



BOARD OF SUPERVISORS AGENDA ITEM REPORT
AWARDS / CONTRACTS / GRANTS

Award Contract Grant

Requested Board Meeting Date: 04/01/2025

* = Mandatory, information must be provided

or Procurement Director Award:

***Contractor/Vendor Name/Grantor (DBA):**

SunChase Estrella Limited Partnership, a Delaware limited Partnership

***Project Title/Description:**

Acquisition Agreement

***Purpose:**

Pima County will acquire the Desert Springs Subdivision also known as Kelly Ranch ("Property") from SunChase Estrella Limited Partnership ("SunChase"), located on the east side of Oracle Road at the Tangerine alignment and abutting Catalina State Park on three sides, in Section 32, Township 11S, Range 14E. The combined area of the five lots and common area that make up the Property is approximately 108.8 acres and includes two wells, a single family residence, garage, horse stable building and corrals. (RPS file Acq-1237)

***Procurement Method:**

Exempt pursuant to Pima County Code 11.04.020

***Program Goals/Predicted Outcomes:**

Pima County will acquire the Property totaling approximately 108.8 acres of land for conservation purposes. The Property will be managed by Conservation Land Resources (CLR). Arizona State Parks has expressed interest in entering into a cooperative management agreement for the Property while pursuing the process to formally add it to Catalina State Park. This Property is a priority for acquisition as part of the Sonoran Desert Conservation Plan and will further the County's Conservation Land System landscape-level conservation goals, as well as flood prone land acquisition goals.

***Public Benefit:**

The Property is adjacent to Catalina State Park and the acquisition will preserve wildlife habitat and known Hohokam archeological sites, and provide future recreational opportunities.

***Metrics Available to Measure Performance:**

Pima County will acquire the 108.8 acres of land and improvements for the appraised amount of \$6,000,000 plus \$15,000 for closing costs. The \$6,000,000 will be paid by an initial \$2,000,000 downpayment followed by two \$2,000,000 annual installments at a 4% interest rate. The maximum amount to be paid by Pima County will be \$6,255,000 which includes the contract amount of \$6,000,000, up to \$15,000 in closing costs and up to \$240,000 in interest payments if the note goes the full term of 2 years after close of escrow. Pima County will have the option to prepay the remaining balance of the note at anytime without penalty.

***Retroactive:**

No

Attached: Location Map

To: COB, 3-18-25(1)
Vers: 0
Pgs: 37

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THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (*) fields

Contract / Award Information

Document Type: PO Department Code: RPS Contract Number (i.e., 15-123): PO2500007703
Commencement Date: 4/1/2025 Termination Date: 4/30/2027 Prior Contract Number (Synergen/CMS):
Expense Amount \$ 6,255,000 * Revenue Amount: \$

*Funding Source(s) required: CLR-Capital Projects/Conservation Land Acquisition

Funding from General Fund? Yes No If Yes \$ %

Contract is fully or partially funded with Federal Funds? Yes No

If Yes, is the Contract to a vendor or subrecipient?

Were insurance or indemnity clauses modified? Yes No
If Yes, attach Risk's approval.

Vendor is using a Social Security Number? Yes No
If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: Department Code: Contract Number (i.e., 15-123):
Amendment No.: AMS Version No.:
Commencement Date: New Termination Date:
Prior Contract No. (Synergen/CMS):

Expense Revenue Increase Decrease

Is there revenue included? Yes No If Yes \$ Amount This Amendment: \$

*Funding Source(s) required:

Funding from General Fund? Yes No If Yes \$ %

Grant/Amendment Information (for grants acceptance and awards)

Award Amendment

Document Type: Department Code: Grant Number (i.e., 15-123):
Commencement Date: Termination Date: Amendment Number:
Match Amount: \$ Revenue Amount: \$

*All Funding Source(s) required:

*Match funding from General Fund? Yes No If Yes \$ %

*Match funding from other sources? Yes No If Yes \$ %

*Funding Source:

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?

Contact: Jim Rossi

Department: Real Property Services

Telephone: 724-6318

Department Director Signature:

Date: 3/13/2025

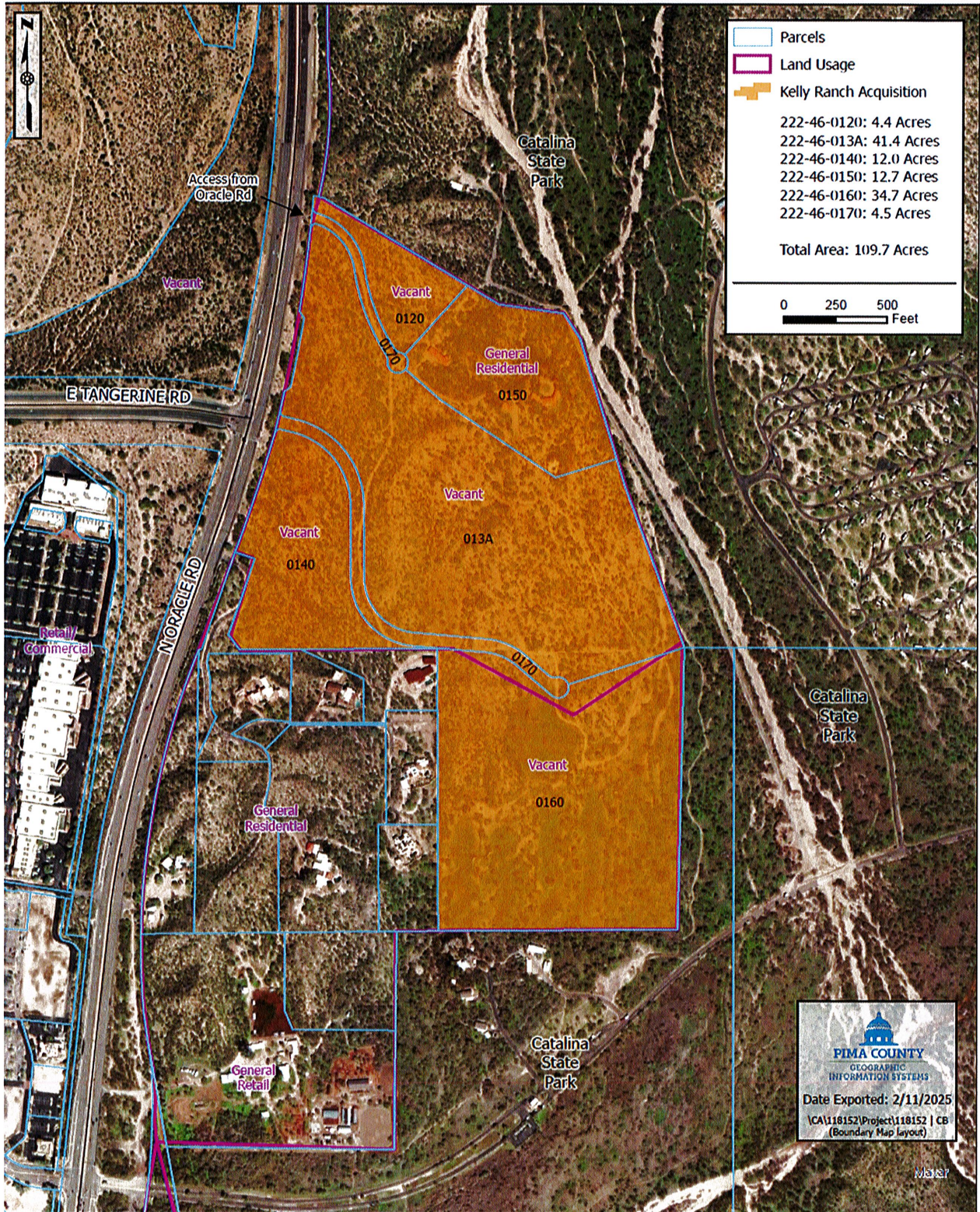
Deputy County Administrator Signature:

Date: 3/14/2025

County Administrator Signature:

Date: 3/14/2025

Kelly Ranch Acquisition





ACQUISITION AGREEMENT

1. **Defined Terms.** The following terms will be used as defined terms in this Acquisition Agreement and have the meaning set forth below ("**Agreement**"):

- 1.1. Seller: SunChase Estrella Limited Partnership, a Delaware limited partnership
- 1.2. Buyer: Pima County, a political subdivision of the State of Arizona
- 1.3. Purchase Price: the sum of \$6,000,000.00, to be paid per Section 7.2 herein.
- 1.4. Buyer's Maximum Costs: the sum of (i) Buyer's share of Closing Costs, and (ii) Buyer's share of Prorations, which combined shall not exceed \$ 15,000.00.
- 1.5. Title Company: First American Title, Attn: Ida Lopez, 1840 E River Rd, Suite #200 Tucson, Az. 85718.
- 1.6. Effective Date: The date Seller and Buyer have approved and accepted this Agreement by affixing their signatures. The date Buyer executes this Agreement is the date this Agreement is signed by the Chair of the Pima County Board of Supervisors "BOS"). This Agreement shall not be effective, until it is approved and signed by the BOS and the Seller which shall not be later than April 9, 2025.
- 1.7. Fee Property: The real property described in **Exhibit A** and depicted in **Exhibit A-1**, together with all improvements thereon and all water rights associated with the Fee Property, if any.

1.8. Exceptions to Title: **Exhibit B** lists all Reported Exceptions to Title. Items 8, and 9, shall be removed from the title exceptions prior to Closing with the remaining listed exceptions being "**Approved Exceptions**".

1.9. Seller's Address: SunChase Estrella Limited Partnership Attn: Sunchase Holdings, 5665 N Scottsdale Rd., Ste 135, Scottsdale, AZ 85250-5912

1.10. Buyer's Address: Director, Pima County Real Property Services, 201 N Stone Ave, 6th Flr, Tucson, AZ 85701-1207; E-mail: jeffrey.teplitsky@pima.gov

2. **Parties; Effective Date.** Subject to Section 1.6, this Agreement is entered into between Seller and Buyer and shall be effective on the Effective Date. Seller and Buyer are collectively referred to herein as the "**Parties**," and individually as a "**Party**."

3. **Purchase of Fee Property.** Buyer agrees to acquire from Seller, and Seller agrees to convey to Buyer, in consideration of the Purchase Price, the following real property interests: Seller's fee interest in the Fee Property.

4. **Seller's Representations and Warranties**

4.1. Leases. Seller warrants that, as of the Closing, there are no oral or written leases on all or any portion of the Fee Property.

4.2. Wells and Water Rights. Seller discloses without warranty that Seller is not aware of wells on, or water rights associated with, the Fee Property, except as specifically identified on **Exhibit C** attached.

Seller agrees to assign and transfer to Buyer, without representation or warranty, effective upon Closing, Seller's interest, if any, in any and all wells or water rights certificated or claimed appurtenant to the Fee Property. Seller shall execute all documents reasonably necessary to effectuate such transfer. Following the Closing, Buyer shall make all filings and take all such other actions necessary to maintain all well and water rights until full payment and satisfaction of the promissory note identified in Section 7.2.2.

4.3. Underground Improvements. Seller discloses without warranty that Seller is not aware of any septic tanks, septic or leach fields, alternative waste disposal systems, private irrigation lines, and/or other underground improvements on the Fee Property, except as specifically identified on **Exhibit D** attached.

5. **Closing Costs and Prorations.**

5.1. Closing Costs. The closing costs ("**Closing Costs**") will be paid as follows:

5.1.1. All escrow fees shall be equally divided between Seller and Buyer. Recording fees shall be paid by Buyer.

5.1.2. Seller will pay for a Standard Owner's Title Insurance Policy for the Fee Property, in the amount of the Purchase Price. In the event Buyer desires an Extended Owners Title Policy, or any specific endorsements to the Standard Owner's Title Insurance Policy, Seller will pay that portion of the premium allocable to a Standard Owner's Title Insurance Policy, and Buyer will pay that portion of the premium allocable to the additional coverage.

5.1.3. Seller will pay for any necessary releases and/or the cost to remove any monetary liens and encumbrances on title to the Fee Property.

5.1.4. Buyer will pay other reasonable fees or costs related to the Closing.

5.2. Prorations. Property taxes, rents, and annual payment of assessments with interest, if any (collectively "**Prorations**") will be prorated as of the date of Closing.

5.3. Buyer's Total Costs. Buyer's total costs at Closing shall not exceed Buyer's Maximum Cost, provided, however, that Buyer may unilaterally increase Buyer's Maximum Cost by written notice from Buyer to Seller prior to Closing.

6. **Escrow and Title.**

6.1. Escrow. Title Company will act as escrow agent. This Agreement will constitute escrow instructions in connection with the escrow established with Title Company under this Agreement (the "**Escrow**"). Title Company will make reasonably suitable arrangements with either Party, upon that Party's request, to have the Party execute any of the documents to be executed by that Party as provided in this Agreement at the office of Title Company that is most convenient for Buyer.

6.2. Title Commitment. As of the Effective Date, Escrow Agent has distributed to the Parties a Commitment for Standard Owner's Title Insurance dated January 15, 2025 (the "**Commitment**") with respect to the Fee Property together with complete and legible copies of all documents that will remain as exceptions to Buyer's policy of title insurance.

6.3. Amended Commitment. In the event Title Company should issue an Amended Commitment for Title Insurance which discloses an exception(s) not previously disclosed, Buyer shall have 5 days after the receipt of the Amended Commitment and the new Exceptions (the "**Disapproval Period**") within which to notify Seller and the Escrow Agent in writing of Buyer's disapproval of any new exceptions shown thereon (the "**Disapproval Notice**"). In the event of such disapproval, Seller shall have 5 days from receipt of the Disapproval Notice in which to notify Buyer in writing whether Seller intends to eliminate each of the disapproved Exceptions prior to the Closing (the "**Notice Period**"). If Seller fails to notify Buyer of its intent with respect to the disapproved items within that time or if Seller elects not to cure all disapproved items, by written notice to Seller within 3 days of the end of the Notice Period, Buyer may terminate this Agreement, and the Escrow will be canceled. If the Amended Commitment is issued less than 5 days prior to the date of the Closing, then the date of the Closing is extended until the end of the Disapproval Period and the Notice Period, if applicable.

6.4. Title Policy is Condition to Closing. Buyer's obligation to Close is contingent upon Title Company being prepared to issue a Standard Owner's Title Insurance Policy for the Fee Property in the amount of the Purchase Price, subject only to the Approved Exceptions identified on the Commitment (or as approved by failure to timely cancel following an Amended Commitment, if applicable) and the standard printed exceptions in the policy; provided, however, notwithstanding the approval of the exceptions by Buyer, prior to Closing all monetary liens and encumbrances on the Fee Property will be removed, unless this Agreement expressly provides for the prorating of any such lien or encumbrance.

6.5. Seller's Title Obligation. Seller is hereby obligated to provide Buyer title subject only to such items as disclosed on the Commitment. Seller shall cause all monetary liens and encumbrances on the Fee Property to be removed prior to Closing.

7. **Closing.**

7.1. Closing Date. The Closing of the sale of the Fee Property to Buyer (the "**Closing**") will take place at the office of Title Company on or before April 30, 2025. Unless Closing is extended in writing by the Parties, failure to close by Closing Date shall terminate Seller's obligation to convey the Fee Property; provided, however, Buyer shall remain liable for damage, if any, caused to the Fee Property by any entry on or disturbance of the Fee Property.

7.2. Deliveries by Buyer at Closing. At Closing, Buyer shall deliver to Seller through Escrow the following:

7.2.1. An initial \$2,000,000.00 cash or wire payment;

7.2.2. A Non-Recourse Promissory Note for the principal amount of \$4,000,000.00, duly executed by Buyer, substantially in the form attached as **Exhibit F**. Notwithstanding anything in this Agreement to the contrary, County may elect to pay the entire Purchase Price at Closing or may pay the total amount due under the Promissory Note and Deed of Trust at any time without prepayment premium or penalty;

7.2.3. A non-recourse form of Deed of Trust, Security Agreement and Assignment of Rents, duly executed and acknowledged by Buyer, and in recordable form, securing payment of the Non-Recourse Promissory Note with the Fee Property, substantially in the form attached as **Exhibit G**;

7.2.4. Such additional documents as Seller or additional documents or funds as Escrow Agent may reasonably require to effectuate the purchase.

7.3. Deliveries by Seller at Closing. At Closing, Seller shall deliver to Buyer through Escrow the following:

7.3.1. An executed Special Warranty Deed, duly executed and acknowledged by Seller, and in recordable form, substantially in the form attached as **Exhibit E**, conveying fee simple title to the Fee Property;

7.3.2. One or more assignments of all the water rights and well registrations in which Seller may have an interest and appurtenant to the Property, if any, and Grandfathered Type 2 water rights, if any; and

7.3.3. Such additional documents as Buyer or Escrow Agent may reasonably require to effectuate the Purchase.

7.4. Delivery of Possession. Seller shall deliver possession of the Fee Property to Buyer at Closing.

8. **Seller's Covenants.**

8.1. No Personal Property. No personal property is being transferred pursuant to this Agreement. Seller represents that as of Closing there will be no personal property located on the Fee Property. Notwithstanding the foregoing, any personal property remaining on the Fee Property after Closing shall be deemed abandoned by Seller and Buyer may retain or dispose of same in its discretion.

8.2. No Salvage. Seller shall not salvage or remove any fixtures, improvements, or vegetation from the Fee Property, but this does not prohibit Seller from removing personal property prior to the Closing. In addition, prior to Closing, the Fee Property will not be materially degraded or otherwise materially changed in any aspect by Seller.

8.3. Risk of Loss for Damage to Improvements. Seller bears the risk of loss or damage to the Fee Property prior to Closing. After Closing, the risk of loss or damage to the Fee Property rests with Buyer.

8.4. RESERVED.

8.5. Use of Fee Property by Seller. Seller shall, prior to the Closing, use the Fee Property on a basis substantially comparable to Seller's historical use thereof. Seller shall maintain the Fee Property in substantially the same condition as it is presently in, ordinary wear and tear excepted, and without liens or encumbrances that Seller will be able to cause to be released before the Closing.

8.6. No Encumbrances. Seller shall not encumber the Fee Property with any lien that Seller will be unable to cause to be released at or before Closing, and Seller shall not be entitled to sell or exchange all or any portion of the Fee Property before Closing without the prior written approval of Buyer; provided, however, that any such sale will be conditioned upon a written assumption by Buyer thereof of the obligations of Seller under this Agreement, and there will be no novation of Seller with respect to its obligations under this Agreement. From and after the Effective Date through the Closing, Seller will not enter into, execute or record any covenant, deed restriction, or any other encumbrance against the Fee Property. The recording of any such covenant, deed restriction, or other encumbrance, is a material breach of this Agreement and entitles Buyer to terminate this Agreement.

8.7. Reports. Buyer has access to any public documents regarding the Fee Property, including entitlement documents, zoning, subdivision maps and conditions thereto, etc., whether on file with Pima County or any other governmental agency. Seller has provided to Buyer: (1) SWCA Environmental Consultants 06/29/2012 document entitled Regarding Desert Springs Parcel Evaluation Pima County, SWCA Project #23005 and (2) SWCA Environmental Consultants April 2012 document entitled Archaeological Investigation of Desert Springs Parcel Pima County, SWCA Project #23005.

9. **Environmental.**

9.1. Environmental Representations. Buyer has made such environmental examination of the Fee Property as it desires, including without limitation obtaining a Phase I Environmental Assessment, and Buyer accepts the Fee Property in its "as is" condition. Buyer and Seller agree that neither party is assuming any obligation of the other party relating to any potential liability, if any, arising from the environmental condition of the Fee Property, each party remaining responsible for its obligations as set forth by law.

9.2. Environmental Inspection Rights. From and after the Effective Date, Seller shall permit Buyer to conduct such inspections of the Fee Property as the Buyer deems necessary to determine the environmental condition of the Fee Property. If any environmental inspection recommends further testing or inspection which cannot be completed prior to April 30, 2025, the Parties hereby agree that Buyer may terminate this Agreement in its sole discretion. Buyer will provide Seller a copy of all environmental reports conducted by Buyer.

10. **Broker's Commission.** Buyer owes no brokerage or finders fees related to this Agreement. Seller has sole responsibility to pay all brokerage or finders fees to its contracted agent set forth in this Section 10. Seller has been represented by Will White and John Carroll, Land Advisors Organization ("Seller's Broker") with respect to this transaction. Seller will compensate Seller's Broker for this transaction pursuant to the terms of the agreement between Seller and Seller's Broker Each Party hereby indemnifies and agrees to hold the other Party harmless from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) resulting to the other Party by reason of a breach of the representation and warranty made by such party in this Section 10.

11. **Default, Remedies, and Conditions Precedent.** In the event either Party defaults under this Agreement, the other Party shall be entitled to pursue all rights and remedies available at law or in equity, including specific performance. To the extent a Party seeks damages, the recovery is limited to actual damages (including any losses or penalties suffered by Buyer as a result of any violation of federal arbitration violations caused by a wrongful failure of Seller to perform). Neither Party is entitled to exemplary, punitive, special, indirect or consequential damages.

12. **Exhibits.** The following Exhibits are fully incorporated herein as if set forth at length. To the extent that any Exhibits to this Agreement are not available at the execution thereof, they will be added by the Parties prior to Closing and will be in form and substance reasonably satisfactory to the Parties.

<u>Exhibit A</u>	Description of Fee Property
<u>Exhibit A-1</u>	Depiction Showing Fee Property
<u>Exhibit B</u>	Reported Exceptions to Title
<u>Exhibit C</u>	Seller Disclosure of Water Rights
<u>Exhibit D</u>	Seller Disclosure of Underground Improvements
<u>Exhibit E</u>	Special Warranty Deed
<u>Exhibit F</u>	Non-Recourse Promissory Note
<u>Exhibit G</u>	Non-Recourse Deed of Trust

13. **Miscellaneous Provisions.** The following miscellaneous provisions apply to this Agreement:

13.1. Notices.

13.1.1. *Writing.* All notices required or permitted to be given hereunder must be in writing and mailed by first class, registered, certified or overnight mail, return receipt requested, postage prepaid, or transmitted by electronic mail, facsimile, or hand delivered, addressed to Seller's address or Buyer's address.

13.1.2. *Receipt.* If mailed, all such notices, demands, requests, or other communications are deemed received upon the expiration of 7) hours after deposit in the U.S. mail as aforesaid. Notice served personally or by electronic mail or facsimile is deemed served upon delivery thereof to the addressee. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given is deemed to be receipt of the notice, demand or request sent. Any party entitled to notices hereunder may from time to time designate to the other parties, in writing and given in accordance with this Section, a different address for service of notice.

13.2. Governing Law. This Agreement is subject to, and interpreted by and in accordance with, the laws of the State of Arizona. Any action to be brought under this Agreement must be filed and maintained in a court in Pima County, Arizona.

13.3. Entire Agreement. This Agreement is the entire Agreement of the Parties respecting the subject matter hereof. There are no other agreements, representations or warranties, whether oral or written, respecting the subject matter hereof.

13.4. Interpretation. This Agreement, and all the provisions of this Agreement, is deemed drafted by all of the Parties. This Agreement will not be interpreted strictly for or against any Party, but solely in accordance with the fair meaning of the provisions hereof to effectuate the purposes and intent of this Agreement.

13.5. No Representations. Each Party has entered into this Agreement based solely upon the agreements, representations and warranties expressly set forth herein and upon that Party's own knowledge and investigation. Neither Party has relied upon any representation or warranty of any other Party except any such representations or warranties as are expressly set forth herein.

13.6. Signing Authority. Each of the persons signing below on behalf of a Party represents and warrants that the signer has full requisite power and authority to execute and deliver this Agreement on behalf of the Party for whom the signer signs and to bind such Party to the terms and conditions of this Agreement.

13.7. Counterparts. This Agreement may be executed in counterparts, each of which is effective as an original. This Agreement becomes effective only when all of the Parties have executed the original or counterpart hereof. This Agreement may be executed and delivered by a facsimile transmission or email of a counterpart signature page hereof.

13.8. Attorney's Fees and Costs. In any action brought by a Party to enforce the obligations of any other Party, the prevailing Party is entitled to collect from the opposing Party to such action such Party's reasonable litigation costs and attorney's fees and expenses, including court costs, reasonable fees of accountants and experts, and other expenses incidental to the litigation in addition to all other relief, all of which will be set by a judge and not by a jury, to which the prevailing Party may be entitled.

13.9. Binding Affect. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and permitted assigns.

13.10. No Third-Party Beneficiaries. This is not a third-party beneficiary contract. No person or entity other than a Party signing this Agreement has any rights under this Agreement.

13.11. Amendment. This Agreement may be amended or modified only in a writing signed by the Parties, which specifically references this Agreement.

13.12. No Partnership. Nothing in this Agreement creates a partnership or joint venture or authorizes any Party to act as agent for or representative of any other Party.

13.13. No Waiver. The failure of a Party to require full or timely performance of any obligation arising under this Agreement (whether on a single occasion or on multiple occasions) is not a waiver of any such obligation. No such failure gives rise to any claim of estoppel, laches, course of dealing, amendment of this Agreement by course of dealing, or other defense of any nature to any obligation arising hereunder.

13.14. Time of the Essence. Time is of the essence with respect to each obligation arising under this Agreement.

13.15. Conflict of Interest. This Agreement is subject to cancellation within 3 years after its execution pursuant to [A.R.S. § 38-511](#) if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of Buyer is, at any time while this Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement with respect to the subject matter of the Agreement.

13.16. Title Transfer. Title to the property is currently held in Title Security Agency, LLC, a Delaware limited liability company, as Trustee under Trust No. 201609-S (the "Trust") FBO of the Seller as disclosed by that Special Warranty Deed recorded in the office of the Pima County Recorder at Seq. No. 20161330552. Buyer will cause a sufficient Release of Assurance, releasing Seller and Trust from all obligations of the Assurance Agreement, to be executed on behalf of Pima County to release the Fee Property from the conditions of the Assurance Agreement, recorded consecutively with the Special Warranty Deed. Such consecutive recording will permit the Fee Property to be deeded to and from the Seller as outlined by this Agreement.

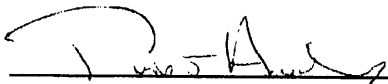
[Signature Pages Follows]

SELLER'S APPROVAL AND ACCEPTANCE:

SunChase Estrella Limited Partnership, a Delaware limited partnership

By: Estrella Sun, a California joint venture, Its General Partner

By: SunChase Estrella AZ, LLC, an Arizona limited liability company, its Venturer

BY: 
Philip J. Handley, its Chief Financial Officer

Date: March 7, 2025

BUYER'S APPROVAL AND ACCEPTANCE:

PIMA COUNTY, a political subdivision of the State of Arizona:

Rex Scott, Chair, Board of Supervisors

Date

ATTEST:

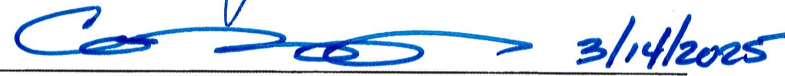
Melissa Manriquez, Clerk of Board

Date

RECOMMENDATIONS FOR APPROVAL:



Jeffrey Teplitsky, Director, Real Property Services



Carmine DeBonis, Jr., Deputy County Administrator

APPROVED AS TO FORM:



Janis Gallego, Deputy County Attorney

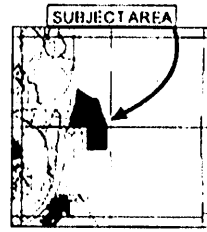
EXHIBIT A
Legal Description of the Property

Blocks 1 through 5, inclusive, and Common Area "A", DESERT SPRINGS, Pima County, Arizona, according to the plat of record in the office of the Pima County Recorder, Arizona recorded in Book 51 of Maps, Page 11.

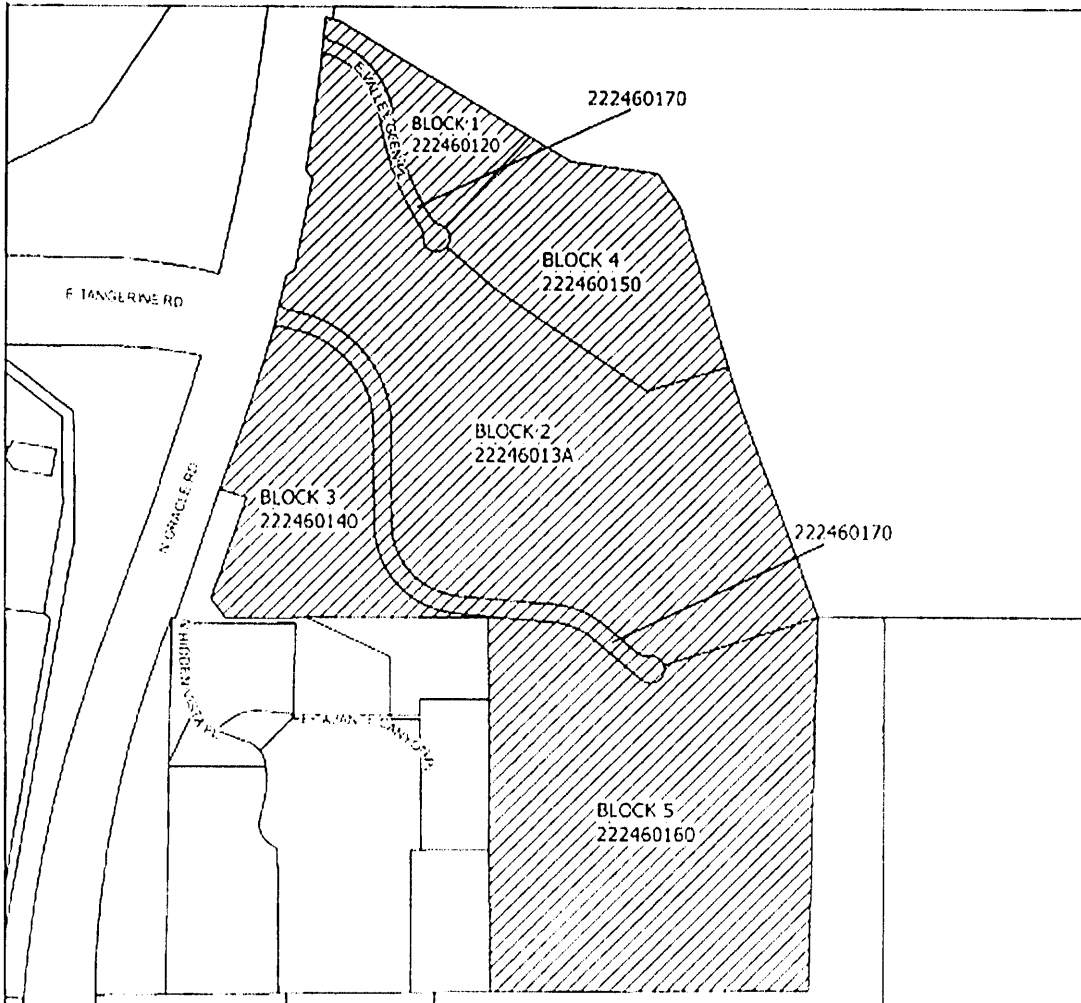
Excepting therefrom any portion conveyed to the State of Arizona as set forth in instrument recorded in Docket 13222, Page 3301.

EXHIBIT A-1

SECTION 32, 05
TOWNSHIP 11, 12 SOUTH
RANGE 14 EAST

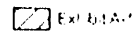


SECTION 32, 05 G&SRM
PIMA COUNTY ARIZONA



PIMA COUNTY DEPARTMENT OF TRANSPORTATION
ENGINEERING INFORMATION MANAGEMENT

LEGEND



NOT TO SCALE

DRAWN BY A Vaslow

DATE JAN 2025

Commitment No.: 700009288

Exhibit "B"

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I— Requirements are met.
2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
7. Any lien or right to a lien for services, labor or material not shown by the Public Records.
8. Second installment of 2024 taxes, a lien, payable on or before March 1, 2025, and delinquent May 1, 2025 (Affects Block 4)
9. Taxes for the full year of 2025. (The first half is due October 1, 2025 and is delinquent November 1, 2025. The second half is due March 1, 2026 and is delinquent May 1, 2026 .)

10. Any charge upon said land by reason of its inclusion in Central Arizona Water Conservation District.
11. Any charge upon said land by reason of its inclusion in Desert Springs Property Owner's Association, an Arizona nonprofit corporation.
12. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Desert Springs, as recorded in Plat Record Book 51 of Maps, Page(s) 11, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c). (Affects all Blocks and Common Area)
13. An easement for electric power transmission line and incidental purposes in the document recorded as Book 70 of Miscellaneous Records, Page 56 and Book 72 of Miscellaneous Records, Page 357. (Affects all Blocks and Common Area)
14. Covenants, Conditions and Restrictions as set forth in document recorded as Docket 65 of Miscellaneous Records, Page 151, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c). (Affects all Blocks and Common Area)
15. An easement for right of way and perpetual and incidental purposes in the document recorded as Docket 562, Page 477. (Affects all Blocks and common Area)
16. The terms and provisions contained in the document entitled "Access License Agreement" recorded as Docket 5453, Page 342. (Affects all Blocks and Common Area)
17. An easement for ingress and egress and incidental purposes in the document recorded as Docket 6254, Page 581. (Affects Blocks 1 and 4)
18. An easement for right of way and incidental purposes in the document recorded as Docket 5714, Page 809. (Affects Blocks 2 and 3 and Common Area)
19. An easement for right of way and incidental purposes in the document recorded as Docket 2704, Page 396. (Affects all Blocks and Common Area)

20. An easement for Drainage and incidental purposes in the document recorded as Docket 8140, Page 1674. (Affects Blocks 1, 2 and 4)
21. Covenants, Conditions and Restrictions as set forth in document recorded as Docket 10797, Page 892, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c). (Affects all Blocks and Common Area)
22. Covenants, Conditions and Restrictions as set forth in document recorded on as Docket 10811, Page 1878, , but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c). (Affects all Blocks and Common Area)
23. La Reserve Community Association, Addendum to The Design Guidelines as set forth in instrument recorded in Docket 12461 at Page 5814. (Affects all Blocks and Common Area)
24. Town of Oro Valley Ordinance NO. Ov04-06-05 as set forth in instrument recorded in Docket 12839 at Page 2415. (Affects Common Area)
25. Memorandum Public works - Development Services set forth in instrument recorded in Docket 12874 at Page 3189. (Affects Common Area)
26. All matters as set forth in Record of Survey, recorded as 2016-0140179 of Official Records (Affects all Blocks and Common Area)
27. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws. Consideration for the deletion of this exception is highly fact intensive. Please contact the underwriter assigned to your file as soon as possible to discuss.
28. Water rights, claims or title to water, whether or not shown by the public records.



Exhibit C

Wells & Water Rights Seller’s Questionnaire

Seller Name: Title Security Agency of AZ Tr 201609-S

Tax Parcel Number(s): 222-46-0120, 013A, 0140-0170

Date: _____, 2025

As part of the proposed acquisition of the above-referenced parcel(s), Pima County may also be acquiring some or all of Seller’s wells, groundwater and/or surface water rights. The purpose of this questionnaire is for Seller to disclose all information of which Seller is or may be aware, pertaining to Seller’s interest in wells and water rights, as well as the current status of those wells and water rights. Each of the questions set forth below should be carefully answered, to the best of Seller’s knowledge and information, **by supplying the information requested in the grid which follows each section**. If more space is needed to answer, clarify, or explain one or more questions, please use additional sheets.

A. QUESTIONS PERTAINING TO WELLS.

(1.) List *all* wells situated on the subject property and list the tax parcel number of the property on which each well is situated.

55-626682 (North well) APN: 222460150

55-626681 (South well) APN: 222460150

2.) For each well listed in question #1 above, list the corresponding Well Registration Number assigned by the Arizona Department of Water Resources (“ADWR”).

above

(3.) For each well listed in question #1 above, list that well’s current operational status, for example, “fully operational”, “no longer in use”, “capped” or “legally abandoned”.

Please note that “legally abandoned” means that all procedures required under ADWR regulations have been followed to have the well declared legally abandoned.

58-108995.0002, believe fully operational* confirm with well company.

(4.) For each well listed in question #1 above, list the main purpose for which each such well is currently utilized (For example, “domestic”, “irrigation”, “industrial” “mining”, etc.). Please note that the term “irrigation” means the application of water to *2 or more acres for plants or crops which will be used for sale or for human or animal consumption.*

Exhibit C

(5.) For each well listed in question #1 above, state whether a Statement of Claimant (“SOC”) has been filed in the Gila River Adjudication (Yes or No). **Unknown**

	Location by Tax Parcel Number	ADWR Registration Number	Current Operational Status	Principal Use of Well	SOC Filed (Y/N)	SOC # If Applicable
Well #1	222460150	55-626682	active	Serve home	N/A	
Well #2	222460150	55-626681	active	Serve home	N/A	

B. QUESTIONS PERTAINING TO CERTIFICATED GROUNDWATER RIGHTS.

(5.a) Does the property have a grandfathered irrigation groundwater right (“GIR”)? (Yes/No). If no, skip to Question #6.

58-108995.0002

(5.b) If yes,

1. Identify each GIR appurtenant to the subject property by listing its corresponding Certificate of Grandfathered Groundwater Irrigation Right number assigned by ADWR, **58-108995.0002**

2. List the tax parcel number(s) of the property (ies) which may be irrigated under each such GIR, **222460150**

3. List the maximum number of acres permitted to be irrigated under each such GIR, 4.38 Acre Feet & 70.52 Acre feet allotment

4. List the well or wells with which each such GIR is associated. Use the ADWR Well Registration numbers above to identify the associated well(s),

5. Is the GIR is currently in use (Y or N)? **Yes**

6. Are any of your GIR’s leased to a third party? (Y/N). If yes, give the name and address of the lessee and identify the GIR by ADWR Certification #, and please provide a copy of each such lease. **Do not believe so.**



Exhibit C

	ADWR Certificate Number	Tax Parcel Number(s)	Irrigated Acreage	Associated Well by Registration #	Is Right Currently in Use? (Y or N)
GIR #1	58-108995.0002	222460150	Home irrigation	55-626682	Yes
GIR #2	58-108995.0002	222460150		55-626681	Believe so

(6.a) Does the property have a grandfathered Type 1 non-irrigation groundwater right (“Type I Right”) (Yes/No)? If no skip to Question #7. **No**

(6.b) If yes,

1. List all Type I Rights appurtenant to the subject property by listing its corresponding Certificate of Grandfathered Type I Groundwater Non-Irrigation Right number assigned to each such right by ADWR.
2. Indicate the use or uses to which each Type I Right is currently being put.
3. Identify the well with which each Type I Right is associated by its ADWR well registration number.
4. Identify the parcel number of the parcel to which each Type I Right is appurtenant.

	ADWR Certificate Number	Current Use of TIR	Associated Well by Well Registration #	Appurtenant Parcel #
TIR #1				
TIR #2				

Exhibit C

(6.c) Are any of your Type I rights leased to a third party? (Y/N) If yes, give the name and address of the lessee and identify the leased Right by ADWR Certification #, and please provide a copy of each such lease.

(7.a) Does the property have a Type II non-irrigation groundwater right ("Type II Right")? (Yes/No). If no skip to Question #8.

(7.b) If yes,

1. List each Type II Right by listing its corresponding Certificate of Grandfathered Type II Groundwater Non-Irrigation Right number assigned by ADWR.

2. List the use to which each Type II Right is currently being put.

3. List the ADWR Well Registration Number of the well to which each Type II Right is currently associated.

4. Are any of your Type II Rights leased to a third party? (Y/N) If yes, give the name and address of the lessee and identify the leased Type II Right by ADWR Certification #.

	ADWR Certificate Number	Current Use to Which Type II is Being Put	Associated Well by Well Registration #
Type II #1			
Type II #2			

C. QUESTIONS PERTAINING TO SURFACE WATER RIGHTS.

(8.a.) Does the property have a surface water right (Yes/No)? If no, skip to Question #9.

(8.b) If yes,



Exhibit C

1. List each surface water right (“SWR”) associated with the subject property by listing its corresponding Certificate of Surface Water Right number assigned by ADWR.
2. List the purpose, if any, for which each SWR is currently being utilized. (For example, domestic, stock watering, irrigation, mining, in stream flow, other).
3. For each SWR, state whether a Statement of Claimant has been filed in the Gila River Adjudication (Yes or No).
4. Are any of your SWRs leased to a third party? (Y/N) If yes, give the name and address of the lessee and identify the leased SWR by ADWR Certification #, and please provide a copy of each such lease.

	ADWR Certificate Number	Current Use to Which SWR is Being Put	Statement of Claimant Filed? (Yes or No)	SOC # If Applicable
SWR #1				
SWR #2				

D. QUESTIONS PERTAINING TO WELL SHARE AGREEMENTS.

9. Are any of the parcels subject to a well share agreement? If so, please list the parcel on which the well sits and whether or not it is owned by you.
10. Please provide the County a copy of the Well Share Agreement.



Exhibit D

Owner Disclosure of Underground Improvements in Right of Way

Owner's Name: Title Security Agency of AZ TR 201609-S

Tax Parcel Number(s): 222-46-0120, 013A, 0140-0170

Date: 1/30, 2025

The purpose of this questionnaire is for Owner to disclose all information of which Owner is aware, pertaining to the location of septic tanks, septic or leach fields, alternative waste disposal systems, or other improvements in the right of way being acquired which may be impacted by the County's proposed construction project. If more space is needed to answer one or more questions, please attach additional sheets or maps as needed.

1. Is there a septic tank, septic or leach field, or alternative waste disposal system located in the right of way to be acquired?

Yes No If NO, skip to question #2

Describe septic facility: House septic tank _____

Location: Believed to be east of the house. _____

Is the septic tank/field still in use? Yes No

If Yes, Owner and County agree to the following arrangement concerning the facility:

2. Are you aware of any irrigation or other improvements in the right of way which may impact construction? Yes No If YES, please explain.

Surrounding the house to water the plants

EXHIBIT F
Form of Non-Recourse Promissory Note

NON-RECOURSE PROMISSORY NOTE SECURED BY DEED OF TRUST

Escrow No.: 700-009288-IL

\$4,000,000.00

Tucson, Arizona

Date: _____

FOR VALUE RECEIVED, PIMA COUNTY, a political subdivision of the State of Arizona ("Payor), promises to pay to **SUNCHASE ESTRELLA LIMITED PARTNERSHIP, a Delaware limited partnership,** or order (collectively, "Payee), at 5665 North Scottsdale Road, Suite 135, Scottsdale, Arizona 85250, or by wire transfer to Payee's bank account or at such other place as Payee may from time to time designate in writing, in lawful money of the United States of America, the original principal sum of \$4,000,000.00, together with interest thereon and such other amounts as may be payable by Payor to Payee pursuant to the terms and conditions of this Note, in accordance with the following terms and conditions:

1. **Interest.** Principal of this Note shall bear interest, from the date of this Note until repaid to Payee, at the per annum rate of 4.0% (the "Interest Rate"), calculated on the basis of a 360-day year consisting of 12, 30-day months and for prepayments only the actual number of days elapsed during any partial month for which interest is being charged.
2. **Payments of Principal and Interest.** Subject to the provisions of Section 6 hereof regarding prepayment of principal of this Note, and the provisions of Section 10 hereof regarding the rights and remedies of Payee upon the occurrence of an Event of Default, Payor will pay Payee annual principal and interest payments as follows:

Due Date	Principal Balance	Interest (4% annually on installments)	Payment Amount
1 year from the Date of this Note	\$4,000,000.00	\$4,000,000.00 * 4% = \$160,000	\$2,160,000.00
2 years from the Date of this Note	\$2,000,000.00	\$2,000,000.00 * 4% = \$80,000	\$2,080,000.00

3. **Final Maturity.** Subject to the provisions of Section 10 hereof regarding the rights and remedies of Payee upon the occurrence of an Event of Default, the entire unpaid principal balance of this Note, together with all accrued and unpaid interest and all other amounts then due Payee under this Note, shall be due and payable in full on the second anniversary of this Note (the "Maturity Date").

4. **Application of Payments.** All payments made under this Note or the indebtedness evidenced hereby shall be applied by Payee in the following order of priority: (a) first, to any late charges, costs, fees or other amounts then due and payable to Payee under this Note or the Deed of Trust (as defined herein) (other than the principal of this Note and accrued and unpaid interest thereon); (b) second, to accrued and unpaid interest on the principal balance of the Note; and (c) last, to the payment of principal of this Note.

5. **Late Charge.** It is recognized by Payor that, should the scheduled installment payments not be paid when the same becomes due and payable, Payee will incur extra expenses for the handling of delinquent installment payments and the loss of the use of the money due, the exact amount of such extra expense being impossible to ascertain, but that a charge equal to \$600.00 for each day of such delinquent installment payment from the due date until paid would be a fair approximation of the expense so incurred by Payee for the handling of delinquent installment payments and the loss of the use of the money due. The late charge shall, at Payee's option, either (i) upon demand by Payee, be paid by Payor to Payee in addition to such delinquent installment payment, or (ii) be deducted from the amount of such delinquent installment payment when made, in which event such amount shall be added to the balance of the indebtedness evidenced by this Note and shall be paid by Payor to Payee upon demand.

6. **Prepayments.** Payor may voluntarily prepay, without any prepayment premium or penalty, all or any portion of the principal balance of this Note, together with accrued and unpaid interest on the portion of the principal balance of this Note that is being repaid. All such prepayments shall be applied in the manner provided in Section 4 above and the amount applied to the payment of principal of this Note shall be applied in the inverse order of maturity.

7. **Security; Note is Non-Recourse.** This Note is secured by that certain Deed of Trust Security Agreement and Assignment of Rents (the "Deed of Trust") of even date herewith from Payor in favor of Payee encumbering certain real property located in Pima County, Arizona, as more particularly described therein (the "Property"). In the event of any default by Payor under this Note, except as otherwise provided in Section 13 below, Payee shall look solely to Payor's interest in the Property for satisfaction of the Payor's obligations under this Note. Except as otherwise provided in Section 13 below, in the event of foreclosure or non-judicial sale of the Property pursuant to the Deed of Trust, Payee shall not pursue any action for any deficiency against Payor. Except as otherwise provided in Section 13 below, Payee specifically releases Payor, its officers, employees, elected officials and agents from and against any personal liability under this Note.

8. **Contracted For Rate of Interest.** The contracted for rate of interest of the loan contemplated hereby, without limitation, shall consist of the following:

(a) The Interest Rate, calculated and applied to the principal balance of this Note in accordance with the provisions of this Note and the Deed of Trust;

(b) All Additional Sums (as hereinafter defined), if any.

Payor agrees to pay an effective contracted for rate of interest which is the sum of the Interest Rate referred to in Section 8(a) above, and the Additional Sums, if any, referred to in Section 8(b) above.

9. **Additional Sums.** All fees, charges, goods, things in action or any other sums or things of value (other than the interest resulting from the Interest Rate), paid or payable by Payor (collectively, the "Additional Sums"), whether pursuant to this Note or any other document or instrument in any way pertaining to this lending transaction, or otherwise with respect to this lending transaction, that, under the laws of the State of Arizona, may be deemed to be interest with respect to this lending transaction, for the purpose of any laws of the State of Arizona that may limit the maximum amount of interest to be charged with respect to this lending transaction, shall be payable by Payor as, and shall be deemed to be, additional interest, and for such purposes only, the agreed upon and "contracted for rate of interest" of this lending transaction shall be deemed to be increased by the rate of interest resulting from the Additional Sums. Payor understands and believes that this lending transaction complies with the usury laws of the State of Arizona; however, if any interest or other charges in connection with this lending transaction are ever determined to exceed the maximum amount permitted by law, then Payor agrees that (a) the amount of interest or charges payable under this lending transaction shall be reduced to the maximum amount permitted by law and (b) any excess amount previously collected from Payor in connection with this lending transaction that exceeded the maximum amount permitted by law, shall be credited against the principal balance of this Note then outstanding. If the outstanding principal balance hereunder has been paid in full, the excess amount paid shall be refunded to the Payor and Payor agrees to accept such refund.

10. **Event of Default; Acceleration.** Upon the occurrence of any of the following acts, omissions or events ("Event of Default"), the principal of this Note, together with accrued and unpaid interest thereon, and all other amounts outstanding under this Note and the Deed of Trust shall; at the option of Payee, be immediately due and payable:

(a) The failure of Payor to make any interest or principal installment payment when due under this Note (including the interest and principal installment payment due on the Maturity Date), whether at maturity, by acceleration, or otherwise, in accordance with the terms of this Note; or

(b) The failure of Payor to pay any late charges, costs, fees or other amounts then due and payable to Payee under this Note or the Deed of Trust (other than the installment payments referenced in subsection (a) above in accordance with the terms of this Note or the Deed of Trust, on or before 10 days after Payor's receipt of written notice of such non-payment; or

(c) The failure of Payor to punctually and properly perform any other covenant, condition or agreement contained in this Note or the Deed of Trust; or

(d) The sale, transfer, conveyance, assignment or other disposal of, or further encumbrance of, all or any part of the Property in violation of Paragraph 10 of the Deed of Trust; or

(e) Any representation or warranty of Payor set forth in this Note or the Deed of Trust is false or misleading in any material respect when made; or

(f) Any material default under the Acquisition Agreement with respect to the Property between Payee and Payor (the "Agreement") or any agreement or instrument executed by Payor in connection with the Agreement, and the failure to cure such material default on or before 30 days after Payor's receipt of written notice of such failure from Payee; or

(g) A writ of execution or attachment or any similar process is issued or levied against all or any part of or interest in the Property, and such execution, attachment or similar process is not released, bonded, satisfied, vacated or stayed within 60 days after its entry or levy.

In the event Payee declares by written notice to Payor an Event of Default (uncured within any time provided, if applicable), then from and after the date of the Event of Default the Interest Rate shall be a default rate of 8% per annum.

11. **Time of Essence.** Time is of the essence of this Note and each provision hereof.

12. **Waiver by Payee.** No delay on the part of Payee in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise of any right, power or privilege hereunder shall preclude other or further exercise thereof, or be deemed to establish a custom or course of dealing or performance between the parties hereto, or preclude the exercise of any other right, power or privilege.

13. **Attorneys' Fees.** If there is any litigation, arbitration or other proceedings relating to the enforcement of this Note or the Deed of Trust, the non-prevailing party shall pay to the prevailing party all reasonable attorneys' fees, court costs, expert witness fees and other litigation related expenses arising out of or related to such enforcement action.

14. **Waivers of Payor.** Payor (for itself and its successors and assigns), and any endorsers and

guarantors hereof, by virtue of such endorsement or guaranty, respectively, hereby waive, except as is set forth herein, presentment for payment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time before, at, or after maturity of the obligations evidenced hereby, without in any way affecting the liability of Payor hereunder, or the validity of any mortgage, pledge, lien or security interest given to secure payment hereof.

15. **Governing Law; Waiver of Jury Trial.** This Note shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to its conflict of laws rules. Payee and Payor acknowledge and agree that any controversy which may arise under this Note or the Deed of Trust or with respect to the transactions contemplated hereby or thereby would be based upon difficult and complex issues and, therefore, the parties agree that any lawsuit arising out of any such controversy shall be tried in a court of competent jurisdiction by a judge sitting without a jury.

IN WITNESS WHEREOF, Payor has executed this Promissory Note as of the date first written above.

PIMA COUNTY, ARIZONA, a political subdivision of the State of Arizona

By: _____
Rex Scott, Chair, Board of Supervisors

ATTEST

Melissa Manriquez, Clerk of Board

APPROVED AS TO FORM:

Janis Gallego, Deputy County Attorney

EXHIBIT G
Form of Non-Recourse Deed of Trust

WHEN RECORDED MAIL TO:

DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS

DATE: _____, 2025

TRUSTOR: PIMA COUNTY, a political subdivision of the state of Arizona

BENEFICIARY: SUNCHASE ESTRELLA LIMITED PARTNERSHIP, a Delaware limited partnership
5665 North Scottsdale Road, Suite 135
Scottsdale, Arizona 85250

TRUSTEE: FIRST AMERICAN TITLE INSURANCE COMPANY

PROPERTY in Pima County, State of Arizona, described as:

Blocks 1 through 5, inclusive, and Common Area "A", DESERT SPRINGS, Pima County, Arizona, according to the plat of record in the office of the Pima County Recorder, Arizona recorded in Book 51 of Maps, Page 11.

Excepting therefrom any portion conveyed to the State of Arizona as set forth in instrument recorded in Docket 13222, Page 3301.

This Deed of Trust is made among Trustor, Beneficiary and Trustee who agree as follows:

1. **Grant and Conveyance.** For value received, Trustor irrevocably grants, conveys and assigns to Trustee in Trust, with power of sale, certain real property located in Pima County, Arizona, and more particularly described above (the "Property"), together with the following: (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all of Trustor's right, title and

interest in and to all appurtenances, hereditaments, interests, privileges, easements, rights of way, reversions, remainders, development rights; well rights, water rights, and air rights (including any grandfathered groundwater or other groundwater or surface water rights) appurtenant to the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells, if any; (iii) all of Trustor's right, title and interest in and to all oil, gas, and mineral rights relating to the Property not previously reserved; (iv) all of Trustor's right, title and interest, a non-exclusive basis, in and to all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; and (v) all of Trustor's right, title and interest in and to any other rights or privileges appurtenant to the Property or, on a non-exclusive basis, any other rights or privileges used in connection with the Property. All components of the Property are deemed encumbered hereby and are declared to be part of the real estate whether or not physically attached to the Property.

2. **Obligations Secured.** This Deed of Trust is given for the purpose of securing, in such order of priority as Beneficiary may elect:

(a) Payment of the sum of \$4,000,000.00, which may include, without limitation, future advances of principal made after the date hereof, with interest thereon, extension and other fees, late charges and attorneys' fees, according to the terms of that Non-Recourse Promissory Note of even date herewith, made by Trustor payable to the order of Beneficiary, and all extensions, modifications, renewals or replacements thereof (the "Note"); and

(b) Payment, performance and observance by Trustor of each covenant, condition, provision and agreement contained herein and in the Acquisition Agreement with respect to the Property between Trustor and Beneficiary (the "Agreement"), and of all monies expended or advanced by Beneficiary pursuant to the terms hereof, or to preserve any right of Beneficiary hereunder, or to protect or preserve the Trust Property or any part thereof;

All of the indebtedness and obligations secured by this Deed of Trust are hereinafter collectively called the "Obligations Secured". All capitalized terms used herein without definition shall have the meanings attributed to such terms in the Note.

3. **Payment of Obligations Secured.** Trustor shall perform and pay when due and before delinquency: (a) all Obligations Secured hereby; (b) all liens, taxes, assessments, fines, impositions and charges of every type or nature affecting the Property; and (c) all costs, fees and expenses of this Trust including, without limitation, all fees of Trustee.

4. **Maintenance of Property.** Trustor shall keep the Property free of rubbish and other unsightly or unhealthful conditions. Trustor shall neither use nor permit the use of the Property in violation of any applicable statute, ordinance or regulation. Trustor shall pay or cause to be paid before delinquent all taxes and assessments levied or assessed on or against the Property, unless exempt from taxation, and, upon request by Beneficiary, shall deliver to Beneficiary, at least 10 days before they become delinquent, receipts showing payment of all such taxes and assessments and shall pay when due all charges for electricity, gas, sewers, waste removal, bills for repairs, and any and all other claims, encumbrances and expenses incident to the ownership of the Property.

5. **Protection by Trustor.** Trustor shall defend, at Trustor's expense, any action or proceeding purporting to affect Trustor's interest in the Property or the liens, rights or powers of Beneficiary or Trustee, or seeking to impose any liability on Beneficiary or Trustee because of any act or omission of Trustor.

6. **Protection by Beneficiary or Trustee; Reimbursement.** Beneficiary or Trustee or both of them are authorized at their election to appear in and defend any action or proceeding purporting to affect the Property or the liens, rights or powers of Beneficiary or Trustee; to pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior hereto; and, in exercising any such powers, to pay reasonable expenses, employ counsel, and to pay counsel's reasonable fees and costs. Without obligation to do so; Beneficiary or Trustee may pay any amount or perform any obligation which is required of Trustor hereunder and which is not paid or performed by Trustor within 10 days after receipt of written notice by Trustor with respect to any payment obligation or within 30 days after receipt of written notice by Trustor with respect to any performance obligation (except in either case, in the event of an emergency Beneficiary shall not be required to provide any prior notice), or take any other action or incur any other expense to protect the Property and the security hereof. All amounts so paid or expenses so incurred by Trustee or Beneficiary shall bear interest at the rate defined in the Section 1 of the Note from the date incurred until repaid in full and shall be secured by this Deed of Trust as a lien on the Property. Unless otherwise agreed, such amounts or expenses with interest shall be payable within 10 days after written notice to Trustor requesting such payment. Neither Beneficiary nor Trustee shall be obligated to perform or discharge any obligation or duty to be performed or discharged by Trustor under any lease, declaration or covenant.

7. **Assignment of Leases and Rents.** As additional security for the Obligations Secured, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during continuance of this Trust, to collect and all rents, issues, profits or income arising from the Property (the "Property Income"), reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be

appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such Property Income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income, and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to said notice.

8. **Security Agreement.** That in addition to creating a lien against the Property, this Deed of Trust constitutes a security agreement within the meaning of the Arizona Uniform Commercial Code. (the "Code") and is intended to and does hereby create a lien on and security interest in favor of Beneficiary in all fixtures, equipment, Property Income and other personal property of Trustor on the Property, and all replacements and substitutions thereof, including, without limitation, all of Trustor's right, title and interest as beneficiary in and to the same (the "Personal Property"), at any time situated on or used in connection with the maintenance and operation of the Property, or related to the ownership of the Property. This Deed of Trust shall be self-operative with respect to such Personal Property, but Trustor shall execute and deliver on demand from Beneficiary one or more security agreements, financing statements and other instruments as Beneficiary may request in order to impose the lien hereof more specifically upon any such Personal Property, the terms and conditions thereof to be as required by Beneficiary, in Beneficiary's sole and absolute discretion. Trustor agrees that all property of every nature and description, whether real or personal, covered by this Deed of Trust, together with all Personal Property covered by the security interest granted hereby, are encumbered as one unit, and upon default by Trustor under the Note secured hereby, or under this Deed of Trust, or any security agreement given pursuant to this paragraph, in addition to the remedies available to a secured party under the Code, this Deed of Trust and such security interest, at Beneficiary's option, may be foreclosed or sold in the same proceeding, and all of the Property (both real property and personal property) may, at Beneficiary's option, be sold as such in one unit as a going business, subject to the provisions of Arizona Revised Statutes § 33-810(A). The filing of any financing statement relating to any Personal Property or rights or interest generally or specifically described herein shall not be construed to diminish or alter any of Beneficiary's rights or priorities hereunder.

9. **Due on Sale.** Except as otherwise provided, Trustor shall not sell, transfer, convey, assign or otherwise dispose of, or further encumber, all or any part of the Property subject to this Deed of Trust, or any interest therein, voluntarily or involuntarily, by operation of law or otherwise, without the prior written consent of Beneficiary.

10. **Condemnation.** Any award of damages in connection with any condemnation or taking of or for injury to any of the Property by reason of public use or for damages for private trespass or injury thereto shall be paid to Beneficiary as a prepayment under the Note until all Obligations Secured have been fully satisfied.

11. **Default.** Trustor shall be in default hereunder to the extent permitted by law, if: (a) Trustor fails to perform or pay on time any of the Obligations Secured and such failure is not cured within the notice and cure period, if any, provided for in the Note; (b) Trustor breaches any other covenant or provision hereof (other than the payment of money) and such failure continues for 30 days after Trustor's receipt of written notice from Beneficiary.

12. **Remedies.** Upon any default by Trustor, Beneficiary may declare all sums secured hereby to be immediately due and payable in full, and may accelerate the Obligations Secured, and Beneficiary shall have the right to cause Trustee to sell the Property or any part thereof as provided by applicable law. All provisions of the law of the state where the Property is located relating to deeds of trust are incorporated by reference herein. In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. In any such judicial foreclosure, Beneficiary shall recover its reasonable attorneys' fees together with all costs and expenses, including without limitation, all court costs, experts' fees and cost of evidence of title. In the event of any default by Trustor under the Note which this Deed of Trust secures or under this Deed of Trust, except for the enforcement costs under Section 13 of the Note, Beneficiary shall look solely to Trustor's interest in the Property for satisfaction of the Trustor's obligations under the Note or under this Deed of Trust. Except for the enforcement costs under Section 13 of the Note, in the event of foreclosure or non-judicial sale of the Property pursuant to this Deed of Trust, Beneficiary shall not pursue any action for any deficiency against Trustor. Except for the enforcement costs under Section 13 of the Note, Beneficiary specifically releases Trustor, its officers, employees, elected officials and agents from and against any personal liability under the Note which the Deed of Trust secures and under this Deed of Trust.

13. **Actions by Trustee.** At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary, without affecting the personal liability of any person for payment of the Obligations Secured hereby, Trustee may consent to the making of any map or plat of the Property, join in granting any easement thereon or in any extension agreement or agreement subordinating the lien or charge hereof.

14. **Waiver of Remedies.** Time is of the essence hereof. Acceptance of payment of money after its due date shall not constitute any waiver under this Deed of Trust or Beneficiary's right to require prompt payment of all other sums when due. No extension of time for payment or renewal of the Obligations Secured or the release from any personal liability of any person directly or contingently liable for any indebtedness secured hereby shall affect the lien or priority of this Deed of Trust. The taking by Beneficiary of any other collateral for the Obligations Secured

hereby shall in no way affect or impair the lien or priority of this Deed of Trust and Beneficiary may resort for the payment of the Obligations Secured to its several securities in such order and manner as Beneficiary may determine. Any forbearance by Beneficiary in exercising any remedy or right hereunder shall not be a waiver of or preclude the subsequent exercise of any such remedy or right. The Trustor shall pay all costs of recordation and the partial release fees of Trustee, if any, provided that when the Note is paid in full, there shall be no release fee.

15. **Notice.** Except for any notice required under applicable law to be given in another manner, any notice to Trustor or Beneficiary provided for in this Deed of Trust shall be given in the manner, and shall be deemed received at the time, provided in the Agreement Unless a Request for Notice is recorded as provided by law, notice of any Trustee's sale shall be sent solely to Trustor's address set forth therein.

16. **Parties Bound.** This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, personal representatives, administrators, executors, successors and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter and conversely and the singular number includes the plural and conversely. The term "Trustor" shall mean all persons named as Trustor herein, whether one or more, and Trustor's obligations shall be joint and several. The term "Trustee" shall include all successor trustees. Any Trustor that has signed this Deed of Trust as a surety or accommodation party or that has subjected its property to this Deed of Trust to secure the debt of another expressly waives the benefits of A.R.S. §§12-1641, 12 1642 and 44-142, § 33-814 and 16 Ariz. R. Civ. P. 17(f) or such similar provisions as may be enacted or adopted hereafter.

17. **Trustee.** Trustee accepts this Deed of Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee may, but is not obligated to, notify any party hereto of any pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party, unless brought by Trustee. Beneficiary may appoint a successor Trustee in the manner prescribed by law. Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this Deed of Trust or the Property, to hold any money and documents and to withhold action or performance until an action shall be brought in a court of competent jurisdiction to determine the rights asserted or the propriety of the demand, notice or action requested and Trustee shall be without liability or responsibility for awaiting such court action. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all its predecessor's title, estate, rights, powers and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and, having so resigned, shall be relieved of all further liability and responsibility to Trustor, Beneficiary or otherwise hereunder. Trustee shall not be liable for any action taken in its discretion and in good faith or upon advice of counsel or upon any information supplied or direction given by Beneficiary.

18. **Governing Law; Severability.** The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Deed of Trust. In the event that any provision or clause of this Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust that can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust are declared to be severable.

19. **Integration.** This instrument, together with the Note and Agreement, constitutes the entire understanding of parties, each of whom has been; or has had the opportunity to be, represented by counsel of each party's choosing, and have been bargained for and are negotiated agreements that set forth the entire agreement with respect to the terms thereof, and there are no oral or written statements, representations, agreements or understandings which modify, amend or vary, or purport to modify, amend or vary any of the terms of such documents.

20. **Security Intended.** Notwithstanding any provision hereof to the contrary, the parties intend that this document constitute security for the payment and performance of the Obligations Secured as provided elsewhere herein and shall be a "deed of trust" as defined in A.R.S. §33-80I. If despite that intention a court of competent jurisdiction shall determine that this document does not qualify as a "trust deed" or "deed of trust" within the meaning and purview of Chapter 6.1, Title 33, Arizona Revised Statutes, then, *ab initio*, this instrument shall be deemed a realty mortgage under A.R.S. §33-702, and shall be enforceable as such, the Trustor shall be deemed a "mortgagor," the Beneficiary shall be deemed a "mortgagee," the Trustee shall have no capacity but shall be disregarded and all references to the "Trustee" herein shall be deemed to refer to the "mortgagee" to the extent not inconsistent with interpreting this instrument as though it were a realty mortgage. As a realty mortgage, Trustor as mortgagor shall be deemed to have conveyed the Property *ab initio* to the Beneficiary as mortgagee, such conveyance as a security to be void upon condition that Trustor pay and perform all its Obligations Secured hereby.

21. **Release of Deed of Trust.** At such time as all of the Obligations Secured have been paid or otherwise satisfied in full, Beneficiary shall irrevocably and unconditionally release and reconvey the Property then held hereunder without any covenant or warranty, express or implied. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

[Signatures on following page]

IN WITNESS WHEREOF, this Deed of Trust is executed as of the day and year first above written.

PIMA COUNTY, ARIZONA, a political subdivision of the State of Arizona

Rex Scott, Chair, Board of Supervisors

ATTEST:

Melissa Manriquez, Clerk of the Board

APPROVED AS TO FORM:

Janis Gallego, Deputy County Attorney

STATE OF ARIZONA)
)§
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me, the undersigned Notary Public, this ____ day of _____, 2025, by _____, the Chair of the Board of Supervisors of Pima County, Arizona, a political subdivision of the State of Arizona, on behalf thereof.

Notary Public

(Seal)