WHEN RECORDED RETURN TO:

City of Casa Grande
Attn: City Clerk
510 East Florence Boulevard
Casa Grande, Arizona 85222

C. G. CONTRACT NO. _______

______________________________

SEWER LINE EXTENSION AGREEMENT

______________________________

CITY OF CASA GRANDE, ARIZONA,
an Arizona municipal corporation

AND

AZ SOURCING, LLC, an Arizona limited liabilitycompany

______________________________

, 2014
SEWER LINE EXTENSION AGREEMENT

THIS SEWER LINE EXTENSION AGREEMENT (the "Agreement") is made as of the ___ day of _____________, 2014, by and between the CITY OF CASA GRANDE, ARIZONA, an Arizona municipal corporation (the "City"); and AZ SOURCING, LLC, an Arizona limited liability company ("Owner"). The City and Owner are sometimes referred to herein collectively as the "Parties," or individually as a "Party."

RECITALS

A. Owner and Owner’s affiliate Phoenix Mart, LLC own that certain real property located in Casa Grande, Arizona consisting of approximately five hundred five (505) acres, legally described on Exhibit A and depicted on Exhibit B, both attached hereto (the “Property”). Owner’s affiliate Phoenix Mart, LLC owns approximately 150 acres of the Property which is depicted and labeled on Exhibit B as “Lot 1” and Owner owns the balance of the Property.

B. It is the desire and current intention of Owner to develop the Property in several phases. The first phase will consist of approximately ___ acres which is shaded and labeled on Exhibit B as “Phase One” (“Phase One”) and which includes, among other things, (i) the Phoenix Mart building of approximately 1.6 million square feet and related infrastructure; (ii) an approximate 297 unit multi-family residential project tentatively called “SOHO” planned for what is labeled on Exhibit B as “Lot 3”; and (iii) an approximate 125 room hotel planned for a portion of what is labeled on “Exhibit 2” as Lot 2.” For purposes of this Agreement, the second phase will consist of all development of the Property other than the Phase One property (“Phase Two”) (and nothing in this Agreement shall limit or restrict the development of Phase Two in additional phases). Collectively, the development phases are referred to herein as the “Project.”

C. In order to provide sewer and wastewater service to the Property and other properties in the vicinity of the Property, a sewer line connecting to the City’s existing sewer infrastructure must be designed, engineered, permitted, constructed and installed from the west side of Interstate 10 to the Property (“Sewer Line”).

D. Owner is willing to cause the design and engineering of the Sewer Line and City is willing to obtain permits, construct and install the Sewer Line, subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and representations and the mutual promises contained in this Agreement, the Parties agree as follows:

AGREEMENTS

1. DEFINITIONS.

In this Agreement, unless a different meaning clearly appears from the context:

“ADOT” means the Arizona Department of Transportation.
“Agreement” means this Sewer Line Extension Agreement.

“A.R.S.” means the Arizona Revised Statutes.

“CFD” means the Post Ranch Community Facilities District.

“City” means the City of Casa Grande.

“CMAR” means Construction Manager at Risk as used in Title 34 of A.R.S.

“Design and Engineering Costs” means those costs incurred in the design and engineering of the Sewer Line.

"Effective Date" means the date on which all of the following has occurred: this Agreement has been adopted and approved by the City Council, executed by duly authorized representatives of the City and Owner, and recorded in the office of the Recorder of Pinal County, Arizona.

“GMP” means the Guaranteed Maximum Price, which the Parties agree is the Owner’s share of the total project costs (excluding design and engineering costs described in section 3.1 below) and shall be Four Million Eight Hundred Thousand Dollars ($4,800,000)

“Lot” means any single family or dual family residential lot that has received final approval by the City.

“Owner” means AZ Sourcing, LLC, an Arizona limited liability company.

“Party/Parties” means City of Casa Grande and/or Owner.

“Project” means as defined in Recital B.

“Property” means as described in Recital A, as described in Exhibit A, and as depicted on Exhibit B.

“Sewer Line” means the off-site sewer line and related facilities adequate to provide sewer and wastewater service to the Project (at least 21” in diameter) to be constructed and installed from the existing City sewer infrastructure on the west side of Interstate 10 to the Property where the Toltec Buttes Road alignment crosses the northern boundary of the Property (approximately four and one half (4.5) miles).

“Sewer Line Fee” means the GMP plus any other costs paid by Owner in connection with the design, construction and installation of the Sewer Line.

"Term" means the period commencing on the Effective Date and terminating on the date on which the Parties have performed all of their obligations hereunder.

“Total Project Costs” means the aggregate total of all the costs associated with the Sewer Line construction and installation as set forth in Section 3.3, less the Design and
Engineering Costs and any costs related to the acquisition of right-of-way needed for construction of the Sewer Line from Owner

2. PARTIES AND PURPOSE OF THIS AGREEMENT.

2.1 Parties to the Agreement. The Parties to this Agreement are the City and the Owner.

(a) The City. The City is a municipal corporation and a political subdivision of the State of Arizona, duly organized and validly existing under the laws of the State of Arizona, exercising its governmental functions and powers.

(b) The Owner. The Owner is AZ Sourcing, LLC, an Arizona limited liability company, together with its successors in interest and assigns. The City recognizes that Owner may undertake development of the Project and business operations thereafter, in whole or in part, through its Affiliates.

2.2 Purpose. The purpose of this Agreement is to provide for the design, engineering and installation of the Sewer Line from the west side of Interstate 10 to the Property and to allocate the costs of the design, engineering and installation of the sewer line extension between the Parties and to identify the rights and responsibilities of the Parties and to provide for infrastructure and other improvements to be designed by Owner and constructed by the City. The purposes of this Agreement are more fully described in the Recitals hereto.

3. SEWER LINE.

3.1 Design and Engineering. Owner agrees to contract for and pay all of the costs associated with the design and engineering of the Sewer Line and to provide right-of-way owned or controlled by Owner for the Sewer Line as follows:

(a) Owner shall contract with and pay a professional engineer to design and provide engineering work necessary for a gravity sewer interceptor from the west side of I-10 and Korsten Road to the intersection of Cottonwood lane and Toltec Buttes Road as shown on the “City of Casa Grande Interceptor Sewer Modeling Exhibit 3.5.2 – East Side Sewer System Master Plan Update” by Sunrise Engineering Inc. The Parties agree that the 14 page proposal and agreement from Sunrise Engineering contained in the letter, dated February 12, 2014, to Jeremy Schoenfelder, President of AZ Sourcing, a copy of which is on file with the City, is acceptable to the City and needs no further approval pursuant to the Agreement and that Owner’s costs pursuant to such contract may be an eligible expense for reimbursement through the CFD subject to any and all terms applicable to reimbursement for public infrastructure. Owner shall be solely responsible for all payments pursuant to said engineering contract.

(b) Owner shall contract with and pay a professional engineer to design and provide engineering work necessary for a sewer crossing of Interstate 10 at Korsten Road, including sanitary sewer, junction structures, casing pipe, repairs to the existing condition within the project area and related improvements. The Parties agree that the proposal and
agreement from Jacobs Engineering Group, Inc. in the proposal dated October 3, 2013, prepared for AZ Sourcing, a copy of which is on file with the City, is acceptable to the City, and needs no further approval pursuant to the Agreement, and that Owner’s costs pursuant to such contract may be an eligible expense for reimbursement through the CFD subject to any and all terms applicable to reimbursement for public infrastructure. Owner shall be responsible for all payments pursuant to said engineering contract.

(c) If any of the foregoing design and engineering contracts are not consummated then Owner, with City’s approval, shall select and enter into contracts with a consultant or consultants to perform the design and engineering work for the Sewer Line. Owner shall be responsible for all payments to such consultants as required in the professional contracts between Owner and consultants. Owner will select the design consultant(s) in compliance with A.R.S. Title 34 procurement procedures, and if procured in compliance with A.R.S. Title 34 procurement procedures, Owner’s costs as established in this paragraph may be considered an eligible expense for reimbursement through the CFD.

(d) Owner shall be solely responsible for construction of any sewer lines needed to provide connection between the Sewer Line where the Toltec Buttes Road alignment meets the northern boundary of the Property and any on-site uses within the Property.

(e) Owner agrees to and shall, without cost to the City, donate to the City any right-of-way, easements, temporary easements, or other rights of entry needed for the construction and eventual maintenance of the Sewer Line on or over any of the Property owned or controlled by Owner or any affiliate which Owner controls or is controlled by or is under common control with Owner. Owner voluntarily waives any rights to compensation for such right-of-way. To the extent Owner sells, transfers, conveys or otherwise disposes of any property it owned or controlled as of April 29, 2014, Owner shall be solely responsible for any costs incurred by City if City is required to compensate an owner for the rights Owner agreed to donate pursuant to this Paragraph.

3.2 Construction and Installation. With the exception of those costs set forth in Section 3.1, and subject to repayment of Owner’s Sewer Line Fee as set forth in Section 3.3, City shall be responsible for the payment of the Total Project Costs, which are comprised of all the costs associated with the installation and construction of the Sewer Line including, but not limited to, the costs of environmental assessments, A.D.O.T. right-of-way approvals, permit review and application fees, right-of-way evaluation and acquisition, pre-construction services of a CMAR, materials, labor, management services, property acquisition, and insurance. Owner shall be responsible for its share of the Total Project Costs, as set forth below (i.e., the GMP), which share is for the construction of a sewer line with the capacity necessary to serve the ultimate build out of the Property and for Owner’s share of property acquisition costs and other costs incurred by the City. The Parties have agreed for these purposes that a 21” sewer line would be required to serve the Property given the current use estimates for the Project provided by Owner. If the final needs of Owner require sewer usage in excess of a 21” sewer line, Owner shall be solely responsible for any and all costs required to provide sewer capacity in excess of a 21” line to the Property.
3.3 Owners Sewer Line Fee and Payments: Owner shall be responsible for payment of the Sewer Line Fee as set forth in this Section 3.3.

(a) Owner shall pay to City, as an initial payment, the amount of One Million Six Hundred Thousand Dollars ($1,600,000) to the City within three (3) business days of the City’s approval of the Sewer Line construction contract that includes the work described in Section 3.2. Owner shall then pay the remaining balance of Owner’s Share of Total Project Costs in two equal installments as follows: (a) the first installment of One Million Six Hundred Thousand Dollars ($1,600,000) shall be due at the earlier of (i) the time a building permit is pulled for Phase Two of the Project (other than the construction of a water campus required by Arizona Water or a substation required by ED2, which shall not be considered Phase Two projects for purposes of this Paragraph) or (ii) five (5) years from the date the Sewer Line is accepted by the City; (b) the final installment of One Million Six Hundred Thousand Dollars ($1,600,000) shall be due at the earlier of (i) the time a building permit is pulled, which generates sewer flow for any Lot or parcel representing the second half of Phase Two of the Project (as determined by the total number of Lots permitted pursuant to the zoning for the Property) or (ii) ten years from the date the Sewer Line is accepted by the City. Owner shall, at the time of the initial Sewer Line Fee payment, secure the remaining balance of the Sewer Line Fee by the posting of a financial security such as a surety bond, irrevocable letter of credit, deposit of cash or cash equivalents, or other similar means acceptable to the City for the remaining Sewer Line Fee balance due. City shall release or reduce the security upon each payment of a Sewer Line Fee installment or, if full payment has not been timely made pursuant to this Agreement, may draw upon the security as payment.

(b) Notwithstanding Section 3.3(a), if Owner has not completed the approximate 1.6 million square feet Phoenix Mart building and the infrastructure needed to use such building within twelve (12) months from the date the Sewer Line has been completed by City, City may draw upon the entire balance of the Sewer Line Fee secured pursuant to Section 3.3(a); provided, however, that this twelve (12) month deadline shall be extended for one additional twelve (12) month period if, but only if, it reasonably appears that completion of the Phoenix Mart building by Owner can be completed within the extension period.

3.4 Development Impact Fee Offset. City agrees Owner’s Sewer Line Fee may be considered offsets to development impact fees for those sewer and wastewater elements that are eligible for reimbursement, credit or offset as and if allowed pursuant to the City’s development impact fee ordinance. Such offsets may be credited against such impact fees at the time permits are issued for construction within the Project or, upon Owner’s request, such impact fees shall be collected by the City from the permit applicant and subsequently paid to Owner in reimbursement (it being acknowledged that if the Owner is the permit applicant, the Owner may elect to either offset the reimbursable amount of the impact fee or pay the impact fee without offset and thereafter be reimbursed separately, but Owner shall not be entitled to both such offset and such separate reimbursement.) In no case shall Owner be entitled to Impact Fee credit or offset for amounts secured pursuant to Section 3.3(a) but not released to City. Such amounts may only be subject to reimbursement after payment to City of the balances due under the Sewer Line Fee and then only as and if allowed pursuant to the City’s development impact fee ordinance.
3.5 Cooperation in the Sewer Line Components. The Parties understand and agree the time it takes to design and engineer the Sewer Line directly impacts the construction of the Sewer Line and the time-table in which the Sewer Line will be delivered. Owner further understands and agrees delays in the completion of the Sewer Line design and engineering may cause additional delays in the construction timeline for the project. City and Owner understand and agree coordination between all parties (including the Parties to this agreement and third-party contractors utilized in the design, engineering, permitting, construction and installation of the Sewer Line) is essential to timely complete the Sewer Line construction component concurrently with all other components of Phase One of the Project. Owner and the City shall work together using reasonable best efforts throughout the Sewer Line design engineering, construction and installation to resolve any issues that arise in connection with the design, engineering, construction and installation of the Sewer Line.

3.6 Sewer Plant. Owner shall have no obligation to expand, design, construct, pay for, operate, maintain, or repair a treatment plant for wastewater generated on the Property, except for the payment of sewer development fees generally applied throughout City to property owners who connect to municipal sewer service and subject to the offset, credit or reimbursement described in Section 3.4 (i.e., only such offset, credit or reimbursement as may be eligible for the Sewer Line).

3.7 Sewer Service. Upon completion of the Sewer Line, City commits to provide municipal sewer service to the Property with like service related fees as are imposed on other similarly situated City sewer and wastewater customers.

4. CONSTRUCTION OF SEWER LINE.

4.1 Delivery of Sewer Service. Subject to Owner’s obligations contained herein, City agrees to provide and make sewer and wastewater service available to the Property within eighteen (18) months from the date the Sewer Line design and engineering plans have been approved by the City as ninety percent (90%) complete and the execution by the City of a CMAR Contract that includes the construction described in Section 3.2. City shall use reasonable commercial efforts to expedite its review and approval of the Sewer Line design and engineering plans, shall not cause any unreasonable delay in the solicitation of the CMAR contract or its presentation to the City for approval, and shall provide periodic notifications to the Owner regarding the anticipated dates of approval and completion of the design and engineering plans and the CMAR contract. The delivery of sewer and wastewater service described herein is expressly contingent upon the City’s ability to timely obtain all required right-of-way and easements, as well as the City obtaining the required permits from the Arizona Department of Environmental Quality, A.D.O.T., Hohokam Irrigation District and Kinder Morgan to cross certain infrastructure, and is further subject to subject to force majeure delay or other delay beyond City’s reasonable control, including but not limited to delay in final engineering or design plans. City shall use reasonable commercial efforts to obtain the aforementioned right-of-way, easements and permits and shall promptly notify Owner in the event a delay is encountered in obtaining the right-of-way, easements or permits. The sewer and wastewater service to be provided by the City to Phase One of the Project shall be in a quantity sufficient to serve the
entire sewer and wastewater requirements of the Phase One of the Project as set forth in this Agreement. For this purpose capacity/demand will be defined as the flow capacity of the particular pipe size at \( d/D=0.75 \). Demand will be determined as a “peak flow” and not an average daily flow. If, by the time the Phoenix Mart building is completed, the Sewer Line is not completed by the City, then the City will work with Owner to provide sewer service during the time it takes to complete the Sewer Line by temporary means acceptable to the City so that the Phoenix Mart building can be used, provided (a) Owner will bear the extra cost of providing such temporary service in excess of the usual sewer charges if the Phoenix Mart building is completed before the time period allowed to the City by this Paragraph for completing the Sewer Line and (b) the City will bear such cost above the usual sewer charges if the Sewer Line is not completed within the allowed time period.

5. MISCELLANEOUS PROVISIONS.

5.1 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Pinal (or, as may be appropriate, in the Justice Courts of Pinal County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 5.1.

5.2 Limited Severability. The City and Owner each believes that the execution, delivery and performance of this Agreement are in compliance with all Applicable Laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring the City to do any act in violation of any Applicable Laws, constitutional provision, law, regulation, City code or City charter), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. The Parties further agree, in such circumstances, to do all acts and to execute all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

5.3 Construction. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and the Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be
interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

5.4 Notices.

(a) Addresses. Except as otherwise required by law, any notice required or permitted under this Agreement shall be in writing and shall be given (i) by personal delivery, or (ii) by deposit in the United States mail or Canada Post (as applicable), certified or registered, return receipt requested, postage prepaid, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this Section, or (iii) by any nationally recognized express or overnight delivery service (e.g. Federal Express or UPS), delivery charges prepaid:

If to the City: City of Casa Grande
Attn: City Manager
510 East Florence Boulevard
Casa Grande, Arizona 85122
Telephone: (520) 421-8600
Facsimile: (520) 421-8604

With a required copy to: City of Casa Grande
Attn: City Attorney
510 East Florence Boulevard
Casa Grande, Arizona 85122
Telephone: (520) 421-8600
Facsimile: (520) 421-8602

If to Owner: AZ Sourcing, LLC
7047 East Greenway Parkway, Suite 190
Scottsdale, Arizona 85260
Attention: President
Telephone: (480) 525-8138
Facsimile: (602) 457-6779

With a required copy to: K. Scott McCoy, Esq.
McCoy Ramella, PLLC
3200 North Central, Suite 1200
Phoenix, AZ 85012
Telephone: 602.635.3333
Facsimile: 602.788.1156

(b) Effective Date of Notices. Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or three (3) business days after deposit in a post office operated by the United States Postal Service. Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective
upon its receipt (or refusal to accept receipt) by the addressee. Notwithstanding the foregoing, no payment shall be deemed to be made until actually received in good and available funds by the intended payee. Any Party may designate a different person or entity or change the place to which any notice shall be given as herein provided.

(c) Payments. Payments shall be made and delivered in the same manner as Notices; provided, however, that payments shall be deemed made only upon actual receipt, in good and available funds, by the intended recipient.

5.5 Time of Essence. Time is of the essence of this Agreement and each provision hereof.

5.6 Section Headings. The Section headings contained in this Agreement are for convenience and reference only and are not intended to define or limit the scope of any provision of this Agreement.

5.7 Attorneys' Fees and Costs. In the event of a breach by any Party and commencement of a subsequent legal action in an appropriate forum, the prevailing Party in any such dispute shall be entitled to reimbursement of its reasonable attorney's fees and court costs, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the parties and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute.

5.8 Waiver. The Parties agree that neither the failure nor the delay of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

5.9 Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement.

5.10 Exhibits. Without limiting the provisions of Section 1 of this Agreement, the Parties agree that all references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes.

5.11 Integration. Except as expressly provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement.

5.12 Further Assurances. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as any other Party may reasonably require to consummate,
evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of (a) this Agreement as in full force and effect and (b) the performance of the obligations hereunder at any time during its Term.

5.13 Business Days. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

5.14 Consents and Approvals. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, use or other matter, such consent or approval shall be given or denied by such Party in its reasonable discretion, unless this Agreement expressly provides otherwise.

5.15 Covenants Running With Land; Inurement. The covenants, conditions, terms and provisions of this Agreement relating to use of the Property shall run with the Property and shall be binding upon, and shall inure to the benefit of the Parties and their respective permitted successors and assigns with respect to such Property; provided, however, that no construction or similar performance obligation shall be imposed upon a purchaser of a "pad" or other parcel within the Project. Wherever the term "Party" or the name of any particular Party is used in this Agreement such term shall include any such Party's permitted successors and assigns. After Owner has obtained and paid for the design and engineering described in Section 3.1 and has paid the initial payment and posted the financial security for the balance of the remaining Sewer Line Fee as provided in Section 3.3, the City will, from time to time, as requested by Owner, confirm in writing that the owners of some or any part of the Property have no further obligations pursuant to this Agreement (although the sewer service and the offsets, credits or reimbursements shall continue to benefit the Owner) and/or provide partial releases or partial terminations of this Agreement with respect to such portions of the Property.

5.16 Recordation. Within ten (10) days after this Agreement has been approved by the City and executed by the Parties, the City shall cause this Agreement to be recorded in the Official Records of Pinal County, Arizona.

5.17 Amendment. No change or addition is to be made to this Agreement except by written amendment executed by the City and Owner. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Pinal County, Arizona. Upon amendment of this Agreement as established herein, references to "Agreement" or "Development Agreement" shall mean the Agreement as amended by any subsequent, duly processed minor or major amendment, as defined in Subsection 3.1(d). The effective date of any duly processed minor or major amendment shall be the date on which the last representative for the Parties executes the Agreement. If, after the effective date of any amendment(s), the parties find it necessary to refer to this Agreement in its original, unamended form, they shall refer to it as the "Original Sewer Line Extension Agreement." When the Parties mean to refer to any specific amendment to the Agreement which amendment is unmodified by any subsequent amendments, the Parties shall refer to it by the number of the amendment as well as its effective date.
5.18 Good Faith of Parties. Except where any matter is expressly stated to be in the sole discretion of a Party, in performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily or capriciously and will not unreasonably withhold, delay or condition any requested approval, acknowledgment or consent.

5.19 Nonliability of City Officials, Etc., and of Employees, Members and Partners, Etc. of Owner. No City Council member, official, representative, agent, attorney or employee of the City shall be personally liable to any of the other Parties hereto, or to any successor in interest to any of the other Parties, in the event of any Non-Performance or breach by the City or for any amount which may become due to any of the other Parties or their successors, or with respect to any obligation of the City under the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of Owner under this Agreement shall be limited solely to the assets of Owner and shall not extend to or be enforceable against: (i) the individual assets of any of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of Owner; (ii) the shareholders, members or managers or constituent partners of Owner; or (iii) officers of Owner.

5.20 Conflict of Interest Statute. This Agreement is subject to, and may be terminated by the City in accordance with, the provisions of A.R.S. §38-511.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

OWNER

AZ SOURCING, LLC, an Arizona limited liability company

By: ____________________________
Its: ____________________________

CITY

CITY OF CASA GRANDE, ARIZONA, an Arizona municipal corporation

By: ____________________________
Its: ____________________________
STATE OF ARIZONA  )  
COUNTY OF PINAL    )  

The foregoing instrument was acknowledged before me this ___ day of __________, by  
________________________________________________, the______________________  
of the City of Casa Grande, Arizona, an Arizona municipal corporation, who acknowledged that  
he/she signed the foregoing instrument on behalf of the City.

________________________________________________  
Notary Public

My commission expires:

__________________________

STATE OF ________  )  
COUNTY OF ________    )  

The foregoing instrument was acknowledged before me, a Notary Public in and for said  
State, this ___ day of __________, by ____________________, personally known to me (or  
proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to  
the within instrument and acknowledged to me that he/she executed the same in his/her  
authorized capacity, and that his/her signature on the instrument the person, or the entity upon  
behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

________________________________________________  
Notary Public

My commission expires:

__________________________