

at the request of Pioneer Title Agency, Inc.

When recorded mail to
Town Clerk
Town of Tusayan
P.O. Box 709
Tusayan, AZ 86023

70502127-JRK

Tax Code: 502-14-001

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CAPTION HEADING:

**SECOND AMENDMENT
TO
PRE-ANNEXATION AND DEVELOPMENT AGREEMENT
AGREEMENT NO. 2011-11-02**

**BETWEEN THE TOWN OF TUSIYAN,
AN ARIZONA MUNICIPAL CORPORATION
AND
STILO DEVELOPMENT GROUP USA, LP**

This instrument is being re-recorded for the sole purpose of adding Exhibit A, *Escrow Instructions and form of Deed for Second Town Housing Parcel*, and Exhibit B, *Legal Description and Depiction of Second Town Housing Parcel*, attached hereto and made a part hereof.

DO NOT REMOVE

THIS IS PART OF THE OFFICIAL DOCUMENT

(THIS FORM IS FOR RECORDER'S USE ONLY)

When Recorded, Return to:
Town Clerk
Town of Tusayan
PO Box 709
Tusayan, AZ 86023

With a copy to:
Grady Gammage, Jr.
Gammage & Burnham
Two North Central Avenue
Fifteenth Floor
Phoenix, AZ 85004

**SECOND AMENDMENT
TO
PRE-ANNEXATION AND
DEVELOPMENT AGREEMENT
Agreement No. 2011-11-02**

**BETWEEN THE TOWN OF TUSAYAN,
an Arizona municipal corporation**

and

STILO DEVELOPMENT GROUP USA, LP

This Second Amendment to Pre-Annexation and Development Agreement (the “**Second Amendment**”) is entered into as of the 1st day of June, 2016 (“**Effective Date**”), by and between the **TOWN OF TUSAYAN**, an Arizona municipal corporation (the “**Town**”) and **STILO DEVELOPMENT GROUP USA, L.P.**, an Arizona Limited Partnership (“**Stilo**”). For purposes of this Second Amendment, Stilo and the Town are herein referred to collectively as the “**Parties.**”

RECITALS

A. The Town and Stilo entered into the Pre-Annexation and Development Agreement, dated as of July 1, 2011 (the “**Prior Agreement**”). The Prior Agreement was determined to be a legislative act pursuant to stipulation in the matter of Stilo Development USA, LP, et al. v. Town of Tusayan, et al., Case No. CV2012-00080, Coconino County Superior Court. The Prior Agreement was amended by that certain First Amendment to Pre-Annexation and Development Agreement dated January 22, 2014 (the “**First Amendment**”).

B. The parties now desire to make administrative modifications to certain provisions of the First Amendment.

C. Because the provision of housing for residents of the Town continues to be of critical importance to the Town and Stilo and the ability of both parties to provide housing has been delayed by the actions of the U.S. Forest Service, Stilo and the Town wish to modify the timing of the occurrence of certain provisions of the First Amendment by this Second Amendment.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises set forth in this Second Amendment, the Town and Stilo state, confirm, and agree as follows:

AGREEMENT

1. **Recitals.** The recitals set forth above are acknowledged by the parties to be true and correct and are incorporated herein by this reference.

2. **Prior Agreement.** The terms of the Prior Agreement and First Amendment are incorporated by reference, unless expressly modified by this Second Amendment. Capitalized terms and Exhibit references not otherwise defined herein shall have the meaning ascribed to such terms in the Prior Agreement and/or First Amendment.

3. **Infrastructure to Kotzin and TenX sites.** Section 5(d), 5(e)(i), 5(e)(ii) and 5(e)(iii) of the First Amendment shall be deleted and replaced with the following:

(d) Infrastructure to Town Housing Parcels. Stilo shall commence the construction of the Necessary Infrastructure to Kotzin before TenX and has the right to utilize the CV Escrow Account (as defined in Section 8(c)(i)) funds for such purposes. Necessary Infrastructure specifically includes providing backbone infrastructure to the Town Housing Parcels as well as to Kotzin and TenX, none of which may be

developed until the Final Approval of the Forest Service Application (as those terms are defined in Section 5(f)) for the Necessary Infrastructure is obtained with the exception of the Second Town Housing parcel, which may be developed subject to applicable deed restrictions. For each Town Housing Parcel through which a main road connects property not owned by the Town, Stilo will construct the Necessary Infrastructure through the Town Housing Parcel. Necessary Infrastructure does not include distribution lines or any other On-site Infrastructure to individual lots or homes on the Town Housing Parcels.

(e) (i) Stilo shall fund the costs for submittal and processing the Forest Service Application subject to a budget estimated at Nine Hundred Thousand (\$900,000.00), which may be modified subject to mutual agreement of the parties. In addition, Stilo shall reimburse the Town for all reasonable direct expenses incurred by the Town for internal staff time and external service providers in excess of One Hundred Thousand and No/100 (\$100,000.00). The Town and Stilo shall, on a pro-rata basis, share in the direct expenses incurred by the Town up to the \$100,000 contribution limit.

(ii) If the approval of the Forest Service Application is rejected, or administratively or judicially appealed, the Town shall agree to seek judicial review and/or to intervene in the proceedings utilizing counsel selected by Stilo and approved by the Town, which approval shall not be unreasonably withheld, conditioned or delayed, at Stilo's cost. In addition, the Town will support Stilo in any independent attempt to seek judicial review or intervene in any such proceedings.

(iii) If the Town has not obtained initial approval of the Forest Service Application by the U.S. Forest Service deciding officer within three (3) years of the Effective Date of this First Amendment and Stilo has not been the direct cause of the failure to obtain said approval or otherwise failed to meet its funding obligations set forth above, Stilo shall have the right but not the obligation at any time thereafter to take full control of the permitting process. The deadline established pursuant to this Section 5(e)(iii) shall be extended pursuant to Section 5(e). If Stilo elects to do so, the Town shall promptly cooperate to effectuate the transfer of the management of the Forest Service Application as directed by Stilo.

4. **Transfer of Parcels to Town for Housing.** Section 7(a), 7(a)(ii), 7(a)(iii), 7(g), 7(g)(i), 7(g)(ii) and 7(g)(iii) of the First Amendment shall be deleted in its entirety and replaced with the following:

(a) Transfer of Forty Acres to Town for Housing. In order to induce the Town to enter into the Prior Agreement (including the annexation of TenX and the approval of zoning of the Stilo Parcels) and the First Amendment and in order to assist the Parties in meeting the housing needs of the community, Stilo has designated forty (40) acres to be transferred in fee simple ownership to the Town for the purpose of providing housing and employment opportunities within the Town. The First Town Housing Parcel and the Second Town Housing Parcel (as defined herein) shall collectively be referred to as the “**Town Housing Parcels.**”

(ii) Upon execution and delivery of this Second Amendment, Stilo agrees to transfer a second twenty (20) acre parcel to the Town (the “**Second Town Housing Parcel**”) pursuant to the escrow instructions attached hereto as Exhibit “A”. The parties agree that the Second Town Housing Parcel shall be located at TenX as legally described and depicted on Exhibit “B” to this Second Amendment.

(iii) Upon the delivery of the escrow instructions for the Second Town Housing Parcel, the parties shall direct Stewart Title (the “**Escrow Agent**”) to terminate the prior joint escrow instructions dated February 26, 2014 submitted to Escrow Agent following execution of the First Amendment.

(g) Escrow Instructions and Location of the Second Town Housing Parcel. Also upon execution and delivery of this Second Amendment, Stilo shall execute and deliver to Escrow Agent one (1) fully executed deed and accompanying Second Town Housing Parcel Escrow Instructions in the form of Exhibit “A” (the “**Second Town Housing Parcel Escrow Instructions**”) for the Town’s acquisition of the Second Town Housing Parcel.

5. Interim Housing at Camper Village. Section 8(c), 8(c)(i), 8(c)(ii) and 8(c)(iv) of the First Amendment shall be deleted in its entirety and replaced with the following, including a new 8(c)(v) and new 8(c)(vi):

(c) Transition of CV to Commercial Uses. The parties intend CV to ultimately become a commercial/mixed use site, and the PCD zoning application for Camper Village reflects this long-term plan. Subject to conditions set forth below, the owner of Camper Village (the “**CV Owner**”) or an affiliate of the CV Owner shall have the right, but not the obligation, to construct Limited Commercial Development (as defined below) at CV during the “**Camper Village Limited Commercial Development Period**” (as defined below). At the point at which housing (other than housing on the Town Housing Parcels) becomes available at

Kotzin or TenX, Stilo shall phase out the Interim Housing at CV which is required by the First Amendment and shall provide relocation assistance for owners of Interim Housing provided pursuant to this Section 8 to either a Town Housing Parcel or to the Initial Subdivision (as that term is defined in Section 10(a) of this First Amendment); provided, however, that the obligation to provide such relocation assistance shall be limited to providing relocation to individuals who have purchased Interim Housing and shall not be available for businesses that have purchased Interim Housing.

(i) The CV Owner must deposit into a jointly established escrow account (the “**CV Escrow Account**”) a surety bond or cash in an amount equal to the greater of Three Million and 00/100 Dollars (\$3,000,000) or two-thirds of an Engineer’s Estimate as a form of financial assurance for the construction of the Necessary Infrastructure to Kotzin (the “**CV Financial Assurance**”). The CV Financial Assurance shall be provided to the Town on or before the conclusion of the Kotzin Access Construction Period. The CV Escrow Account instructions shall provide that interest on any deposited funds shall be paid to the CV Owner and that no withdrawals from the CV Escrow Account, other than quarterly disbursements of any interest paid to the CV Owner, may be made without the prior written approval of the Town; and

(ii) Camper Village Limited Commercial Development (as defined below) shall be subject to a site plan (the “**Camper Village Limited Commercial Development Site Plan**”) which shall be submitted to the Town Council for preliminary consideration within three hundred and sixty-five (365) days after the Effective Date for preliminary Town Council review. Thereafter, the Camper Village Limited Commercial Development Site Plan shall be subject to review and approval pursuant to Section 13-10 of the Town Zoning Code, except that any action by the Planning and Zoning Commission is subject to the review and approval of the Town Council. In addition, the Camper Village Limited Commercial Development shall be subject to the terms, conditions and stipulations established pursuant to the CV Zoning Approval, except as modified by this Section 8(c)(ii). Except as provided in Section 8(c)(v), Stilo must construct sufficient residential housing on Camper Village to serve prospective employees who will work in the Camper Village Limited Commercial Development (“**Camper Village Employee Housing**”). The constructed Camper Village Employee Housing shall be in addition to and shall not supplant those temporary homes that constitute the Interim Housing and are the subject of leases or purchase agreements pursuant to Section 8(b) of this First

Amendment. Camper Village Employee Housing may only consist of (A) multifamily dwellings authorized pursuant to the CV Zoning Approval and (B) those Interim Housing units that are not the subject of leases or purchase agreements pursuant to Section 8(b) of this First Amendment. Notwithstanding the foregoing provisions of this subsection (ii), Stilo shall be authorized to move the location of the temporary homes/sites that comprise the Interim Housing to construct the Limited Commercial Development but may not reduce the number of such temporary homes/sites.

(iv) **“Limited Commercial Development”** at CV shall mean that the CV Owner or affiliate may develop CV pursuant to the CV Vested Zoning subject to the conditions set forth above. If, pursuant to this Agreement, the required Camper Village Employee Housing is not provided, then no commercial development may occur at CV until the Initial Subdivision is established at Kotzin or TenX. If the Limited Commercial Development at CV is constructed, and if Stilo constructs the Initial Subdivision (as defined in Section 10(a)) at either Kotzin or TenX, Stilo may thereafter convert the Camper Village Employee Housing to uses permitted by the CV Vested Zoning, provided the number of dwelling units in the Camper Village Employee Housing is replaced by an equal or greater number of dwelling units on Kotzin or TenX consistent with Stilo’s Vested Zoning.

(v) Notwithstanding Section 8(c)(ii), if Final Forest Service Approval has not occurred on or before the third anniversary of the Effective Date (the **“Third Anniversary”**), Stilo shall have the right, but not the obligation, to provide Camper Village Employee Housing at locations other than Camper Village in Tusayan or within thirty (30) miles of the exterior corporate boundary thereof (the **“Off-Site Locations”**) according to the following formula: (A) for the two (2) year period following the Third Anniversary, Stilo may provide up to fifty percent (50%) of the Camper Village Employee Housing at Off-Site Locations; (B) if two (2) years after the Third Anniversary Final Forest Service Approval has not occurred, Stilo may locate up to an additional ten percent (10%) of the Camper Village Employee Housing at Off-Site Locations; (C) if four (4) years after the Third Anniversary Final Forest Service Approval has not occurred, Stilo may locate up to an additional ten percent (10%) of the Camper Village Employee Housing at Off-Site Locations; (D) if six (6) years after the Third Anniversary Final Forest Service Approval has not occurred, Stilo may locate up to an additional ten percent (10%) of the Camper Village Employee Housing at Off-Site Locations; (E) if eight (8) years after the Third Anniversary Final Forest Service Approval has not

occurred, Stilo may locate up to an additional ten percent (10%) of the Camper Village Employee Housing at Off-Site Locations; and (F) if ten (10) years after the Third Anniversary Final Forest Service Approval has not occurred, Stilo may locate up to an additional ten percent (10%) of the Camper Village Employee Housing at Off-Site Locations. Upon the occurrence of Final Forest Service Approval, the Camper Village employees residing at Off-Site Locations shall be capped at the number of such employees on the date of Final Forest Service Approval.

(vi) Following the Third Anniversary, the number of permitted single family residential units that the Town or its designee may construct on the TenX Second Town Housing Parcel (the "**Authorized Residential Unit Cap**") shall increase based on the percentage increase of Camper Village Employee Housing authorized and elected by Stilo to be placed at Off-Site Locations on the dates that occur (2) years, (4) years, six (6) years, eight (8) years and ten (10) years after the Third Anniversary as permitted by Section 8(c)(v) of this Second Amendment. The Authorized Residential Unit Cap shall increase one residential unit for each percentage increase in Camper Village Employee Housing authorized and elected by Stilo to be placed at Off-Site Locations. Without limiting the generality of the two preceding sentences, and by way of illustration only: if on the date that occurs two (2) years after the Third Anniversary Final Forest Service Approval has not occurred and Stilo is authorized and elects to relocate an additional ten percent (10%) of the Employee Housing to Off-Site Locations, the Authorized Residential Unit Cap shall increase to thirty (30), and if on the date that occurs four (4) years after the Third Anniversary Final Forest Service Approval has not occurred and Stilo is authorized and elects to relocate an additional ten percent (10%) of the Camper Village Employee Housing to Off-Site Locations, the Authorized Residential Unit Cap shall increase to forty (40).

6. Vesting of Zoning. The second sentence of Section 9(b) of the First Amendment shall be deleted in its entirety and replaced with the following:

(b) Future Modifications. Thereafter, Stilo's Properties shall be "**Irrevocably Vested**" and, for purposes herein, "**Irrevocably Vested**" means that Stilo shall have the right to develop Kotzin, TenX and Camper Village pursuant to the terms of this First and Second Amendment and pursuant to zoning approvals and the Town's ordinances and regulations as of the Effective Date.

7. **Entire Agreement.** The Prior Agreement and First Amendment, as modified by this Second Amendment, including all exhibits set forth below which are incorporated herein as if fully set forth in the text, constitutes the entire understanding and agreement of the parties and hereby modifies that Prior Agreement made of record at in Coconino County, Arizona as Instrument No. 3610450 and that First Amendment also made of record in Coconino County, Arizona as Instrument No. 3687289. This Second Amendment integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements (except for the remaining terms of the Prior Agreement and First Amendment) between the parties with respect to all or any part of the subject matter hereof.

Exhibit A Escrow Instructions and Form of Deed for Second Town Housing Parcel

Exhibit B Legal Description and Depiction of Second Town Housing Parcel

8. **Miscellaneous.** Except as expressly amended hereby, the Prior Agreement and First Amendment shall remain in full force and effect. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. This Second Amendment may be executed in one or more counterparts, all counterparts shall be valid and binding on the party executing them and all counterparts shall together constitute one and the same document for all purposes. This Second Amendment may be executed and delivered by facsimile signature for execution on the part of one or more parties hereto and upon one party sending via facsimile to another party a facsimile copy of a signature page showing the sending party's execution or signature, the sending party shall be bound by such signature or execution.

IN WITNESS WHEREOF, the Town has caused this Second Amendment to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested to by the Town Clerk, and the Developer has executed and sealed the same on or as of the day and year first above written.

ATTEST:

THE TOWN OF TUSAYAN,
an Arizona municipal corporation

Melissa M. Drake
Melissa M. Drake, Town Clerk

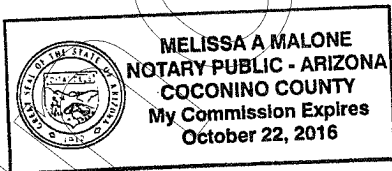
By [Signature]
Craig Sanderson, Mayor

STATE OF ARIZONA)
) ss.
COUNTY OF COCONINO)

On this 1ST day of JUNE 2016, before me, the undersigned officer, personally appeared CRAIG SANDERSON who acknowledged himself to be Mayor of THE TOWN OF TUSAYAN, an Arizona municipal corporation, whom I know personally whose identity was proven to me on the oath of _____, a credible witness by me duly sworn/whose identity was proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument/whose identity I verified on the basis of his _____, and he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Melissa M. Drake formerly
Notary Public
Melissa A. Malone



STILO DEVELOPMENT GROUP USA, L.P., an Arizona limited partnership

By: Federico Pelligioli

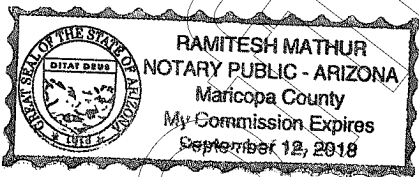
Name: FEDERICO PELLIGIOLI

Its: PRESIDENT

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this 14th day of July, 2016, before me, the undersigned officer, personally appeared Federico Pelligioli who acknowledged him/herself to be the president of STILO DEVELOPMENT GROUP USA, L.P., an Arizona limited partnership, whom I know personally/whose identity was proven to me on the oath of [Signature], a credible witness by me duly sworn/whose identity was proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument/whose identity I verified on the basis of his/her Italy / Arizona I.D. Card, and s/he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



[Signature]
Notary Public

EXHIBIT A TO SECOND AMENDMENT

ESCROW INSTRUCTIONS AND FORM OF DEED FOR SECOND TOWN HOUSING PARCEL

This Escrow Agreement (the "**Agreement**") is made as of _____, 2016 by and among the Town of Tusayan, an Arizona municipal corporation (the "**Town**"), Stilo Development Group USA Limited Partnership., an Arizona limited partnership ("**Stilo**") and Stewart Title Company, a _____ corporation ("**Stewart Title**")

RECITALS

A. The Town and Stilo are party to that certain Pre-Annexation and Development Agreement, Agreement No. 2011-11-02, dated July 1, 2011 and recorded November 9, 2011 as instrument number 3610450, Records of Coconino County, Arizona, the associated Memorandum of Development Agreement Exhibits dated November 17, 2011 and recorded November 23, 2011 as instrument number 3611694, Records of Coconino County, Arizona as amended by that First Amendment dated January 22, 2014 and recorded May 11, 2014 as instrument number 3687289 in the Records of Coconino County, Arizona, as further amended by that Second Amendment dated _____, 2016 and recorded _____ as instrument number _____ in the Records of Coconino County, Arizona (the "**Second Amendment**") (the Pre-Annexation and Development Agreement, "**First Amendment**", and "**Second Amendment**" shall collectively hereafter be referred to as the "**Development Agreement**").

B. Among the parcels of real property subject to the Development Agreement are the following Coconino County tax parcels:

502-16-006 (the "**Kotzin Property**") and;
502-14-001 (the "**TenX Property**") as depicted on Exhibit A.

C. Stilo owns the Kotzin Parcel and the TenX Parcel.

D. Pursuant to Section 7(g) of the Second Amendment, Stilo is obligated to transfer title to twenty (20) acres of the TenX Property (the "**TenX Second Town Housing Parcel**") to the Town for no monetary consideration. The obligation of Stilo to transfer to the Town the TenX Second Town Housing Parcel is irrevocable. Section 7(g) of the Second Amendment establishes certain conditions which establish when the TenX Second Town Housing Parcel is to be transferred. Those conditions are set forth in Section 9 of this Agreement.

E. The precise legal description of the TenX Second Town Housing Parcel is generally depicted at Exhibit A.

F. Stilo has established an escrow account (No. 11450318) (the "**Escrow**") at Stewart Title to irrevocably transfer title to the TenX Second Town Housing Parcel to the Town pursuant to this Agreement.

G. The Development Agreement was determined to be a legislative act pursuant to stipulation in the matter of *Stilo Development Group USA, LP, et al. v. Town of Tusayan, et al.*, Case No. CV2012-00080, Coconino County Superior Court.

H. This Agreement implements the Development Agreement and unless otherwise defined, capitalized terms used herein shall have the meaning set forth in the Development Agreement.

AGREEMENTS

1. Recitals as Agreements. The foregoing Recitals are true and correct and are incorporated herein as agreements.

2. Irrevocability. This Agreement and the Escrow become irrevocable upon delivery of a fully signed copy of this Agreement to Stewart Title. This Agreement and the Escrow shall remain irrevocable and in full force and effect until Closing.

3. Deeds for Transfer of the TenX Second Town Housing Parcel. Transfer of fee simple title to the TenX Second Town Housing Parcel shall be pursuant to a deed in the form attached as Exhibit B (the "**Deed**"), a fully signed original of which shall be deposited with Stewart Title contemporaneously with the delivery into Escrow of a fully signed copy of this Agreement. Stilo hereby irrevocably delivers the Deed to Security Title to be held in trust for the benefit of the Town pursuant to the terms of this Agreement. The legal descriptions shall be attached to the Deed upon completion of a Survey as set forth herein.

4. Conditions Precedent to the Transfer of the TenX Second Town Housing Parcel.

a. Title Commitment. Within ten (10) days after the execution of this Agreement, Stilo's shall cause Stewart Title to deliver to the Town and to Stilo an Arizona form title commitment ("**Title Commitment**") for the relevant property together with copies of all documents and other items referred to in the Title Commitment as exceptions. The Title Commitment shall be for an extended owner's policy of title insurance ("**Title Policy**") in an amount to be agreed upon by the parties not later than ten (10) days prior to the Closing Date (as that date is determined pursuant to Section 9 of this Agreement).

b. Title Review. The Town shall have forty-five (45) days to examine the Title Commitment and to specify to Stilo in writing those items reflected therein that the Town will accept subject to (the "**Permitted Encumbrances**") and those matters reflected in the Title Commitment that the Town finds objectionable. The Town need not object to any monetary encumbrances, which Stilo agrees to remove at or prior to the Closing Date. If the Town makes any such written objection, Stilo shall have until the Closing Date to use its good faith efforts to cure such objections and have the Title Commitment updated to reflect such cure; provided, however, that Stilo shall have no obligation to spend more than \$3,500 (the "**Maximum Cure Amount**") to affect such cure. The Maximum Cure Amount shall not limit Stilo's obligation to remove monetary encumbrances. If Stilo anticipates that the Maximum Cure Amount will be exceeded,

Stilo shall notify the Town and within thirty (30) days thereafter the Town and Stilo shall mutually agree upon a substitute twenty (20) acre parcel to replace the parcel that is the subject of the objection for which the Maximum Cure Amount will be exceeded. The Town and Stilo shall continue this process until a replacement parcel can be identified. If a replacement parcel cannot be identified for which a Town objection can be cured at cost less than the Maximum Cure Amount, Stilo must cure the Town's objection for the replacement parcel for which the lowest amount must be expended to cure the Town's objection. If the Town's objections cannot be resolved, the dispute shall be resolved in the manner set forth in the Development Agreement. If the Town fails to give written notice to Stilo of any objections during the forty-five (45) day review period, it shall be deemed that all exceptions shown in the Title Commitment are acceptable, and all such exceptions shall be Permitted Encumbrances.

c. Survey. Within thirty (30) days after the Effective Date of the Second Amendment, Stilo shall provide to the Town (at a cost shared equally with the Town) and Stewart Title a Record of Survey by Woodson Engineering and Surveying Co., Inc. (Project No. – 113672) ("**Survey**") that provides legal descriptions for the TenX Second Town Housing Parcel. The Survey and updated legal descriptions shall be submitted to the Town for approval. Upon such receipt, the Town shall have ten (10) days to examine the Survey with regard to the TenX Second Town Housing Parcel and to specify to Stilo in writing those items reflected thereon that the Town finds objectionable. If the Town makes any such written objection, Stilo and the Town shall jointly work in good faith with the surveyor to resolve the Town's objections but Stilo shall not be required to spend more than the Maximum Cure Amount to resolve any of the Town's objections to the Survey and to the condition of title, taken jointly, subject to Stilo's obligation to identify a replacement parcel that is acceptable to the Town in accordance with a process consistent with the review and approval process set forth in Section 4.b above. Should the parties be unable to resolve any of the Town's objections, the dispute will be resolved in the manner set forth in the Development Agreement. Upon the passage of the Town's sixty (60) day examination and objection period without Stilo's receipt of any written objections, or upon the resolution of such objections, the Survey, as revised if necessary, shall be delivered to Stewart Title.

d. Environmental Reports. If Stilo has in its possession a Phase I environmental assessment report pertaining to the the TenX Second Town Housing Parcel, Stilo shall, without representation or warranty, deliver such report/s to the Town within ten (10) days after the date of execution hereof. If Stilo does not have such reports in its possession, it shall have no obligation to obtain one., The Town may also (at its expense) order a Phase I environmental report and additional environmental reports if necessary for the TenX Second Town Housing Parcel. If the Town objects to the parcel based on information provided in an environmental report, the Town must provide that objection to Stilo within forty-five (45) days after the delivery of a fully signed original environmental report. Thereafter, the parties shall work in good faith to resolve the Town's objections, but Stilo shall have no financial obligation concerning the Town's objections, subject to Stilo's obligation to identify a replacement parcel that is acceptable to the Town in accordance with a process consistent with the review and approval process set forth in Section 4.b

above. If the Town's objections cannot be resolved, the dispute shall be resolved in the manner set forth in the Development Agreement.

5. Inspection of the TenX Second Town Housing Parcel. At any time prior to the Closing Date, the Town shall have the right but not the obligation, at its sole cost, expense and risk, to enter upon and to examine and inspect the TenX Second Town Housing Parcel and to conduct any feasibility studies thereon that it may desire. Stilo shall be entitled to copies of all test results, inspection reports or feasibility reports generated as a result of any such study, including (without limitation) any environmental reports obtained by the Town pursuant to Section 4.e above; provided, however, that the Town does not warrant or represent the accuracy of any such items. Should the Town avail itself of the rights set forth in this Section 5, the Town shall indemnify and hold Stilo harmless to the extent permitted by law from and against any and all costs, liabilities, claims, liens, encumbrances or causes of action (including, without limitation, reasonable attorneys' fees) arising out of the Town's actions taken in conjunction with exercising its rights under this Section 5, and such indemnification obligation shall survive the Closing Date.

6. Representations and Warranties of Stilo.

a. Except as expressly set forth herein and in the Deed applicable to a conveyed parcel, Stilo makes no representations or warranties of any kind to the Town including, without limitation, the physical condition of the TenX Second Town Housing Parcel or its suitability for any particular purpose.

b. Stilo hereby warrants and represents that it has full authority to enter into and perform its obligations under this Agreement.

c. Stilo hereby warrants and represents that no real estate commission is due to be paid as a result of its involvement in this Agreement and hereby agrees to defend, indemnify and hold the Town harmless from and against any claim by third parties arising by, through or under it for brokerage, commission, finder's or any fees relative to this Agreement or the transfer of the the TenX Second Town Housing Parcel.

d. Neither the execution of this Agreement or any of the deeds described herein nor the consummation of the transactions contemplated hereby will constitute a default or an event which, with notice or the passage of time or both, would constitute a default under, or violation or breach of, any agreement, court order or other arrangement to which Stilo is a party or by which Stilo may be bound.

e. To Stilo's actual knowledge, there is no investigation, litigation or proceeding pending or threatened, which adversely affects the property described herein, Stilo's interest therein, or Stilo's ability to perform hereunder. Stilo has not received notice of and does not have any knowledge of, any pending or threatened investigation, litigation or proceeding in eminent domain, special assessment, zoning, or otherwise, which would adversely affect the property described herein.

f. To Stilo's actual knowledge, the property described herein is in compliance with all federal and state environmental laws, codes, orders, decrees, rules, regulations and ordinances and no environmental pollutant has been stored or exists in, on, under or around the property described herein. No environmental legal action exists nor, to Stilo's actual knowledge, is there a basis for such an action with respect to the property. Without limiting the foregoing, for purposes of this Agreement, "**Environmental Pollutant**" shall mean any substances, wastes, pollutants, chemicals, compounds, mixtures or contaminants now or hereafter included within those respective terms under any now existing or hereafter or amended federal, state or local statute, ordinance, code or regulation which, due to its characteristics or interaction with one or more other substances, wastes, chemicals, compounds, mixtures or contaminants, damages or threatens to damage health, safety, or the environment and is required to be remediated by any law applicable to the property described herein, including (without limitation): The Resource Conservation and Recovery Act (RCRA, 42 U.S.C. §6901 *et seq.*), the Comprehensive Environmental Response Compensation and Liability Act (CERCLA, 42 U.S.C. §9601 *et seq.*) as amended, the Toxic Substance Control Act (TSCA, 15 U.S.C. §2601 *et seq.*), the Emergency Planning and Community Right to Know Act of 1986 (EPCRTKA, 42 U.S.C. §11001 *et seq.*), the Arizona Water Quality Control Program (A.R.S. Title 49, Chapter 2), the Arizona Hazardous Waste Disposal Act (A.R.S. Title 49 Chapter 5), the Arizona Underground Storage Tank Regulation Act (A.R.S. Title 49, Chapter 6) and/or any regulations promulgated pursuant to the foregoing. If any new information concerning any of the foregoing is discovered by Stilo or if Stilo receives notice of any violation or claimed violation of any law, ordinance, rule or regulation relating to an Environmental Pollutant, Stilo shall give prompt written notice thereof to the Town prior to the close of escrow for the property for which new information is discovered or for which Stilo has received notice.

g. The provisions of this Section 6 shall survive for one year after the Closing Date.

As used in this Agreement, the phrase "to Stilo's actual knowledge" or words of similar import shall mean the actual (and not constructive or imputed) knowledge, without independent investigation or inquiry or duty to investigate or inquire, of Tom DePaolo. Tom DePaolo shall have no personal liability arising out of this Agreement.

7. Pre-Closing Covenants of Stilo. From the date hereof until the Closing Date:

a. Stilo shall maintain the e TenX Second Town Housing Parcel in substantially the same manner as they are presently such that on the Closing Date, the the TenX Second Town Housing Parcel shall be in substantially the same physical condition as they are as of the date hereof; and

b. Stilo shall continue in effect any insurance coverage relative to the TenX Second Town Housing Parcel.

8. Representations and Warranties of the Town. The Town hereby warrants and represents that it has full authority to enter into and perform its obligations under this Agreement. The Town hereby further warrants and represents that no real estate commission is due to be paid as a result of its involvement in this Agreement and hereby, to the extent permitted by law, agrees to defend, indemnify and hold Stilo harmless from and against any claim by third parties arising by, through or under it for brokerage, commission, finder's or any fees relative to this Agreement or the transfer of the TenX Second Town Housing Parcel. This Section 8 shall survive the Closing Date.

9. Closing. Following the satisfaction of all conditions precedent to Closing as set forth in Section 4 of this Agreement, Stewart Title shall schedule a closing of this Escrow (the "**Closing**") no later than sixty (60) days thereafter. In addition, all of the following shall occur, it being understood that the performance or tender of performance of all matters set forth in this Section are mutually concurrent conditions:

a. The Town, at its sole cost and expense, shall deliver or cause to be delivered to Stewart Title such documents as may be reasonably necessary or appropriate to issue the Title Policy.

b. Stilo, at its sole cost and expense, shall deliver or cause to be delivered to Stewart Title the following:

i. A certificate informing the Town that Stilo is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code, as amended (the "**Code**"), and Regulations issued thereunder, such that withholding of tax is not required at the Closing.

ii. A standard Owner's Policy of Title Insurance in the amount set forth in Section 3(a) above insuring that the Town is the owner of indefeasible fee simple title to the TenX Second Town Housing Parcel (as the case may be) subject only to the Permitted Encumbrances, and the standard printed exceptions included in an Arizona standard form of Owner's Policy of Title Insurance.

iii. Such other documents as may be reasonably necessary or appropriate to issue the Title Policy.

c. All normal and customarily pro ratable items including, without limitation, real property taxes, shall be prorated as of the Closing, Stilo being charged for all relating to the period up to the Closing and the Town being charged for all relating to the period on and after the Closing. If the actual amounts to be prorated are not known as of the Closing, the prorations shall be made on the basis of the best evidence then available and, thereafter, when actual figures are received, a cash settlement will be made between Stilo and the Town. No proration will be made in relation to insurance premiums, and any existing insurance policies will not be assigned to the Town. The provisions of this Section shall survive the Closing.

d. In addition to the other costs and expenses specifically provided for herein, the costs and expenses of the Closing shall be borne as follows:

i. Stilo shall be obligated for and shall pay:

A. The escrow fee, if any, charged by Stewart Title;

B. The cost of recording the deed;

C. The premium for the standard Owner's Policy of Title Insurance without endorsements (but not the additional premium for an extended owner's policy);

D. The cost of the Survey; and

E. Stilo's attorneys' fees;

ii. The Town shall be obligated for and shall pay:

A. The additional premium for an extended owner's policy of title insurance, if desired, and for endorsements;

B. The Town's attorneys' fees;

e. Upon completion of the Closing, Stilo shall deliver possession of the TenX Second Town Housing Parcel to the Town as required by this Section 9.

10. Notices. Any notice provided or permitted to be given under this Agreement shall be in writing and shall be served by at least one of the following methods: (a) depositing same in the United States mail or with an overnight courier service, addressed to the party to be notified, postage prepaid and certified with return receipt requested if mailed; (b) by delivering the same in person to such party; or (c) by facsimile provided the sender obtains a confirmation of successful transmission. Notice given in accordance with this Section shall be effective upon the earlier of: actual receipt (or refusal of receipt), however given or received; or 72 hours after deposit in the mails; or one (1) Business Day after deposit with an overnight courier service, in the manner set forth above; and notice given in any other manner shall be effective only upon actual receipt (or refusal of receipt) at the address of the addressee. Notwithstanding the foregoing, notices actually received by any party, however given or received, always shall be effective and shall be deemed effective upon the earlier of: actual receipt, or the end of the time period for effectiveness specified in this Section for the method of delivery actually utilized. For purposes of notice, the addresses and facsimile numbers of the parties are as follows (or such other addresses or facsimile numbers as either party may from time to time furnish in writing to the other party):

If to Stilo, to: Stilo Development Group USA. LP
c/o Tom DePaolo
7610 East McDonald
Scottsdale, Arizona 85250
Facsimile: _____

With a copy to: Grady Gammage
Gammage & Burnham, PLC
Two North Central Avenue, 15th Floor
Phoenix, Arizona 85004-4470
Facsimile: 602-256-4475

If to the Town, to: Town Manager
Town of Tusayan
P.O. Box 709
Tusayan, Arizona 86023
Facsimile: 928-638-9910

With a copy to: Town Attorney
Town of Tusayan
P.O. Box 709
Tusayan, Arizona 86023
Facsimile: 928-638-9910

If to Stewart Title: Stewart Title Company
150 N. Verde Street, Suite 102
Flagstaff, Arizona 86001-5257
Attn: _____
Facsimile: 928-779-3277

11. Assignment. Neither party may assign their rights or obligations under this Agreement without, in each case, the prior written permission and consent of the other party, which permission and consent may be granted or denied in such other party's sole discretion.

12. Binding Effect; No Third Party Benefit. This Agreement shall inure to the benefit of and be binding on the parties hereto. This Agreement is for the sole benefit of Stilo and the Town, and no third party (including, without limitation, any real estate broker or any subsequent owners of any of the real property effected hereby) is intended to be a beneficiary of or have the right to enforce this Agreement.

13. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Arizona. Any claim or dispute arising out of or related to this Agreement or the enforcement or interpretation hereof shall be brought in a court of competent jurisdiction sitting within Coconino County, Arizona.

14. Default, Termination and Remedies. If either party fails to perform any of its obligations or agreements hereunder, the other party shall have the rights and remedies set forth in the First Amendment.

15. Entire Agreement; Exhibits; No Oral Modification. The Development Agreement and this Agreement (including the Exhibits hereto) form the entire agreement between Stilo and the Town concerning the sales of the real property described herein and no modification hereof or subsequent agreement relative to the subject matter hereof shall be binding on either party unless reduced to writing and signed by the party to be bound.

16. Miscellaneous. Whenever herein the singular number is used, the same shall include the plural, and the plural shall include the singular where appropriate, and words of any gender shall include the other gender where appropriate. The headings of the Sections contained in this Agreement are for convenience only and shall not be taken into account in determining the meaning of any provision of this Agreement. The words "**hereof**" and "**herein**" refer to this entire Agreement and not merely the Section in which such words appear unless the clear meaning is otherwise. As used herein, the term "**Business Day**" shall mean each day Monday through Friday except days on which Stewart Title is closed or national banks located in Flagstaff, Arizona are authorized or required by law or other governmental actions to close.

17. Multiple Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this instrument to produce or account for more than a single counterpart containing the respective signature of, or on behalf of, each of the parties hereto. A signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

18. Construction. This Agreement and any documents delivered pursuant hereto shall be construed without regard to the identity of the person who drafted the various provisions thereof. Moreover, each and every provision of this Agreement and such other documents shall be construed as though both parties hereto had participated equally in the drafting thereof. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting party shall not be applicable.

19. Recordation. Neither this Agreement nor any memorandum thereof shall be recorded in the office of the county clerk or recorder of the county in which the subject real property is located.

20. Attorneys' Fees. In the event of litigation between the parties in connection with this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. The obligation in the immediately preceding sentence shall survive the Closing.

21. IRS Real Estate Sales Reporting. Stilo and the Town hereby appoint Stewart Title and Stewart Title agrees to act as "the person responsible for closing" the transactions which are the subject of this Agreement, pursuant to Code Section 6045(e). Stewart Title shall prepare and file the informational return (IRS Form 1099-B) and any other necessary reports, returns and statements if and as required by, and otherwise shall comply with the terms of, Code Section 6045(e). Stewart Title further agrees to indemnify and hold Stilo, the Town and their respective attorneys harmless for, from and against all claims, costs, liabilities, penalties and expenses resulting from Stewart Title's failure to file the appropriate reports and otherwise comply with the terms of the Code pursuant to this Section.

22. Time is of the Essence; No Waiver. Time is of the essence of this Agreement and every term, covenant and condition hereof. No waiver or omission by any party to enforce any rights or remedies under this Agreement shall constitute a waiver of such rights or remedies or to require the other party's strict compliance with the terms hereof. Any waiver by any party, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver of any other default or in any other instance.

THE TOWN:

THE TOWN OF TUSAYAN, an Arizona municipal corporation

ATTEST:

Town Clerk

By: _____

_____, Mayor

APPROVED AS TO FORM:

Town Attorney

STILO:

STILO DEVELOPMENT GROUP USA LIMITED
PARTNERSHIP an Arizona limited partnership

By: _____

Printed Name: _____

Its: _____

STEWART TITLE COMPANY:

By: _____

Print Name: _____

Title: _____

Unofficial Copy

LIST OF EXHIBITS TO ESCROW INSTRUCTIONS

- | | |
|-----------|--|
| Exhibit A | Depiction of the TenX Property |
| Exhibit B | Description of the TenX Second Town Housing Parcel
and the Form of Deed |

Unofficial Copy

Exhibit A to the Escrow Instructions
Depiction of the TenX Property

Unofficial Copy

RESULTS OF SURVEY

FOR A PORTION OF

TEN X RANCH

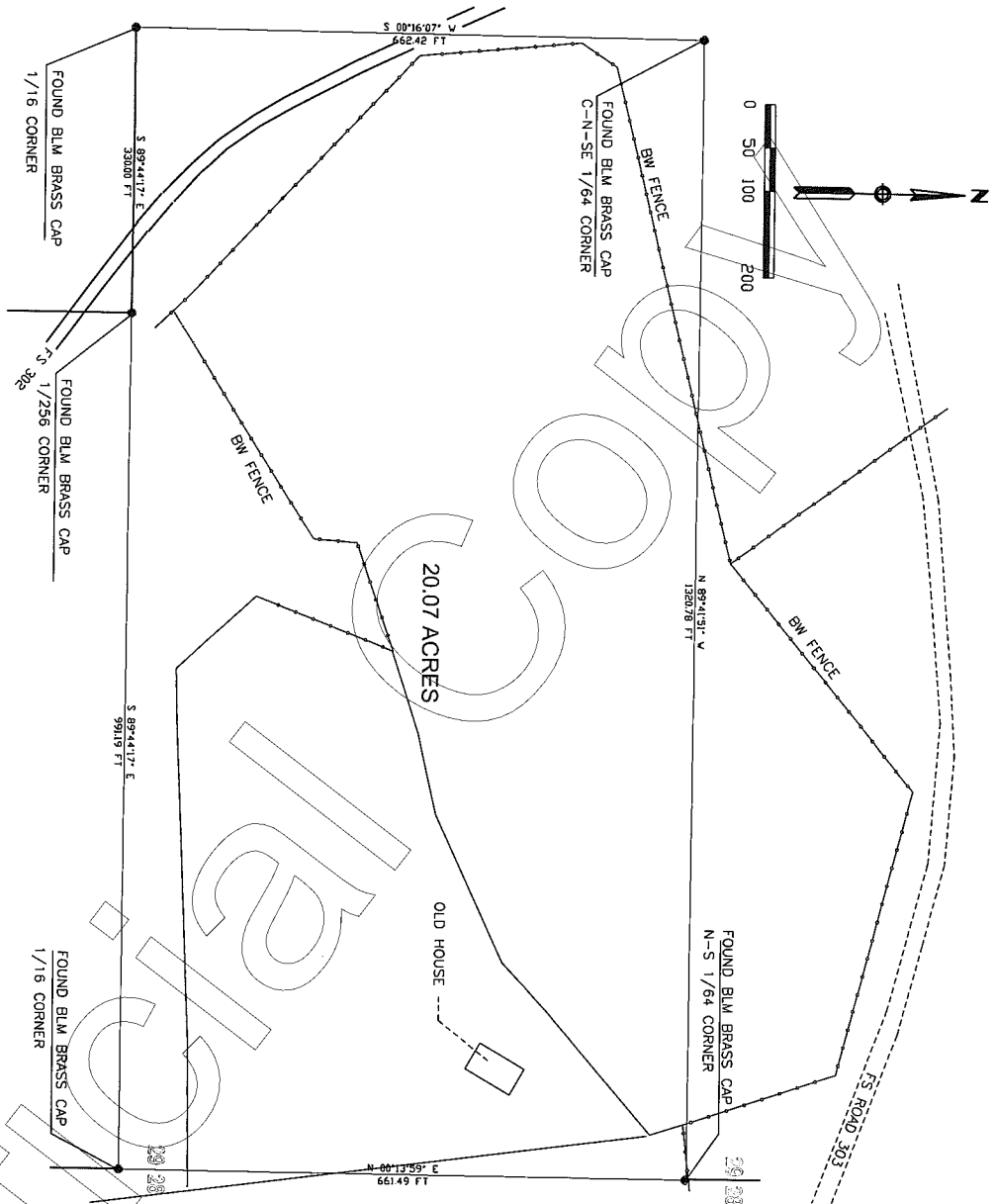
S1/2 NE1/4 SE1/4, SEC 29, T 30 N, R 03 E
 GILA & SALT RIVER MERIDIAN
 COCONINO COUNTY, ARIZONA

LEGAL DESCRIPTION

PARCEL 1

THE S1/2, NE1/4, SE1/4 WITHIN SECTION 29, TOWNSHIP 30 NORTH, RANGE 03 EAST, OF THE GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA AND MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE N-S 1/64 CORNER OF SAID SECTION 29, BEING A BLM BRASS CAP; THENCE ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 29, N89° 41' 51"W, A DISTANCE OF 1320.78 FEET TO A BRASS CAP; THENCE S00° 16' 07"W, A DISTANCE OF 662.42 FEET TO A BRASS CAP; THENCE S89° 44' 17"E, A DISTANCE OF 1321.19 FEET; THENCE N00° 13' 59"E, A DISTANCE OF 661.49 FEET, TO THE POINT OF BEGINNING.



LEGEND

- FOUND 1/2" REBAR & CAP
- ⊗ FND 1/4 CORNER
- ⊗ SET 1/2" REBAR & CAP - RLS 19810

BASIS OF BEARING

GPS OBSERVATION AND SOLUTION, RTK DATA

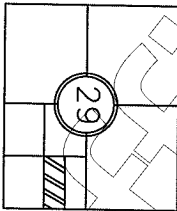
BASIS OF SURVEY

BLM PLAT, T30N, R03E, G&SRM, COCONINO COUNTY, AZ

SURVEYOR'S NOTE:

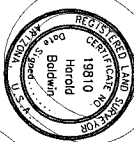
THIS DRAWING DOES NOT REFLECT ANY RIGHT-OF-WAY, EASEMENTS, OR OTHER ENCUMBRANCES WHICH WOULD BE REVEALED BY A CURRENT TITLE REPORT.

Location Map



SURVEYORS CERTIFICATION

I HAROLD BALDWIN CERTIFY THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION DURING THE MONTH OF APRIL 2016 AND IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT THE SURVEY MONUMENTS SHOWN HEREON HAVE BEEN LOCATED AS SHOWN.



RESULTS OF SURVEY

FOR

A PORTION OF TEN X RANCH
 SEC. 29, T. 30 N., R. 03 E.
 GILA & SALT RIVER MERIDIAN
 COCONINO COUNTY, ARIZONA

ALPHA-OMEGA ENGINEERING & SURVEY, LLC

P.O. BOX 972
 SHOWFLAKE, AZ 85937

Rev: 07-20-16 Comments by Aly

SEE A LIST OF REGISTERED PROFESSIONAL LAND SURVEYORS AT: www.aasno.org
 ALPHA-OMEGA ENGR. & SURVEY, LLC
 OFFICE: 900 W. WILSON AVENUE, SUITE 100, TUSAVAN, ARIZONA 86045

Exhibit B to the Escrow Instructions
Description of TenX Second Town Housing Parcel
and the Form of Deed

When recorded, return to:

Town Clerk
Town of Tusayan
P.O. Box 709
Tusayan, Arizona 86023

**SPECIAL WARRANTY DEED
WITH REVERTER**

(Second Town Housing Parcel - TenX)

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, STILO DEVELOPMENT GROUP USA LIMITED PARTNERSHIP, an Arizona limited partnership ("Grantor"), hereby grants, sells and conveys to THE TOWN OF TUSAYAN, an Arizona municipal corporation ("Grantee"), that real property located in Coconino County, Arizona, and legally described in *Exhibit "A"* attached hereto and incorporated herein by this reference, together with all interests, privileges and easements appurtenant thereto and any and all improvements located thereon ("Property").

SUBJECT TO: real estate taxes, assessments and any other liens arising therefrom, all reservations in patents, deed restrictions, if any, all easements, rights-of-way, covenants, conditions, restrictions, encroachments, liens, encumbrances, obligations and liabilities as may appear of record, and any and all other matters that can be determined by a visual inspection or a complete and accurate survey of the Property.

Notwithstanding the foregoing, Grantor warrants title to the Property, subject to the matters referred to above, only against its own acts, but not the acts of any others.

FURTHER SUBJECT TO the following conditions and restrictions:

1. Development Agreement. This Special Warranty Deed With Reverter has been recorded as required by that Pre-Annexation and Development Agreement by and between Grantor and Grantee dated as of the 1st day of July, 2011 recorded on November 9, 2011 as instrument number 3610450 in the official records of Coconino County, Arizona and that First Amendment thereto dated as of the 22nd day of January 2014 recorded on March, 11, 2014 as instrument number 3687289 and the Second Amendment thereto dated as of the

_____ day of _____, 2016 and recorded on _____, 2016 as instrument number _____ (the "Development Agreement"). All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to such terms in the Development Agreement

2. Restrictions. The use of the Property shall not exceed twenty (20) single family residential units until such time as housing density on the Property may be increased upon obtaining U.S. Forest Service Final Approval; provided however that after [insert date three years after the effective date of Second Amendment], the number of permitted single family residential units on the Property may increase as permitted by Section 8(c)(vi) of the Second Amendment to Pre-Annexation and Development Agreement between the Grantor and Grantee, dated as of [insert date of Second Amendment], recorded on [insert date of recording] as instrument number [insert recordation number] in the Records of Coconino County, Arizona (the "Density Restriction"). In addition, use of the Property shall be limited and restricted to public housing or "other public purposes" (the "Use Restriction"). For purposes of this Special Warranty Deed with Reverter, "other public purposes" includes such use as a park or other Town facility and may include the transfer of any or all of the Property to a Town Housing Authority defined in A.R.S. 36-1401 in order to allow the Town to finance, construct and develop additional housing.

3. Violating Restrictions. If the Density Restriction is exceeded prior to U.S. Forest Service Final Approval, Grantee shall pay Grantor a fee of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) (which is the estimated cost of land plus horizontal and vertical improvements per unit) per residential unit in excess of the limit on such residential units required by Section 2 hereof. If the Use Restriction is violated, subject to the provisions of Section 4 below, title to all or a portion of the Property shall revert to Grantor or the then assignee of Grantor's (a "Reversion Triggering Event").

4. Procedure Upon Reversion Triggering Event. At Grantor's sole election, which shall be waived if not made in writing within 180 days following the occurrence of the Reversion Triggering Event, upon the occurrence of the Reversion Triggering Event, then Grantor may send a written notice of violation (the "Violation Notice") to Grantee. If Grantee disagrees with the Violation Notice, then, within thirty (30) days after receipt of the Violation Notice, Grantee shall submit to Grantor or the then assignee of Grantor's rights hereunder a written notice of disagreement, in which event the dispute resolution provisions of Section 21 of the Development Agreement shall apply. If Grantee does not submit a written objection within the time set forth above, or upon resolution of the dispute in favor of Grantor or the then assignee of Grantor's rights hereunder, then Grantor or the then assignee of Grantor's rights hereunder may record a notice of exercise of reverter or other document as may be deemed necessary by Grantor or the then assignee of Grantor's rights hereunder. Upon the recording of such instrument, title to the Property, or applicable portion thereof, shall vest in Grantor or the then assignee of Grantor's rights hereunder subject to all matters then of record, except that Grantee shall satisfy all monetary obligations then of record within thirty (30) days after such recordation.

All notices shall be delivered in the manner set forth in the Development Agreement. Grantee shall execute any document reasonably required to give effect to this provision.

5. Covenants Running with Land. The foregoing conditions and restrictions shall be deemed covenants running with the land and binding upon Grantee and its successors and assigns.

6. Reverter Period. The reversion right herein shall automatically expire upon the date that is 21 years after the death of the last survivor of the now living descendants of United States President Barack Obama.

7. Successors and Assigns. Any assignee of Grantee's rights hereunder is hereby given notice of the terms hereof. By accepting any transfer of Grantee's rights hereunder, such assignee agrees to be bound by the terms of this Special Warranty Deed With Reverter as if executed and delivered by such assignee. Grantor may assign its rights hereunder only to those persons or entities described in Section 19 of the Development Agreement.

8. Miscellaneous. Any provision or provisions of this Special Warranty Deed which shall be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all of the remaining provisions hereof shall nevertheless remain in full force and effect, and such invalid, void or illegal provision shall be deemed to be severed from the terms of this Special Warranty Deed With Reverter.

DATED as of this _____ day of _____, 20__.

"GRANTOR"

**STILO DEVELOPMENT GROUP USA
LIMITED PARTNERSHIP**, an Arizona limited partnership

By: _____

Name: _____

Its: _____

STATE OF ARIZONA)
) ss.
 COUNTY OF MARICOPA)

On this ____ day of _____, 20__, before me, the undersigned officer, _____ personally appeared _____ who acknowledged him/herself to be the _____ of STILO DEVELOPMENT GROUP USA LIMITED PARTNERSHIP, an Arizona limited partnership, whom I know personally/whose identity was proven to me on the oath of _____, a credible witness by me duly sworn/whose identity was proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument/whose identity I verified on the basis of his/her _____, and s/he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

NOTARY SEAL:

 Notary Public

Description of document this notarial certificate is being attached to:	
Type/Title	Special Warranty Deed with Reverter
Date of Document	
Number of Pages	
Add'l Signers (other than those named in this notarial certificate)	

ATTEST:

"TOWN"

THE TOWN OF TUSAYAN,
an Arizona municipal corporation

Town Clerk

By _____
_____, Mayor

STATE OF ARIZONA)
) ss.
COUNTY OF COCONINO)

On this ____ day of _____, 20__, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be Mayor of THE TOWN OF TUSAYAN, an Arizona municipal corporation, whom I know personally/whose identity was proven to me on the oath of _____, a credible witness by me duly sworn/whose identity was proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument/whose identity I verified on the basis of his _____, and he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

NOTARY SEAL:

Notary Public

Description of document this notarial certificate is being attached to:	
Type/Title	Special Warranty Deed with Reverter
Date of Document	
Number of Pages	
Add'l Signers (other than those named in this notarial certificate)	

EXHIBIT A TO SPECIAL WARRANTY DEED

LEGAL DESCRIPTION

Unofficial Copy

RESULTS OF SURVEY

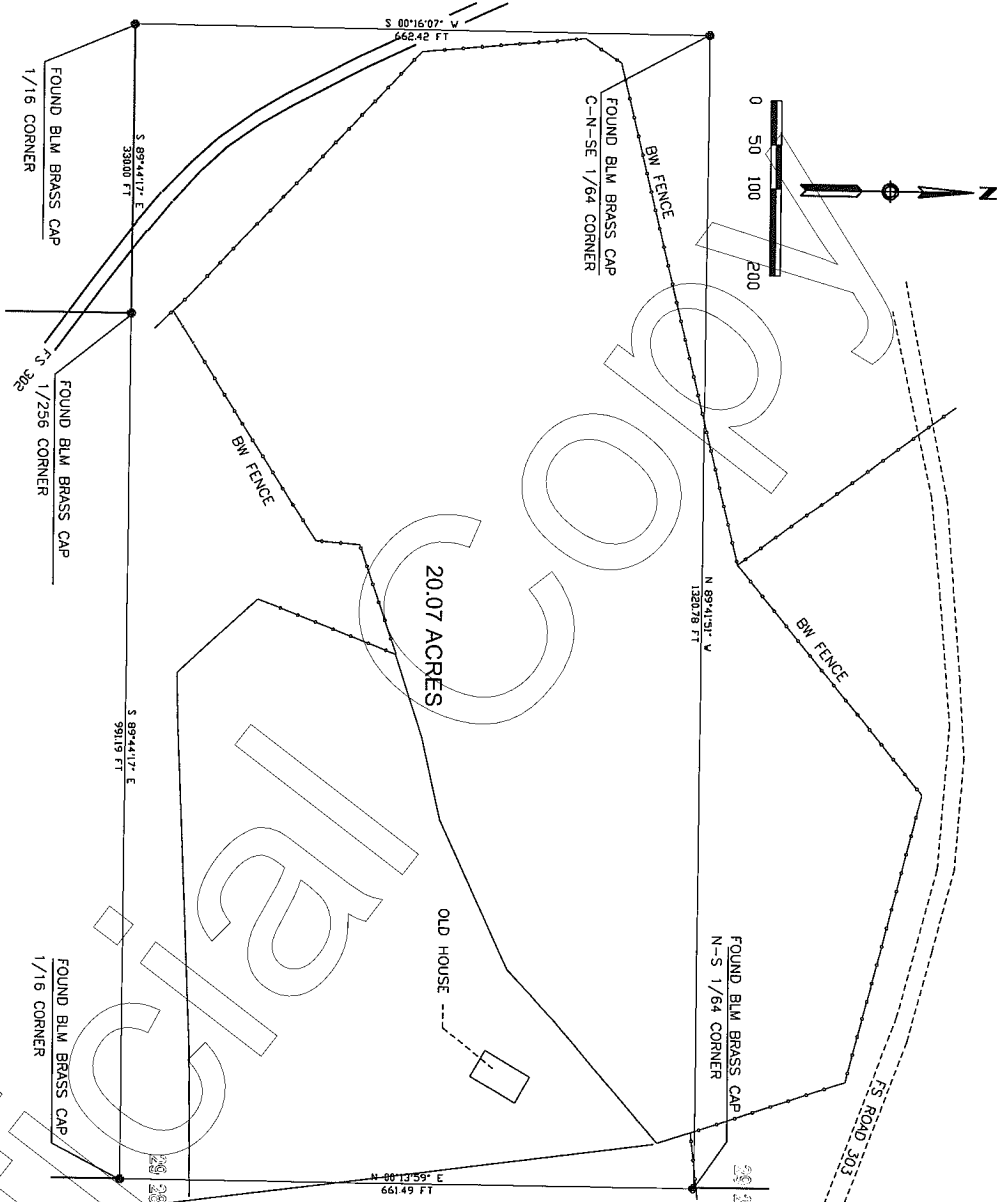
FOR A PORTION OF
TEN X RANCH
 S1/2 NE1/4 SE1/4, SEC 29, T 30 N, R 03 E
 GILA & SALT RIVER MERIDIAN
 COCONINO COUNTY, ARIZONA

LEGAL DESCRIPTION

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LEGEND

- FOUND 1/2" REBAR & CAP
- △ FND 1/4 CORNER
- ⊙ SET 1/2" REBAR & CAP - RLS 19810

BASIS OF BEARING

GPS OBSERVATION AND SOLUTION, RTK DATA

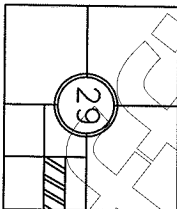
BASIS OF SURVEY

BLM PLAT, T30N, R03E, G&SRM, COCONINO COUNTY, AZ

SURVEYOR'S NOTE:

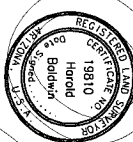
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Location Map



SURVEYORS CERTIFICATION

I, HAROLD BALDWIN, CERTIFY THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION DURING THE MONTH OF APRIL, 2016 AND IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND THAT THE SURVEY MONUMENTS SHOWN HEREON HAVE BEEN LOCATED AS SHOWN.



RESULTS OF SURVEY

FOR A PORTION OF TEN X RANCH

SEC. 29, T. 30 N., R. 03 E.

GILA & SALT RIVER MERIDIAN

COCONINO COUNTY, ARIZONA

ALPHA-OMEGA ENGINEERING & SURVEY, LLC

P.O. BOX 872

SNOWFLAKE, AZ 85957

REC'D & RECORDED IN BOOK 07-20-16 OF THE OFFICE OF THE COUNTY CLERK, COCONINO COUNTY, ARIZONA

Rev: 07-20-16 Comments by Aty

**EXHIBIT B TO SECOND AMENDMENT
LEGAL DESCRIPTION AND DEPICTION OF SECOND TOWN HOUSING
PARCEL**

Unofficial Copy

RESULTS OF SURVEY

FOR A PORTION OF

TEN X RANCH

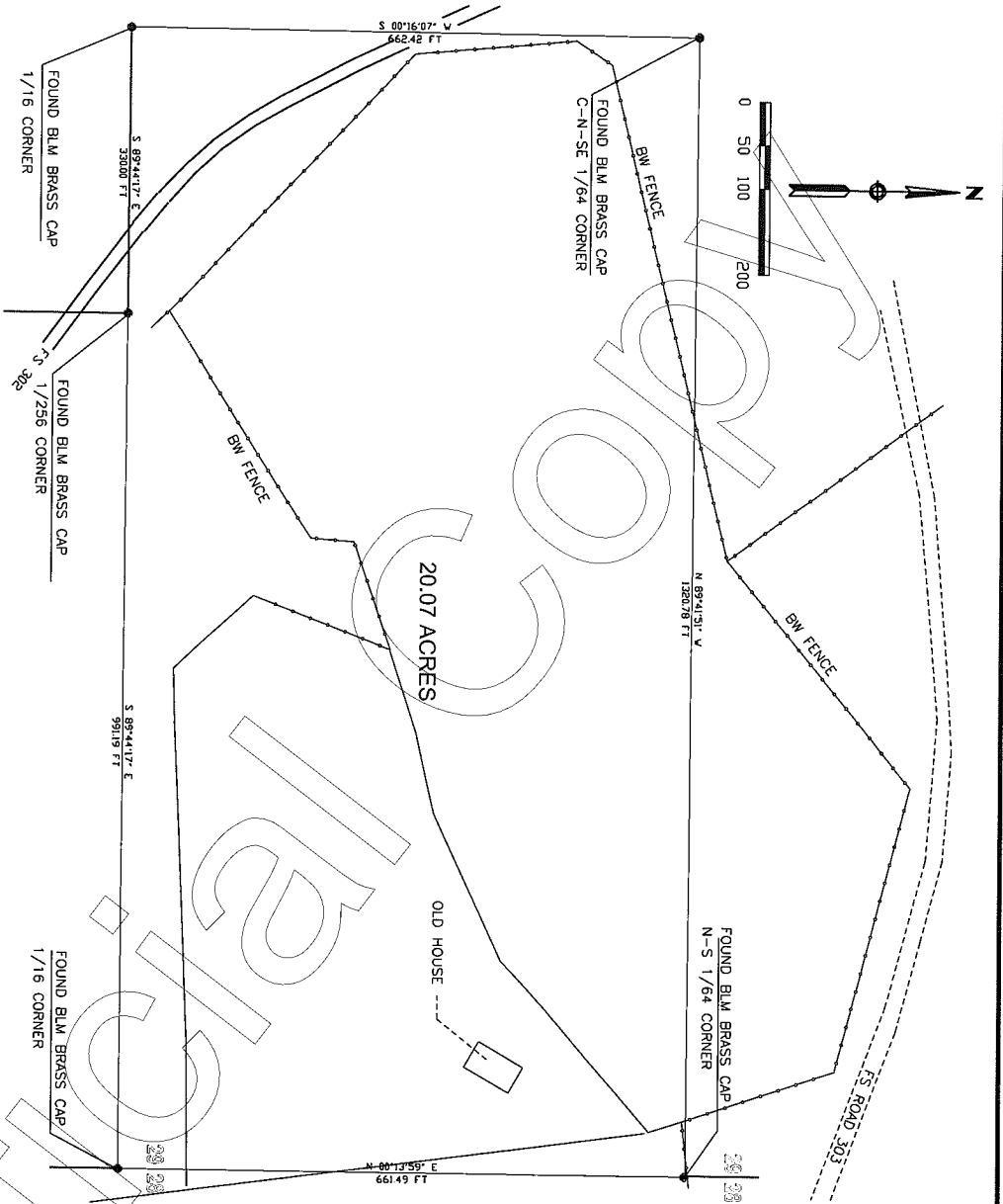
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BASIS OF BEARING

GPS OBSERVATION AND SOLUTION, RTK DATA

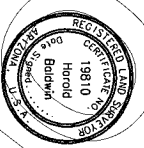
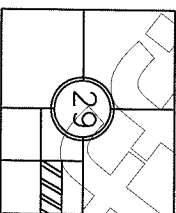
BASIS OF SURVEY

BLM PLAT, T30N, R03E, G&SRM, COCONINO COUNTY, AZ

SURVEYOR'S NOTE:

THIS DRAWING DOES NOT REFLECT ANY RIGHT-OF-WAY, EASEMENTS, OR OTHER ENCUMBRANCES WHICH WOULD BE REVEALED BY A CURRENT TITLE REPORT.

Location Map



SURVEYORS CERTIFICATION

I HAROLD BALDWIN CERTIFY THAT THE SURVEY SHOWN HEREON WAS DONE UNDER MY DIRECT SUPERVISION DURING THE MONTH OF APRIL, 2016, AND IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE, AND THAT THE SURVEY MONUMENTS SHOWN HEREON HAVE BEEN LOCATED AS SHOWN.

RESULTS OF SURVEY

FOR A PORTION OF TEN X RANCH SEC. 29, T. 30 N., R. 03 E., GILA & SALT RIVER MERIDIAN COCONINO COUNTY, ARIZONA

Scale:	1"=100'	Drawn by:	HR
Checked by:	HR	Date:	07-20-16
Field work:	HR-H1	Job No.:	16-021
Map No.:	1 OF 1	Revision:	N/A
Prepared for:	TOWN OF TUSSVAN	Prepared by:	ALPHA-OMEGA ENGINEERING & SURVEY, LLC
		Address:	P.O. BOX 972 SNOWFLAKE, AZ 85867

SEE LIST OF RECORDS OF THE SURVEYOR'S OFFICE FOR A COMPLETE LIST OF RECORDS OF THIS SURVEY.
 ALPHA-OMEGA ENGINEERING & SURVEY, LLC
 Physical Records of Coconino County, Arizona
 Rev: 07-20-16 Comments by Atty