District to obtain and maintain adequate insurance is a material term of this Agreement and should the District be unable to obtain adequate insurance within five (5) years of the effective date of this Agreement, the District may terminate this Agreement and dissolve the District.

Section 7.4. (a) The Letter of Credit (Indemnity) issued shall be in an amount equal to $350,000.00 upon the earlier of (i) the date of submission by the Developer (or a related entity) to the Municipality of a preliminary plat application with respect to any of the Property, or (ii) the date of submission by the Developer (or a related entity) to the Municipality of a grading at owner's risk permit application with respect to any of the Property, in favor of the District, which is presentable for payment in Phoenix, Arizona, 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 Chief Financial Officer in the exercise of commercially reasonable standards. No Bonds shall be sold and issued until the Developer provides the Letter of Credit (Indemnity).

(b) The Letter of Credit (Indemnity) 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 Developer of any amount due pursuant to this Article VII or Article VIII, pursuant to Article VII or Article VIII of any of the Other Saddleback CFD Development Agreements (after expiration of any applicable notice and cure periods thereunder) or pursuant to any of the Standby Contribution Agreements (after expiration of any applicable notice and cure periods thereunder); (ii) the cancellation, termination or non-renewal of the Letter of Credit (Indemnity) and a failure by the Developer to substitute the Letter of Credit (Indemnity) 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 Letter of Credit (Indemnity) (which is in all respects the same as the Letter of Credit (Indemnity) but has a Minimum Tier 1 Leverage Ratio).

(c) The Letter of Credit (Indemnity) shall be released on the Indemnity Termination Date.

VIII.

PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 8.1. Amounts shall be budgeted by the District Board each Fiscal Year in the District Budget for the following purposes and paid from amounts available from the tax levy described in Section 5.2(b): payment of agents or third parties required to administer the Bonds, levy and collect *ad valorem* taxes for payment of the Bonds, prepare annual audits and budgets, and any purposes otherwise related to such activities of the District.

Section 8.2. Upon the earlier of (i) the date of the payment in full of all of the outstanding Bonds or provision for such payment related to such Standby Contribution Agreement and (ii) the first Fiscal Year after the third (3rd) consecutive tax year, a tax rate with respect to the Bonds of no more than $2.65 per $100 of net limited assessed valuation of property within the boundaries of the District was sufficient to pay the Maximum Annual Debt Service, based upon the application of such limited tax rate in light of the actual net limited assessed valuation of such property not including property owned by the Developer 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 Developer, assuming a delinquency factor for tax collections equal to the greater of five percent (5%) and the historical, average, annual, percentage delinquency factor as of such tax year, the District Board shall levy the O/M Tax in an amount such that the total tax rate for the District (including the O/M Tax) does not exceed $2.65 in any tax year and apply the budgeted collections of the O/M Tax to be available for the Fiscal Year to pay the Expenses of the District as shown in the District Budget for the Fiscal Year.

Section 8.3. Prior to the effective date of this Agreement, the Developer deposited $50,000 into the Expenses Account. Amounts on deposit in the Expenses Account may only be spent for Expenses of the District. When such amount has been spent on Expenses of the District in excess of the amounts available from the O/M Tax, an accounting will be made to the Developer of all amounts incurred by the District to date, and upon written request by the District Chief Financial Officer, the Developer shall be liable and obligated to replenish the Expenses Account

to an amount equal to $25,000. (Amounts in the Expenses Account shall not be spent to maintain the Infrastructure.) The Developer's obligation to replenish the Expenses Account shall be assignable pursuant to Section 9.3 hereof. Such process shall be repeated until the Bonds have been repaid in full or provision for such payment made. Any amount in the Expenses Account remaining on such date shall be paid to the Developer.

IX.

MISCELLANEOUS

Section 9.1. None of the Municipality, the District or the Developer 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 9.2. (a) To provide evidence satisfactory to the District Chief Financial Officer 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 Bonds may be then or in the future be outstanding, the Disclosure Statement shall be produced by the Developer; provided, however, that the Disclosure Statement may be modified, upon prior approval of the Municipality, as necessary in the future to adequately describe the District and the Bonds and source of payment for debt service therefor as agreed by the District Chief Financial Officer and the Developer.

(b) The Developer shall or shall require each homebuilder to whom the Developer has sold land to:

(i) cause any retail purchaser of land to sign the Disclosure Statement upon entering into a contract for purchasing such land;

(ii) provide a copy of each fully executed Disclosure Statement to be filed with the District Clerk, with a copy to the District Chief Financial Officer; and

(iii) provide such information and documents, including audited financial statements (to the extent prepared) to any necessary repository or depository, but only to

the extent necessary for the underwriters of the Bonds to comply with Rule 15(c)2-12 of the Securities Exchange Act of 1934.

Section 9.3. 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 rights and obligations under the Agreement are attached to, and this Agreement shall run with the Property. None of the parties hereto shall be entitled to assign its rights and obligations hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Agreement, which consent shall not be unreasonably withheld. This Agreement shall not create conditions or exceptions to title or covenants running with any individual lots or tracts into which the Property is subdivided. Any title insurer can rely on this Section when issuing any commitment to insure title to any individual lot or tract or when issuing a title insurance policy for any individual lot or tract. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot or tract (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer or commercial purchaser by a recorded deed (or conveyance of a tract to a homeowner association or governmental authority). For this Section, "lot" shall be any lot upon which a home or commercial building has been completely constructed and approved to be occupied that is contained in a recorded subdivision plat that has been approved by the Municipality. If the Developer requests the same in writing, and if (i) at the time thereof, the Developer is not in default under this Agreement, (ii) the District and the Municipality, in their discretion reasonably exercised, determine that a proposed assignee is satisfactory, and (iii) the proposed assignee will agree to assumption of all the obligations of this Agreement on the assignor's part to be performed arising from and after the date of the assignment, including to provide substitute security for the Standby Contribution Agreements (assuming such agreements provide for such substitution), indemnification obligations and replenishment of Expenses Account in an amount and form not less than described herein, this Agreement shall be subject to such an amendment, permitting such assignment and assumption by such assignee and releasing assignor from any obligations arising

from and after the date of the assignment.

Section 9.4. 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 9.5. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party. 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.

Section 9.6. The Developer may not be dissolved without an amendment described in Section 9.5.

Section 9.7. This Agreement shall be governed by and interpreted in accordance with the laws of the State.

Section 9.8. 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 9.9. 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 and the same instrument.

Section 9.10. (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 while this Agreement is in effect, an employee or agent of the Developer in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement. The Developer 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 Developer 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 Developer 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 Developer to ensure that the Developer is complying with the foregoing. The Developer shall keep such papers and records open for random inspections during normal business hours by the Municipality or the District, as applicable. The Developer 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 its rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393, et seq., Arizona Revised Statutes, the Developer 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 determine that such certification is false or that the Developer 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 Developer 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 Developer without any current independent investigation or without any future independent investigation for the duration of this Agreement. If the Developer becomes aware during the duration of this Agreement that it is not in compliance with such certification, the Developer shall take such actions as provided by law, including providing the required notice to the Municipality and the District. If the Developer is not in compliance with the foregoing certification, the Developer shall take remedial action to comply with such certification.

Section 9.11. 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 Indemnity Termination Date.

Section 9.12. All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received when actually delivered to the offices below, or 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:

8401 West Monroe Street
Peoria, Arizona 85345
Attention: Manager

With a copy to:

8401 West Monroe Street
Peoria, Arizona 85345
Attention: City Attorney

If to the District:

8401 West Monroe Street
Peoria, Arizona 85345
Attention: District Chief Financial Officer

With a copy to:

8401 West Monroe Street
Peoria, Arizona 85345
Attention: District Counsel

If to the Developer:

Saddleback Peoria Partners, LLC
1111 West 11th Street
Austin, Texas 78703
Attention: Chief Financial Officer

With a copy to:

Ballard Spahr LLP
1 East Washington Street, Suite 2300
Phoenix, Arizona 85004-2555
Attention: Tyler Cobb

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 9.13. 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.

Section 9.14. 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 9.15. This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law.

Section 9.16. No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Developer shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Maricopa County, Arizona.

Section 9.17. 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 9.18. 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

commercially reasonable 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 9.19. 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 9.20. (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 City 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 City 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, the Developer acknowledges Section 48-709(G), Arizona Revised Statutes, pursuant to which a person does not have 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. Inasmuch as the issuance or sale of the Bonds of the District is considered a legislative act of the District or the Municipality, the Developer acknowledges that it will 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.

(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 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, 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 said thirty (30) day period and diligently proceeds to complete such performance or fulfill such obligation. 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. Failure or unreasonable delay by any party to perform or otherwise act in accordance with Article VII or Article VIII of any of the Other Saddleback CFD Development Agreements (after expiration of any applicable notice and cure periods thereunder) shall constitute a default under this Agreement. The Other Saddleback Districts are recognized as and shall be deemed to be third-party beneficiaries of this Section 9.20(b).

(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 its 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) (i) 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.

(ii) Within fifteen (15) 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 appoint one person to serve as a

member of the Panel. Such person shall function as the chair of the Panel.

(iii) The remedies available for award by the Panel shall be limited to specific performance, declaratory relief and injunctive relief.

(iv) 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 chair 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.

(v) The chair 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 chair 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 chair 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 chair of the Panel.

(vi) 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.

(vii) The Panel shall, within fifteen (15) days from the conclusion of any hearing, issue its decision. The decision shall be rendered in accordance with this Agreement and the laws of the State.

(viii) 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, if such appeal is made within thirty (30) days after the Panel issues its decision. The remedies available for award by the Court shall be limited to specific performance, declaratory relief and injunctive relief. 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.

(ix) 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 9.21. 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.

Section 9.22. The Developer hereby waives and fully releases any and all financial loss, injury, claims and causes of action that the Developer may have, now or in the future, for any "diminution in value" and for any "just compensation" under the Arizona Private Property Rights Protection Act relating to, arising out of, resulting from or alleged to have resulted from this Agreement. This waiver constitutes a complete release of any and all claims and causes of action under the Arizona Private Property Rights Protection Act that may arise out of this Agreement. By signing this Agreement, the Developer waives any right or claim that may arise under Section 12-1134, Arizona Revised Statutes, including any claim for the reduction in the value of the Property, as a result of this Agreement.

Section 9.23. At the request of the Developer, under conditions established and approved by the District Chief Financial Officer in his sole and absolute discretion, the District Board may, from time to time, take all such reasonable action necessary for the District to delete an area from, or add an area to, the District pursuant to Section 48-714, Arizona Revised Statutes; provided, however, that (i) no such action shall be taken by the District Board unless such deletion or addition will be approved by the owners of land in the District pursuant to Section 48-707(F), Arizona Revised Statutes, and (ii) the Developer shall be solely liable for the cost and expense of any actions under this Section.

* * *

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the officer of the Developer his signature, all as of the day and year first written above.

CITY OF PEORIA, ARIZONA

By.....
Jason Beck, Mayor

ATTEST:

.....
Agnes Goodwine, City 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.

.....
Emily Jurmu, City Attorney

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ..... day of ..... 2025, by Jason Beck, as Mayor of the City of Peoria, an Arizona municipality.

.....
Notary Public

My commission expires:

.....

SADDLEBACK COMMUNITY FACILITIES
DISTRICT NO. 3

By.....
Jason Beck, Chairman, Board of Directors

ATTEST:

.....
Agnes Goodwine, 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.

.....
Emily Jurmu, District Counsel

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ..... day of ..... 2025, by Jason Beck, as Chairman of the Board of Directors of Saddleback Community Facilities District No. 3, an Arizona community facilities district.

.....
Notary Public

My commission expires:

.....

SADDLEBACK PEORIA PARTNERS, LLC, a Delaware limited liability company

By: CH-B Investors IX, LLC, a Delaware limited liability company, Member

By: CH Castle Funding IX, LP, a Texas limited partnership, Managing Member

By: Castle Hill Partners Holdings, LP, a Texas limited partnership, General Partner

By:.....
Name: John McKinnerney
Title: Limited Partner

STATE OF .....)
) ss.
COUNTY OF .....)

The foregoing instrument was acknowledged before me this .... day of ..... 2025, by John McKinnerney, Limited Partner of Castle Hill Partners Holdings, LP, a Texas limited partnership, General Partner of CH Castle Funding IX, LP, a Texas limited partnership, Managing Member of CH-B Investors IX, LLC, a Delaware limited liability company, Member of Saddleback Peoria Partners, LLC, a Delaware limited liability company, on behalf of the company.

.....
Notary Public

My commission expires:

.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the District Development, Financing Participation and Intergovernmental Agreement (Saddleback Community Facilities District No. 3), dated as of June 1, 2025, executed by the City of Peoria, Arizona, a municipal corporation, Saddleback Community Facilities District No. 3, an Arizona community facilities district Saddleback Peoria Partners, LLC, a Delaware limited liability company (the "Notarized Document"). The Notarized Document contains a total of ..... pages.

ATTACHMENTS:

EXHIBIT A -- Legal Description Of The Property
EXHIBIT B -- Description of Infrastructure
EXHIBIT C -- Form Of Certificate Of Engineers For Conveyance Of Segment Of Project
EXHIBIT D -- Form Of Conveyance Of Segment Of Project
EXHIBIT E -- Form Of Disclosure Statement

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF THE NORTH HALF OF SECTION 8, TOWNSHIP 5 NORTH, RANGE 1 WEST, A PORTION OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 5 NORTH, RANGE 1 WEST, A PORTION OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 1 WEST, A PORTION OF THE NORTH HALF OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 1 WEST AND A PORTION OF THE SOUTH HALF OF SECTION 33, TOWNSHIP 6 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 5, BEING MARKED BY A GLO BRASS CAP, FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 5, BEING MARKED BY A GLO BRASS CAP, BEARS SOUTH 89 DEGREES 35 MINUTES 54 SECONDS EAST, 2638.19 FEET;

THENCE SOUTH 89 DEGREES 35 MINUTES 54 SECONDS, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5, SAID NORTH LINE ALSO BEING THE TOWNSHIP LINE BETWEEN TOWNSHIP 5 NORTH & 6 NORTH, 2638.19 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 5;

THENCE DEPARTING SAID NORTH LINE, SOUTH 89 DEGREES 34 MINUTES 35 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5 AND SAID TOWNSHIP LINE, 2640.22 FEET TO THE NORTHEAST CORNER OF SAID SECTION 5;

THENCE DEPARTING SAID NORTH LINE, SOUTH 89 DEGREES 37 MINUTES 11 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 4 AND SAID TOWNSHIP LINE, 500.45 FEET

THENCE DEPARTING SAID NORTH LINE AND SAID TOWNSHIP LINE, NORTH 28 DEGREES 10 MINUTES 40 SECONDS EAST, 449.43 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 765.00 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 15 DEGREES 55 MINUTES 27 SECONDS, AN ARC LENGTH OF 212.62 FEET;

THENCE NORTH 44 DEGREES 06 MINUTES 07 SECONDS EAST, 411.21 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 635.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 14 DEGREES 24 MINUTES 34 SECONDS, AN ARC LENGTH OF 159.70 FEET;

THENCE NORTH 29 DEGREES 41 MINUTES 33 SECONDS EAST, 231.03 FEET;

THENCE NORTH 30 DEGREES 13 MINUTES 22 SECONDS EAST, 130.03 FEET;

THENCE SOUTH 60 DEGREES 18 MINUTES 06 SECONDS EAST, 279.44 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1565.00 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 19 DEGREES 40 MINUTES 30 SECONDS, AN ARC LENGTH OF 537.41 FEET;

THENCE SOUTH 40 DEGREES 37 MINUTES 57 SECONDS EAST, 863.87 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1935.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 06 DEGREES 36 MINUTES 46 SECONDS, AN ARC LENGTH OF 223.33 FEET;

THENCE SOUTH 47 DEGREES 14 MINUTES 44 SECONDS EAST, 33.90 FEET TO A POINT ON THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 4 AND SAID TOWNSHIP LINE;

THENCE CONTINUING SOUTH 47 DEGREES 14 MINUTES 44 SECONDS EAST, 498.42 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1135.00 FEET;

THENCE ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 15 DEGREES 13 MINUTES 30 SECONDS, AN ARC LENGTH OF 301.60 FEET;

THENCE SOUTH 27 DEGREES 31 MINUTES 50 SECONDS WEST, 374.84 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, WHOSE CENTER BEARS NORTH 82 DEGREES 05 MINUTES 36 SECONDS WEST, 2674.66 FEET;

THENCE ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 06 DEGREES 28 MINUTES 29 SECONDS, AN ARC LENGTH OF 302.26 FEET;

THENCE SOUTH 53 DEGREES 00 MINUTES 08 SECONDS WEST, 335.72 FEET;

THENCE SOUTH 58 DEGREES 31 MINUTES 23 SECONDS WEST, 331.76 FEET;

THENCE SOUTH 00 DEGREES 01 MINUTES 54 SECONDS WEST, 1120.59 FEET;

THENCE NORTH 89 DEGREES 42 MINUTES 27 SECONDS WEST, 2634.83 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 5;

THENCE CONTINUING NORTH 89 DEGREES 42 MINUTES 27 SECONDS WEST, 1316.47

FEET;

THENCE SOUTH 00 DEGREES 07 MINUTES 17 SECONDS WEST, 2643.43 FEET TO THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 5;

THENCE NORTH 89 DEGREES 44 MINUTES 38 SECONDS WEST, ALONG SAID SOUTH LINE, 1312.97 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 5;

THENCE DEPARTING SAID SOUTH LINE, SOUTH 00 DEGREES 27 MINUTES 24 SECONDS WEST, 1319.43 FEET;

THENCE SOUTH 89 DEGREES 42 MINUTES 54 SECONDS EAST, 2631.57 FEET TO THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 8;

THENCE SOUTH 00 DEGREES 12 MINUTES 46 SECONDS WEST, ALONG SAID EAST LINE, 1320.76 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 8;

THENCE DEPARTING SAID EAST LINE, NORTH 89 DEGREES 41 MINUTES 30 SECONDS WEST, ALONG THE EAST-WEST MID-SECTION LINE OF SAID SECTION 8, 5274.38 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 8;

THENCE DEPARTING SAID EAST-WEST MID-SECTION LINE, NORTH 00 DEGREES 16 MINUTES 02 SECONDS EAST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 8, 2637.25 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 5;

THENCE DEPARTING SAID WEST LINE, NORTH 00 DEGREES 00 MINUTES 05 SECONDS WEST, ALONG THE WEST LINE OF THE SOUTHWEST CORNER OF SAID SECTION 5, 1830.34 FEET;

THENCE DEPARTING SAID WEST LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, 2638.65 FEET;

THENCE NORTH 00 DEGREES 16 MINUTES 46 SECONDS EAST, 839.84 FEET;

THENCE SOUTH 89 DEGREES 45 MINUTES 54 SECONDS EAST, 2634.55 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 5;

THENCE NORTH 00 DEGREES 15 MINUTES 44 SECONDS EAST, ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5, 2638.21 FEET TO SAID POINT OF BEGINNING;

SAID PARCEL CONTAINS 46,415,920 SQUARE FEET OR 1,065.5629 ACRES, MORE OR LESS.

EXHIBIT B

DESCRIPTION OF THE INFRASTRUCTURE

ROADWAY

1. Projects include design, permitting, and construction of Vistancia Boulevard Sections 1-5 (limits of which are generally shown on Exhibit B-1) including associated intersection improvements, related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

2. Projects include design, permitting, and construction of Vistancia Boulevard Offsite (limits of which are generally shown on Exhibit B-1), which is Joint Effort with Vistancia North, including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

3. Projects include design, permitting, and construction of offsite turn lane improvements at Lone Mountain Parkway and Vistancia Boulevard per the Municipality-approved Traffic Impact Analysis (locations of which are generally shown on Exhibit B-1), including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

4. Projects include design, permitting, and construction of Saddleback Mountain Way Sections 1-8 (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

5. Projects include design, permitting, and construction of Roads C1 and C2 (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

6. Projects include design, permitting, and construction of Galvin Street (Arterial E) (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

7. Projects include design, permitting, and construction of Road F (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

8. Projects include design, permitting, and construction of Road H (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks,

pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

9. Projects include design, permitting, and construction of Road I (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

10. Projects include design, permitting, and construction of Road J (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

11. Projects include design, permitting, and construction of Road K (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

12. Projects include design, permitting, and construction of Reems Road (Road L) (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

13. Projects include design, permitting, and construction of Road M (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

14. Projects include design, permitting, and construction of Road N (limits of which are generally shown on Exhibit B-1) including related earthwork, sewer, water, concrete, sidewalks, pavement, storm drain, bridge improvements, lighting, signage, dry utilities, and landscaping and irrigation improvements as required by the Municipality.

UTILITY

15. Water Zone 7/8/9 Reservoir and Pump Station (Joint Effort with Vistancia) - Project to design and construct water storage for City pressure zone 7, as well as, booster pump stations and hydropneumatic tanks for pressure zones 8 and 9 (as generally depicted on Exhibit B-2), including the tanks, related building and shading structures, mechanical equipment, electrical equipment, generators, site improvements, concrete, sidewalks, pavement, earthwork, subgrade improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

16. Water Zone 8/9/10 Reservoir and Pump Station - Project to design and construct water storage for City pressure zone 8, as well as, booster pump stations for pressure zones 9 and 10 including the tanks, related building and shading structures, mechanical equipment, electrical equipment, generators, site improvements, concrete, sidewalks, pavement, earthwork, subgrade

improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

17. Water Zone 9/10 Reservoir and Pump Station - Project to design and construct water storage for City pressure zone 9, as well as, booster pump stations for pressure zone 10 including the tanks, related building and shading structures, mechanical equipment, electrical equipment, generators, site improvements, concrete, sidewalks, pavement, earthwork, subgrade improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

18. Water Zone 10 Reservoir and Pump Station - Project to design and construct water storage for City pressure zone 10, as well as, booster pump for pressure zones 10 including the tanks, related building and shading structures, mechanical equipment, electrical equipment, generators, site improvements, concrete, sidewalks, pavement, earthwork, subgrade improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

19. Projects include design, permitting, and construction of the Lone Mountain Water Transmission Line Extension and associated, including earthwork, piping, site improvements, paving, concrete, and landscaping and irrigation as required by the Municipality.

20. Projects include design, permitting, and construction of the Westland Zone 7W Booster Pump Station Expansion , including related building and shading structures, mechanical equipment, electrical equipment, generators, site improvements, piping, concrete, sidewalks, pavement, earthwork, subgrade improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

21. Projects include design, permitting, and construction of Water In-line Pressure Zone PRVs (between pressure boundaries Zone 8W Tank and 9W Pump Station Site and between Zone 9W Tank and 10W West Pump Station Site).

22. Projects include design, permitting, and construction of Lift Stations to serve the community including related mechanical components, gravity sanitary sewer line piping, force main piping, electrical equipment and conduit, site improvements, concrete, sidewalks, pavement, earthwork, subgrade improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

23. Projects include design, permitting, and construction of offsite improvements for the Lift Station LSI-1 expansion and associated wastewater conveyance infrastructure (the locations of which are generally shown on Exhibit B-3) including related mechanical components, piping, electrical equipment and conduit, site improvements, concrete, sidewalks, pavement, earthwork, subgrade improvements, retaining walls, screening, fencing, and landscaping and irrigation as required by the Municipality.

24. Projects include design, permitting, and construction of offsite wastewater conveyance infrastructure upsizing (of which the limits are to be determined through additional coordination with the Municipality) including related mechanical components, earthwork, piping, site improvements, and landscaping and irrigation as required by the Municipality.

EXHIBIT C

FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

CERTIFICATE OF ENGINEER FOR
CONVEYANCE OF SEGMENT OF PROJECT

(insert description of Acquisition Project/Segment)

STATE OF ARIZONA	)
COUNTY OF MARICOPA	)
CITY OF PEORIA	) ss.
SADDLEBACK COMMUNITY	)
FACILITIES DISTRICT NO. 3	)

We the undersigned, being Professional Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for Saddleback Community Facilities District No. 3 (hereinafter referred to as the "District"), and the engineer employed by Saddleback Peoria Partners, LLC (hereinafter referred to as the "Seller"), each hereby certify for purposes of the District Development, Financing Participation and Intergovernmental Agreement (Saddleback Community Facilities District No. 3), dated as of June 1, 2025 (hereinafter referred to as the "Agreement"), by and among the District, the City of Peoria, Arizona and Saddleback Peoria Partners, LLC that:

[For _____ *Projects]*

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 Seller provided for compliance with the requirements for public bidding 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 Project Construction Contract for such Segment.

4. The Seller filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.

5. The Seller obtained good and sufficient performance and payment bonds in

connection with such Contract.

[For *Joint Projects]*

1. The Segment Price (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) as publicly bid and including the cost of approved change orders for the Segment indicated above is $.....

2. The requirements for public bidding 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) were complied with for such Segment.

3. All construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment have been filed with the Municipality.

4. Good and sufficient performance and payment bonds were obtained in connection with the construction contract for such Segment.

DATED AND SEALED THIS ..... DAY OF ....., 20...

By.....
District Engineer

[P.E. SEAL]

[P.E. SEAL]

By.....
Seller Engineer

[Confirmed for purposes of Section 3.5
of the Development Agreement by

.....
Manager for the District*]

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* To be inserted if the provisions of Section 3.2 hereof are applicable to the respective Segment of the Acquisition 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 MARICOPA	)
CITY OF PEORIA	)ss.
SADDLEBACK COMMUNITY	)
FACILITIES DISTRICT NO. 3	)

KNOW ALL MEN BY THESE PRESENTS THAT:

..... ("....."), for good and valuable consideration received by from Saddleback Community Facilities District No. 3, a community facilities district formed by the City of Peoria, 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 (Saddleback Community Facilities District No. 3), dated as of June 1, 2025, by and among the Municipality, the District and Saddleback Peoria Partners, 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,

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* Insert with respect to any acquisition financed pursuant to Section 4.1(a) hereof.

** Delete with respect to Joint Projects.

easements, restrictions, conditions, or encumbrances 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 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

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* Insert with respect to any acquisition financed pursuant to Section 4.l(a) hereof.

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 ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on ...., 20... by ....., of ....., an Arizona corporation, on behalf of said corporation.

.....
Notary Public

.....
Typed/Printed Name of Notary

[NOTARY SEAL] My Commission Expires:.....

EXHIBIT I

TO

CONVEYANCE OF SEGMENT OF ACQUISITION PROJECT

(Insert description of Acquisition Project/Segment)

EXHIBIT E

SADDLEBACK COMMUNITY FACILITIES DISTRICT NO. 3 (CFD)
FORM OF DISCLOSURE PAMPHLET

IMPORTANT - READ CAREFULLY

Buyer(s):

_____

Lot: _____ Parcel _____
Date of Sale: _____

Homebuilder: _____

DISCLOSURE STATEMENT

Saddleback Peoria Partners, LLC (the "Developer"), in conjunction with the City of Peoria, Arizona (the "City"), has established a community facilities district ("CFD") in the development known as Saddleback. The CFD has financed and, in the future, will finance certain public infrastructure improvements, which will result in a property tax being levied on each property owner as a result of their property being within the boundaries of 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 community facilities districts for the primary purpose of financing the acquisition, construction, installation, operation and/or maintenance of public infrastructure improvements, including water and sewer improvements.

General CFD Provisions

The home you are purchasing is within the Saddleback Community Facilities District No. 3 (the "CFD"). The CFD was formed by the Peoria City Council on June 3, 2025. An election was held on September 9, 2025, to form the CFD and authorize $70,000,000 of unlimited, ad valorem property tax supported general obligation bonds to finance the acquisition and construction of certain public infrastructure benefiting homeowners within the CFD development. The CFD issues general obligation bonds to raise funds to pay for acquisition and construction of these improvements. The operation and maintenance expenses are also paid from an ad valorem property tax levied against all property located within the CFD.

Ad Valorem Taxes of the CFD

General obligation bonds and the CFD's operation and maintenance expenses are paid from ad valorem property taxes levied against all taxable property within the CFD. Currently, it is estimated that the total tax rate will not exceed $2.65 per $100.00 of limited assessed valuation (inclusive of the O/M Tax) is added to the homeowner's property tax rate; however, such adjustment to the tax rate could vary depending upon factors including the amount financed with general obligation bonds, the terms of financing, and the assessed valuation (i.e., for tax purposes) of property within the CFD. Payment of general obligation bond payments and expenses are included as part of your regular Maricopa County property tax statement and are in addition to taxes levied by Maricopa County, the City and other political subdivisions.

Benefits to Homeowners

The bonds issued by the CFD will benefit all property owners and other residents within the CFD by providing such infrastructure. This benefit was taken into account by the Developer in connection with establishing the price of the lot on which your home is located. Each property owner in the CFD will participate in the repayment of the bonds in the form of a property tax in addition to the current property taxes assessed by other governmental entities. This added tax is currently deductible for purpose of calculating federal and state income taxes. However, the homeowner should consult your tax accountant for changes to tax laws.

Homeowners' Tax Liability

The obligation to pay off the bonds will become the responsibility of any property owner in the CFD through the payment of property taxes collected by the Maricopa County Treasurer in addition to all other property tax payments. Beginning in fiscal year 20...-....., the CFD will levy or has levied a property tax rate not to exceed $2.65 per $100 of limited assessed valuation tax rate to provide for repayment of the bonds, which amount includes up to $0.30 per $100 of limited assessed valuation levied in the future for the payment of certain administrative expenses associated therewith and for the expenses of the CFD.

Although the tax rate is not limited by law, the total tax rate of the CFD is not expected to exceed $2.65 per $100 of limited assessed valuation (inclusive of the O/M Tax) for as long as the bonds are outstanding. The tax rate will be maintained initially at the rate of $2.65 per $100 of limited assessed valuation (inclusive of the O/M Tax) by means of agreements with the Developer which require the Developer to provide for the difference above such $2.65 tax rate per $100 of limited assessed valuation (inclusive of the O/M Tax). (There can be no guarantee that the Developer will be able to make such payments in the future and, if it cannot, tax rates will be increased to whatever rate is required to provide for such repayment.) As growth of the tax base occurs within the CFD, it is anticipated that such payments from the Developer will no longer be necessary if debt service is covered by the debt service portion of such $2.65 per $100 of limited assessed valuation (inclusive of the O/M Tax) tax rate at which time the CFD Board may release the Developer from such obligations.

Initial Financing's Cost to Homeowner

Based on the Developer's proposed financing plan of the CFD, the following is an illustration of the estimated annual CFD taxes for the repayment of CFD general obligation bonds and the maintenance and operation expenses.

	(A)	(B)	(A) + (B)
Estimated Home Price[1]	Estimated annual Bond Related Tax Liability[2]	Estimated Annual O&M Tax Liability[3]	Estimated Total Annual CFD Tax Payments[4]
$250,000	$321.36	$41.03	$362.39
$350,000	$449.91	$57.44	$507.34
$450,000	$578.45	$73.85	$652.30
$550,000	$707.00	$90.26	$797.25
$650,000	$835.54	$106.67	$942.21

Homeowner's Acknowledgments

By signing this disclosure statement, you as a contract purchaser of a lot located within the CFD (i) acknowledge receipt of this Disclosure; (ii) agree that you have been granted an opportunity to review the material contained in this Disclosure.

Your signature below acknowledges that you have received, read and understood this document at the time you have signed our purchase contract and agree to its terms.

_____ _____

[1] Estimated home price is not the same as full cash value as reported by the County Assessor, which is typically 85% of market value.

[2] Represents the repayment of CFD general obligation bond indebtedness based upon a $2.65 per $100 of limited assessed valuation ad valorem property tax rate (inclusive of the O/M Tax). Assumes limited assessed valuation based on 55% of market value and 10% residential property assessment ratio. Tax amount is computed by multiplying limited assessed valuation by the tax rate per $100 of assessed valuation

[3] Based upon CFD expenses, at a tax rate not to exceed $0.30 per $100 of limited assessed valuation.

[4] All of the taxes described above are in addition to any taxes, fees and charges imposed by Maricopa County or other political subdivisions and are in addition to any assessments of fees imposed by any homeowner's association.

Purchaser Name

_____

[address]

Purchaser Name

_____

[address]

Date:_____, 20__