

TOWN OF TUSAYAN

at the entrance to Grand Canyon National Park



January 29, 2015

Stilo Development Group, USA, LP
c/o Tom DePaolo
7610 East McDonald
Scottsdale, AZ 85250
Facsimile: 480-991-8375

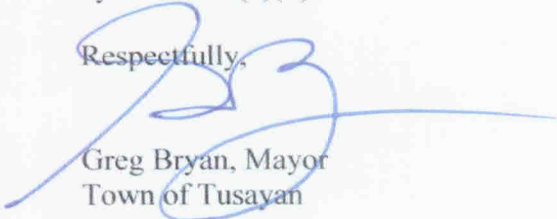
Re: Notice of Non-Performance under the *First Amendment to Pre-Annexation and Development Agreement* between the Town of Tusayan (“**Town**”) and Stilo Development Group USA, LP (“**Stilo**”), dated as of January 22, 2014 (“**First Amendment**”) which amended the Pre-Annexation and Development Agreement between the Town and Stilo, dated as of July 1, 2011 (“**Initial Agreement**”).

Dear Mr. DePaolo:

This letter provides notice pursuant to Section 20(b) of the Initial Agreement that Stilo has not met the condition under Section 8(c)(ii) of the First Amendment regarding the submission of a preliminary Camper Village Limited Commercial Development Site Plan (“**Preliminary Site Plan**”) on or before January 22, 2015. Pursuant to Section 20(b) of the Initial Agreement, the Town Council voted today to authorize an additional thirty (30) days from today (the date of Stilo’s receipt of this notice by facsimile transmission) to submit a the Preliminary Site Plan to the Town.

This extension does not extend the date for delivery by Stilo to the Town of materials required by Section 8(c)(ii).

Respectfully,


Greg Bryan, Mayor
Town of Tusayan

Cc: Grady Gammage
Facsimile: 602-256-4475