

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 1st day of June, 2016 and recorded on September 28, 2016 as instrument number 3764768 (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 June 1, 2109, 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 the 1<sup>st</sup> day of June, 2016 recorded on September 28, 2016 as instrument number 3764768 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 31<sup>st</sup> day of August, 2016.

**"GRANTOR"**

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

By: Federico Pelli Cioli

Name: FEDERICO PELLI CIOLI

Its: PRESIDENT

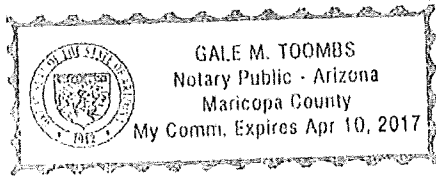
STATE OF ARIZONA )  
 ) ss.  
 COUNTY OF MARICOPA )

On this 31<sup>st</sup> day of August, 2016, before me, the undersigned officer, personally appeared Federick Pelliccioli who acknowledged him/herself to be the President 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 Dawn G. Melnyk, 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.

Gale M. Toombs  
 Notary Public

NOTARY SEAL:



Description of document this notarial certificate is being attached to:	
Type/Title	Special Warranty Deed with Reverter
Date of Document	
Number of Pages	7
Add'l Signers (other than those named in this notarial certificate)	

EXHIBIT A TO SPECIAL WARRANTY DEED

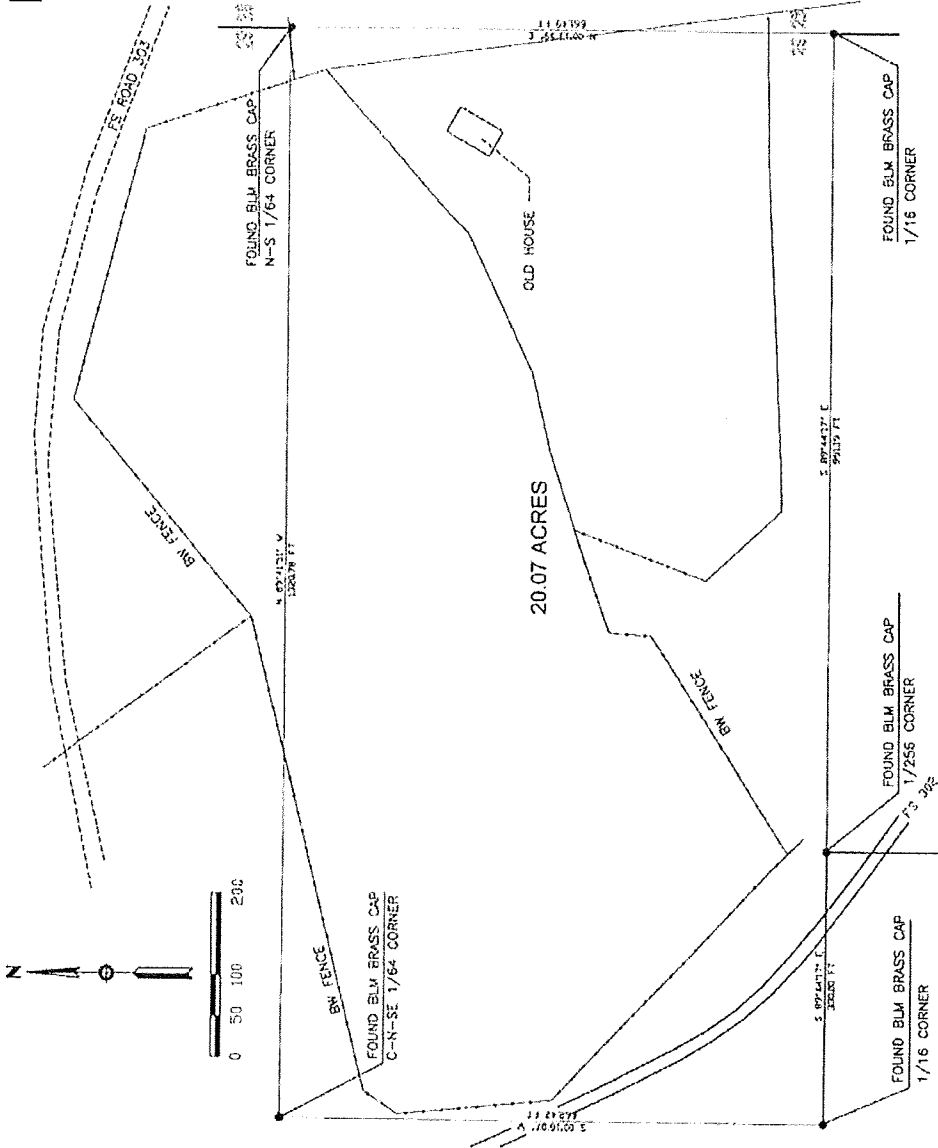
LEGAL DESCRIPTION

# 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:

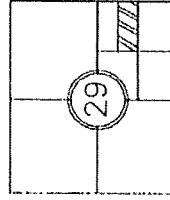
BEGINNING AT THE N-S 1/64 CORNER OF SAID SECTION 29, BEING A BLM BRASS CAP; THENCE ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 29, N89° 41' 51" W, A DISTANCE OF 1,320.78 FEET TO A BRASS CAP; THENCE S00° 16' 07" W, A DISTANCE OF 662.42 FEET TO A BRASS CAP; THENCE S89° 44' 17" E, A DISTANCE OF 1,321.19 FEET; THENCE N00° 13' 59" E, A DISTANCE OF 661.49 FEET, TO THE POINT OF BEGINNING.

### 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.



SCALE	1"=100'	RESULTS OF SURVEY
DATE	07-20-16	FOR
BY	HB	A PORTION OF TEN X RANCH
FOR	HB-MT	SEC. 29, T. 30 N., R. 03 E.
DATE	07-20-16	GILA & SALT RIVER MERIDIAN
NO. OF	15-002	COCONINO COUNTY, ARIZONA
DATE	1 15' 1	ALPHA-Omega ENGINEERING & SURVEY, LLC
NO. OF	N/A	
TOWNSHIP OF TUSAYAN		
P. O. BOX 972		
SKOONFLAGE, AZ 85937		



Location Map

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

Rev: 07-20-16 Comments by AKY

### 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, 665894, 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.